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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

SENATE

THURSDAY, JULY 3, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our fathers, whose Almighty hand hath made and preserved our Nation, grant that our people may understand what it is they celebrate tomorrow.

May they remember how bitterly our freedom was won, the down payment that was made for it, the installments that have been made since this Republic was born, and the price that must yet be paid for our liberty.

May freedom be seen, not as the right to do as we please, but as the opportunity to please to do what is right.

May it ever be understood that our liberty is under God and can be found nowhere else.

May our faith be something that is not merely stamped upon our coins, but expressed in our lives.

Let us, as a nation, not be afraid of standing alone for the rights of men, since we were born that way, as the only nation on earth that came into being "for the glory of God and the advancement of the Christian faith."

We know that we shall be true to the Pilgrim dream when we are true to the God they worshiped.

To the extent that America honors Thee, wilt Thou bless America, and keep her true as Thou hast kept her free, and make her good as Thou hast made her rich. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, July 2, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4031) making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes, and it was signed by the President pro tempore.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Senate resumed the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

The PRESIDENT pro tempore. Under the order of the Senate, the pending business is Senate bill 1461, the bill to extend certain powers of the President under title III of the Second War Powers Act.

The parliamentary situation is that the pending question is on agreeing to the amendment of the committee, which is a complete substitute for the text of the bill as introduced.

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. WILEY. I believe we should have a quorum. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hoey	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Bushfield	Johnston, S. C.	Revercomb
Butler	Kem	Robertson, Va.
Byrd	Kilgore	Robertson, Wyo.
Capehart	Knowland	Russell
Capper	Langer	Saltonstall
Chavez	Lodge	Smith
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Umstead
Dworshak	McKellar	Vandenberg
Ecton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Fulbright	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Rhode Island [Mr. McGRATH] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness in their families.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is absent because of illness.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WILEY. Mr. President, a famous preacher once said that after the first 15 minutes no sermon effectuated any conversions. I think that statement is very pertinent in the legislative session at this time, so I shall be very brief in my remarks.

Mr. President, S. 1461 is a bill to extend certain powers of the President under title 3 of the Second War Powers Act and under the Export Control Act until June 30, 1948, with certain limitations.

Now, what is the need for this action?

Section 2 of the bill succinctly sets forth the situation. It declares that it is the policy of the United States to eliminate emergency wartime controls of materials, except to the minimum extent necessary:

First. To protect the domestic economy from injury which would result from adverse distribution of materials which continue in short world supply.

Second. To promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States.

Third. To make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Fourth. To aid in carrying out the foreign policy of the United States.

It is well known that food allocations under the International Emergency Food Council, of which some thirty-odd countries are members, are recommended on a world basis. Inventories have been taken of foods throughout the world. We have attempted to appraise the needs of various nations, and thirty-odd nations have joined in this plan. The Secretary of Agriculture represents the United States. During the war, all exports were under control, comprising some 3,200 commodities. Today there are something over 300 commodities on the control list of the Department of Commerce. Because of world shortages and demands being made on the United States, for foods, manufactured goods, and raw materials, it is necessary to insulate our markets from the full impact of world demand in order that domestic prices do not get out of hand.

By the bill under title 3 of the Second War Powers Act:

(A) The President is authorized to control imports of tin and tin products, cordage fibers, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer materials, which controls, though in a lesser degree than the control of exports, influence in the same manner domestic prices and production.

(B) The President has power of domestic allocation of commodities in short supply.

(C) He has the power to require priority of production, transportation, and of export of nitrogenous fertilizer materials, materials which he determines expand or maintain the production in foreign countries of materials critically needed in the United States, and materials, upon the certification of the Secretary of State that the prompt export of such materials is of high public importance.

Export controls serve as an essential instrument for channeling exports of certain commodities, such as foods and coals, to particular countries in accordance with our foreign policy. As already stated, we are participating with other countries in determining allocations of essential supplies in world short supply, and we want to prevent their maldistribution. With respect to fats and oils, rice and rice products, import controls operate to prevent an undue flow into the United States at the expense of other countries in greater need.

Senators will bear in mind that the bill proposes to extend these powers for a year. However, the statute specifically provides that the Congress, by concurrent resolution, or the President, may designate an earlier time for the termination of any power.

As I previously stated, during the war some 3,200 commodities were under control. Controls have been reduced, until now there are approximately 300 commodities under control. Of course, it is not so much a question of the number of commodities as it is the amount that is involved.

Mr. President, I understand some amendments will be offered in relation to cordage. I might say parenthetically that I have received letters from cordage manufacturers and have had conversations with the representative of the cordage manufacturers, and have received letters from the State prisons which manufacture cordage, and they all express the belief that controls on cordage should be removed. But, Mr. President, while I am not a "fearist," that is, I am not one who believes in fear, I believe that sometimes the advantage of a little prescience, the exercise of a little foresight, is better than a considerable amount of hindsight. We are told that we have now coming into harvest the greatest wheat crop in our history. Of course, a considerable amount of the wheat crop does not need binder twine. It is estimated, however, that there will be a loss of from 30 to 40 percent of our normal corn crop in certain areas. Our oat crop will be less than the normal crop. We must make sure that we gather the total crop, so that there shall be no loss in connection with it.

I have requested from some manufacturers a guaranty that the twine needed will be available. I could not obtain such a guaranty. I have been given their sincere promise. I believe they are sincere in making the promise. But, Mr. President, if I produce an item worth $1 and one buyer on the domestic market offers me a dollar for it, and other buyer offers me $2 for it, the one who offers me $2 is going to be sold that item. The important thing to be considered in connection with twine is that we shall have no loss in our food production. That is important not only for America, but, God knows, it is important for the world.

Mr. President, I understand that some statement is going to be made in relation to removing import controls of fats. I think the import control should remain on fats. Of course, with our buying ability we can corner the fats market of the world. But we have certain obligations that I have mentioned heretofore in connection with the agreement entered into by thirty-some-odd countries in relation to fats. If there is any one food item the people of the world need it is fats. We have obligations in connection with our occupancy of Germany. We have obligations undertaken with respect to other lands under agreements which we have entered into, and in my humble opinion we must keep faith with those agreements. Therefore, we cannot import, we cannot permit our buyers, in my judgment, to buy the fats which the rest of the world so badly needs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I cannot understand the principle on which we limit imports of fats and oils into the United States. Only last week the President sent a message to Congress saying that under no circumstances must we limit imports of wool. There is a shortage of wool. There is a shortage of fats and oils. The President vetoed a bill because it contained a provision which might enable him to impose a tariff or fix quotas. Those are import controls. He vetoed that bill because he said it would prevent free trade in the world, would prevent our people from buying wool throughout the world. Yet we are now asked to place restrictions on the importation of fats and oils, with respect to which there is also a shortage, and prevent foreign countries from obtaining the dollars which might conceivably pay us for some of the things being exported.

I cannot understand the logic of the situation as between the two things. It is said that there is some agreement with respect to the distribution of these things throughout the world. If we are to have cartels throughout the world we ought to have import controls and quotas on everything. If not, I see no justification for continuing import controls on fats and oils.

Mr. WILEY. I do not vouch for the logic of the President of the United States. Nor do I believe that that is what we are considering. What we are considering is the legislative policy, for which we alone are responsible, even though the President has made the suggestion.

These are not logical times. These are times when everything is askew. Everything is out of gear. The world is not operating in high gear, or in mesh. It is out of mesh. So far as logic is concerned, if it is contended that we should buy wherever we can and take unto ourselves everything we can get, and go back on the international food agreement, while lending money to Europe so that Europe may come back here and buy the same fats from us, that is not logic, either. I feel that if we try to operate the Government on the basis of logic in these days, we shall find that it will prove to be inadequate. There is such a thing as the higher logic of the mind and the soul. Our responsibility is to keep our own economy healthy, and at the same time attempt to perform the function of a good Samaritan in helping to make other peoples adequate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to enter into a discussion of the wool question, which has been brought up by the Senator from Ohio. However, it seems to me that there is a situation with respect to wool entirely different from that which obtains with respect to fats and oils. There is no necessary relationship between the two, and no similarity between them. Our shortage of fats and oils is a temporary shortage, growing out of the war. Our people are being urged even now, 2 years after the war is over, to preserve fats and oils, not only for our own benefit but for the benefit of other countries, if we have any surplus. On the other hand, the shortage in wool is a permanent shortage. We have never had anything but a shortage in wool, so far as our own production and consumption are concerned.

Furthermore, placing restrictions upon the importation of fats and oils does not necessarily, if at all, relate itself to any international agreements with respect to trade. There is a temporarily emergent situation in which we are seeking to increase our own production of

fats and oils for our own consumption, as well as for whatever we may be able to do for other peoples who are suffering from an even greater shortage of those products than we are. I do not see the relationship between what is undertaken here in the extension of the authority under the Second War Powers Act and the President's veto of the wool bill the other day, and the subsequent action of Congress upon it. There has never been anything but a shortage of wool in the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. This country has never had anything but a shortage of fats and oils. We always import great quantities of fats and oils.

Mr. BARKLEY. We do; especially vegetable oils, but not necessarily animal oils.

Mr. TAFT. We have always imported large quantities of the kinds of fats and oils upon which import restrictions are now placed. Today we are unable to import those fats and oils. There is no attempt to allocate. This is simply an import control. The result has been that American users of fats and oils have been competing for a limited supply of fats and oils, and the prices of such fats and oils have been driven far beyond what they ought to be. For the kinds of fats and oils being imported today we are paying prices largely in excess of the world prices.

Mr. BARKLEY. We are importing fats and oils produced from vegetables which we ourselves do not produce.

Mr. TAFT. Yes. For the most part the fats and oils which we import are inedible oils, which we always have imported.

Mr. BARKLEY. We have also imported considerable quantities of edible oils.

Mr. TAFT. We usually export edible oils.

Mr. BARKLEY. I refer to oils such as olive oil, and things of that kind, which are produced in other countries, and which we do not produce. Olive oil is an edible oil.

The situation to which the Senator calls attention is not limited to inedible oils. Over a long period of years, in normal times we have exported animal fats, such as lard, and other fats of that sort; but we are not doing it commercially to a great extent at the present time.

Mr. TAFT. What happens today? We place export controls on edible fats, the result of which has been to force the price of lard below normal. Other countries want lard, but apparently our people are not particularly fond of it. We place such controls in effect at the same time we place import controls on vegetable fats and oils which come in from the Tropics. It seems to me that there is no logic in the situation. I do not like the continuation of any controls, but I can see the reason why, when we are spreading our dollars around the world so freely, we should protect our own markets from those dollars buying the things with respect to which we are in short supply. But I cannot understand why we should have import controls. It seems to me utterly inconsistent with our whole foreign trade policy, and the reciprocal trade policy, the purpose of which is to encourage imports into this country so that foreigners may have dollars with which to buy goods in this country.

It is said that the Food Commission is to divide up the oils and fats, so that we must restrain ourselves from buying free fats and oils. However, the countries in which we can buy them can place export controls on them if they so desire, and can to some extent guide the disposition of their fats and oils. The British do it. I do not believe that the removal of such controls would affect the world situation in any respect. I think it would reduce the price of fats and oils in this country. It would enable us to be more free in permitting the export of lard and fats of which we have a surplus. I believe very strongly that the attempt to continue import controls is far worse than raising the tariff or imposing quotas, to which the President objects in other fields.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to take the Senator's time, because I know that he is anxious to have the bill disposed of. However, I should like to say just a word. The question of whether the price of lard is below normal depends upon what is considered normal. Ordinarily, the price of lard goes along with the price of hogs and other animals from which lard is made. It presents to me a different situation. These controls may not be exercised. The bill merely provides for an extension of the power to apply them, if the President should see fit to do so.

Mr. WILEY. They can be terminated at any time.

Mr. BARKLEY. They can be terminated at any time. I am satisfied that whenever the President is convinced that they ought to be terminated, he will do so. This is merely a permissive extension.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. Are the nations which belong to the organization which determines the quotas for export and import of these various products the nations which produce all the oils and fats, or are there some other nations which would be an open market, and would sell to anyone, disregarding the regulations of the Commission?

Mr. WILEY. I cannot answer the question definitely, except to say that it appears to me, from the list contained in the report, that there are involved South American countries, Australia, Mexico, the Union of South Africa, the United Kingdom, United States, and a number of small countries. I suppose there are some countries which have not yet come in.

I want to state again, Mr. President, that I can agree with the statement of the distinguished Senator from Ohio that perhaps it is not logical; but the committee in its report makes this statement:

> It is the opinion of the committee that the chief purpose of import controls of oils and fats is to give strength to the commitments made in the IEFC and to deficit countries who are members of the IEFC that this country will not use its favorable financial position to capture free supplies of oils and fats which deficit countries sorely need.

The report takes up the subject of fats and oils on page 22; and Senators will find a summary of the testimony for and against this proposition. The controls can be terminated at any time. If the world situation would clear up, they would be terminated. On the other hand, if the world situation should get worse in relation to food, especially fats and oils, it is very important, to my mind, at least, that the instrumentality be present to enable us to handle the situation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I want to point out, with regard to our obligations to the rest of the world, that this country is exporting more food than any country has ever exported in the history of the world. We are performing all our obligations to the world. We are exporting large amounts of edible fats and oils, and I cannot see that we need voluntarily to restrict ourselves in buying things which we can buy. If we import them, we will be able to export more products after they are processed.

Is it not true that every member of industry who testified was opposed to the continuation of these import controls, and that the only pressure for it came from Government officials?

Mr. WILEY. In answer to the last question of the Senator, I will say that the Senator from Kentucky [Mr. COOPER] is the one who held the hearings. I was only in and out during the hearings. The Senator's question would have to be answered by the Senator from Kentucky. Judging from the summation in the report, I think that probably the question should be answered in the affirmative.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. If the Senator will wait one moment until the Senator from Kentucky [Mr. COOPER] has an opportunity to respond.

Mr. COOPER. Mr. President, there was only one man who appeared with reference to fats and oils, as I recall the testimony. That was Mr. John B. Gordon. A little bit later, when I take up the bill, I expect to explain in some detail the evidence and testimony respecting these various commodities. I should prefer to wait until that time.

Mr. TAFT. Mr. H. W. Prentis, Jr., president of the Armstrong Cork Co., is also referred to in the report as having testified against the continuation of import controls on linseed oil.

Mr. COOPER. That is correct.

Mr. FERGUSON. Is it not true that by putting on these import controls in that way we are keeping dollars from certain countries that are in need for them? Take a country which has fats and oils, but which is in need of American dollars. By this method of control we keep from them American dollars and compel them to take some foreign exchange or none at all for their fats and oils, whereas at the same time we control the imports of fats and oils we are shipping these products to foreign nations. As I see the picture, we are just controlling them and increasing the price in this country. Is it not a fact that we keep American dollars from the other countries?

Mr. WILEY. Again I shall have to defer to my colleague, who has gone into the subject in much more detail.

At this time, Mr. President, I want to close my remarks, and I shall ask the Senator from Kentucky [Mr. COOPER] to go into the subject quite fully.

As I look over the world and see the need of various nations, I think that if there is any country, such as Australia, for instance, which undoubtedly has fats, she would undoubtedly sell them to England or to other parts of the Empire. If there are places in South Africa possessing fats and oils, instead of our buying those products and bringing them over to this country and shipping them back, we could so arrange it that other nations who have dollars, through our various banks and through various international loans, can get those fats directly. That would seem to me to be the answer.

When a man is diligent and conscientious and possesses other much-sought-for human qualities, the chairman of a committee welcomes him with open arms. Our associate the Senator from Kentucky [Mr. COOPER] is a veteran of the last war. He possesses these qualities and three others which endear him to all his associates. He has judgment, courage, and ability to get at the facts and the issues in a given matter. He received only one directive from me in connection with this matter. When it came before the Committee on the Judiciary I appointed him as chairman of the subcommittee and said, "Get the facts." He has held numerous hearings, and examined many witnesses, and I should like to have him take over from here on.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. OVERTON. With respect to rice, does the bill affect only the importation of rice, or does it also affect the exportation of rice?

Mr. WILEY. I think the Senator's colleague has taken care of that by inserting the word "only."

Mr. ELLENDER. Section 3 of the pending measure amends title III of the Second War Powers Act, insofar as the importation of rice and rice products is concerned. There is another section of the bill, section 4, which deals with the exportation of various products, including rice.

Mr. OVERTON. I am glad the Senator is here, because he is much more familiar with the situation than I am.

Mr. ELLENDER. Mr. President, since we are now dealing with rice and rice products, will the distinguished junior Senator from Kentucky yield to me for just a moment so that I may submit a noncontroversial amendment for consideration?

Mr. COOPER. I yield.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which adds the word "only" after the word "control", on page 7, in line 15, of the bill. Title III of the Second War Powers Act conferred certain powers on the President of the United States respecting controls and priorities of various products. Under that title the Department of Agriculture in the past used its authority to set aside certain quantities of rice and rice products and fix priorities and control prices thereon. Although the pending bill seems to deal solely with the importatior of rice and rice products, I believe that by the addition of the word "only" after the word "control", on page 7, in line 15, it will make certain that the only authority that the Department will have in respect to rice and rice products under section 3 of the bill will be as to their importation. In other words, I desire to make it certain and crystal clear that the power to control prices, or to order set-asides or enforce priorities, insofar as rice and rice products are concerned, is not hereby renewed or extended.

In pursuance of that objective, I took up the matter with the Department of Agriculture, so as to obtain its views of what powers it thought the extension of title III of the Second War Powers Act now under discussion renewed insofar as rice and rice products are concerned.

Mr. President, at this time I wish to read in the RECORD a letter addressed to me from the Department of Agriculture, dated June 26, 1947, explaining what the act will do and why it is necessary to have import controls and export controls insofar as they affect rice and rice products. The letter reads as follows:

DEAR SENATOR ELLENDER: This is in reply to your telephonic request for information regarding the provisions of pending legislation to extend certain emergency powers and export controls and administrative action which might be taken under such legislation as they affect rice.

The only controls over rice and rice products which would be authorized under the pending legislation are those over imports and exports. It would not authorize the use of set-asides, priorities, or price control.

Let me say that the rice industry objected to an extension of title III of the Second War Powers Act last March and at present insofar as the extension permitted the Department of Agriculture set-asides, priorities, and price controls.

I read the remainder of the letter:

The authority to control imports appears to be necessary to prevent the importing of rice into this country to the detriment of other consuming areas. The authority to limit exports appears necessary to assure domestic consumers of obtaining their fair share of domestic production and to assure proper destination of such quantities as are available for export.

Since there has been some misunderstanding of the provisions relating to export control, I want to make it perfectly clear that the legislation does not authorize any form of control which could be used to meet export allocations. On the contrary, it does authorize the limitation of exports if necessary to prevent the exporting of an undesirably large proportion of the crop.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD a telegram dated June 28, addressed to me, from Homer L. Brinkley, general manager of the American Rice Growers' Cooperative Association, and also a letter of June 27, 1947, from the Rice Millers' Association, of Louisiana, which are self-explanatory. I will not take up the time of the Senate to read them. The telegram, as well as the letter, explains the views of the rice industry on the pending measure.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

LAKE CHARLES, LA., *June 28, 1947.*

Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.:

We regard continuation of both import and export controls on rice to be tremendously important for next year in order to protect domestic markets, including Puerto Rico and Hawaii and our Cuban export market. In view of world shortage, our domestic and Cuban markets might be drained if no export controls were imposed. If import controls are not imposed, it is entirely possible that imports from countries desperately in need of dollar exchange would come into domestic markets over our tariff wall, particularly if present price structure is maintained. We understand investigation is under way now by Puerto Rican governmental purchasing agency with the view to bringing in Brazilian rice with the Puerto Rican agency paying the import duty, which would be merely a bookkeeping transaction, since duty paid on imports to Puerto Rico remain in Puerto Rican treasury. Greatest potential threat to our industry now seems to be Brazil. To date they have not renewed their sales agreement with Great Britain, and this leaves them in position to threaten all our markets, including domestic markets. If United States export-import controls are extended, we will have far better bargaining powers so far as Brazil is concerned. Furthermore, it is our belief that the extension of these controls will constitute a moral obligation on our Government to see that our tremendou exportable surplus being produced this year will all be allocated and moved out to all available markets, with due consideration to the requirements of our domestic markets.

We urge you to take all necessary steps to see that these controls become effective.

HOMER L. BRINKLEY,
General Manager, American Rice Growers Cooperative Association.

THE RICE MILLERS' ASSOCIATION,
New Orleans, La., June 27, 1947.

Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ELLENDER: We are deeply grateful to you for your painstaking efforts in behalf of the domestic rice industry. It

was, indeed, thoughtful of you to call the writer over telephone this forenoon and discuss with him the action which you are taking with respect to S. 1461.

We are not opposed to legislation to provide authority to restrict or curtail imports of rice, nor are we opposed to providing authority to designate foreign countries to which rice may be shipped and to specify the maximum amount which may be shipped to each country. But we are unalterably opposed to authorizing any form of control which could be used to implement export allocations, and thereby deprive the rice industry of furnishing the domestic market the maximum quantity of rice that it can utilize for comestible and industrial purposes. We believe that it is desirable that any legislation enacted make crystal clear that with respect to rice, authority to provide controls are limited to controlling the quantity which may be imported or exported. It is our opinion that this could be accomplished in specific legislation to authorize import-export controls and we believe that would be a better plan than to authorize any extension of controls for rice under title III of the Second War Powers Act, as the powers conveyed by that title are extremely broad and so vague that they can be and have been interpreted by the administration as suits their purpose.

It will give us pleasure to inform the industry generally of the work you are performing in its behalf.

With kindest personal regards.

Sincerely yours,

W. M. REID,
Executive Vice President.

Mr. ELLENDER. Mr. President, I now submit the amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 15, after the word "control", it is proposed to insert the word "only."

Mr. COOPER. Mr. President, there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment to the amendment was agreed to.

Mr. COOPER. Mr. President, I want to thank the distinguished Senator from Wisconsin [Mr. WILEY] for his very kind and generous remarks. As he has said, the purpose of Senate bill 1461 is to extend certain emergency powers of the President until June 30, 1948, powers which, if not extended, will expire on July 15, 1947. The powers which this bill proposes to extend are exercised by the President under the authority of two acts of Congress. The first is familiarly known as the Export Control Act, and the second as title VII of the Second War Powers Act.

I must admit that my study and knowledge of these provisions is of short duration; but during the last 6 weeks I have become convinced that the full scope and implications of these powers are not fully recognized. If the Senate will bear with me for a short time, I shall discuss, as briefly and as simply as I can, the nature of these powers, the method of their present administration, and, in a limited way, their effect upon our domestic economy and foreign policy.

For approximately 6 weeks, a subcommittee of the Judiciary Committee, composed of the Senator from Wisconsin [Mr. WILEY], chairman of the full committee, who gives his valuable aid to every subcommittee, the junior Senator from Oklahoma [Mr. MOORE], the senior Senator from Nevada [Mr. MCCARRAN], and myself, conducted hearings. We heard over 50 witnesses, who gave approximately 1,200 pages of testimony. We endeavored to secure the testimony of every person or association that we thought was interested in this subject. I must say, frankly, that very few of them appeared, and that not too great an interest was indicated by the trade and by the people whose commodities are subject to control.

Addressing myself to the export controls, let me say that the powers which are exercised by the President, are exercised under authority of the act of July 2, 1940, which in its terms gives the President the power to say whether any commodity produced or manufactured in the United States shall be exported. It should be borne in mind that since the enactment of the act in 1940, no limitation has been placed by the Congress upon this power of the President; and today the President can say whether any commodity produced or manufactured in this country shall be exported or shall not be exported. When determination is made that a commodity may be exported, the President can decide what volume of the commodity may be exported, he may determine to what countries it may be exported, and he may prescribe quotas for such countries.

Take, for example, wheat: The President may determine that wheat may be exported; second, that 400,000,000 bushels of wheat may be exported; third, that certain countries, perhaps Great Britain, France, Belgium, and any other countries the President might name—shall receive the 400,000,000 bushels of wheat; and the President can determine the quotas to be allotted to the selected countries.

During the war, at the peak, approximately 3,300 commodities were under export control. By last year that number had been reduced to 750, and today there are 397 products comprising 19 classes, whose control for export purposes is limited.

At this time I should like to have printed in the RECORD, as a part of my remarks, the list of classes of commodities which are under export control. There are some 19 classes of commodities, and the list appears on page 6 of the committee report. I ask unanimous consent that the list of 19 classes appearing on page 6 of the committee report be printed as a part of my remarks at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Meat and meat products; animal and vegetable fats and oils; dairy products; fish and fish products; grains and preparations, including barley, corn, rice, and flour; fodders and feeds; sugar; crude rubber; fibers; building materials; coal; petroleum products; steel-mill products, including tin plate, scrap, steel pipe, wire, nails, and other iron and steel manufactures; copper, brass, lead, zinc, and tin and their manufactures; electrical machinery and apparatus, such as batteries, small motors, and electrical conduits; industrial chemicals and fertilizers; medicinal and pharmaceutical preparations, including streptomycin, quinine, and insulin; pigments for paints and varnishes, etc; soap and toilet preparations.

Mr. COOPER. Mr. President, the list of commodities under export control does not truly indicate the extent of the power. Its extent is more accurately reflected by noting the types of commodities which are under export control and their value. They are basic commodities such as food, coal, lumber, and steel.

Their volume in terms of dollars is indicative of the extent of control. It is my information that after the last war the highest volume of exports from this country, in terms of dollars, was about $8,000,000,000. In 1929 it was $5,241,000,000 which, until 1945, was the largest in peacetime in the history of this country. During the thirties the value of exports decreased to an average of two and a half to $3,000,000,000 a year.

At this time I ask unanimous consent to have printed in the RECORD as part of my remarks the table found on page 6 of the committee report which gives the dollar value of exports during the years 1934 to 1940.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1934	$2,133,000,000
1935	2,282,000,000
1936	2,455,978,000
1937	3,349,167,000
1938	3,094,440,000
1939	3,177,176,000
1940	4,021,146,000

Mr. COOPER. Mr. President, in the calendar year 1946, the total value of exports from this country, controlled and uncontrolled, was $9,800,000,000. The value of exports under control was $2,500,000,000. It is estimated that in this calendar year between fifteen and seventeen billion dollars of commodities will be exported, and that between four and five billion dollars of the total will be under export control and under the power of the President.

I should like to pass for a time to the method by which export control is administered by the President. The act gave him the power to designate any agency of government to carry out his powers. He has designated the Secretary of Commerce, and in the Department of Commerce, in the Office of International Trade, there is a section called the Commodity Branch, which is charged with the administration of the power, including the issuance of licenses to exporters.

To advise the Secretary of Commerce, there has been established an interdepartmental committee known as the Export Control Committee, made up of representatives of various departments of the Government which are interested in products under export control. On the committee is a representative of the

Secretary of Agriculture, interested in food; a housing expediter, interested in building products; a representative of the Office of Defense Transportation, interested in transportation; and representatives of the Department of Commerce, interested in industrial products.

It would appear from this delegation of power to the Secretary of Commerce that he is actually exercising full control over exportable commodities. But the committee found that in practice such is not the case. He does maintain and reserve to himself the power to make decisions with respect to industrial products, but food products, which make up the great portion of the exports, are administered by the Secretary of Agriculture under authority of an Executive order of the President.

Control over the export of building materials is administered by the Housing Expediter.

I should like to point out now, as the preface to a statement I shall make later, that in this respect we found a division of authority and a lack of coordination in the administration of the export of these basic commodities.

I will discuss briefly the method by which the allocations and exports of food are determined. The first organization which deals with the export of food is not an organization of our Government. It is known as the International Emergency Food Council. In 1941 the Combined Food Board was established by the United States and the United Kingdom. In 1942 Canada became a member of the Board, and in 1946, taking note of the fact that food was the great concern of the world, 34 nations, including the United States, formed the International Emergency Food Council.

I ask unanimous consent that the list of nations appearing on page 3 of the record may be made a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Australia, Austria, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Finland, France, Greece, Hungary, India, Ireland, Italy, Mexico, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Republic of the Philippines, Siam, Sweden, Switzerland, Turkey, Union of South Africa, United Kingdom, United States.

Mr. COOPER. The office of the IEFC is in Washington. The member from the United States is the Secretary of Agriculture. Its secretary general is Mr. D. A. FitzGerald, from the Department of Agriculture, a very able and industrious man. The organization deals with seven basic commodities—cereals, rice, fats and oils, fertilizer, sugar, cocoa, and seeds.

The organization asks its member countries, and other large producers in the world who do not belong to the organization, to submit to it estimates of production of the commodities named above and estimates of their requirements. From the information a kind of balance sheet is made up, on which is determined the maximum amount countries can export, and the minimum amount of imports countries may receive. Of course, the purpose is to attempt to secure an equitable distribution of the short supply of food in the world. Recommendations are made to the member countries, and if the governments concur, the recommendations become the action of the IEFC.

The Senate should remember that when determination is made by the IEFC of the amount of any commodity this country should export, the Secretary of Agriculture, being a member of the council, and having secured tentative approval from his Government, certainly would believe that there is a moral commitment upon his part to ask the Secretary of Commerce to agree to such allocations. We found that agreement is secured.

I pass now to consideration of the powers which are granted to the President under title III of the Second War Powers Act.

In attempting to draw some distinction between export control powers and the powers exercised under title III of the War Powers Act I point out that under the Export Control Act no direct control is exercised upon individuals upon businesses, or upon producers in this country. All that is done is to determine the exportable quantity of any commodity, and then make allocation for distribution among the nations to whom it is determined exports shall be made.

The powers granted under title III of the Second War Powers Act are of different natures; if Senators will examine the bill which has been submitted, at section 3, page 7, which section relates to the extension of these powers, I can point out briefly their nature.

First, on page 7 reference is made to tin and tin products, manila fiber and cordage, and antimony. The provisions represent the power to allocate within the United States for specific purposes certain commodities which are in short supply in the world and in this country.

Taking tin as an example, the evidence indicated that before the war the total supply of tin in the world was 200,000 tons, of which the United States used over 50 percent, over 100,000 tons. Today the total world production is only 117,000 tons, and the testimony indicated that if we could secure all the tin we could use, we would use 120,000 tons, which is more than the entire world production. Our total supply of tin from all sources, is about 90,000 tons, and to secure its most effective use the President has the right to name the uses for which tin can be employed, and necessarily to allocate it and direct it to certain manufacturers for those uses.

In the case of tin, there not being enough tin for all purposes, it has been determined that tin shall be used for specific purposes, notably in the use of tin plate for tin cans for the packing of foods, and for bearings necessary for transportation and for farm machinery. Having determined what is called the end uses of tin, the supply is then allocated to certain manufacturers, who can use it only for the specified purpose.

A second type of control is authorized in paragraph 3, on page 7, referring to fats and oils, rice and rice products, and nitrogenous fertilizer materials. It is a different type of control. It is the power to restrict imports of these three materials. The argument for justification is based upon three grounds: First, they are commodities which are absolutely necessary and in tremendously short supply in the world; second, that while we do not have all that we could use, we have more than anybody else, and we have a reasonably good supply; and, third, that if import controls were lifted, then, with our dollars, we would be in position to capture and bring into this country a greater part of these materials available in other countries, and thus deprive needy countries of the small supply that they can now purchase.

I shall discuss for a moment fats and oils. I note that the Senator from Ohio is not on the floor at the moment. When he returns, I shall go into that matter again, to further develop the reasons I now advance for the continued control of fats and oils.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. COOPER. If the Senator will permit me to finish this discussion, I shall be glad to yield. Does the Senator desire to ask a question?

Mr. O'MAHONEY. No. I want to secure a copy of the report of the hearings.

Mr. COOPER. I yield.

Mr. O'MAHONEY. I desire to read the hearings upon this bill. I find that they are not printed. Upon finding that to be the case, I thereupon asked the Secretary for the minority to secure a copy of the transcript from the office of the Judiciary Committee. The clerk who responded to the call seemed to be under the impression that the transcript of the hearings could not be sent upon the floor. Therefore, Mr. President, I ask unanimous consent that the Secretary be requested to bring the transcript of the hearings to the floor, in order that I may consult them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. COOPER. Turning to fats and oils, the evidence before the committee indicated that the present production of fats and oils in the world, taking into consideration the increased population, amounts to about 65 percent of prewar production. In certain devastated countries, the production amounts to about 20 to 25 percent. In our country we are producing 95 percent of our total prewar production.

There are two types of oils, edible oils, and nonedible oils. We have a surplus of edible oils, and we are exporting about 325,000 tons of edible oils a year. We are importing 375,000 tons of nonedible oils. If import controls should be removed, we would be able to purchase the short supply of edible oils that can be purchased in the world, and thus make it impossible for needier countries to secure the oils they need. Furthermore, if the IEFC continues in operation, the amount we import would be charged

against our total supply, and an increased export allocation of fats and oils would be made to other countries; so it seems in the long run we would gain nothing by importing more fats and oils.

I should like to speak for just a moment about fertilizers, because there has been a great deal of controversy about fertilizers. A great many people give the opinion that there is a great shortage, a lack of production of fertilizer in this country. The evidence shows that whereas, before the war, we were producing about 7,000,000 tons of fertilizer annually, today we are producing 14,000,000 tons of fertilizer. The need arises from the increased demand brought about by improved farming methods and by higher prices for agricultural products.

One valuable type of fertilizer used is nitrogenous fertilizer. The total supply in the world toda: is 2,700,000 tons against a demand for 3,800,000 tons. We have 886,000 tons, of which amount we import 200,000 tons, one-half from Canada, one-half from Chile. If we lift controls and permit the free importation of nitrogenous fertilizer materials we could capture with our dollars the available nitrogenous fertilizer in Canada and in Chile, and thus deprive the rest of the world of needed fertilizer. The importance of fertilizer today is illustrated as follows: We are shipping food to Europe. It has been demonstrated that 1 ton of fertilizer sent to Europe equals 15 tons of food sent by us to Europe.

A third type of power that is granted under the pending bill is indicated in paragraph 4, page 7. Briefly speaking, it gives the President power to give priorities and to require that certain articles be exported to other countries, in order to encourage the production of critical products that we need. To give an example, we are importing tin from Bolivia. If the President should determine that production of tin in Bolivia, and thereby our imports, would be increased by sending steel or lumber to Bolivia, he could order steel or lumber sent to Bolivia under the authority of this paragraph.

Finally, the fourth power which is granted to the President is authorized in paragraph 6, page 7. It is a power which is intended to implement the foreign policy of this country. It gives the President the power to give priority for the exportation of commodities to foreign countries, upon certification by the Secretary of State that such action is necessary for the successful carrying out of our foreign policy. Mr. Acheson, in testifying before the committee, gave this example: He said that in undertaking the program of rehabilitation now started in Greece it is known that it will be necessary to repair a certain bridge, in order to make available an entire railroad, necessary to the transportation system of Greece. This paragraph would give the President the power to send to Greece for that specific purpose that necessary amount of steel. I think the short summary of the powers which I have indicated here should give us some notice of the extent of these powers. They are broad powers. They are very extensive powers.

We have heard a great deal lately about high prices. We cannot fail to take into consideration the effect that the control of $4,000,000,000 to $5,000,000,000 of commodities is having upon prices in this country. We have a surplus of wheat and coal and other commodities. As export controls are opened, the surplus moves and prices are higher. If controls are tightened, the surplus is freed, and prices drop. It is a form of price control. It affects production and supply, and it still imposes certain limitations upon free enterprise and upon individual enterprise. It is a type of control we do not want. Yet, after hearing all the testimony, the committee recommends that these great powers—and they are great powers—be extended for 1 year until June 30, 1948.

Not all members of the subcommittee agreed to that recommendation, but it was the finding of the committee. We based our finding upon these facts. First, we believe it is necessary in order to protect the domestic economy of the country. We recently had an illustration of public opinion when controls were lifted, and that illustration came with respect to petroleum. There were no controls upon petroleum. It was found that petroleum was being exported to Russia, and immediately there arose the demand that controls be reimposed on petroleum.

Wheat today is selling in the United States for $2.25 or $2.35 a bushel. In the Argentine it is selling for $4 to $4.50 a bushel. World production today is estimated to be 5 percent less than normal production, but the population of the world has increased approximately 10 percent over the prewar population. The United States is producing 40 percent more food than it did before the war. If controls were lifted from food products needy countries would certainly come to this country and secure all the food they were able to buy and would lessen our supply, and domestic prices would rise.

Second, the committee recommends the continuance of controls because we believe they are necessary to our foreign policy. Last year the United States exported fourteen and a half million tons of cereals, as compared to the annual average of one and a half million tons before the war. Under our obligations to occupied territories we sent five million tons of cereals to Germany and to Japan.

We have recently voted $350,000,000 for relief purposes in Europe, and if the relief program is to be carried out, if our obligations in occupied territories are to be carried out, we must be able to secure the food and the wheat and to send them to those areas where we have made commitments. We must be able to do what we say we will do, at the proper time.

A great deal is being said about a program of rehabilitation for western Europe. If it materializes it will be necessary to assure the export of needed commodities to the proper areas. Export control gives the Government the power to direct exports to the countries to which we want exports to go.

Mr. President, if we do not have controls, countries possessing dollars, notably some countries in South America, Russia, and Spain, would have the opportunity to buy our exportable surpluses to the disadvantage of the countries we want to help, to the disadvantage of countries to whom we have obligations. Upon the above considerations we recommend extension of control.

Before I close I want to point out some errors in the administration of the acts that we believe should be corrected. First, we found that there was not any adequate consultation with private industry and the trades. We recommend that if controls are continued, procedures be adopted to secure the advice and consultation of private industry.

Second, there was a great deal of complaint about licensing procedures. Licenses now are granted upon the basis of 85 percent to the historical exporters, those who exported before the war or in war years, and 15 percent to new exporters. There was complaint that this ratio does not make adequate provision for new businesses. It is an arbitrary division, but we recommend that it be reviewed and that every effort be made to secure a more adequate distribution of licenses among exporters.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. COOPER. I should like to finish. I will finish in a few minutes.

The PRESIDING OFFICER. The Senator declines to yield at this time.

Mr. COOPER. A more important criticism was directed to the fact that country allocations of steel, lumber, and several other basic commodities have not been made. One argument advanced by the Government for the extension of control was to preserve the power of the Government to direct which are in the greatest need and which are important to our foreign policy. Yet we found that with respect to steel the policy of the Government was to make a determination of the total amount that could be exported, and then let the whole world come and bargain and compete for the available amount.

We were not able to secure very much testimony upon steel, but the able and distinguished Senator from Pennsylvania [Mr. MARTIN] had conducted extensive investigations upon that subject. He appeared before the committee. He made a report of his findings, and in every instance we have found his findings correct. He made recommendations as to certain procedures that should be adopted by the Department, and we have said in our report that the Department should take his recommendations into consideration.

Steel is selling for about $65 a ton upon the domestic market. Yet by this practice of nonallocation, countries to whom we have loaned money and to whom we have granted money must come into this country and pay $125 and $135 a ton for steel, bargain with each other, bargain with nations who are not as friendly to us as the nations to whom we have loaned or granted money, and as a result the money which we have loaned or granted is being used up quickly, at the expense of the American taxpayer.

Another complaint that was made was concerning the Government policy of

wheat procurement. Strong representations were made by the trade that the trade should be permitted to procure wheat for export. After full consideration of the arguments, the committee did not change the present procedure.

In the bill we do attempt to set out the details of administration. We do make certain recommendations in the committee report.

However, the basic weakness of the present administration, in the opinion of the committee, lies in its division of authority. Although the President has delegated the power to the Secretary of Commerce, he is only exercising his power with respect to industrial products. The power to make decisions with respect to food is exercised by the Secretary of Agriculture. With respect to housing materials it is exercised by the Housing Expediter. If a controversy should develop between the various agencies of the Government as to a proper course of action the Secretary of Commerce should make the decision. Because we believe that the problem of controls is a basic one, and because we believe that the control of $4,000,000,000 or $5,000,000,000 of commodities is one of the major factors in price increases in this country, we first proposed that definite responsibility for administration should be fixed. We proposed that an Administrator of Exports and Imports should be nominated by the President and confirmed by the Senate, and that full authority be given to exercise power and control. I am convinced, after consultation with committees of the House, that the House will not agree to the provision; but so strongly do I feel upon the question I shall offer an amendment which will require the Secretary of Commerce to exercise the control and authority delegated to him.

To explain the difficulties which could arise from a lack of unified authority, I make this observation: As I have previously stated, the Secretary of Agriculture in actual practice makes the final determination as to the amount of food that shall be exported from this country, the countries to which the food shall go, and the quotas allotted to them. The War Department has an interest in the food that is to be exported, because it is the responsibility of the War Department to make provision for our occupied zones. The Secretary of State has an interest in the food supply, because it is his responsibility to administer the $350,000,000 relief program. Under the present practice there is the possibility of three competing claims for our supply of food; and, so far as we could learn, in case of conflict no one other than the President would make a final decision. I think it is very importan that someone be charged with the full responsibility of exercising authority.

I give one further example. We learned in the hearings that there is a shortage of some petroleum products in the country. There is a shortage in this country of pipe; and according to the evidence a part of the petroleum shortage arises from the fact that there is not enough pipe to increase domestic petroleum production. It was also brought out that in certain sections there will be a shortage of gas this winter, arising from the fact that pipe lines cannot be constructed because of the shortage of pipe. These matters are of great interest to our domestic economy. On the other hand, it was developed that supplies of pipe have been exported to foreign countries to stimulate the production of oil in those countries from which we expect to import. There was some evidence that that had been done to the detriment of our own domestic situation. If these claims are conflicting, some officers of this Government should have the power and responsibility to resolve them. I regret we could not find out that there is anyone today who would make such a decision, other than the President himself.

I believe that the program deserves greater coordination than it has been receiving.

In all fairness, however, I wish to say that in our hearings there did not develop any indication of red tape. We believe that the Secretary of Commerce, the Secretary of Agriculture, the Secretary of State, and those under them have generally administered the program with as little interference with enterprise as is reasonably possible under a system of controls. This statement, made in fairness, does not detract from the argument that specific responsibility should be placed upon an official of the Government.

Mr. President, I should like to offer several amendments to the committee amendment to Senate bill 1461.

The PRESIDING OFFICER. If the Senator from Kentucky will offer them one at a time, they will be disposed of in that way.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Perhaps the Senator has discussed this question, but I wonder what, if any, information he or his subcommittee may have as to the amount of stored fat meat in this country at the present time.

Mr. COOPER. I have such information.

Mr. HICKENLOOPER. I should be glad to have the Senator give us the information, and tell us what the situation is with regard to the storage and movement of that commodity.

Mr. COOPER. A few minutes ago the Senator from Ohio [Mr. TAFT] asked a question about the number of witnesses who opposed continuance of controls upon fats and oils. I was in error in my statement when I said that only one witness opposed continuation. Upon examination I find that there were three. One was Mr. Gordon, to whom I have referred. Another was the representative of the Armstrong Cork Co., who objected to the control of linseed oil. The third was a packer named Mr. Behrman. His objection was directed to the price of lard, and the fact that export controls had resulted in the retention in this country of too much lard.

Mr. HICKENLOOPER. I have been informed—although I have not the statistical facts to bear it out—that in this country we have a tremendous storage of lard and what we call fatback, from pork, and other food products which are being held in storage, far in excess of demand. I am informed that export licenses are refused for the export of such material, and that it continues to pile up. I understand that the storage space is full at this time.

Mr. COOPER. After Mr. Behrman testified I asked for statistics from the Department of Agriculture. I have the following information as to lard stocks, in millions of pounds, for certain prewar years. For the year 1935, as of June 1, 90,000,000; 1936, 100,000,000; 1937, 194,000,000; 1938, 124,000,000; 1939, 130,000,000. The amount shown in storage as of June 1 this year is 149,000,000 pounds, which is in balance with the amounts in storage in prewar years. I think the objection grew out of the fact that the price of lard had dropped from about 30 cents a pound to 19 cents a pound. However, it is still much higher than it was before the war. I talked with representatives of the Department of Commerce after this testimony was heard, and the impression I gained was that export controls upon lard would be relaxed so as to permit a larger amount to go out of the country.

Mr. HICKENLOOPER. Mr. President, I thank the Senator for this information, but I am of the impression at the moment that in the prewar years we had a surplus of lard which caused the continuing mounting supplies. We did not have sufficient outlets for the lard or for the fat portions of the hog. At the present time, according to information which I have just received, we have a vast demand all over the world for fats of this kind, not only for lard but for the fatty parts of the hog carcass, and the controls are being so exercised that the products cannot be taken out of storage and shipped abroad, even though there is a great demand and even though we have an excessive amount in this country over and above our needs or reasonable demands. I do not have all the statistical facts to enable me to go further than to say I have been informed that that is the situation.

Mr. COOPER. I will say to the Senator that all the information I have is that which I have given.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Does not the Senator think that it is a peculiar policy to refuse exports of lard, a commodity so badly needed? I am told that British and Scotch sailors coming to this country take back large quantities of lard bought in the stores in New York, because it is so much in demand, yet at the same time we impose import controls in this country on other kinds of fats and oils which apparently they are not so anxious to obtain. It seems to me that we ought to release our export controls and not try to impose import controls in the United States. Let us buy the things that are available around the world and then be more liberal in letting others buy things in this country which they can buy. I do not understand the logic of the fats and oils situation in the United States today.

Mr. COOPER. The Senator was out when I addressed myself briefly to the

question which he had previously asked. My opinion about fats and oils is based upon the following facts: I stated that from the evidence we had heard there is a tremendous shortage of fats and oils in the world. This country is producing about 95 percent of the volume it needs for domestic consumption. We are actually exporting 325,000 tons of edible oil. There is a surplus of edible oil. There is a shortage of nonedible oil, and we are importing 375,000 tons of nonedible oil. The argument is made that if import controls are lifted it will permit this country to capture with its dollars the short supply of oils that are free in the world and thus make the condition of other countries with respect to need of fats and oils even more difficult.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Is it not a fact that part of the program is to place dollar exchange in the hands of other nations of the world, and if we increase our purchases of nonedible oils which we need, would we not increase the dollar exchange in the hands of some other nation?

Mr. COOPER. We would; and I will point out some of the nations whose dollar exchange would be built up. Among them would be Argentina, Spain, and Russia, who have dollar exchange and products we need. At the same time we would be depriving such countries as France, England, Italy, the occupied zones, and other countries needing fats and oils, of supplies they can now receive.

Mr. HICKENLOOPER. If the Senator will yield again, this information has come so recently that I cannot document it at the moment, but if we have 140,000,000 pounds of fats or lard on hand, or whatever the amount may be, it is greater by a considerable amount than the prewar storage. I cannot see why we cannot release a substantial amount of it and send it especially to those countries which are short in their diet and those which need edible fats and oils. I cannot follow a policy that clamps on export controls at this time, when the commodities are merely taking up storage space in this country, and could be used abroad to great advantage.

Mr. COOPER. I think the Senator is speaking of the administration of the law. The export of lard is permitted. The trouble lies in the fact that not enough lard is being exported. That is the complaint. It is a matter of administration. We are informed that the exportable quotas of lard are being increased. I certainly believe that reasonable increases should be made.

Mr. HICKENLOOPER. I think it would be encouraging if we did that. Whether it is the administration of the law or not makes little difference. Edible fats thus far have not been getting to the people who need them. We could send them at least the surplus.

Mr. COOPER. I have pointed out that the cold-storage holdings on June 1 of this year are in line with cold-storage holdings in the years before the war.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. They are not particularly in line. They are larger than in any prewar year except 1937, when there was a tremendous surplus of everything, because there was another depression. They are actually abnormally high. Yet we hang onto them. We say we will restrain ourselves from buying inedible oil, which is used for soap or some other purpose. Our restrictions on oils apply almost entirely to inedible oils. We are limiting countries as to inedible oils.

Why single out oils? Why not meats? Why not restrain ourselves from buying meats from Argentina or anywhere else in the world? Why this peculiar rule about the imports of fats and oils and linseed oil? There is a shortage of paint in the country. Why should we refuse to permit the importation of linseed oil which people want to buy in order to build houses in this country? I cannot understand the logic behind the present policy of the administration on that question.

Mr. COOPER. In answer to the Senator from Ohio as to the amount of lard in storage, he will note that the average for the years I have given was 142,000,000 pounds as against 149,000,000 pounds this year.

Mr. TAFT. But this is a time when the whole world is short of fats. Our stocks are down to the very limit in every respect, but still there is a tremendous surplus of lard, larger than in the 1930's, except in 1937, when there was a large surplus.

Mr. COOPER. I will agree with the Senator that the holdings on June 1 were too high, but I do not see that that is an argument for the removal of export controls on lard. I think it is an argument for loosening up export controls on lard.

Mr. TAFT. My suggestion is that if we did not make imports, then the administration would be forced to be more liberal as to exports; and the result would be to take things where they were wanted instead of where some official of the Government seemed to think they ought to be. That is my reason for saying that we should take off the controls on imports. I think that will lead necessarily to a more liberal handling of export controls. I am afraid that export control is necessary. I agree with the Senator on that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I should like to answer the Senator's question first.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COOPER. I think all import controls on fats and oils should be continued for the present. I base my position on the ground, first, that there is a tremendous shortage of fats and oils in the world. Allocation of the available export surplus of the world has been made. If import controls were removed, it would mean that this country, with its supply of dollars, could capture the supply of fats and oils that are needed in needier countries throughout the world.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Is it not true that most countries impose export controls anyway? Are not there only a few countries where we could buy without regard to such controls, and where we have always bought before?

Mr. COOPER. We can buy from Argentina and Spain.

Mr. TAFT. Yes, and from the Philippines and a few other countries; and the supplies we would obtain from them would add particularly to our requirements, and would not interfere with the efforts of other countries to obtain the fats and oils they need.

Mr. COOPER. I do not think so, because in Argentina a certain amount of fats and oils can be exported, and that amount is free to the world now. If we were permitted to obtain as much as our dollars would permit us to purchase, the probability is that we would obtain the full supply, or most of it.

Another consideration is that if we are to follow a system of equitable distribution of the available supplies of food in the world, then to some extent, at least, we shall have to follow our commitments with the IEFC. The evidence indicated that it is very difficult to secure commitments by the various countries; and if we are the first to disregard our commitments, I doubt that in the future we would have much success in securing agreements for the equitable distribution of food in the world. I think it to be a very important consideration that we abide by our commitments.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JOHNSON of Colorado. In order better to understand the workings of the bill, I should like to ask the Senator how the exportation of beans is to be controlled under the pending measure. In other words, under the present arrangement, the Department of Agriculture determines the amount of beans that we can export, and then the Department of Commerce issues licenses to the shippers. The State of Colorado produces a considerable quantity of beans. Our difficulty is in regard to the allocation of the licenses. We find that when we apply for the right to export beans, we are told that we do not have a traditional, historical background, and that shippers in some other part of the United States have established their right to ship beans; and therefore they get that right, and we do not; we are denied a license.

How is that matter to be handled under this bill? Is there to be any change in that procedure?

Mr. COOPER. I stated a while ago that no attempt has been made in this bill to prescribe the details of administration. We believe that the first question is one of policy, namely, whether the controls should be continued. Having decided that export controls should be continued, it seems to me it is the responsibility of the Government in exercising the power to see that it is exercised fairly and equitably. I do not see how it would be possible under a bill to set up quotas as between various types of exporters, and to provide for all the

details. It seems to me that we must place that responsibility on some agency of the Government, and then must see that the responsibility is properly carried out. There is no excuse for the failure of any agency of the Government to discharge its responsibility.

In our report we call attention to the problem to which the distinguished Senator has referred, and we suggest that efforts be made to correct the situation and provide a more equitable system of licensing.

Mr. JOHNSON of Colorado. Then the answer is that there has been no change in the procedures in regard to the exportation of such commodities as beans?

Mr. COOPER. Not so far as the bill provides.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THOMAS of Oklahoma. I should like to say to the Senator from Colorado that later on I shall introduce an amendment in an attempt to remedy the defect which he has pointed out.

In the 1944 reconversion bill there is a section which the courts have held to be good, but the Office of International Trade refuses to abide by that section of the law, and claims that it is not bound by it.

At the proper time I shall offer an amendment incorporating in this bill subsection (b) of Public Law 458, known as an act to amend the Social Security Act, as amended, relating to the Office of War Mobilization and Reconversion. I am simply trying to carry forward in this bill what is in the law in another place, and it should have uniform application.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. Mr. President, first I should like to submit some amendments to the committee amendment. I send them to the desk, and ask that they be stated.

The PRESIDING OFFICER. The first amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 6, line 9, after the date "1947", it is proposed to insert "and Public Law No. 145 approved June 30, 1947."

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kentucky to the committee amendment.

Mr. COOPER. Mr. President, the first amendment I have submitted to the committee amendment merely takes into consideration the resolution which was passed a few days ago, extending controls until July 15. The purpose of this amendment to the committee amendment is to prevent any hiatus or lapse of controls under that resolution and until the enactment of this act.

Mr. O'MAHONEY. Mr. President, before we proceed to the consideration of amendments, I think a little opportunity should be afforded to some of the Members of the Senate to discuss the bill in general. I wished to ask the Senator from Kentucky some questions during the presentation of his outline of the bill, but it was his desire to be permitted to complete his statement without interruption.

Therefore, before we proceed to the amendments, I should like at this time to address one or two inquiries to the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator from Kentucky yield for that purpose?

Mr. O'MAHONEY. Mr. President, it is not a question of yielding. I wish to have the floor in my own right.

The PRESIDING OFFICER. The Senator from Wyoming has the floor in his own right. The Chair was merely making inquiry of the Senator from Kentucky as to whether he wished to yield so as to answer the questions of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, let me say that if I have the floor the Senator from Kentucky cannot yield. He may answer or not answer, as he pleases, the questions I ask. Of course, I am sure he will answer my questions.

The PRESIDING OFFICER. That is exactly what the Chair was trying to determine for the Senator from Wyoming.

Mr. O'MAHONEY. Very well.

Mr. President, I merely wish to obtain a precise understanding of what we are doing when we pass this bill. I point out that when I came to the Senate this morning to listen to the discussion of this bill I first sought to obtain a copy of the hearings, but I found that no printed hearings were available. Therefore, it was impossible for any Member of the Senate who was not a member of the subcommittee, or who did not attend the hearings, to know what was said by any of the witnesses, either for or against the bill.

I then sent for the transcript of the hearings, which was received only a few moments ago.

I feel that the country should have the advantage of having printed hearings available because this bill is of tremendous importance. It deals with the vesting in the executive branch of the Government of control over the activities of its citizens who are engaged in the export and import of necessary commodities, and therefore it deals with the interests of every citizen of the country with respect to commodities which are to be controlled. Its economic effect is very broad.

I feel that the Senator from Kentucky [Mr. COOPER] is entitled to a great deal of praise for the close study he has given the measure. I have followed with much interest his exposition of what is sought to be done. He displays great familiarity with the problem, and I have nothing but praise for him. Nevertheless, the matter is of such great importance that I hope the committee will undertake to see that these hearings are printed, because otherwise the debate which is taking place here will be inadequate information to the people of the country with respect to what we are doing.

Let me say, for example, in one particular, Mr. President, the impression prevails in a great many quarters, if one is to judge from editorial comment in the press and on the radio, that the exports which the United States is making are being made by the Government as an exporter. A case in point is the recent publicity with respect to the exportation of petroleum to Russia. The very definite impression was conveyed in the public press that the Government of the United States, as a government, was giving or selling oil to Russia in pursuance of some Government policy to aid the Soviets, whereas the fact is that whatever oil was exported to Russia is being sold to the Russian purchasers—and that, of course, means the Government of Russia—by the private producers of petroleum products in this country and not by our Government. Petroleum has been purchased in California by the Russians for a long period, from private producers of petroleum, from private refiners, not from the Government of the United States; and whatever petroleum is exported to Russia now is being exported by private enterprise. The control which will be exercised under this bill will be a control of the right of individual free enterprises to export their own products.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. I am glad the Senator has brought out the point with respect to petroleum, because, just recently, I read an article in one of the newspapers, in which the writer made the statement, or at least made the implication, so that anyone reading the article would infer, that the Government, with respect to oil now going to Russia, was doing the same thing we did previous to the war with respect to scrap iron and oil that we sent to Japan. Of course, the Senator knows that up to the time the Government finally stopped the selling of scrap iron and oil to Japan, it was purely a question of contracts between individuals and industries in this country and the people of Japan. It represented the working of free enterprise.

Mr. O'MAHONEY. Precisely. If anybody was to be blamed for the export of scrap iron to Japan, it was those persons who gathered the scrap iron and sold it; with this exception, that if as a matter of public policy the people of the country had come to the conclusion that the exportation of scrap iron to Japan should be stopped, then it was necessary for the Government, through Congress, to pass a law forbidding its nationals to engage in a trade in which they were normally entitled to engage. So, when we undertake now to say that oils shall not be exported to Russia, it ought to be clear in the public mind that what we are doing is to empower the Government to regiment American exporters. I use the word "regiment" because there has been so much criticism abroad in the land about what we call Government regimentation. It is regimentation, of course, when the Government of the United States or any government undertakes to prevent its citizens from following any course of activity which under

a normal economy they are entitled to pursue.

During the war, because it was necessary for us to conserve all commodities that were usable in the war, we imposed export controls; but the War Powers Act, which was extended by the last Congress in certain limited ways, now results in controls over less than 20 percent of the commodities which were controlled during the war. When we extended this act last year, it was extended for the express purpose of enabling the Government so to manage our export trade as to conserve our own production and bring back to the United States commodities that were essential to the carrying on of our domestic economy.

Let me give an example with respect to the motor car industry. All the automobile manufacturers of the United States agree today that they are incapable of turning out automobiles enough to meet the current demand. We are falling short of the domestic demand for automobiles probably by several million units. One of the reasons for this lack of production of automobiles is the shortage of lead and tin and antimony, to say nothing of steel. Export control therefore gives the Government bureau in charge of the matter the opportunity to grant exports to those countries which are most likely to produce the commodities which we need. We need tin from the Malayan area, and so we grant exports to Malaya in order to get back the tin which is produced there and which we so badly need. It is better to export, in other words, our commodities out of our limited supply—and it frequently is limited—to the countries which can produce a commodity of which we find ourselves in great need. That is the principle upon which this act has been operating and on which it will continue to operate if extended.

In section 3 of the bill, on page 7, there are listed several of these commodities of which I speak—tin and tin products, manila fiber, antimony, and so forth. If for example we are able to export food or clothing to an area which is producing any of these materials of which we are in great need, that is to the advantage of the United States, and its general economy.

The Senator from Pennsylvania very correctly pointed out, and I think his memorandum is in the report, that one of the reasons why we in the United States now are in danger of a shortage of petroleum and petroleum products is that we are lacking in the steel with which to provide the facilities for transporting petroleum and for storing. If we could increase our steel production capacity—and it is being somewhat increased, I understand—then it would be much easier for us to obtain our petroleum supplies from our own domestic resources within the United States.

The important fact, Mr. President, to which I desire to draw the attention of the Senate, is that which I mentioned first, namely, that when the Government of the United States, even with this law in effect, permits the export of any commodity it is permitting American citizens to sell their own property abroad, and when it prohibits exports of any commodity whatever, then the Government of the United States is prohibiting American citizens from selling abroad commodities which they own. That is, of course, an example of the managerial concept of government, but it cannot be avoided, because if we did not clothe the Government with these powers, then the higher world price, the inflationary conditions which exist abroad, would draw inevitably a larger proportion of our production out of the domestic market away from citizens here, and thereby would increase the prices we have to pay.

For that reason, Mr. President, again I say I compliment the Senator from Kentucky on the presentation he has made. I feel that the extension of the act for another year is essential. If we can set any standards in the bill by which the discretion of the Administrator can be controlled, so much the better. But the country ought to understand and the Congress ought to understand that these exports which are going abroad are not the exports of the Government making gifts to foreign countries.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator if he can think of any remedy for the situation I shall describe. In Wyoming and in Colorado there are many persons engaged in growing beans. They have them ready to market. They find a ready and anxious market in Cuba for their beans. But when they try to secure a license to ship the beans which they have produced they are confronted with the reply, "Well, some broker in New Orleans," or in some other seaport, "has been shipping beans. He shipped beans to Cuba prior to the war. Therefore we are going to give him the license to ship beans, and we shall deny it to you." Is there any way out of that dilemma? It seems to me that to hold the exportation of any commodity down to an historical exporter is doing an injustice to some sections of the United States, and a very serious injustice has been done to the bean merchants and the bean producers of the States of Colorado and Wyoming.

Mr. O'MAHONEY. The Senator from Colorado is quite right. I think the committee in reporting the bill has criticized the application of that historical basis. But it is a theory which has been applied in other fields. For example in the Sugar Act the quotas for each producing area were based largely upon the history of the respective areas in the production of sugar, but we have always fought to preserve a leeway so that new producers might be recognized. I think it would be very well to add to the bill an amendment which would direct the Administrator, whoever he may be, that in the application of this historical theory, provision should be made for the recognition of the right of new producers of any commodity to export it. I think it would be a very simple matter. I ask the Senator from Kentucky if consideration was given to such an amendment by the committee.

Mr. COOPER. During the testimony a great deal of testimony was directed to criticism of the arbitrary division of 85 percent of controlled exports to historical exporters and 15 percent to new exporters. First, I believe that there are court decisions to the effect that such arbitrary divisions are illegal. For this reason, and for the further reason that it is a question of administration, we do not attempt to provide in the bill that any change shall be made in the 85–15 percent ratio.

Second, the following facts were brought out in the hearing. In this year it is estimated that exports will approximate $15,000,000,000 to $17,000,000,000 in value. Controlled exports will amount to about $4,500,000,000. There is a field between the $16,000,000,000 and the $4,500,000,000 of approximately $12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

Mr. O'MAHONEY. The Senator may have read in the current press the story which is now being published concerning the mule buyers who were seeking to buy mules in the United States to export to Mexico. After they had expended considerable sums out of their private capital to buy mules they suddenly found that the Government of Mexico had made an exclusive contract with a particular mule dealer, so their purchases were no longer available to them for profit, because the Government of Mexico would not purchase from them. That is precisely the same situation as exists here, except upon the other foot, because, unless an export license is granted by the Government of the United States, no exporter may sell abroad, whether or not he has a market, and the historical theory has resulted in the fact that only those persons who in some period in the past were engaged in the export business are given the license to export now. That, of course, creates a closed economy and prevents new owners, new producers from coming into the market. Therefore it seems to me there ought to be a provision directing the administrators of this act to recognize these new domestic sources of production which make application for export licenses. It should not be within the exclusive jurisdiction of any administrative official to exclude from export any citizen of the United States who possesses a commodity which is in demand abroad.

With respect to the question of the Senator from Colorado [Mr. JOHNSON], it is my understanding that no export license is now required for the exportation of beans, so that our Colorado and Wyoming producers are not being restrained.

Mr. JOHNSON of Colorado. Mr. President, that clears the matter up. However, the able Senator in charge of the bill [Mr. COOPER] said a moment ago that no changes in procedures in the exportation of beans have been written into the pending measure. The Department of Agriculture classifies beans as grain. The world trade refers to beans as "pulses," which is an old trade name for

beans, however, so far as this bill is concerned, beans are grain.

Mr. COOPER. Mr. President, I agree that there is evidence of abuse in the division of exports between historical exporters and the new exporters. But the argument was made that the historical exporters are those who exported before the war and who will continue to export when the present extraordinary situation is ended. They are the ones who have built up trade in foreign countries. They have trade names which have brought business to our country. I do not think there is any question that some of the new exporters will remain in the business only while the business is good. The proof offered before the committee indicated that some are in the business for quick profits because they refuse to enter the field of uncontrolled exports where they must face keen competition. They want to stay in the field of controlled exports where the profit is sure. We believe, however, that the entire situation should be reviewed and the most equitable plan developed.

Mr. O'MAHONEY. Why should there not be a provision in the bill to the effect that not to exceed X percent of any commodity to be exported will be available to new producers or new exporters?

Mr. COOPER. Is the Senator suggesting that we should fix a ratio in the bill?

Mr. O'MAHONEY. Yes; I am asking why it should not be done.

Mr. COOPER. I would certainly be opposed to that, because I do not think we are in a position to determine any ratio between exports.

Mr. O'MAHONEY. Then the Senator recognizes, of course, that he is delegating to the administrative officials the right to determine from time to time who shall do the exporting. It may be that that is the policy which ought to be followed. I do not attack that policy, except to say that it does exclude certain producers in the United States. It may be that the authority ought to be completely discretionary. But we must recognize when we pass the bill that we are giving discretionary authority.

I agree with the Senator. I was a member of the Committee on the Judiciary in previous Congresses when this matter was under consideration, and it was the conclusion of our committee at that time that there was no abuse of the discretion. No abuses had been presented to the committee. Nevertheless, we are now out of the fighting war, and we are endeavoring to get back upon a peacetime basis. So the more we do to return to normal practices of trade in the export business the better it will be.

The Senator from Oklahoma [Mr. THOMAS], I understand, is going to offer an amendment which has to do to some extent at least with this subject.

Mr. COOPER. I thank the Senator from Wyoming for his remarks.

Mr. O'MAHONEY. The Senator agrees, does he not, with the correctness of my statement that the controls which are imposed by the bill are controls upon private citizens of the United States in the exercise of their right to export property which is in their care?

Mr. COOPER. I think it is a very lamentable fact that the Senator's statement is true. I think it is a control upon the economy. I think it is, in effect, a price-control system.

Mr. O'MAHONEY. And that the exportation which is allowed under the provisions of the bill is the exportation in major part—except by Federal agencies like UNRRA and the others when they were in existence—by private citizens of their own commodities? Is that correct?

Mr. COOPER. It is a limitation on all the commodities exported from this country.

Mr. MAGNUSON. Mr. President, I simply want to point out to the Senator from Wyoming that what he said regarding the abuse of the licenses is correct. One of the reasons which actuated the Senator from Kentucky in taking the control out of the Department of Commerce and setting up a separate administrator and placing discretion within that administrator, requiring him to report to Congress and to the President, was the hope that there would not be the abuses which now exist.

I do not know whether the testimony will show it or not, but many exporters, and many who are not exporters, obtained licenses and peddled them. It became a racket. They would obtain a license, for example, to export 20,000 cases of salmon. They would hold them as long as they wished. They would hold them until the price was right and they could make the biggest margin of profit. Although we cannot set a fixed formula, it was hoped that by placing the control under a separate administrator, a better result could be obtained.

Mr. O'MAHONEY. That abuse is an abuse by the exporter, and not by the Government.

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. It would be perfectly simple to provide by an amendment to the bill that an export license which was not exercised within a given period should lapse, so that thereby it would be impossible for any person to whom a license was granted to sell the export license for a speculative profit. If the Senator was a member of the committee, I suggest to him the consideration of the submission of such an amendment.

Let me also add that the establishment of a single administrator raises in my mind the question whether or not that might have the effect of impeding the carrying out of these powers by placing in the hands of one administrator powers governing industrial exports as well as agricultural exports. I think, for example, that control over agricultural exports may well be carried on by an official in the Department of Agriculture, because the Department of Agriculture, in reason, is better qualified to know what the food situation in the world is; whereas, with respect to industrial products, it might be wiser to have the control in the hands of someone in the Department of Commerce.

I merely make the suggestion. No doubt it will be discussed when the amendment is proposed. If I correctly understood the Senator from Kentucky, it is his purpose to offer a modification of the committee amendment with respect to the Administrator. Am I correct?

Mr. COOPER. The Senator is correct.

Mr. MAGNUSON. It was a most difficult thing, of course, to lay out a blueprint as to what amounts should be for new exporters. So it was thought that if we placed responsibility on one man and give him wide discretion, we might clean up some of the existing evils under the present system.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

Mr. REED. Mr. President, I ask the indulgence of the Senator from Kentucky and of the Senate. I have a very brief amendment to offer, and would like to have the Senator from Kentucky give it his immediate consideration. I am chairman of the Independent Offices Subcommittee of the Committee on Appropriations. I have a controlling appointment at 2:45. I send to the desk an amendment which I wish to offer, and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 8 in the committee amendment, between lines 3 and 4, it is proposed to insert the following new paragraph:

(7) The use of transportation equipment and facilities by rail carriers, but only until January 31, 1948.

On page 8, line 17, it is proposed to strike out "or be construed to continue beyond June 30, 1947, any authority with respect to the use of transportation equipment and facilities by rail carriers."

Mr. REED. Mr. President, the purpose of the amendment, which I have discussed with the Senator from Kentucky, is to extend the powers of the Office of Defense Transportation until January 31, 1948. Normally I would be most reluctant to extend these war powers. The thing which makes this amendment desirable—and, in fact, necessary—is the tremendous shortage of freight-car equipment. The whole Nation was aware last year of the shortage of freight cars, especially boxcars. The situation this fall will be worse than it was last fall.

The only purpose of the amendment—which, I may say, was asked for by the President of the United States and the Interstate Commerce Commission—is to keep the Office of Defense Transportation in a position where it can act speedily if the allocation of an insufficient and inadequate supply of freight equipment.

I hope the Senator from Kentucky will accept the amendment.

Mr. COOPER. Mr. President, so far as I am concerned, I accept the amendment.

The PRESIDENT pro tempore. Does the Senator from Kentucky withdraw his amendment temporarily, so that the Senate may consider the amendment offered by the Senator from Kansas?

Mr. COOPER. I withdraw my amendment temporarily.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. Does the Senator from Kentucky continue to withdraw his amendment for the purpose of considering the amendment of the Senator from Massachusetts?

Mr. COOPER. I withdraw my amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 7 in the committee amendment it is proposed to strike out lines 3 and 4, as follows:

(2) Manila (abaca) fiber and cordage and agave fiber and cordage.

Mr. SALTONSTALL. Mr. President, this amendment is on page 7, and it strikes out subparagraph (2), the words being "Manila (abaca) fiber and cordage, and agave fiber and cordage."

This amendment was adopted in the House in a bill similar to the bill which we are considering at this time. As I understand, there was considerable uncertainty in the minds of the committee as to whether or not manila fiber and cordage should be included in continuing controls. My purpose in offering this amendment is to relieve these raw materials from further control by the Government.

My interest arises because the largest manufacturer of baler twine is in Massachusetts. The same manufacturer is the second largest maker of binder twine and the largest manufacturer of rope in the country.

As I understand, the situation at the present time is that the Government has continuing controls on the purchase of raw fiber from Mexico and from Haiti. It has freed from controls the purchase of fiber in Portuguese East Africa and the Philippines.

What happens is this: The fiber which comes in from the Philippines and from Portuguese East Africa free from control can be used for any purposes for which the manufacturers desire to use it. The fiber which comes in from Mexico and Haiti is brought in by the Government and allocated to the various manufacturers. The control of the end products of those manufacturers is exercised by the Government.

The interest that we all have so far as twine is concerned is in the question whether or not the farmer will get all the baler and binder twine he needs. I point out to the Senator from Kentucky and other members of the committee that the twine for farming purposes for the calendar year 1947 is already made. The only effect that continuing controls can have with relation to binder twine and baler twine is with respect to 1948.

As I understand, the Government wishes to continue the control of imports from Mexico and Haiti until December. If that is permitted, then the question of next year's binder twine and baler twine will be involved in Government controls.

The largest customer of the cordage companies is the farmer. The cordage companies have never failed to supply enough baler and binder twine, except in the year 1945, when the purchase of the raw materials and the allocation of such raw materials to end products were completely in the control of the Government. Since 1912 the farmer has had all the baler and binder twine he needed for his purposes.

There is another reason for removing these controls at this time. As I understand, the purchase of these raw materials in Mexico by the Government is at a floor price. What happens is that other countries come in and overbid us in Mexico, so that we are losing a certain amount of the fiber which would otherwise come into this country for purposes of manufacture.

Another reason for eliminating the controls is that there is no control over the import of the finished products from other countries. Mexico, let us say, makes a finished product and sends it to the customers of companies in this country which cannot obtain the raw material to compete with the Mexican product.

If there were any danger, or if there were a fear in the minds of the people who manufacture this twine that the farmer would not get his twine this year or next year, then certainly, as one Member of the Senate, I would not promote the elimination of restrictions on manila fiber. But, as I have pointed out, the farmer is the best customer of the cordage companies. The cordage companies have always provided twine for baler and binder purposes, except during the war, when the Government was completely in control of the raw products and the allocation of the end products.

I hope, Mr. President, that the amendment will be agreed to, and that these fibers will be eliminated from further control by the Government.

Mr. LODGE. Mr. President, I rise for a moment to support the amendment which has been proposed by my colleague, and I should like to read some excerpts from communications which have reached me from manufacturers engaged in the manufacture of binder twine and baler twine in Massachusetts.

E. W. Brewster, of the Plymouth Cordage Co., makes this statement:

We understand has been urged controls necessary to secure adequate supply binder twine and baler twine, but our opinion of whole industry, as stated to OMD (CPA) meeting last month, is that adequate supply these twines and rope too better assured if we have immediate return to normal private competitive operation.

Mr. Edwin G. Roos, vice president of the Plymouth Cordage Co., has this to say in a letter which he wrote to me under date of March 5, 1947:

The personnel of the CPA and its predecessors, WPB and OPM, handling cordage affairs have done, in our opinion, an extremely fine and fair job. The present personnel of CPA has done a remarkable job. At the same time, we feel that our company and our industry have cooperated with the Government's efforts regarding the control of cordage and cordage fibers, and there were very good reasons during the war why such controls should have existed.

However, the war is over, and while there is a world hard-fiber shortage, we are definitely of the opinion that we could move around in free enterprise with a better result to the United States economy than we can under a continuation of controls.

Just as an example, commercial tying twine, prewar, represented an annual volume to the United States cordage industry of between sixty and ninety million pounds—a sizable volume for our industry. During the war, in order to divert fiber and labor into the necessary amount of rope for the armed forces, WPB directed all United States cordage manufacturers to cease the production of tying twine after September 30, 1942. This was a decision in which we, of course, concurred.

The controlling CPA order under which we are operating today is M-84. M-84 still denies United States cordage manufacturers the right to produce tying twine.

However, foreign countries where fiber is produced—principally Mexico—are using hard fiber in the production of tying twine and importing it into this country at a rate that is approaching the United States industry's prewar production rate, and M-84 has no control whatsoever over the use of such twine once it is brought into this country. You can imagine the position we are in with our United States distributors, to whom we have not been able to supply this product since September 30, 1942, and to whom we must sell our other cordage products within M-84 controls, when they can buy Mexican-made twine and use it for any purpose whatever with M-84 controls not in any way applying to the imported product.

I have read those two excerpts to show that we are facing a set of conditions today which were not in existence and not at all contemplated when these controls were put into effect. As these communications show, the controls were justifiable, beneficial, and, in fact, necessary during the war, but I believe the time has come to return this particular type of materials to free enterprise. I am convinced in my own mind that there will be an ample supply of these commodities for those who consume and use them in this country. I think the figures which have been compiled by the industry are convincing. Moreover, it is an industry which has always kept faith with its customers and consumers, and has every interest in the world in so doing.

I hope, therefore, that the amendment may be agreed to.

Mr. KEM. Mr. President, I should like to associate myself with what has been said by the Senators from Massachusetts. I believe that, under present conditions, there is no sound reason for the continuance of Government controls so far as the acquisition of supplies of these materials is concerned.

I should like to read a telegram which I have received from Mr. F. J. Schnakenberg, manager of the St. Louis Cordage Mills, St. Louis, Mo. It reads as follows:

JUNE 25, 1947.

Hon. JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

We understand Senate will tomorrow consider S. 1461 on continuation wartime controls. We request your aid in deleting from

this bill as amended the words "manila (abaca) fiber and cordage, and agave fiber and cordage." The problem of the industry is providing greater supplies of baler and binder twine for agricultural use. The industry's productive capacity is ample to take care of these needs and requirement has not been met only because public purchasing program has failed to provide the fiber required. After struggling for several months to purchase 75,000,000 pounds of Portuguese African sisal badly needed by the industry for baler twine production CPA a month or so ago gave up the job and authorized manufacturers to do their own private buying that fiber. On several occasions within the last 8 months we asked CPA for increase our baler twine quota, and each time this was denied with explanation fiber was not available. CPA was unable to procure sufficient supplies Philippine abaca and last November returned purchase this fiber to private manufacturers. Under private purchasing a much greater supply this fiber became available. Our Government has declined to halt importations of Mexican-made bundling twines while domestic manufacturers are prohibited from making such items. The refusal to permit such bundling twines to enter from Mexico would result in one or both of increased shipment of fiber from that country or shipment of baler twine from Mexico. In either event more binder and baler twine should result. We are convinced this country is losing too much hard fiber through public purchasing and that our industry will do a much better job on binder twine and baler twine if totally decontrolled than it can do under Government regulation. It is almost 2 years since the fighting stopped and it is time the Government cut us loose. Our industry did a wonderful job in the war years and is entitled to freedom of action.

ST. LOUIS CORDAGE MILLS,
F. J. SCHNAKENBERG,
Manager.

I hope the amendment proposed by the Senator from Massachusetts will prevail.

Mr. WHITE. Mr. President, will the Senator yield, to permit me to submit an amendment?

Mr. COOPER. I yield.

Mr. WHITE. I submit the amendment which I send to the desk, and I request its present consideration.

The PRESIDENT pro tempore. The amendment is not in order at the moment. The Senate has yet to vote on the amendment submitted by the Senator from Massachusetts.

Mr. WHITE. Then I ask that the amendment lie on the desk.

The PRESIDENT pro tempore. The amendment will lie on the desk.

The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. COOPER. Mr. President, the purpose of the amendment offered by the Senator from Massachusetts is to strike from control manila fiber and cordage. The argument advanced by the Government for the continued control of cordage was that it could direct its use for baler twine, binder twine, and rope.

I must say, in honesty, that in the light of the proof developed in the hearings, it was my opinion that there was a sufficient supply of fiber to meet the demand, after making sure there was enough for the farmers this year. If the Senator would withdraw his amendment, I should like to propose an amendment which would permit the Department of Commerce to allocate the supply now on hand or under contract so that there may be no question about the protection of baler and binder twine for the farmers. I understand it is limited to about 62,000,000 pounds, which they have contracted to purchase in Mexico and Haiti.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. The Senator from Kentucky has shown me his proposed amendment, which is to be offered in place of the one I offered. As I understand, his amendment simply permits the Government to allocate the amount of fiber it has on hand as of July 16, 1947, which amounts to approximately 62,000,000 pounds. That fiber must go into baler twine or binder twine, for use in connection with next year's crop, as I understand. The total amount of fiber used in the course of a year is somewhere between 347,000,000 pounds and 600,000,000 pounds. The amount involved is about one-sixth of the total amount used. I can see no objection to the amendment suggested by the Senator from Kentucky, and if something develops justifying opposition it can be stricken out in conference, because the House has eliminated this fiber from the bill in its entirety. I believe that the amendment is a good compromise, because it protects the farmer to the extent of 62,000,000 pounds, and it permits the Government to sell the amount it has on hand without going into competition with the various factories in the country. Therefore, if the Senator from Kentucky will offer his amendment, I will accept it.

The PRESIDENT pro tempore. The Senator from Massachusetts withdraws his amendment. The Senator from Kentucky offers an amendment in lieu thereof, which the clerk will report.

The CHIEF CLERK. On page 7, line 4, after "cordage", it is proposed to insert a comma and the following: "owned or contracted for by any agency of the Government on July 16, 1947, for the purpose only of establishing priority and allocation in the production of binder twine, baler twine, and rope."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the amendment.

The amendment to the committee amendment was agreed to.

Mr. WHITE. Mr. President, I call up the amendment I have sent to the desk.

The PRESIDENT pro tempore The Senator from Maine offers an amendment to the committee amendment, which the Clerk will report.

The CHIEF CLERK. On page 7, line 5, it is proposed to strike out "and", and in line 18, after "export", to insert "and grains for the purpose of controlling the use thereof for distilling and brewing."

Mr. WHITE. Mr. President, I emphasize that I offered this amendment in behalf of my colleague, in his name and in his behalf. I think the amendment speaks for itself. It proposes to extend the controls on grain.

As I understand the situation, we exported during the last year something like 500,000,000 bushels of grain, one of the very staple products of America, and I think if there is justification for extending control over other commodities and certain foods that are referred to, there is justification for extending some degree of control, and the same character of control, over grain.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment, submitted by the Senator from Maine.

Mr. TAFT. Mr. President, I think it would be a great mistake to adopt this amendment. There is no longer any allocation of grain. There is no longer any allocation of anything except a very few limited products. To provide that we shall have power to restrain, in other words, to limit, the amount of grain that can be used in brewing and distilling seems to me a tremendous mistake of policy. It involves a new, complete control of the grain industry and of what happens to grain. I do not think we should reimpose such a restriction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Maine to the committee amendment.

The amendment to the amendment was rejected.

Mr. HAWKES. Mr. President, I send to the desk an amendment that would put quinine, cinchona bark, and quinidine under controls.

The PRESIDENT pro tempore. The Senator from New Jersey offers an amendment to the committee amendment, which the clerk will report.

The CHIEF CLERK. On page 7, between lines 5 and 6, it is proposed to insert the following:

(4) Cinchona bark, quinine, and quinidine.

Mr. HAWKES. Mr. President, the purpose of this amendment is to restore to the bill (S. 1461) controls over cinchona bark, quinine, and quinidine exactly as they were carried in the bill when it was passed by the House of Representatives.

In spite of my objection to Government controls and my deep-seated conviction that all wartime controls imposed on our free-enterprise system should be removed at the earliest possible moment, I am convinced that the further extension of these controls is imperative for humanitarian reasons.

Controls were originally imposed on these materials because of the critical shortage of supply resultant from the overrunning of the Indonesian Peninsula by the Japanese. Even though our armed forces freed this area and the Dutch have returned, they have not yet been able to restore peace and harmony in the East Indies, and well-informed individuals advise me that economic conditions in this area are unstable to the point that deliveries from Dutch sources, which have been estimated to be available during the coming year in the amount of 2,100,000 ounces of quinine, are unreliable. These deliveries, I am advised, are only tentatively promised by the Dutch cartel, and I have been unable to determine that there is any binding contract existing which will guarantee deliveries.

The committee report indicates that the over-all demand for 1947 and 1948

will amount to 1,200,000 ounces for malarial and other essential medicinal purposes, and 3,000,000 ounces for other purposes. To fulfill these demands, the report relies upon the delivery of the aforementioned 2,100,000 from the Dutch cartel, 250,000 ounces of Government stock in reserve, and 1,000,000 ounces of Army surplus. The net effect of these Government estimates shows a deficit of 850,000 ounces of quinine for the period.

Industry estimates, which I understand were provided by representatives of that part of the industry manufacturing proprietary products containing quinine, such as hair tonic and patent medicines used in the treatment of maladies less serious than malaria, include 500,000 ounces more from the Dutch cartel than the Government estimates. In addition to this, these industry sources estimate that only 900,000 ounces will be required for antimalarial use, and only 600,000 ounces will be required for other industry uses. On the basis of the estimates from this section of the industry, therefore, the committee was advised that a surplus of 2,350,000 ounces would be available for the years 1947 and 1948.

Manufacturers producing only quinine for antimalarial uses have convinced me that the estimate provided by the proprietary-products industry is unsound, both from the standpoint of its reliance upon delivery from the Dutch cartel and from the standpoint of the relatively small demand for use in proprietary products.

I believe that the controls should be extended until the uncertainty now existent in connection with the ability of the Dutch cartel to deliver is removed. Further, I see no harm which can come from the continuation of these controls because the present allocation system can be broadened to include nonessential medicinal users, if larger supplies than are needed for antimalarial purposes become available. The importance of quinine in the treatment of malaria in the United States cannot be overestimated.

I quote a paragraph from a letter written by Dr. James A. Crabtree, deputy surgeon general, United States Public Health Service, to Mr. Irving C. White, director, Bureau of Industry Operations, Civilian Production Administration, under date of May 5, 1947:

> Most of the malarious areas of the continental United States are in the South and in rural districts. In these areas quinine has been the drug used for the treatment of malaria and sicknesses characterized by chills and fever for generations. To persuade the populace to change over to another drug or drugs would require an extended and expensive educational program. Only recently has atabrine been proven to be the equal of quinine as an antimalarial drug, so that many older physicians are not yet fully cognizant of its efficacy and many of them are very reluctant to use it, particularly against patient resistance. Probably the great majority of malaria patients are self-medicates, and such persons will not take readily to a new drug. Accordingly, the net result of impairment of the quinine supply might well be a material reduction in the number of cases of malaria treated.

There is certainly great difference of opinion among reliable individuals on this subject, but it seems to me that no harm can come from having this particular item under control for another year in order to assure the country of having the necessary amount of quinine to provide for all medicinal needs.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. LUCAS. Do I understand that the amendment the Senator from New Jersey has offered seeks to place quinine under control by the Government?

Mr. HAWKES. Yes; to place quinine back under control by the Government, where it has been.

Mr. LUCAS. In other words, the Senator is not seeking to take something out of the bill; he is seeking to place something in the bill which would place quinine back under control—that is, under so-called regimentation of the Government—for another year?

Mr. HAWKES. That is the idea exactly, because I feel the Government should have the power to see that there shall be the necessary amount of quinine provided for antimalarial purposes.

Mr. LUCAS. I want to congratulate my friend from New Jersey upon the very generous gesture he is making. I shall support his amendment. I think the country will be safe in view of what the able Senator is now proposing. I shall feel sure of the continued safety of the country any time I can discover that my good friend from New Jersey is going back to control.

Mr. HAWKES. I may say to the distinguished Senator from Illinois that I knew when he rose that he was going to say just what he did say. I may say further to the Senator from Illinois that whenever I see something which is of vital necessity for the health and welfare of the people—something which needs control—the Senator will find me voting for it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. KEM. Mr. President, I am opposed to the amendment offered by the distinguished Senator from New Jersey. There is a considerable difference of opinion in the estimates made by competent observers respecting the available supply of quinine.

Mr. James H. Grove, president of the Grove Laboratories, Inc., of St. Louis, Mo., a large producer of quinine, appeared before the committee as a witness. Mr. Grove estimated that the maximum demand for quinine for antimalarial purposes for 1947–48 would be 900,000 ounces, and that the maximum demand for quinine for blended uses and industrial purposes, currently prohibited under the control order, would be approximately 600,000 ounces, making a total demand for 1947–48 of 1,500,000 ounces. With reference to supply, Mr. Grove estimated a total available supply for 1947–48 of 4,650,000 ounces, which would include an estimate of 800,000 ounces for the public purchase program and domestic processing of the South American bark. On the basis of the figures submitted by Mr. Grove, disregarding the possible 800,000 ounces from the South American public purchase program, the supply of quinine for 1947 would exceed the demand by 2,300,000 ounces.

Under those circumstances, Mr. President, if those figures are correct, and I have every reason to believe that they are, there is absolutely no reason for continuation of this control.

The Grove Laboratories have been engaged in the pharmaceutical business for many years. Mr. Grove is a well-known and highly regarded citizen of St. Louis. I have every confidence that he is informed and that his figures may be relied upon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. COOPER. Mr. President, in the hearings there was no question which developed as much testimony as the subject of quinine. I think there was more time spent in trying to find out what the situation was with respect to quinine than with respect to any other subject.

The figures we were able to secure were, to say the least, confusing. The Government's figures respecting the supply of quinine were twice revised. We had the same experience with respect to estimates of demand. On that subject the Government revised its figures. Finally it was the opinion of the committee that so far as supply and demand were concerned the supply was adequate to meet the demand. For that reason, we left quinine and quinidine out of the bill. Since that time persons who did not appear have written and sent messages to the committee, notably the Council on Pharmacy and Chemistry, the American Pharmaceutical Association, and the United States Public Health Service, particularly urging that quinidine be kept under control on the ground that it is necessary for the treatment of cardiac disorders. I will say frankly that from the confusing testimony we heard I am not able to give any accurate statement as to what the true situation is. I can only say that upon the proof we did hear there is no question in my mind that supply and demand are in balance.

The House left controls off with respect to stocks now in the hands of the Government. If the Senator from New Jersey will limit his amendment solely to stocks now owned by the Government, I will be willing to accept the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Jersey to the committee amendment. [Putting the question.] The "noes" appear to have it.

Mr. HAWKES. I call for a division.

On a division, the amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, line 2, it is proposed to insert the following:

> (e) The executive agencies exercising control over exports shall permit the resumption or initiation of exports. Such exports shall be permitted regardless of whether one or more competitors were

normally engaged in the same type of business and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time.

On page 10, line 9, after the word "report", it is proposed to insert "within 30 days after each quarter."

Mr. THOMAS of Oklahoma. There are two amendments involved, and I am advised unofficially that there is no objection to the second branch of my amendment. I should like to ask the Senator from Kentucky if I am correctly advised.

Mr. COOPER. There is no objection to the second part of the amendment.

Mr. THOMAS of Oklahoma. I ask then that the second branch of the amendment be acted upon first.

The PRESIDENT pro tempore. The question is on agreeing to the second branch of the amendment submitted by the Senator from Oklahoma.

The second branch of the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the first branch of the amendment offered by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The first branch of the amendment seeks still further to outlaw a practice in international trade of using the historical record as a basis for export. The Congress heretofore has passed a law known as the War Mobilization and War Conversion Act of 1944. In that law the Congress enacted subsection (b) as a portion of section 203. Subsection (b) outlawed the program or policy of considering manpower on the basis of historical record. It outlawed the consideration of production on the basis of historical record. Likewise it outlawed the consideration of materials on the basis of the historical record. The administrative departments downtown refused to abide by the law.

I submit to the Senate two decisions of our courts. The first is in a case entitled *Moberly Milk Products Company* v. *Fleming, Administrator, Office of Temporary Controls, et al.* (69 Fed. Supp. 766). That case was passed upon by the district court, and later by the United States court of appeals. The court held that the Administrator of the Office of Temporary Controls was not justified in using the historical basis.

In that case a small concern had made an application for some sugar. It was marketing some kind of a product made from milk, and in order to place the product on the market it was necessary to have sugar. The Office of Price Administration refused to give the concern as much sugar as it thought it should have, whereupon it went into court and sought an injunction. The district court sustained the injunction. An appeal was taken to the circuit court of appeals, and the circuit court of appeals likewise sustained the injunction, which meant that so far as sugar rationing was concerned, the basis known as the historical record should not be governing.

The question has been before another court in another form, in the case of *Publicker Industries, Inc.*, v. *Anderson* (68 Fed. Supp. 532). This was a case brought in the district court in the District of Columbia. The company involved desired to use some grain, I presume in the manufacture of industrial alcohol. The Secretary of Agriculture refused to give it as much grain as it wanted, depending upon the rule known as the historical record basis, whereupon the company filed suit for an injunction, and the case went to court. The court sustained the injunction.

The court has passed upon the question, and the law is on the statute books. All I am trying to do is to reenact the same law with respect to exports. Under the present law the head of the Office of International Trade is restricting exports as he sees proper. Let me give an illustration in point.

My State is a large wheat-producing State. As a rule that wheat is processed in Kansas City. Not very long ago some youngsters in that trade territory obtained an order for 200,000 sacks of flour, to be delivered at Sao Paulo, Brazil. Believing that they could get the license to ship the 200,000 sacks of flour to Sao Paulo, Brazil, the order was placed by the Government of Sao Paulo, a State of Brazil. They had the money to pay for it. The Ambassador from Brazil made the application for the allocation and secured it. These youngsters, largely veterans, had the order to ship 200,000 sacks of flour to Sao Paulo, Brazil, on the order of the State of Sao Paulo. Not only did they have the order to ship the flour but they had the flour. It had been purchased at Kansas City. Thinking that they would have no difficulty in getting a license to ship the flour, having the allocation, they chartered a ship to carry the flour to Sao Paulo.

When they presented the application to the Office of International Trade they were told that because they were a new concern, not having a historical record, they could not secure a license to ship the flour with respect to which they had a contract, in a ship which they had chartered, which at that time was at Galveston. They could not get a license to ship the flour under this order. They did not get the license, and have not yet obtained it.

On the other hand, the officer in charge of the International Trade Organization proceeded to issue licenses covering the 200,000 sacks of flour to those having historical records. They had no orders, but they had the records, so he issued the licenses to them. They did not have the flour, and they did not have the orders. They could not sell it to Sao Paulo.

Such licenses have been discovered to be in the black market. Under the procedure now in vogue, licenses are issued and are for sale on the black market. Often the license costs more than the product.

I am offering this amendment to outlaw the policy of issuing licenses on the basis of historical records. I submit that so long as this policy is in vogue there is no opportunity for a new concern to get started. There is no chance for veterans to go into any kind of business in which they must have a historical record. They have been in the war. Many of them have just reached manhood, and desire to establish themselves in business. They have no chance to develop historical records. So long as this practice is followed, there is no chance for a youngster, a new company, or veterans, for that matter, to get these licenses, because they do not have a historical record, and they cannot develop one.

My amendment would simply provide that so far as exports are concerned, they shall not be based upon the policy of a historical record. Under my amendment anyone who could obtain business in a foreign country and could get an allocation from the Department of Agriculture could obtain a license. I am not trying to interfere with the control of exports. That subject is under the control of the Department of Agriculture. If it were proper to sell flour to Sao Paulo, Brazil, the Department of Agriculture would issue the allocation. In the case to which I have just referred, the Department of Agriculture did issue an allocation. There is no question about the need of the flour in Brazil. There is no question about it being for hospitals and eleemosynary institutions in Brazil. But the question arose as to who should ship the flour.

Mr. President, I submit the amendment on its merits, and I hope it will be agreed to.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. I think the Senator will find, if an investigation is made of some of those to whom licenses are issued, that they are mere brokers who have been engaged in the export business in years past as brokers. Now that they have a historical basis, producers and other merchants who would like to export are denied a license in favor of the brokers.

Mr. THOMAS of Oklahoma. The Senator is entirely correct. I am not trying to obtain an advantage over anyone, or take an advantage away from anyone. I am merely trying to provide by law that no agency of the Government shall have the power to say who shall have a license and who shall not have a license.

Mr. President, I submit the amendment on its merits.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. If there were an export quota of so many million barrels, and the shipments were not allocated, how would they be determined? Would the first one to make an offer have his offer accepted by the foreign government and get the order, and so on, until the total amount which was allocable to that particular country was exhausted? What would be the alternative?

Mr. THOMAS of Oklahoma. I think the case just referred to is a good illustration. The State of Sao Paulo, Brazil, has control of its eleemosynary institutions, asylums, penitentiaries, and so forth. Acting through the Ambassador from Brazil, it made application for an allocation of 200,000 sacks of flour. The Department of Agriculture saw the fairness and justice of the proposal and issued the allocation for the flour. Then

the Ambassador of Brazil made the contract to buy the flour from a concern in the West. That concern applied to the Department of Commerce for a license to ship the 200,000 sacks of flour which had been allocated by the Department of Agriculture. It was told by the Director that it could not have the license, and that if the flour were shipped to Brazil it must be shipped by those who had historical records. Because this particular concern had no historical record, it was limited to 5 percent. Then the Department issued a license for the 200,000 sacks of flour, but when the licensee desired to sell the flour to the Ambassador, he asked a higher price than the Ambassador had contracted to pay. He refused to pay the higher price, and to date the deal has not been consummated.

Mr. AIKEN. If the Senator's amendment were to be agreed to, a foreign country which is authorized to purchase flour—and I suppose other commodities—in this country would be permitted to purchase wherever it could get the best offer. Is that correct?

Mr. THOMAS of Oklahoma. This is the way the record stands: On one occasion Greece wanted some flour. The head of the department advised those interested that the purchasing agent for Greece had the power to name the person who should have the allocation and the license. On this occasion that policy was reversed. The department said "No; the agent purchasing the goods should not have the power to say who should have the license." The purchasing agent was the Ambassador from Brazil.

That is the practical way in which the system operates. It is all a matter of record, as appears in the House hearings on this same question.

Mr. AIKEN. I thank the Senator for his explanation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. Am I to understand that this amendment would change the entire formula for the issuance of licenses? As I understand the formula, 85 percent is allocated to those with a historical record.

Mr. THOMAS of Oklahoma. That is simply a rule placed in force by the department having control of international trade. It is not a law.

Mr. MOORE. As I understand, this amendment would prevent that practice.

Mr. THOMAS of Oklahoma. It would. It would outlaw what is known as the historical record rule.

Mr. MOORE. It is only a rule.

Mr. THOMAS of Oklahoma. That is all. It is only a rule of the department.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. As I understand, the Senator's amendment would not affect the allocations for the various countries.

Mr. THOMAS of Oklahoma. No. We would still retain control over them.

Mr. COOPER. Mr. President, it seems to me that the instance mentioned by the Senator from Oklahoma is just another example of the abuses and inequities which always accompany any system of Government control.

The Senator himself has stated—and I think he is correct—that there is no legal basis for such a ratio being provided by the Department of Commerce. As I see the situation, prior to the enactment of the pending bill, if it is enacted, the applicant for a license had no recourse, because of the provision, that the Export Control Act was not subject to the Administrative Procedures Act which carried with it the right of appeal. Section 10 of the Administrative Procedures Act provides the right of appeal, and we have provided for the right of appeal in the pending bill.

I believe that the amendment is unnecessary. I do not think it should be in the bill. I believe it should not be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the first branch of the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

The amendment to the amendment was rejected.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. It is proposed to insert in the committee amendment, at the proper place, the following:

The sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of the Government.

Mr. BUTLER. Mr. President, I have had a short conversation with the manager of the bill, the Senator from Kentucky [Mr. COOPER] a few days ago, but have not had an opportunity to talk with him today. I had hoped that he would have an opportunity to look over my amendment and see if he would be willing at least to take the proposed amendment to conference.

Very briefly, I should like to give the Senate an idea of the object of the amendment.

Among the 397 articles listed in the report by the Senator from Kentucky, which are subject to the law, if this bill is enacted, I believe there is but one that would be affected by this amendment, and that is the export of wheat. In dollars and cents it is perhaps the largest in the whole list. There are 45 or 50 large grain firms in the United States which are equipped to conduct export business. The Government agency which has been doing the exporting of wheat has purchased nearly all of its supplies from these different firms which ordinarily would be exporting in their own right. I do not believe it is treating the industry fairly when the business is taken over exclusively by a Government agency which certainly is not qualified to do a better job than could the private trade.

I should like to call attention to one part of the report which came to the Senate in connection with the extension of the Reconstruction Finance Corporation a few days ago, in which it was stated that the committee was strongly of the opinion that the Government should not engage in international trade operations whenever and wherever it is practicable to return these operations to private enterprise.

I submit to the Members of the Senate the fact that there is no question but what the grain trade is well qualified to conduct the export of wheat. The export of flour is now in the hands of private trade, as is the export of practically everything else on this list of 397 articles.

I do not propose to amend the bill with relation to the allocation rule. I believe that the Government, under present conditions, should maintain control over the amount of any commodity to be exported, for our own protection, but I think the export of the amount agreed upon could be left in the hands of private trade.

From page 32 of the report in connection with the bill which is under consideration I read as follows:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, coordinator, emergency export programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

This covers the export of from 300,000,000 to 500,000,000 bushels of grain in the coming year. I think, conservatively stated, it will amount to more than 400,000,000 bushels.

Any agency which takes over the handling receives a commission of 1 percent. They also get a 1-percent commission for certain charges, such as elevator charges, and so forth. So the 1 percent is doubled, making it 2 percent. Why add 5 cents a bushel, which would be 2 percent on wheat, which is selling at close to $2.50 a bushel? Why add 5 cents additional cost to the consumer? It represents an increase of approximately $15,000,000 to $20,000,000, and it does no one any good, except that it gives that "scalp" to the Government agency which performs the service which the regular trade is well equipped to do without that additional charge.

I ask the manager of the bill if he is willing at least to take this amount to conference. If not, I should like to continue with a statement I have in connection therewith.

Mr. COOPER. For the reasons I have stated, I cannot accept it.

Mr. BUTLER. Then, Mr. President, I should like to make this statement in the hope that the Senate will place the amendment in the bill for conference.

As I have stated, with one purpose of the bill I am in agreement. That is the purpose of controlling and holding down the volume of sales to foreign countries of commodities which are in short supply in this country and very vitally needed by our own consumers. Without some restriction on such exports, it is clear that tremendous quantities of such vital commodities as tractors, fertilizer, and petroleum might flow abroad without restriction, creating shortages at

home. As I say, I am in agreement that restrictions on the volume of such exports should be continued. I believe this bill has been sold to the American public on the argument that that is the primary purpose and effect of the measure. However, far more than that purpose is involved in the bill.

Let me call attention to some of the provisions of the bill. First of all, let me invite the attention of the Senate to the declaration of policy. That paragraph sounds as if it had been written in the State Department. It says, for example, that it is our policy "to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States." It does not say that it is our policy to promote the production in this country of materials critically needed here. Obviously, it is intended to expand production of those vital materials abroad rather than in this country.

Further on, it declares that our policy is "to aid in carrying out the foreign policy of the United States." Certainly we all want to aid in carrying out that foreign policy. I did not realize until now that that was the primary purpose of controlling exports. I had thought that the purpose of controlling exports was primarily to protect our consumers against shortages such as the gasoline shortage we are already experiencing in the Midwest from our heavy exports of petroleum and petroleum products.

Look a little further down the bill. Under section 3 it is stated that title III of the Second War Powers Act shall remain in force with respect to "such materials for export which are required to expand or maintain production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of materials required for such export." Certainly we need no priorities in production and delivery for export in order to protect the American consumer. This is a paragraph to protect the foreign producer. This paragraph will be used to require the manufacture and require the export of machinery for the production abroad of anything from sugar to zinc, and thus give a foreign producer a competitive advantage over our own producer by expanding foreign production with the use of American machinery, probably purchased with American money.

Subparagraph 5 under the same section specifically gives authority for the priority of exports of nitrogen ahead of domestic allotments to the American farmer, and subparagraph 6 extends that export priority so that it can be applied to almost every material or commodity produced in this country.

We have swept away virtually all powers of priority and allocation for delivery to meet the needs of our own domestic consumers—in other words, as far as our internal economy is concerned. We still have pressing domestic needs, such as freight cars, housing, farm machinery, and fertilizer. As far as these domestic needs are concerned, we have removed the controls and placed our faith in private competitive enterprise. By the terms of this bill, wartime regimentation methods are retained, but not to meet our own needs—only the needs of the foreign country.

Naturally, the results of a measure like this will depend largely on the administration of the act. This bill proposes creation of a new office—the Administrator of Import and Export Controls. This official will have authority to administer the far-reaching powers granted by this act. Mr. President, in that statement I think the Senator from Oklahoma has the answer to how the question he asked today will be answered. All those questions will be answered by the administration that is appointed to look after this act. Only one real safeguard against the Administrator's abuse of those powers is provided by this bill. That safeguard is that he must be confirmed by the Senate. We can assume that the man appointed to this post will be someone hand-picked to place the demands of foreign claimants ahead of our own needs. If this bill is enacted, I hope that the Senate will scrutinize that appointment very, very closely.

Mr. President, I am stating my thoughts for the record in the hope that they may receive consideration in the conference committee. I regret that I did not take occasion to bring all these points to the attention of the Senator from Kentucky in my conference with him a few days ago, and I wish to assure him again that my comments are not intended to reflect on the splendid job he has done. Legislation of this type, granting general powers to an administrator whom we do not now know, is exceedingly difficult to draft. I have no doubt whatever that the Senator in charge of the bill is anxious to deal fairly with all interests concerned. I hope he will find it possible to consider my comments carefully in the drafting of a conference report. When the name of an administrator is presented for confirmation, I have no doubt the Senator from Kentucky will join with me and other Senators in considering most carefully the qualifications of the man selected.

Regarding the matters that I discussed with the Senator from Kentucky in our conference, I should like to bring them up at this time for the RECORD. I presented two particular problems to him for consideration. One of these dealt with the granting of export licenses to various individual exporters and the basis for dividing up the volume of authorized shipments among such exporters. That matter has already been covered by the amendment the Senator from Oklahoma has presented today. I pointed out that the present practice is to grant such licenses almost entirely to old, established firms, thus virtually cutting out any newcomers who might desire to enter the export field in that commodity. I had particular reference to the export of flour. I understand that the Senator planned to include in his report a recommendation that the basis for such grants of export licenses be reviewed by the administering authority. I wish to express the hope that this review will result in the granting to new firms of a substantially larger proportion of the licenses.

In regard to the second point of our discussion, let me say that I have proposed an amendment which was read by the clerk just a moment ago. That amendment provides that the sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of Government. I wish to make it plain to the Senate that this amendment, when adopted, will not interfere in the least with any Government agency which acts as a representative of the Army in connection with the purchase of wheat or other commodities for delivery to occupied territories—for instance, either to Greece or elsewhere—where the Government is conducting a program of that kind; but the amendment will apply to foreign agents who come to the United States with foreign money to purchase such commodities, and are, I think, rather anxious to deal directly in private trade.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator what will be the effect of the amendment, if adopted, upon the domestic supply. For instance, if there is a substantial shortage of corn this fall and winter, and if the domestic feeders, who normally use corn, are forced to turn to the use of a substantial amount of wheat for feed, and have to go on the domestic market to obtain that wheat, what will be the effect of the Senator's amendment in preventing invasion by foreign purchasing agents, either public or private, who might come to the United States and, by their purchases, further inflate the corn market and further inflate the wheat market, in the absence of some authority to control the exportation of those grains from this country? I think we must consider those needs for grain, in addition to the need for grain for feed.

Mr. BUTLER. I say to the Senator from Iowa that there can be no doubt that wheat will be used to a great extent in the coming season as a substitute for corn, because there will definitely be a shortage in the corn crop. In fact, the United States has never produced a surplus of corn. To be sure, some corn has been exported; but we have never produced a surplus of corn. We have produced a surplus of wheat during a number of years, and this year the surplus will be larger than usual—which is fortunate for the world.

I can see no reason why the cost of the wheat which will go into international channels should be higher or even as high, if the commission that the Government agency gets is saved, because the Government agency buys from the local dealer every bushel it gets for foreign delivery, and the local dealer will be just as anxious to sell directly to a foreign trader as he will be to sell to the Government and to have it sell, in turn, to the foreign trader. That will make no difference to the local dealer, so long as he is paid the same price.

Mr. HICKENLOOPER. As I understand the Senator, he states that, under

the present set-up, the Government charges a brokerage fee or an elevator fee at the warehouse on that grain, in addition to the normal charges in the regular course of the grain business. Is that correct?

Mr. BUTLER. The figures show the total commission less the amount of 4.8 cents a bushel, or rather close to 5 cents a bushel. As the price of wheat advances, it usually will be 5 cents a bushel.

Mr. HICKENLOOPER. In case the Senator's amendment is adopted, will it mean that there will be no controls on the export of grain from this country?

Mr. BUTLER. There will be exactly the control which exists at the present time. A certain number of bushels of grain will be allocated for shipment to certain places. The only change will be that the business will be done by private enterprise, instead of by a Government agency.

Mr. HICKENLOOPER. So instead of having a Government agency do the purchasing and, incidentally, charge a brokerage and storage fee, in addition to the charge made by regular business, the Senator proposes that the countries or areas to be benefited under the allotment be authorized to purchase directly from the local dealers; is that correct?

Mr. BUTLER. Yes.

Mr. HICKENLOOPER. And the Senator believes that such a provision would not in any way create an unlimited scramble by foreign countries to purchase grain in this country willy-nilly, without regard to allocations; is that correct?

Mr. BUTLER. I do not know that there is any law that prevents a foreigner from coming to the United States today and bidding what he wants to bid for grain; but no buyer is going to pay any more than he has to pay, of course.

Mr. HICKENLOOPER. They come under allotments now; do they not?

Mr. BUTLER. Yes, and they have to get a license for shipment.

Mr. HICKENLOOPER. Would the same regulations and arrangements in regard to allotments and licenses apply under the Senator's amendment?

Mr. BUTLER. Yes; absolutely the same.

Mr. HICKENLOOPER. There would be no change in that situation?

Mr. BUTLER. Not at all.

I wish to repeat that I think the effect of my proposal will be to reduce the cost to the foreign purchasers and foreign consumers by a total of from $15,000,000 to $20,000,000, as compared with the arrangement which has been used for the last several years.

Mr. HICKENLOOPER. Has the Senator any information as to whether the Government agencies now in charge of these allocations and the procurement of this grain believe that the amendment would in any way handicap either the fair allocation of grain to devastated countries and other countries, or the protection of the domestic market? Is there any question that under the amendment it will be difficult or impossible to protect the domestic market as well as it can be protected now?

Mr. BUTLER. I must say that I think the answer to that question is that the Government agencies are not necessary in this operation. I have not the slightest prejudice against the gentlemen who are handling the business; in fact, I am perfectly willing to commend the kind of job they have done. But it is entirely unnecessary to add that agency between the shipper or the producer and the foreign consumer. Attempts have been made for years, both in this Congress and in previous Congresses, to do away with unnecessary middlemen. So in this way we have attempted to remove one middleman who otherwise would be interposed between the grain bidder and the grain consumer.

Mr. HICKENLOOPER. Does the Senator think that the adoption of his amendment may be expected to reduce, at least to some extent, Government employment in this field?

Mr. BUTLER. The Senator from Iowa has touched upon what is probably the vital point. I have no doubt that several hundred persons are employed in handling this program at the moment; and if the change proposed by the amendment is made, they will have to find other work, either in or out of the Government.

Mr. HICKENLOOPER. I thank the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. As I understand the Senator's amendment, the grain dealers finally will have to go through the Government in order to obtain the allotments provided by the Government. That is true; is it not?

Mr. BUTLER. Of course, the allotments are handled by the agency that is provided.

Mr. LUCAS. Yes; the allotments are handled by the Government agency. In any circumstances, after the agents buy the grain, they have to go through the Government agency; do they not?

Mr. BUTLER. That is correct.

Mr. LUCAS. And they have to handle the grain through the trade, and finally they have to say where it is going to go, and they have to arrange for the allotments; and those who are handling the grain for the trade must ascertain, through the Government agencies, exactly where they are going to place the grain.

Mr. BUTLER. The Government agency makes the program of allocation, and I think that the word the Senator used in saying they handled it is an improper word under this arrangement. They would direct the course of the grain, but under the provisions of this amendment they would not actually handle the grain.

Over the years, the United States has built up a strong and competitive grain-export trade. Many of our exporters have agents or representatives in many foreign countries—in fact, they are in every country where grain is purchased—and they are eager again to resume the export business that has in large measure been denied them since the beginning of the war. At present, the Department of Agriculture largely handles the export of grain and grain products. Various gestures have been made by that agency to return this business to private firms, but it is still almost entirely in the hands of the Department of Agriculture's Commodity Credit Corporation.

My long interest in the grain trade has prompted me to inquire of experienced men in the export grain trade whether they are now prepared and equipped to take back this business. I have been assured that they are (1) able to move grain from the interior to seaboard as readily as any Government agency, and (2) that grain in loading position at port will not be delayed. These men have testified before the subcommittee of the Committee on the Judiciary where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30 so long as the present world food shortage exists.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. At the present time, the Government is handling the grain, buying it and handling it at the elevators, and transporting the grain after it purchases it. The Government turns the grain over, or sells it, to the foreign purchaser under the allotment. Do the Government representatives follow the grain in any way after the transaction is completed with the foreign purchaser, or does the Government supervision stop at that point? What I am trying to learn is whether the Senator's amendment would open up a field of internal speculation in the country of purchase, that does not now exist, because of any possible failure of the Government to follow through to ascertain the use to which the grain is put on its sale in such country?

Mr. BUTLER. Not in the least, I will say to the Senator, because the foreign claimant, under the present arrangement, in dealing directly with the Government agency, furnishes the ship and the transportation at port, and the responsibility of the Government agency, or a private firm, in the business would end when they had loaded the grain on the ship that was purchased by the foreign purchaser.

Mr. HICKENLOOPER. From that time on it is their grain?

Mr. BUTLER. It is their grain.

Mr. HICKENLOOPER. It is the purchaser's grain, and we do not follow it with any restrictions or regulations as to what they shall do with it after they purchase it and delivery at the port of embarkation has been completed. Is that correct?

Mr. BUTLER. Not in the least.

Mr. HICKENLOOPER. There is nothing in the Senator's amendment that would change that situation?

Mr. BUTLER. Not a thing.

I was just mentioning the fact that, in my conferences with leaders in the grain trade, they assure me they are able to move the grain from the interior to the seaboard, and they are also in position

to take care of it at port when it arrives. These men testified before the subcommittee of the Committee on the Judiciary, where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30, so long as the present world food shortage exists. They felt that if the allocation terminated on June 30 it would permit unfair and confused distribution in a world where supplies are still short. I might say again that I am not interfering in the least with the program that is intended to avoid that confusion at the moment. I am in entire agreement with these statements.

Nearly 2 years have elapsed since the cessation of hostilities, and this agency still retains a monopoly on the export of wheat. It has failed to abandon this wheat monopoly of its own volition. Only by legislation can it be compelled to cease engaging in private trade. Here in Congress we have been concerned with methods to impress other nations with the advantages of free enterprise. It does not seem logical that we should attempt to demonstrate those advantages when we deny to free enterprise in this country the right to return to a business field which a Government agency has usurped and refuses to abandon.

In its statements before the subcommittee headed by the Senator from Kentucky, the export-grain trade's representative has made a clear case for the return of this export business to private business firms.

I want again to read the statement that is in the Senator's report, wherein he says:

> It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment.

The proviso, while it does not mention wheat, refers to grain and grain products, which would in a practical result affect only wheat, so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BUTLER. I yield to the Senator from Texas.

Mr. CONNALLY. Has the Senator given attention to the aspect of this case that relates to Central and South America? I have been receiving telegrams from grain dealers complaining that restraints on shipping to Central and South America should be removed. What does the Senator say about that?

Mr. BUTLER. I have had no telegrams, I will say to the Senator. I am speaking only my own convictions, after having conferred with the author of the bill, read the report, and studied the bill as to how it might affect private enterprise in this country.

Mr. CONNALLY. If it would not interrupt the Senator from Nebraska, I should like to hear the views of the Senator from Kentucky upon that matter.

Mr. BUTLER. I yield.

Mr. COOPER. May I hear the question of the Senator from Texas?

Mr. CONNALLY. Certain of the dealers want no restraint at all on the shipment of grain to Central and South America. Of course, I understand the answer of the Department is that if there were no restraint, the brokers in Central and South America would do all the business with the foreign nations.

Mr. COOPER. The matter was brought before the committee. It was the committee's opinion that if grain shipments to South America were placed under general license, some of the grain would go promptly from South America by reexportation to Europe.

Mr. BUTLER. Mr. President, I should like to make it plain that the provision of my amendment does not interfere with the allocation of grain or of any other commodity; the Government would still allocate and control shipments.

In its statements before the subcommittee headed by the Senator from Kentucky, the export grain trade's representative has made a clear case for the return of this export business to private business firms. There will be neither confusion nor delay in handling by the private trade. The private exporters, in fact, now sell to the exporting Government agency much of the grain exported. There is no reason to believe that their price, if selling direct to a foreign buyer, will be any different than if they were selling to a Government agency. As matters now stand, the Government agency, the Commodity Credit Corporation, after buying from the private trade, adds its own service fee. And this added fee tends to increase the cost to foreign nations.

The Commodity Credit Corporation already acts as the procuring agent for the Army to fill its food needs in occupied areas.

I propose to make no change in that respect. In testimony before the subcommittee, Army representatives stated that delivery to occupied areas of foodstuffs procured by Commodity Credit had not been on schedule; that the failure to maintain scheduled deliveries has brought on recurring food crises in Germany. I believe that this nonadherence to schedule has now been rectified. I trust that deliveries will continue on schedule. One way to assure this is to lighten that agency's self-inflicted load, and remove from the orbit of its activity the sale of grain and grain products for export to foreign claimants—not to the Army, not to occupied zones abroad, but to foreign buyers of American grain.

The export grain trade is not alone in its opinion that this business should be returned to the private trade. Before the Judiciary Subcommittee, a representative from the State Department gave it as his personal opinion that this was a proper function of private trade. President Truman's Export Coordinator, Captain Conway, stated that in his opinion, since the private trade had handled successfully the export trade in coal and other commodities and since he was familiar with the efficiency of the private grain trade, the private grain trade could successfully handle the sale of all grains for export.

I submit this question: If the private trade has successfully taken care of the problem in connection with the export of coal and all the other 397 items under the administration of the present controls, why, in the name of common sense, should they keep control of the export of wheat under one Government agency?

In justifying the service fee charged foreign purchasers, the Under Secretary of Agriculture in a letter to the Senator from Kentucky stated:

> It is our opinion that the cost to claimants of the grains and grain products sold by the Department is on the average comparable to the prices for the same commodities for the same period of time sold by the trade.

But from each such service fee or mark-up probably comes a profit. And from that profit can be built an apparent justification for the employment of Federal employees at the expense perhaps of the needy and starving of Europe for whom we have so recently appropriated huge sums for direct relief. Why should this profit be realized at the expense of the American taxpayer or the needy for whom we have demonstrated our concern? This is particularly difficult to understand when one remembers that the profit comes by retaining an export organization within the Government that duplicates the organization in private trade.

The report of the House Committee on Appropriations, at page 35, indicates the extent of the activity of Commodity Credit in the export field and the cost, in addition to the service fee, that is incurred by foreign purchasers who must buy from it. There you will find listed six activities in which this Government agency engages. Two are concerned with export activities. There you will note that all these activities will require $11,500,000 in the fiscal year. But note, $3,000,000 of this amount will be received by transfer from UNRRA, foreign governments, and other sources for services rendered. No mention is made of any receipt from the Army for procuring goods for that Department. I understand that UNRRA is not functioning after June 30. It would appear that foreign governments and other sources will make the major contribution. I believe I am safe in saying that those receipts from foreign governments and other sources will keep a large number of people employed in our Government.

Mr. President, I feel that those of us who believe in competitive free enterprise must clearly indicate in this measure whether we want to continue Government in competition with business or whether we want to give to business the opportunity to return to its historic field. I believe that wheat is about the only commodity still handled by the Government in this way, and I see no reason why it should not be returned to private enterprise. I am therefore presenting the amendment in the hope that the Senator from Kentucky will accept it.

Again, Mr. President, I quote from the words of the report of the committee that "The program of wheat should be returned to the trade at the earliest moment." I hope the Senator will accept the amendment, and that it may be adopted and taken to conference.

Mr. YOUNG. Mr. President, the amendment offered by the Senator from Nebraska, which would take from the Commodity Credit Corporation the authority to handle purchase of foreign shipments of grain, would, in my opinion, be disastrous to the farmers of America and perhaps very expensive to the con-

sumers of America and of the foreign countries buying our grain for food.

Last year I criticized the Commodity Credit Corporation for not entering the market in the fall during the heavy marketing season and purchasing grain when grain was cheaper. At that time I understand that it was practically impossible for the Corporation to do so because the Government did not anticipate just how much foreign grain would be required, and foreign nations had not ordered as early as they might have. As a result we had cheap wheat last fall and much higher priced wheat during the winter and in the spring, and that higher price prevails now.

If this amendment should be adopted, we would have one of the wildest fluctuating markets I think this country has seen for a long time in grain. If the amendment is not adopted, the Commodity Credit Corporation now has pooled orders to the extent that they can purchase continuously approximately 14,000,000 tons of wheat a month from now on during the heavy marketing season. That will have a healthy effect on the market, because it will level prices off now, preventing too low prices, and will allow the Commodity Credit Corporation to make its purchases while the marketing is heavy. Then in the spring, when wheat is not so plentiful, the CCC will have purchased its grain and can stay off the market.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. YOUNG. I would rather not for a moment. If the amendment is adopted, the following will result: There are many foreign countries now wishing to purchase American wheat. These orders will be bunched up. Perhaps one-half dozen countries will order in one week. As a result the grain trade will enter the market with unusually heavy purchases and push wheat up 30 cents, 40 cents, or 50 cents a bushel. The next week or two there probably would not be any orders, and as a result the price of wheat would drop again. That is something the Minneapolis, Omaha, Kansas City, and Chicago markets want. They make more money on a wild, fluctuating market.

Mr. President, I hope the amendment will not be adopted. It is a part of the program of the grain trade which has been going on for many months to destroy the operations of the Commodity Credit Corporation, which supports prices and is trying in every way possible to level off prices and to support farm prices at levels authorized by law.

I yield now to the Senator from Nebraska.

Mr. BUTLER. The Senator from North Dakota apparently thinks the Commodity Credit Corporation's handling of the export grain has been beneficial to the producer and the consumer here in America. Why not apply the same reason and have the Commodity Credit Corporation handle all the domestic business? Then we would have no competition whatsoever.

Mr. YOUNG. I do not think that reasoning would apply. Wheat is the staff of life. Wheat and corn comprise largely all the purchases the Commodity Credit Corporation is making for foreign food supplies. It is the governments of other countries largely that are making the purchases through the Commodity Credit Corporation and not individuals. By getting all the orders for grain the Commodity Credit Corporation can continue a day-to-day program for the purchase of commodities without disturbing the market to any great degree.

Mr. BUTLER. I should also like to say to the Senator, who is my very dear friend and a tiller of the soil, as I claim to be myself, that I hope that he does not think I am speaking for the grain trade, because I have had the same interests in the grain trade ever since I have been in the Senate that the distinguished Senator from North Dakota has, that is, producing a few bushels for the market for my own account. That is the only interest I have in the grain trade as such. But I think it is only right that the members of the grain trade should have the same opportunity at free enterprise that every other enterprise has which is covered by the bill before us. Why exclude wheat and wheat alone? Why not put all these commodities under the control of the Commodity Credit Corporation? If the argument with respect to wheat is good, why not include all the commodities listed in the report?

Mr. YOUNG. I would agree with the Senator from Nebraska for whom I have always had a high regard, that so far as we can we ought to get back to the free enterprise system, but we ought not to do it at the expense of the consumers of this country and other countries when it is not necessary at the present time to do so. The grain trade is being taken care of well and can wait a few months more until conditions are more normal.

Mr. BUTLER. I also wish to say again to the Senator that I have received some telegrams from grain dealers which I have not even had time to read, only about half a dozen of them. The telegrams were from firms with which I am not personally acquainted. I have not had time to give them personal attention. But the grain trade have told me over the past several years that the Commodity Credit Corporation has been handling the grain market, that the Commodity Credit Corporation is the only real bull in the market; that the fluctuations of the market have been due entirely to the doings of the Commodity Credit Corporation rather than to individual members of the trade. When we are subject to the whim or the opinion of one organization, it is not well. The Senator will agree that they can put the market up 5 cents, 10 cents, or 15 cents a day by accumulating a bunch of orders, or they can cause the market to fall 5 cents, 10 cents, or 15 cents a day if they go out of the market. That is certainly what they are doing. The fluctuations which have occurred in the grain market have been due to the program adopted by the Commodity Credit Corporation. We see less fluctuation under private enterprise, when hundreds or thousands of dealers are engaged, than when the business is in the hands of one person.

Mr. YOUNG. Mr. President, I think the Senator from Nebraska is unjust in his accusation. The Commodity Credit Corporation was not to blame for the fact that all these orders for wheat for foreign countries came in all of a sudden during the past winter. They had to make these purchases both for the Army and for foreign countries, and as a result of this alone wheat went up. I will say to the Senator that if the matter were turned over to the grain trade now the business of buying would be conducted on no more than a month-to-month basis and probably on only a week-to-week basis. On the other hand, the Commodity Credit Corporation has a considerable number of orders, and as a result can purchase their needed supplies in a much more orderly manner than would ever be possible by purchasing through hundreds of individual buyers.

Mr. BUTLER. The same thing would apply in the handling of domestic business, would it not?

Mr. YOUNG. There is no purchase of American goods on a large scale such as there is of wheat, where for instance a country wants 100,000,000 bushels of wheat right now or its people are going to starve to death. Present conditions are extraordinary.

Mr. BUTLER. A very small percentage of grain transactions are for shipment abroad. The bulk of the grain transactions are handled here at home. If it is well that the principle be applied to wheat, why not apply it to the other commodities listed in the report?

Mr. YOUNG. I think it was stated a while ago that we were going to export between 300,000,000 and 500,000,000 bushels of wheat this year. All the orders may come in within a month. If the matter were left to private trade, considerable fluctuation in price could result.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CORDON. In view of the fact that the present procedure indulged in by the Government in connection with export control will be continued under the amendment offered by the Senator from Nebraska, and in view of the fact that the procedure involves, among other things, the allocation by the Government not only to a certain identified country or group of countries, but also in certain specific amounts, and over quarterly periods of time, in view of the fact that that control will still remain as it has in the past, and as it operates now in respect to other commodities—and I have particular knowledge of lumber—how can there be any real unsettlement of the wheat market?

Mr. YOUNG. They may say, "We will not issue a permit until perhaps next week." These orders may be all purchased at one time on the market.

Mr. CORDON. The maximum amount of grain permitted to be purchased within a given period of time is set by the Government, and then the license is issued to the exporter under which he may purchase the wheat for foreign sale. That is all controlled by the Government even under the amendment of the Senator from Nebraska. Does not the Government then have complete control of the purchase and sale of the wheat. as it

would have at the present time, with the single exception that, on the basis of the amendment of the Senator from Nebraska, the Government would issue licenses and the trade would go into the business, or, rather, back into the business of handling foreign export?

Mr. YOUNG. No; I think the Senator is mistaken. The only control would be over the amount. There would be no control over the time purchases would be made. This dealing in grain is mostly between various nations. Foreign governments purchasing through hundreds of different grain-trade interests of the United States would present another problem. One grain commission firm on the Gulf might have part of a shipload, and another might have part of a shipload, and so forth. A single firm would have to wait until it got a shipload before it could ship the grain. Under the present arrangement, the operations of the Commodity Credit Corporation are all under one agency. When it has enough for a shipload, it fills the ship from one spout.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BUTLER. I should like to submit for the RECORD a letter which comes from the Director of Export Grain Traffic of the North American Export Grain Association, a gentleman whom I have never seen or known personally. He writes a letter on that particular point. The Commodity Credit Corporation has claimed that it could handle grain at the port to advantage, as compared with the private trade.

Mr. YOUNG. From whom is the letter?

Mr. BUTLER. The director of export grain traffic for the North American Export Grain Association. He answers the point which the Senator has made, that the Commodity Credit Corporation, loading the grain from one spout, is in a better position to load grain for export than any group of private traders. I shall not take time to read the letter, but I desire to place it in the RECORD. It gives figures and dates as to loadings at the port of New Orleans, and answers very definitely the contention made by the Senator. It shows that the Commodity Credit Corporation cannot do and has not done as good a job as private trade in loading vessels for shipment abroad.

Also I ask unanimous consent to have printed in the RECORD a letter dated June 18 from the North American Export Grain Association, which answers many of the other points which have been brought out in this discussion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 2, 1947.

Hon. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR COOPER: Pursuant to your suggestion of today we are herewith presenting some comments which are additional to our letter of June 18, copy attached, on Under Secretary Dodd's letter to you on June 9, 1947, in which there are numerous statements that require exceptions by this association since they represent either misinformation or a deliberate attempt to mislead the committee.

In the fourth paragraph the Under Secretary states "It is realized that it is not practical for the trade to assemble large stocks of grain and grain products in export position without assurance that they will be exported." This is an ambiguous statement for the reason that neither would it be practical for the Department of Agriculture to accumulate such stocks without the assurance that they will be exported. The answer, of course, is that the Department of Agriculture well knows that they will be exported, and all we request is sufficient advance information from the USDA concerning allocations, even though tentative, to be able to do exactly the same job.

We deny his statement that better use of transportation and port facilities can be made by the Department of Agriculture. This is a categorical statement buttressed only by the comment that there has been some difficulty at New Orleans, La. The only knowledge that we have of any operating difficulties at New Orleans, La., occurred in January 1947, and during that month the relative position of the export-grain trade as compared to the Department of Agriculture was as follows: On January 1, 1947, the grain trade had in, or en route to, New Orleans, 714,000 bushels of corn. There were in New Orleans for account of the Commodity Credit Corporation on the same date 700,000 bushels. On January 10, the Commodity Credit Corporation had cleared 1 cargo and their stocks had dropped to 406,000 bushels while the stocks of the trade for direct export had risen to 892,000. On January 17, the Commodity Credit Corporation stocks were 350,000 and the trade's remained at 892,000. On January 24, Commodity Credit Corporation's stocks were 700,000 while the trade's holdings had dropped to 327,000. On January 31, the stocks of Commodity Credit Corporation were difficult to estimate due to the fact that at the request of Captain Conway's office, members of the association had discontinued reporting stocks on hand against Commodity Credit contracts because these figures were being duplicated to some extent by direct reports from Commodity Credit Corporation. However it is assumed that on January 31 they still had the 700,000 bushels while the export grain trade's holdings were 340,000 bushels or 1 cargo.

The figures quoted above represent only quantities held, or en route, to New Orleans by members of the North American Export Grain Association which is only a small part of Commodity Credit Corporation's total purchases and to that extent the figures are not truly representative because Commodity's holdings were undoubtedly much larger several times during the month.

During the month of January the Association's export office in Washington made weekly written reports to Mr. William McArthur, deputy director, Grain Branch PMA, as well as repeated telephone calls to his office informing him of the critical situation that was developing and suggesting that his Chicago office be instructed to accept delivery of these quantities from the grain trade and schedule them for loading from the port. Instead of doing this, however, the contracts were not called but delivery was requested from other sources which did not then have their corn in New Orleans. This contradicts their representation that they move stocks to best advantage. Captain Conway's office was kept fully informed of these developments and we submit that if there was any congestion in the port of New Orleans in January 1947, it was the fault of the Department of Agriculture rather than of the grain trade.

In regard to the Under Secretary's explanation of the pricing policy, particularly the mark-ups of 1 percent for damage, deterioration, and other contingencies, plus 1 percent for administrative expenses, it will suffice to point out that for $2.40 wheat these mark-ups amount to 4.8 cents per bushel which is far in excess of any profit margin taken by the grain trade. To the extent that the charges added by PMA exceed those commonly taken by the trade it means a depletion of funds available for food purchases.

The Under Secretary refers to the transportation priority which the Department of Agriculture has been granted, but fails to point out that this priority extends not only to Department of Agriculture operations but to the movements of all export grains which are a part of the allocated program, therefore, the grain trade has equal access to the transportation priority.

Another statement from the letter is quoted verbatim, "The quantities of grain actually exported for any period are difficult to arrive at because of the lack of definite information from the trade concerning shipments made by the trade." The Under Secretary is apparently ignorant of the fact that the Washington office of the North American Export Grain Association makes a written report to the Department of Agriculture with copies to the ODT and Captain Conway on Monday of each week giving the position of the trade at the close of business on the preceding Friday. These reports show the quantities due each claimant at each port, stocks on hand, or en route, and the approximate interior location of the balances to be moved to the particular ports. This report also includes complete and detailed information on clearances for the previous week showing the recipient, the name of the vessel, the quantity loaded, and the date of clearance. Captain Conway's office has stated on several occasions that they wish agriculture reports were as complete and comprehensive as those of the trade.

Respectfully yours,

O. W. SALISBURY, Jr.,
Director of Export Grain Traffic.

By direction of the acting president.

JUNE 18, 1947.

The Honorable JOHN SHERMAN COOPER,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR COOPER: I have been informed that a letter witten to you by Under Secretary of Agriculture N. E. Dodd has been made part of the testimony presented to you in connection with the question of extension of export controls. Under the circumstances, I request that I be permitted to answer some of the statements and contentions of the Under Secretary.

The figures given by Mr. Dodd in the third paragraph of the first page have somehow become garbled and are meaningless, but I suppose that a correction has been offered by the Under Secretary.

The statement that "better use of transportation and port facilities can be made if the Department owns all of the wheat" is not borne out by the facts.

In the handling of corn by the export trade transportation facilities have been efficiently used and no congestion has resulted at any of the ports. The case of New Orleans is twice mentioned by Under Secretary Dodd. It is a recognized fact in the grain business that the elevator at New Orleans, being a city-owned-and-operated establishment, is the worst-run elevator anywhere in the country. Actually, the congestion at New Orleans was mostly of Commodity Credit Corporation's own making and was aggravated by the fact that CCC was unable to obtain from the elevator manager a correct statement as to their stocks of corn in the elevator and as to the condition of these stocks. Some high-moisture corn had gone out of condition, but no detailed information was available.

Both CCC and the grain trade were confronted with an extraordinary and most exceptional situation and should hardly, in all fairness, be taken as an example of what will occur if the grain trade should handle a large share of the wheat export business.

Mr. Dodd expresses lack of understanding of the approximate market price stated by me of $2.35 per bushel for No. 1 hard winter wheat at the Gulf for July shipment. In an attempt to disprove the correctness of this price, he states that Chicago July futures closed on May 28 at 2.41⅝ and Kansas City at 2.33⅛. It is true that I testified for the first time on May 28, but the market price mentioned by me was in reference to contracts written after May 23 and before June 4, when I testified again. As it happened, the close of Chicago was the highest on May 28, being 2.41⅝, but was as follows on subsequent dates: May 29, 2.35¾; May 31, 2.31; June 2, 2.25¾; June 3, 2.30.

Cash wheat for delivery at the Gulf during July, at that time was available at approximately July price, track, to which should be added 1½ cents per bushel to arrive at the f. o. b. price, so that—on an average—the price stated by me was on the high side.

As a matter of fact, up to the present time, Commodity Credit Corporation has bought somewhat over 20,000,000 bushels of wheat for which they paid from $2.46½ for delivery not later than June 15, which is worth a premium because of early shipment, to $2.23½ for delivery by July 31.

Mr. Dodd's statement shows that, in addition to 1 percent for administrative expenses, which he acknowledges is for the purpose of maintaining a large bureaucracy, the Department makes a charge of 1 percent for damage, deterioration and other contingencies, as the recent loss of flour and rice at Texas City, and losses in connection with grain shipped on the Lakes. All losses, of course, except possibly that of deterioration, can be covered by insurance at premiums which run from ⅛ to ⅜ percent and which, as a matter of fact, are, in most cases, separately charged for. As far as deterioration is concerned, this is an item for account of Commodity Credit Corporation only if they purchase grain in the interior on interior inspection, which is done only part of the time, and then—in most, and probably all—cases the deterioration in the last analysis is for account of the foreign buyer because, simply, grain of poorer quality or lower grade is loaded against the commitments made by Commodity Credit Corporation, and the cost, which is charged to the foreign country, remains unchanged.

Actually, practically the only cases of deterioration are in corn which, as stated above, in all probability, are paid for by claimant nations. The conclusion is that Commodity Credit Corporation charges a total of 2 percent which, on wheat at $2.75 per bushel, is equal to 5½ cents, which is four or five times the profit which an exporter could obtain in competition with other exporters for the same services.

The Under Secretary, in the last two sentences of his letter, presents the best argument that could be made for the handling of this business by the export grain trade. Among other things, by what he says he proves that a contract with an exporter is a great deal more binding than a contract with the Department of Agriculture. When exporters make commitments to foreign claimant nations, they do not do so subject to their ability to acquire grain, nor are they excused from making delivery due to any cause beyond their control, but these contracts by the export grain trade are absolutely binding at a fixed price for a fixed grade of grain for a fixed period of delivery, and are only subject to a specific strike clause extending the period of delivery for the amount of days that a strike may be in effect during the delivery period.

Contracts are established between sellers and buyers which give both equitable rights and which are based on the experience of many decades in the buying and selling of grain for export.

I want to point out once more that foreign claimant nations, with very few exceptions, prefer to make their purchases from the grain delivery trade exactly because of the reasons stated just above but, obviously, most of them are reluctant to state so in public because they are dependent upon officials of the Department of Agriculture for consideration and sponsorship of their eventual allocations of American grain before the International Emergency Food Council. They are most anxious not to antagonize these officials for fear that any statements made by them against the Department of Agriculture may be reflected to their disadvantage in the granting of allocations.

I avail myself of this opportunity to confirm telegram sent you on June 13 pointing out that the prospective increased wheat production in this country has brought about a closer adjustment between supplies and requirements. Therefore, any legislation extending export controls should end on December 31, 1947, for the purposes of review and reexamination of all statistical data then available.

Respectfully yours,

NORTH AMERICAN EXPORT GRAIN ASSOCIATION,

——— ———, *Vice President.*

Mr. YOUNG. Mr. President, I ask the Senator from Nebraska if it is not true that the grain trade is generally opposed to any sort of farm-price-support program.

Mr. BUTLER. No; I cannot say that it is. If the Senator asks my opinion, I will say that members of the grain trade—and I am not one of them—have profited more during Government control than they ever did under private operation, because when they are all free to get whatever business they can on their own, prices are much lower, and the margins of profit are much lower than they are under the control which we have had.

Mr. YOUNG. All of the grain-trade interests I have talked with are opposed to farm-support prices. Why would they not be satisfied to continue for 3 or 4 months, say, until the first of the year, when the heavy purchasing season will be over?

Mr. BUTLER. I am looking after the interests of the American taxpayer, and not those of members of the grain trade. I also have in mind consumers abroad who are paying between $15,000,000 and $20,000,000 to maintain a government agency to represent them here. I should like to see them get their food that much cheaper.

Mr. YOUNG. The Senator from Nebraska knows that in the Argentine the present price of wheat ranges between $5 and $6 a bushel. If the Senator does not want controls, and wants $5 or $6 wheat, which is a detriment to both the consumer and the producer, then let us eliminate all controls. Farmers do not want boom-and-bust prices. They are always fearful lest $3 and $4 per bushel wheat might be followed by 30-cent wheat.

Mr. BUTLER. We are not eliminating the controls. We are maintaining and continuing every control we have had. My amendment does not propose the elimination of a single control. It merely proposes that private trade, instead of the Commodity Credit Corporation, shall fill the orders.

Mr. AIKEN. Mr. President, I hope that all matters of trade now handled by the Government may be restored to private industry as soon as possible. I do not intend either to defend or condemn the Commodity Credit Corporation. I think it has done as good a job as it could have done, although it has made a great many mistakes in the process.

This discussion has centered around wheat. There are several farm commodities which have greater monetary value than wheat. One of them is dairy products. At the present time the Commodity Credit Corporation is keeping the dairy market from absolute collapse, and has been doing so for 2 or 3 months, by buying surplus milk in the form of powdered milk and selling it to foreign countries, in order to obtain a market. If today the Commodity Credit Corporation were not in the business of buying powdered milk and reselling it in foreign countries, we should see a severe collapse of the market for dairy products in this country, and as a consequence we should find a severe shortage of dairy products for the consumer next winter, with prices going sky high.

I have heard no complaint from private industry over the Government buying powdered milk and reselling it to France, Belgium, and other countries. In fact, private industry seems to think that that is a good way to dispose of it and stabilize the market, because the dairy industry does not want fluctuating markets.

The amendment of the Senator from Nebraska applies not only to wheat; it applies to all other commodities, as I understood it when it was read. Therefore, I do not believe that we ought to adopt an amendment which is bound to have such far-reaching effect as the amendment which my good friend from Nebraska has offered. I do not believe that we should adopt something for the special benefit of wheat dealers. I think we should maintain controls as they are for a short time longer.

In the future we shall have surpluses to dispose of. We have promised the farmers of the country that we would maintain the prices of the basic commodities at 90 percent of parity until the 1st of January 1948. We have already had to make good in the case of potatoes. I believe that operation cost us about $80,000,000. Not many of them could be shipped abroad. Some of them were. I would not deny the Commodity Credit Corporation the right to seek a market abroad for the crops which it has today, in order to maintain the domestic market.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. I think the Senator should understand that my amendment does not affect dairy products. It affects nothing but grain and grain products.

Mr. AIKEN. Does it not affect the products which the Commodity Credit Corporation buys and sells abroad?

Mr. BUTLER. It does not affect them at all.

Mr. AIKEN. I maintain that the amendment should have been printed so that we might know what we are voting on. Three or four days ago I learned that the amendment would be offered. There is no reason in the world why it could not have been printed. I do not believe that we should enact special legislation in behalf of grain and grain products. If the result is an increase in the price of grain of $2 or $3 a bushel, it will certainly affect dairy products. If we permit fluctuation and gambling, we shall increase the domestic price of grain in this country sky high, just as it has gone in countries where there has been no control.

Mr. BUTLER. Today the farmer is not receiving even parity for his grain.

Mr. AIKEN. He can receive 90 percent of parity.

Mr. BUTLER. But he is not receiving parity.

Mr. AIKEN. Would he receive more than parity if the entire trade were returned to private dealers?

Mr. BUTLER. I have no way of reading the future, I will say to the Senator. But my amendment does not propose to change in the least the arrangement of the Commodity Credit Corporation for purchasing for Army needs abroad, or for occupied territory abroad. The Commodity Credit Corporation would still be the biggest buyer in the world for those purposes.

This amendment would take care of foreign claimants who come here and buy on their own. I think they want to trade with individuals. Once let the Dutch and Belgian traders come into a free market, offering whatever prices they see fit in competition for this grain, and we shall find that they will take it anywhere they choose and dispose of it at as high prices as they can get, even in their own countries. It belongs to them when it is loaded on the ship. No one can tell me that that will not result in a great increase in the price of grain in this country. I do not believe that it would be good for the country to have the price of grain fluctuate, because later it is bound to go down. The price of corn is approximately $2 a bushel. That is more than parity, if I am not mistaken.

The price of corn will be higher than that of wheat.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. The support price of wheat is $1.83 a bushel now, and the price which the farmer receives is at least 55 cents a bushel above that. The farmer would be tickled to death to sign a contract over a 5-year period for $1.50 a bushel, rather than face the possibility of $5 wheat this year and probably 30-cent wheat in a couple years.

Mr. AIKEN. The farmer is receiving parity now. We are going to have a surplus of dried fruits. The Commodity Credit Corporation will have to buy them and resell them in foreign countries. That is the logical place to get rid of them. Let us support the efforts of the Commodity Credit Corporation. Every grower is not supported by the Steagall amendment. Let us not mess things up.

Mr. COOPER. Mr. President, the amendment which has been offered by the Senator from Nebraska is of importance, and I hope that Members of the Senate will give it careful consideration.

What does the amendment propose to do? It is not proposed to remove export controls from wheat. It is proposed to change the method of procurement of wheat. Today wheat is purchased by the Production and Marketing Administration of the Department of Agriculture, financed by the Commodity Credit Corporation. A license is given to the PMA to purchase wheat, and it is sold directly to foreign countries. The amendment of the Senator from Nebraska proposes that private exporters shall obtain licenses to purchase wheat from the farmers and arrange for its transfer to foreign countries.

I have great sympathy with the Senator's objective and I have great appreciation for his knowledge of the grain business, but after the careful consideration which was given it by the committee—and I cannot say that the committee's knowledge would approximate the Senator's knowledge of the grain business—the committee felt it would be an unwise thing to do. I will give, briefly, the reasons.

This year there will be exported approximately 14,500,000 tons of cereals, consisting of approximately 500,000,000 bushels of wheat and a large quantity of other grains.

That is compared with the peacetime average of a billion and one-half tons against fourteen and one-half million tons. First, there arise the problem of internal transportation, to get the wheat to the port, then the problem of external transportation to get it to the country of destination. The Office of Defense Transportation arranges for transportation to the port. There the Maritime Commission arranges for transportation overseas. The question of movement of such a large quantity is a serious problem, and it is probable that one purchaser can handle it better than several hundred. The PMA can program its purchases and can store wheat at the most logical and likely point for later shipment. If wheat is shipped near a port and it becomes necessary to change its destination, the change can be made without difficulty. If procurement is assumed by the trade, and a change of destination should be necessary, it would be necessary for the private exporter to work out some arrangement with another private exporter for a change in destination. A last point is the most important one. There are changes continually occurring with respect to the necessities and requirements of foreign countries. Because of these changes, it is difficult to make definite allocations of wheat to a country for long periods. If such allocations were made, and the trade contracted on the basis of such allocations, this country might later find itself without supplies to meet more urgent situations, except by repurchase. For example, if a private exporter had been given an allocation for 100,000 tons of wheat for France, and later it was found urgent to ship the wheat to some other country, it would be necessary to buy the wheat back from the private exporter or else the supply would be tied up.

I again say I have great sympathy with this amendment. We say in our report that control should be turned back at the earliest possible moment. There were criticisms made of the Government purchase program which we thought justified, but in looking at the great objective of meeting the tremendous food requirements that will have to be met throughout the year, I think it would be dangerous to tamper with the situation at this time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that what we need at the present time is the distribution of wheat in an orderly and equitable way. The Commodity Credit Corporation buys up the grain stored in warehouses throughout the country, and then when Belgium, for example, wants a hundred thousand bushels of wheat, within a week's time that agency of the Government is in position to deliver the wheat. Under this other arrangement there will be nothing but chaos and confusion, in my humble opinion, as far as orderly and equitable distribution of grain is concerned throughout the world.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] to the committee amendment. [Putting the question.] The noes appear to have it.

Mr. BALL and Mr. BUTLER asked for a division.

On a division, the amendment to the amendment was rejected.

Mr. COOPER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. COOPER. Yes.

Mr. SMITH. On page 3 of the committee's report I find the following language:

> Three techniques are employed in the licensing and export of allocations of food, as follows:
>
> * * * * *
>
> The third and most largely used type of license is that issued to commercial exporters against the country quota. Distribution of such licenses is fixed on a basis of 85 percent to historical exporters and 15 percent to newcomers.
>
> Historical exporters are defined by the Department of Commerce as those who made shipment of the commodity concerned to the destination concerned during a base period considered appropriate after consultation with the trade and various Government agencies whose activities have given them knowledge of trade practices.

Mr. President, I should like to propound a question to the distinguished Senator from Kentucky, if I may. I have heard criticisms of this method of distribution, and I should like to ask,

first, whether there is simply a regulation of the Department of Commerce, or whether there is any legislative authority.

Mr. COOPER. It is merely a rule or regulation of the Department; it has no legislative or legal validity.

Mr. SMITH. The criticism made of it is, as I think the Senator mentioned in his opening remarks, that another person wanting to go into business in this field is practically cut out because the so-called historical exporters have the field entirely in their own hands. What possible remedy, under that proposal, would a new company composed of GI's, or anyone else, have?

Mr. COOPER. The Senator from Oklahoma has pointed out that the courts have held this type of arbitrary ruling invalid. Heretofore there has been no power of appeal from the rulings of the Department of Commerce. We have placed in section 5 of the bill the provision that sections 3 and 10 of the Administrative Procedures Act shall be applicable. Section 10 provides for the right of appeal. So I take it that if an applicant for license believes he has been unjustly discriminated against, he will have the right of appeal under section 5 of the bill.

Mr. SMITH. Is there any explanation as to what criteria would be used to determine whether he was rightly or wrongly discriminated against?

Mr. COOPER. If the contention of the Senator from Oklahoma is correct—and I believe it is—there can be no arbitrary division. It would be the duty of the Department to grant licenses equally and equitably between applicants.

Mr. SMITH. Perhaps the most we can say is that it is one of the misfortunes that occur when we find ourselves compelled to adopt some sort of control.

Mr. COOPER. I agree with the Senator. These controls have been requested by the President.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, it is proposed to add a new section as follows:

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within 30 days after such quarter, to the President and to the Congress of his operations under the authority conferred upon him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such acts, allocations, and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate House bill 3647. Without objection, the House bill will be substituted for Senate bill 1461.

There being no objection, the Senate proceeded to consider the bill (H. R. 3647), to extend certain powers of the President under title III of the Second War Powers Act.

Mr. WILEY. I move to amend by striking out all after the enacting clause and inserting the text of the Senate bill as amended.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1461 is indefinitely postponed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WILEY, Mr. COOPER, and Mr. MCCARRAN as conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that the President of the United States having returned to the House of Representatives the enrolled bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.)," in compliance with the request contained in Senate Concurrent Resolution No. 22; and returned the engrossed copy of said bill to the Senate.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the said bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, 26, and 35 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

TRUSTEESHIP AGREEMENT COVERING JAPANESE MANDATED ISLANDS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 378)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting the trusteeship agreement covering the Japanese mandated islands, which are the Carolines, the Marianas, and the Marshalls. The trusteeship agreement has been unanimously approved by the Security Council of the United Nations. The message of the President will be printed in the RECORD. The message, attached papers, and the proposed agreement will be referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 8347.)

JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS

The PRESIDENT pro tempore. The Chair desires to announce that under the terms of the Taft-Hartley Act, a joint committee of 14 is set up, of which 7 members are to be named by the President pro tempore of the Senate.

After consultation with the leaders on both sides of the aisle, the Chair announced the appointment of the following committee: The Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Louisiana [Mr. ELLENDER].

AUDIT REPORT OF DEFENSE HOMES CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Defense Homes Corporation, for the fiscal years ended June 30, 1945, and June 30, 1946, which, with the accompanying report, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Banking and Currency:

"House Concurrent Resolution 5

"Concurrent resolution memorializing Congress to provide immediate increased allotments of sugar for home consumption and for the removal of all controls on sugar as soon as possible

"Whereas the housewives of America have exercised, during the period of hostilities and for more than a year since the cessation of hostilities, the strictest economy in the consumption of sugar as a part of their contribution to the war effort; and

"Whereas the waste resulting from the lack of sufficient means of preserving foodstuffs through the scarcity of canning sugar can no longer be justified since the Nation has not been at war for the past 18 months; and

"Whereas numerous commercial users of sugar have been able to continue processing without the degree of restraint imposed upon homes and home use in this country; and

"Whereas Michigan, in common with other great agricultural States, produces many crops which require sugar for preservation, such as cherries, berries, apples, and other fruits and vegetables; and

"Whereas in the past year losses from this source have been estimated at several millions of dollars: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*. That the Congress of the United States is hereby requested to provide by law for an immediate increase in the allotment of sugar for home consumption and particularly for increases in sugar to be used in home canning; and be it further

"*Resolved*, That the Congress is requested to remove all controls from the sale and importation of sugar as soon as is possible; and be it further

"*Resolved*, That a copy of this memorial be sent to each Member of the Michigan delegation in Congress and to the President of the United States.

"Adopted by the house January 29, 1947.

"Adopted by the senate May 21, 1947."

A memorial of the house of representatives of the legislature of the State of Arizona; to the Committee on Finance:

"House Memorial 1

"Memorial on Federal contribution to old-age assistance

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"By the act of Congress of August 10, 1946 (Public Law 719, 79th Cong.), the Federal contribution to the States for old-age assistance, for a period terminating December 31, 1947, was fixed at a sum equal to two-thirds of the State's expenditure for the purpose up to $15 per month for each beneficiary, plus one-half of the State's expenditure above $15 and one-half of the expense of administration.

"The need thus recognized for an increase in the amount of assistance for aged citizens of the States will not pass with the date fixed for the termination of the Federal contribution, and Federal participation in this just and righteous cause will be equally as necessary as at present.

"Wherefore your memorialist, the house of representatives of the State of Arizona, requests:

"1. That the provisions of Public Law 719, Seventy-ninth Congress, relating to Federal participation in old-age assistance, be reenacted and made permanent.

"Adopted by the house June 24, 1947."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. WILEY:

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Foreign Relations:

"Assembly Joint Resolution 64

"Joint resolution memorializing the President and Congress of the United States to take steps necessary to authorize immediate development of the Great Lakes-St. Lawrence waterway

"Whereas the President has termed the proposed development of the Great Lakes-St. Lawrence waterway for travel by seagoing vessels more important to this Nation than any other comparable project; and

"Whereas for 50 years outstanding Americans in official and civilian life, concerned with the economic welfare of the people of this country, have urged this undertaking as vital to the full development of the country's resources and inland transportation facilities; and for 20 years the governors and legislatures of the State of Wisconsin, regardless of political affiliation, have gone on record as favoring this great project; and

"Whereas every effort in the past to make this seaway a reality has failed because of vigorous opposition from selfish and sectional interests; and

"Whereas the urge for this seaway is today strong and virile and will continue so to be until the Great Lakes-St. Lawrence waterway is made adequate for navigation of seagoing vessels and furnishes Midwest farm, factory, mine, and shipyard products access to the markets of the world; and

"Whereas a seaway from the Great Lakes to the tidewaters of the Atlantic will increase our national security in time of crisis, aid in the restoration of our foreign markets, stimulate development of the resources of the Midwest, will lower transportation costs and will conserve our natural resources; and

"Whereas if authorized and undertaken as an immediate postwar work program, this project will furnish a full measure of opportunity for employment to military veterans; and

"Whereas legislation is now pending before both Houses of the National Congress to authorize construction of the St. Lawrence seaway project by agreement between the United States and Canada, Senators WILEY and MCCARTHY, of Wisconsin, being included among the distinguished sponsors of this legislation, reflecting Wisconsin's unalterable and continuing support of this great project: Now, therefore, be it

"*Resolved by the assembly (the Senate concurring)*, That the Legislature of the State of Wisconsin memorializes the President and Congress of the United States to enact such legislation as may be necessary to authorize development of the Great Lakes-St. Lawrence waterway for navigation by seagoing vessels at the earliest practicable date; and be it further

"*Resolved*, That properly attested copies of this resolution be sent to the President, to the clerks of both Houses of the Congress, and to each Wisconsin Member thereof."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Foreign Relations.)

DISCONTINUANCE OF PASSENGER SERVICE BY OLD COLONY RAILROAD

Mr. LODGE. Mr. President, on behalf of myself and my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL], I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, resolutions of the House of Representatives of the Commonwealth of Massachusetts, memorializing the Congress to enact the so-called Reed bill, relating to the threat of discontinuance of passenger service by the Old Colony Railroad.

There being no objection, the resolutions were received, referred to the Committee on Interstate and Foreign Commerce; and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States in favor of the enactment of the Reed bill, so-called, whereby the threat of discontinuance of passenger service by the Old Colony Railroad will be removed

Whereas one-fifth of the population of the Commonwealth of Massachusetts is affected by, and to a greater or lesser degree is dependent upon, passenger service on the lines of the Old Colony Railroad which operates between the city of Boston and the principal cities and towns of southeastern Massachusetts; and

Whereas the complete discontinuance and abandonment of such passenger service on the lines of the Old Colony Railroad is threatened under a plan of reorganization for the New Haven and Old Colony Railroads, which plan has been approved by the Interstate Commerce Commission and the United States circuit court of appeals, the granting of a writ of certiorari by the Supreme Court being the only hope of judicial relief; and

Whereas there is now pending in the Congress of the United States a bill known as the Reed bill (H. R. 3237) which, if enacted into law, will nullify the said plan of reorganization and thus remove the threat of discontinuance of passenger service on the said Old Colony Railroad; and

Whereas great investments in industrial and commercial enterprises, hotels and homes have been made in southeastern Massachusetts in the expectation that the passenger service on the Old Colony lines be maintained, as provided in the charter granted to the Old Colony Railroad by the Commonwealth of Massachusetts, and the discontinuance and abandonment of said passenger service would constitute a tragic injustice to said citizens of Massachusetts: Therefore be it

Resolved, That the House of Representatives of the General Court of Massachusetts urges the passage of said Reed bill (H. R. 3237); and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from the New England States.

In house of representatives, adopted, June 26, 1947.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on Civil Service:

S. 999. A bill to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; with an amendment (Rept. No. 428).

By Mr. MOORE, from the Committee on Interstate and Foreign Commerce:

S. 1028. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; without amendment (Rept. No. 429).

By Mr. BUTLER, from the Committee on Public Lands:

S. 794. A bill to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C.; with an amendment (Rept. No. 423);

H. R. 2005. A bill to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments"; without amendment (Rept. No. 424);

S. J. Res. 94. Joint resolution to establish the Fort Sumter National Monument in the State of South Carolina; without amendment (Rept. No. 430);

S. J. Res. 118. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; with amendments (Rept. No. 433); and

S. J. Res. 130. Joint resolution establishing a code for health and safety in bituminous coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; with amendments (Rept. No. 431).

By Mr. AIKEN, from the Committee on Labor and Public Welfare:

S. 472. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; with an amendment (Rept No. 425).

By Mr. CHAVEZ, from the Committee on Civil Service:

S. 995. A bill to amend the Civil Service Retirement Act so as to make such Act applicable to the officers and employees of the Columbia Institution for the Deaf; without amendment (Rept. No. 426); and

S. 1324. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; without amendment (Rept. No. 427).

By Mr. REED, from the Committee on Interstate and Foreign Commerce:

S. 249. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 432).

By Mr. GURNEY, from the Committee on Armed Services:

S. 1502. A bill to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940; without amendment (Rept. No. 434).

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 1515. A bill to make surplus property available for the alleviation of damage caused by flood or other catastrophe; with an amendment (Rept. No. 435).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years;

John W. Drury, of Connecticut, and sundry other citizens, to be second lieutenants in the Marine Corps;

Bernard N. Bloom, and sundry other officers to be ensigns in the Navy; Joseph W. Neudecker, Jr., to be an assistant civil engineer in the Navy; and Francis Roche, to be an assistant paymaster in the Navy with the rank of ensign;

George F. Stearns, Jr., and sundry other officers for appointment in the United States Navy;

Lt. Col. Cranford Coleman Bryan Warden, and sundry other officers for appointment, by transfer, in the Regular Army of the United States;

Brig. Gen. Edward Courtney Bullock Danforth, Jr., and sundry other officers for appointment in the Officers' Reserve Corps in the Army of the United States; and

Florence A. Blanchfield, and sundry other persons for appointment in the Regular Army in the Army Nurse Corps.

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

James Earl Wells, Jr., of South Dakota, to be Cooperative Bank Commissioner of the Farm Credit Administration.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER (by request):

S. 1565. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. WHERRY:

S. 1566. A bill to provide for greater efficiency of the military forces of the United States in occupied countries, and for other purposes; to the Committee on Armed Services.

By Mr. WILEY:

S. 1567. A bill to provide the venue in actions brought in United States District Courts or in State courts against interstate commerce carriers by railroad for damages for wrongful death or personal injuries; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1568. A bill authorizing the issuance of a patent in fee to Mary K. Reed; to the Committee on Public Lands.

By Mr. IVES:

S. 1569. A bill to provide for the construction of a water-filtration plant on the military reservation at West Point, N. Y., and for other purposes; to the Committee on Armed Services.

By Mr. VANDENBERG:

S. J. Res. 143. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific islands; to the Committee on Foreign Relations.

(Mr. IVES (for himself and Mr. WAGNER) introduced Senate Joint Resolution 144, authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE) introduced Senate Joint Resolution 145, to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, which appears under a separate heading.)

UNIFICATION OF ARMED SERVICES—AMENDMENTS

Mr. ROBERTSON of Wyoming submitted sundry amendments intended to be proposed by him to the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security, which were severally ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

PERMANENT HEADQUARTERS OF UNITED NATIONS

Mr. IVES. Mr. President, yesterday the President of the United States sent a message to the Congress transmitting an agreement which has been made between the United States and the United Nations concerning the control and administration of the United Nations headquarters in the city of New York. In the message the President urged early consideration of the matter by the Congress and asked that appropriate action be taken by joint resolution to bring about the effectiveness of the agreement, insofar as this country is concerned. The senior Senator from New York [Mr. WAGNER] and myself have been granted the privilege of introducing an appropriate joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes.

Mr. President, I now ask unanimous consent to introduce this joint resolution and to have it referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred to the Committee on Foreign Relations.

There being no objection, the joint resolution (S. J. Res. 144) authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, introduced by Mr. IVES (for himself and

Mr. WAGNER), was received, read twice by its title and referred to the Committee on Foreign Relations.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. McCARRAN. Mr. President, the Senate Committee on Public Lands has under consideration Senate bill 1175, a bill to authorize the construction of the central Arizona project.

THE PROJECT

The project would consist primarily of the Bridge Canyon Dam on the Colorado River above Boulder Dam, and an aqueduct to transport Colorado River water to central Arizona, through tunnels over 80 miles long, bypassing Boulder Dam. Initially, however, instead of building these tunnels, a branch or alternate aqueduct would be built from Parker Dam, lifting the water by pumping nearly a thousand feet, to join the ultimate Bridge Canyon aqueduct route at a junction point part way to the Phoenix area, and using about a third of the Bridge Canyon power. The remaining two-thirds would be sold. The potential customers are supposed to be in California, Nevada, and Arizona.

COST

The ultimate project will cost over $1,000,000,000. The initial part of it, involving the Parker pumping route, will cost over $600,000,000. This latter figure is about the same as the estimated cost of the St. Lawrence seaway, and five times the cost of the Boulder Canyon project.

FINANCING PLAN

Under the plan set up by the bill, no part of the capital cost will be repaid by the Arizona irrigators. Either the Federal Treasury, or the power users, are expected to pay for all of it.

The water will be sold to the irrigators at $4.50 per acre-foot, which, according to the Reclamation Bureau, is less than the cost of operation and maintenance alone.

SUBSIDIES REQUIRED

The power users or the Federal taxpayers will have to provide not only the six hundred million to one billion of capital costs, but also over $3,000,000 per year in operating expense.

The scheme does not contemplate that the Treasury will get any interest on its power investment. The amortization period is estimated at over 80 years. The lost interest alone, for 80 years at 2 percent, is over a billion dollars, even if the capital is recovered; and during the same period the Federal taxpayers or the power users would have to carry the burden of over a quarter billion dollars of operating expense that the water users cannot pay.

IMPORTANCE OF POWER TO NEVADA

Abundant cheap power is essential to Nevada. Bridge Canyon power site, properly developed, can be an asset to Nevada and the other intermountain areas within transmission distance. But as proposed in this bill, a million and a quarter acre-feet would ultimately bypass Boulder and Davis Dams, reducing the power Nevada is entitled to at such projects. More important, Bridge Canyon power itself would be loaded with over $300,000,000 of subsidy to an Arizona irrigation project. When the Boulder Canyon Project Act was debated, Nevada insisted that power at Boulder Dam should not have to pay for any part of the All-American Canal. The power users of Nevada are entitled to have the same principle apply to Bridge Canyon.

RELATION TO NATIONAL DEBT

Coming on the heels of an effort to reduce Federal income taxes four billions, and to reduce the current budget by a comparable figure, any project that adds over a billion to the interest burden on the taxpayers deserves mature consideration.

The bill has not been reported upon by the Interior Department. The Reclamation Bureau has not completed its investigations, and hence is not yet ready to submit its proposed plans to the seven affected States for their comment, as is required by the O'Mahoney-Millikin amendments to the Flood Control Act of 1944; furthermore, it will not be ready to do so for another year. The procedure used here would make a dead letter of the O'Mahoney-Millikin amendments. The project has not cleared the Bureau of the Budget. The Boulder Canyon Project Act involved only one-fifth as much money, but Arizona opposed it and kept it before Congress for many years. In spite of all this, the project's sponsors are pressing the Arizona delegation to get it reported and passed. The Congress is being deluged with publicity and propaganda in its favor.

WATER

The enormous investment proposed in Senate bill 1175 is a gamble on an uncertain water supply. As the direct result of the Mexican Water Treaty, which was opposed by two of the three Lower Basin States and by most of the water users in Arizona, but which was supported by the sponsors of Senate bill 1175, the lower basin is confronted with a catastrophic water shortage. Commissioner Bashore furnished the Senate, at my request, figures published in Senate Document 39, Seventy-ninth Congress, showing that the face amount of the Government's commitments in the lower basin would exceed the supply available in a dry decade like 1931–40, after the upper basin is fully developed, by well over 2,000,000 acre-feet per year, and that even after drawing down Boulder Dam storage 1,500,000 acre-feet a year, there would be a deficit of over three-quarters of a million acre-feet annually. In the hearings on Senate bill 1175, Arizona's expert, Mr. Debler, has admitted that Boulder Canyon storage cannot safely be drawn down more than 900,000 acre-feet a year, and that in order to make good on the Mexican treaty, the upper basin must be called upon to increase its deliveries at Lee Ferry and reduce its own uses for periods as long as 20 years at a time.

NECESSITY FOR ADJUDICATION

Obviously, the Government should not risk a billion dollars or any part of it on a project dependent on an uncertain water supply. This project's supply is uncertain. It has a supply, at all, only if the Colorado River Compact is construed as Arizona wants it construed. Nevada and California are not in agreement with Arizona's interpretations. Governor Warren, of California, and Governor Pittman, of Nevada, have offered to Governor Osborn, of Arizona, either to negotiate, arbitrate, or join in obtaining authorization by Congress for a suit in the Supreme Court. The permission of Congress is necessary to the latter course, because the United States is a necessary party. Arizona has replied, refusing to negotiate or arbitrate or litigate. She wants a political settlement in Congress. The water rights involved here are States' rights, not subject to disposition by Congress.

To put this matter at rest, the Senators from Nevada and California are joining in introducing a joint resolution to authorize suit. This jurisdictional measure should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive use projects in the lower basin.

I ask unanimous consent to introduce the joint resolution for appropriate reference.

There being no objection, the joint resolution (S. J. Res. 145) to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, introduced by Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE), was received, and read twice by its title.

BRANCH BANKS—ADDRESS BY W. J. BRYAN

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address by W. J. Bryan, vice president of the Third National Bank of Nashville, Tenn., before the Independent Bankers Association, on the subject of branch banks, published in the Bank and Insurance Stock Guide, which appears in the Appendix.]

KEEP YOUR SHIRT ON, FELLOW—LETTER FROM GARRETT MATTINGLY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter written by Garrett Mattingly, dealing with our relations with Russia, published in the June 1947 issue of Woman's Day, which appears in the Appendix.]

NEGLECT OF NEGRO EDUCATION CREATES PROBLEM—ARTICLE BY RALPH W. PAGE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Neglect of Negro Education Creates Problem," by Ralph W. Page, from the Philadelphia Evening Bulletin of April 19, 1947, which appears in the Appendix.]

DOUBLE TAXATION CONVENTION WITH UNION OF SOUTH AFRICA—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session the Chair lays before the Senate a message from the President of the United States transmitting to the Senate for its consideration Executive FF, Eightieth Congress, first session, a convention between the United States and the Union of South Africa with respect to double taxation. Without objection, the injunction of secrecy will be removed from the convention; and, without objection, the message from the President, together with the convention, will

be printed in the RECORD and referred to the Committee on Foreign Relations. The Chair hears no objection.

The message, together with the convention, was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and the Union of South Africa, signed at Capetown on April 10, 1947, in the English and Afrikaans languages, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

The convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

(Enclosures: (1) Report of the Secretary of State; (2) Convention of April 10, 1947, between the United States and the Union of South Africa with respect to taxes on the estates of deceased persons.)

DEPARTMENT OF STATE,
Washington, July 2, 1947.

THE PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States of America and the Union of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Capetown on April 10, 1947.

The Department of State and the Treasury Department collaborated in the negotiation of the convention. It has the approval of both Departments.

In its purposes, to afford taxpayers relief from double taxation and to facilitate cooperation between the tax authorities of the two countries in preventing tax evasion, the convention is similar to the two conventions presently in force between the United States and other countries with respect to estate taxes, namely, the convention of June 8, 1944, with Canada (Senate Executive Rept. No. 3, 78th Cong., 2d sess) and the convention of April 16, 1945, with the United Kingdom of Great Britain and Northern Ireland (Senate Executive Rept. No. 5, 79th Cong., 2d sess.).

The negotiation with the Union of South Africa with a view to the conclusion of the convention began in the summer of 1944 and, with the exception of comparatively minor matters, was completed in 1946. In most respects the convention of April 16, 1945, between the United States and the United Kingdom served as a pattern. It is a matter of interest that that convention has served also as a pattern for a convention relating to estate taxation between the United Kingdom and the Union of South Africa.

The convention with the Union of South Africa, submitted herewith, is similar to the one with Canada and the one with the United Kingdom on the same subject, in that double taxation is avoided principally by means of credit provisions. In the case of a deceased person who, at the time of death, was domiciled in or was a citizen of the United States, a credit is allowed against the Federal estate tax for estate duty paid the Union of South Africa with respect to property situated in the Union and subjected to taxation by both countries. In the case of a deceased person who, at the time of death, was ordinarily resident in the Union of South Africa, a credit is allowed against the Union estate duty for estate tax paid the United States with respect to property situated in the United States and subjected to taxation by both countries. It is possible under the respective laws of the two countries for a decedent, at the time of death, to be domiciled in the United States and also ordinarily resident in the Union.

As in the application of the conventions with Canada and the United Kingdom, the convention with the Union of South Africa extends in its application, so far as the United States is concerned, only to estate taxes imposed by the Federal Government. The imposition and collection of inheritance or estate taxes by States or Territories of the United States or by the District of Columbia are not restricted. Moreover, the credit allowed under the convention (art. V) is subordinated to and has no effect upon the credit against the Federal estate tax authorized by section 813 (b) of the Internal Revenue Code for inheritance, estate, legacy, or succession taxes paid to the States, Territories, or possessions of the United States, or to the District of Columbia. Likewise, the credit for gift tax authorized by sections 813 (a) and 936 (b) of the Internal Revenue Code is not affected by the convention.

The provisions concerning the exchange of information and assistance in the collection of taxes are, like the corresponding provisions in tax conventions now in force between the United States and other countries, deemed essential for the full effectiveness of the substantive provisions regarding exemptions and credits.

The provisions of the convention are contained in 14 articles. The following explanations, supplementing those which have been given above, may be useful in considering the specific provisions:

Article I specifies the taxes to which the convention applies. Article II contains definitions of terms found in the convention and provides that terms not defined in the convention shall have the meanings which they have under the laws of the respective countries, unless the context of the convention requires otherwise.

Article III specifies the rules that are to apply in determining domicile in the United States and ordinary residence in the Union of South Africa and in determining the situs of property for certain purposes. Paragraph (1) of article III provides that domicile in the United States is to be determined according to United States law and that ordinary residence in the Union is to be determined according to Union law. The estate tax or estate duty is imposed with respect to property situated in the taxing country regardless of the decedent's domicile or residence at the time of death. The United States imposes its estate tax also upon the basis of citizenship or nationality. The Union does not. If the decedent were, at the time of death, domiciled in the United States, the United States includes in the gross estate for tax purposes all personal property situated outside the United States. The Union, however, includes personal property situated outside Union territory only if the decedent were, at the time of death, ordinarily resident in the Union.

The Union's death duty law does not use the term "domicile," but uses the term "ordinarily resident," defining that term as meaning habitually resident or resident in the ordinary course of the person's life. Consequently a person may be domiciled in the United States under United States law and at the same time be ordinarily resident in the Union under the Union law. The only feasible recourse for the purposes of this convention was to leave the respective laws of the two countries in these respects unchanged, but to undertake, in paragraph (2) of article III, to lay down rules of situs with respect to various classes of property. These rules are adopted for the dual purpose of (a) determining the property which may be included for estate-tax purposes where the tax is imposed upon the basis of situs within the taxing country, and (b) determining the credit contemplated by article V of the convention.

The situs rules are expressly limited to estates of decedents who were domiciled in the United States or ordinarily resident in the Union at the time of death. A similar limitation is found in the existing estate-tax convention between the United States and the United Kingdom (art. III). At the end of paragraph (2) of article III of the convention submitted herewith there is a proviso which restricts the application of the situs rules for purposes of taxation by one of the countries to property not included for tax purposes by the other country. For example, if a decedent were not domiciled in or a citizen of the United States, but were ordinarily resident in the Union at the time of death, the application of the Federal estate tax to particular property will not be restricted by the situs rules if that property be not actually subjected to the Union estate duty.

The situs of property not covered by article III will be determined in accordance with the law of the taxing country which does not allow a credit under article V. The Treasury Department will be in a position to furnish such detailed explanations as may be desired concerning the application of the situs rules to specific classes of property.

Article IV corresponds to article IV of the existing convention with the United Kingdom. As in that convention, it is provided that deductions shall be allowed as authorized under the law of the taxing country and that neither country, in imposing tax on the basis of situs of property within its territory, shall take into account, in determining the amount or rate of tax, property situated outside its territory. This confirms the existing practices in both countries.

Article V is the credit article, corresponding to article V of the existing convention with the United Kingdom and to article VI of the existing convention with Canada. Double taxation is avoided by the allowance of a credit by each country against its tax for the tax imposed by the other country. Needless to say, the credit is allowed only with respect to property which is subject to tax in both countries. Moreover, the credit is not to exceed that part of the tax imposed by the country allowing the credit which is attributable to the property subjected to tax in both countries. The amount of the tax attributable to property, when that property is part of a gross estate which is taxed at graduated rates, is in the same proportion to the entire tax as the proportion of the value of the specific property to the value of the gross estate subject to tax.

Paragraph (1) of article V provides for a credit in the case of a deceased citizen of the United States who was domiciled abroad at the time of death. It is provided that in such case there will be allowed against the United States estate tax a credit for Union estate duty imposed on property situated within the Union. If that decedent were ordinarily resident in the Union at the time of death, the Union also will allow a credit against its estate duty, in accordance with paragraph (2).

Paragraph (2) of article V provides that (a) in the case of a decedent domiciled in the United States and not ordinarily resident in the Union at the time of death, a credit will be allowed against the United States estate tax for Union estate duty imposed on that part of the estate situated within the Union, and (b) in the case of a decedent ordinarily resident in the Union and not domiciled in the United States at the time of death, a credit will be allowed against the Union estate duty for United States estate tax imposed upon that part of the estate situated within the United States.

Paragraph (3) of article V provides formulas to cover the allowance of credits in the case of a decedent who, at the time of death, is regarded by the United States as being domiciled within this country and is regarded at the same time by the Union as being ordinarily resident within the Union.

Paragraph (4) provides in effect that the credit is to be computed after taking into account any other credit, allowance or relief, or remission or reduction of tax. The effect of this provision in relation to the United States estate tax has been referred to in the sixth paragraph of this report.

Paragraph (5) of article V provides in effect that when the Union allows a credit against its estate duty for the United States estate tax, the latter shall not also be deducted in determining the amount of the estate subject to Union estate duty.

Article VI, which provides for the filing of claims for credit or refund, corresponds to article VI of the existing convention with the United Kingdom.

Articles VII to XI, inclusive, contain provisions with respect to administrative cooperation, including provisions for the furnishing of information and for assistance in collection of taxes. Article VII, corresponding to article VII of the existing convention with the United Kingdom and article VII of the existing convention with Canada, embodies the principle of reciprocal exchange of information with a view to the more effective operation of the convention. Article VIII, which follows in general the formula of article XVII of the existing convention with Sweden regarding income taxes, provides for mutual assistance in the collection of the taxes to which the convention relates. Article IX contains provisions regarding costs incurred in administering the provisions of the convention and restricts the use of the information furnished under the convention to the determination and collection of the taxes. Article X, corresponding to article X of the existing convention with Canada, relates to the authority of the competent authorities to prescribe the regulations necessary to interpret and carry out the provisions of the convention. Article XI, corresponding to article XI of the existing convention with Canada, relates to the right of taxpayers, when they can show that double taxation has resulted or may result, to lodge claims or protests with the competent authorities of either of the two countries.

Article XII expresses the understanding that the convention shall not restrict any exemption, deduction, credit, or other allowance accorded by the laws of either country in the determination of the tax imposed by it. This corresponds to article XII in the existing convention with Canada regarding estate taxes and succession duties, and to provisions in conventions with a number of countries regarding income taxes.

Article XIII provides for ratification and for the exchange of instruments of ratification. It prescribes that the convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to (a) estates of persons dying on or after that date, and (b) the estate of any person dying before that date and after June 30, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the convention shall be applied to such estate. This formula is similar to that prescribed in article X of the existing estate-tax convention with the United Kingdom.

Article XIV provides that the convention shall remain in force for a period of 3 years, but may be terminated at the end of that period or at any time thereafter, according to the procedure and with the effect specified, by the giving of a written notice to that effect by one of the governments to the other government.

Respectfully submitted.

G. C. MARSHALL.

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOUTH AFRICA WITH RESPECT TO TAXES ON THE ESTATES OF DECEASED PERSONS

The Government of the United States of America and the Government of the Union of South Africa, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, have appointed as their respective Plenipotentiaries:

The Government of the United States of America: General Thomas Holcomb, Envoy Extraordinary and Minister Plenipotentiary of the United States of America; and

The Government of the Union of South Africa: Field Marshal the Right Honourable Jan Christiaan Smuts, Prime Minister and Minister of External Affairs of the Union of South Africa.

Who, having exhibited their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of the present Convention are:

(a) In the United States of America, the Federal estate tax, and

(b) In the Union of South Africa, the estate duty imposed by the Union.

(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either Contracting Party subsequently to the date of signature of the present Convention.

ARTICLE II

(1) In the present Convention, unless the context otherwise requires:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and of Hawaii, and the District of Columbia.

(b) The term "Union" means the Union of South Africa.

(c) The term "territory", when used in relation to one or the other Contracting Party, means the United States or the Union, as the context requires.

(d) The term "tax" means the United States Federal estate tax or the estate duty imposed by the Union, as the context requires.

(e) The term "Commissioner for Inland Revenue" means the Commissioner for Inland Revenue of the Union or his duly authorised representative.

(f) The term "Commisssioner of Internal Revenue" means the Commissioner of Internal Revenue of the United States, or his duly authorised representative.

(g) The term "competent authority" means the Commissioner for Inland Revenue or the Commissioner of Internal Revenue and their duly authorised representatives.

(h) The term "corporation" when used in relation to the Union shall be regarded as the equivalent of the term "company" as used in the revenue laws of that State.

(2) In the application of the provisions of the present Convention by one of the Contracting Parties, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Party relating to the taxes which are the subject of the present Convention.

ARTICLE III

(1) For the purposes of the present Convention, the question whether a decedent was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union shall be determined in accordance with the laws in force in the United States and the Union respectively.

(2) Where a person was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union, then as regards the United States the situs of any of the following rights and interests, legal or equitable, which for the purposes of tax form part of the estate of such person or pass on his death, shall, for the purposes of the imposition of tax, be determined exclusively in accordance with the following rules, and as regards the Union, tax may be imposed on any of the following rights or interests which are deemed under those rules to be situated in its territory, but shall not be imposed on any of the said rights or interests which are deemed to be situated outside its territory unless such person was at the time of his death ordinarily resident in some part of its territory:

(a) Rights or interests (otherwise than by way of security) in or over immovable property shall be deemed to be situated at the place where such property is located;

(b) Rights or interests (otherwise than by way of security) in or over tangible movable property, other than such property for which specific provision is hereinafter made, and in or over bank or currency notes, other forms of currency recognised as legal tender in the place of issue, negotiable bills of exchange and negotiable promissory notes, shall be deemed to be situated at the place where such property, notes, currency or documents are located at the time of death, or, if in transitu, at the place of destination;

(c) Debts, secured or unsecured, including securities issued by any government, municipality or public authority and debentures and debenture stock issued by any corporation, but excluding the forms of indebtedness for which specific provision is made herein, shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(d) Shares or stock in a corporation (including shares or stock held by a nominee where the beneficial ownership is evidenced by scrip certificates or otherwise) shall be deemed to be situated at the place in or under the laws of which such corporation was created or organised;

(e) Monies payable under a policy of assurance or insurance on the life of the decedent shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(f) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration or documentation of the ship or aircraft;

(g) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on;

(h) Patents, trade marks and designs shall be deemed to be situated at the place where they are registered;

(i) Copyright, franchises, and rights or licences to use any copyrighted material, patent, trade mark or design shall be deemed

to be situated at the place where the rights arising therefrom are exercisable;

(j) Rights or causes of action ex delicto surviving for the benefit of an estate of a decedent shall be deemed to be situated at the place where such rights or causes of action arose;

(k) Judgment debts shall be deemed to be situated at the place where the judgment is recorded·

Provided that if, apart from this paragraph, tax would be imposed by one Contracting Party on any property, this paragraph shall not apply to such property unless, by reason of its application or otherwise, tax is imposed or would but for some specific exemption be imposed thereon by the other Contracting Party.

ARTICLE IV

(1) In determining the amount on which tax is to be computed permitted deductions shall be allowed in accordance with the law in force in the territory in which the tax is imposed.

(2) Where tax is imposed in the United States on the death of a person who was not domiciled in any part of the United States but was ordinarily resident in some part of the Union, or where tax is imposed in the Union on the death of a person who was not ordinarily resident in any part of the Union but was domiciled in some part of the United States, no account shall be taken, in determining the amount or rate of the tax so imposed, of property which is deemed under paragraph (2) of Article III to be situated outside the territory of the Contracting Party imposing such tax: *Provided,* That this paragraph shall not apply as respects tax imposed in the United States in the case of a United States citizen who at the time of his death was ordinarily resident in the Union.

ARTICLE V

(1) Where the United States imposes tax by reason of a decedent's being its national, the United States shall allow against so much of its tax (as otherwise computed) as is attributable to property situated in the Union a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the Union as is attributable to that property; but this paragraph shall not apply in a case to which paragraph (2) (a) or paragraph (3) is applicable.

(2) Where each Contracting Party imposes tax on any property on the death of a person who at the time of his death was—

(a) domiciled in some part of the United States but not ordinarily resident in any part of the Union, or

(b) ordinarily resident in some part of the Union but not domiciled in any part of the United States,

the Contracting Party in some part of whose territory such person was so domiciled or ordinarily resident shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the other Contracting Party as is attributable to such property; provided that this paragraph shall not apply as respects tax imposed by the United States solely by reason of a decedent's being its national which is attributable to property situated outside the United States.

(3) Where each Contracting Party imposes tax on property on the death of a person who at the time of his death was domiciled in some part of the United States and ordinarily resident in some part of the Union—

(a) in the case of any property which is deemed under paragraph (2) of Article III to be situated in the territory of one only of the Contracting Parties, the other Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the first mentioned Contracting Party as is attributable to such property;

(b) in the case of any other property each Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to the property a credit which bears the same proportion to the amount of its tax so attributable or to the amount of the other Party's tax attributable to the same property, whichever is the less, as the former amount bears to the sum of both amounts.

(4) For the purposes of this Article, the amount of the tax of a Contracting Party attributable to any property shall be ascertained after taking into account any credit, allowance or relief, or any remission or reduction of tax, otherwise than in respect of tax payable in the territory of the other Contracting Party.

(5) The allowance by the Union under this Article of a credit for tax imposed in the United States in respect of any property shall be subject to the condition that no deduction in respect of the tax so imposed shall be made for the purpose of determining the amount of the estate on which tax is chargeable in the Union.

ARTICLE VI

(1) Any claim for a credit or for a refund of tax founded on the provisions of the present Convention shall be made within six years from the date of the death of the decedent in respect of whose estate the claim is made, or, in the case of a reversionary interest where payment of tax is deferred until on or after the date on which the interest falls into possession, within six years from that date.

(2) Any such refund shall be made without payment of interest on the amount so refunded.

ARTICLE VII

With a view to the more effective imposition of the taxes to which the present Convention relates, each of the Contracting Parties undertakes to furnish to the other Contracting Party such information in the matter of taxation, which the competent authority of the former Contracting Party has at his disposal or is in a position to obtain under the laws of that Party, as may be of use to the competent authority of such other Party in the assessment of the taxes to which the present Convention relates and to lend assistance in the service of documents in connection therewith. Such information and correspondence relating to the subject matter of this Article shall be exchanged between the competent authorities of the Contracting Parties in the ordinary course or on request.

ARTICLE VIII

(1) Each Contracting Party undertakes to lend assistance and support in the collection of the taxes to which the present Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character. The Contracting Party making such collections shall be responsible to the other Contracting Party for the sums thus collected.

(2) In the case of applications for enforcement of taxes, revenue claims of each of the Contracting Parties which have been finally determined shall be accepted for enforcement by the other Contracting Party and collected in the territory of that Party in accordance with the laws applicable to the enforcement and collection of its own taxes.

(3) The application shall be accompanied by such documents as are required by the laws of the Contracting Party making the application to establish that the taxes have been finally determined.

(4) If the revenue claim has not been finally determined the Contracting Party to which application is made may, at the request of the other Contracting Party, take such measures of conservancy as are authorized by the revenue laws of the former Party in relation to its own taxes.

ARTICLE IX

(1) In the administration of the provisions of the present Convention relating to exchange of information, service of documents, and mutual assistance in collection of taxes, fees and costs incurred in the ordinary course shall be borne by the Contracting Party to which application is made but extraordinary costs incident to special forms of procedure shall be borne by the applying Party.

(2) Documents and other communications or information contained therein, transmitted under the provisions of the present Convention by one of the competent authorities to the other shall not be used by the latter except in the performance of his duty in the determination, assessment and collection of the taxes.

ARTICLE X

(1) Such regulations as may be necessary to interpret and carry out the provisions of the present Convention may be prescribed by each of the Contracting Parties. With respect to the provisions of the present Convention relating to exchange of information, service of documents and mutual assistance in the collection of taxes, the competent authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, minimum amounts subject to collection, and related matters.

(2) The competent authorities of the two Contracting Parties may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XI

If any person liable for any of the taxes to which the present Convention relates can show that double taxation has resulted or may result in respect of such taxes he shall be entitled to lodge a claim or protest with the Contracting Party of which he is a citizen or resident, or, if a corporation or other entity, with the Contracting Party in which created or organized. If the claim or protest should be deemed worthy of consideration, the competent authority of such Party may consult with the competent authority of the other Party to determine whether the alleged double taxation exists or may occur and if so whether it may be avoided in accordance with the terms of the present Convention.

ARTICLE XII

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the Contracting Parties in the determination of the tax imposed by such Contracting Party.

ARTICLE XIII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) The present Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to—

(a) the estates of persons dying on or after such date; and

(b) the estate of any person dying before such date and after the 30th day of June, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the present Convention shall be applied to such estate.

ARTICLE XIV

(1) The present Convention shall remain in force for not less than three years after the date of its coming into force.

(2) If, not less than six months before the expiration of such period of three years, neither of the Contracting Parties shall have given to the other Contracting Party, through diplomatic channels, written notice of its intention to terminate the present Convention, the Convention shall remain in force after such period of three years until either of the Contracting Parties shall have given written notice of such intention, in which event the present Convention shall not be effective as to the estates of persons dying on or after the date (not being earlier than the sixtieth day after the date of such notice) specified in such notice, or, if no date is specified, on or after the sixtieth day after the date of such notice.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Cape Town, in duplicate, in the English and Afrikaans languages, the tenth day of April, 1947.

For the Government of the United States of America:

[SEAL] T HOLCOMB

For the Government of the Union of South Africa:

[SEAL] J C SMUTS

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.—CONFERENCE REPORT

Mr. BALL. Mr. President, I submit a conference report on House bill 3311, making appropriations for the Departments of State, Justice, Commerce, and so forth, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The conference report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86; and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, $50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal."

And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,240,000"; and the Senate agree to the same

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BALL. Mr. President, I move that the Senate agree to the report, and I wish to make a brief statement regarding what has been agreed upon by the conferees.

In respect to the information and cultural program, for which the House allowed nothing and the Senate appropriated $13,400,000, we had to reduce the appropriation by $1,000,000 in the conference; but the conferees agreed to leave the appropriation for the shortwave broadcasting program untouched and to make the reduction in other items.

The House also insisted on deleting the authorization passed by the Senate to permit the OIC to spend $5,000 for entertainment purposes.

As to the regular activities of the State Department, where the Senate allowed an increase of $1,500,000, the conferees agreed on $1,400,000.

The Senate also had increased the allowance for the research and intelligence program for the State Department by $500,000, and the conferees agreed on a $400,000 increase over the appropriation allowed by the House.

In respect to the representation allowances for Foreign Service officers, as to which the Senate had restored the amount of $500,000, placing this item at $1,000,000, the conferees agreed on $700,000.

In respect to the appropriation for international activities, with respect to which the Senate had increased the appropriation from $3,000,000 to $3,700,000, the conferees agreed upon $3,600,000.

With respect to the program of cooperation with the American Republics, the Senate had increased the appropriation from $3,000,000 to $4,300,000. The conferees agreed upon $3,900,000.

Those are the major items. The conferees reduced by $2,470,000 the allowances made in the bill as passed by the Senate, and increased by $50,000 the allowances as made by the Senate, making a net reduction from the allowances made by the Senate of $2,420,000.

Mr. President, I may state that in the appropriations for the Census Bureau, the House committee at one time proposed language, which went out on a point of order on the floor of the House,

requiring the Census Bureau to consolidate in New York City the gathering of foreign-trade statistics. That language went out on the floor of the House, and in place of it they inserted a limitation on the amount which could be spent for personal services in the National Capital. The managers on the part of the House in their report state that it is their intention that the Census Bureau consolidate in New York City the gathering of foreign-trade statistics. However, in the conference the conferees on the part of the Senate stated very plainly that it was their intention to leave with the Secretary of Commerce discretion as to where these particular statistics should be gathered. I think that should be made clear at this time in presenting the matter on the floor of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. LUCAS. Was any change made with respect to the amount which was restored by the Senate to take care of clerks and stenographers for Federal judges?

Mr. BALL. No; that provision was adopted by the House. That was new language, and the conferees on the part of the House approved that amendment, and took it back separately.

Mr. LUCAS. Very well. Let me ask what is the actual difference between the appropriations as passed by the House and the appropriations as finally agreed upon by the conferees?

Mr. BALL. The net increase over what the House originally allowed is $12,199,440. However, our major increases were made in the items for the Department of State. I think the net total increases for the State Department in conference, were about $16,000,000 but some of that was offset by a reduction of $2,500,000 in the amount allowed for Philippine rehabilitation, due to the fact that that program is moving so slowly.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3311, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 3, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 2 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert: "employment of aliens and temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $20,000)."

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "acquisition, production and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes."

That the House recede from its disagreement to the amendment of the Senate numbered 26 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "entertainment."

That the House recede from its disagreement to the amendment of the Senate No. 35 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following: "not to exceed $5,000 for entertainment."

Mr. BALL. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 2, 5, 26, and 35. These are merely technical changes in language, which do not change the effect.

The motion was agreed to.

NOMINATION OF JOE B. DOOLEY

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters and communications relating to the confirmation of the nomination of Joe B. Dooley.

There being no objection, the letters and communications were ordered to be printed in the RECORD, as follows:

ENDORSEMENT OF JOE B. DOOLEY BY MEMBERS OF THE SUPREME COURT OF TEXAS

THE SUPREME COURT OF TEXAS,
Austin, June 18, 1947.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR: I have been intending to write you for some time concerning the confirmation of the Honorable Joe B. Dooley, of Amarillo, for United States district judge for the northern district of Texas, but have postponed writing because I had hoped the Senate would confirm this appointment without further delay.

I have known Mr. Dooley for approximately 15 years. I know him to be one of the outstanding, high-class, reputable lawyers of this State.

As evidence of his reputation for outstanding ability, the Supreme Court of Texas in 1940 appointed him as one of a committee of 21 members to rewrite the rules of civil procedure of this State. I served with him on that committee and I know that he rendered outstanding service to his State. As evidence of his standing among the members of the bar of this State, he was elected president of the State Bar of Texas in 1944 by popular vote of the more than 8,000 members of this bar.

Mr. Dooley is conservative in his views. He is possessed of a judicial temperament, and by training and experience is fully qualified for the position. Certainly you and your colleagues could have no objection to him on this score.

It seems to me that it would have a very demoralizing effect on the judiciary of this Nation if a fine, outstanding, reputable, unblemished lawyer could not secure confirmation by the Senate to an appointment on the Federal judiciary. I fear that this would be construed by those inexperienced in public affairs as evidence that legal ability and honorable reputation are not of controlling importance in the selection of men for the judiciary.

I hope you will see your way clear to use your influence in bringing about the confirmation of Mr. Dooley.

Most sincerely yours,
JAMES P. ALEXANDER.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. JOE DOOLEY,
Care, Senator Tom Connally,
Washington, D. C.

DEAR MR. DOOLEY: I heartily desire that the Senate adopt the majority report of its Judiciary Committee recommending your selection to succeed District Judge Wilson, of Fort Worth. I know of no better selection that could be made.

Please make such use of this letter as a recommendation in your behalf as you deem will be most helpful.

It is perhaps unnecessary to add what is already known to you, that this recommendation is given wholly without your solicitation.

Yours sincerely,
W. M. TAYLOR,
Associate Justice of
Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR TOM: I understand that the Senate will soon vote on the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas.

I have known Joe Dooley for many years. He is one of the outstanding lawyers of Texas. He has been honored by the bar many times, and was elected president of the Texas Bar Association. He filled that office with ability and distinction. He enjoys the confidence and respect of a great majority of the lawyers of Texas, and is preeminently fitted to fill this office. He has the patience, the ability, the courage, and the fairness to make an ideal judge. I heartily recommend him to the Senate of the United States for confirmation.

Your friend,
JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR WILEY: I understand that the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas will soon come before the Senate for a vote. I want to say that I have known Joe Dooley for many years. He is one of the outstanding lawyers of this State. He has

been honored by the lawyers of this State in many instances, and only a short while ago he was elected president of the Texas Bar Association. He filled that office with ability and distinction.

Joe Dooley is an exceptionally able lawyer. He has the poise, ability, character, courage, and fairness that will make him an ideal judge. In my judgment, there will be no mistake made if the Senate confirms Joe Dooley for this position.

With best regards, I am,

Yours sincerely,

JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CONNALLY: The difficulty you have been experiencing in obtaining a speedy confirmation of the appointment of Hon. Joe B. Dooley as United States district judge for the northern district of Texas has occasioned me great concern, because it rather occurs to me that if Mr. Dooley is not qualified for the position, scarcely any lawyer at the Texas bar would be. I have known him and known of him for a long time, and I know of not the slightest factual reason, nor have I observed any suggested in the newspaper dispatches concerning the hearings on his confirmation, which would argue at all against the Senate's confirming him. He is an able, honorable, and patriotic citizen. I earnestly hope his appointment is confirmed soon.

Sincerely yours,

GORDON SIMPSON.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

DEAR SENATOR CONNALLY: For what it may be worth, I want to add to the many you have doubtless received my expression of the hope that the Senate will confirm the appointment of Joe Dooley as United States district judge.

I have known Joe Dooley well for many years and am acquainted with his reputation as a lawyer and as a man, have been in the trial of cases with him and have heard him argue cases and have studied his briefs in this court.

In my opinion the appointment of him is a splendid appointment, and he is eminently fitted and qualified for the high office.

With very best wishes to you, I am,

Sincerely yours,

GRAHAM B. SMEDLEY.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. TOM CONNALLY,
Senate Office Building
Washington, D. C.

MY DEAR SENATOR CONNALLY: Allow me to take this opportunity of unhesitatingly joining the many friends of he Honorable Joe Dooley, of Amarillo, Tex., in attesting his qualifications to become a district judge of the Federal court in Texas.

I have known Mr. Dooley rather intimately for the past 15 years. I know him to be an outstanding citizen and a most eminent lawyer. He has, in my opinion, every essential qualification necessary for a good judge. I therefore commend you for your action in urging his approval by the distinguished body of which you are a worthy member.

Assuring you of my high esteem, I am,

Yours very truly,

C. S. SLATTON,
Associate Justice, Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, May 12, 1947.

Hon. FORREST C. DONNELL,
United States Senator from Missouri,
Washington, D. C.

DEAR SENATOR DONNELL: While the Senate Judiciary Committee had under consideration the nomination by the President of Hon. J. B. Dooley for district judge of the northern district of Texas, I refrained from writing to any member of the committee. It was and is my view that your committee was called upon to exercise a very high degree of discretion, and I did not feel at liberty to write you with respect to how that discretion should be exercised. Now that I observe that you voted for a favorable committee report, I write to assure you that your vote was in the interest of a strong and independent judiciary. I have known Mr. Dooley for 35 years. He possesses the qualifications, temperament, and character required of one who would make a great judge, and it is my belief that his every action as a judge would be in keeping with the best traditions of the bench and bar.

Yours very truly,

J. E. HICKMAN.

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 3, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR SENATOR CONNALLY: I understand that some time in the near future Judge James C. Wilson, Federal judge of the northern district of Texas, will retire from his office. When this or any other vacancy occurs in such district, I would like to recommend Hon. Joe B. Dooley, of Amarillo, for the appointment.

In my opinion, Mr. Dooley would make a great Federal judge. As you well know, he has the correct judicial temperament and the legal ability. He is one of the outstanding lawyers of west Texas and, all things being equal, it appears to me that his part of the district is entitled to due consideration in this appointment. I hope you will see fit to give Mr. Dooley your support in this appointment. It would greatly please me and thousands of others in that section of Texas.

With best wishes for your continued success, I remain,

Sincerely,

A. J. FOLLEY
(Now member of State supreme court).

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 16, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: It is currently reported that our mutual friend Hon. James C. Wilson contemplates an early retirement from the bench. I understand that among others whose names have been suggested for appointment as his successor, is J. B. Dooley of Amarillo. I have not seen Mr. Dooley lately and he will be wholly surprised to learn about this letter. He has not communicated with me directly or indirectly about the matter.

What I want to write you is this: On the basis of character, learning, and judicial temperament he has no superior in the entire district served by that court. So far as I know, he has never held public office but has given himself to the practice of law and to the discharge of the duties of a real citizen. To my mind it would add much to the judiciary if he were named to this office. I have no idea what other names are before you for consideration, but I hope that the question of appointment is still an open one and that Mr. Dooley may have your usual careful consideration.

With assurances of continued personal regards, I am,

Sincerely yours,

J. E. HICKMAN.

ENDORSEMENT OF JOE B. DOOLEY BY EX-SENATOR OF NEW MEXICO AND PRESENT MEMBER OF UNITED STATES CIRCUIT COURT OF APPEALS, TENTH CIRCUIT, HON. SAM G. BRATTON

TENTH CIRCUIT,
UNITED STATES CIRCUIT COURT
OF APPEALS,
Albuquerque, N. Mex., September 20, 1944.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

MY DEAR TOM: Some of my friends of earlier days in the Panhandle who are also your personal friends, have urged that I cooperate with them in the effort which they are exerting to bring about the appointment of Mr. Joe Dooley, of Amarillo, as Federal judge to succeed Judge Wilson, as and when he retires.

Residing outside the district, and being a member of the judiciary myself, I must keep well within recognized proprieties. Yet I am persuaded that it may not be altogether inappropriate to say a personal word to you respecting the ability and character of Mr. Dooley. Of course, I would not assume for a moment to go beyond that point and discuss other features of the situation.

I have known Joe Dooley personally and professionally for more than 25 years, and based upon that acquaintance, it is a privilege to assure you that he is a man of extraordinary legal ability, and of unquestioned character. In addition to being in the prime of vigorous life with the promise of many useful years ahead, he has the poise, temperament, industry, and other attributes for distinguished service of the highest order on the Federal bench.

Turning to a personal vein, it has been a long, long time since we met. If your trail ever leads out this way, make sure to let me know as I should like so much to visit with you once more before time lays too heavy a hand on both of us. Meanwhile, accept my best wishes always.

Cordially yours,

Hon. SAM G. BRATTON.

ENDORSEMENT OF JOE B. DOOLEY BY PRESIDENT OF STATE BAR OF TEXAS

BAKER, BOTTS, ANDREWS & WALNE,
Houston, February 20, 1947.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR DONNELL: As my acquaintance with Republican Senators is somewhat limited, I take advantage of our acquaintance and friendship to write you on a matter in which I am deeply interested. I refer to the nomination by the President of the Honorable Joe B. Dooley, of Amarillo, Tex., as judge of the United States District Court for the Northern District of Texas. In view of the fight which is being staged by the junior Senator from Texas, the matter has assumed more than local importance.

There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during

that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment.

With warm personal regards, I remain,

Sincerely yours,

JAS. L. SHEPHERD.

BAKER, BOTTS, ANDREWS & WALNE,
Houston, June 2, 1947.

G–10
Federal Judiciary Appointments
Mr. FRANCIS H. INGE,
Mobile, Ala.

DEAR MR. INGE: This is in reply to your letter of the 28th regarding the qualifications of Joe Dooley, of Amarillo, who has been nominated for judge of the United States district court for the northern district of Texas. I have known Joe Dooley intimately for 35 years, and he was president of our State bar 2 years ago. There is not the slightest question about his preeminent qualification for this job and he ought to be confirmed. As president this year of the State bar of Texas I have had some correspondence with Senator WILEY regarding Mr. Dooley, and I have also written Senator DONNELL, of Missouri, who is on the Judiciary Committee. I think you may be interested in the following which I quote from my letter (written individually and not in any official capacity) to Senator DONNELL:

"There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

"As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

"I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment."

Further answering your letter, I give you the following attorneys in the northern district of Texas in whose opinion on a matter of this kind I would have the utmost confidence: H. C. Pipkin, box 59, Amarillo; H. H. Cooper, box 1987, Amarillo; W. N. Stokes, Court of Civil Appeals, Amarillo; A. H. Britain, 825 Hamilton Building, Wichita Falls; Luther Hoffman, 630 Harvey-Snyder Building, Wichita Falls; Orville Bullington, box 1889, Wichita Falls; C. C. Renfro, Republic Bank Building, Dallas; J. Cleo Thompson, Kirby Building, Dallas; George S. Wright, Republic Bank Building, Dallas.

I do not suggest the names of any Fort Worth attorneys in view of the situation which has developed with reference to Senator O'DANIEL and his suggestion of other nominees from Fort Worth. I feel sure, however, that any reputable lawyer in Fort Worth would not say otherwise than that Joe Dooley is well qualified for this position.

Sincerely yours,

JAS. L. SHEPHERD, Jr.

RESOLUTIONS OF COUNTY BAR ASSOCIATIONS AND GROUPS OF LAWYERS ENDORSING JOE B. DOOLEY AS FEDERAL JUDGE

TAHOKA, TEX., *January 29, 1947.*

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

We who have known Judge Joe Dooley for many years and practiced with him know him as a man of the finest character and legal ability and hope you will do your utmost to have him confirmed as United States district judge for northern district of Texas.

TOM GARRARD,
County Judge.
W. C. HUFFAKER, Jr.,
District Attorney.
B. P. MADDOX,
County Attorney.
TRUETT SMITH,
Attorney.
ROLLIN MCCORD,
Attorney.

FORT WORTH, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
United States Senate:

As practicing attorneys at the Fort Worth bar, we are interested in having a lawyer of the highest integrity and known ability appointed to the Federal bench, and we know Joe B. Dooley has these qualifications. We therefore earnestly urge his confirmation by the Senate.

Melvin F. Adler, Benjamin L. Bird, Homa S. Hill, Lawrence Tarlton, W. E. Allen, R. B. Cannon, T. R. James, David B. Trammell, Frank [illegible]. Appleman, Dawson Davis, Jack M. Langdon, Herbert C. Wade, D. O. Belew, L. L. Gambill, R. F. Milam, Fred L. Wallace, Lem Billingsley, H. S. Garrett, W. M. Short, Harry C. Weeks, Frank J. Wren.

MINERAL WELLS, TEX., *January 20, 1947.*

Senator TOM CONNALLY,
Care Senate Judiciary Subcommittee:

Palo Pinto County Bar Association endorses Joe B. Dooley nomination to Federal bench and recommends confirmation.

W. O. GROSS.

LUBBOCK, TEX., *January 17, 1947.*

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.:

We the undersigned members of the Lubbock County Bar Association very earnestly urge favorable consideration of the appointment of the Honorable Joe B. Dooley, Amarillo, Tex., as one of the judges of the United States district court for the northern district of Texas. We know Mr. Dooley is a splendid lawyer, a man of the highest integrity and character, and that he would serve with credit and distinction. All of the present judges in the northern district reside either at Dallas or Fort Worth, which are in the extreme southeastern corner of the district, necessitating litigants and attorneys in the western and northern portions of the district to travel hundreds of miles to obtain orders, etc., in litigation pending in the Amarillo, Lubbock, Wichita Falls, Abilene, and San Angelo divisions of said district, thus greatly increasing the delay and expense of such litigation. We believe that the western and northern portions of the district should have a resident judge who would be more acceptable than are the judges residing in Fort Worth and Dallas. We know Mr. Dooley meets all requirements of legal ability, high moral character, and accessibility to the division mentioned above. We will be glad, on request, to send a representative to testify before the committee on any hearing held on the confirmation.

Thomas B. Duggan, Jr., President, Lubbock County Bar Association; John M. Steele, Secretary, Lubbock County Bar Association; Turner Adams; Robert J. Allen; Sam H. Allred; Hugh Anderson; Rayford L. Ball; Roy Bass; Robert H. Bean; W. D. Benson, Jr.; E. A. Blair; Durwood H. Bradley; Ralph Brock; Dudley Brummett; Winston Brummett; Burton S. Burks; J. O. Cade; W. W. Campbell; B. B. Campbell; Charles L. Cobb; Charles C. Crenshaw; Charles C. Crenshaw, Jr.; Howard C. Davison; James G. Denton; Bryan B. Dillard; J. J. Dillard; George W. Dupree; Campbell H. Elkins; James A. Ellis; William H. Evans; Thomas B. Forbis; W. D. Girand; Tom Gordon; Lawrence F. Green; Leo S. Hay; John H. Hudspecth; F. V. Hinson; L. A. Howard; Robert Howard; R. Briggs; Irvin O. Doyle; Justice M. T. Key; James H. Kimmel; E. L. Klett; Banjamin Kucera; Victor H. Lindsey; Durwood D. Mahon; James H. Milam; George W. McCleskey; Buck W. McNeil; Owen W. McWhorter; G. V. Pardue; District Judge Jack M. Randall; A. W. Salyars; J. Orville Smith; Sam F. Steele; J. E. Vickers; James J. Vickers; Eugene H. White; George S. Berry; Lloyd Croslin; Clark M. Mullican; H. L. Pharr; G. H. Nelson.

CHILDRESS, TEX., *January 16, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We the members of the Childress County Bar earnesly solicit the confirmation of Hon. Joe B. Dooley as judge of the Federal district of the northern district of Texas.

C. C. BROUGHTON.
J. M. PRESTON.
LEONARD KING.
C. WILLIAMS.

MEMPHIS, TEX., *January 18, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We unqualifiedly endorse and commend Joe B. Dooley, Amarillo, as a capable and efficient lawyer and citizen of highest character whose appointment as judge of the United States District Court for Northern District of Texas will meet the approval of the entire northern district of Texas and especially the Panhandle section.

T. H. Deaver, Sam J. Hamilton, A. S. Moss, T. J. Dunbar, M. O. Goodpasture, Jas. F. Smith, Thos. E. Noel, S. C. Harrison, John Russell, H. E. Tarver, John Deaver, J. A. Whaley, O. E. Bevers, J. O. Fitzjarrald, Hamilton & Deaver.

PLAINVIEW, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
Senate Chamber:

The Plainview bar recognizes Joe B. Dooley as a very able and conscientious man and a resident of the northern district of Texas and urges his confirmation.

PLAINVIEW BAR ASSOCIATION,
By PEYTON B. RANDOLPH,
President.

SOUTHERN METHODIST UNIVERSITY,
Dallas, Tex., February 18, 1947

Senator TOM CONNALLY,
Washington, D. C.

DEAR SENATOR CONNALLY: Please permit me to add my voice in favor of the approval by the Senate of the appointment of Joe B. Dooley as United States district judge. I have known Mr. Dooley intimately since he was a student in my law classes at the University of Texas more than a third of a century ago. He was a clean, earnest, hard-working student, and was regarded as a leader in his class. His record as a lawyer has been in keeping with his record as a student—honest, honorable, careful, painstaking, and public spirited.

It seems impossible that he could be "personally obnoxious" to any right-thinking man. He is not a New Deal quisling or a quisling of any kind, nor is he a puppet of the the Santa Fe or any other railroad.

I think I am the only one of his law teachers still living. I am sure that I express the sentiment that Dean Townes, Judge Tarlton, Colonel Simkins, and the other outstanding law teachers of that day, if now living, would express, when I say that Joe B. Dooley is a man of excellent ability, training, and experience, and will, if approved by the Senate, make a just, upright, and able member of our Federal judiciary.

May I add that this endorsement is wholly voluntary, and was not solicited by anyone in any way.

Cordially yours,

C. S. POTTS,
Dean Emeritus.

WELLINGTON, TEX., *June 30, 1944.*

We, the undersigned lawyers of Collingsworth County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley of the Amarillo Bar for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity and temperament to serve capably in the high position of United States district judge.

R. H. COCKE.
W. M. TUCKER.
LUTHER GRIBBLE.

PAMPA, TEX., *July 15, 1944.*

We, the undersigned members of the Gray County bar, understanding that Hon. James C. Wilson, judge of the United States District Court for the Northern District of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

Arthur M. Teed, John F. Sturgeon, Aaron Sturgeon, F. O. Cary, J. W. Gordon, Jr., Wm. Jarrel Smith, R. F. Gordon, W. R. Ewing, Sherman White, B. S. Via, Bernice L. Parker, Ennis Favors, H. L. Jordan, Thomas L. Wade, Walter E. Rogers, Curtis Douglass, Clifford Brady, C. E. Cary, Irey E Duncan.

AMARILLO, TEX., *June 12, 1944.*

We, the undersigned lawyers of Amarillo, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, hereby unreservedly endorse Mr. J. B. Dooley of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo and has been engaged in the active practice of law in both State and Federal courts for 32 years. He has a wide acquaintance with the lawyers and judiciary of our State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

Wales H. Madden, H. L. Adkins, H. M. Adkins, Chas. H. Keffer, C. R. Reeder, Alton M. Reeder, Fred C. Reeder, Ben P. Manning, Jno. H. Merchant, Perry S. Pearson, O. D. Thompson, Guy G. Clayton, B. M. Whalen, B. W. Morgan, Ben H. Stone, R. O. Stone, Riley Strickland, W. J. Fleaher, C. R. Fleaher, Canyon, Tex.; S. E. Fish, Grady L. Fox, H. C. Larkin, H. C. Byron, J. W. Buewell, W. S. Birge, Rip C. Underwood, Tom Seay, Ray C. Snodgrass, Jr., W. O. Northcutt, C. L. King, Henry S. Bishop, J. M. Oakes, E. L. Pitts, Clayton Heare, W. N. Stokes, A. A. Lumpkin, W. W. Gibson, G. V. Little, Erwin C. Ochsner, W. H. Brian, Rosom Lambdin, Frederick Gray, E. T. Scott, R. E. Underwood, Ray C. Johnson, R. A. Wilson, Hugh L. Umphris; W. B. Sanders, R. Winton, R. S. Trippet, Ralph B. Burgess, E. C. Nelson, Jr., John R. Cullingin, W. F. Nix, P. F. Sapp, E. D. Slough, F. E. Wooten, M. T. Brothers, Earl Wyatt, J. L. Cogwell, E. A. Simpson, Henry T. Ford, Warren M. Sparks, Hugh L. Umphris, Jr., W. A. Eskew, Ed M. Lufton, F. H. McGregor.

RESOLUTION BY HIDALGO COUNTY, TEX., BAR ENDORSING HON. JOE B. DOOLEY

Whereas the Honorable Joe B. Dooley of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

Whereas Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II: Now, therefore, be it

Resolved, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment.

Resolution unanimously adopted this the 14th day of March 1947.

J. C. HALL,
President of Hidalgo County Bar.

The STATE OF TEXAS,
County of Parmer, ss:

On this, the 11th day of April A. D. 1947, there was held a meeting of all of the attorneys of the Farwell bar to discuss the pending appointment of a Federal district judge to succeed Judge Wilson;

And each attorney present, having strongly expressed himself as favoring the appointment of Joe B. Dooley, of Amarillo, based on his personal integrity, his outstanding ability as a practitioner, and his unquestioned qualification for this high office: It is, therefore

Resolved, That this group, constituting all of the attorneys in Farwell, Tex., vigorously recommend the appointment of Mr. Dooley, and that a copy of this resolution be sent to the Senate Judiciary Committee and one to each of the United States Senators from Texas.

A. D. SMITH.
ROY COOK.
JAMES D. HAMLIN.
ERNEST F. LOKEY.
SAM ALDRIDGE.
JOHN ALDRIDGE.

ABILENE, TEX., *March 1, 1947.*

United States Senate, Washington, D. C.

GENTLEMEN: The Abilene Bar Association, duly convened for its regular monthly luncheon, on motion duly seconded and carried, unanimously request that you immediately approve the appointment of the Honorable Joe Dooley, of Amarillo, the United States district judge for the northern district of Texas.

In our judgment, there is no better qualified man for this job in the Northern District of Texas.

This the 1st day of March 1947.

P. W. HAYNIE,
President of Abilene Bar Association.
N. ALEX BIRKLEY,
Secretary of the Abilene Bar Association.

Hon. ALEXANDER WILEY,
Chairman, Judiciary Committee,
United States Senate,
Senate Office Building,
Washington, D. C.:

Personally I urge the confirmation of J. B. Dooley of Amarillo, Tex., as United States

district judge for the northern district of Texas. Judge Dooley has all professional and personal qualifiçations for this office. He is a lawyer of highest ability, unquestioned integrity, and has the confidence and respect of the lawyers of Texas.

H. B. THOMAS,
President, Bar Association of Dallas.

HARLINGEN, TEX., *February 4, 1947.*
Senator TOM CONNALLY,
Washington, D. C.:

I respectfully endorse the nomination of Hon. Joe B. Dooley, of Amarillo, for judge of the western district of Texas. He is held in high esteem by the bench and bar of Texas and in my opinion his appointment is one of the best made during my legal experience. He possesses the attributes of character, judicial temperament, and moral integrity of the highest degree and will reflect credit upon the Federal judiciary if confirmed.

CLAUDE E. CARTER,
Former President, State Bar of Texas.

DALLAS, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee, Washington, D. C.:

As president of the Junior Bar Association of Dallas, I want to urge confirmation of Joe Dooley as United States district judge. He is capable, well qualified, and stands high in the esteem of the Texas bar.

CLARENCE A. GUITTARD.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

As past president of Dallas Bar Association and present member house of delegates, American Bar Association, and as a practicing lawyer who has known Joe Dooley, of Amarillo, for many years, I heartily endorse his appointment as United States district judge and urge his early and unqualified confirmation by the Senate. He is an outstanding lawyer and an honorable gentleman who enjoys the respect of all who know him.

ROBERT G. STOREY.

HOUSTON, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.:

Your letter of January 30 regarding Federal judiciary nominees. As president of the State bar of Texas I have no authorization to speak for the bar on such matters but in response to your request I am glad to say, individually, that Joe B. Dooley, of Amarillo, who has been nominated for the position of judge of the District Court of the United States for the Northern District of Texas is a man of the highest character, an able lawyer, of a judicial temperament and sound political philosophy, and eminently qualified for this position. I heartily approve of the nomination and urge his confirmation.

JAS. L. SHEPHERD, Jr.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

I have known Joe B. Dooley intimately for more than 35 years during my law practice at Amarillo for 12 years and since coming to Dallas in 1923. I feel that I speak for myself and the great majority of the lawyers of the State when I certify to his moral character, unquestioned legal ability, and high standing in his profession. The lawyers in Dallas and throughout the State would be pleased with his confirmation. I have been vice president of the Dallas Bar Association and chairman of its executive committee, and am senior member of one of the larger law firms of Dallas.

F. M. RYBURN.

The STATE OF TEXAS,
County of Hidalgo:

The Hidalgo County Bar Association at a regular meeting held at McAllen, Tex., on the 14th day of March A. D. 1947, unanimously adopted the following resolution:

"Whereas the Honorable Joe B. Dooley, of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

"Whereas, Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

"Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II. Now, therefore, be it

"*Resolved*, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment; be it further

"*Resolved*, That a copy of this resolution be sent to the Honorable Alexander Wiley, chairman of the Senate Judiciary Committee, United States Senate, Washington, D. C., to the Honorable Tom C. Clark, Attorney General of the United States, to the Honorable Tom Connally, and to the Honorable W. Lee O'Daniel, United States Senators from Texas."

I certify that the above and foregoing resolution was unanimously adopted by the Hidalgo County Bar Association at its regular meeting in McAllen, Tex., on the 14th day of March A. D. 1947.

J. C. HALL,
President, Hidalgo County Bar Association.

Attest:

FELIX L. MCDONALD,
Secretary, Hidalgo County Bar Association.

RESOLUTION, FORT WORTH BAR ASSOCIATION, FORT WORTH, TEX.

Pursuant to the unanimous action of the Fort Worth Bar Association at its annual meeting on October 7, 1946, a committee was duly appointed composed of R. V. Nichols, chairman, Robert C. Pepper, Luther Hudson, Sam Billingsley, and Harry L. Logan, for the purpose of drafting the following resolution urging the appointment of a Fort Worth attorney to fill the vacancy created by the retirement on August 15, 1946, of Hon. James C. Wilson, judge of the United State District Court for the Northern District of Texas:

"Whereas Hon. James C. Wilson retired as judge of the United States District Court for the Northern District of Texas on August 15, 1946, leaving a vacancy which has not been filled; and

"Whereas Fort Worth now has a population of over 312,000, and approximately 75 percent of the business of the United States District Court for the Northern District of Texas, including the various divisions thereof, is had in the Fort Worth Division of such district previously served by Judge Wilson, including both civil and criminal matters; and

"Whereas there are 531 attorneys in the city of Fort Worth and in view of the fact that the judge of the Fort Worth division is usually compelled to hold court in Fort Worth from the first of November until the last day of May, and of the further fact that any attorney appointed to fill such vacancy who may reside outside of the city of Fort Worth would necessitate undue expense upon the Government, its attorneys, litigants and their attorneys together with loss of time in the transaction of business with the court; and

"Whereas it is the opinion of the Fort Worth Bar Association that there are several qualified and capable attorneys in Fort Worth who could be appointed to this position and thereby be of greater service to the greatest number of litigants and attorneys: Therefore, be it

"*Resolved*, That the Fort Worth Bar Association does hereby and by these presents urge the recommendation and appointment of a member of the Fort Worth Bar Association as judge of the United States District Court for the Northern District of Texas, be it further

"*Resolved*, That copies of this resolution be sent to Hon. Tom Clark, Attorney General of the United States; Hon. Robert E. Hannegan, chairman of the National Democratic Executive Committee; Hon. Tom Connally, and Hon. W. Lee O'Daniel, the Texas Senators; and to Hon. Myron Blalock, Texas member of the National Democratic Executive Committee."

R. V. NICHOLS, *Chairman,*
ROBERT C. PEPPER,
LUTHER HUDSON,
SAM BILLINGSLEY,
HARRY L. LOGAN,
Resolutions Committee.

CERTIFICATE OF SECRETARY

I, R. V. Nichols, retiring secretary of the Fort Worth Bar Association, do hereby certify that the within and foregoing is a true and correct copy of resolution authorized by the Fort Worth Bar Association at its annual meeting on October 27, 1946, as same appear of record on page 406 of the permanent minute records of the association.

R. V. NICHOLS,
Retiring Secretary.

Subscribed and sworn to before me by R. V. Nichols on this the 9th day of October A. D. 1946, to certify which witness my hand and seal of office.

[SEAL] GWENDOLYNE L. MILLER.
Notary Public in and for Tarrant County, Tex.

MEMPHIS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Hall County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo, where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

A. S. MOSS, *District Judge*
S. J. HAMILTON.
C. LAND.
WM. J. BRAGG.

CHILDRESS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Childress County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

J. ROSS BELL.
C. A. WILLIAMS.
C. C. BROUGHTON.
Q. S. BARRETT.
JAS. C. MAHAN.
LEONARD L. KING.

PLAINVIEW, TEX., *July 19, 1944.*

We, the undersigned members of the Hale County Bar, understanding that Hon. James C. Wilson, judge of the United States district court for the northern district of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

P. B. RANDOLPH,
HAROLD M. LAFONT.
E. GRAHAM.
FRANK R. DAY.
CHAS. H. DEAN.
CHAS. B. CLEMENTS.
ALLAN N. MURRAY.

STATEMENT OF JUDGE C. B. REEDER, FORMER LAW PARTNER OF JOE B. DOOLEY, AS TO DOOLEY'S EXPERIENCE AS A CRIMINAL LAWYER

AMARILLO, TEX., *June 21, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

Hon. Joe B. Dooley was associated with me 4 years in the practice of law in Amarillo and in the Panhandle of Texas during which time we had a heavy and extensive practice of criminal law in both State and Federal courts and Mr. Dooley became an expert in the criminal law and practice. He is eminently qualified for a judge in both criminal and civil law and practice.

C. B. REEDER.

COPIES OF SOME LETTERS FROM MEMBERS OF THE BAR OF THE NORTHERN DISTRICT OF TEXAS RESPECTING SENATOR O'DANIEL POLL OF LAWYERS OF THE DISTRICT

STAMFORD, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I am in receipt of your circular letter of April 1, 1947, written to the attorneys in the northern district of Texas whose names are listed in Martindale's directory, with reference to the confirmation of J. B. Dooley, of Amarillo, for appointment as district judge for the northern district of Texas.

I have known Mr. Dooley for many years. He is a very splendid gentleman. He is a high-class lawyer whose integrity cannot be questioned.

I have been a lifelong Democrat but I have never voted for Franklin D. Roosevelt or Harry S. Truman. I would not expect to fight the administration and receive any favors at their hands, neither do I think that you can fight the administration and expect to receive any favors at their hands.

I regret that you have seen fit to smear a man of Mr. Dooley's high standing because of the fact that you and Senator CONNALLY are in patronage fight.

Yours truly,

H. G. ANDREWS.

DALLAS, TEX., *April 4, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I acknowledge receipt of your letter of April 1 with enclosed postal card for reply.

I note your statement that certain interests in Texas and Washington were tipped off that Judge James C. Wilson intended to resign, and that these certain interests wanted to be sure that their man would have the right of way over others who might seek the position; that a railroad corporate attorney appears to have taken the lead away back in 1944 in trying to railroad their man on the bench; that he traveled through the territory at that time inspiring petitions by attorneys favoring J. B. Dooley, of Amarillo, and later mailed those petitions to you.

You state that you have received several hundred letters from men and women in different walks of life vigorously opposing the confirmation of Mr. Dooley, and that you have been urged by a number of attorneys to oppose his confirmation. Also that many of these attorneys have told you that they could not let their names be used in opposition because it might injure their standing with the judge in case he is confirmed and they come before him with a case.

1. I think it was widely known in 1944 that Judge Wilson had reached, or soon would reach, the age when he might retire from the position he had held so long and so honorably, and I believe it was understood among many lawyers that he might avail himself of this privilege. His resignation certainly should not have been a matter of surprise to any lawyer in Texas.

2. The gentlemen who have advised you that they hesitated to oppose a nominee for a judicial position such as this have scarcely reflected credit upon themselves or the bar. A lawyer who would hesitate to endorse or oppose one on this account pays scant regard to the obligation he assumes when he becomes a member of the bar.

3. As a matter of fact the State Bar of Texas has affirmatively shown, as an organization, that it has a much higher conception of a lawyer's duty. At the annual convention in your city of Fort Worth, held in 1944, the State bar adopted a resolution with respect to the Supreme Court of the United States, which, after calling attention to the unhappy conditions obtaining in that Court and the damage to its prestige, as reflected by widely current criticism, declared:

"The American bar cannot ignore these conditions, or the causes which produce them, without failing in their own obligations as lawyers. It is their duty, frankly and courageously, to call them to the attention of the Court and to demand a return to 'the application of known principles and previously disclosed courses of reasoning so that the country may be delivered from the most intolerable kind of ex post facto judicial lawmaking,' the quoted language being language used by one of the Justices of the Court. To that end we direct that a copy of this resolution be forwarded to the Clerk of the Supreme Court with request that it be called to the attention of the Chief Justice."

4. I believe that the attitude of the Texas lawyers was disclosed in the debate upon this resolution by Hon. Angus Wynne, who declared:

"Mr. President, there is not a thing in that resolution that anybody could point to as politics. If we cannot talk about our Supreme Court and its actions, then we might as well dissolve the State bar."

The lawyer who is worthy of the name and "who hath his quarrel just," has never feared reprisal from the bench.

5. The resolution to which I have referred and which may be found in volume 7, No. 7, September 1944, Texas Bar Journal, was adopted at the meeting which elected Joe B. Dooley, president of the association. That meeting was not composed of railroad lawyers, politicians, or time-servers; it was composed of lawyers, profoundly conscious of their duty to the country and to the obligations which they had assumed when they became members of the bar and officers of the court.

Before receiving your letter I had already written a letter of endorsement, unsolicited by and unknown to Mr. Dooley, in the belief, of course, that he is fully qualified professionally and personally for this office.

Frankly, the letter was not written as an advocate of Mr. Dooley. It was written largely as a protest against what appears to be a practice in the United States Senate of rejecting the confirmation of anyone who is "personally distasteful" to a Senator. I do not believe that a Senator's tastes or distastes, without more, should have the slightest influence upon the course of the Senate in approving a nomination, and I believe that this is the thought of a very large majority of the people of the country.

Yours sincerely,

J. W. HASSELL.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter under date of April 1, 1947, inquiring as to my attitude as a member of the bar in the northern judicial district toward the proposed appointment of Hon. J. B. Dooley, of Amarillo, to the Federal bench has just come to my attention. By this letter I do not intend to be critical of you, for every man has a right to stand by his honest convictions, but I want to make this a positive rather than a negative letter. I would not want to sign the post card which you enclosed without having the courage to sign my name to it.

I want to say that I am not a personal friend to Mr. Dooley, but I do know of his outstanding reputation among members of the bar and people who know him generally. I have never heard his honesty, integrity nor his character impeached by anyone, nor have I heard his professional standards questioned. I believe that if he is appointed to the Federal bench that he will discharge his duties in a manner that will reflect credit to himself and honor to the position.

Yours very truly,

LLOYD CROSSLIN,
District Attorney, Seventy-second Judicial District, Lubbock, Tex.

SCARBOROUGH, YATES & SCARBOROUGH,
Abilene, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I have your letter dated April 1, 1947, asking for a straw vote on the appointment of Mr. Dooley to the Federal bench here in Texas.

I note from your letter that apparently your biggest objection to Mr. Dooley is that he might be controlled by the special interests and by big business.

For your information the firm of which I am a member represents no corporation. We represent the people and represent no special interests at all. That is true not only of this firm but of a number of other lawyers here in Abilene, and for your information the Abilene bar is wholeheartedly endorsing Mr. Dooley for the position which he is up for at this time.

I think that your reference to the railroad corporation attorney who is attempting to assist Mr. Dooley on securing this appointment is unfair as anything I have ever read. Without discussing the merits or demerits of this particular attorney who was attempting to help Mr. Dooley, I think that you will find that a great majority of the attorneys who are actively supporting Mr. Dooley do not represent the corporate interests.

Lawyers are as a breed outspoken and I do not feel that there are any reputable attorneys who would hesitate to express disapproval of Mr. Dooley if they actually felt so and who would hesitate to come out in the open against him. In the years past we have been most fortunate in the men who sit on Federal benches of Texas. In order to preserve the dignity of the Federal courts it is necessary to have a competent, well-qualified man. Mr. Dooley is such a man in my opinion in all respects.

Very truly yours,

DAVIS SCARBOROUGH.

COURT OF CIVIL APPEALS,
Amarillo, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I have your frank and earnest inquiry of the 1st instant, relative to Joe B. Dooley of this city who has been nominated to succeed Judge James C. Wilson, as Federal judge of the northern district of Texas. I am enclosing the blank voting postal card which you sent me with my vote recorded thereon in the affirmative, but your obvious sincerity in making the inquiry prompts me to write you concerning my knowledge of and experience with Mr. Dooley.

I was district judge of the forty-sixth judicial district, consisting of the counties of Wilbarger, Hardeman, and Foard, for 8 years before coming to this court. During that time, Mr. Dooley tried a number of cases in my court and I have never had a lawyer at the trial bar who exhibited more ability as a lawyer or more fairness with the court and counsel than did Mr. Dooley. Moreover, my personal acquaintance with him has extended over a period of at least 25 years and I have never known a man whom I would consider to be more reliable, honest, and trustworthy than he. He has presented many cases on appeal to this court during the last 10 years which constitute my tenure here and in every one of them he has shown the very highest standard of professional deportment and ability.

It is difficult for any man to live a life without incurring the animosity of some of his fellows and I am sure Mr. Dooley is not an exception, but in my judgment, few men indeed could be found who possess the judicial temperament, poise, and the numerous other qualifications desired in a judge of a high and important court that are combined in Mr. Dooley.

It is quite true that he has represented corporations, both in litigation and otherwise, but few, if any, successful lawyers could be found in the country who have not done so. Corporations have a way of finding the best ones and, in my judgment, it would be difficult to find one who would not represent a corporation in a legitimate way for an adequate fee.

With best wishes for your continued success, I am,

Yours very truly,

W. N. STOKES.

ORGAIN, BELL & TUCKER,
Beaumont, Tex., April 16, 1947.

Hon. W. LEE O'DANIEL,
Member, United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have been and am greatly distressed as concerns your position as regards the appointment of Mr. Joe B. Dooley as United States district judge of the northern district of Texas to succeed Judge Wilson, resigned. This is not only because of my concern for the judiciary itself—and, of course, about this, I am greatly concerned—but, also because of my friendship and regard for both you and Mr. Dooley.

I believe Mr. Dooley to be excellently qualified by training, education, and temperament for the place. I have known him for many years. He is a gentleman under all circumstances and possessed of a strict integrity. As a member of the advisory committee appointed by the supreme court of Texas to recommend for adoption rules of civil procedure authorized by the State legislature to be promulgated by the supreme court, of which committee Mr. Dooley was a member, I, as the result of my observation of Mr. Dooley's work and conduct, came to admire him greatly, not only because of his great application and the ability he exhibited, but also because of his disinterested and judicial attitude in the discussions and determination of matters coming before the committee for consideration. He was consistent always in his conception that rules be made to further substantial justice, without frustration by legal technicalities. It is true he did insist—and in this view I concurred—that in avoiding legal technicalities, neither party should be denied substantial legal rights. His consistent view is well represented in rule I, as finally recommended and adopted by the supreme court, wherein it is stated:

"The proper objectives of rules of civil procedure are to obtain a just, fair, equitable and impartial adjudication of the rights of litigants under established principles of substantive law. To the end that this objective may be attained with as great expedition and dispatch and at the least expense both to the litigants and to the State as may be practicable, these rules shall be given a liberal construction."

This rule also well exemplifies Mr. Dooley's view as concerns the objectives of courts and court proceedings generally. Mr. Dooley is well-poised in his thinking and may be relied upon to do justice between all litigants, and this without partiality.

I have been wanting to write you for a long time about this matter, but not being a resident of the northern district, although sometimes appearing before the courts therein, and because you have not asked for my views, I have until now, refrained from expressing to you my views. However, you, as a Senator, represent the whole State of Texas, and certainly this is a matter in which the whole State is interested, and also you are a Senator who, in all of your political campaigns in this State, has had my active support. I therefore feel that I can, with candor, write you stating my views.

I cannot rid myself of the feeling that your position is unjust as concerns Mr. Dooley and that your opposition to the appointment is not well placed.

There probably are those who are in agreement with you in this matter, but I have not come in contact with them, and I have discussed the matter with many, particularly with lawyers.

Mr. Bell, one of my partners, and a past president of the State Bar of Texas, is in entire accord with my views as concerns Mr. Dooley, and concurs in my view as to the attitude of the bar of Texas as it concerns Mr. Dooley and his appointment to place.

I trust that you appreciate the spirit in which this letter is written, that is, that no friend do an injustice to another friend, and that no act on your part will do an injustice to another.

As this is a matter that concerns the public interest and that he may be advised of my views, I am taking the liberty of sending a copy of this letter to Senator CONNALLY.

With every good wish, I am,

Very sincerely, your friend,

WILL E. ORGAIN.

AMARILLO, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter of April 1, 1947, gives me an opportunity to express myself concerning the appointment of Joe B. Dooley as Federal judge for the northern district of Texas. I wish to thank you for this opportunity. Enclosed is your self-addressed post card marked "Yes."

I have known Mr. Dooley and the members of his family for over 30 years. I know him to be a good father and husband, a considerate neighbor, and a Christian gentleman.

I think it can be safely said that no other lawyer in Amarillo enjoys a better reputation for honesty, integrity, and high professional attainment than does Mr. Dooley; and as a Federal judge, in my opinion, he will serve with credit to himself and honor to his countrymen. It is with pleasure that I urge the Senate confirmation of Mr. Dooley's appointment.

Sincerely yours,

JAMES G. LUMPKIN.

SANDERS, SCOTT, SAUNDERS & SMITH,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR: This replies to yours of the 22d inst. in reference to the Joe B. Dooley confirmation as Federal judge.

I approve of the course you have pursued in the Senate, and if you offer for re-election I shall support you against the field.

I disapprove of the manner in which appointments have been handled without consultation with you.

In the particular matter of the Joe B. Dooley appointment, my judgment is that it is to the best interest of the members of the bar, of the litigants, and of the public of this district generally that his appointment be confirmed. He is able, honest, industrious, and of proper judicial temperament. The personal equation will have no influence and effect on his judicial decisions. He is the kind of character who would lean backward to avoid the appearance of favoritism to a former client or friend. I know of no other lawyer or judge in the district who is better, if as well, qualified to fill that judicial position, and on the basis of merit I feel that the Senate would be doing a distinct service to the people to confirm his appointment.

I know you are seeking true information upon which to act, and I trust this will serve your purpose.

Kindest regards,

J. W. SANDERS.

AMARILLO, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, in reference to your reasons for not confirming Mr. Joe B. Dooley, of this city, for Federal judge of the northern district of Texas. I have carefully noted contents of your letter and I cannot agree with you as to your objections with respect to Mr. Dooley's nomination for Federal judge of this district.

I am of the honest opinion that Mr. Dooley, if appointed Federal judge, would render a

just and lawful opinion in any matter that came before him, regardless of who was for or against him. I do not believe that there could have been a more honorable and competent man recommended for this position.

With kindest regards, I am,

Yours very truly,

TERRY THOMPSON.

AMARILLO, TEX., *March 25, 1947.*

Mr. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR: Your letter of March 20, 1947, addressed to your friends concerning the propriety of your recommending Mr. Joe B. Dooley for appointment to a Federal judgeship is before us for attention and reply. The interests you are taking in this matter in seeing to it that an improper and unfit man be not appointed to this high and important office and position are commendable, indeed, and we all appreciate same very much.

We believe, Senator, that if you could and would come to Amarillo and investigate for yourself, you would find that Mr. Dooley is learned in the law, a fine man, splendid and good citizen, thoroughly qualified in every respect for the office, and you would also find that he could not be influenced in his actions and decisions by any railway company, corporation, combination, group, person, or any other force. He just is not that kind of a man, Senator.

It is to be regretted, Senator, that you are not personally acquainted with Mr. Dooley and know him as we do. He is the man we want, and therefore we earnestly request that you withd w all opposition and delay and unqualifiedly recommend Mr. Dooley for the appointment. You will never regret having done so, and after you learn more of the man, you will know you have served your people well.

Very truly yours,

REEDER & REEDER,
C. B. REEDER.

FARWELL, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: Acknowledging receipt of your letter of March 20 in regard to Mr. Joe B. Dooley, whose appointment as Federal judge for the northern district of Texas is pending before the Senate Judiciary Committee, would say that Mr. Dooley is one of the outstanding attorneys of the Panhandle, a man possessed of the highest moral responsibility and unquestioned integrity. The fact that two of his attorney friends, who are supporting him and who went to Washington to testify in his behalf, happen to be in the employ of a railroad corporation would in no way control his decisions in future lawsuits coming before his court should his nomination be confirmed. The "common citizen" would receive a fair and just treatment from Mr. Dooley as any corporation.

Mr. Dooley has many friends and attorneys in northern Texas, not connected with corporations, who are strongly in favor of his confirmation, and I think it is grossly unfair for anyone to insinuate that any favors would be shown to a corporation or any other client because an attorney in their employ is active in the support of Mr. Dooley for this important office.

With all good wishes and strongly urging that you lend your support to the confirmation of this good man instead of placing obstacles in his path, I remain

Yours very truly,

H. Y. OVERSTREET.

TATUM & TATUM,
Dalhart, Tex., March 25, 1947.

Hon. W. LEE O'DANIEL,
Senate Chamber, Washington, D. C

DEAR SENATOR: I wish to acknowledge receipt of your favor of March 20, being an inquiry concerning the nomination of Joe B. Dooley, of Amarillo, Tex., for appointment as Federal judge of the northern district of Texas.

I have followed the newspaper accounts of the investigation for some time and had thought of writing to you regarding the matter. It appeared to me that your objections to his confirmation were made in good faith and for the purpose of having a full, open investigation concerning his fitness and qualifications for this appointment. I have watched your activities from the time of your first election to the office of Governor, and while I have not agreed with you at all times, I have felt that you have endeavored to discharge your official duties honestly and faithfully and endeavored to inform yourself on all matters of real importance, before reaching a decision thereon.

I took it that in your opposition to the confirmation of Mr. Dooley, you felt that the importance to the public in this appointment, was such that no confirmation should be had until and after a searching investigation was made to determine whether or not anything existed that might prevent him from fearlessly discharging the duties of such high office. Therefore, I take pleasure in giving you frank and full answers to your questions propounded by your letter of March 20.

With respect to the first question, viz, "If Mr. Dooley is confirmed as Federal judge for life in your district, who do you think is likely to get the favorable decisions in future lawsuits instituted, the common citizen or the big railroad corporations whose two attorneys have worked so hard to get Mr. Dooley appointed and confirmed for lifetime judgeship?" In reply I beg to state that in my opinion both the common citizen and the railroads in any causes hereafter tried before Mr. Dooley, assuming he is appointed, will each receive absolute and impartial decisions and that if any favoritism is shown, which I do not consider would be, that same would be in favor of the common man.

I base this statement on more than 30 years' continuous acquaintance with Mr. Dooley, from personal contacts had with him in the courtroom, so metimes being associated with him and sometimes opposed, and from years of close observation of him, as well as other actual attorneys in this section of the State.

I have been engaged in the practice of law in Dalhart, Tex., since the year 1908. I have known Mr. Dooley since the year he began his practice in Amarillo. I have observed him both in the courts in Amarillo and many of the counties in this section.

I served for 2 years on the board of directors of the State bar of Texas, during 1 year of which Mr. Dooley served as president of the State bar. From such acquaintance, close contacts, and observation over the years I do not hesitate to say that Mr. Dooley is a gentleman of unquestionable integrity.

While he has at all times been loyal to his clients, at the same time he has never sought to take undue advantage of his opponent. He has at all times commanded the highest respect of the many State and Federal judges before whom he has practiced, both at trial as well as appellate courts, and had he ever been guilty of any conduct unbecoming an attorney, I am confident that I would have known of the same and that you would have no trouble in finding numerous witnesses who would testify to the same.

I am of the opinion that your fear with respect to the two railroad attorneys who made the trip to Washington in behalf of Mr. Dooley's nomination is without any basis, due to the notoriety given to the nomination and the long acquaintance he has had in this section. I have heard a large number of citizens in the immediate counties to and including Dalhart commend Mr. Dooley very highly and express the desire that when the investigation has been completed his nomination will be confirmed.

I doubt if you have had much actual experience with attorneys. Their philosophy and views of life differ materially from those of nearly every other profession. I have known attorneys who devoted the best years of their lives to representing persons charged with crimes, who were in later years appointed to the bench. Instead of displaying favoritism for persons charged before them, they not only refused to show any favoritism or consideration to the defendants charged with crimes, but were extremely severe in their judgments and very diligent in seeking to enforce the criminal laws.

I can also recall more than one attorney who has devoted the best years of his life to representing railroads and other corporations, who later went on the bench, and it was common knowledge before long that they almost became persecutors of corporations. I have yet to find a single instance where any attorney has been improperly influenced, if judged by the type of business in which he practiced his profession prior to the elevation to the bench.

As above stated, I consider Mr. Dooley not only a gentleman of the highest moral character but one endowed with such convictions of what is right and wrong that should he be elevated to the bench, neither the common man nor the corporation need fear persecution or unfair judgment from him, but win or lose, on the merits of the individual case.

With respect to your misgivings as to whether or not significance should be attached to the fact of the two prominent attorneys representing a railroad corporation going to Washington, beg to state that, if you could look at the dockets of the Panhandle counties, both in State and Federal courts, you would at once see that railroad litigation is a thing of the past. On the other hand, because it is the first opportunity the Panhandle or this section of the State has had for the appointment of a person to the Federal bench, if Washington had been nearer the Panhandle than it is, I am sure that 75 or more attorneys, nearly all of whom would represent litigants who had no corporation cases whatever, would have made the trip to Washington and urged the confirmation of Mr. Dooley's appointment. The attorneys to whom you refer (whose names I do not know) were no doubt members of firms where it was convenient for them to make the trip to Washington, without neglecting their clients' business, which would not be true of the great mass of lawyers in this section, I am confident that even stronger recommendations would have been given in Mr. Dooley's behalf by the great mass of lawyers in this section, representing individual clients, if such lawyers had had the opportunity to testify before the committee.

Thanking you for giving me the opportunity of furnishing this information and trusting that it will be helpful to you in completing the investigation of Mr. Dooley, I remain,

Yours very truly,

F. M. T.

THE FIRST NATIONAL BANK,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington D. C.

DEAR SENATOR: I acknowledge receipt of your letter of March 20 concerning the testimony on the Dooley appointment. I read your letter very carefully.

Concerning Mr. Dooley, I wish to advise that he is a personal friend of mine and I consider him well qualified for the Federal judgeship. He has a very excellent reputation, not only in Amarillo, but in the State at large and is, in my opinion, an excellent choice to be our Federal judge.

I fully understand the differences of opinion between you and Senator CONNALLY, but

I do not believe this should be permitted to block the appointment of a splendidly qualified man for the job.

Yours very truly,

V. P. PATTERSON,
President.

PAMPA, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, 1947. I assume this letter was mailed to me because I have been a subscriber to the W. Lee O'Daniel News. I make this assumption because I have already expressed my views to you about Joe Dooley.

You need not worry one instant about the railroad getting any upper hand. Dooley is a nice man and will be a completely fair and impartial judge. I dare say that if you will look into the petitions that have been sent you in this matter you will find listed as supporters of Dooley the lawyers who represent the common citizens that you are apparently so disturbed about in their suits against the railroad. In fact, I believe you will find more lawyers supporting Dooley who sue the railroads than those who represent the railroads. It is unimportant in either event because both types know Dooley for what he is, namely, an ideal choice for Federal judge.

Since you advise that you want my letter to show the Judiciary Committee of the Senate, I am sending a copy of such letter to the committee.

Thanking you for the opportunity which you give me of expressing my views on this highly important appointment, I am, with best wishes,

Yours very truly,

WM. JARREL SMITH.

LEVELLAND, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, asking for a blind vote by the attorneys of the northern district of Texas on the confirmation or rejection of Mr. J. B. Dooley.

I have no hesitation whatsoever in openly favoring the confirmation of Mr. Dooley to, as you quote, "a lifetime judgeship in the northern judicial district of Texas." In my opinion he is one of the most competent and qualified attorneys in this district and should you by any act or in any way be responsible for his rejection I feel that you will have committed a grave injustice not only to the citizens of the northern district but to the whole State as well.

It has been my privilege to have had the opportunity of discussing the above with attorneys from all portions of the district and it is their consensus of opinion that Mr. Dooley will make an excellent judge because he is able, active, honest, and competent.

Thanking you for your letter asking for my opinion, I am,

Very truly yours,

WELDON F. JOHNSON.

DEAR SENATOR CONNALLY: The above is my honest opinion regarding Joe Dooley. I sincerely hope you will be able to get him confirmed.

With warmest personal regards, I am,

Sincerely yours,

WELDON F. JOHNSON.

AMARILLO, TEX., *March 29, 1947.*

Hon. LEE O'DANIEL,
United States Senate,
Washington, D. C.

DEAR MR. O'DANIEL: I know that in the past several months you have received many letters in reference to Mr. Joe B. Dooley. The Dooley family have been our neighbors and intimate friends for 20 years. I know his qualifications and his professional standing. I have never heard one word of criticism in reference to his fairness, honesty, and his professional qualifications. You well know he is a lawyer of the very highest type.

The Panhandle and west Texas need him as a Federal judge and your support is most earnestly desired.

Sincerely yours,

AUGUST J. STREIT, M. D.

CISCO, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, requesting that the bar of the northern district of Texas express an opinion as to the qualifications of Joe B. Dooley, of Amarillo.

Although I have had several matters in Amarillo, it has been my misfortune to miss personal contact with Mr. Dooley. However, during the course of years I have heard expressions from attorneys of all classes; that is, whether they represented railroads, oil men, farmers, ranchers, or whatnot, and it is my sincere opinion that there is not a man in the northern district of Texas who would receive more general support from the better type of sincere patriotic lawyers than would Mr. Dooley.

I hope that you sent letters to the bar generally such as you sent to me because I sincerely believe that the answers to this letter will cause you to change the attitude you have heretofore maintained to his selection.

Very truly yours,

F. D. WRIGHT.

CANTEY, HANGER, MCMAHON,
MCKNIGHT & JOHNSON,
Fort Worth, Tex., April 8, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, 1947, relating to the nomination of Mr. J. B. Dooley, of Amarillo, to become judge of the United States District Court for the Northern District of Texas and enclosing a card on which I might register secretly my approval or disapproval of this nomination.

My views relating to Mr. Dooley's nomination are not a secret. I wholeheartedly approve the nomination and favor his confirmation. I am mailing a copy of this letter to Senator CONNALLY.

Very truly yours,

ALFRED MCKNIGHT.

AMARILLO, TEX., *April 8, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I received your letter of April 1, 1947, asking for an expression of opinion about Joe B. Dooley, of Amarillo, Tex., who has been recommended for an appointment as a judge to the United States District Court, Northern District of Texas, Amarillo Division.

It is with a great deal of pleasure that I give you my candid and honest opinion about Joe B. Dooley. I have known Joe B. Dooley for approximately 24 years and have been in competition with him in the practice of law during all of that period. I have not had a single adverse criticism to Joe B. Dooley here in Amarillo, Tex., with reference to his morals, ability, integrity, honesty, and character. Naturally, lawyers in Texas do represent various types of clients, and it is true that Mr. Dooley represents corporations, but he also represents many citizens as well.

I also must admit that there are other men in Texas that would qualify for this job, but I do not believe that we could find a better qualified man or more honorable man than Joe B. Dooley to occupy that bench, and I know that unless there might be some particular individual who has had a grudge that all the other lawyers in the Panhandle of Texas will tell you the same thing.

Naturally, we are anxious to have a capable and well-qualified man sit on the bench before whom we try cases. We appear in Federal court quite a bit, and we are in a position to express an opinion as to what kind of a man should sit on the Federal bench. We feel that Joe B. Dooley is that kind of a man, and I hope that the Senate will confirm him, since I know that he will serve with honor and dignity for all classes of litigants and will see that justice is carried out.

Sincerely,

GIBSON, OCHSNER & LITTLE.
ERWIN C. OCHSNER.

DECATUR, TEX., *April 5, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SIR: Replying to your favor of the 1st inst., you are advised that I have forwarded the postal card back to you with the notation over my signature that I favor the appointment and confirmation of Mr. Dooley to the Federal judgeship of the United States district court for the northern district of Texas.

You do yourself and the attorneys of the district an injustice, it seems to me, in assuming that we hesitate to express our views openly on a matter of so vital purport as that under consideration. Perhaps the mistake—if such it be—is attributable to the fact that you are not a lawyer yourself.

If you were you would understand that it is the function of the lawyer, as well as that of a judge on the bench, to interpret the law as it is written and not as he personnally would have it to be. The judge and the lawyer as well must, and in most instances does, with self-effacement give his interpretations and make his applications of the law as he understands it to be. That member of the bar or bench who is unable to do this is not worthy of the name—and from my own experience and observation he is a scarce article under our system of jurisprudence.

I considered Mr. Dooley to be a good man, a good lawyer, and of the philosophical turn of mind at law to make us a great judge. In my opinion, he will reflect great credit upon the profession and honor to himself if his confirmation is had.

You do him and yourself an injustice in opposing opposition, it seems to me.

Yours truly,

H. G. WOODRUFF.

APRIL 4, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our office has just received your form letter of April 1, in regard to the appointment of Judge Dooley to the judgeship in the northern district of Texas.

Frankly, Senator, I am amazed at the statements you make in this letter. For instance, you state that they got tipped off, far in advance, that Judge Wilson intended to resign. While I knew, and I am sure that you knew, that it was a matter of common knowledge to the citizens of Texas that Judge Wilson's health was such that he would be likely to resign at any time, this information has been common knowledge for a good many years, and prior to 1944. You also stated in your letter that a railroad corporation attorney appears to have taken the lead in trying to railroad their man onto the bench. I was raised at Wellington, in the Panhandle, and practiced law there a

good many years before going into the Navy, and after serving 3 years in the Navy I opened an office here in Dallas. During the time that I lived in the Panhandle I knew Judge Dooley, and not only tried cases where he was opposing counsel, but have seen him try any number of lawsuits. I have never seen or known of anything in Judge Dooley's conduct that would lead me to believe that he was a railroad attorney in the sense used in your letter. Judge Dooley is an exceptional lawyer and gentleman. If he represents any railroads, and I am sure that he does, it is because he is and was an outstanding lawyer. I do not represent any railroads, or other big corporations, but my experience has taught me that such corporations do employ outstanding attorneys, and that such attorneys are not outstanding because they are employed by corporations.

You state in your letter that one of the railroad corporation attorneys testified that there was not another man in Amarillo qualified as Judge Dooley for this office. I heartily agree, and have serious doubts if there is another man in the whole northern district of Texas who is better qualified.

Without discussing your letter further, I wish to say that I personally resent the thought that a Senator from Texas would mail out a letter containing the insinuations that your letter does and I cannot help but believe that that letter should be recalled and a fair and unbiased poll taken by your office.

I am enclosing herewith the postal card voting in favor of the confirmation of Judge Dooley.

Very truly yours,

RICHARD H. COCKE.

MATADOR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Chamber,
Washington, D. C.

DEAR SENATOR: Your letter of April 1, 1947, regarding the recommendation of Joe Dooley, of Amarillo, as successor to Judge Wilson as judge of the United States northern district of Texas has been received.

I have stayed completely out of the scrap over Mr. Dooley's nomination, but since you have written asking for votes from the attorneys of the northern district I feel that I am justified in making the following observations.

I do not know Mr. Dooley personally. I think I have met him one or two times at bar conventions, or in Austin in the supreme court. However, during my experience as a lawyer for 13 years, and through my father, who has practiced law in west Texas for 50 years, and through the other outstanding lawyers over this entire district, it has always been my understanding that Mr. Dooley was one of the best lawyers in west Texas. Long before his nomination was ever mentioned, and before Judge Wilson decided to retire (which has been known to the legal profession for several years, without any tip off) I had repeatedly heard his name mentioned as an astute, outstanding lawyer. The fact that he may represent some railroad corporation is a very strong indication that he is an outstanding attorney, and in my opinion an insinuation that he may be unfit for a Federal judgeship on that account indicates a jealousy or resentment on the part of the person making the representations that makes me question the sincerity of the person making the representations.

If I should happen to disapprove of Mr. Dooley's nomination I would not be afraid to so express myself without doing so blindly, and I cannot help but feel that a vast majority of the lawyers in this district feel the same way, and that to send them a postcard so they can cast a blind vote, thereby indicating that they desire to do so is only to impugn their character.

It is my opinion that Mr. Dooley's nomination should be confirmed, and that it is a disparagement to Texas to have their two Senators squabbling over this appointment.

Very truly yours,

JOHN A. HAMILTON.

SEYMOUR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

SENATOR: I am enclosing your postal card, marked "Yes," and signing my name thereto, endorsing confirmation, endorsing attorney J. B. Dooley for United States district judgeship. I am not personally acquainted with Mr. Dooley, but he has a reputation of being an able lawyer.

I do not attach the importance that you seem to, to the fact that J. B. Dooley had been endorsed by "a certain railroad corporation attorney." Most railroad lawyers recognize the ability of the different lawyers they meet in their section, and if the railroad lawyers of Amarillo endorse Mr. Dooley, Mr. Dooley must be an able lawyer, at least that is his reputation in this section of the country. So I am sending you my ballot marked "Yes."

Yours very truly,

J. A. WHEAT.

POST, TEX., *April 7, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: Many thanks for your kind letter asking my opinion as to whether Mr. Joe B. Dooley, of Amarillo, Tex., should be confirmed as United States district judge for the northern district of Texas. I am returning your post card marked "Yes."

Mr. Dooley is well and truly personally known to me. He has appeared with me and against me in the courts. We also had ample opportunity to observe and appraise him while he was president of the State Bar of Texas. With all that knowledge of him, I certainly do not know of anything about him which would be objectionable or obnoxious to anybody. I do know that he is a very able and thorough attorney, and that his professional and personal conduct has always been highly acceptable and appreciated by his associates, both within and without the profession.

Of course, I agree with you that we have many able men in Texas, but I am quite inclined to agree with the hundred or so attorneys in Amarillo who told you Mr. Dooley was the best qualified one of them for the position. I certainly do not know of one of them up there who is as well qualified for the job as Mr. Dooley, and I am personally acquainted with most all the better known ones.

Yes; it would please me greatly to see Mr. Dooley go on the Federal bench for life. His temperament, personal character and thorough knowledge of the law would be quite becoming to the justice and dignity expected of our Federal courts. By the time you have received all the post cards, I feel confident you will also be convinced that you could do us no better service in this matter than go ahead with the confirmation of Mr. Dooley.

Thanks again for asking me.

Very sincerely yours,

JOE S. MOSS.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: In response to your form letter, I am returning the card as instructed, showing that I do favor Mr. Dooley.

I have been practicing law in the Panhandle portion of Texas since 1932 and have been in contact with Mr. Dooley quite often. The clientele of this office is made up of individuals rather than corporate interests and, although Mr. Dooley has, from time to time, been on the opposite side of our law suits, we have at all times found him to be fair, honest, and honorable as well as a very able lawyer.

I believe that he would make us a very good judge and I would like to see him on the Federal bench.

Yours very truly,

MERCHANT & JORDAN,
By JNO. H. MERCHANT.

LUBBOCK, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This is to acknowledge receipt of your letter of April 1, 1947, concerning J. B. Dooley, who has been recommended for United States district judge of the northern district of Texas to take the place of Jim Wilson.

I have known Mr. Dooley, both individually and as a lawyer, for approximately 20 years and I consider Mr. Dooley an able and honest lawyer, who, if appointed United States district judge, would meet the responsibilities of that position in a capable, efficient, and honest way. I have tried cases both with him and against him and know of his reputation with the courts, and I would have no hesitancy in recommending him for the judgeship of the United States district for the northern district of Texas.

Yours very truly,

JACK M. RANDAL.

FORT WORTH, TEX., *April 12, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Have known J. B. Dooley 35 years personally and professionally. As your friend I heartily endorse him and recommend his confirmation. Best wishes.

SAM R. SAYERS.

LEAVE OF ABSENCE

Mr. DOWNEY. Mr. President, it is essential, in the interest of public business, that I absent myself from the Senate during next week. I ask the consent of the Senate to that end.

The PRESIDENT pro tempore. Without objection, leave is granted.

THE CALENDAR

Mr. McCARRAN. Mr. President, I understand that the call of the calendar is not to be commenced at the beginning of the calendar.

The PRESIDENT pro tempore. It is to commence with order No. 347.

Mr. McCARRAN. The unanimous-consent agreement states that the Senate will proceed to the consideration of bills on the calendar to which there is no objection. That means the whole calendar. It does not say anything about order No. 347. I do not want to be captious about it, but there are some other matters which I should like to see disposed of.

Mr. WHERRY. Mr. President, let me suggest to the distinguished Senator from Nevada that I did not include in the unanimous-consent request order No. 347, Senate bill 1461. However, it has been our custom and tradition to begin at the point where the last call of the calendar was concluded, and I certainly had that in mind when I made the request.

I suggest to the Senator from Nevada that we proceed from that number. If there is time afterward, it will be possible to have the Senate proceed to the consideration of other matters, if the Senator from Nevada wishes to have that done.

Mr. McCARRAN. Mr. President, there are one or two other matters which I should like to have taken up at this time.

Mr. WHERRY. I beg of the Senator to withhold any such request until we complete the call of the calendar, from order No. 348, on.

Mr. McCARRAN. Probably there will not be very many Senators in attendance at the time when the call of the calendar is completed.

Mr. WHERRY. I have asked Senators to remain, and I think a number of Senators will do so. Apparently all other Members of the Senate have that understanding. I have asked that the call of the calendar begin with Calendar No. 348, House bill 1585.

Mr. McCARRAN. If the Senator from Nebraska wishes to have the calendar called, beginning with that number, I shall defer my request.

Mr. WHERRY. I thank the Senator.

Mr. RUSSELL. Mr. President, I think it would be very unfortunate to have measures on the calendar ahead of that point called at this time. Senators have heretofore objected to the consideration of certain of the preceding measures, and not all of them may be present at this time.

Mr. McCARRAN. I withdraw my request.

The PRESIDENT pro tempore. The Senator has withdrawn his request.

The clerk will proceed to state the measures on the calendar, beginning with Calendar No. 348.

ADOLPH PFANNENSTIEHL

The Senate proceeded to consider the bill (H. R. 1585) for the relief of Adolph Pfannenstiehl, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 5, after the words "sum of", to strike out "$1,000" and insert "$750."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HUGH C. GILLIAM

The Senate proceeded to consider the bill (H. R. 1956) for the relief of Hugh C. Gilliam, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$1,000" and insert "$500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PAUL GOODMAN

The bill (H. R. 1866) for the relief of Paul Goodman was considered, ordered to a third reading, read the third time, and passed.

SANTIAGO NAVERAN

The bill (S. 186) for the relief of Santiago Naveran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien Santiago Naveran, and is directed not to issue any such further warrants or orders in the case of such alien, insofar as any such further warrants or orders are based upon the same grounds as the warrants or order required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Santiago Naveran, who arrived at Tampa, Fla., on or about July 7, 1924, as a seaman on the steamship *Sec. II*, which he deserted on or about July 10, 1924, shall, upon the payment of the required head tax, be held and considered to have been lawfully admitted to the United States for permanent residence at such place and on such date. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that such quota becomes available.

ANTONIO ARGUINZONIS

The bill (S. 187) for the relief of Antonio Arguinzonis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Antonio Arguinzonis, of Shoshone, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of the said Antonio Arguinzonis upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

SIMON FERMIN IBARRA

The bill (S. 189) for the relief of Simon Fermin Ibarra was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Simon Fermin Ibarra, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on March 14, 1940, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Simon Fermin Ibarra upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this Act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

RELIEF OF CERTAIN BASQUE ALIENS

The bill (S. 298) for the relief of certain Basque aliens was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States is hereby authorized and directed to cancel deportation proceedings in the cases of Pedro Bastida and Fidel Acordarrementeria, both of Battle Mountain, Nev., legally admitted as seamen but who have remained in the United States longer than permitted by law and regulations, and that these aliens shall be considered as having been admitted for permanent entry as of the date of their actual entry on the payment of the visa fee of $10 and the head taxes of $8 per person.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Spanish quota for the first year that the said Spanish quota is available.

BILLS PASSED OVER

The bill (S. 489) to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents, was announced as next in order.

Mr. LODGE. Mr. President, I desire to have an explanation of the bill.

Mr. WILEY. Mr. President, this bill extends to veterans of World War II, their wives, minor children, and dependent parents, the exemption presently afforded veterans of the Spanish-American War and World War I, their wives, minor children, or dependents, from the operation of the present law which provides for loss of nationality under certain circumstances.

Mr. LODGE. Does the bill apply to naturalized citizens who served in the armed forces during the war? Is that the purpose?

Mr. WILEY. My understanding is that it applies to veterans of World War II, their wives, minor children, and dependent parents, and would place them in the same category with veterans of the Spanish-American War and veterans of World War I.

Mr. LODGE. In what respect?

Mr. WILEY. Section 404 of the Nationality Act provides for the loss of nationality by a person who has acquired his citizenship by naturalization, if such person resides for more than 2 years in a territory of a foreign country of which he was formerly a national or in which he was born.

Under the previous law, if such persons were out of the United States for more than 2 years, they would lose their nationality. But we took into consideration the fact that under the circumstances of war that happens to many veterans and, in some cases, to their wives.

Mr. LODGE. Is it meant that foreign-born veterans who had been naturalized would lose their citizenship by going overseas?

Mr. WILEY. I understand that, under the previous statute, under certain circumstances naturalized citizens who live abroad for 2 years lose their citizenship.

Mr. RUSSELL. I ask that the bill go over.

Mr. WHERRY. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PEDRO UGALDE

The bill (S. 190) for the relief of Pedro Ugalde was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Pedro Ugalde, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on May 18, 1940, the date of his actual entry into the United States, upon payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Pedro Ugalde upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

MICHAEL SOLDO

The bill (S. 558) for the relief of the alien Michael Soldo was considered, ordered to be engrossed for a third read-in, read the third time, and passed, as follows:

Be it enacted etc., That for the purpose of the immigration and naturalization laws, the alien Michael Soldo, of West Palm Beach, Fla., whose wife and minor child are citizens and residents of the United States, shall be considered to have been lawfully admitted, at Detroit, Mich., on October 15, 1936, to the United States for permanent residence.

RETIREMENT OF CERTAIN NAVAL OFFICERS

The bill (H. R. 3251) to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF SURPLUS AIRPORTS AND AIRPORT FACILITIES

The bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national-defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, may we have an explanation of the bill?

Mr. TAFT. Mr. President, yesterday the Senator from Connecticut [Mr. BALDWIN] wished to have this bill taken up. I think perhaps the Senator from Oregon [Mr. MORSE], who is a member of the Armed Services Committee, can tell about the bill. The purpose is to permit Government surplus airports to be disposed of to cities and counties, I believe. The bill has been worked over by the Armed Services Committee, and a number of objections to the bill have been met, but I am not familiar with the details.

Mr. MORSE. Mr. President, let me add this to what the Senator from Ohio has said: The bill comes to the Senate with the unanimous approval of the Armed Services Committee. For a time the Senator from Virginia [Mr. BYRD] joined with me in one objection to the bill. That objection was worked out with the Senator from Connecticut [Mr. BALDWIN] so as to make certain that when the facilities are disposed of to municipalities or to State government agencies, the facilities that could be used for commercial or industrial purposes, over and beyond aviation purposes at the airports, would be required to be sold by the Surplus Property Administration for a fair return, in line with the policies of the War Assets Administration.

With that amendment to the bill—and that amendment was agreed to and written into the bill—the Senator from Virginia and I joined in the vote to report the bill to the Senate.

The bill makes it possible to make a fair disposal of these airports that are needed by many municipalities in the United States for municipal airport purposes. We think the bill is fair and reasonable and makes it possible to expedite the disposal of these airports.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 364), which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That subsection (c) of section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is amended to read as follows:

"(c) No harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Administrator, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof."

SEC. 2. Section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is hereby amended by adding a new subsection (g) reading as follows:

"(g) (1) Notwithstanding any other provision of this act, any disposal agency designated pursuant to this act may, with the approval of the Administrator, convey or dispose of to any State, political subdivision, municipality, or tax-supported institution, without monetary consideration to the United States, but subject to the terms, conditions, reservations, and restrictions hereinafter provided for, all of the right, title, and interest of the United States in and to any surplus real or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified for disposal without regard to the provisions of this subsection) which, in the determination of the Administrator of Civil Aeronautics, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act (60 Stat. 170) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of a public airport, including property needed to develop sources of revenue from nonaviation businesses at a public airport.

"(2) Except as provided in paragraph (3) hereof, all property disposed of under the authority of this subsection shall be disposed of on and subject to the following terms, conditions, reservations, and restrictions:

"(A) No property disposed of under the authority of this subsection shall be used, leased, sold, salvaged, or disposed of by the grantee or transferee for other than airport purposes without the written consent of the Administrator of Civil Aeronautics, which consent shall be granted only if the Administrator of Civil Aeronautics determines that the property can be used, leased, sold, salvaged, or disposed of for other than airport purposes without materially and adversely affecting the development, improvement, operation, or maintenance of the airport at which such property is located: *Provided*, That no structures disposed of hereunder shall be used as an industrial plant, factory, or similar facility within the meaning of section 23 of this act, unless the public agency receiving title to such structures shall pay to the United States such sum as the Administrator shall determine to be a fair consideration for the removal of the restriction imposed by this proviso.

"(B) All property transferred for airport purposes shall be used and maintained for the use and benefit of the public, without unjust discrimination.

"(C) No exclusive right for the use of the airport at which the property disposed of is located shall be vested (either directly or indirectly) in any person or persons to the exclusion of others in the same class. For the purpose of this condition, an exclusive right is defined to mean—

"(1) any exclusive right to use the airport for conducting any particuuar aeronautical activity requiring operation of aircraft;

"(2) any exclusive right to engage in the sale or supplying of aircraft, aircraft accessories, equipment, or supplies (excluding the sale of gasoline and oil), or aircraft services necessary for the operation of aircraft (including the maintenance and repair of aircraft, aircraft engines, propellers, and appliances).

"(D) The grantee shall, insofar as it is within its powers, adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

"(E) During any national emergency declared by the President or by the Congress, the United States shall have the right to make exclusive or nonexclusive use and have exclusive or nonexclusive control and possession, without charge, of the airport at which the surplus property is located or used, or of such portion thereof as it may desire: *Provided, however*, That the United States shall be responsible for the entire cost of maintaining such part of the airport as it may use exclusively, or over which it may have exclusive possession and control, during the period of such use, possession, or control, and shall be obligated to contribute a reasonable share, commensurate with the use made by it, of the cost of maintenance of such property as it may use nonexclusively or over which it may have nonexclusive control and possession: *Provided further*, That the United States shall pay a fair rental for its use, control, or possession, exclusively or nonexclusively, of any improvements to the airport made without United States aid.

"(F) The United States shall at all times have the right to make nonexclusive use of

the landing area of the airport at which the surplus property is located or used, without charge: *Provided, however,* That such use may be limited as may be determined at any time by the Administrator of Civil Aeronautics to be necessary to prevent undue interference with use by other authorized aircraft: *Provided further,* That the United States shall be obligated to pay for damages caused by such use, or if its use of the landing area is substantial, to contribute a reasonable share of the cost of maintaining and operating the landing area, commensurate with the use made by it.

"(G) Any public agency accepting a conveyance or transfer of surplus property under the provisions of this subsection shall release the United States from any and all liability it may be under for restoration or other damages under any lease or other agreement covering the use by the United States of any airport, or part thereof, owned, controlled, or operated by the public agency upon which, adjacent to which, or in connection with which the surplus property was located or used: *Provided,* That no such release shall be construed as depriving the public agency of any right it may otherwise have to receive reimbursement under section 17 of the Federal Airport Act for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency.

"(H) In the event that any of the terms, conditions, reservations, and restrictions upon or subject to which the property is disposed of is not met, observed, or complied with, all of the property so disposed of or any portion thereof, shall, at the option of the United States, revert to the United States in its then existing condition.

"(3) In making any disposition of surplus property under this subsection (g), the disposal agency is authorized, upon the request of the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy, to omit from the instruments of disposal any of the terms, conditions, reservations, and restrictions required by paragraph (2) hereof, and to include any additional terms, conditions, reservations, and restrictions, if the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy determines that such omission or inclusion is necessary to protect or advance the interests of the United States in civil aviation or for national defense.

"(4) The Administrator of Civil Aeronautics shall have the sole responsibility for determining and enforcing compliance with the terms, conditions, reservations, and restrictions upon or subject to which surplus property is disposed of pursuant to this subsection.

"(5) All surplus property within the purview of this subsection which is not disposed of pursuant hereto shall be disposed of as provided elsewhere in this act or other applicable Federal statute.

"(6) Notwithstanding the provisions of subsection (f) of this section and subsection (c) of section 18, the disposal of surplus property under this subsection, which is determined by the Administrator to be available for the purposes enumerated in this subsection, shall be given priority immediately following transfers to other Government agencies under section 12."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 3394) to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who are buried outside of the continental United States" was announced as next in order.

Mr. LODGE. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. GURNEY. Mr. President, will the Senator from Massachusetts withhold his objection until I have an opportunity to explain the bill? I believe I can make a satisfactory explanation.

Mr. LODGE. I should like to hear the Senator's explanation of the bill.

Mr. GURNEY. The purpose of the bill is to amend existing law in a very minor degree. The bill authorizes the return of the remains of World War II dead to the homeland of the next of kin, as well as the homeland of the decedents. The bill also authorizes the Secretary of War to exercise discretionary authority in directing the disposition of groups and mass burials, and directs the permanent overseas burial of unknown World War II dead.

The bill further permits the Secretary to acquire land overseas for United States cemeteries. In addition, the bill gives custody of the overseas cemeteries to the organization which was used following World War I, the Battle Monuments Commission.

The bill has the full approval of the Senate Armed Services Committee, and is reported unanimously by that committee.

Mr. LODGE. Mr. President, let me say to the Senator that this is a matter that closely touches the emotions and the most intimate feelings of the people of this country.

Mr. GURNEY. This bill does not in any way do away with the right of the parents of World War dead to have them returned to this country if they wish to have that done. It does not change that in any way.

Mr. LODGE. It does not change the right to have the remains buried overseas, either, does it?

Mr. GURNEY. No; that can be done if it is desired.

Mr. LODGE. What disturbs me about the bill is the discretionary feature. I know of a case in which the Army has asked permission to close some of the small cemeteries.

Mr. GURNEY. The discretionary authority will apply only to mass burials or burials of unknown dead.

Mr. LODGE. Probably I shall not object after I have a chance to thoroughly understand the bill. But, Mr. President, I should like to have the bill passed over until the next call of the calendar, so that I can satisfy myself regarding its provisions.

The PRESIDENT pro tempore. Under the objection, the bill is passed over.

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

Mr. MORSE. Mr. President, this is my bill, and I ask that it go over until the committee can consider certain amendments which the Senator from Oklahoma has submitted to me, along with a letter which he has submitted to me. The work of the Armed Services Committee has been so heavy that I have only had an opportunity to get the bill on the docket for consideration.

So, out of consideration for the Senator from Oklahoma, I think the bill should be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

IOANNIS STEPHANES

The bill (S. 136) for the relief of Ioannis Stephanes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and is hereby, authorized and directed to cancel deportation proceedings in the case of Ioannis Stephanes (alias John Stephens) of Mountain City, Nev., who entered the United States in August 1925 and has remained in the United States longer than permitted by law and regulation, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on payment of the visa fee of $10 and head tax of $8.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Greek quota for the first year that the said Greek quota is available.

MILAN JANDRICH

The Senate proceeded to consider the bill (S. 409) for the relief of Milan Jandrich, which had been reported from the Committee on the Judiciary with an amendment, on page 1, after line 6, to strike out:

The said Milan Jandrich shall not be subject to deportation by reason of such entry.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of said Milan Jandrich.

And insert:

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

So as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Milan Jandrich as having entered the United States on October 5, 1945, for permanent residence.

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO MUNICIPALITIES AND COOPERATIVE ASSOCIATIONS

The Senate proceeded to consider the bill (S. 1087) to amend sec. 502 (a) of the Department of Agriculture Organic Act of 1944.

Mr. KNOWLAND. Mr. President, might we have a brief explanation of the bill?

Mr. STEWART. Mr. President, this bill was introduced on behalf of three municipalities—two in Alabama, Athens and Sheffield, and Bolivar, in Tennessee, to enable them to borrow money from REA in order to repay a loan obtained by

them from TVA; the advantage being a saving to them of about 1½ percent in the interest rate. The bill has the approval of the Department of Agriculture, REA, and also TVA.

The money was originally borrowed from TVA because the three municipalities, one in Tennessee and two in Alabama, undertook to build the entire electrical system of REA in the respective counties in which those cities are situated. They constructed the REA lines. The money was borrowed from TVA for that purpose, at a rate of 3½ percent interest. The bill does not ask for additional money. It is simply a matter of transferring the loans from one agency to another, after a manner of speaking, and it would result in a saving to the municipalities, who were financed for the benefit of the farmers in their respective counties, in the building of the REA line.

Mr. BYRD. Will the Senator state the amount of the loan?

Mr. STEWART. It is not set out here. My recollection is that it is about $300,000.

Mr. BYRD. The funds of REA are limited.

Mr. STEWART. I do not think the sum amounts to a great deal. I do not know how strictly REA is limited. Unfortunately, I do not have in mind the amount of the loan.

Mr. BYRD. The bill was approved by REA?

Mr. STEWART. It was approved by REA and also by TVA.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Cong., 58 Stat. 739, 740), as amended by Public Law 563, Seventy-eighth Congress (58 Stat. 925), is further amended by inserting after the words "to cooperative associations" the words "and municipalities"; and by inserting after the words "said cooperative associations" a comma and the words "and municipalities to the extent that such indebtedness was incurred with respect to electric transmission and distribution lines or systems or portions thereof serving persons in rural areas."

ERADICATION OF CATTLE GRUBS

The Senate proceeded to consider the bill (S. 1249), authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes.

Mr. RUSSELL. May I have an explanation?

The PRESIDENT pro tempore. The Senator from Georgia requests an explanation.

Mr. WHERRY. Mr. President, this is a bill which would authorize a continuation of investigation and research to eradicate a worm known as the cattle grub, that is produced from a fly that lays eggs at the animal's hoof; the worm is hatched and comes out on the back of the animal, boring through the hide; so much so that the hides of some western cattle are damaged to the extent of nearly 50 percent, at times, and those that are sold are sold at a reduced price. The cattlemen and dairymen of the country are very much interested in the matter. During the war there was developed an insecticide that is sprayed on the backs of cattle, so that when the worm emerges on the back of the animal, it is killed. Work of eradication has been begun in a district comprising several counties in the cattle section. The method is to proceed with eradication from county to county. If the grub can be eliminated it will mean an improvement in cattle products, hides, meat, milk, and so forth. It will require a small appropriation, I think, of about $75,000.

Mr. RUSSELL. That is the question I was about to ask.

Mr. WHERRY. It was reported without amendment by the committee, with full approval by Members of both parties.

Mr. RUSSELL. I am a great believer in agricultural research, but we have been having a great deal of difficulty getting any funds for use in that activity next year. I have been engaged in such work in the Committee on Agriculture, and I was interested to know the additional cost of the research in which the Senator from Nebraska is interested. I think research is the primary function of the Department of Agriculture. I have been endeavoring to convince certain of my colleagues on the subcommittee of the importance of research. I was interested to know how much more money would be required for this particular purpose.

Mr. LUCAS. Mr. President, I made the same observation before the Committee on Agriculture, when this and other bills for similar purposes, were favorably acted upon by that committee, because I felt we would run into trouble on the floor of the Senate, with any bill that we might report, in view of the economy drive that is under way. I based that opinion of course upon what the Appropriations Committee of the House had done to the agricultural program for research and for other purposes. I am very glad the Senator sees fit to go along with this bill, because it is a highly meritorious measure, in my opinion, to eradicate a very serious pest among cattle throughout the Nation.

Mr. RUSSELL. It seems to be a very meritorious proposition. I hope all meritorious research work will have the endorsement of the Senator.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to protect, promote, and conserve livestock and livestock products and to minimize losses, the Secretary of Agriculture, either independently or in cooperation with States or subdivisions thereof, farmers' associations, and other organizations and individuals, it is authorized to increase and intensify research and investigations into problems and methods relating to the eradication of cattle grubs and to undertake measures to eradicate these parasites.

SEC. 2. As used in this act, the term "State" includes the District of Columbia and the Territories and possessions of the United States There is hereby authorized to be appropriated such sums as may be necessary to carry out this act. Funds appropriated pursuant to this act shall be expended in accordance with procedures prescribed by the Secretary.

SALE OF CERTAIN LANDS TO CITY OF SITKA, ALASKA

The bill (H. R. 195) to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF HOUSE OFFICE BUILDINGS

The bill (H. R. 3072) to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER TOLL BRIDGE, ILLINOIS

The bill (H. R. 1610) to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill., was considered, ordered to a third reading, read the third time, and passed

GOLD STAR MOTHERS COMMEMORATIVE STAMPS

The bill (S. 1180) to authorize the issue of a certain series of commemorative stamps in honor of Gold Star Mothers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to prepare for issuance at as early a date as practicable, a special series of 3-cent postage stamps, of such design as he shall prescribe, in honor and commemoration of Gold Star Mothers.

BILLS PASSED OVER

The bill (S. 612) to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1634) to amend section 1 and provisions (6), (7), and (8) of chapter 3, and provisions (3) of section 47 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1633) to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF LAND ON E STREET SW., DISTRICT OF COLUMBIA

The bill (H. R. 1893) to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia. was considered.

ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

PAROLE OF PRISONERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the committee was in section 1, page 1, line 9, after the word "compensation", to insert "one of whom shall be elected chairman of the said Board."

The amendment was agreed to.

The next amendment was in section 5, page 4, line 13, after the words "he may" and the comma, to strike out "in the discretion of the Board and under such rules as it may promulgate."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ABANDONMENT OF CONDEMNATION PROCEEDINGS, DISTRICT OF COLUMBIA

The bill (H. R. 3235) to amend the Code of Laws of the District of Columbia with respect to abandonment of condemnation proceedings, was considered, ordered to a third reading, read the third time, and passed.

PUNISHMENT FOR EXERTING CORRUPT INFLUENCE IN CONTESTS OF SKILL, DISTRICT OF COLUMBIA

The bill (H. R. 3515) to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor, was considered, ordered to a third reading, read the third time, and passed.

SURVIVORSHIP OF CAUSES OF ACTION, DISTRICT OF COLUMBIA

The bill (S. 1442) to amend sections 235 and 327 of the Code of Laws for the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 235 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 235. On the death of any person in whose favor or against whom a right of action may have accrued for any cause prior to his death, said right of action shall survive in favor of or against the legal representative of the deceased: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for physical injury and pain and suffering resulting therefrom."

SEC. 2. Section 327 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 327. Executors and administrators shall have full power and authority to commence and prosecute any personal action at law or in equity which the testator or intestate might have commenced and prosecuted: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for personal injury and pain and suffering resulting therefrom; and they shall also be liable to be sued in the District Court of the United States for the District of Columbia in any action at law or in equity, except as aforesaid, which might have been maintained against the deceased; and they shall be entitled to or answerable for costs in the same manner as the deceased would have been, and shall be allowed for the same in their accounts, unless it shall appear that there were not probable grounds for instituting or defending the suits in which judgments or decrees shall have been given against them."

INCORPORATION, ETC., OF BUSINESS CORPORATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 8) to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause, and to insert the following:

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SHORT TITLE

SECTION 1. This act shall be known and may be cited as the "District of Columbia Business Corporation Act."

DEFINITIONS

SEC. 2. As used in this act, unless the context otherwise requires—

(a) "Corporation" or "domestic corporation" means a corporation subject to the provisions of this act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of the District of Columbia and special acts of Congress.

(c) "Articles of incorporation" include the original articles of incorporation and all amendments thereto, and include articles of merger or consolidation.

(d) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(e) "Incorporator" means one of the signers of the original articles of incorporation.

(f) "Shares" are the units into which the shareholders' right to participate in the control of the corporation, in its surplus or profits, or in the distribution of its assets, are divided.

(g) "Shareholder" means one who is a holder of record of shares in a corporation.

(h) "Authorized shares" means the aggregate number of shares of all classes, whether with or without par value, which the corporation is authorized to issue.

(i) Shares of its own stock belonging to a corporation shall be deemed to be "issued" shares, but not "outstanding" shares.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares then issued having a par value and (2) the consideration received by the corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by law, and (3) such amounts not included in clauses (1) or (2) of this paragraph as may have been transferred to the stated capital account of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus such formal reductions from said sum as may have been effected in a manner permitted by law.

(k) "Paid-up surplus" means all that part of the consideration received by the corporation for, or on account of, all shares issued which does not constitute stated capital, whether heretofore or hereafter created by (1) the receipt by the corporation for, or on account of, the issuance of shares having a par value of consideration in excess of the par value of such shares or (2) the allocation of any part of the consideration received by the corporation for, or on account of, the issuance of shares in a manner permitted by law or (3) a reduction of stated capital under this act, minus such formal reductions of paid-in surplus as may have been effected in a manner permitted by law.

(l) "Net assets," for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and the liabilities of directors therefor, shall not include shares of its own stock belonging to such corporation.

(m) "Registered office" means that office maintained by the corporation, the address of which is on file with the Commissioner of Corporations.

(n) "Insolvent" means that the corporation is unable to pay its debts as they become due in the usual course of its business.

(o) "State" means any State, Territory, colony, dependency, or possession of the United States of America, or any foreign country.

(p) "District" means the District of Columbia.

(q) "The court," except where otherwise specified, means the District Court of the United States for the District of Columbia.

(r) "Business by a foreign corporation" means the transaction of some substantial part of its corporate business, continuous in its character and not merely casual or occasional, and shall not include the prosecution of litigations, collection of its debts, or the taking of security for the same, or the appointment of an agent for the solicitation of business not transacted in the District: *Provided,* That mere procurement of orders for the sale of personal property by means of telephonic communication, written correspondence, or solicitation by salesmen in the District where such orders require acceptance without the District before becoming binding on the purchaser and seller and title to such property passes from the seller to the purchaser without the District shall not constitute transacting business within the District: *And provided further,* That the sale of personal property to the United States shall not be considered transacting business within the District unless a contract for such sale is accepted by the seller within the District or such property is delivered from stock of the seller within the District for use within the District.

PURPOSES

SEC. 3. Corporations for profit may be organized under this act for any lawful purpose or purposes, except for the purpose of banking or insurance or the acceptance and execution of trusts, the operation of railroads, or building and loan associations.

GENERAL POWERS

SEC. 4. Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(d) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

(f) To lend money to, and otherwise assist, its employees, other than its officers and directors.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other corporations organized under the laws of the District of Columbia, of foreign corporations, and of associations, partnerships, or individuals.

(h) To make contracts and incur liabilities; to borrow money at such rates of interest as the corporation may determine without regard to the restrictions of any usury law; to issue its notes, bonds, and other obligations; and to secure any of the obligations by mortgage or pledge of all or any of its property, franchise, and income. No corporation formed hereunder shall plead any statutes against usury in any court of law or equity in any suit instituted to enforce the payment of any bond, note, or other evidence of indebtedness issued or assumed by it.

(i) To invest its surplus funds from time to time and to lend money for its corporate purposes, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

(j) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this act within and without the District of Columbia and to exercise in any State, Territory, district, colony, or possession of the United States, or in any foreign country the powers granted by this act.

(k) To elect or appoint officers and agents of the corporation, and to define their duties and fix their compensation.

(l) To make and alter bylaws, not inconsistent with its articles of incorporation or

with the laws of the District of Columbia, for the administration and regulation of the affairs of the corporation.

(m) To make contributions to charitable organizations, and, in time of war, to transact any lawful business in aid of the United States.

(n) To cease its corporate activities and surrender its corporate franchise.

(o) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(p) To indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

POWER OF CORPORATION TO ACQUIRE ITS OWN SHARES

SEC. 5. A corporation shall have power to purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares: *Provided*, That it shall not purchase, either directly or indirectly, its own shares when its net assets are less than the sum of its stated capital, its capital surplus, any surplus arising from unrealized appreciation in value or revaluation of its assets and any surplus arising from surrender to the corporation of any of its shares, or when by so doing its net assets would be reduced below such sum. Notwithstanding the foregoing limitations, a corporation may purchase or otherwise acquire its own shares for the purpose of—

(a) eliminating fractional shares;

(b) collecting or compromising claims of the corporation or any indebtedness to the corporation;

(c) paying dissenting shareholders entitled to payment for their shares under the provisions of this act.

(d) effecting the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price, but no redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

DEALING IN REAL ESTATE AS CORPORATE PURPOSE

SEC. 6. A corporation having among its purposes, as set forth in its articles of incorporation, that of acquiring, owning, using, conveying, and otherwise disposing of and dealing in real property or any interest therein, shall have power and authority so to do without limitation.

DEFENSE OF ULTRA VIRES

SEC. 7. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted—

(a) in a proceeding by a shareholder against the corporation to enjoin the doing of any act or acts the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) in a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the corporation;

(c) in a proceeding by the Commissioner or Corporations, as provided in this act, to dissolve the corporation, or in a proceeding by Commissioner of Corporations to enjoin the corporation from the transaction of unauthorized business.

CORPORATE NAME

SEC. 8. The corporate name—

(a) shall contain the word "corporation", "company", "incorporated", or "limited", or shall end with an abbreviation of one of such words;

(b) shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation;

(c) shall not be the same as, or deceptively similar to, the name of any corporation organized under any act of the District of Columbia, or any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

RESERVED NAME

SEC. 9. (a) The exclusive right to the use of a corporate name may be reserved by—

(1) any person intending to organize a corporation under this act or any other act for the organization of a corporation under the laws of the District of Columbia;

(2) any corporation organized under this act proposing to change its name;

(3) any corporation organized under any law other than this act proposing to reincorporate under this act;

(4) any foreign corporation intending to make application for a certificate of authority to transact business in the District of Columbia;

(5) any foreign corporation authorized to transact business in the District of Columbia and intending to change its name;

(6) any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in the District of Columbia.

(b) The reservation shall be made by filing with the Commissioner of Corporations an application to reserve a specified corporate name, executed by the applicant. If the Commissioner of Corporations finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of 60 days.

(c) The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the Commissioner of Corporations a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee,

REGISTERED OFFICE AND REGISTERED AGENT

SEC. 10. Each corporation shall have and continuously maintain in the District of Columbia—

(a) a registered office which may be, but need not be, the same as its place of business;

(b) a registered agent, which agent may be either an individual resident in the District of Columbia whose business office is identical with such registered office, or a corporation authorized by the articles of incorporation to act as such agent and authorized to transact business in the District of Columbia having a business office identical with such registered office.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT

SEC. 11. (a) A corporation may change its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical; and

(7) that such change was authorized by resolution duly adopted by its board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(b) Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to the provisions of this act, he shall file such statement.

(c) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

REGISTERED AGENT AS AN AGENT FOR SERVICE

SEC. 12. (a) The registered agent so appointed by a corporation shall be an agent of such corporation upon whom process against the corporation may be served, and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service of any process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent.

(b) In the event a corporation shall fail to appoint or maintain a registered agent, then the Commissioner of Corporations is hereby irrevocably appointed as an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Commissioner of Corporations of any such process, notice, or demand shall be made by delivering to and leaving with him duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any

service so had on the Commissioner of Corporations shall be returnable in not less than 30 days.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with respect thereto.

(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

AUTHORIZED SHARES

SEC. 13. (a) Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, voting powers, special or relative rights and such limitations, restrictions, or qualifications thereof as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting power of the shares of any class.

(b) Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes—

(1) subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof;

(2) entitling the holders thereof to cumulative or noncumulative dividends;

(3) having preference over any other class or classes of shares as to the payment of dividends;

(4) having preference as to the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation;

(5) convertible into shares of any other class: *Provided*, That shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted.

ISSUANCE OF SHARES OF PREFERRED OR SPECIAL CLASSES IN SERIES

SEC. 14. (a) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation: *Provided*, That all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series:

(1) The rate of dividend.

(2) The price at and the terms and conditions on which shares may be redeemed.

(3) The amount payable upon shares in event of involuntary liquidation.

(4) The amount payable upon shares in event of voluntary liquidation.

(5) Sinking-fund provisions for the redemption or purchase of shares.

(6) The terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

(b) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of the shares of any series so established: *Provided*, That such authority of the board of directors shall be subject to such further limitations, if any, as are stated in the articles of incorporation and shall always be subject to the limitation that the board of directors shall not create a sinking fund in respect of any series unless provision for a sinking fund at least as beneficial to all issued and outstanding shares of the same class shall either then exist or be at the same time created.

(c) In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(d) Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) a copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof;

(3) the date of adoption of such resolution;

(4) that such resolution was duly adopted by the board of directors.

(e) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this Act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(f) The duplicate original returned by the Commissioner of Corporations shall be filed for record in the office of the Recorder of Deeds.

(g) Upon the filing of such statement by the Commissioner of Corporations, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

SUBSCRIPTIONS FOR SHARES

SEC. 15. (a) A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months unless otherwise provided by the terms of the subscription agreement, or unless all of the subscribers consent to the revocation of such subscription.

(b) Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of the shares, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of 20 days after written demand has been made therefor. Such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with the postage thereon prepaid. In the event of the sale of any shares by reason of any forefeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

CONSIDERATION FOR SHARES

SEC. 16. (a) Shares having a par value may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

(b) Shares without par value may be isued for such consideration as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the holders of a majority of all outstanding shares entitled to vote thereon.

(c) Shares of a corporation issued and thereafter acquired by it may be disposed of by the corporation for such consideration as may be fixed from time to time by the board of directors.

(d) That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

(e) In the event of an exchange of issued shares having a par value for a different number of shares having the same aggregate par value, whether of the same or of a different class or classes, or in the event of a conversion of shares, or in the event of an exchange of shares with or without par value into the same or a different number of shares without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange shall be deemed to be (1) the consideration originally received for the shares so exchanged or converted; and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted; and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

PAYMENT FOR SHARES

SEC. 17. (a) The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued, which, in the case of shares having a par value, shall be not less than the par value thereof, shall have been received by the corporation, such shares shall be deemed to be full paid and nonassessable.

(b) Neither promissory notes nor future services shall constitute payment or part payment for shares of a corporation.

(c) In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

DETERMINATION OF AMOUNT OF STATED CAPITAL

SEC. 18. (a) A corporation may determine that only a part of the consideration for

which its shares may be issued, from time to time, shall be stated capital: *Provided*, That in the event of any such determination—

(1) if the shares issued shall consist wholly of shares having a par value, then the stated capital represented by such shares shall be not less than the aggregate par value of the shares so issued;

(2) if the shares issued shall consist wholly of shares without par value, all of which shares have a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be not less than the aggregate preferential amount payable upon such shares in the event of involuntary liquidation;

(3) if the shares issued consist wholly of shares without par value, and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be the total consideration received therefor less such part thereof as may be allocated to paid-in surplus;

(4) if the shares issued shall consist of several or all of the classes of shares enumerated in (a), (b), and (c) of this section, then the stated capital represented by such shares shall be not less than the aggregate par value of any shares so issued having a par value and the aggregate preferential amount payable upon any shares so issued without par value having a preferential right in the event of involuntary liquidation.

(b) In order to determine that only a part of the consideration for which shares without par value may be issued from time to time shall be stated capital, the board of directors shall adopt a resolution setting forth the part of such consideration allocated to stated capital and the part otherwise allocated, and expressing such allocation in dollars. In the board of directors shall not have determined (a) at the time of the issuance of any shares issued for cash, or (b) within 60 days after the issuance of any shares issued for labor or services actually performed for the corporation or issued for property other than cash, that only a pat of the consideration for shares so issued shall be stated capital, then the stated capital of the corporation represented by such shares shall be an amount equal to the aggregate par value of all such shares having a par value, plus the consideration received for all such shares without par value.

(c) The stated capital of the corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the paid-in or other surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares.

EXPENSES OF ORGANIZATION, REORGANIZATION, AND FINANCING

SEC. 19. The reasonable charges and expenses of organization or reorganization of a corporation and reasonable compensation for the sale or underwriting of its shares may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not full paid and nonassessable.

CERTIFICATES REPRESENTING SHARES

SEC. 20. (a) The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary and sealed with the seal of the corporation. Such seal may be a facsimile. Where such a certificate is countersigned by a transfer agent other than the corporation itself or an employee of the corporation, or by a transfer clerk and registered by a registrar, the signatures of the president or vice president and the secretary or assistant secretary upon such certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to hold such office at the date of its issue.

(b) Every certificate representing shares issued by a corporation which is authorized to issue shares the transferability of which is restricted or limited shall state upon the face or back thereof, in full or in the form of a summary, all of the limitations and restrictions upon the transferability thereof.

(c) Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall state upon the face or back thereof, in full or in the form of a summary, all of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

(d) Each certificate representing shares shall also state—

(1) that the corporation is organized under the laws of the District of Columbia;

(2) the name of the person to whom issued;

(3) the number and class of shares which such certificate represents;

(4) the par value of each share represented by such certificate, or a statement that the shares are without par value.

(e) No certificate shall be issued for any share until such share is full paid.

ISSUANCE OF FRACTIONAL SHARES OR SCRIP

SEC. 21. A corporation may, but shall not be obliged to, issue a certificate for a fractional share and, by action of its board of directors, may issue in lieu thereof scrip or other evidence of ownership, which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends thereon or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions which the board of directors may deem advisable.

LIABILITY OF SUBSCRIBERS AND SHAREHOLDERS

SEC. 22. (a) A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which said shares were issued or to be issued, which, as to shares having a par value, shall be not less than the par value thereof. Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

(b) No person holding shares as executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall be personally liable as a shareholder, but the estate and funds in the hands of said executor, administrator, conservator, guardian, trustee, assignee, or receiver shall be so liable. No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

SHAREHOLDERS' PREEMPTIVE RIGHTS

SEC. 23. (a) The preemptive right of a shareholder to acquire additional shares of a corporation may be limited or denied to the extent provided in the articles of incorporation.

(b) Unless otherwise provided by its articles of incorporation, any corporation may issue and sell its shares to its employees or to the employees of any subsidiary corporation, without first offering such shares to its shareholders, for such consideration and upon such terms and conditions as shall be approved by the holders of two-thirds of its shares entitled to vote or by its board of directors pursuant to like approval of the shareholders.

BYLAWS

SEC. 24. The power to make, alter, amend, or repeal the bylaws of the corporation shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

MEETINGS OF SHAREHOLDERS

SEC. 25. (a) Meetings of shareholders may be held at such place within or without the District of Columbia as may be provided in the bylaws. In the absence of any such provisions, all meetings shall be held at the registered office of the corporation.

(b) An annual meeting of the shareholders shall be held at such time as may be provided in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.

(c) Special meetings of the shareholders may be called by the president, the secretary, the board of directors, the holders of not less than one-fifth of all the outstanding shares entitled to vote, or by such other officers or persons as may be provided in the articles of incorporation or the bylaws.

NOTICE OF SHAREHOLDERS' MEETINGS

SEC. 26. Written or printed notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the records of the corporation, with postage thereon prepaid.

VOTING OF SHARES

SEC. 27. (a) Unless otherwise provided in the articles of incorporation, each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

(b) Shares of its own stock belonging to a corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

(c) A shareholder may vote either in person or by proxy executed in writing by the

shareholder or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it or his personal representatives or assigns; but the parties to a valid pledge or to an executory contract of sale may agree in writing as to which of them shall vote the stock pledged or sold until the contract of pledge or sale is fully executed.

(d) The articles of incorporation may provide that in all elections for directors every shareholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or to distribute such votes on the same principle among any number of such candidates.

CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE

SEC. 28. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock-transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting. In lieu of closing the stock-transfer books, the board of directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock-transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

VOTING OF SHARES BY CERTAIN HOLDERS

SEC. 29. (a) Shares standing in the name of another corporation may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, conservator, or trustee shall be entitled, as such fiduciary, to vote shares held by him without a transfer of such shares into his name.

(c) Shares standing in the name of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee, and shares held by or under the control of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver or trustee in bankruptcy was appointed.

(d) Except as otherwise provided in section 27, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

VOTING TRUST

SEC. 30. Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed 10 years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its registered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting-trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as is the record of shareholders of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose. The trustee or trustees may execute and deliver to the transferors voting-trust certificates which shall be transferable in the same manner and with the same effect as certificates of stock.

QUORUM OF SHAREHOLDERS

SEC. 31. (a) Unless otherwise provided in the articles of incorporation or bylaws, a majority of the outstanding shares having voting power, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders: *Provided*, That in no event shall a quorum consist of less than one-third of the outstanding shares having voting power.

(b) The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present when any business may be transacted that may have been transacted at the meeting as originally called.

BOARD OF DIRECTORS

SEC. 32. The business and affairs of a corporation shall be managed by a board of directors. Directors need not be shareholders in the corporation unless the articles of incorporation or bylaws so provide. The articles of incorporation or bylaws may prescribe other qualifications for directors.

NUMBER AND ELECTION OF DIRECTORS

SEC. 33. The number of directors of a corporation shall not be less than three. Subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number constituting the first board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, or until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified.

CLASSIFICATION OF DIRECTORS

SEC. 34. The bylaws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.

VACANCIES

SEC. 35. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of shareholders entitled to vote called for that purpose. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

QUORUM OF DIRECTORS

SEC. 36. A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

EXECUTIVE COMMITTEE

SEC. 37. If the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

PLACE OF DIRECTORS' MEETINGS

SEC. 38. Meetings of the board of directors, regular or special, may be held at such place within or without the District of Columbia as may be provided in the bylaws or by resolution adopted by a majority of the board of directors.

NOTICE OF DIRECTORS' MEETINGS

SEC. 39. Meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

DIVIDENDS

SEC. 40. The board of directors of a corporation may declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, subject to the following provisions:

(a) No dividend shall be declared or paid at a time when the corporation is insolvent or its net assets are less than its stated capital, or when the payment thereof would render the corporation insolvent or reduce its net assets below its stated capital.

(b) Dividends may be paid out of capital surplus or surplus arising from the surrender to the corporation of any of its shares only upon shares having a preferential right to receive dividends, provided that the source of such dividends shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof. The limitations of this subparagraph shall not limit nor be deemed to conflict with the provisions of this act in respect of the distribution of assets as a liquidating dividend.

(c) If a dividend is declared payable in its own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(d) If a dividend is declared payable in its own shares without par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate value so fixed in respect of such shares. The amount per share transferred to stated capital shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof.

(e) A split up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of this section.

(f) No dividend shall be declared or paid contrary to any restrictions contained in the articles of incorporation.

(g) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such wasting assets resulting from lapse of time or from necessary consumption of such assets incidental to their exploitation and may pay dividends from the net profits so determined by the directors.

DIVIDENDS IN PARTIAL LIQUIDATION

SEC. 41. A corporation, from time to time, may distribute a portion of its assets, in cash or kind, to its shareholders as a liquidating dividend, in the following manner and subject to the following restrictions:

(a) The board of directors shall adopt a resolution recommending the payment of a liquidating dividend, specifying the class or classes of shareholders entitled thereto and the amount thereof, and directing that the question of such distribution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose or one of the purposes of such meeting is to consider the question of such distribution shall be given to each shareholder of record entiled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in the notice of such meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken by classes on the question of the proposed distribution. The affirmative vote of the holders of at least two-thirds of the outstanding shares of each class shall be required for the authorization of such distribution.

(d) No such distribution shall be made at a time when the corporation is insolvent or its net assets are less than its stated capital, or when such distribution would render the corporation insolvent or reduce its net assets below its stated capital.

(e) No such distribution shall be made to any class of shareholders unless all cumulative dividends accrued on preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(f) No such distribution shall be made to any class of shareholders which will reduce the remaining net assets below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferred rights to the assets to the corporation in the event of liquidation.

(g) Each such distribution, when made, shall be identified as a liquidating dividend and the amount per share shall be disclosed to the shareholders receiving the same, concurrently with the payment thereof.

LIABILITY OF DIRECTORS IN CERTAIN CASES

SEC. 42. (a) In addition to any other liabilities imposed by law upon directors of a corporation—

(1) directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this act, or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this act or any restrictions in the articles of incorporation;

(2) the directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of assets of a corporation to its shareholders which renders the corporation insolvent or reduces its net assets below its stated capital shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that the corporation is thereby rendered insolvent or its net assets are reduced below its stated capital;

(3) the directors of a corporation who vote or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without an adequate provision for, or the payment and discharge of, all debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the corporation are not thereafter paid and discharged;

(4) the directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(c) A director shall not be liable under either subparagraph (1) or (2) of this section if he relied and acted in good faith upon a balance sheet and profit-and-loss statement of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial conditions of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

(d) Any director against whom a claim shall be asserted under or pursuant to this section, and who shall be held liable thereon, shall be entitled to contribution from the other directors who are likewise liable thereon.

(e) Any director against whom a claim shall be asserted under or pursuant to this section for the improper declaration of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who knowingly accepted or received any such dividend or assets, in proportion to the amounts received by them, respectively.

OFFICERS

SEC. 43. (a) The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. If the bylaws so provide, any two or more offices may be held by the same person, except the offices of president and secretary.

(b) All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

REMOVAL OF OFFICERS

SEC. 44. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

BOOKS AND RECORDS

SEC. 45. (a) Each corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its shareholders and board of directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

(b) Any person or persons who shall be the holder or holders of record of at least 5 percent of all the outstanding shares of a corporation shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its record of shareholders and to make extracts thereform.

(c) A holder of a voting-trust certificate evidencing an interest in a voting trust conforming to the provisions of this act shall

have the same rights as a shareholder to examine and make extracts from the record of shareholders of the corporation.

(d) If any person or persons holding in the aggregate 5 percent or more of all of the outstanding shares of a corporation shall present to any officer, director, or registered agent of the corporation a written request for a statement of its affairs, it shall be his duty to make or procure such a statement sworn to by the president or a vice president or by the treasurer or an assistant treasurer, embracing a particular account of its assets and liabilities in detail, and to have the same ready and on file at the registered office of the corporation within 30 days after the presentation of such request. Such statement shall at all times during business hours be open to the inspection of any shareholder and he shall be entitled to copy the same.

(e) Any corporation whose officers or agents shall refuse to allow any such shareholder, entitled under the provisions of this section to examine the record of shareholders, or his agent or attorney, to examine and make extracts from its record of shareholders, for any proper purpose, shall be liable to such shareholder in a penalty of $50, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within 2 years sold or offered for sale any list of shareholders of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the record of shareholders of such corporation or any other corporation.

(f) Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which such shareholder shall have been a shareholder of record, and irrespective of the number of shares held by him, to compel by mandamus or otherwise the production for examination by such shareholder of the books and records of account, minutes, and record of shareholders of a corporation.

INCORPORATORS

SEC. 46. Three or more natural persons of the age of 21 years or more may act as incorporators of a corporation by signing, verifying, and filing in duplicate in the office of the Commissioner of Corporations articles of incorporation for such corporation.

ARTICLES OF INCORPORATION

SEC. 47. The articles of incorporation shall set forth:

(a) The name of the corporation.

(b) The period of duration, which may be perpetual.

(c) The purpose or purposes for which the corporation is organized.

(d) The aggregate number of shares which the corporation shall have authority to issue; if said shares are to consist of one class only, the par value of each of said shares, or a statement that all of said shares are without par value; or, if said shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, voting power, limitations, restrictions, qualifications, and the special or relative rights in respect of the shares of each class.

(f) The minimum amount of capital with which the corporation shall commence business shall be not less than $1,000.

(g) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between different series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(h) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

(i) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision which under this act is required or permitted to be set forth in the bylaws.

(j) The address, including street and number, if any, of its initial registered office, and the name of its initial registered agent at such address.

(k) The number of directors constituting the initial board of directors and the names and addresses, including street and number, if any, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(l) The name and address, including street and number, if any, of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this act. Whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

FILING OF ARTICLES OF INCORPORATION

SEC. 48. (a) Duplicate originals of the articles of incorporation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of incorporation to which he shall affix the other duplicate original.

(b) The certificate of incorporation, together with the duplicate original of the articles of incorporation affixed thereto by the Commissioner of Corporations, shall be recorded in the office of the Recorder of Deeds.

EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION

SEC. 49. Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this act, except as against the District of Columbia in a proceeding to cancel or revoke the certificate of incorporation.

REQUIREMENT BEFORE COMMENCING BUSINESS

SEC. 50. A corporation shall not transact any business or incur any indebtedness, except such as shall be incidental to its organization or to obtaining subscriptions to or payment for its shares, until at least the minimum amount of capital set forth in its articles of incorporation as the minimum amount of capital with which it will commence business has been fully paid in.

ORGANIZATION MEETING OF DIRECTORS

SEC. 51. After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held within the United States, at the call of a majority of the directors so named, for the purpose of adopting bylaws, electing officers, and the transaction of such other business as may come before the meeting. The directors calling the meeting shall give at least 5 days' notice thereof by mail to each director so elected, which notice shall state the time and place of the meeting: *Provided, however,* That if all the directors shall waive notice in writing and fix a time and place for said organization meeting no notice shall be required of such meeting.

RIGHT TO AMEND ARTICLES OF INCORPORATION

SEC. 52. A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired: *Provided,* That its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment, and, if a change in shares or the rights of shareholders, or an exchange, reclassification, or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(a) To change its corporate name.

(b) To change its period of duration.

(c) To change, enlarge, or diminish its corporate purposes.

(d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.

(e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.

(f) To exchange, classify, reclassify, or cancel all or any part of its shares, whether issued or unissued.

(g) To change the designations of all or any part of its shares, whether issued or unissued, and to change the preferences, voting power, qualifications, limitations, restrictions, and the special or relative rights in respect of all or any part of its shares, whether issued or unissued.

(h) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.

(i) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.

(j) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.

(k) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.

(l) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.

(m) To change the share of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes.

(n) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.

(o) To limit, deny, or grant to shareholders of any class the preemptive right to subscribe for or acquire additional shares of the corporation, whether then or thereafter authorized.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION BEFORE ACCEPTANCE OF SUBSCRIPTIONS TO SHARES

SEC. 53. Amendments to the articles of incorporation before any subscriptions to shares have been accepted by the board of directors shall be made in the following manner:

(a) Amended articles of incorporation modifying, changing, or altering the original articles of incorporation shall be signed by all of the living or competent incorporators who signed the original articles of incorporation, verified and filed in duplicate in the office of the Commissioner of Corporations. Such amended articles of incorporation shall contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amended articles of incorporation.

(b) Such amended articles of incorporation shall be delivered in duplicate original to the Commissioner of Corporations. If the Commissioner of Corporations finds that such amended articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(c) Upon the issuance of the amended articles of incorporation, the amended articles of incorporation shall become effective and shall take the place of the original articles of incorporation.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION AFTER ACCEPTANCE OF SUBSCRIPTION TO SHARES

SEC. 54. Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary shall be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless any class of shares is entitled to vote as a class in respect thereof, as hereinafter provided, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote.

(d) Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

WHEN ENTITLED TO VOTE BY CLASSES

SEC. 55. The holders of the outstanding shares of a class whether by the provisions of the articles of incorporation such class of stock is entitled to vote or not shall be entitled to vote as a class upon a proposed amendment which would—

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification, or concellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations, voting, or relative rights of the shares of such class.

(f) Change the shares of such class having a par value into the same or a different number of shares without par value, or change the shares of such class without par value into the same or a different number of shares having a par value.

(g) Change the shares of such class, whether with or without par value, into a different number of shares of the same class, or into the same or a different number of shares, either with or without par value, of other classes.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series.

(i) Create a new class of shares having rights and preferences prior and superior to the shares of such class.

(j) Limit or deny the existing preemptive rights of the shares of such class.

ARTICLES OF AMENDMENT

SEC. 56. (a) The articles of amendment shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the name of the corporation;

(2) the amendment so adopted;

(3) the date of the adoption of the amendment by the shareholders;

(4) the number of shares outstanding, and the number of shares entitled to vote, and if the shares of any class are entitled to vote as a class, the designation of each such class and the number of outstanding shares thereof entitled to vote;

(5) the number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such amendment, respectively;

(6) if such amendment provides for an exchange, reclassification, or concellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected;

(7) if such amendment effects a change in the amount of stated capital, or paid-in surplus, or both, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus as changed by such amendment.

(b) If issued shares without par value are changed into the same or a different number of shares having par value, the aggregate par value of the shares into which the shares without par value are changed shall not exceed the sum of (1) the amount of stated capital represented by such shares without par value, and (2) the amount of surplus, if any, transferred to stated capital on account of such change, and (3) any additional consideration paid for such shares with par value and allocated to stated capital.

FILING OF ARTICLES OF AMENDMENT

SEC. 57. (a) Duplicate originals of the articles of amendment shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of amendment conform to law, he shall, when all fees and taxes have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of amendment to which he shall affix the other duplicate original.

(b) The certificate of amendment with the duplicate original of the articles of amendment affixed thereto shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF CERTIFICATE OF AMENDMENT

SEC. 58. (a) Upon the issuance of the certificate of amendment, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

(b) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

REDEMPTION AND CANCELLATION OF SHARES

SEC. 59. (a) If the articles of incorporation provide that redeemable shares redeemed shall be canceled and shall not be reissued, then, in the event of such cancellation of shares, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled.

(b) No redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

(c) When redeemable shares of a corporation have been canceled pursuant to the provisions of the articles of incorporation, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation had authority to issue, itemized by classes and series;

(3) the number of shares canceled, itemized by classes and series;

(4) the number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to the cancellation;

(5) a statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(6) a statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation after giving effect to such cancellation.

(d) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(e) The duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(f) The filing of such statement by the Commissioner of Corporations shall operate as an amendment to the articles of incorporation and shall reduce the number of shares of the class so canceled which the corporation is authorized to issue by the number of shares so canceled.

(g) Nothing contained in this section shall be construed to forbid a reduction of authorized shares or a reduction of stated capital in any other manner permitted by this act.

CANCELLATION OF REACQUIRED SHARES

SEC. 60. (a) A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it through redemption, purchase, or otherwise, and in the event of such cancellation a statement of cancellation shall be filed as provided in this section. When any reacquired shares have been canceled by resolution of the board of directors, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(3) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class before giving effect to such cancellation;

(4) the number of shares canceled, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement that the shares so canceled were canceled by a resolution duly adopted by the board of directors;

(6) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(7) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation before giving effect to such cancellation;

(8) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation after giving effect to such cancellation.

(b) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the filing of such statement by the Commissioner of Corporations, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled and the shares so canceled shall be deemed to be authorized but unissued shares.

(d) Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this act.

REDUCTION OF STATED CAPITAL IN CERTAIN CASES

SEC. 61. (a) The reduction of the stated capital of a corporation where such reduction is not accompanied by an exchange, reclassification, or cancellation of shares, or by a reduction in the par value of issued shares, or by a reduction of the number of authorized shares of any class below the number of issued shares of that class, or by a redemption and cancellation of shares, may be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(2) Written or printed notice, stating that the purpose of one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(3) At such meeting a vote of the shareholders entitled to vote shall be taken on the question of the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote.

(b) When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) a copy of the resolution of the shareholders approving such reduction;

(3) the total number of shares outstanding and the number of shares entitled to vote;

(4) the number of shares voted for and against such reduction, respectively;

(5) a statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital and the amount of capital surplus of the corporation adjusted to give effect to such reduction.

(c) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

SEC. 62. (a) No reduction of stated capital shall be made under the provisions of section 61 which would reduce the amount of the aggregate stated capital of the corporation to an amount less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value, after such reduction, of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

(b) The surplus, if any, created by or arising out of the reduction of the stated capital of a corporation shall be deemed to be paid-in surplus, except where such reduction is effected by the cancellation of its own shares belonging to the corporation, or by the redemption and cancellation of shares, in either of which events the capital surplus, if any, created by such reduction shall not exceed the amount by which the stated capital represented by such shares exceeded the cost thereof to the corporation.

REDUCTION OF PAID-IN SURPLUS

SEC. 63. A corporation may, by resolution of its board of directors, apply any part or all of its paid-in surplus to the reduction or elimination of any deficit arising from operating or other losses or from dimunition in value of its assets.

PROCEDURE FOR MERGER

SEC. 64. Any two or more domestic corporations may merge into one of such corporations in the following manner:

The board of directors of each corporation shall, by resolution adopted by the majority vote of the members of each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

(d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

PROCEDURE FOR CONSOLIDATION

SEC. 65. Any two or more domestic corporations may consolidate into a new corporation in the following manner:

The board of directors of each corporation, shall by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation.

(d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

MEETINGS OF SHAREHOLDERS

SEC. 66. The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than 20 days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such

meeting. Such notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

APPROVAL BY SHAREHOLDERS

SEC. 67. At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares of each corporation unless as to any of such corporations two or more classes of shares are issued in which event as to such corporation or corporations the plan of merger or consolidation shall be approved upon receiving the affirmative vote of at least two-thirds of the outstanding shares of each such class.

ARTICLES OF MERGER OR CONSOLIDATION

SEC. 68. (a) Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president, and verified by him, and the corporate seal of each corporation shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the plan of merger or the plan of consolidation;

(2) as to each corporation, the number of shares outstanding, and if there are two or more classes of shares issued, the designation of each such class and the number of shares thereof outstanding;

(3) as to each corporation, the number of shares voted for and against such plan respectively, and, if there are two or more classes of shares issued the number of shares of each such class voted for and against such plan, respectively.

(b) Such articles of merger or consolidation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of merger or consolidation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of merger or certificate of consolidation to which he shall attach the other duplicate original which shall then be filed for record in the Office of the Recorder of Deeds.

EFFECTIVE DATE OF MERGER OR CONSOLIDATION

SEC. 69. Upon the issuance of the certificate of merger or the certificate of consolidation by the Commissioner of Corporations, the merger or consolidation shall be effected.

EFFECT OF MERGER OR CONSOLIDATION

SEC. 70. When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation, as the case may be, shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under this act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as a private nature, of each of the merging or consolidating corporations; and all property—real, personal, and mixed—and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the articles of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this act shall be deemed to be the articles of incorporation of the new corporation.

(g) The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the amount thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS

SEC. 71. One or more foreign corporations and one or more domestic corporations may be merged or consolidated if permitted by the laws of the State under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the State under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any State other than the District of Columbia, it shall comply with the provisions of this act with respect to foreign corporations if it is to do business in the District of Columbia, and in every case it shall file with the Commissioner of Corporations—

(1) an agreement that it may be served with process in the District of Columbia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) an irrevocable appointment of the Commissioner of Corporations of the District of Columbia as its agent to accept service of process in any such proceeding; and

(3) an agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount if any, to which they shall be entitled under the provisions of this act with respect to the rights of dissenting shareholders.

(c) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of the District of Columbia. If the surviving or new corporation is to be governed by the laws of any State other than the District of Columbia, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other State provide otherwise.

MERGER OF PARENT CORPORATION AND WHOLLY OWNED SUBSIDIARY

SEC. 72. (a) Any corporation now or hereafter organized under the provisions hereof or existing under the laws of the District of Columbia, for the purpose of carrying on any kind of business, owning all of the stock of any other corporation now or hereafter organized hereunder or existing under the laws of the District of Columbia, or now or hereafter organized under the laws of any other State of the United States of America, if the laws under which said other corporation is formed shall permit a merger as herein provided, may file, in duplicate original in the office of the Commissioner of Corporations, a certificate of such ownership in its name and under its corporate seal, signed by its president or a vice president, and its secretary or assistant secretary or assistant treasurer, and setting forth a copy of the resolution of its board of directors to merge such other corporation, and to assume all of its obligations and the date of the adoption thereof. If the Commissioner of Corporations finds that such certificate of ownership conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) File one of such duplicate originals in his office;

(3) issue a certificate of ownership to which he shall affix the other duplicate original which certificate shall then be recorded in the Office of the Recorder of Deeds.

(b) Upon the issuance of the certificate of ownership, the merger shall be effected and thereupon all of the estate, property, rights, privileges, and franchises of such other corporation shall vest in and be held and enjoyed by such parent corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by such other corporation, and be managed and controlled by such parent corporation, and except as hereinafter in this section provided, in its name, but subject to all liabilities and obligations of such other corporation and the rights of all creditors thereof. The parent corporation shall not thereby acquire power to engage in any business, or to exercise any right, privilege, or franchise, of a kind which it could not lawfully engage in or exercise under the provisions of the law or laws by or pursuant to which such parent corporation is organized, or operates in the District of Columbia. The parent corporation shall be deemed to have assumed all of the obligations and liabilities of the merged corporation and shall be liable in the same manner as if it had itself incurred such liabilities and obligations. The parent corporation may relinquish its corporate name and assume in lieu thereof the name of the merged corporation, by including it in a provision to that effect in the resolution of merger adopted by the directors and set forth in the certificate of ownership, and upon the filing of such certificate the change of name shall be completed, with the same force and effect and subject to the same conditions and consequences as if such change had been accomplished by proceedings under the appropriate section of this act.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 73. (a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

(b) If within 30 days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within 90 days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the merger or consolidation.

(d) The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 74. The sale, lease, exchange, mortgage, pledge, or other disposition of less than all, or less than substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of the corporation, may be made upon such terms and conditions and for such considerations, which may consist in whole or in part, of money or property, real or personnel, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as shall be authorized by its board of directors; and in such case no authorization or consent of the shareholders shall be required.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS OTHER THAN IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 75. A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, may be made upon such terms and conditions and for such consideration, which may consist, in whole in or in part, of money or property, real or personal, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided by this act for the giving of notice of meetings of shareholders.

(c) At such meetings the shareholders may authorize such sale, lease, exchange, mortgage, pledge, or other disposition and fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless there are two or more classes of stock issued, in which event such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class of shares issued.

(d) After such authorization by a vote of shareholders, the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 76. (a) If a shareholder shall file with the corporation, prior to or at the meeting of shareholders at which a sale or exchange of all or substantially all of the property and assets of a corporation, is submitted to a vote, a written objection to such sale or exchange, and shall not vote in favor thereof, and such shareholder, within 20 days after the vote was taken, shall make written demand on the corporation for the payment to him of the fair value of his shares as of the day prior to the date on which the vote was taken, the corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the sale or exchange.

(b) If, within 30 days after the date on which such vote was taken, the value of such shares is agreed upon between the dissenting shareholder and the corporation, the corporation shall make payment of the agreed value within 90 days after the date on which the vote was taken authorizing the sale or exchange, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the corporation for the amount of such fair value as of the day prior to the date on which such vote was taken, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the corporation of the certificate or certificates representing said shares. Upon the payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the sale or exchange.

VOLUNTARY DISSOLUTION OF CORPORATION BY ITS INCORPORATORS

SEC. 77. A corporation which has not commenced business and which has not issued any shares may be voluntarily dissolved by its incorporators at any time within 1 year from the date of the issuance of its certificate of incorporation in the following manner:

(a) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth—

(1) the name of the corporation;

(2) the date of issuance of its certificate of incorporation;

(3) that none of its shares have been issued;

(4) that the corporation has not commenced business;

(5) that the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(6) that no debts of the corporation remain unpaid;

(7) that all the incorporators elect that the corporation be dissolved.

(b) Duplicate originals of the articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of dissolution conform to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution to which he shall affix the other duplicate original which shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the issuance of such certificate of dissolution, the existence of the corporation shall cease.

DISSOLUTION BY CONSENT OF SHAREHOLDERS

SEC. 78. A corporation may be dissolved by the written consent of the holders of record of all of its outstanding shares in the following manner:

Upon the execution of such written consent by all of the shareholders of record, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its officers.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation consenting to its dissolution.

(e) A statement that such agreement has been signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

DISSOLUTION BY ACT OF CORPORATION

SEC. 78. A corporation may be dissolved by the act of the corporation in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution to dissolve the corporation, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders authorizing the dissolution of the corporation;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the dissolution of the corporation.

FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 80. Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the office of the Recorder of Deeds.

EFFECT OF STATEMENT OF INTENT TO DISSOLVE

SEC. 81. Upon the filing by the Commissioner of Corporations of a statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the proper winding up thereof.

PROCEEDINGS AFTER FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 82. After the filing by the Commissioner of Corporations of a statement of intent to dissolve—

(a) The corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations, and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(b) The corporation, at any time during the liquidation of its business and affairs, may make application to the United States District Court for the District of Columbia to have the liquidation continued under the supervision of the court as provided in this act.

REVOCATION BY CONSENT OF SHAREHOLDERS OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 83. By the written consent of the holders of record of all of its outstanding shares, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent by all the shareholders of record, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its offices.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation revoking such voluntary dissolution proceedings.

(e) That such agreement is signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

REVOCATION BY ACT OF CORPORATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 84. By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of such revocation be submitted to a vote at a meeting of shareholders.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution revoking the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders revoking the voluntary dissolution proceedings;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the revocation of the voluntary dissolution proceedings, respectively.

FILING OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 85. Duplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 86. Upon the filing by the Commissioner of Corporations of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may thereupon again carry on its business.

ARTICLES OF DISSOLUTION

SEC. 87. When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary which shall set forth—

(a) The name of the corporation.

(b) That the corporation has theretofore filed with the Commissioner of Corporations a statement of intent to dissolve, and the date on which such statement was filed.

(c) That all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

FILING OF ARTICLES OF DISSOLUTION

SEC. 88. (a) Duplicate originals of such articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of dissolution conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each such duplicate original the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution, to which he shall affix the other duplicate original.

(b) He shall return the certificate of dissolution, with a duplicate original of the articles of dissolution thereto affixed, which shall be filed for record in the office of the Recorder of Deeds. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by shareholders, directors, and officers as provided in this act.

INVOLUNTARY DISSOLUTION

SEC. 89. A corporation may be dissolved involuntarily by a decree of a court of equity in an action instituted by the Commissioner of Corporations in the name of the District of Columbia, when it is made to appear to the court that—

(a) The franchise of the corporation was procured through fraud; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for 30 days to appoint and maintain a registered agent as provided in this act; or

(d) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change.

VENUE AND PROCESS

SEC. 90. Every action for the involuntary dissolution of a corporation on the grounds hereinbefore provided shall be commenced by the Commissioner of Corporations in the United States District Court for the District of Columbia. Summons shall issue and shall be served as in other civil actions. In case a return is made thereon that no officer or agent of such corporation can be found within the territorial limits of the District of Columbia, then the Commissioner of Corporations shall cause publication to be made in some newspaper of general circulation published in the District of Columbia containing a notice of the pendency of such action, the title of the court, the names of the parties thereto, and the date on or after which default may be entered. The Commissioner of Corporations shall cause a copy of such notice to be mailed by registered mail to the corporation at its registered office within 10 days after the first publication thereof. The certificate of the Commissioner of Corporations of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for three successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than 30 days after the first publication of such notice. The cost of publication of such notice shall be paid by the Commissioner of Corporations, unless the decree is against the corporation and such cost is collected from it.

JURISDICTION OF COURT TO LIQUIDATE ASSETS AND BUSINESS OF CORPORATION

SEC. 91. (a) The United States District Court for the District of Columbia shall have full power to liquidate the assets and business of a corporation—

(1) upon application by a corporation which has filed a statement of intent to dissolve, as provided in this act, to have its liquidation continued under the supervision of the court;

(2) when an action has been commenced by the Commissioner of Corporations to dissolve a corporation and it is made to appear that liquidation of its business and affairs should precede the entry of a decree of dissolution.

(b) Proceedings under this section shall be brought in the United States District Court for the District of Columbia.

(c) It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT

SEC. 92. (a) In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers pendente lite with such powers and duties as the court, from time to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the busines of the corporation until a full hearing can be had.

(b) After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey, and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

(c) A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall, for the purposes of this act, have exclusive jurisdiction of the corporation and its property, wherever situated.

QUALIFICATIONS OF RECEIVERS

SEC. 93. A receiver shall in all cases give such bond as the court may direct with such sureties as the court may require.

FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS

SEC. 94. In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than 4 months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

DISCONTINUANCE OF LIQUIDATION PROCEEDINGS

SEC. 95. The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceedings when it is made to appear to the court that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

DECREE OF INVOLUNTARY DISSOLUTION

SEC. 96. In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

FILING OF DECREE OF DISSOLUTION

SEC. 97. In case the court shall enter a decree dissolving a corporation it shall be the duty of the clerk of such court to cause a certified copy of the decree to be filed with the Commissioner of Corporations. No fee shall be charged by the Commissioner of Corporations for the filing thereof.

DEPOSIT WITH THE COLLECTOR OF TAXES OF THE DISTRICT OF COLUMBIA OF AMOUNT DUE CERTAIN SHAREHOLDERS

SEC. 98. (a) Upon the voluntary or involuntary dissolution of a corporation the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the Collector of Taxes of the District of Columbia and shall be paid over to such creditor or shareholder or to his legal representative, by the Collector of Taxes, upon order of the Commissioner of Corporations and upon proof satisfactory to the Commissioner of Corporations of his right thereto.

(b) If such distributive portion be not deposited with the Collector of Taxes of the District of Columbia as herein provided, the directors of the corporation or the receiver, as the case may be, having control of the distribution of the assets thereof shall be jointly and severally liable to such shareholder for the amount of such distributive portion not so deposited.

SURVIVAL OF REMEDY AFTER DISSOLUTION

SEC. 99. The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Commissioner of Corporations, or (2) by proclamation of the Commissioner of Corporations for failure to pay franchise taxes or file annual reports as provided in this act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, or shareholders, or any right or claim existing, or any liability incurred, prior to such dissolution if suit or other proceeding thereon is commenced within 2 years after the date of such dissolution. Any suit or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right, or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of 2 years so as to extend its period of duration.

ANNUAL REPORT OF DOMESTIC CORPORATION

SEC. 100. (a) Each corporation shall file with the Commissioner of Corporations, on or before April 15 of each year, an annual report setting forth—

(1) the name of the corporation, the address, including street and number, if any, of its registered office in the District of Columbia, and the name of its registered agent at such address;

(2) the names and respective addresses, including street and number, if any, of its directors and officers;

(3) a brief statement of the character of the business in which the corporation is actually engaged;

(4) a statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(b) Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations, and the information therein contained shall be given as of the date of the execution of the report.

(c) It shall be executed by the corporation by its president, a vice president, secretary, assistant secretary, or treasurer, and verified by the officer executing the report, and the corporate seal shall be thereto affixed.

ADMISSION OF FOREIGN CORPORATION

SEC. 101. A foreign corporation shall procure a certificate of authority from the Commissioner of Corporations before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this act to transact in the District the business of banking, insurance, assurance, benefit, indemnity, building and loan association, or the acceptance of savings deposits, such corporations being admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the State under which such corporation is organized governing its organization and internal affairs differ from the laws of the District, and nothing in this act contained shall be construed to authorize the District to regulate the organization or the internal affairs of such corporation.

POWERS OF FOREIGN CORPORATION

SEC. 102. No Foreign corporations subject to the provisions of this act shall transact in the District any business for the conduct of which a domestic corporation may not be organized or which is prohibited to a domestic corporation. A foreign corporation which shall have received a certificate of authority under this act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this act, enjoy the same rights and privileges as, but no greater rights and privileges than, a domestic corporation organized for the purposes set forth in the application pursuant to which such certificate of authority is issued; and, except as in this act otherwise provided, shall be subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a domestic corporation of like character.

CORPORATE NAME OF FOREIGN CORPORATIONS

SEC. 103. No certificate of authority shall be issued to a foreign corporation—

(a) Which has a name the same as, or deceptively similar to, the name of any domestic corporation or any foreign corporation authorized to transact business in the District; or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

(b) The name of which does not contain the word "corporation," "company," "incorporated," or "limited," or end with an abbreviation of one of said words, unless such corporation, for use in the District, adds at the end of its name one of such words or an abbreviation thereof.

CHANGE OF NAME BY FOREIGN CORPORATION

SEC. 104. Whenever a foreign corporation which is admitted to transact business in the District shall change its name to one under which a certificate of authority to transact business in the District would not be granted to it on application therefor, the authority of such corporation to transact business in the District shall be suspended and it shall not thereafter transact any business in the District until it has changed its name to a name which is available to it under the laws of the District.

APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 105. A foreign corporation may procure a certificate of authority to transact business in the District by making application therefor to the Commissioner of Corporations, which application shall set forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its proposed registered office in the District, and the name of its proposed registered agent in the District at such address.

(f) The name or names of the State or States, if any, in which it is admitted or qualified to transact business.

(g) The purpose or purposes for which it was organized and which it proposes to pursue in the transaction of business in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(j) A statement of the aggregate number of its issued shares itemized by classes, par value of shares, shares without par value, and series, if any within a class.

(k) A statement of the amount of stated capital and the amount of capital surplus of the corporation, as defined in this act.

(l) Such additional information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine whether such corporation is entitled to a certificate of authority to transact business in the District. Such application shall be made on forms prescribed and furnished by the Commissioner of Corporations and shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary.

FILING OF DOCUMENTS ON APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 106. (a) There shall be delivered to the Commissioner of Corporations (1) duplicate originals of the application of the corporation for a certificate of authority, and (2) a copy of its articles of incorporation and all amendments thereto, duly certified by the proper officer of the State wherein it is incorporated.

(b) If according to law, a certificate of authority to transact business in the District should be issued to such corporation, the Commissioner of Corporations shall, when all fees and charges have been paid as in this act prescribed—

(1) Endorse on each of such documents the word "Filed," and the month, day, and year of the filing thereof;

(2) File in his office one of such duplicate originals of the application and the copy of the articles of incorporation and amendments thereto;

(3) Issue a certificate of authority to transact business in the District, to which he shall affix the other duplicate original application.

(c) The certificate of authority with the duplicate original of the application affixed thereto by the Commissioner of Corporations shall be returned to the corporation or its representative.

EFFECT OF CERTIFICATE OF AUTHORITY

SEC. 107. Upon the issuance of a certificate of authority by the Commissioner of Corporations, the corporation shall have the right to transact business in the District for those purposes set forth in its application, subject, however, to the right of the District to suspend or to revoke such right to transact business in the District as provided in this act.

REGISTERED OFFICE AND REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 108. (a) Each foreign corporation authorized to transact business in the District shall have and continuously maintain in the District—

(1) a registered office which may be, but need not be, the same as its place of business in the District;

(2) a registered agent, which agent may be either an individual, resident in the District, whose business office is identical with such registered office, or a corporation authorized by its articles of incorporation to act as such agent and authorized to transact business in the District having a business office identical with such registered office.

(b) The address, including street and number, if any, of the initial registered office, and the name of the initial registered agent of each foreign corporation shall be as stated in its application for a certificate of authority to transact business in the District.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 109. (a) A foreign corporation may from time to time change the address of its registered office. A foreign corporation shall change its registered agent if the office of registered agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act, or if it revokes the appointment of its registered agent.

(b) A foreign corporation may change the address of its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical;

(7) that such change was authorized by resolution duly adopted by the board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(c) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement

conforms to the provisions of this act, he shall—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(d) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

SERVICE OF PROCESS ON FOREIGN CORPORATION

SEC. 110. (a) Service of process in any suit, action, or proceeding, or service of any notice or demand required or permitted by law to be served on a foreign corporation, may be made on such corporation by service thereof on the registered agent of such corporation. Service of any such process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent. During any period within which a foreign corporation authorized to transact business in the District shall fail to appoint or maintain in the District a registered agent, or whenever any such registered agent cannot with reasonable diligence be found at the registered office in the District of such corporation, or whenever the certificate of authority of any foreign corporation shall be revoked, then and in every such case the Commissioner of Corporations shall be an agent and representative of such foreign corporation upon whom any process, notice, or demand may be served. Service on the Commissioner of Corporations of any such foreign corporation shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice, or demand. In the event any process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies to be forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations. Any services so had on the Commissioner of Corporations shall be returnable in not less than 30 days: *Provided, however,* That, if a period of less than or greater than 30 days is prescribed by law or by rules of a court in the District or the rules or regulations of any agency of the United States or of the District, such prescribed period shall govern.

(b) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN CORPORATION

SEC. 111. Whenever the articles of incorporation of a foreign corporation authorized to transact business in the District are amended, such foreign corporation shall forthwith file in the office of the Commissioner of Corporations a copy of such amendment duly certified by the proper officer of the State under the laws of which such corporation is organized; but the filing thereof shall not of itself enlarge or alter the purpose or purposes which such corporation is authorized to pursue in the transaction of business in the District, nor authorize such corporation to transact business in the District under any other name than the name set forth in its certificate of authority.

MERGER OF FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE DISTRICT

SEC. 112. Whenever a foreign corporation authorized to transact business in the District shall be a party to a statutory merger permitted by the laws of the State under which it is organized, and such corporation shall be the surviving corporation, it shall forthwith file with the Commissioner of Corporations a copy of the articles of merger duly certified by the proper officer of the State under the laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in the District unless the name of such corporation be changed thereby or unless the corporation desires to pursue in the District other or additional purposes than those which it is then authorized to transact in the District.

AMENDED CERTIFICATE OF AUTHORITY

SEC. 113. (a) A foreign corporation authorized to transact business in the District shall secure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in the District other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Commissioner of Corporations.

(b) The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the Commissioner of Corporations, the issuance of an amended certificate of authority and the effect thereof shall be the same as in the case of an original application for a certificate of authority.

ANNUAL REPORT OF FOREIGN CORPORATIONS

SEC. 114. Each foreign corporation authorized to transact business in the District shall file on or before April 15 of each year with the Commissioner of Corporations an annual report setting forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," or "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it has elected to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its registered office in the District, and the name of its registered agent at such address.

(f) The name or names of the State or States other than the District, if any, in which it is admitted or qualified to transact business.

(g) A brief statement of the character of the business in which it is actually engaged in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which the corporation has authority to issue, and the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations and the information therein contained shall be given as of the date of the execution of the report. It shall be executed by the corporation by its president, vice president, secretary, assistant secretary, or treasurer, and, verified by the officer making the report, and the corporate seal shall be thereto affixed.

WITHDRAWAL OF FOREIGN CORPORATION

SEC. 115. (a) A foreign corporation authorized to transact business in the District may withdraw from the District upon procuring from the Commissioner of Corporations a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall file with the Commissioner of Corporations an application for withdrawal.

(b) the application for withdrawal shall set forth—

(1) the name of the corporation and the State under the laws of which it is organized;

(2) that it is not transacting business in the District;

(3) that it surrenders its authority to transact business in the District;

(4) that it revokes the authority of its registered agent in the District to accept service of process and consents that service of process in any suit, action, or proceeding based upon any cause of action arising in the District during the time it was authorized to transact business in the District may thereafter be made on such corporation by service thereof on the Commissioner of Corporations;

(5) a post-office address to which the Commissioner of Corporations may mail a copy of any process against the corporation that may be served on him;

(6) such information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine and assess any unpaid fees payable by such foreign corporation as in this act prescribed.

(c) The application for withdrawal shall be made on forms prescribed and furnished by the Commissioner or Corporations and shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, or, if the corporation is in the hands of a receiver or trustee, the same shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

FILING OF APPLICATION FOR WITHDRAWAL

SEC. 116. (a) Duplicate originals of such application for withdrawal shall be delivered to the Commissioner of Corporations. Upon receipt thereof he shall examine the same, and, if he finds that it conforms to the provisions of this act, he shall, when all fees and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word filed, and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of withdrawal to which he shall affix the other duplicate original.

(b) The Commissioner of Corporations shall return such certificate of withdrawal with a duplicate original of the application for withdrawal thereto affixed to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in the District shall cease.

REVOCATION OF CERTIFICATE OF AUTHORITY

SEC. 117. The certificate of authority of a foreign corporation to transact business in the District may be revoked by the Commissioner of Corporations when he finds that—

(a) The certificate of authority of the corporation was procured through fraud practiced upon the District; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for a period of 90 days to pay any fees, charges, or penalties prescribed by this act; or

(d) The corporation has failed for 90 days to appoint and maintain a registered agent in the District; or

(e) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change; or

(f) The corporation has failed to file its annual report as required by this act; or

(g) The corporation for a period of 2 years has not transacted any business in the District; or

(h) The corporation has failed to file in the office of the Commissioner of Corporations a duly authenticated copy of each amendment to its articles of incorporation within 30 days after such amendment becomes effective; or

(i) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this act, in which event the Commissioner of Corporations shall give not less than 30 days' notice forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations or at its registered office in the District, of his intent to revoke the certificate of authority.

ISSUANCE OF CERTIFICATE OF REVOCATION

SEC. 118. (a) Upon revoking any such certificate of authority, the Commissioner of Corporations shall—

(1) issue a certificate of revocation in duplicate;

(2) file one of such certificates in his office;

(3) mail to such corporation at its registered office in the District a notice of such revocation accompanied by one of such certificates.

(b) Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in the District shall cease.

EFFECT OF REVOCATION OR WITHDRAWAL UPON ACTIONS AND CONTRACTS

SEC. 119. The revocation of certificate of authority or the voluntary withdrawal of a foreign corporation whereby its authority to do business in the District shall cease and be determined, shall not affect any action then pending, nor affect any right of action upon any contract made by the corporation in the District before such revocation or withdrawal, and, in any action upon any liability or obligation so incurred before the revocation or withdrawal, the process against the corporation may be served, after the filing thereof, upon the Commissioner of Corporations.

APPLICATION TO FOREIGN CORPORATIONS TRANSACTING BUSINESS ON THE EFFECTIVE DATE OF THIS ACT

SEC. 120. Foreign corporations transacting business in the District at the time this act takes effect for a purpose or purposes for which a certificate of authority is required under the provisions of this act shall, within 6 months after the effective date of this act, procure a certificate of authority and shall otherwise comply with all applicable provisions of this act. Failure to secure a certificate of authority within the time provided in this section shall subject the corporation to all the penalties, liabilities, and restrictions provided in this act for transacting business without a certificate of authority.

TRANSACTING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY

SEC. 121. (a) No foreign corporation which is subject to the provisions of this act and which transacts business in the District without a certificate of authority shall be permitted to maintain an action at law or in equity in any court of the District until such corporation shall have obtained a certificate of authority. Nor shall an action at law or in equity be maintained in any court of the District by any successor or assignee of such corporation on any right, claim, or demand arising out of the transaction of business by such corporation in the District until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

(b) The failure of a foreign corporation to obtain a certificate of authority to transact business in the District shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action at law or suit in equity in any court of the District.

(c) A foreign corporation which transacts business in the District without a certificate of authority shall be liable to the District, for the years or parts thereof during which it transacted business in the District without a certificate of authority, in an amount equal to all fees and other charges which would have been imposed by this act upon such corporation had it duly applied for and received a certificate of authority to transact business in the District as required by this act and thereafter filed all reports required by this act; and in addition thereto it shall be liable for a penalty of not in excess of $500. The Commissioner of Corporations shall bring proceedings to recover all amounts due the District under the provisions of this section. Such charges and penalties shall be paid to the District before any certificate of authority is issued to such foreign corporation.

COMMISSIONER OF CORPORATIONS; DUTIES AND FUNCTIONS

SEC. 122. (a) The Commissioners of the District of Columbia shall appoint a Commissioner of Corporations to hold office at their pleasure, who shall have been an actual resident of the District of Columbia during the 5 years next preceding his appointment, and who shall take and subscribe an oath of office to be filed with said Commissioners, and shall give bond for the faithful performance of his official duties in such amount, so conditioned, and with such sureties as the Commissioner may prescribe.

(b) Subject to the approval of the Commissioners of the District of Columbia, the Commissioner of Corporations shall have a seal of office, and shall make and publish regulations and forms and incur expenses, employ necessary assistants, and make annual report to such Commissioners, for the purposes of execution of the provisions of this act; the compensation of the Commissioner of Corporations and all his employees shall be fixed by the Classification Act of 1923, as amended; the seal of office of the Commissioner of Corporations shall be affixed and appear upon certificates and papers executed by the Commissioner of Corporations pursuant to authority of law, and copies thereof certified and authenticated under such seal of office shall have the same force and effect as originals in evidence in any action or proceeding in the District of Columbia.

(c) In the administration and in the enforcement of this act, and of any liabilities thereunder accruing, all proceedings or court actions shall be in the name of the District of Columbia, and therein the counsel and attorney for the Commissioner of Corporations shall be the Corporation Counsel of the District of Columbia.

(d) There are hereby authorized to be appropriated, payable from the revenues of the District of Columbia, such funds as may be necessary to carry into effect the provisions of this act.

FEES, FRANCHISE AND LICENSE TAXES, AND CHARGES

SEC. 123. (a) The Commissioner of Corporations shall charge and collect in accordance with the provisions of this act—

(1) fees for filing documents and issuing certificates;

(2) license fees;

(3) franchise taxes;

(4) miscellaneous charges.

(b) The Commissioner of Corporations shall charge and collect for—

(1) filing articles of incorporation, $20;

(2) filing amendment to articles of incorporation, $20;

(3) filing articles of merger or consolidations, $20;

(4) filing a statement of intent to dissolve, $5;

(5) filing articles of reincorporation, $20;

(6) filing articles of dissolution, $10;

(7) filing statement of change of address of registered office or change of registered agent, or both, $1;

(8) filing statement of the establishment of a series of shares, $5;

(9) filing an application of a foreign corporation for certificate of authority to transact business in this District and issuing a certificate of authority, $20;

(10) filing an application for reservation of a corporate name or for a renewal of reservation, $5;

(11) filing notice of transfer of a reserved corporate name, $5;

(12) filing an application of a foreign corporation for amended certificate of authority to transact business in this District and issuing an amended certificate of authority, $20;

(13) filing a copy of amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this District, $5;

(14) filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this District, $20;

(15) filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, $5;

(16) filing application of reinstatement of a domestic or foreign corporation and issuing certificate of reinstatement, $50;

(17) filing any other statement or report, except an annual report, of a domestic or foreign corporation, $1.

(c) For required recording, indexing of any writings, or certifying same as true copies, the same fees provided by law for recording or certifying deeds of real estate in the District of Columbia.

(d) The Commissioner of Corporations shall charge and collect as a franchise tax—

(1) from every domestic corporation upon the filing of its articles of incorporation the sum of 2 cents for each authorized share of its capital stock up to and including 10,000 shares, and the sum of 1 cent for each additional authorized share up to and including 50,000 shares, and the sum of one-half cent for each additional authorized share in excess of 50,000 shares: *Provided*, That each $100 unit thereof of authorized capital stock having a par value shall be counted as one taxable share: *And provided further*, That in no case the franchise tax payable shall be less than $10;

(2) from every domestic corporation upon the filing of any amendment of its articles of incorporation effecting an increase of its authorized capital stock, the sum equal to the difference between the franchise tax computed at the foregoing rates on the total of the authorized number of shares, including the proposed increase and the franchise tax so computed on the total of the authorized number of shares excluding said increase: *Provided*, That in no case shall the sum payable be less than $10;

(3) from the corporation thereupon created or existing, upon the filing of an agreement for consolidation or merger, a sum equal to the difference between the franchise tax computed at the foregoing rates upon the total of the authorized number of shares of the corporation created by such consolidation or merger and the franchise tax so computed upon the aggregate amount of the total authorized number of shares of the constituent corporations: *Provided*, That in

no case shall the sum payable be less than $20.

(e) The Commissioner of Corporations shall charge and collect as an annual license fee for doing business in the District of Columbia, from each domestic and each foreign corporation, the sum of $10, which annual license fee shall be due and payable on January 1 of each year.

(f) All taxes, fees, and charges provided for in this act shall be paid to the Collector of Taxes of the District of Columbia and deposited in the Treasury of the United States to the credit of the District.

EFFECT OF FAILURE TO PAY ANNUAL FRANCHISE TAX OR TO FILE ANNUAL REPORT

SEC. 124. If any corporation incorporated or reincorporated under this act, or any foreign corporation having a certificate of authority issued under this act, shall for two consecutive years fail or refuse to pay any franchise tax or taxes payable under this act, or fail or refuse to file any annual report as required by this act for two consecutive years, then, in the case of a domestic corporation, the articles of incorporation shall be void and all powers conferred upon such corporation are declared inoperative, and, in the case of a foreign corporation, the certificate of authority shall be revoked and all powers conferred thereunder shall be inoperative.

PROCLAMATION OF REVOCATION

SEC. 125. (a) On the second Monday in September of each year, the Commissioner of Corporations shall issue a proclamation listing the names of all domestic corporations and all foreign corporations which have failed or refused to pay any franchise tax or taxes or failed or refused to file any annual report as required by this act for two consecutive years next preceding June 30 in the year in which such proclamation is issued and upon the issuance of such proclamation the articles of incorporation or the certificate of authority, as the case may be, shall be void and all powers thereunder inoperative without further proceedings of any kind.

(b) The proclamation of the Commissioner of Corporations shall be filed in his office and shall be published once during the month of September in each of two daily newspapers of general circulation in the District of Columbia. A certified copy of the proclamation shall be transmitted to the Recorder of Deeds and he shall cause notation of the fact of revocation to be made upon the articles of incorporation of each domestic corporation listed in said proclamation.

(c) Upon publication of the proclamation of revocation as provided in this act each domestic corporation listed in such proclamation shall be deemed to have been dissolved without further legal proceedings and each such corporation shall cease to carry on its business and shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all of its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(d) All domestic corporations the articles of incorporation of which are revoked by proclamation or the term of existence of which expires by limitation set forth in its articles of incorporation shall nevertheless be continued for the term of 3 years from the date of such revocation or expiration bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to collect their assets, convey and dispose of such of their properties as are not to be distributed in kind to their shareholders, pay, satisfy, and discharge their liabilities and obligations and do all other acts required to liquidate their business and affairs, and, after paying or adequately providing for the payment of all its obligations, to distribute the remainder of their assets, either in cash or in kind among their shareholders according to their respective rights and interests, but not for the purpose of continuing the business for which such corporation shall have been organized: *Provided, however*, That with respect to any action, suit, or proceeding begun or commenced by or against a corporation prior to such revocation or expiration and with respect to any action, suit, or proceeding begun or commenced by or against such corporation within 3 years after the date of such revocation or expiration, such corporation shall only for the purpose of such actions, suits, or proceedings so begun or commenced be continued bodies corporate beyond said 3-year period and until any judgments, orders, or decrees therein shall be fully executed.

PENALTY FOR CARRYING ON BUSINESS AFTER ISSUANCE OF PROCLAMATION

SEC. 126. Any corporation, person, or persons who shall exercise or attempt to exercise any powers under articles of incorporation of a domestic corporation or under a certificate of authority of a foreign corporation which has been revoked shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding $ or by imprisonment not exceeding , or both, in the discretion of the court.

CORRECTION OF ERROR IN PROCLAMATION

SEC. 127. Whenever it is established to the satisfaction of the Commissioner of Corporations that any corporation named in said proclamation has not failed or refused to pay any franchise tax or file any annual report for two consecutive years, or has been inadvertently included in the list of corporations as so failing or refusing to pay franchise taxes or file reports, the Commissioner of Corporations is authorized to correct such mistake by issuing a proclamation to that effect and restoring the articles of incorporation or certificate of authority, as the case may be, into good standing with like effect as if such proclamation of revocation, as to such corporation, had not been issued.

RESERVATION OF NAME OF PROCLAIMED CORPORATION

SEC. 128. The Commissioner of Corporations shall reserve the names of all corporations the articles of incorporation of which have been revoked and of all foreign corporations the certificates of authority of which have been revoked until December 31 of the year in which the proclamation of revocation was issued and no domestic corporation shall be formed, nor the name of any such domestic corporation changed to a name the same as or deceptively similar to such reserved name nor shall any foreign corporation be authorized to do business under a name the same as or deceptively similar to such reserved name.

REINSTATEMENT OF PROCLAIMED CORPORATIONS

SEC. 129. Upon filing a petition for reinstatement by a proclaimed corporation accompanied by the filing of the delinquent reports, or payment of delinquent franchise tax in full, or both, as the case may be, together with any penalties imposed by this act, and upon payment of the reinstatement fee provided by this act at any time after the date of the issuance of the proclamation, the Commissioner of Corporations, if he finds that all of the documents offered for filing conform to law, shall file them in his office and shall issue his certificate of reinstatement which shall have the effect of annulling the revocation proceedings theretofore taken as to such corporation and such corporation shall have such powers, rights, duties, and obligations as it had at the time of the issuance of the proclamation with the same force and effect as to such corporation as if the proclamation had not been issued.

PENALTY FOR FAILURE TO FILE ANNUAL REPORT ON TIME

SEC. 130. Any corporation organized under this act or any foreign corporation having a certificate of authority under this act which fails or refuses to file the annual report required by this act to be filed on April 15 of each year shall pay a penalty of $25. Such penalty shall be assessed by the Commissioner of Corporations at the time of the assessment of the annual franchise tax.

PENALTY FOR FAILURE TO MAINTAIN REGISTERED OFFICE OR REGISTERED AGENT

SEC. 131. Any corporation incorporated or reincorporated under this act, or any foreign corporation which has been issued a certificate of authority under this act, which fails or refuses to maintain a registered office or a registered agent in the District of Columbia, in accordance with the provisions of this act shall be deemed to be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined in an amount not exceeding $500.

EFFECT OF NONPAYMENT OF FEES

SEC. 132. (a) The Commissioner of Corporations shall not file any articles, statements, certificates, reports, applications, notices, or other papers relating to any corporation, domestic or foreign, organized under or subject to the provisions of this act, until all fees and charges provided to be paid in connection therewith shall have been paid to him or while the corporation is in default in the payment of any fees, charges, or penalties herein provided to be paid by or assessed against it.

(b) No corporation required to pay a fee, charge, or penalty under this act shall maintain in the District of Columbia any action at law or suit in equity until all such fees, charges, and penalties have been paid in full.

PENALTIES; VIOLATION OR FAILURE A MISDEMEANOR

SEC. 133. Any person, or corporation, who violates any provision of this act, or fails to comply with any provision thereof, for which violation or failure no penalty is provided therein or elsewhere in the laws of the District of Columbia, shall be deemed guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined not exceeding $500 for each and every violation or failure.

RIGHTS AND IMMUNITIES OF WITNESSES

SEC. 134. No person shall be excused from testifying or from producing books, accounts, and papers in any proceeding based upon or growing out of any violation of the provisions of this act, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person having so testified shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may have testified or produced any documentary evidence: *Provided*, That no person so testifying shall be exempted from prosecution or punishment for perjury: *Provided further*, That the immunity hereby conferred shall extend only to a natural person who, in obedience to a subpena gives testimony under oath or produces evidence, documentary or otherwise, under oath.

MONOPOLIES AND RESTRAINT OF TRADE

SEC. 135. Nothing in this act shall be interpreted to authorize a corporation to do any act in violation of the common law or the statutes relating to the District of Columbia or of the United States with respect to monopolies and illegal restraint of trade.

WAIVER OF NOTICE

SEC. 136. Whenever any notice whatever is required to be given under the provisions of this act or under the provisions of the articles of incorporation or bylaws of any corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

VOTING REQUIREMENTS OF ARTICLES OF INCORPORATION

SEC. 137. Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this act with respect to such action, the provisions of the articles of incorporation shall control.

INFORMAL ACTION BY SHAREHOLDERS

SEC. 138. Any action required by this act to be taken at a meeting of the shareholders of a corporation, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. In the event that the action which is consented to is such as would have required the filing of a certificate under any section of this act, if such action had been voted upon by the shareholders at a meeting thereof, the certificate filed under such section shall state that written consent has been given hereunder, in lieu of stating that the shareholders have voted upon the corporate action in question, if such last-mentioned statement is required thereby.

APPEAL FROM COMMISSIONER OF CORPORATIONS

SEC. 139. (a) If the Commissioner of Corporations shall refuse to issue an order to the Collector of Taxes of the District of Columbia for the payment over of moneys deposited with said Collector of Taxes pursuant to section 98 of this act, the Commissioner of Corporations shall, within 30 days after the presentation of an application therefor in the manner required by this act, give written notice of his reasons for such refusal to the person who presented such application. From such refusal such person may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of such application and a copy of the written refusal of the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(b) If the Commissioner of Corporations shall fail to approve any articles of incorporation, amendment, merger, consolidation, or dissolution, or any other document required by this act to be approved by the Commissioner of Corporations before the same shall be filed in his office, he shall, within 10 days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifiying the reasons therefor. From such disapproval such person or corporation may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of the articles or other document sought to be filed and a copy of the written disapproval thereof by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(c) If the Commissioner of Corporations shall revoke the certificate of authority to transact business in the District of any foreign corporation, pursuant to the provisions of this act, such foreign corporation may likewise appeal to the United States District Court for the District of Columbia, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in the District and a copy of the notice of revocation given by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(d) Appeals from all final orders and judgments entered by the United States District Court for the District of Columbia under this section in review of any ruling or decision of the Commissioner of Corporations may be taken to the United States Circuit Court of Appeals for the District of Columbia by either party to the proceeding within 60 days after service on such party of a copy of the order or judgment of the United States District Court for the District of Columbia.

CERTIFICATES AND CERTIFIED COPIES OF CERTAIN DOCUMENTS TO BE RECEIVED IN EVIDENCE

SEC. 140. All certificates issued by the Commissioner of Corporations in accordance with the provisions of this act, and all copies of documents filed in his office in accordance with the provisions of this act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Commissioner of Corporations under the seal of his office, as to the existence or nonexistence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

UNAUTHORIZED ASSUMPTION OF CORPORATE POWERS

SEC. 141. All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

FORMS TO BE FURNISHED BY COMMISSIONER OF CORPORATIONS

SEC. 142. All reports required by this act to be filed in the office of the Commissioner of Corporations shall be made on forms which shall be prescribed and furnished by the Commissioner of Corporations. Forms for all other documents to be filed in the office of the Commissioner of Corporations shall be furnished by the Commissioner of Corporations on request therefor, but the use thereof, unless otherwise specifically prescribed in this act, shall not be mandatory.

REINCORPORATION OR INCORPORATION OF EXISTING CORPORATIONS

SEC. 143. Any corporation which is either—

(1) organized and existing under the laws of the District of Columbia on the date this act takes effect and which is organized for profit and for a purpose or purposes authorized by this act; or

(2) created under the provisions of a special act of Congress to transact business in the District of Columbia for profit and for purposes authorized by this act;

may avail itself of the provisions of this act and may become reincorporated or incorporated hereunder in the following alternative manner:

I. REINCORPORATION

(a) The board of directors shall adopt a resolution declaring it advisable in the judgment of the board that the corporation should be reincorporated under the provisions of this act and further setting forth the following statements for articles of incorporation under this Act:

(1) The name which the corporation elects to be reincorporated under and which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

(8) That it elects to surrender its existing charter and to be reincorporated under and subject to the provisions of this Act.

It shall not be necessary to set forth in the articles of reincorporation any of the corporate powers enumerated in this Act.

(b) Written or printed notice setting forth the proposed articles of reincorporation or a summary thereof shall be given to each shareholder of record within the time and in the manner provided in this act for giving notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders shall be taken on the proposed reincorporation and it shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares unless two or more classes of shares are issued in which event, it shall be adopted upon receiving the affirmative vote of two-thirds of the outstanding shares of each class issued.

(d) Upon receiving such approval, articles of reincorporation shall be executed in duplicate by the corporation by its president or vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations.

(e) If the Commissioner of Corporations finds that the articles of reincorporation conform to law, he shall, when all fees and charges have been paid as in this act, prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of reincorporation to which he shall attach the other duplicate original which shall be filed for record in the Office of the Recorder of Deeds; or—

II. INCORPORATION

EFFECT OF FILING ARTICLES OF REINCORPORATION

(a) By filing with the Commissioner of Corporations a copy of its charter, or articles of incorporation, then in effect, certified by the secretary of said corporation, together with a certificate executed on behalf of the corporation by the president or a vice president and the secretary or the assistant secretary setting forth the following:

(1) The name of the corporation, which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

It shall not be necessary to set forth in such certificate any of the corporate powers enumerated in this act.

(b) A copy of a resolution of the board of directors certified to by the Secretary of such corporation which shows that said board believes it advisable that the corporation should elect to avail itself of the provisions of this act and become incorporated hereunder.

(c) A certificate of the secretary of such corporation to the effect that such action by the corporation has been ratified and approved by the affirmative vote of not less than a majority of the outstanding shares of capital stock of such corporation entitled to vote.

(d) If the Commissioner of Corporations finds that such papers conform to law, he shall accept them for filing in the same manner as herein provided for the filing of articles of incorporation.

EFFECT OF FILING ARTICLES OF REINCORPORATION OR CERTIFICATES OF REINCORPORATION

SEC. 144. Upon the issuance of articles of reincorporation or the certificate of reincorporation by the Commissioner of Corporations the existence of the corporation shall be continued under this act and the corporation shall be entitled to and be possessed of all the privileges, franchises, and powers and subject to all the provisions of this act as fully and to the same extent as if such corporation had been originally incorporated under this act; and all privileges, franchises, and powers theretofore belonging to said corporation and all property, real, personal, and mixed, and all debts due on whatever account, and all choses in action, and all and every other interest of or belonging to or due such corporation shall be, and the same are hereby, ratified, approved, and confirmed and assured to such corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this act: *Provided, however,* That any corporation thus reincorporating or incorporating under the provisions of this act shall be subject to all the contracts, debts, claims, duties, liabilities, and obligations of the corporations thus reincorporated or incorporated as if such reincorporation or incorporation had not taken place and neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such reincorporation or incorporation. Such reincorporated or incorporated corporation shall not be subject to the payment of the initial franchise tax provided by this act.

TRANSFER OF DUTIES OF RECORDER OF DEEDS

SEC. 145. (a) All powers conferred and all duties imposed upon the Recorder of Deeds of the District of Columbia by any act of Congress in relation to the organization of corporations, the amendment of certificates of incorporation or charters of corporations, change in capital stock, change of name, reincorporation, dissolution, or other corporate action are on the effective date of this act hereby transferred to, imposed upon, and shall be exercized or performed by the Commissioner of Corporations; and wherever the words "Recorder of Deeds" or other words denoting that officer appear in any of the acts of Congress relating to the organization of corporations under the laws of the District of Columbia, or to amendments to the certificate of incorporation or charter of any corporation organized and existing under any of such acts, or to changes of name, changes of capital stock, reincorporation, dissolution, or other corporate action of any such corporation, whether such words relate to the powers and duties of such officer in relation to organization of corporations under any such acts, or to any of the corporate acts hereinbefore enumerated or are used in connection with the imposition of obligations or duties or the conferring of rights or privileges upon corporations or other persons, such words shall be construed to mean the Commissioner of Corporations. All fees and charges, except as hereinafter provided, now chargeable by the Recorder of Deeds for doing the work or performing the services hereby transferred to the Commissioner of Corporations shall, after the effective date of this act, be chargeable by the Commissioner of Corporations. On and after the effective date of this act all certificates of incorporation or charters for the organization of corporations under any act of Congress or for the amendment of any such certificate of incoporation or charter, changes in capital stock, reincorporation, disssolution, or other corporate action under any such act, shall be delivered to the Commissioner of Corporations in duplicate original. If the Commissioner of Corporations finds that any such document conforms to law, he shall, when all fees have been paid as prescribed by law—

(1) endorse on each such duplicate original the word "filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds, and he shall charge the usual fee for recordation as for deeds of real estate.

(b) The filing of such document in the Office of the Commissioner of Corporations shall have the same force and effect as the recordation or lodging for recordation of certificates of incorporation and other corporate documents hereinbefore enumerated, formerly had in the Office of the Recorder of Deeds.

(c) Upon the effective date of this act, the Commissioner of Corporations shall take possession of all original books, papers, and records theretofore filed, recorded, used, or acquired by the Recorder of Deeds in the exercise of the powers and in the performance of the duties hereby transferred to the Commissioner of Corporations, but nothing herein contained shall require the Recorder of Deeds to transfer any copies or transcripts of corporate papers that may constitute part of the records of his office.

CONSTITUTIONALITY

SEC. 146. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

RIGHT OF REPEAL RESERVED

SEC. 147. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any certificate of incorporation or certificate of authority issued pursuant to its provisions.

TIME OF TAKING EFFECT

SEC. 148. This act shall take effect 180 days after the date of its approval, and thereafter no corporation eligible to be formed under this act shall be incorporated under any other act or statute now in force in the District of Columbia.

The amendment was agreed to.

Mr. CORDON. Mr. President, I notice the bill contains 255 pages of matter. I should like at least to have a slight explanation of what we are passing here, by unanimous consent, in view of the magnitude of the bill.

Mr. KEM. Mr. President, this is a comprehensive code for the organization of corporations under the laws of the District of Columbia. The present code has been in effect for many years, and is by no means modern. In the last Congress, the Senator from Nevada [Mr. MCCARRAN] introduced a bill to modernize the code, but the bill was not passed. At this session, another bill, incorporating a part of the bill prepared by the Senator from Nevada, and including, in part, a bill prepared by the American Bar Association, was prepared by a committee of the Bar Association of the District of Columbia, under the chairmanship of Mr. Roger J. Whiteford, a well-known practitioner in that field at the bar of the District of Columbia. The bill was endorsed by the District of Columbia Bar Association and was sent to Congress, with an accompanying letter by Mr. George E. McNeil, president of the Bar Association of the District of Columbia, which letter appears at page 50 of the report recommending its passage.

At page 51 of the report there is a letter from Mr. Roger J. Whiteford, chairman of the committee that prepared the bill, also recommending its passage.

I think that any Senator, on careful examination of the bill, will find that it is a complete, modern, workable code for the organization of corporations. Under the present law, practically every corporation organized by citizens of the District of Columbia goes to a State like Maryland, or Delaware, or Maine. The purpose and intent of the law is to furnish a modern code for inhabitants of the District, so that when they have oc-

casion to organize corporations they can do so under the laws of the District.

Mr. CORDON. Mr. President, I have no objection.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 8) was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF TREASURY DEPARTMENT CHIEF DISBURSING OFFICER

The Senate proceeded to consider the bill (S. 1350) to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, to strike out all after the enacting clause and insert the following:

That the General Accounting Office is authorized, after consideration of the pertinent findings and if in concurrence with the determinations and recommendations of the head of the department or independent establishment concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any such department or independent establishment of the Government charged with responsibility on account of physical loss or deficiency for any reason whatsoever of Government funds, vouchers, records, checks, securities, or papers in his charge, if the head of the department or independent establishment determines (1) that such loss or deficiency occurred while such officer or agent was acting in the discharge of his official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such officer or agent; and (2) that such loss or deficiency occurred without fault or negligence on the part of such officer or agent. This act shall be applicable only to the actual physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers, and shall not include deficiencies in the accounts of such officers or agents resulting from illegal or erroneous payments.

SEC. 2. The paragraph of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, relating to relief of disbursing officers of the Navy (41 Stat. 132; U. S. C., title 31, sec. 105), and the act entitled "An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge," approved December 13, 1944 (58 Stat. 800; U. S. C., title 31, sec. 95a), is hereby repealed.

The amendment was agreed to.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, the bill, which was originally requested by the Secretary of the Treasury, had as its original and sole purpose the providing, through the Comptroller General of the United States; of a channel of relief for present and former disbursing personnel, of the Division of Disbursement of the Treasury Department, who were under liability on account of physical loss or deficiency in Government funds, vouchers, records, or papers. The justification for the request by the Secretary of the Treasury is that, at the present time, relief of the kind with which this bill is concerned is required to be granted either through passage of a special relief bill by the Congress or by the filing of suit by the responsible person in the United States Court of Claims, the latter to be done at the personal expense of the responsible person. Both methods are costly and time consuming.

In the course of study of the proposal submitted by the Secretary of the Treasury, the staff of the committee developed the following pertinent facts:

First. The type of relief sought to be granted by the bill is entirely equitable because it covers only cases where the occurrence of the loss or deficiency clearly is beyond the control of the person to whom liability attaches.

Second. The War and Navy Departments have, for a number of years, enjoyed a similar type of legislation.

Third. The Comptroller General of the United States is wholly in support of the principles involved in the proposed legislation.

Fourth. In the particular interest of the Post Office Department, which has a vast number of employees in the category affected by the bill, the coverage of the legislation as proposed by the Secretary of the Treasury requires modification to include cases of secondary, in addition to primary, responsibility.

The Treasury originally proposed that they should be the final judge as to whether an employee or disbursing officer was at fault or not. The committee changed that to make the Comptroller General the final person who could grant the relief, rather than the head of the department.

The committee emphasizes also that the bill is directed to relief for physical loss or deficiency with respect to which the accountable Government employee is found to be wholly innocent of fault or negligence. The bill does not permit the granting of relief to any person who is guilty of wrongdoing by way of erroneous or illegal payments, embezzlement, or otherwise.

The committee gave the bill careful consideration, and consulted with the Comptroller General in respect to it.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1350) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize relief of accountable officers of the Government, and for other purposes."

AMENDMENT OF FEDERAL CROP INSURANCE ACT—BILL PASSED OVER

The bill (S. 1326) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. HICKENLOOPER. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. The bill reduces the scope of the Federal crop-insurance program. During the last few years there has been a pretty heavy loss in the insurance of crops. The committee felt that Federal crop insurance is rather in the experimental stage, and for that reason approved the bill, which reduces the scope of the crop-insurance program. We felt that if that were not done perhaps there would be no justification for continuing it at all. We thought at the same time that it should be continued on an experimental basis for some time longer.

The bill reduces the number of counties in which cotton crops may be insured to 56, instead of 800 or 900. It reduces the wheat-insurance program to 633 counties, instead of the 1,300 or 1,400 counties that have been insured. The reason for that reduction is not that money has been lost on wheat insurance, because, on the whole, the wheat-insurance program is in the black, but because so many counties demanded insurance where only a few acres or only a comparatively small part of the cropland was used for wheat, that the overhead expense of maintaining an establishment to insure those counties was out of all proportion, and placed an unfair burden on the regular Wheat Belt of the country.

The bill provides for an increase in the experimental insurance on tobacco, and, I believe, corn, from 20 to 50 acres. The reason for that is that there has been a very substantial profit made on the insurance on tobacco, and I think corn is slightly in the black.

The bill also authorizes the Government to enter into contracts with private insurance companies in a few counties—I think the number allowed is 20—to see if through cooperative effort, by using the staffs of the insurance companies which are writing fire insurance in those counties, it will be possible to work out some program whereby counties in which certain crops are of lesser importance may also receive insurance in the future.

The bill changes the board which handles the crop insurance program. Up to now the Secretary of Agriculture had been a member of the Board and he has appointed the other members. The bill provides that the Board shall consist of five members, three of whom shall be appointed by the Secretary of Agriculture from the Department, and two of whom shall be experienced insurance men who may be paid on a per diem basis.

The whole purpose of the bill is to try to get crop insurance on a practical basis. In order to do so we feel that it is necessary to experiment with it a little while longer. So far as I know there is not the slightest objection on the part of the private insurance companies to the program. In fact they are very much interested in it, and are looking forward to the time when they may be able to cooperate in it, but at present they do not feel that they themselves want to undertake it, except that some of them sell hail insurance.

There is one other portion of the bill which provides for increasing the capital stock of the Corporation from $100,000,000 to $150,000,000. Most of the $100,000,000 has been spent on reimbursing losses on cotton. They have been very heavy. The loss was $40,000,000 last year, although the other crops are in the black. Therefore, we felt that cotton should be put on an experimental

basis again, and we have reduced the number of counties in which insurance can be written to 56.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CORDON. I am in accord with the thought that further experience is necessary, and that it would be altogether proper to follow some plan of experiment. I note, however, that there is an increase of the capital stock from $100,000,000 to $150,000,000. My understanding is that some $80,000,000 of the original $100,000,000 has now been used up in paying the excess insurance over the amount of premiums collected. Is that correct?

Mr. AIKEN. The Senator is correct. It is approximately that amount.

Mr. CORDON. There would be about $70,000,000 available for the purpose of experiment. That would appear to be rather a large sum for experimental purposes. I should particularly like to have the Senator advise us as to what is going to be done to set up a proper insurance program basis so that the hazards can at least be approximately offset by the actual insurance premiums paid.

Mr. AIKEN. That is the purpose of continuing it as an experimental program, because in the long run it must be made self-supporting if it is to continue. Most of the crops have been self-supporting. Unfortunately, there has been a heavy loss on cotton. However, this year, while the Federal Crop Insurance Board have their fingers crossed, the present indications are that they will finish in the black for all crops. But we feel that we should experiment further in the matter of premiums. That is one reason for cutting out many counties. Perhaps there is a county in which not more than 100 acres of wheat are grown, which is 500 miles from the wheat belt, and yet under the present law the Board has had to insure those 100 acres if the owner demanded it. I believe at the present time about 20 percent of the wheat crop of the country is under insurance.

With respect to tobacco, insurance has been limited to 20 experimental counties. We are raising that number to 40 counties because the experience has been good. There probably was more experience on the part of private insurance companies to be made use of in fixing premiums in those counties. The purpose is to make the insurance of crops self-supporting. The committee added an amendment which provides that the enactment of the legislation shall not break the contracts which have already been entered into for this year's insurance.

I might also say that there is a bill on the House calendar——

Mr. LUCAS. Mr. President, I demand the regular order.

The PRESIDENT pro tempore. The Senator from Illinois demands the regular order. The time of the Senator from Vermont has expired.

Mr. TAFT. Mr. President, I feel obliged to object. It seems to me the bill would require the expenditure of $50,000,000 more this year. I think a matter of that sort ought to be considered in more detail than is possible under the 5-minute rule.

The PRESIDENT pro tempore. The bill will be passed over.

PATENT IN FEE TO CLAUDE E. MILLIKEN

The Senate proceeded to consider the bill (S. 714) authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing;" and in line 7, after the word "numbered", to strike out "144, the north half, north half, south half, south half, southwest" and insert "144, the north half, the north half of the south half and the south half of the southwest", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Claude E. Milliken, of Billings, Mont., a patent in fee to the following described lands allotted to him on the Crow Indian Reservation, Montana: Allotment No. 144, the north half, the north half of the south half and the south half of the southwest quarter, of section 21, township 4 south, range 28 east, containing 560 acres, and the north half, northwest half of section 24, township 5 south, range 26 east, Montana principal meridian, containing 80 acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MANAGEMENT OF RESTRICTED LANDS OF CROW TRIBE, MONTANA

The bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands for their own use or for lease purposes, while such lands remain under trust patents was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, except as otherwise provided in this act, members of the Crow Tribe of Indians of Montana shall have power to use, lease, or otherwise manage their allotted lands and the allotted lands of their minor children, and to receive and manage the income therefrom, without supervision by any officer or agency of the United States.

SEC. 2. The allotted lands of members of such tribe who have been adjudged incompetent by a court or who are orphan minors shall be managed to the best interests of such members, jointly by the officer of the United States in charge of the Crow Indian Reservation and the next of kin of such persons.

SEC. 3. (a) No lease of lands for grazing or farming purposes shall be made under the authority of this act for a period longer than 5 years, except that irrigable lands under the Big Horn unit of the Crow Indian irrigation project may be leased for farming purposes for a period not exceeding 10 years.

(b) All leases of lands for farming or grazing purposes made under the authority of this act shall be recorded for public inspection at the Crow Indian Agency office.

SEC. 4. In any case in which, by reason of the number of heirs, the division of income from inherited allotted lands of members of the Crow Tribe is impracticable or involves unwarranted expense, such heirs shall be authorized to sell such lands and to receive the proceeds of such sale, but in any such sale preference shall be given to prospective purchasers who are members of such tribe. Upon any such sale, the Secretary of the Interior is authorized and directed to convey legal title to such lands to the purchaser thereof.

BYLAWS OF PROTESTANT EPISCOPAL CHURCH IN THE DISTRICT OF COLUMBIA

The bill (S. 1402) to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the parishes and separate congregations of the Protestant Episcopal Church in the District of Columbia may by bylaws provide for the manner of conducting elections of vestrymen, the number of vestrymen to be elected, and the length of the terms of the offices of vestrymen. Such bylaws may be adopted at any annual meeting of members of the parish or congregation by a vote of two-thirds of the qualified voters present at such meeting: *Provided*, That notice at least 30 days prior to the meeting shall be given by the vestry to all qualified voters of the parish or congregation that such bylaws are to be presented and voted upon.

SEC. 2. Any bylaws adopted as authorized by this act shall be subject to amendment, modification, or repeal at any annual meeting of the parish or congregation in the same manner as herein provided for adoption of such bylaws. Notice shall be given to all qualified voters of the parish or congregation at least 30 days prior to any annual meeting of any proposed amendment, modification, or repeal of any of the bylaws adopted pursuant to this act.

COLLECTION OF TRANSCRIPT FEES BY OFFICIAL REPORTERS OF MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

The bill (S. 1462) to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes, was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, may we have an explanation of the bill?

Mr. KEM. Mr. President, it is customary for official reporters of courts to sell transcripts at regular rates to those who desire to buy them. That is usually provided for by law. In the case of reporters in the municipal courts of the District of Columbia they have no such authority, and the bill gives them the usual and customary privilege.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in addition to their annual salaries, official reporters for the municipal court for the District of Columbia are authorized to charge and collect from parties, including the United States and the District of Columbia, who request transcripts of the original records of proceedings, such fees therefor, and no other, as may be prescribed from time to time by the court. All supplies shall be furnished by the official reporters at their own expense. The court shall have the power and is hereby directed to prescribe such rules, practice, and procedure pertaining to fees for transcripts as it may deem necessary, and the same shall conform as nearly as may be

practicable to the rules, practice, and procedure pertaining to fees for transcripts established for the District Court of the United States for the District of Columbia. No fee shall be charged or taxed for any copy of a transcript delivered to a judge at his request or for any copies of a transcript delivered to the clerk of the court for the records of the court. Except as to transcripts that are to be paid for by the United States or the District of Columbia, the reporters may require any party requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

METROPOLITAN POLICE BAND

The bill (H. R. 2470) to authorize the establishment of a band in the Metropolitan Police force was considered, ordered to a third reading, read the third time, and passed.

FUNDS FOR RECEPTION AND ENTERTAINMENT OF OFFICIALS IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3547) to authorize funds for ceremonies in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF ESTABLISHMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "citizens", to insert "residents in the District of Columbia", so as to make the joint resolution read:

Resolved, etc., That, to provide for the appropriate commemomation of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesqui-Centennial Commission, hereinafter referred to as the "Commission") and to be composed of 15 Commissioners, as follows: The President of the United States, who shall be ex officio Chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens residents in the District of Columbia at large to be appointed by the President. The Commissioners, with the approval of the Chairman, shall select an Executive Vice Chairman from among their number.

SEC. 2. It shall be the duty of the Commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

SEC. 3. When the Commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of Fine Arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

SEC. 4. The Commission, after selecting an Executive Vice Chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the Commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may fix their compensation within the amounts appropriated for such purposes.

SEC. 5. The Commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

SEC. 6. The Commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

SEC. 7. The Commission shall expire December 31, 1952.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ISSUANCE OF SEWER BONDS BY HONOLULU

The bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act — of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however*, That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

PUBLIC IMPROVEMENT BONDS FOR THE TERRITORY OF HAWAII

The bill (S. 1420) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

SEC. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

SEC. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

BILL PASSED OVER

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. BARKLEY, Mr. McFARLAND, and other Senators asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RETURN OF ITALIAN PROPERTY IN THE UNITED STATES

The joint resolution (S. J. Res. 138) to provide for returns of Italian property in the United States, and for other purposes, was announced as next in order.

Mr. BYRD. Mr. President, may we have an explanation of the joint resolution?

Mr. VANDENBERG. Mr. President, I am very glad to explain the joint resolution. I think I can do so briefly.

I am sure that the purposes of the joint resolution will meet the unanimous desires of the Senate, as expressed at the time the Italian Peace Treaty was agreed to. This is one of the several very definite steps which the American Government is now undertaking to take by way of cooperation with the new democratic government in Italy.

In the course of the war $60,000,000 worth of Italian property in the United States was either blocked or vested. Forty-five million dollars of this Italian property in the United States was blocked by the Treasury. That can be unblocked by the Treasury without legislative action, as a result of negotiations with the new Italian Government. Such negotiations are now under way.

The other $15,000,000 of property was vested in the Alien Property Custodian. The difference in the types of property is that, speaking generally, the property which was blocked would be current

property, liquid property, money, and securities. The vested property is permmanent property. The vested property cannot be taken out from under the Alien Property Custodian and returned to the Italian owners without an act of Congress. It is the purpose, therefore, of the joint resolution to permit the return of $15,000,000 of Italian property to Italian owners, with a reservation of about $5,000,000 to pay any possible American claims against it. That is one purpose of the joint resolution.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Are any patent rights involved in this proposal? I ask that question because in the case of Germany a great many valuable patent rights were acquired by the Alien Property Custodian and made available to our people.

Mr. VANDENBERG. It is my understanding that there are almost no patent rights involved in this particular transaction.

The other half of the bill deals with the loss of Italian merchant ships which we took over and operated in connection with the process of the war. Many of them were damaged, but even those cannot be returned to the new Italian Government without this legislation because heretofore Italy has been classified exclusively as an enemy, and it is necessary to change her classification to that of a cobelligerent in order to create the authority for the return of the ships.

In addition, perhaps 15 Italian merchant ships were taken over by us and used during the war. They were lost; and it is proposed, as an act of grace and as an act of acknowledgment of the cobelligerency of the Italian Government under the proclamations of General Eisenhower and the then President of the United States, to replace that tonnage with Liberty-ship tonnage.

Senators will understand that Liberty-ship tonnage is of no particular value to the United States. There are something like 2,300 Liberty ships in existence; 500 of them have been sold to foreign operators, 1,200 are currently under charter, and four or five hundred are in lay-up under the jurisdiction of the Maritime Commission. The remainder, consisting of several hundred, are simply rotting in the same old fashion that we saw after World War I, choking the rivers and harbors in many areas of the country. It will require about 28 of these Liberty ships to offset the tonnage loss which it is now proposed to restore to Italy. Even the scrap value of those ships is less than $10,000 apiece. However, the attitude of the American people, as expressed in this legislation, will be an incalculably valuable uplift in connection with the difficulties and vicissitudes of the new democratic government in Italy, and it is believed that the passage of the joint resolution will be of very great psychological advantage.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I shall not object to the joint resolution. I respect the point of view of the able Senator from Michigan, who has presented the case; but I cannot withhold the observation that it is a little incongruous for us to pay the Italian Government or people for ships which we took over during the war, during which time no state of cobelligerency existed. While we are replacing the Italian ships, I wish it were possible for the Italians to replace the American boys who were killed in Italy.

Mr. VANDENBERG. I totally agree with the Senator's point of view; but we confront a condition and not a theory today.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McCARRAN. Does this involve turning over to Italy any tankers?

Mr. VANDENBERG. No. These are 28 of the Liberty ships—not the Victory ships, but the old Liberty ships—which are out of commission, and simply tied up in stand-by storage. They are of no use whatever to us.

Mr. McCARRAN. My reason for asking the question is that in committees of the Senate quite recently the question of oil has been involved. It has been brought out that we now have tankers rusting in certain harbors which could be used for bringing oil to this country. If it is proposed to turn such tankers over to some other country, whether it be Italy or any other country, it seems to me that that would be an error at this time.

Mr. VANDENBERG. I assure the Senator that there is nothing involved except old Liberty ships, not tankers. The ships are of no value beyond a possible scrap value of a maximum of $10,000 each.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JOHNSTON of South Carolina. If any damage has been done to the ships, will we have to make good the damage?

Mr. VANDENBERG. No. The ships are to be delivered on what is called an as-is-where-is basis.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. RUSSELL. I believe that the joint resolution is the initial enactment of the Congress recognizing that Italy was a cobelligerent.

Mr. VANDENBERG. I think that is true.

Mr. RUSSELL. I have never been able to accept that point of view. I think Italy became only nominally a cobelligerent after she was utterly defeated. I have been unable to understand some of the things done to determine that she was a cobelligerent.

Will that determination involve in the future any financial or other contribution on the part of the Government to make good other Italian war losses?

Mr. VANDENBERG. No. This is the only point at which the designation is involved, and it is involved solely because the property was taken over by the Alien Property Custodian. So far as concerns American claims involving American property in Italy which was destroyed or damaged, it is compensated for under the terms of the treaty, and there is no obligation of any nature created by this legislation beyond that which I have described. It involves the liquidation of Italian property in the United States. In any event it would have to be liquidated someday.

Mr. RUSSELL. Mr. President, I shall not object to the joint resolution. I should like to do all I can to sustain any form of democratic government in Italy. However, I have grave apprehension that these Liberty ships and other ships being delivered to the democratic government in Italy today may in the future wind up in the hands of some government which cannot be called democratic.

Mr. VANDENBERG. I think that is true. Nevertheless, I think that is a chance worth taking at the moment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President, or such officer or agency as he may designate, is hereby authorized to return, in accordance with the procedures provided for in section 32 of the Trading With the Enemy Act, as amended, any property or interest, or the net proceeds thereof, which has been, since December 18, 1941, vested in or transferred to any officer or agency of the United States pursuant to the Trading With the Enemy Act, as amended, and which immediately prior to such vesting or transfer was the property or interest of Italy or a citizen or subject of Italy, or a corporation or association organized under the laws of Italy.

SEC. 2. Section 32 (a) (2) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended to read as follows:

"(2) that such owner, and legal representative or successor in interest, if any, are not—

"(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

"(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock or such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

"(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or con-

sular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

"(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation; or

"(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 percent or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and"

SEC. 3. The first sentence of section 33 of the Trading With the Enemy Act (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 (a) or 32 (a) unless notice of claim for return has been filed within 2 years from the seizure or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which the claim is made or by August 8, 1948, or in the case of claims pursuant to section 32 (a) by Italy, citizens or subjects of Italy, or corporations or associations organized under the laws of Italy, by July 31, 1949, whichever is later."

SEC. 4. The President is authorized upon such terms as he deems necessary (a) to transfer to the Government of Italy all vessels which were under Italian registry and flag on September 1, 1939, and were thereafter acquired by the United States and are now owned by the United States; and (b) with respect to any vessel under Italian registry and flag on September 1, 1939, and subsequently seized in United States ports and thereafter lost while being employed in the United States war effort, to transfer to the Government of Italy surplus merchant vessels of the United States of a total tonnage approximately equal to the total tonnage of the Italian vessels lost: *Provided*, That no monetary compensation shall be paid either for the use by the United States or its agencies of former Italian vessels so acquired or seized or for the return or transfer of such vessels or substitute vessels.

The preamble was agreed to.

PRINTING OF PROCEEDINGS ATTENDING UNVEILING OF STATUE OF FORMER SENATOR WILLIAM E. BORAH

The concurrent resolution (S. Con. Res. 18) providing for the printing of proceedings held at the unveiling of the statue of William E. Borah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing 5,900 copies of the proceedings held in connection with the unveiling of the statue of former Senator William E. Borah in Statuary Hall, Capitol Building, Washington, D. C., on June 6, 1947, together with such other matter as may be relevant thereto, of which 1,250 copies shall be for the use of the Senate, 3,750 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Idaho.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

RESOLUTION PASSED OVER

The resolution (S. Res. 127) prohibiting under certain conditions the printing in the body of the CONGRESSIONAL RECORD of matter offered as a part of the remarks of a Senator, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The resolution will be passed over.

CAROLYN CRUM ORBELLO

The resolution (S. Res. 128) to pay a gratuity to Carolyn Crum Orbello, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Carolyn Crum Orbello, daughter-in-law of Elsie M. Orbello, late an employee of the Senate, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MEMORIAL TO ANDREW J. MELLON

The resolution (H. J. Res. 170) authorizing the erection in the District of Columbia of a memorial to Andrew J. Mellon, was announced as next in order.

Mr. LUCAS. Mr. President, may I inquire how much this is going to cost?

Mr. WHERRY. It will be at no cost to the Government. I think it is to be located at a point near the National Art Gallery.

Mr. CORDON. Mr. President, it will not cost as much as the Andrew Mellon Art Gallery cost.

Mr. WHERRY. I would not want to venture an opinion on that. I am satisfied that the testimony was that it would not cost the Government anything.

Mr. LUCAS. I object.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. LUCAS subsequently said: Mr. President, I ask unanimous consent to return to House Joint Resolution 170, order No. 400. I desire to withdraw my objection.

The Senate proceeded to consider the resolution (H. J. Res. 170) to authorize the Secretary of the Interior to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the District of Columbia, which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 6, after "grounds", to strike out "at" and insert "in the vicinity of"; in line 9, after "design", to insert "and location"; in line 10, after "Arts", to insert "and the National Capital Park and Planning Commission", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the vicinity of the intersection of Pennsylvania and Constitution Avenues, in the District of Columbia, such grounds being now owned by the United States: *Provided*, That the design and location of the memorial shall be approved by the National Commission of Fine Arts and the National Capital Park and Planning Commission, and the United States shall be put to no expense in or by the erection of this memorial: *Provided further*, That unless funds, which in the estimation of the Secretary of the Interior are sufficient to insure the completion of the memorial, are certified available, and the erection of this memorial begun within 5 years from and after the date of passage of this joint resolution, the authorization hereby granted is revoked.

The amendments were agreed to.

The joint resolution was passed.

CONCURRENT RESOLUTIONS PASSED OVER

The resolution (S. Con. Res. 11), creating a joint committee to investigate certain matters affecting agriculture, was announced as next in order.

Mr. AIKEN. Mr. President, I ask to have the resolution go over. The Senator from Minnesota will confer with the chairman of the House Committee on Agriculture.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be passed over.

AMENDMENT TO FEDERAL RESERVE ACT

The bill (S. 1519) to amend section 10 of the Federal Reserve Act as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: "*Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

CONSOLIDATED GENERAL APPROPRIATION BILL

Mr. BYRD. Mr. President, I should like to return to order No. 402, Senate Concurrent Resolution No. 6, to include all general appropriation bills in one consolidated general appropriation bill.

The PRESIDING OFFICER. That concurrent resolution has been passed over.

Mr. BYRD. Mr. President, the Senator from New Hampshire [Mr. BRIDGES] introduced this concurrent resolution. It provides for one omnibus appropriation bill. It simply follows the experience of all the 48 States, as far as I know, in that respect. It is strongly endorsed by the Senator from New Hampshire [Mr. BRIDGES], chairman of the Appropriations Committee, in a letter to me, in which he said:

I am glad to have your letter of February 7 outlining the gist of the resolution which you and Senator BUTLER have redrafted. I want you to know that I heartily approve of this proposed resolution and I feel that it will be of great assistance to the Members of Congress in presenting prospective budgetary statistics in a readily comprehensible and workable form, something which has heretofore been lacking in the matter of congressional understanding of appropriation bills.

It seems to me that this resolution is in accord with our conversation of last Saturday night and is in all respects an excellent scheme for carrying into effect the intent of the Legislative Reorganization Act.

This resolution was considered carefully by the Budget Bureau, the Treasury Department, and the General Accounting Office. It has the full approval of those agencies with respect to the practicability of the resolution. It was then considered very carefully by a subcommittee headed by the distinguished Senator from Nebraska [Mr. WHERRY]. The present Presiding Officer is a member of the committee. It was unanimously reported to the full committee and appeared, by unanimous consent, on the calendar as the report of the committee.

I think it would add greatly to the understanding of the Senate if we could have one appropriation bill and have the totals of each of the 12 subsections. It is felt that the 12 appropriation bills we now have are subsections of the general appropriation bill. This would enable us to understand what we are doing with respect to appropriations.

I dare say there is not a Member of the Senate, excepting the members of the Appropriations Committee, who have any definite information whatever as to what we are doing in connection with these bills that are introduced, frequently without notice and without the possibility of a clear understanding on the part of the general membership of the Senate as to the great sums which are appropriated.

As I have said, it has been carefully worked out and it has the approval of all the members of the committee. It is the same procedure which is established in every State in the Union. I think it would be conducive to economy and to a full understanding of the budget appropriations.

It further provides that there shall be information given with respect to each item appropriated, showing how much is to be expended in the current year and how much in the succeeding year, so that there can be an estimate made at the time of the complete amount appropriated for expenditure. When we pass an appropriation bill it does not mean that the sum involved will be expended in the current year. It may be expended in the following year.

I hope Senators will not insist upon objecting to it, but will let it pass and go to the House. It will have no effect until the first of next January.

Mr. WHERRY. Mr. President, as chairman of the subcommittee I would like to say that the committee did a great deal of work in its study of this measure, and it was because of that work, as the present occupant of the chair knows, that the agencies finally reached a total agreement as to how the bill should operate.

I simply want to substantiate and corroborate the statement just made by the distinguished Senator from Virginia. The bill came from the subcommittee and from the full committee with a unanimous report. It has been carefully prepared, and I think it is in total agreement with all the Government agencies.

The PRESIDING OFFICER. Is there any objection?

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be pased over.

TRANSFER OF BLAIR COUNTY, PA.

The bill (H. R. 325) to transfer Blair County, Pa., from the middle judicial district of Pennsylvania, to the western judicial district of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. WHERRY. I ask to have the bill go over.

Mr. FULBRIGHT. It is not out of order to ask for an explanation, is it?

Mr. WHERRY. No. I beg the Senator's pardon. I am not making an objection. I am making the request on behalf of a Senator who is absent.

Mr. FULBRIGHT. This bill was introduced last year, and I wish to call the attention of the Senator from Ohio [Mr. TAFT] and the Senator from Nebraska [Mr. WHERRY] to the fact that it has been very greatly modified. So far as I know, all the controversial aspects of the bill relating to patents and to research have been removed from it. It provides for a clearinghouse of information on the one hand and on the other hand gives legislative authority for declassification activities, if that is the proper way to put it, in connection with technical knowledge which we are getting out of Germany. That, for the immediate future, is the principal activity. There is no legislative authority for that activity. It will be recalled that appropriation for it was stricken out in the House on that ground. But it is an exceedingly important activity, and I really think it is noncontroversial; namely, the activity of getting information and making it available to industry in this country.

Mr. BALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BALL. I believe the collection of scientific information is authorized by law, but the whole item was stricken out in the House because there was a research program in connection with it which was not authorized. The whole thing went out. In the Senate the Office of Technical Service was put back. What the bill would do—and I am very much in favor of it—is to authorize the Secretary of Commerce to reproduce these records and sell them.

Mr. FULBRIGHT. I had understood it was stricken out but was put back by the Senate. I may not be correct about that. The main thing I want to call to the attention of the Senate is that the bill is greatly restricted in scope and will not have the objections which were made to the original bill which was introduced last year. This has been greatly changed. I hope it will pass on the next call of the calendar. I want to make an effort to get it up as soon as possible, because I do not think there will be any substantial objection.

The PRESIDING OFFICER. On objection, the bill will go over.

The bill (H. R. 1389) to amend the Veterans' Preference Act of 1944 was announced as next in order.

Mr. PEPPER. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

KENDUSKEAG STREAM, MAINE

The bill (H. R. 599) declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway was considered, ordered to a third reading, read the third time, and passed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, was announced as next in order.

Mr. TAFT. Let the concurrent resolution be passed over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

DRAW-BACKS ON EXPORTATION OF DISTILLED SPIRITS AND WINES

The bill (H. R. 959) to amend section 3179 (b) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

MANUFACTURE OF WINES

The bill (H. R. 1945) to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

Mr. CONNALLY. Mr. President, I wish to ask the chairman of the committee about this bill and the one following on the calendar. According to the calendar, they were reported from the Committee on Banking and Currency.

Mr. MILLIKIN. Mr. President, the bills themselves show correctly the committee by which they were reported. The calendar is in error in indicating that Calendar Nos. 414 and 415 were reported from the Committee on Banking and Currency. As a matter of fact, both of them were reported from the Committee on Finance.

The PRESIDING OFFICER. The printed copies of the bills, now at the desk, so indicate. The clerk will state the next measure on the calendar.

BLENDING AND AGING OF BRANDIES IN BOND

The bill (H. R. 1946) to amend section 2801 (e) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

REPRESENTATION OF AMERICAN SMALL BUSINESSMEN ON POLICY-MAKING BODIES

The concurrent resolution (S. Con. Res. 14) favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment was considered and agreed to, as follows:

Resolved, etc., That the Congress recognize the valid claim of the small businessmen of America to equal representation as an entity, with labor, agriculture, and other groups, on those Government commissions, boards, committees, or other agencies in which the interests of the American economy may be affected; and that the President of the United States, the members of the Cabinet, and other officers of the Government be, and hereby are, respectfully urged to accord the small businessmen of America representation on such Government agencies including particularly policy-making bodies created by Executive appointment.

The preamble was agreed to.

CARRY-OVERS TO RAILROADS

The Senate proceeded to consider the bill (H. R. 3861) to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code which had been reported from the Committee on Finance, with amendments, on page 1, line 6, to strike out "1948" and insert "1950"; on page 2, in line 7, after the word "taxable", to strike out "years; and" and insert "year, and"; and on page 4, after line 21, to insert:

(c) This section shall be applicable to those taxable years of the successor corporation to which there is a carry-over of a net operating loss or unused excess profits credit under section 1, and to any later taxable year for which a net operating loss deduction or unused excess profits credit adjustment results or is increased by reason of the use in another year of a carry-over permitted under section 1.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

REGULATION OF INSURANCE BUSINESS

The bill (S. 1508) to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33) was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, the Senate will recall that during the Seventy-ninth Congress, the Congress passed an act requiring certain conditions to be met by the insurance companies, through the State legislatures, to set themselves aright with the decision of the Supreme Court of the United States. The Judiciary Committee, over which I had the privilege of presiding until the first of January of this year, made a study of this subject at my direction, to see what had been done up to that time. The study has been continued up to date.

We find that it is necessary now to extend the provisions of Senate bill 15, which was the law permitting the insurance industry to set itself aright, from the 1st of January, 1948 to the 1st of July 1948, in order that the Congress may make its own investigation as to whether the insurance industry is bringing itself in line, so that no further legislation from the Federal Congress may be necessary.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1508) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945, is amended by striking out the words "January 1, 1948," wherever they appear in such act, and inserting in lieu thereof the following: "June 30, 1948."

NORMAN ABBOTT

The bill (H. R. 770) for the relief of Norman Abbott was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ABRAM BANTA BOGERT

The bill (H. R. 837) for the relief of the estate of Abram Banta Bogert was considered, ordered to a third reading, read the third time, and passed.

A. J. DAVIS AND OTHERS

The bill (H. R. 1851) for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove was considered, ordered to a third reading, read the third time, and passed.

FRANK J. SHAUGHNESSY

The bill (S. 1043) for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the internal-revenue account of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., with the amount of $468, representing certain moneys received by and in the custody of John V. Franey, deputy collector of internal revenue, Binghamton, N. Y., as internal-revenue collections, and which were stolen by an unknown person in a hold-up of the branch office of the collector located at Binghamton, and which were not turned over to the said Frank J. Shaughnessy, collector of internal revenue, for deposit.

NORMAN THORESON

The Senate proceeded to consider the bill (H. R. 1658) for the relief of Norman Thoreson, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, in line 5, after the name "Thoreson", to insert "and Thoreson Brothers, a partnership."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act for relief of Norman Thoreson and Thoreson Brothers, a partnership."

ROBERT HINTON

The Senate proceeded to consider the bill (H. R. 1954) for the relief of Robert Hinton, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,000" and insert "$1,500."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service was announced as next in order.

Mr. TAFT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN C. GARRETT

The bill (H. R. 1513) for the relief of John C. Garrett was considered, ordered to a third reading, read the third time, and passed.

NEW JERSEY, INDIANA & ILLINOIS RAILROAD

The bill (H. R. 2302) for the relief of the New Jersey, Indiana & Illinois Railroad was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 697) to provide for payment of overtime compensation to supervisory employees in the field service of the Post Office Department was announced as next in order.

Mr. CORDON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1394) to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I ask that the objections be withheld until I have

an opportunity to make a brief explanation of the bill.

I wish to say that I think this is one of the most deserving pieces of legislation on the calendar. This first veterans' bill provides increases in subsistence allowance for veterans going to school, as follows: From $65 to $75, a $10 increase, for single veterans; from $90 to $105 for married veterans; and if the veteran has one child or more, the bill provides an increase to $120.

I wish to say to the Members of the Senate that a subcommittee of the Committee on Labor and Public Welfare held hearings, which have been printed. An exceedingly conscientious job has been done on this piece of legislation. In fact, if we consider the multitude of bills which have been introduced at this session of Congress and if we compare all the other bills with this bill and the two bills which follow on the calendar, Senators will get some idea of the work we have done in trying to bring about a general agreement on the part of the members of the committee in regard to this legislation.

This particular bill, Senate bill 1394, was reported by our committee with, I think, only two dissenting votes.

Mr. President, if we in Congress are going to do anything at all by way of making any changes in subsistence for the veterans who are attending school, I say we cannot do less than what this bill provides. I think that is the fundamental issue in regard to this piece of legislation.

If we are not going to do anything, then I think we have to fly in the face of a record the overwhelming evidence of which shows that we should do at least this much, because the record is rather clear that there are a great many veterans who are finding it necessary to drop out of school because they cannot make a go of it on the present allowances. From the record it will be found that, in round numbers, so to speak, we have increased the allowances only by an amount sufficient to take care of the changes which have occurred in the cost of living since the last allowance was made.

I think it would be most unfortunate for us to end this session on July 26 with bills such as this one dying on the calendar. I make a plea this afternoon, and I shall plead it and plead it and plead it from now until the time of adjournment, and in that connection I shall seek to take advantage of whatever rights are available to me under the rules to bring this legislation to a vote; I plead this afternoon that we do justice to these veterans, and that all Members of the Senate take time to read this record and come to a conclusion as to whether they wish to do anything at all on this subject.

Mr. President, I say that is the issue. Senators either wish to do something of the sort provided by this legislation, or they wish to do nothing. If they wish to do something of this sort, what this bill provides is the least they can do. I believe it will be found from the record that every dollar of increase that we award under legislation of this type will be returned to the economy of our country many times over.

I do not know of any greater service that we can perform for our veterans than to encourage them to get an education under the GI bill.

I close by stating that under this bill we shall not be changing the basic intent and performance of the educational provisions of the GI bill. It never was the intention of Congress to defray the total costs of their education, but the congressional intent was to give the veterans substantial aid and assistance in their efforts to secure an education. We shall be doing that under this bill. Under it we shall not be paying all their costs; we shall fall far short of that.

But I say that in round numbers we shall be taking care of the increase in the cost of living, particularly that in the case of food and shelter, which has occurred since the last allowance was made by the Congress.

I can understand how some of my colleagues may wish to take time to consider this matter a little longer, but I hope the Senate will not, when adjourning on July 26, have followed the tactics of letting legislation of this sort die on the calendar.

Mr. THYE. Mr. President, I ask that the bill be passed over.

Mr. PEPPER. Mr. President, I wish to make a brief statement at this time, so that the RECORD will not show that the statement made by the able Senator from Oregon [Mr. MORSE] was uncontested. I refer to his statement that the GI bill was passed with the idea that Congress was not giving adequate assistance even in a modest sum to the GI's who attend school, but that in passing that bill and in giving the veterans only partial assistance Congress intended that of necessity the veteran would have to use some of his own savings or would have to obtain help from his family or from someone else, or that either he or his family would have to obtain employment while he was receiving an education.

I wish to say that I have been on the committee, and I voted for the bill, but I never had that concept. I think it is obvious that most Senators did not have that concept because only a limited number of jobs are available to students, either in colleges or universities or in the college or university towns.

As the Senator from Oregon knows, I thoroughly respect everything he says, but I did not want the statement he made to go unchallenged as a statement of congressional intent. Although we made only modest provisions—and, of course, we did not want the veterans to live in luxury—yet I did not want the RECORD to show that there was no challenge to the statement that we did not intend to provide modest sustenance under that act.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MORSE. I simply want to say that the statement made by the Senator from Florida should give the entire Senate some little idea of the problem I have had as chairman of the subcommittee in bringing in something, with the differences of opinion on legislation, on which at least we had agreed. I hope that other Members of the Senate will take cognizance of that fact, and the next time this bill is called may give to it the support which I think we deserve for the very long, hard, and conscientious work we have done in endeavoring, for the Senate itself, to work out a fair solution of veterans' legislation.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. Objection to immediate consideration has been raised. The bill will go over.

The bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a) as amended, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I do not ask to have the objections withheld. I simply want to repeat what I have already said in regard to S. 1394. The Senate bill 1393 raises again for the Senate the question whether we are going to adjourn on July 25 without doing anything on veterans' legislation. I shall be very glad if we can get this up on the regular order for full debate. At a later time I should be very glad to go into the evidence in full as to why I think Senate bill 1393 should be passed.

The PRESIDENT pro tempore. On objection, the bill will go over.

The bill (S. 1391), a bill to authorize payments by the Administrator of Veterans' Affairs in the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WORLD HEALTH ORGANIZATION

The joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, was announced as next in order.

Mr. VANDENBERG. Mr. President, I wish to make a very brief statement regarding this joint resolution. This is the action under which the United States joins the World Health Organization, which is one of the specialized agencies of the United Nations. The World Health Organization is a successor to the international bodies in the health field, which operated so successfully under the old League of Nations, and which no longer have a parent, except as the new foster parent takes over. The World Health Organization as a result, becomes the successor to the previous international agencies. Whatever one feels about international cooperation, there certainly can be no argument about the fact that disease and epidemic decline to recognize any boundary lines whatever; and if there is one area of action in which cooperation of this nature is indispensable, we have it here.

I desire to add briefly that the legislation has the complete endorsement of the American Medical Association; and in the area of drugs, and so forth, it has the complete approval of the American

Pharmaceutical Association; so that I think there is no argument or difficulty in any of those directions.

We found that the constitution of the World Health Organization permits amendment of the constitution by two-thirds of the membership, regardless of where the votes may come from. In other words, we could have confronted an obligation under the charter of the World Health Organization, which could have been changed without our consent under the terms of the constitution. Therefore, the committee has added an amendment which is a 90-day escape clause, and permits us to retire from the World Health Organization on 90 days' notice, whenever it is considered to be in the national interest.

Mr. TAFT. Is there available a copy of the constitution of the World Health Organization, to which we are subscribing?

Mr. VANDENBERG. There is a printed committee report and a printed copy of the constitution, but apparently it has not been delivered. I am sorry about that.

Mr. TAFT. Can the Senator tell us what it is to which we subscribe? Do we accept any principles, or is there anything like that involved in the constitution?

Mr. VANDENBERG. The World Health Organization, under its constitution, has no authority except to recommend, and each member of the organization is free to accept or reject the recommendations. I should say that the only firm obligation involved is to pay our annual share of the expenditure, as is the case in all such international cooperation.

Mr. KEM. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KEM. Will the Senator advise the Senate as to the annual cost, and the extent of the financial obligation?

Mr. VANDENBERG. The total budget of the World Health Organization this year, tentatively, is around $4,000,000. Our share of the expenditure is something like $2,000,000.

Mr. KEM. Do we become obligated for a proportionate share of whatever budget is adopted by the World Health Organization?

Mr. VANDENBERG. We become obligated for whatever is allocated as a result of the organization in which we participate. At any time that proves unsatisfactory, or that any other phase of the adventure proves unsatisfactory, we have our 90-day escape clause, which the Senator from Michigan himself proposed, because he wanted to make perfectly sure that he could tell his colleagues that at least they are only in 90 days' jeopardy under the proposal which is presented.

Mr. KEM. I appreciate the foresight of the Senator from Michigan.

Mr. DONNELL. Mr. President, in view of the statement by the Senator from Michigan, I regret exceedingly that I feel it my obligation to object to consideration of this matter. It seems to me that it is decidedly unwise for the Senate of the United States to authorize membership and participation by the United States in any organization, without the Senate at least having the opportunity to see the constitution of the organization. I therefore respectfully object.

Mr. VANDENBERG. I think there is some justification in that attitude. I tried to have a copy available to the Senator yesterday. It is available to him now, and if he will familiarize himself with it at his earliest convenience, I have such complete confidence in the high degree of wisdom which he always personifies that I know this is the last time we shall collide upon this subject.

The PRESIDING OFFICER. Objection has been raised. The bill will go over.

PURCHASE OF AUTOMOBILES BY DISABLED VETERANS

Mr. MORSE. Mr. President, at the suggestion of the senior Senator from Missouri [Mr. DONNELL], I wish to make for the RECORD a brief statement regarding Calendar No. 432, Senate bill 1391, to the consideration of which objection was made. I point out that the bill deals with the supplying of automobiles for economic rehabilitation and psychological rehabilitation to those disabled veterans who have, as the result of a war disability, lost one leg, or the use of one leg, or more; one arm, or the use of one arm, or more; or have lost their sight. Here, again, Senators are dealing with a record from which it cannot be denied as a fact, once the record is read, that the offering of automobiles to veterans will be of great aid to them in rebuilding them and reestablishing them in civilian life, both economically and psychologically. It will be found also that the testimony is uniform in support of the proposition that this type of advantage to veterans is probably the very best assistance that we could possibly give to them in making the tremendous adjustment that it is necessary for them to make, as they return to civilian life. If Senators could meet them, if they could work with them, if they could talk to them, as those of us in the subcommittee have done; if Senators could study their records and the importance of these automobiles to them, I am sure they would not sit here and deny this very small request to a group of men who have given so much to the welfare and the protection and the security of this Nation. I am not making a plea on the basis of sentiment alone, although I could make it on the basis of sentiment alone and justify it entirely, Mr. President, on the basis of our moral obligation to these men. But these automobiles, as the record shows, will be of great assistance to them in making their economic readjustment to civilian life.

The total cost of the bill, compared with the millions upon millions of dollars we spent for other purposes not nearly so important as this, is $9,900,000; and I think that is little enough—little enough for us to give to these veterans in an attempt to give them a lift out of the suffering and the discouragement they are now enduring, in view of the great sacrifice they have made for us.

I certainly hope it is not going to be necessary for me to plead again for the passage of this bill. I think it ought to be obvious to all that it is a bill which should go through the Senate, in view of the work the committee has done, without any question at all. If my recollection is correct—and my colleagues can inform me, if I am wrong—I think the bill went through our full committee of 13 members with not more than two votes against it; indeed, I believe with only one vote against it. My recollection is, Mr. President, there was only one vote against it.

I know we are rushed here at the end of the session, and I know many of us do not have time, individually, to make the detailed study of such a record as we have on these bills. I am not speaking for myself, I am speaking for a committee, the overwhelming majority of which have come to the same conclusion on these three pieces of legislation and I think, in the closing days of the session, we ought to place confidence in our committees, and when the record shows that they have done a hard, conscientious, loyal piece of work for all the rest of us, Senators ought to place their trust in us, they ought to give us the support we need in the passage of the three pieces of veterans' legislation I am offering.

BILL PASSED OVER

The PRESIDENT pro tempore. The clerk will state the final bill on the calendar.

The bill (H. R. 3309) to amend the Organic Act of Puerto Rico was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over. That completes the calendar.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. HAYDEN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Is it in order at this time to raise the question of the reference of a joint resolution?

The PRESIDENT pro tempore. The Chair thinks it is.

Mr. HAYDEN. I direct the attention of the Chair to a joint resolution introduced today by the Senators from Nevada [Mr. MCCARRAN and Mr. MALONE], and by the Senators from California [Mr. DOWNEY and Mr. KNOWLAND], directing the Attorney General of the United States to commence suit in the Supreme Court of the United States against the States of Arizona, California, Nevada, New Mexico, and Utah, to determine their claims and rights to the use of waters of the Colorado River system available for use in the lower Colorado River Basin.

It is my contention, Mr. President, that the joint resolution should be referred to the Committee on Public Lands and not to the Committee on the Judiciary, as requested by those who proposed it, for

the reason that the Committee on Public Lands——

The PRESIDENT pro tempore. The Chair wishes to say to the Senator from Arizona that under the terms of the La Follette Act, when a question of jurisdiction is raised it must be settled without debate. Therefore, it occurs to the Chair that the Senator had better permit the Chair to rule upon the point of order as to the reference of the joint resolution, and then the Senator can appeal from that decision, and the appeal will be debatable.

Mr. TAFT. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Under the unanimous-consent agreement, what will be the next business to be taken up by the Senate?

The PRESIDENT pro tempore. The Chair would say that, under the unanimous-consent agreement, the next business to be taken up will be the unification bill, to be taken up on Monday.

Mr. TAFT. It is not the order of business at the moment, then?

The PRESIDENT pro tempore. No; the Chair does not think it is. In any event, the Chair thinks that a point of order with respect to reference is always in order.

Mr. McFARLAND. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Would it be in order to ask unanimous consent that we be granted permission to give the Chair the benefit of our views upon the subject before the Chair rules?

The PRESIDENT pro tempore. In the opinion of the Chair, there is almost nothing the Senate cannot do by unanimous consent. The Chair thinks the Senate can give the unanimous consent suggested by the junior Senator from Arizona.

Mr. McFARLAND. Then, Mr. President, I make that request.

Mr. McCARRAN. I object.

The PRESIDENT pro tempore. The junior Senator from Arizona has made the request, and there is objection.

The Chair will rule. The joint resolution introduced by the Senator from Nevada [Mr. McCARRAN] for himself, the Senator from California [Mr. DOWNEY], the Senator from California [Mr. KNOWLAND], and the Senator from Nevada [Mr. MALONE] is a joint resolution the title of which is as follows:

To authorize commencement of an action by the United States to determine interstate water rights in the Colorado River.

This is one of those situations in which the color of argument very easily can be made for reference either to the Senate Committee on the Judiciary or to the Senate Committee on Public Lands. The question, therefore, becomes one of where the preponderance of interest would seem to lie.

The Committee on Public Lands unquestionably has jurisdiction over interstate compacts relating to the apportionment of waters for irrigation purposes. It unquestionably has jurisdiction over irrigation and reclamation, including water supplies for reclamation projects and assessments for irrigation purposes. Therefore if the joint resolution dealt with the inherent problem of water rights in this area, certainly an excellent argument could be made for the reference of the joint resolution to the Committee on Public Lands.

But when the Chair turns to the definition in the Reorganization Act of the jurisdiction of the Committee on the Judiciary, he finds, among other things, that the Committee on the Judiciary has jurisdiction over interstate compacts generally. So there is jurisdiction over interstate compacts even in the Committee on the Judiciary. But fundamentally and primarily the Committee on the Judiciary has jurisdiction over judicial proceedings, civil and criminal generally. The Committee on the Judiciary certainly is the opposite number of the Department of Justice, which is the institution involved in the instructions contained in the prospective legislation. Therefore it is the opinion of the Chair that the preponderance of reason recommends that the joint resolution be referred to the Senate Committee on the Judiciary.

The ruling is open to an appeal, and the Chair certainly will take no offense if an appeal is made, since this is one of those things which ought to be fully liquidated and ventilated, because we are making precedents all the time in the present Congress in respect to a brand new chapter in the parliamentary life of the Senate.

Mr. HAYDEN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Would the appeal have to be determined immediately, or could the appeal be filed, and be argued on another day? It is now 6:20 o'clock.

The PRESIDENT pro tempore. In the opinion of the Chair, the appeal could be filed and postponed. I think it would take unanimous consent to postpone the appeal.

Mr. HAYDEN. Under those circumstances I would respectfully appeal from the decision of the Chair, and I ask unanimous consent that the matter be discussed on another day.

Mr. KNOWLAND. Mr. President, reserving the right to object——

The PRESIDENT pro tempore. Let the Chair state the present situation. The senior Senator from Arizona appeals from the decision of the Chair. Therefore the question is, Shall the decision of the Chair stand as the judgment of the Senate? Upon that question the Senator from Arizona asks unanimous consent that action be postponed until a later day.

Mr. RUSSELL. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. Even though objections were interposed to the unanimous-consent request of the senior Senator from Arizona, a motion to recess would still be in order, would it not, which would carry the matter over?

Mr. WHERRY. Mr. President, a motion to recess would not displace the matter agreed by unanimous consent to be taken up on Monday.

The PRESIDENT pro tempore. A motion to recess is in order at any time.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wish merely to state at this time that although the hour is late, the authors of the joint resolution are impressed with the importance of getting the matter to the committee so that hearings can be held and the joint resolution favorably considered by the Committee on the Judiciary so that it can be reported to the floor of the Senate before final adjournment. Therefore, we feel it is necessary that we proceed forthwith so that the matter will be before the proper committee. For that reason I must enter objection to the request made by the senior Senator from Arizona.

Mr. HATCH. Mr. President, will the Senator withhold his objection a moment? I doubt very much whether any time will be saved by objecting now. There are many parliamentary tactics which can be interposed and resorted to if necessary. The Senator from Arizona has made a very fair statement and request. We think it is unfortunate that the joint resolution should go to the Committee on the Judiciary instead of the Committee on Public Lands. We would like to have some opportunity to present our views at a time other than 22 minutes after 6 o'clock in the afternoon. I am quite sure the junior Senator from California and the senior Senator from Nevada would not object to that procedure. That is all we ask. If we are compelled to resort to other tactics, they can be resorted to. I merely hope the Senator from California will not force us to adopt any such tactics.

Mr. KNOWLAND. Mr. President, I will merely say to my distinguished colleague from New Mexico that it so happens that my colleague from California, who can speak for himself, must of necessity be out of Washington next week. That will mean that one of the authors of the joint resolution, who is present this evening, will not be present to advocate it. I think as a matter of courtesy in that regard we have every reasonable right to ask that the argument be presented here this evening, and that whatever decision the Senate might care to take be taken while my colleague is in the city.

Mr. HATCH. Will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HATCH. I shall be perfectly willing to have the senior Senator from California [Mr. DOWNEY] make his statement this afternoon. I for one would be glad to remain. I am sure the entire Senate would like to hear the Senator from California. But in order that Senators may have the opportunity to hear him, I should feel compelled to suggest the absence of a quorum.

The PRESIDENT pro tempore. The question before the Senate is whether there is objection to the request made by the senior Senator from Arizona.

Mr. McCARRAN. I object, Mr. President.

Mr. McFARLAND. A parilamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Could the appeal from the Chair be made on Monday or on a later date?

The PRESIDENT pro tempore. The parliamentarian advises the Chair that the appeal must be taken before other business intervenes.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Is an appeal from the ruling of the Chair debatable?

The PRESIDENT pro tempore. An appeal from the decision of the Chair is debatable.

Mr. LUCAS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. When did the joint resolution come to the Senate?

The PRESIDENT pro tempore. The joint resolution was introduced by unanimous consent this afternoon, and was held at the desk at the request of the senior Senator from Arizona on the matter of reference.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I understand that the Senator from Arizona [Mr. HAYDEN] has already lodged an appeal.

The PRESIDENT pro tempore. The Senator from Arizona has lodged an appeal.

Mr. HATCH. And that appeal is now the pending question.

The PRESIDENT pro tempore. That is the pending question.

Mr. HATCH. Mr. President, I am compelled to suggest the absence of a quorum.

Mr. McFARLAND. Mr. President, if the Senator will withhold his request, I should like to state that this is a most important question——

Mr. HATCH. I withhold the suggestion of the absence of a quorum.

Mr. McCARRAN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. Has the Senator from New Mexico withdrawn his suggestion of the absence of a quorum?

The PRESIDENT pro tempore. As the Chair understands, the Senator from New Mexico has withheld his suggestion for the moment.

Mr. McCARRAN. I did not hear him.

Mr. HATCH. I withheld it out of courtesy to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I suggest to the Senate that this is a most important question so far as the State of Arizona is concerned. It is a question which we would like to debate at some length. It cannot be settled here this evening. It is now 25 minutes past 6. I feel that it is unfair to ask us to debate the question when we have just concluded hearings before the Public Lands Committee on another bill which involves the same question. We shall need to read some of that record, which has not even been typewritten. The last statement was by the distinguished Senator from Nevada [Mr. McCARRAN], who asked that the legislation be held up until suit could be filed and disposed of. We want to debate that question at length. We want the Senate to know what this controversy is all about.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. McCARRAN. The Senator was formerly a member of the Committee on the Judiciary of the Senate.

Mr. McFARLAND. That is true.

Mr. McCARRAN. And the Senator from New Mexico [Mr. HATCH] was also formerly a member of the Committee on the Judiciary.

Mr. HATCH. I was.

Mr. McCARRAN. Has either of those Senators any doubt as to the fairness, justice, or ability of the Senate Judiciary Committee to decide this question?

Mr. McFARLAND. That is not the question.

Mr. HATCH. Mr. President, may I answer the Senator from Nevada?

Mr. McFARLAND. Certainly.

Mr. HATCH. I have no doubt of the fairness, justice, and ability of the Senate Committee on the Judiciary; but I do have grave doubt as to the ruling of the Chair as to which committee should handle this matter. That is the question we wish to discuss. There is involved no question of fairness, justice, or ability. I have the utmost respect for the Senate Committee on the Judiciary.

Mr. McCARRAN. One further question. Is not this a question of judicial proceeding?

Mr. HATCH. Mr. President, we are already arguing the appeal. I say no.

Mr. McCARRAN. Is not this a question involving interstate compacts?

Mr. HATCH. No; not now. The development of the projects is the question; and the Senator himself states it as his theme in the opening sentence of his resolution. The development of water projects properly belongs to the Committee on Public Lands.

The PRESIDENT pro tempore. Let the Chair see if we can get back to the procedure. The pending question is the appeal from the decision of the Chair by the senior Senator from Arizona [Mr. HAYDEN].

Mr. HATCH. Mr. President, much as I dislike to do so——

Mr. TAFT. Mr. President——

Mr. HAYDEN. I yield to the Senator from Ohio.

Mr. WHERRY rose.

Mr. TAFT. Mr. President, I think the Senator from Nebraska has a request to make.

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, if it meets with the pleasure of the Senate, it adjourn until Monday next at 12 o'clock meridian. I make that request at this time so that the order may be entered.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that at the conclusion of the business of the Senate this afternoon, the Senate adjourn until Monday next at 12 o'clock. Is there objection to the request?

Mr. HAYDEN. A parliamentary inquiry.

Mr. HATCH. Mr. President, I wish to propound a parliamentary inquiry, and so does the Senator from Arizona.

The PRESIDENT pro tempore. The Senator from Arizona [Mr. HAYDEN] has the floor.

Mr. HAYDEN. I wish to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. What would be the effect of the adjournment, if we were to adjourn now? Would the appeal be the pending business when we meet on Monday?

The PRESIDENT pro tempore. It would not, under the unanimous-consent agreement, which makes the unification bill the business on Monday when the Senate convenes.

Let the Chair make a statement which may clear up several inquiries. In the opinion of the Chair, under the unanimous-consent agreement, after the Senate concludes its business tonight there will be no time until after the vote is taken on Tuesday on the Dooley nomination, when any further attention can be given to the appeal.

Mr. HAYDEN. Can the appeal be pending at that time?

The PRESIDENT pro tempore. In the opinion of the Chair, it can.

Mr. HAYDEN. If it can, I am entirely satisfied.

Mr. McCARRAN. I object, Mr. President.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. A parliamentary inquiry——

The PRESIDENT pro tempore. The Senator from New Mexico will state his parliamentary inquiry.

Mr. HATCH. Was the unanimous-consent request propounded by the Senator from Nebraska [Mr. WHERRY] agreed to?

The PRESIDENT pro tempore. The Senator from Nevada [Mr. McCARRAN] objected. It was not agreed to.

Mr. BARKLEY. Mr. President, I did not understand the Senator from Nevada to object to an adjournment until Monday.

Mr. McCARRAN. I did. I objected to the suggestion of the Senator from Nebraska on the basis of the explanation made by the Chair.

The PRESIDENT pro tempore. There is no doubt that the Senator from Nevada objected.

Mr. HATCH. Mr. President, I do not wish to force a session tomorrow, but I have no recourse except to suggest the absence of a quorum, which I do.

The PRESIDENT pro tempore. The Senator from New Mexico suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

During the calling of the roll,

Mr. HATCH. Mr. President, I ask unanimous consent to withdraw the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The roll call will be suspended.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the appeal from the decision of the Chair be considered pending, and that it be brought up for consideration of the Senate after the disposal of the Dooley nomination; that not more than 2 hours be consumed in discussing the matter, one-half to be controlled by the Senator from Nevada [Mr. McCARRAN] and one-half by me.

The PRESIDENT pro tempore. Is there objection?

Mr. McCARRAN. Mr. President, reserving the right to object, does the Senator mean it is to be brought up immediately after the Dooley matter?

Mr. HAYDEN. Yes.

The PRESIDENT pro tempore. Is there objection?

Mr. GURNEY. Mr. President, reserving the right to object, it is my understanding, then, that it is considered, in connection with the unanimous-consent request now pending, that the unification bill will be the order of business on Monday.

The PRESIDENT pro tempore. The Senator is correct.

Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. WHERRY. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until Monday next at noon.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, July 7, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received July 3 (legislative day of April 21), 1947:

JUDGE, FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Philip L. Rice, of Hawaii, to be judge of the Fifth Circuit, Circuit Courts, Territory of Hawaii. (Judge Rice is now serving in this post under an appointment which expired April 22, 1947.)

UNITED STATES ATTORNEY

Ward Hudgins, of Tennessee, to be United States attorney for the middle district of Tennessee, vice Horace Frierson, whose term will expire July 7, 1947.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 3, 1947

The House met at 12 o'clock noon.

The Reverend Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we thank Thee for all the great days in our national history, and especially for that day of solemn and sacred memory which we call Independence Day.

We pray that our minds and hearts may continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of mankind.

Grant that the lofty ideals of democracy, of freedom and friendship, of justice and righteousness, may ever be the foundation upon which we are seeking to build a glorious Nation and a better world.

Inspire us with a passion to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more blessed than our fondest hopes.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4031) entitled "An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes."

INCOME-TAX REDUCTION

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a majority report, and if the minority should decide to file a minority report that it also have until midnight to file, on H. R. 3950, which is a bill to reduce taxes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREIGN ECONOMIC POLICY—PRELIMINARY REPORT

Mr. VORYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, a copy of a preliminary report of the Subcommittee on Economic Policy of the Committee on Foreign Affairs is being sent to each Member of the House. We urge you to read it.

The Committee on Foreign Affairs has brought to the floor in this session a series of bills in response to Presidential messages which had to be considered in an atmosphere of emergency. The relief bill, the Greek-Turkish bill, and the IRO bill had to be considered after public commitments had been made by the Executive and when dead lines for action lay ahead.

Long before the Marshall plan was announced, the committee realized the critical situation that existed in Europe and the necessity of our studying the situation in our own interest, so that the committee would have its own independent sources of information about matters which required legislation before such legislation was requested or introduced.

The task of the Economic Subcommittee was obviously to determine, as far as possible, the needs for world recovery, particularly in Europe, and the ability of the United States to help meet these needs on a basis satisfactory to the United States. The subcommittee decided that the way to start was to survey and analyze existing studies so as to avoid duplication. This preliminary report deals with European needs, rather than with our ability to fulfill these needs, because this is the state of available existing studies in this country.

We have had the cooperation of the Department of State, the Department of Commerce, the Tariff Commission, the Export-Import Bank, the Treasury Department, the Food and Agriculture Organization and other sections of the United Nations, the International Bank, the National Planning Association, the Council of Foreign Relations, the Federal Reserve Board. They have made their existing studies available to us, and their staff members have been extremely prompt and helpful in this work. Special credit must be given to the staff of the Legislative Reference Service of the Library of Congress in collating this data. While we appreciate greatly the help that has been given us, the conclusions and interpretations are the result of the independent judgment of the subcommittee and its staff.

This report analyzes present studies of the needs, limits, and sources of American aid to foreign countries; supplementary sources from self-help and other countries. The apparent dollar deficit in Europe for 3 years, 1947–49, is shown at about $9,970,000,000. The report shows that this is preliminary and subject to many uncertain factors, but this is a more careful and certainly a more encouraging estimate than such current stratospheric guesses as ten billion a year for 5 years. The report also points out that the problem is not resolvable into a mere statement of dollar deficits, even though such an estimate is important, but depends upon meeting shortages in critical commodities, and that this involves many questions of policy other than financial.

This report is preliminary and outlines possible future reports. The keynote of the attitude of our subcommittee in studying this question, however, may be

found in these words on the first page of the report:

The subcommittee believes that world recovery not only can be, but must be, sound business for the United States.

We propose to continue these studies as outlined in our preliminary report, in cooperation with the executive departments and making such independent studies as are necessary. We hope the full committee will authorize the publication of such of these studies as are appropriate in order that Congress and the public may be kept informed. Since any legislation which is necessary in this field must originate in the House, and receive consideration from our committee, we feel that it is important that the continuous study provided in the Reorganization Act be given by this committee to this subject, so that any necessary legislation may evolve through cooperation between the Executive and the Congress, instead of being first submitted to Congress by a Presidential message.

The gist of the Marshall plan is that Europe should make its own study of its needs. The Paris Conference for this purpose is ending in an atmosphere of failure, so far as Russian participation is concerned, but of success in agreement between Britain and France to state what they and the rest of western Europe can do to help themselves. We do not believe this is the end of our efforts to help Europe. We do not believe that we should rely entirely upon the estimates of European nations, separately or collectively, as to their own needs. We, therefore, believe this preliminary report will be helpful at this time.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post.

STILL ONE WORLD

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the departure of Foreign Minister Molotov from the three-power European Reconstruction Conference and today's release of the preliminary report of the Economic Policy Subcommittee of the House Committee on Foreign Affairs, which the gentleman from Ohio [Mr. VORYS] has just spoken of, may well open a new era in our foreign relations. Mr. Molotov's departure from Paris will not—probably to the amazement of the Soviets—create two worlds. We did not object to the Soviets being in on European reconstruction, and we are not going to be scared or bluffed by their getting out—nor will the rest of Europe. The Soviet withdrawal will not create two worlds, Mr. Speaker. It is still only one world from which Russia is temporarily withdrawing because it cannot have its own way and is too much a slave to its own doctrines to adapt them to the crying needs of peoples everywhere. By its report the Economic Policy Subcommittee is beginning to show that the world is economically interdependent and that aid to the world's reconstruction is not a matter of our being "bled white" like a bank with a run on it, but that those we help with our great economic resources can help us and themselves too—that there are lots of resources in the world in men and materials that we want and do not have, and that the world can come pretty close to being able to pull itself out with its own resources if better organized and given some timely support by us.

REJECTION OF MARSHALL PLAN BY MOLOTOV

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, the Russians have wrecked another international conference. Molotov has rejected participation in the Marshall plan. Russia wants a divided, disorganized and a prostrate Europe. The Paris Conference has made clear the objectives of the Kremlin. Boldly, bluntly, and badly, the Soviet Union has informed the world by actions and by statements that she desires a distressed and divided Europe. Obviously this is for the purpose of spreading communism and of continuing the program of relentless Soviet expansion with the ultimate purpose of dominating the world.

The policy which the United States should follow is clear cut. We must encourage western Europe to act on the Marshall proposition even though the Soviet Union will have nothing to do with it. An economically strong European Continent will help guarantee the security of the United States. Twice during the past 30 years our Republic has engaged in war to prevent the march of aggression. We will not stand idly by now while another tyranny bent on control of the world reaches out to grasp and to subjugate every country in its path.

We have the resources and the power and the will to call the bluff of the communistic dictatorship in Russia. By extending assistance to keep western Europe independent, free, and economically strong, we will be making an investment in world stability. I am convinced that financial aid to the war devastated countries will help us win the struggle to establish world peace. In the near future Congress will be called upon to make appropriations, to effect and to implement the Marshall plan. I shall vote for all the aid necessary to put the nations of Europe on their feet economically, to prevent them from being shackled by communism and to stop the naked and ruthless aggression of Mr. Stalin and his associates.

FEDERAL SAVINGS ASSOCIATION

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, the Supreme Court has nullified that protection to the savings investors of this Nation which has heretofore been believed to be guaranteed by the Constitution. In the opinion of the Supreme Court in the case of Mallonee against Fahey, the Court held in substance that a person investing his life's savings in a Federal savings association is estopped from invoking supposed constitutional guaranties to protect his savings against wanton seizure and expenditure by Government officials.

The seizure of $26,000,000 and the dissipation of tens of thousands of dollars of the people's savings by John H. Fahey as Federal Home Loan Bank Commissioner in the case of the Long Beach Federal Savings and Loan Association is a stark warning of the dangers to the savings of hundreds of thousands of people throughout the Nation. The destruction of the $43,000,000 Federal Home Loan Bank of Los Angeles by John H. Fahey in the exercise of his unbridled power, all without notice, warning, or hearings, illustrates undreamed of extension of authority by the executive department and throws responsibility upon the elected representatives of the people to recapture for the citizens of the United States a proper degree of protection and security for their property.

The United States Supreme Court decision seems to have stripped all constitutional restraints from the rule-making power of John H. Fahey as Federal Home Loan Bank Commissioner, and to have declared the Federal courts to be without power to invoke constitutional guaranties to protect the people's savings against seizure and dissipation by Government officials.

I strongly urge the Rules Committee give prompt consideration to House Resolution 208, introduced by the Honorable CECIL KING, to investigate the decisions of the United States Supreme Court and make recommendations which will restore to the people their protection and security as contemplated by the Constitution of the United States.

NO DIAPERS IN DE SOTO

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEVENSON. Mr. Speaker, last Thursday at 11:21 in the morning a little girl named Judy Kay Orman came into this world at De Soto, in Wisconsin. You know De Soto on the Mississippi River, named after the man who discovered the Father of Waters. Well, Judy Kay is a very modern little girl and has already learned to tell her Congressman when she is in trouble. So Judy Kay has just written me:

DEAR GREAT BIG GOVERNMENT MAN: I just came into this great big old world the other day—it sure is a big one, isn't it? Grandma says we try to pick out the best men we got and send them to Washington to help us solve our problems. Now, I got a problem, and I haven't been here very long. How come we can't find any pants? My grandma (and, by the way, "grandma" is Mrs. Lloyd Henderson, of De Soto) had a hard time finding diapers for me. She could find all kinds of upholstering materials, lots of cretonnes—fancy ones, at that—and oodles of other materials that no one will ever use, but no diaper materials. Now, Great Big Government Man, that is my problem.

And so I beseech everyone, manufacturers, retailers, and Government agencies, to get some baby pants out to De Soto, Wis., for little Judy Kay Orman and for all the other little babies out in Wisconsin.

AMENDMENT OF FEDERAL UNEMPLOYMENT TAX ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Reserving the right to object, Mr. Speaker, and I shall not object, will the gentleman from New York explain the bill?

PURPOSES OF THE BILL

Mr. REED of New York. Mr. Speaker, the amendment proposed by the bill to section 1602 of the Federal Unemployment Tax Act—subchapter C of chapter 9 of the Internal Revenue Code—has these three purposes:

First. To give express statutory sanction to the administrative interpretation which has permitted voluntary contributions made by an employer to a State unemployment fund, under the provisions of the State law, to be used in the computation of reduced required contribution rates;

Second. To provide for a definite period within which voluntary contributions must be made in order to be qualified to effect reductions in required contribution rates for State contribution years beginning in 1948 or thereafter; and

Third. To provide that, in respect of State contribution years beginning in 1946 or 1947, such voluntary contributions may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year).

MERIT RATING

The Federal Unemployment Tax Act imposes a tax of 3 percent on wages paid by employers of eight or more. Against this tax the act allows, under conditions specified, certain credits, which may not exceed in the aggregate a maximum of 90 percent of the amount of the tax. The effect of these credits is to reduce the Federal tax to not less than 0.3 percent. The amounts so credited represent not only contributions actually paid by the employer into the State unemployment fund, under an approved State law, but also any excess thereover of the contributions he would have been required to pay into the fund had he been subject throughout the year to the highest rate applicable to any employer in the State, or to a rate of 2.7 percent, whichever was lower.

VOLUNTARY CONTRIBUTIONS

The unemployment compensation laws of almost all the States provide for merit rating; that is, for preferential rates of contribution required of employers, according to their employment experience. These laws, in the case of some 12 or 13 of the States, also make provision for voluntary contributions by employers, such contributions to be allowed as offsets against benefits charged to the employer's respective accounts. The effect of such offsets, of course, is to better the experience of the employers and to entitle them, therefore, to lower rates of contribution.

The Federal Unemployment Tax Act contains no provision specifically authorizing voluntary contributions of the character and effect described, but their use as an element in determining the factors bearing a direct relation to unemployment risk, within the meaning of section 1602 (a) (1) of the act, has been recognized administratively.

The amendment made by the bill would expressly permit the use of voluntary contributions in the computation of reduced rates of required contribution.

The Federal law also fails to prescribe the period within which a voluntary contribution, effective as an element in rate reduction, can be made. Your committee is advised that the Federal Security Agency has considered this question from time to time and that its position is that such contributions may be used for rate-determination purposes if they are paid before the first due date for required contributions for the new rate period. Thus, for example, if a State law prescribes that a contribution rate is applicable for a calendar year and the first due date for contributions for such calendar year is April 30, voluntary contributions paid on or before that date will be considered timely.

The amendment made by the bill provides, in effect, that voluntary contributions for rate years beginning in 1948 or thereafter will be effective if paid within 120 days after the beginning of the rate year.

The amendment made by the bill would also have the effect, with respect to rate years beginning in 1946 or 1947, of providing that voluntary contributions available for rate determination purposes may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year). The need for such a provision has arisen from the action of the Federal Security Agency in withholding approval of an amendment made to the Minnesota unemployment compensation law in April of this year. That amendment would permit the use of voluntary contributions, paid on or before June 30, 1947, or within 60 days thereafter, in the determination of rates for the years 1946 and 1947. The contributions so available would not exceed the greater of $300 or 0.1 percent of the employer's annual pay roll. The amendment was designed to eliminate inequitable differences of rate resulting from the operation of the prior law under the extraordinarily favorable employment experience of the war and postwar periods. Approval was withheld on the ground that the period within which voluntary contributions could be made in respect of the years 1946 and 1947 was unreasonably long.

Your committee is unanimously of the opinion that this bill should be enacted without delay, in order that existing ambiguities relating to the effectiveness of voluntary contributions may be removed from the Federal Unemployment Tax Act. The Federal Security Agency is likewise of opinion that these ambiguities should be removed.

It is believed that all practicable precision in the statutory standards is desirable, from the standpoint of Federal and State agencies as well as of employers.

ANALYSIS OF THE BILL

Section 1 of the bill adds a new subsection, designated (d), to section 1602 of the Federal Unemployment Tax Act. Section 1602 prescribes the conditions under which the additional, or merit rating, credit under section 1601 (b) is allowed. Standards to which State laws must conform are set forth in section 1602 (a).

The new subsection provides that a State law may, without being deemed to violate those standards, permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid within 120 days after the beginning of the rate year, or prior to January 1, 1948, whichever is later.

Under section 2 of the bill, the amendment made by section 1 will be applicable only with respect to contribution rate years beginning after December 31, 1945.

Mr. FORAND. It is my understanding that this in no way affects the rate, whether it be the merit rate or the regular rate under which they operate at the present moment. It does not change the rates in any way.

Mr. REED of New York. Not at all.

Mr. FORAND. It simply permits these companies within a State to bring their records up to date?

Mr. REED of New York. That is right, by voluntary contribution.

Mr. FORAND. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1602 of the Federal Unemployment Tax Act (Internal Revenue Code, sec. 1602), as amended, is hereby amended by adding at the end thereof a new subsection to read as follows:

"(d) Voluntary contributions: A State law may, without being deemed to violate the standards set forth in subsection (a), permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid prior to the expiration of 120 days after the beginning of the year for which such rates are effective, or prior to January 1, 1948, whichever date is the later."

SEC. 2. The amendment made by section 1 shall be applicable only with respect to taxable years beginning after December 31, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING ALLOWANCES TO CERTAIN VETERANS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, millions of veterans have been heartened by the news that this Congress intends meeting one of its obligations by passing legislation which will allow them to cash their terminal-leave bonds in September. As worthy as this act is, it does not by any means fulfill our obligations to the GI's.

There are pending before the Rules Committee two bills which this Congress should pass before we adjourn. One is H. R. 246, to raise the ceilings on wages and allowances payable to veterans undergoing training on the job; the other is H. R. 3888, to provide increased subsistence allowances to veterans who are taking institutional training. The House Committee on Veterans' Affairs, after weeks of hearings, reported these bills favorably.

H. R. 246 would raise the unfair and unjust ceiling on the amount which a GI is now permited to earn while working as a trainee and still receive his subsistence allowance. The present ceilings are not adequate; in fact, they serve to penalize the veteran by restricting his income. They serve to subsidize many employers who refuse increases to veterans because the veteran's net income would not be increased. The measure increasing subsistence allowances would liberalize the allowances for married veterans and married veterans with children. Although the measure does not carry any increase for single veterans, it may be amended when it reaches the floor of the House or in conference if it passes the other body.

The increased cost of living over the past year has been working an extreme hardship on veterans who are trying to complete their education on subsistence allowances which were established over a year ago. I urge that the Rules Committee allow these two measures to come before the House for I am certain both will pass unanimously.

ETERNAL VIGILANCE IS THE PRICE OF LIBERTY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, tomorrow being the Fourth of July, it is an appropriate time to rededicate ourselves to the imperishable principles of the Declaration of Independence. Adherence to these principles, we all know, must be constant and not merely reserved for lipservice to the Declaration of Independence on the Fourth of July.

The admonition, "Eternal vigilance is the price of liberty," is constantly before us. If ever there was a time when this vigilance was necessary that time is today, when radicals of every stripe and shade rant up and down the land. And in viewing the plight of democracy around the world, we see it confronted by the preachers of false gods.

We take confidence and renewed courage when we meditate upon the principles of the Declaration of Independence and our republican form of government that was established in keeping with the postulates of the Declaration of Independence. We extoll again Thomas Jefferson for the prominent part he took in drafting the great declaration.

It is quite fitting that President Truman goes to Monticello, the revered home of Thomas Jefferson in the great State of Virginia. I see by the papers that Mr. Truman is going to deliver a patriotic address from the hallowed ground of Monticello.

I hope that Mr. Truman, in reviewing the works of Thomas Jefferson, will dwell upon the founding father's conception of a three-division government in which the legislative, executive, and judicial branches are given exclusive fields of jurisdiction, with a system of checks and balances.

One of these checks is the veto power of the President. Mr. Truman could recall to the country that the framers of the Constitution were reluctant to insert the veto power into the Constitution. Their minds were filled with indignation over the actions of kings in vetoing the will of the people as expressed through their legislators.

It was thought best to include the veto power as a guard against encroachment of the legislative branch upon the executive. It was never intended to be used as a minority lever to thwart the will of the people's representatives in Congress.

Mr. Truman might well ponder the fact that Thomas Jefferson as President of the United States never exercised the veto instrument. Not once did he resort to the veto to block the law-making branch.

Yet Mr. Truman saw fit to veto the so-called Taft-Hartley labor relations bill despite the overwhelming support for it in the Congress.

Yes, this is an appropriate time to meditate on the principles of our Government and that applies to all of us from the President down to the lowest-placed toiler in the humblest pursuit.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include two editorials from the Portland (Oreg.) Journal.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in two instances and include some editorials.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address given at Miami, Fla., on June 18, 1947, by Col. Melvin Maas, president of the Marine Corps Reserve Officers' Association.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD in two instances and to include newspaper articles.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include some editorial comment.

THE SUPREME COURT OF THE UNITED STATES

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, my distinguished colleague from California [Mr. BRADLEY] a few moments ago referred to the decision of the Supreme Court in the case of Fahey versus Mallonee, which decision I incorporated in the RECORD on Tuesday of this week. He called for an investigation of the Supreme Court of the United States as a result of that decision.

I invite you to read the Supreme Court decision in that case which was arrived at unanimously. You have heard much criticism of the Court because of the many dissenting opinions handed down by the Court, but here is a unanimous opinion which, and even though the gentleman advocates an investigation of the Court, the 26,000 shareholders in that corporation who have been protected are saying, "Thank God for the Supreme Court."

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include in each various editorials and newspaper articles.

SPECIAL ORDER GRANTED

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SALE OF FIREARMS IN THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith H. R. 493, an act to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.).

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TRUSTEESHIP AGREEMENT FOR PACIFIC ISLANDS (H. DOC. NO. 378)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I wish to recommend to the Congress action enabling this Government to approve the Trusteeship Agreement for the Territory of the Pacific Islands which was approved unanimously by the Security Council of the United Nations on April 2, 1947. There is attached a letter from the Secretary of State enclosing a copy of the trusteeship agreement and a memorandum with reference to its negotiation in the Security Council.

The trusteeship agreement was proposed by the United States to the Security Council and approved by the Council with certain changes which were acceptable to the United States Government. Its terms are in conformity with the policy of this Government and with its obligations under the Charter of the United Nations. The terms of the agreement make ample provision for the political, economic, social, and educational development of the inhabitants of the trust territory, and at the same time fully protect the security interests of the United States.

The United States has taken an active role from the beginning in the establishment of the trusteeship system of the United Nations. I believe, therefore, that it would be only fitting, as well as in the interest of the inhabitants of the islands, that the trusteeship agreement should be brought into force as soon as possible.

I have given special consideration to whether the attached trusteeship agreement should be submitted to the Congress for action by a joint resolution or by the treaty process. I am satisfied that either method is constitutionally permissible and that the agreement resulting will be of the same effect internationally and under the supremacy clause of the Constitution whether advised and consented to by the Senate or whether approval is authorized by a joint resolution. The interest of both Houses of Congress in the execution of this agreement is such, however, that I think it would be appropriate for the Congress, in this instance, to take action by a joint resolution in authorizing this Government to bring the agreement into effect.

I hope that the Congress may give early consideration to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

(Enclosure: Letter from the Secretary of State with two enclosures.)

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, in a letter dated June 28, 1947, addressed to the Washington Post, Washington, D. C., a copy of which was sent to and received by me, and in a similar letter addressed to the Washington Times-Herald, copies of the latter having been addressed to and received by some of the members of the House Committee on Expenditures in the Executive Departments, by one D. Harold Byrd, Dallas, Tex., appear the following statements:

1. But if we look fully into Congressman HOFFMAN'S past record of performance we gain a better insight of why he seems to be deliberately delaying a matter of such importance to our country's defense. He has never seemed to care too much about our country's defense.

2. He seems to have been against everything that would protect our, and his, country.

3. In the book, the Illustrious Dunderheads, Congressman HOFFMAN is prominently mentioned for his "anti" tactics at a time when the country was rushing headlong toward a war.

4. In Russia, Congressman HOFFMAN would have been liquidated long ago as an enemy of his country.

The foregoing statements and, in particular, the one numbered four, by inference and innuendo, charge the Member from the Fourth Congressional District of Michigan with entertaining and acting upon and in furtherance of a policy which is detrimental to the interests of his country. The statements reflect upon the integrity and the patriotism, in his official capacity, of the Member from the Fourth Congressional District of Michigan, and raise the question of personal privilege.

The SPEAKER. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN. Mr. Speaker, this matter is brought up at this time because the President recently in a talk here in Washington called attention to the fact that there was a great necessity for tolerance in this country. Why that should be forgotten by Mr. Byrd is not understandable. Mr. Byrd apparently is an officer or a stockholder of Byrd Frost, Inc., in Dallas, Tex. It is an oil company and I assume engaged in selling oil to domestic and foreign purchasers.

He makes the charge that the chairman of this committee has been deliberately "delaying a matter of great importance to the country's defense," because the Committee on Expenditures in the Executive Departments has not reported out the so-called merger bill. That charge, as every member of that committee knows, is without foundation.

There is no necessity of discussing at this time the merits of the unification bill. That will come before the House sometime in the near future.

It should be said that since the time the bill was introduced by me at the request of the administration and as an administration measure—and it was promptly introduced—from that time on, on every possible occasion, hearings have been held. In fact, the chairman went so far as to attempt to hold night sessions of the committee.

Due to the Reorganization Act passed by the previous Congress, the whole setup of this Congress had to be changed. We had to employ staff members; we had to have a clerical force; we had a new committee.

For example, of the 15 Republican members, 12 were not on the committee last year and 4 had never served in Congress previously. Of the 10 Democratic members, 8 were new to the committee work and, of the 8, 5 had never before served in Congress. So it is easy to understand why it required time to get into action.

Notwithstanding the fact that 20 of the 25 members were new to the work of that committee, we have put out several routine bills of some importance. Four subcommittees have held hearings and three of the four have submitted and have reported to the Congress reports well worth the attention and the careful study of every Member of this body.

The President sent down three reorganization plans, which were referred to the committee, one was accepted. Hearings were held on Reorganization Plans 2 and 3 and that took time. On those two plans, unfavorable reports were made to the House and the House, by a substantial majority and without a roll call and in less than an hour's time, adopted both. One, plan No. 2, has been similarly rejected by the Senate.

As soon as it was possible after the introduction of H. R. 2319, the unification bill, we began to hold hearings and, from the date of the first hearing to and including July 1, when the hearings were closed, hearings were held on every possible occasion.

The members were diligent in attendance; they were attentive and on no occa-

sion was there a partisan disagreement raised, either in the open hearings or in executive session.

Criticism of the committee, of its diligence, of the manner in which it gave consideration to the witnesses, is unwarranted. The unsubstantiated charge that the chairman of the committee has delayed hearings or consideration of the bill is a gratuitous insult.

Then there is a second statement:

He has been against everything that would protect our and his country.

How he reaches that conclusion I do not know. Perhaps it is explained in the third statement:

In the book, the Illustrious Dunderheads—

We all know what that was, a libel of perhaps one-third of the Members of Congress, the writer of this letter said that the chairman was prominently mentioned for his "'anti' tactics at a time when the country was rushing headlong toward a war."

There is no question but that, as did many other Congressmen, I opposed and voted against measures which I believed and which many Members of this House believed might get us into war. I remember on one occasion one of the measures was adopted by the House by one vote.

We believed, those of us who voted as we did, that by our action we were attempting to keep, and might be successful in keeping, this country out of war. I recall very distinctly that time and time again the gentleman from Mississippi [Mr. RANKIN] warned this country that, if it followed a certain course, the inevitable result would be war. I believed we were following a course which would get us into war. That I opposed with all my strength. I have no apology.

This gentleman, Mr. D. Harold Byrd, the oil man, apparently is ignorant of the situation, for he repeats that old, old charge that some of us, including the speaker, voted against the fortification of Guam. Well, that question was never before us; but aside from that, the charge I resent at this time is that the chairman of the Committee on Expenditures in the Executive Departments deliberately delayed the hearings on the unification bill. There is not a word of truth in that statement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts, the leader of the majority in the Seventy-ninth Congress and the present whip of the Democratic minority.

Mr. McCORMACK. Mr. Speaker, I am a member of the committee that my friend is chairman of, and I have sat through all of the consideration of the merger or unification legislation. I can testify, and I now testify as emphatically as it is possible for me to do so, that at no time has the gentleman from Michigan [Mr. HOFFMAN] done anything to try to hinder the early consideration of the bill, either in hearings or in executive session. I say that as one who watched closely to see, because I wanted action taken on the bill by the committee. I state to the House now, and I hereby testify, that the evidence has been directly to the contrary. The gentleman from Michigan, as chairman of the committee and as a member of the committee, has done everything he possibly could to expedite action on the bill.

In relation to the other charges, all I have to say is that we may differ, Members may honestly differ, on pending legislation. I cannot argue with any man where conscience is involved. I may disagree with the judgment of another Member, but I respect the right of every Member to form his or her judgment, and whenever an honest judgment is formed I respect the right of the Member to follow the dictates of his or her conscience. While the gentleman from Michigan and I have differed on legislation that was in this body before Pearl Harbor, the gentleman arrived at his opinion from his conscience, and he carried out the dictates of his conscience, which he should have done, and as any Member should carry out the dictates of their conscience. I thoroughly respect the honesty of the gentleman's motives in arriving at the judgment he did, and I respect him for carrying out his conscience. After all is said and done, we have to live with our conscience, and we should follow the dictates of our conscience where the matter of conscience is involved.

Coming back to the bill, instead of delaying the matter, the gentleman, so far as I can observe—and I think the other members of the committee will confirm my statement—has done everything he possibly could to expedite the hearings, even holding night sessions or trying to hold more night sessions. The reason more night sessions were not held was not due to him. It was due to the fact that other members were so situated that they could not attend some of the night sessions that the gentleman from Michigan was urgently trying to have the committee conduct.

I assume the gentleman who wrote the letter is honorable and trustworthy. If so, and proceeding upon that assumption, in view of the statement the gentleman has made, if the one who wrote the letter believes what I state, he should write a letter of apology to the gentleman from Michigan on the charge of delaying consideration of the bill in question.

On the matter of difference of opinion as to legislation before Pearl Harbor, we can all disagree on that. It is a question of an honest conscience. From my observation of the gentleman from Michigan he has always had the courage to express whatever judgment he forms and whatever his conscience dictates him to do in the performance of his duty as a Member of the House.

I am glad to make these observations because, so far as the merger or unification bill is concerned, I repeat emphatically, the gentleman from Michigan has done everything he could as chairman to have the hearings expedited and to have the bill brought out for consideration. It is a big bill. It is a comprehensive bill. It is not one that you can arrive at an opinion on in 10 minutes or in 10 days. It requires deep thought, and I think as a result of the hearings that there have been a lot of valuable contributions made that the Members in executive session will consider seriously. The gentleman has done everything he possibly could to expedite the hearings and action on the bill.

Mr. HOFFMAN. I thank the gentleman for his statement.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Illinois.

Mr. CHURCH. As a former member of the committee that the gentleman is now chairman of, and that the distinguished gentleman from Massachusetts [Mr. McCORMACK] is a member of, I want to say "Amen" to his statement and to the gentleman's statement.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from West Virginia.

Mr. SNYDER. I am a member of the Committee on Expenditures in the Executive Departments, and I heartily concur in what the distinguished gentleman from Massachusetts [Mr. McCORMACK] said, that the chairman of our committee has been most diligent in pressing hearings and affording an opportunity for everyone to be heard. I was a member of the armed forces. I am keenly interested in the unification bill, and I have been more than pleased and satisfied with the aggressive action that the chairman has taken in bringing witnesses before the committee and getting this legislation in shape to report to the House for final action.

Mr. HOFFMAN. I thank the gentleman.

Now, Mr. Speaker, there has been no secret about the attitude of members of this committee. There is a difference of opinion, as there almost always is a difference of opinion, on important proposed legislation. Speaking generally of the committee and its actions, there has never been any controversy in the committee growing out of any personal or partisan feeling.

This measure, the unification bill, so-called, is not a partisan measure; not by any means. It was before the last Congress. It was before preceding Congresses away back to 1903. Personally, I do not favor all of the provisions of the original bill which I introduced by request, and that is known to every member of the committee.

But, when it comes to the question of delay, as the gentleman from Massachusetts and the gentleman from West Virginia said, there has been no delay.

And, I will add this statement to what they said: On the day the hearings were closed, there was presented to the committee a detailed statement in parallel columns of all the bills that have been presented to the committee bearing upon this subject, up to the present time, so that the committee might be advised of what had been presented to them before the subcommittee met to mark up a bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN. I yield.

Mr. McCORMACK. The gentleman brings another thought to my mind.

The gentleman is doing something which is most unusual. He is going to have the hearings printed for the subcommittee that has been appointed to go over the draft of the bill and consider the bill in subcommittee before it goes to the full committee. This print is very voluminous. I got the hearings only last night, with the request from the clerk of the committee to return them. I was glad to see them. They wanted to get them back by 12 o'clock.

Now, that is what the gentleman has been doing. Every bit of evidence that I have seen is that the gentleman from Michigan, no matter what his views might be on the bill as chairman of the committee, and I believe in giving credit where credit is due—has been doing everything possible to expedite the hearings on the bill, and I am glad, only too glad, to publicly subscribe to that fact and to see that the truth from that angle, that being one of the issues raised, is proclaimed as widely as I possibly can proclaim it.

Mr. HOFFMAN. Nothing would have been said about this matter had it not been for the fact that over the past few weeks the press, on several occasions, has seized the opportunity to charge that this measure was being delayed.

When that untrue charge put out by way of propaganda and for pressure purposes was followed by the receipt of a copy of a letter written to the press, repeating the false charge, and I learned from the members of the committee that they had received copies of the letter vilifying me, it was just a little too much.

In my opinion, it is only fair, there being at the moment no other business ready for the consideration of the House, to advise the Members of the falsity, the littleness and the meanness of the charge.

Of course, as stated before, it has taken some time, but everything is now ready for the subcommittee to mark up the bill. As soon as the hearings were ended, the very day the hearings were ended, a subcommittee was appointed, the next Monday, July 7, was fixed as the first day of the hearings for the subcommittee.

I call this matter to the attention of the Members of the House for the benefit of some of the newer Members, those who came in with the Eightieth Congress, because they will find as time goes on that if you follow your conscience and express your thoughts you will always find someone finding fault with what you are doing, as they have a right to do, and then going beyond that and charging you with a lack of patriotism, which no one has the right to do until a Member of this body has demonstrated beyond controversy that he is doing something that is not in the interest of the country.

Over the years, because I demanded fair and equitable labor legislation, was bitterly opposed to the New Deal, what I considered its waste, its spending, and its inefficiency, such assassins of character as Walter Winchell and Drew Pearson have repeatedly viciously and meanly vilified and slandered me, both in the press and over the air. Against such attacks a Congressman has no effective remedy.

But where he lives in a district where the people, as they are in the Fourth Congressional District of Michigan, are intelligent, patriotic, and sound in their thinking, their opinions, their words carry little if any weight.

Time and again the CIO and the PAC have circulated illustrated pamphlets containing false and unfair statements.

In 1942, because I made on the floor of this House two talks protesting the abandonment of any portion of our sovereignty, the hauling down of the Stars and Stripes, I was summoned to appear before a grand jury here in Washington because some folks who were more enthusiastic than discreet, who were intensely American but had peculiar views on some other subjects than those pertaining to our national welfare, circulated some of those speeches.

These matters are referred to so that those of you who came to the Congress for the first time in January of this year may be advised not to take too seriously what someone says about you, what the press may write, or how your actions may be criticized or characterized.

The only suggestion I have to offer to the newer Members of this Congress is to, as I am sure you all will, listen to the advice of all who care to offer it, form your own opinion, follow your own judgment. You will then, when you come to the end of your service, have at least pleased yourself, have nothing to regret.

EXTENSION OF REMARKS

Mr. DEVITT asked and was given permission to extend his remarks in the RECORD and include an article.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1948

Mr. STEFAN submitted the following conference report and statement on the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary for the fiscal year ending June 30, 1948, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, $50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal."

And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$1,240,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CORRECTIONS, ETC.

The following amendments are in correction of citation, totals, punctuation, text, spelling, and so forth: Amendments Nos. 1, 10, 16, 23, 24, 32, 33, 34, 41, 58, 60, and 67.

DEPARTMENT OF STATE

Amendment No. 3, relating to expenses of attendance at meetings: Provides $30,000 as proposed by the Senate instead of $26,000 as proposed by the House.

Amendment No. 4, relating to tolls: The House provided $15,000; the Senate, $65,000; the House recedes.

Amendment No. 6, the total appropriated for salaries and expenses, Department of State: The House provided $20,000,000; the Senate, $30,567,250; the conferees agreed upon $30,067,250. None of the reduction below the Senate figure is to be applied to the International Broadcasting Division.

Amendment No. 8, printing and binding: The House provided $720,000; the Senate, $960,000; the House recedes.

Foreign Service

Amendment No. 11, commissary and mess service: The House provided $200,000; the Senate, $275,000; the House recedes.

Amendment No. 12, salaries and expenses, Foreign Service: The House provided $46,830,000; the Senate, $49,437,750; the conferees agreed upon $48,737,750.

Amendment No. 13, living and quarters allowances: The House provided $7,600,000; the Senate, $8,130,000; the House recedes.

Amendment No. 14, representation allowances: The House provided $500,000; the Senate, $1,000,000; the conferees agreed upon $700,000.

Amendment No. 15, printing and binding: The House provided $155,000; the Senate, $180,000; the House recedes.

Amendment No. 17, participation by United States in the work of the Bureau of Interparliamentary Union for Promotion of International Arbitration: The House provided $20,000; the Senate $30,000; the House recedes.

Amendment No. 18, relating to the appropriation provided in amendment No. 17: The House provided that $10,000 be expended under the direction of the Speaker of the House of Representatives; the Senate struck out the House language and provided that $15,000 be expended under the direction of the President and the Executive Secretary of the American group; the House recedes.

Amendment No. 19, relating to International Bureau of Weights and Measures: The House appropriated $7,351; the Senate, $8,314; the House recedes.

Amendment No. 20, International Civil Aviation Organization: The House appropriated $350,000; the Senate, $510,000; the House recedes.

Amendment No. 21, International Council of Scientific Unions: The House provided $33; the Senate, $163; the House recedes.

Amendment No. 22, International Geographical Union: The Senate appropriated $552; the House, none; the House recedes.

Amendment No. 25, United States participation in United Nations: Retains the provision inserted by the Senate for the purchase of six passenger motor vehicles, one at not to exceed $3,000.

Amendments Nos. 27 and 28, international activities: The House provided a limitation of $50,000 for representation allowances; the Senate, $100,000 for entertainment and representation allowances; the conferees agreed upon $75,000 for entertainment and representation allowances.

Amendment No. 29: Appropriates $3,600,000 for international activities instead of $3,000,000 as proposed by the House and $3,700,000 as proposed by the Senate.

Amendment No. 30: Provides for purchase of 13 automobiles instead of 18 as proposed by the House and 8 as proposed by the Senate.

Amendment No. 31: Makes the appropriation for International Boundary and Water Commission available for payment of tort claims as proposed by the Senate.

Amendment No. 36: Deletes authority proposed by the Senate for purchase of six automobiles.

Amendment No. 37: Appropriates $3,900,000 for cooperation with American Republics instead of $3,000,000 as proposed by the House and $4,300,000 as proposed by the Senate.

Amendment No. 39: Authorizes use of $35,500 for health service program as proposed by the Senate.

Amendment No. 40: Appropriates $40,286,150 for Philippine rehabilitation as proposed by the Senate instead of $42,786,150 as proposed by the House.

Amendment No. 42: Appropriates $1,430,000 for liquidation of the information and cultural program as proposed by the Senate.

Amendment No. 44: Strikes out, as proposed by the Senate, language proposed by the House with respect to effect on future employment by the Government of persons discharged by the Secretary of State.

DEPARTMENT OF JUSTICE

Amendment No. 45: Appropriates $2,500,000 for the Lands Division as proposed by the Senate instead of $2,550,000 as proposed by the House.

Amendment No. 46: Appropriates $50,000 for pay and expenses of bailiffs instead of $230,000 as proposed by the House. The conferees are agreed that the Congress will look with disfavor upon any deficiency estimate for this item.

Amendment No. 47: Appropriates $27,000,000 for Immigration and Naturalization Service as proposed by the Senate instead of $27,445,000 as proposed by the House.

Amendment No. 48: Restricts, as proposed by the Senate, the payment for overtime service of employees of the Immigration Service to such payments as may be authorized by the Federal Employees Pay Act of 1945 and 1946.

Amendment No. 49: Appropriates $18,646,730 as proposed by the Senate for penal institutions instead of $18,750,000 as proposed by the House.

Amendment No. 50: Appropriates $1,400,000 for medical and hospital services for penal institutions as proposed by the Senate instead of $1,430,000 as proposed by the House.

Amendment No. 51: Appropriates $1,750,000 as proposed by the Senate for support of prisoners instead of $1,850,000 as proposed by the House.

DEPARTMENT OF COMMERCE

Amendment No. 52: Deletes language proposed by the Senate to authorize expenditure of $1,000 for entertainment.

Amendment No. 53: Appropriates $944,483 as proposed by the Senate for the Office of the Secretary instead of $800,000 as proposed by the House.

Amendment No. 55: Appropriates $650,000 for penalty mail as proposed by the Senate instead of $600,000 as proposed by the House.

Amendment No. 56: Appropriates $5,700,000 for census statistics instead of $5,000,000 as proposed by the House and $5,845,000 as proposed by the Senate.

Amendment No. 57: Limits amount which may be expended at the seat of Government by current Census Statistics to $4,500,000 instead of $3,800,000 as proposed by the House and $4,645,000 as proposed by the Senate. It is the intention of the managers on the part of the House that under this provision the Department is expected to consolidate the Customs Statistics activities in New York, N. Y., rather than to maintain a portion at the seat of Government, as intended by the original provision in the bill in the House.

Amendment 59: Appropriates $1,240,000 for Administration of the Bureau of the Census instead of $1,200,000 as proposed by the House and $1,245,000 as proposed by the Senate.

Amendment 61: Deletes authority for expenditure of $2,000 for entertainment proposed by the Senate.

Amendment 62: Appropriates $72,923,248 for salaries and expenses, Civil Aeronautics Administration, as proposed by the Senate instead of $71,081,484 as proposed by the House. The conferees agreed that the amount indicated in the Senate report for general administration may be increased by $400,000 for the specific purpose of maintaining and operating regional warehouses; also, that the limitation of $1,500,000 imposed for operation of aircraft is increased to $1,600,000; but that otherwise the Senate recommendation with respect to the number of class 1 and class 2 employees shall stand. A survey shall be conducted forthwith by the Civil Aeronautics Administration to determine the extent to which the State and municipal governments, the commercial air lines, and the military should participate in the maintenance and operation of air traffic control towers.

Amendment 64: Appropriates $11,109,066 for air navigation facilities as proposed by the Senate instead of $17,638,000 as proposed by the House.

Amendment 65: Strikes out, as proposed by the Senate, reappropriation of unexpended balance of appropriation for air navigation facilities.

Amendment 68: Limits the amount which may be transferred to appropriation for salaries and expenses to $280,000 as proposed by the Senate instead of $500,000 as proposed by the House.

Amendment No. 69: Authorizes purchase of two automobiles as proposed by the Senate instead of one as proposed by the House.

Amendment No. 71: Appropriates $1,600,000 for technical development as proposed by the Senate instead of $2,000,000 as proposed by the House.

Amendment No. 72: Appropriates $1,102,500 for the Washington National Airport as proposed by the Senate instead of $1,236,000 as proposed by the House.

Amendment No. 73: Appropriates $3,000,000 for Civil Aeronautics Board instead of $3,100,000 as proposed by the Senate and $2,500,000 as proposed by the House.

Amendment No. 74: Appropriates $40,000 for printing and binding as proposed by the Senate instead of $35,000 as proposed by the House.

Amendment No. 76: Appropriates $4,943,537 for the Bureau of Foreign and Domestic

Commerce, as proposed by the Senate instead of $5,000,000 as proposed by the House.

Amendment No. 77: Appropriates $2,155,000 for field office service instead of $2,000,000 as proposed by the House and $2,375,000 as proposed by the Senate.

Amendment No. 78: Appropriates $1,450,000 as proposed by the Senate for administration, Bureau of Standards, instead of $1,000,000 as proposed by the House.

Amendment No. 79: Appropriates $21,052,000 for salaries and expenses, Weather Bureau, as proposed by the Senate instead of $21,000,000 as proposed by the House.

THE JUDICIARY

Amendment No. 83: Appropriates $3,631,295 for salaries, clerks of courts, as proposed by the Senate instead of $3,600,000 as proposed by the House.

Amendment No. 84: Strikes from the bill language proposed by the House to close certain offices of clerks of courts.

Amendment No. 86: Appropriates $865,000 for salaries of court reporters as proposed by the Senate instead of $800,000 as proposed by the House.

MOTIONS WITH RESPECT TO AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have directed that the following motions be made with respect to the amendments reported in disagreement:

To recede from disagreement and concur in Senate amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

Amendment No. 2: That the House recede from disagreement and concur with an amendment to correct punctuation.

Amendment No. 5: That the House recede from disagreement and concur with an amendment striking out of the proposed language authority to expend $5,000 for entertainment.

Amendment No. 26: That the House recede from disagreement and concur with an amendment striking out a comma.

Amendment No. 35: That the House recede from disagreement and concur with an amendment reducing the amount proposed from $12,000 to $5,000.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 3311.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

Mr. STEFAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore (Mr. MICHENER). The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendments in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 14, insert the following: *Provided further,* That notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), the Department of State is authorized in making contracts for the use of international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further,* That not to exceed $1,157,000 of the funds allocated to the International Broadcasting Division from this appropriation shall be available for personal services."

Senate amendment No. 9: Page 6, line 11, insert the following:

"North Atlantic fisheries: For necessary expenses of surveys, discussions, and other preliminary activities incident to the negotiation of an international agreement relating to conservation of the North Atlantic fisheries, $25,000."

Senate amendment No. 38: Page 25, line 8, insert the following: "purchase of health and accident insurance for trainees (for whom such benefits are not otherwise allowed) while in the United States in pursuance of training programs."

Senate amendment No. 43: Page 28, line 23, insert the following: "The provision of law prescribing the use of vessels of United States registry by any officer or employee of the United States (46 U. S. C. 1241) shall not apply to any travel or transportation of effects payable from funds appropriated, allocated, or transferred to the Secretary of State or the Department of State."

Senate amendment No. 54: Page 46, line 7, insert the following:

"Technical and scientific services: For necessary expenses in the performance of activities and services relating to technological development as an aid to business in the development of foreign and domestic commerce, including all the objects for which the appropriation 'Salaries and expenses, Office of the Secretary,' is available (not to exceed $25,000), for services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), and not to exceed $60,000 for printing and binding, $790,000: *Provided further,* That the Secretary is authorized, upon request of any public or private organization or individual, to reproduce by appropriate process, independently or through any other agency of the Government, any scientific or technical report, document, or descriptive material, foreign or domestic, which has been released for public dissemination, and to sell such reproductions at a price not less than the estimated total cost of reproducing and disseminating same as may be determined by the Secretary, the moneys received from such sale to be deposited in a special account in the Treasury, such account to be available for reimbursing any appropriation which may have borne the expense of such reproduction and dissemination and making refunds to organizations and individuals when entitled thereto."

Senate amendment No. 63: Page 50, line 24, insert the following: "the construction and furnishing of quarters and related accommodations for officers and employees of the Civil Aeronautics Administration and the Weather Bureau stationed at remote localities not on foreign soil where such accommodations are not otherwise available."

Senate amendment No. 66: Page 51, line 9, insert the following: "*Provided,* That the appropriation under this head for the fiscal year 1947 is hereby consolidated with and made a part of this appropriation to be disbursed and accounted for as one fund and to remain available until June 30, 1948: *Provided further,*."

Senate amendment No. 75: Page 56, line 22, insert the following: "for the purchase (not to exceed 22), maintenance, operation, and repair of vehicles known as station wagons and surburban carry-alls without such vehicles being considered as passenger-carrying vehicles and."

Senate amendment No. 80: Page 63, line 13, insert the following: "and titles II and III of the Federal Employees Pay Act of 1945."

Senate amendment No. 81: Page 64, line 9, insert the following:

"The appropriations 'Salaries and expenses, Civil Aeronautics Administration'; 'Salaries and expenses', Civil Aeronautics Board; and 'Salaries and expenses', Weather Bureau, shall be available under regulations to be prescribed by the Secretary, for furnishing on a reimbursable basis to employees of the Civil Aeronautics Administration, the Civil Aeronautics Board, and the Weather Bureau in Alaska and other areas outside the United States where determined necessary by the Secretary emergency medical services by contract or otherwise and medical supplies, and for the purchase, transportation, and storage of food and other subsistence supplies for resale to such employees, the proceeds from such resales to be credited to the appropriation from which the expenditure for such supplies was made and a report shall be made to Congress annually showing the expenditures made for such supplies and the proceeds from such resale; and appropriations of the Civil Aeronautics Administration and the Weather Bureau shall be available in an amount not to exceed $20,000 for furnishing food, clothing, medicines, and other supplies for the temporary relief of distressed persons in remote localities, reimbursement for such relief to be in accordance with regulations prescribed by the Secretary."

Senate amendment No. 82: Page 66, line 1, insert the following:

"Preparation of rules for civil procedure: For expenses of the Supreme Court incident to proposed amendments or additions to the rules of civil procedure for the district courts of the United States pursuant to the act of June 19, 1934 (48 Stat. 1064), including personal services in the District of Columbia and printing and binding, to be expended as the Chief Justice in his discretion may approve, including per diem allowances in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed $10 per day, $5,420."

Senate amendment No. 85: Page 73, line 5, insert:

"Miscellaneous salaries: For salaries of all officials and employees of the Federal judiciary, not otherwise specifically provided for, $1,800,000: *Provided,* That the compensation of secretaries and law clerks of circuit and district judges (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) shall be fixed by the Director of the Administrative Office without regard to the Classification Act of 1923, as amended, except that the salary of a secretary shall conform with that of the main (CAF-4), senior (CAF-5), or principal (CAF-6) clerical grade, or assistant (CAF-7), or associate (CAF-8) administrative grade, as the appointing judge shall determine, and

the salary of a law clerk shall conform with that of the junior (P–1), assistant (P–2), associate (P–3), full (P–4), or senior (P–5) professional grade, as the appointing judge shall determine, subject to review by the judicial council of the circuit if requested by the Director, such determination by the judge otherwise to be final: *Provided further*, That (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed $6,500 per annum, except in the case of the senior circuit judge of each circuit and senior district judge of each district having five or more district judges, in which case the aggregate salaries shall not exceed $7,500."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendments of the Senate Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85, and concur in the Senate amendments.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 7, insert the following: "employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $9,000)."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 2 and concur in the same with an amendment as follows: "In lieu of the matter inserted by said amendment, insert the following: "employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $20,000)."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 1, insert the following: "acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes; not to exceed $5,000 for entertainment.

Mr. STEFAN. Mr. Speaker, I move the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by said amendment insert the following: 'acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmisison and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes.' "

Mr. STEFAN. Mr. Speaker, in bringing up this conference report, I want to state to the House that while neither side was completely satisfied with the results obtained, we are in complete accord. The major issue involved was, of course, the information and cultural activities of the Department of State for which the Senate has recommended the amount of $13,400,000 which, however, included $1,430,000 for terminal-leave payments made necessary because of the fact that under the limited funds provided a great portion of the employees will have to be terminated. The House was successful, however, in reducing this over-all amount by $1,000,000, leaving a net of $12,400,000 for this activity. It was the thought of the conferees that if this activity was to be continued at all, this was about the minimum that should be provided. I should also like to tell the House that the major portion or $6,387,250 is for the international broadcasting. In other words, the amount provided definitely limits the amount for other activities that are presently being carried on by this organization.

Other items were mostly a matter of compromise. We were successful, for instance, in saving $300,000 in the representation allowance of the State Department Foreign Service. With respect to the Office of Technical Services in the Commerce Department, the House conferees went along with the greatly reduced amount for this activity but with the understanding that the Department is to give serious consideration to the liquidation of this activity as such when the bulk of German scientific and technical data is processed. The House conferees feel that by and large, the intent of the House in its original enactment of this bill have been carried out.

Mr. Speaker, several Members have asked me to explain that the matter of the court offices in which some of them were interested remains in the bill as the Senate has included in the bill the clerks and other assistants for the Federal courts over which some of the Members have been concerned and which was stricken out of the bill on a point of order in the House because it was legislation on an appropriation bill. That has been restored and the matter taken care of.

Every member of the committee signed the report and it comes to you as a unanimous report.

Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I have no intention of consuming the time of the House on this report. I do, however, want to emphasize what the chairman of our committee has said, that none of us are entirely satisfied with the results that have been accomplished. There are some items in which we yielded very reluctantly. I am greatly distressed that the bill carries only $12,400,000 for the information and cultural program of the Department of State. I personally am convinced that the amount is wholly inadequate to carry on a satisfactory program. However, in appropriation bills we have to give and take. The Democratic conferees, believing that they have gotten the best agreement possible, have signed the report so that the appropriations of the various departments will not be longer delayed. We desire the record to show, however, that although we present a unanimous report as to certain items we signed with great reluctance.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 16, line 9, insert "entertainment."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 26 and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert "entertainment."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: Page 22, line 23, insert the words "not to exceed $12,000 for entertainment."

Mr. STEFAN. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 35 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by the

Senate amendment insert the following: 'not to exceed $5,000 for entertainment.' "

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska [Mr. STEFAN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EMPLOYERS' LIABILITY ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 270, Rept. No. 788), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1639, to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SCHICK GENERAL HOSPITAL, CLINTON, IOWA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 271, Rept. No. 789), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 54) to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration. That after general debate, which shall be confined to the concurrent resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the concurrent resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I take this time in order to announce the program for next week.

On Monday the Consent Calendar will be called. There is a considerable number of bills on the calendar and it will probably take some time to dispose of that.

It is then proposed to take up such suspensions as the Speaker may recognize.

On Tuesday it is hoped we can dispose of the tax bill.

For the balance of the week, Wednesday, Thursday, Friday, and Saturday, we will plan to take up the District of Columbia appropriation bill; S. 564, the succession bill; H. R. 4075, the sugar bill; H. R. 4051, to amend the Natural Gas Act; H. R. 3813, the loyalty bill; S. 526, the scientific-foundation bill; Senate Joint Resolution 123, repealing certain emergency laws; House Concurrent Resolution 54, having to do with the Schick Hospital; H. R. 1639, amending the Employers Liability Act; H. R. 1602, the mineral-resources bill.

Conference reports, of course, may be called up at any time they are ready; and, in addition, any urgent rules, not listed, may be called up during the week if time permits.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. The terminal-leave-pay bill will be taken up Monday?

Mr. HALLECK. I suspect that is one of the suspensions that will be called on Monday.

EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from a newspaper.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 30 minutes.

Mr. MASON. Mr. Speaker, we Americans were once a carefree and happy people. When we earned a dollar we could do with it as we pleased. That was before the New Deal Era; before the New Deal levied the present burdensome income tax upon 45,000,000 taxpayers that had never before paid a direct Federal tax; before Uncle Sam started reaching into the pay envelopes of the working men of America and extracting "his cut" of the amount found therein. Today Uncle Sam takes from 20 cents to 80 cents out of every dollar earned, depending upon the size of the person's income and the tax bracket in which he is placed. That is how we pay today for the something-for-nothing program of the past decade.

The following interesting comparison shows plainly to what extremes we have gone with our Federal income tax.

In 1748, when George Washington was 16 years old, the German barons of Prussia issued a partial emancipation proclamation which stated that from then on the German serfs could have 2 days each week to work for themselves and their families, that hereafter they would only be required to work 4 days per week for their masters—the German Government of that day. This was equivalent to reducing the 100 percent tax upon a serf's time to a 66⅔ percent tax upon his time.

On the basis of 300 working days per year the American citizen today in the lower brackets—below $3,000—is required to work only 17 days per year for the Government; in the $3,000 to $5,000 bracket, 36 days per year; $5,000 to $10,000, 52 days; $25,000 to $50,000, 126 days; $250,000 to $700,000, 230 days; and over $700,000, 260 days per year. So the American citizen in the top income bracket today is required to work for his Government more days per year than the German serf of 200 years ago. He is actually required to work for his Government 5 out of 6 days every week in the year.

Mr. Speaker, there is no more pertinent statement in the field of taxation than "The power to tax is the power to destroy." I am opposed to high taxes, not primarily because they place a burden upon the rich, but because they prevent the poor from becoming rich. The ambitious individual—the Fords and Edisons—who dreamed dreams and launched out on some business venture in the days of low taxes has already made his mark. He has accumulated his capital, and become a captain of industry. The acid test of a system of taxation is not its effect upon the man who has already achieved, but rather its effect upon the ambitious young man just starting out to achieve.

Collecting taxes is like taking blood from a human body for a blood bank. If we take too much at a time we run the risk of weakening the patient so that he cannot give blood another day. Whenever a tax takes too much or too often from the channels of business, business is weakened and the Treasury loses. When virile, forward, venturesome young men are permitted to grow and expand in a favorable tax climate, the Treasury gains. High tax rates produce an economic anemia that prevents business expansion and makes it impossible for an ambitious, venturesome young man to achieve.

Mr. Speaker, jobs and taxes are tied together. They cannot be separated. They are closely related. High tax rates mean a contracting national economy, fewer jobs, and increasing unemployment. Low tax rates mean an expanding national economy, more jobs, and little if any unemployment.

Our present tax rates are confiscatory; they have passed the point of diminishing returns; they are drying up the streams of investment capital; they are discouraging business expansion and preventing new enterprises from being established. When manufacturers are forced to hand over to Uncle Sam 80 cents out of every dollar they make in profit—as many of them are required to do today—there is no incentive to expand, to create new jobs, to produce more goods for a hungry consuming public. Our tax rates should not discourage new ventures and the taking of business risks. The present tax rates do just that. When over-all taxes take more than one-fourth the total national

income as they do today, the tax load is too heavy upon the average taxpayer. When the tax load in the higher brackets takes 80 cents out of every dollar the taxpayer receives, as it does today, it kills the goose that lays the golden eggs—the golden eggs in this case being more jobs and additional pay rolls for the workingmen of America.

The present over-all tax load upon the average American taxpayer must be lightened considerably, and the extra heavy tax load upon the taxpayer in the high brackets must also be lightened considerably if 60,000,000 jobs are to be created and maintained. Any Boy Scout knows that the proper adjustment of the pack on his back will enable him to carry a load that would otherwise become unbearable upon a long hike. The job of the Congress today is not only to lighten the tax load upon the average American taxpayer but also to adjust the tax load in such a way that jobs will be created and maintained.

Mr. Speaker, the Ways and Means Committee is at present holding public hearings on a long overdue revision of our Federal tax laws. The present laws are the result of compromise developed over many years of piecemeal tax legislation. They constitute today a Federal tax system resembling the patchwork of a crazy quilt. These public hearings will continue for several months and will cover the following fields of taxation:

First. Business taxes: Corporate rates, taxation of dividends, taxation of small business, taxation of partnerships, and taxation of cooperatives.

Second. Individual income taxes: Rates, exemptions, family income, pensions and annuities, and earned income.

Third. Excise taxes: Rates, luxury taxes, liquor taxes, tobacco taxes, transportation and communication taxes.

Fourth. Social-security taxes: Extension of present coverage, and rates necessary to make funds actuarilly sound.

Fifth. Estate and gift taxes: Rates and incentive to accumulate.

Sixth. Technical tax matters: Administration difficulties, simplification and clarification of language, and so forth.

The committee has set a gigantic task for itself. If the task is to be completed, the committee must receive the fullest cooperation from all quarters and from all interested groups. As a result of these hearings a comprehensive tax bill will be prepared, ready for introduction in the House next January.

In connection with tax revision the Congress must take into account and decide upon: First, the Federal budget; second, reduction of Government expenditures; third, substantial and regular payments upon the national debt.

The President's budget estimate of $37,500,000,000 is based upon the present national income of $166,000,000,000 That is the highest national income in our history. As recently as 1940 our national income was only 77.6 billions. The President's budget estimate is also based upon the most burdensome tax rates even known in peacetime. His budget therefore presupposes the continuation of an inflated national income and oppressive war tax rates, neither of which can be expected to continue. The Federal budget must be drastically cut before tax revision can be accomplished.

The first steps in expenditure reduction are now being taken. When the Congress gets through with the appropriations for the next fiscal year there will be a reduction of about $5,000,000,000. An estimated surplus for this year of three or four billion dollars, plus the expected reduction in next year's expenditures, should provide ample funds to balance the budget, to make a substantial payment on the national debt, and to take care of a tax-reduction program.

Mr. John W. Snyder, Secretary of the Treasury, in testifying before the Ways and Means Committee defined a sound tax program as one that:

(a) Will produce adequate revenue for Government needs.

(b) Will be equitable in its treatment of different groups.

(c) Will interfere as little as possible with incentives to work, to save, and to invest.

(d) Will maintain broad consumer markets so essential for high-level production and employment.

(e) Will be simple to administer and easy to comply with.

(f) Will be flexible so as to avoid frequent revisions of the basic tax structure. This means a stable tax structure with flexibility confined to changes in rates and exemptions.

I agree fully with the items listed by Secretary Snyder as essential qualities of a sound tax structure.

Mr. Speaker, the following are interesting facts and figures in connection with our present tax system that must be considered in any tax-revision program:

First. Forty-seven million persons who pay Federal income taxes have incomes of $5,000 per year or less; they receive 80 percent of the total national income, but pay only 56 percent of the total tax collected.

Second. Two million persons who pay Federal income taxes have incomes of more than $5,000 per year; they receive 20 percent of the total national income, but pay 44 percent of the total tax collected.

Third. Under present law an individual receiving an income of $50,000 pays a tax 27 times as large as that paid on a $5,000 income; and an individual receiving an income of $300,000 pays a tax 255 times as large as that paid on a $5,000 income. These tax loads are out of all proportion, and should be adjusted properly.

Under the Knutson tax-reduction bill, passed by the Congress, but vetoed by the President, the average American family of four would have paid taxes as follows:

A yearly income of $2,000 or below, no tax.

Yearly income	Yearly tax	Percent of income
$2,100	$13	0.6
$2,500	67	2.7
$5,000	471	9.4
$10,000	1,490	14.9
$50,000	19,289	27.2
$100,000	49,841	49.8
$500,000	341,300	68.2
$1,000,000	728,050	72.8

Mr. Speaker, when a tax bill takes less than 1 percent of the income of a person in the lowest tax-paying bracket and 72.8 percent of the income of a person in the upper tax-paying bracket, how can anyone honestly call it a rich man's tax bill? Yet that is exactly what President Truman did in his veto message.

It is interesting to note in this connection that less than 2 years ago President Truman signed the Revenue Act of 1945, which was a Democratic tax measure sponsored by Congressman ROBERT DOUGHTON, then chairman of the Ways and Means Committee. The Revenue Act of 1945 provided tax relief totaling $6,000,000,000 per year, most of which went to corporations, and this was done in the face of a $20,000,000,000 budget deficit. Now President Truman has vetoed a Republican tax reduction bill that proposed to give 49,000,000 individuals tax relief amounting to $4,000,000,000, most of which would have gone to taxpayers in the lower brackets. The bill was vetoed in spite of the fact that a Treasury surplus of several billion dollars is expected during the present fiscal year.

In taking this action President Truman brushed aside the advice of such Democratic leaders as Senator GEORGE and Congressman DOUGHTON, who told him the country needed tax relief now. These two men are outstanding tax authorities, each having been chairman of the respective tax committees of the Senate and the House. President Truman preferred to follow the advice of lesser men who do not understand that this Nation cannot long maintain full employment, full production, and a sound economy, and at the same time carry the present excessive wartime tax load. President Roosevelt vetoed a tax bill, the first tax bill ever to be vetoed by an American President. At that time President Truman, then Senator Truman, joined Senator BARKLEY in denouncing the veto message and helped by his vote to override that veto.

Mr. Speaker, America was once famous the world over as the land of opportunity, the land where there was no limit to the progress that might be made by the intelligent, industrious, and ambitious youth. We boasted of our Henry Fords and our Thomas Edisons who started with almost nothing and built up industrial empires. Under our present income-tax structure such advancement has been rendered virtually impossible. Our Federal tax system must be completely overhauled with a view to once again making it possible for ambitious young men to achieve. It is the ambitious young man with an idea that builds industrial empires, provides thousands of jobs for the workingmen of America, increases productivity per man-hour, and makes possible the highest wage scales and the highest standard of living in the world. He cannot do this, however, without a favorable tax climate that permits growth and expansion. It is the responsibility of Congress to provide that favorable tax climate. Not until we do so will America deserve again the title "the land of opportunity."

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Nebaska [Mr. CURTIS] is recognized for 60 minutes.

SYNTHETIC RUBBER AND OUR AGRICULTURAL ECONOMY

Mr. CURTIS. Mr. Speaker, in my remarks today I want to deal with our synthetic-rubber industry and its relation to a sound agricultural economy in the country. However, before going into that phase of the matter, I want to again call attention to the importance of our synthetic-rubber industry to our national security. This has been well stated in an editorial appearing in Collier's on June 21, 1947, entitled "Watch Those Rubber Plants." The editorial is as follows:

As we can hardly recall too often for our own good, the Japanese came near winning the recent war by cutting the United States off at one murderous swoop from the Far East sources of some 90 percent of its natural-rubber supply.

It if hadn't been for Bernard M. Baruch, William M. Jeffers, and the furious energy and exuberance of United States industry, we'd have had a transport break-down on both the fighting and the home fronts, and that break-down in all probability would have lost the war for the Allies.

As things turned out, we built an enormous synthetic-rubber industry — about $750,000,000 worth—and this apparatus, with a peak capacity of more than 1,000,000 tons a year, kept our fighting forces and the home front adequately supplied.

All that being history, producers of natural rubber are now doing their best to persuade us to scrap our synthetic equipment and go back to the natural article entirely. Propaganda is being warmed up; attacks are being made on us for alleged cruelty to the Far East rubber producers; and so on and so forth.

To all this yatata-yatata, our reaction should be and continue to be: "Ah, nuts."

There is no objection that we know of to our taking reasonable quantities of natural rubber. It would be foolish just to boycott the stuff, thereby injuring the Far East rubber people unduly and, more to the point, also hurting our own Far East export trade.

But as for scrapping our synthetic-rubber apparatus, let's not. Let's put some of it in stand-by condition, ready to get going again at any moment; but let's also keep a goodly percentage of it turning out rubber for the United States and other markets, and improving synthetic-rubber techniques as time goes by.

To ask us to take a slash at our own throats by risking another sundering of oceanic rubber life lines is the height of impudence, and we should rebuff all such suggestions with the scorn they deserve.

In order to provide rubber for national defense and to provide a market for the products of the farm, I have introduced H. R. 2704, the details of which will be discussed later in my remarks.

I am indebted to Dr. Leo M. Christensen, director of research and engineering of the National Agrol Co., of Lincoln, Nebr., for the research, facts, figures, formulas, and many of the proposals hereinafter stated. The Nation's scientists are pointing the way to a better day for American agriculture. Dr. Leo M. Christensen has done as much or more in this field as any American.

THE CASE FOR FARM-PRODUCED SYNTHETIC RUBBER

During World War II the American farmer supplied the raw materials for the manufacture of approximately half the total production of synthetic rubber, which reached a value practically double the prewar importation of natural. That is, the American farmer supplied the raw materials for almost as much rubber as was previously imported. No other technological development of the war period was more important in practical results, not even the production of the atomic bomb. Furthermore, this accomplishment may have fully as great future significance as that of atomic energy. The two developments are of similar fundamental character, since both depend upon atomic fission and both establish a new basis of distribution of the world's resources. In the case of rubber, the energy release takes place in the sun, supplying radiant energy for the photosynthesis of starch, which in turn is converted to alcohol, from which the butadiene is made for polymerization with styrene to yield rubber; and since such radiant energy reaches all parts of the world with little partiality, there can be not monopolistic control of its use.

Agricultural interests are now faced with the problem of keeping this new business. During the war, price was not a factor; only the rate of production and the ability to increase this rate fast enough to meet the war requirements was of importance. Now price has become the primary factor, and the alcohol-synthetic rubber is not able to meet the competition of natural rubber from abroad or of synthetic from petroleum. Solution of this price problem is, therefore, a basic task for these agricultural groups.

But this is not simply a farmer's problem, or a problem of that segment of the synthetic rubber industry that is based upon the use of farm crops. All elements of the national economy will be affected by the answer finally developed. Because of the very broad economic significance of this situation, which will be analyzed more fully in the following, it behooves all interests, business, industrial, financial, agricultural, and technical alike, to give careful consideration to the factors involved and to the impact upon the total economy of the plan finally developed. Only in its superficial aspects is this a farm problem; actually it is a national problem of the first order.

FARM SURPLUSES ENDANGER THE NATIONAL ECONOMY

American agriculture underwent a profound technological revolution during the war years. Under the inducement of high prices, farmers put to work the achievements of a quarter century of agricultural research at a rate no one had thought possible. New crop varieties, new cultural methods, new fertilization techniques, and many other production improvements that had been developed in the agricultural experiment stations, Federal laboratories and in privately financed research, had lain practically dormant for a long time, but with high prices, labor shortage, and patriotic appeal for more production, the farmer put them to use on a large scale. The result is told in the data on farm production. Total tonnage of farm products increased 36 percent during the war years, on somewhat smaller cultivated acreage with less manpower. Machinery shortages and other factors prevented the full application of the new methods, and during the next few years further increases can be expected. This technological trend is, of course, irreversible; there can be no return to the lower efficiency of prewar days.

Farm-crop production before the war was something like 12 percent above that which the then existing markets could absorb at price levels that would avoid an agricultural depression. Then the present productive capacity is 48 percent greater than that which the markets can take unless there has been a change from prewar market conditions.

There is presently a much larger market for American farm crops than existed before the war. This is wholly the result of the determination to feed all the hungry peoples of the world, and during the past year about one-third of the wheat crop and large amounts of other foods were exported. No thinking American believes that this program will long continue. First, we cannot afford such a large degree of charity, and, second, it will be doing harm to the economy of all other nations, the recipients of the present charity included. This fact is fully recognized by the men who are charged with planning the international marketing of farm products. Thus, in the International Wheat Conference held in London, it is the expectation of all concerned that at the best American agriculture will supply to the buyers in international markets practically the same amount of wheat that was sold there in the prewar period. Actually, the market may shrink, because of the programs for restoration and expansion of agricultural productivity in other countries, which the United States is quite properly encouraging.

The domestic market for farm products, which has always greatly overshadowed the foreign sales, has not profoundly changed. Actually, it may have undergone some small shrinkage. Thus, the important gains made by rayon and nylon in tire construction have certainly reduced the market for cotton. Improvements in the preservation, transportation, and marketing of perishables, including the greatly expanded use of quick freezing, dehydration, air transportation, and refrigeration, certainly will reduce the large loss of foods between producer and consumer. Only the increase in population is working toward a greater domestic consumption of farm products, and this is so small that its effect will undoubtedly be overshadowed by other factors.

It has been argued by some that destruction of trade barriers will enlarge the demand for American farm products abroad. This is not in any way supported by facts, however, and it seems highly improbable that any such result can be realized. When the list of our imports

is examined, it is perfectly evident that in the prewar period the bulk of the imports into the United States consisted of farm products or of materials derived from them. It is only necessary to cite sugar, rubber, newsprint, vegetable oils and industrial starches to indicate the large volume of such imports. Exports were largely manufactured goods. That is, if perfectly free international trade were set up, the United States might expect to export more manufactured goods and import more farm products, because while American manufacture is fully able to compete with that of other countries, American agriculture is not, unless there is a reduction of living standards to the peonage of foreign countries, which is not now and is not likely to be the national policy.

There is now quite general agreement, and hence no need to argue the point, that if there should be a large deflation in farm-produce prices there will inevitably be a corresponding general deflation. If the deflation should reach depression proportions, a national depression will certainly follow, with widespread unemployment. While industry and labor might in time adjust themselves to the new economic order, the Federal Government cannot, because of the large public debt, and therefore the entire national economy could collapse. There is common agreement that only by maintaining something approaching present price levels can the Federal debt be handled. Certainly it would become unmanageable should there be a depression like that of 1930–35.

In the prewar agricultural program crop production was reduced by paying the farmers to retire acreage. In addition large amounts of farm products were dumped abroad or were given to low-income groups through the stamp plan. To obtain a reduction in acreage and to handle the supplementary dumping program cost an average of around $800,000,000 per year. Then to handle a surplus four times as large would cost $3,200,000,000 per year at the old price levels and at least twice as much with price levels as of today.

It certainly will be wise to retain some of the features of the prewar farm program, including loan provisions, storage against enlarged demand or reduced production, and encouragement of soil conservation, but the negative plan of curtailing production should be avoided unless all other efforts fail to prevent a price collapse. This was recognized in a resolution by the Wheat Growers National Committee adopted in its meeting in Omaha, Nebr., in February 1947, in which it was advocated that all other means to prevent a price collapse be used before production curtailment is invoked. It seems obvious, in view of the cost of such a program and its negative character, that production control should be employed only as a last resort.

It was this kind of reasoning that lead to the publication of the editorial Chemurgy or Chaos in Chemical and Metallurgical Engineering for November 1945:

CHEMURGY OR CHAOS

American agriculture emerged from this war geared to produce 30 to 35 percent more than before Pearl Harbor. * * * We have had a veritable revolution in production. This revolution is not reversible. We neither want nor can we go back to prewar days. Wartime production levels in agriculture will tend to persist regardless of economic conditions. Total farm production is responsive to increased prices or income. But, once expanded, it is not quickly responsive to low prices or depressed conditions.

Thus an official spokesman of the Department of Agriculture talked to the National Retail Farm Equipment Association in St. Louis on October 23, frankly admitting that we can expect to have large surpluses of agricultural materials offered on the market regardless of domestic demand. For this there can be only one answer. New uses must ultimately be developed. Only for a time will the surplus find a market abroad or be used through UNRRA for relief. After that there will be either chemurgy or chaos.

Chemical engineeers must prepare to apply new science for the conversion of these farm surpluses into nonfood products in large quantity or the agricultural population of America will suffer sadly. There seems to be no escaping this responsibility, because we know that the official interpretation is correct. Farm producers will not turn back to low yields or small crop practices. 'It is a serious prospect both for agriculture and for chemurgy.

Synthetic rubber is important in this connection, not so much because it can utilize up to 100,000,000 bushels of grain per year, but because any plan or program that will open the door for a large scale farm-produced rubber manufacture will automatically provide many other new markets, because alcohol, butylene glycol or other intermediate made from farm products is of interest in many other chemical industrial operations at prices they can bring in the rubber industry. This matter will be more adequately treated in a subsequent section of this report.

THE VALUE OF ALCOHOL IN THE SYNTHETIC-RUBBER INDUSTRY

Perhaps in discussing this matter, it would be well to define a few of the terms that will be used:

GR–S is a general-purpose synthetic rubber. This definition does not preclude a special-purpose rubber from becoming a general-purpose rubber.

Butadiene is one of the principal components of GR–S, and is obtained from petroleum hydrocarbons or alcohol. It is a gas at ordinary pressures and temperatures, but is easily liquified by cooling.

Butylene is a petroleum derivative used in producing butadiene.

Styrene is one of the principal components of GR–S, whether it is made from petroleum or alcohol. It is a colorless liquid which is made from benzol and ethylene.

The Rubber Reserve Company, in its report on the rubber program 1940–45, issued February 24, 1945, presented data on the operations of the synthetic program. Included are cost data on the manufacture of butadiene from butylene and from alcohol, and on the cost of rubber from that butadiene. Dr. Christensen has analyzed this report and I want to give you certain conclusions drawn by him.

In this report the costs are stated in terms of a pound of resultant GR–S rubber. Styrene cost is assumed constant at $0.011 and conversion at $0.045 per pound of GR–S, a total of $0.056 per pound. In stating the cost of producing GR–S from each source, capital charges are not given, but they can be calculated from the investment values which are supplied. The investment in the butylene-butadiene rubber industry is given as $544 per annual ton, and if a total capital charge of 20 percent is assumed to cover insurance, taxes, interest, and amortization, which these war plants did not pay, this cost becomes $= \frac{\$544 \times 0.20}{2000}$ $0.054 per pound of GR–S.

The investment in the alcohol-butadiene rubber industry is given at $292 per annual ton, which with a capital charge of 20 percent, becomes $\frac{\$292 \times 0.20}{2000} =$ $0.029 per pound of GR–S.

The costs of butadiene from butylene and from alcohol are given without capital charges as shown in table 1, and costs of GR–S, involving the styrene and conversion costs above are also included in this table.

TABLE 1.—*Cost of butadiene and of GR–S made from alcohol and from butylene at several price levels*

	Cost of butadiene per pound GR-S, without capital charges	Cost of GR-S per pound, including capital charges
Alcohol cost, per gallon:		
$0.15	$0.058	$0.143
$0.20	.072	.157
$0.25	.085	.170
$0.30	.098	.183
$0.50	.152	.237
$0.90	.262	.347
Butylene cost per gallon:		
$0.04	.038	.148
$0.06	.042	.152
$0.08	.046	.156
$0.10	.051	.161

From these data, by graphical analysis, the competitive values of alcohol and butylene can readily be calculated. These as shown in table 2.

TABLE 2.—*Competitive values of butylene and alcohol for butadiene manufacture*

Butylene value per gallon delivered	*Alcohol value per gallon delivered*
$0.050	$0.188
.060	.197
.070	.204
.080	.211
.090	.219
.100	.227
.110	.235
.120	.242
.140	.250

Various estimates have been presented forecasting the cost of butylene in the future. Obviously there is no single cost. In one plant it may be a minor byproduct whose value may be almost any figure, depending upon the accounting system. In another plant it may be a much more important product and have an entirely different value. Because of its value in aviation fuels, it does not seem likely it will ever sell at less than $0.12 per gallon, and it may bring $0.14 per gallon. The competitive value of alcohol is thus substantially $0.25 per gallon.

The price data for both butylene and for alcohol are on the basis of delivery at the butadiene plant. In both cases transportation charges must be added and it is reasonable to consider that they are equal. Thus the prices have the same comparative values at the point of origin, in which case the GR–S rubber made from them will cost $0.17 per pound plus a transportation charge estimated at $0.05, to give a total GR–S cost of $0.22 per pound, which was the average prewar cost of natural rubber. Presumably the postwar price will not be less.

It is not a simple matter to arrive at a figure for the cost of alcohol made from farm products. First, there is no single cost applicable to all plants at any one time. Thus, during the war the plants selling alcohol to the Government on a cost-plus basis charged prices ranging from 59 cents to $1.64 per gallon, with grains costing substantially 2 cents per pound. This is, of course, a reflection of the high degree of obsolescence in the industry. In the event of a long term program, it is reasonable to assume that all participating plants will equal or slightly better the performance of the best unit of the war program, and can sell alcohol at not over 60 cents per gallon with grains at 2 cents per pound, which is 35 cents per gallon above its competitive value.

But grain prices are today 2½ cents to 3 cents per pound, and the most efficient of the present plants must charge 75 cents per gallon for its alcohol. The average alcohol price is today 98 cents per gallon, which is again an indication of the extremely low efficiency in many of the plants. That is, if present grain prices prevail, the price disadvantage is 50 cents per gallon in the best of present plants.

No one believes that grain prices will long continue at present levels, but what will be the future price is a hazardous guess. Present parity price for corn is $1.32 per bushel calculated to the major corn area, and this rises or falls with the general economic condition. During the next year or two it may fall, perhaps to $1 per bushel. Artificial price support probably will be invoked to hold grain prices at something like 1½ cents per pound, or 84 cents per bushel for corn, but there is a general opinion that prices may decline to lower levels.

This consideration shows how difficult it is to arrive at any idea of the price differential that must be overcome. It is currently $0.50 per gallon of alcohol, $1.25 per bushel of grain, or $0.136 per pound of rubber. With grains at around $0.015 per pound, which guessing indicates as the probable maximum in the near future, the price disadvantage becomes not more than $0.20 per gallon of alcohol, $0.50 per bushel of corn, or $0.055 per pound of rubber. If grain prices decline to around $0.01 per pound, which many think is likely, the price disadvantage drops to less than $0.10 per gallon of alcohol, $0.25 per bushel of corn, or only $0.028 per pound of rubber. For the purposes of the present analysis, it will be considered that the price disadvantage is $0.20 per gallon of alcohol, $0.01 per pound of grain, or $0.055 per pound of rubber, and this seems a reasonable and logical basis for starting the development of a program.

Four general methods for overcoming this price disadvantage have been proposed in discussions concerning this matter. These proposals are analyzed in the following sections.

FIRST PROPOSAL—MANDATORY LEGISLATION

In this procedure national legislation would simply require that all processors buy some specified amount of rubber derived from farm products produced within continental United States. Perhaps the alcohol and the butadiene manufacturers and others in the chain converting the farm product to rubber would be required to operate under some profit limitation or under price ceilings.

It is argued that this is a simple and highly effective procedure and that it requires almost no expenditure of public funds. With only 6 to 8 pounds of rubber per tire, the motorist would pay only $0.33 to $0.44 more per tire if all the rubber were made from alcohol at the assumed price, and this differential would decrease as grain prices return to more nearly normal levels. This seems almost insignificant when considered on this basis, but it amounts to $55,000,000 increase per 500,000 tons of rubber, or about a year's supply. If only half the total rubber were made from alcohol, the price advance would, of course, be half as large. As grain prices return to more nearly normal, the cost of such a program would decline, probably to about one-half the above levels.

Mandatory use of specified materials has long been common in European countries. Thus alcohol produced from farm crops was used in motor-vehicle fuels in specified amounts under such legislation, the objectives being the disposal of crop surpluses, the greater development of national security, conservation of natural resources, and the improvement of international-trade balances. In some countries the amount of alcohol was varied from year to year, to take into account the variations in crop production.

It is impossible to make an adequate economic analysis of this procedure because of the intangible factors involved. But it is obvious that above some alcohol price level such a plan is not economically sound, and it seems very doubtful that such a program can justify more than the price differential of $0.055 per pound calculated as presently effective.

In European countries where people are accustomed to rigid legislative controls, such mandatory use of farm crops has caused little or no concern. But the American people are not psychologically situated to accept such a program in a similar acquiescent manner. All sorts of evasion, blackmarketing, and other undesirable results would certainly arise.

SECOND PROPOSAL: DIFFERENTIAL TAXATION

By the application of an import duty on natural rubber and an internal tax on rubber derived from petroleum, with alcohol-produced rubber exempt from such tax, the price disadvantage can be eliminated. A tax differential of $0.055 per pound would equalize prices now or soon possible and this could be reduced, perhaps to $0.028 per pound, as grain prices return to something like normal.

Such a program would have the effect of making all rubber cost the consumer the price of rubber from alcohol, regardless of the percentage of rubber made from it. That is, it would increase the cost of rubber to the public by some $55,000,000 per 500,000 tons now and probably not more than one-half of this value in the near future. The Federal Treasury would be enriched by the taxes or duties collected on rubber not derived from domestic farm crops.

There is another aspect of this situation that deserves attention. For reasons never made public, the alcohol-rubber industrial program was set up on an inefficient geographical basis. The center of grain production in the United States is practically at Omaha, Nebr., and this is the area where alcohol can be made at lowest cost because this is where grain is cheapest. But the major facilities for converting alcohol to butadiene are at Institute, W. Va., while the major rubber fabricators are at Akron, Ohio. The freight charges in this uneconomical arrangement are approximately 5 cents per pound of rubber. If private industry carries on this operation, such inefficiency will sometime be eliminated by relocation of the alcohol-butadiene plants.

The differential tax program is well supported by precedent. Railroads were built under incentives supplied by Government, many industries got their start behind a wall of tariff protection, and in other ways infant industries have been given a helping hand by Government.

There is always the danger that the infant will never acquire adult stature and be able to stand on its own feet. If at the time these artificial props are supplied it is also stated that at some definite time they will be removed, the tendency for the recipient to avoid reaching his maturity can be curbed. Such provision can be made in the differential tax law. Thus a tax differential might be set as 5½ cents per pound for a period of, say, 4 or 5 years, then reduced to 2⅘ cents per pound for 2 years, and finally to nothing. The Congress would reserve the right to revise the schedule as future events might require.

Such a program is sound when there is definite assurance of improving efficiency in the industry to be encouraged. This matter is analyzed in a subsequent section of this report and data are presented showing that very large reductions in the cost of making alcohol from grains and other starchy substrates are entirely feasible. Laboratory research has developed new processing methods that have only to be carried through the pilot plant before they can be applied to commercial production.

Differential taxation is undoubtedly less objectionable from a psychological standpoint than is mandatory legislation, but it may still run into some degree of opposition from consumer groups and from the rubber and petroleum industries. Opposition by the British-Dutch rubber cartel can, of course, be counted as certain. If the plan is set up on a self-liquidating basis, however, such opposition loses much of its effect.

In order that the method of a tax differential might be placed before the Congress, I have introduced legislation which would place a manufacturers' tax upon rubber sold by the manufacturer or producer with the exception of rubber that is manufactured or produced in the United States from butadiene, which is produced from grain alcohol. That bill is known as H. R. 2704, which is as follows:

H. R. 2704

A bill to amend chapter 29 of the Internal Revenue Code

Be it enacted, etc., That chapter 29 of the Internal Revenue Code is amended as follows:

(a) Insert after section 3401 a new section reading as follows:

"SEC. 3402. Tax on Rubber.

"(a) Manufacturers' tax: There shall be imposed upon rubber sold by the manufacturer or producer a tax of 7 cents per pound.

"(b) Definition: For the purposes of this section, rubber shall be defined as in section 3400 (c) except to the extent that such rubber is manufactured or produced in the United States from butadiene which is produced from grain alcohol."

(b) Insert after section 3425 the following new section:

"SEC. 3426. Rubber.

"Rubber, including synthetic and substitute rubber, 7 cents per pound."

(c) Delete the numeral "3425," and insert in lieu thereof "3426" before the word "inclusive" in section 3420.

(d) Delete "and" before the numeral "3425" and insert after such numeral ", and 3426" in section 3430 (c).

(e) Delete the numeral "3425" and insert in lieu thereof "3426" wherever such numeral appears in section 3430 (d).

(f) Insert "or rubber taxable under section 3402 or section 3426" before the period at the end of section 3442.

(g) Insert "or rubber taxable under section 3402 or section 3426" after the numeral "3404" in section 3443 (a) (1).

(h) Insert "(a) rubber taxable under section 3402 or section 3426 or (b)" after "imports" in section 3444 (a) (2).

THIRD PROPOSAL: TWO-PRICE MARKETING OF FARM CROPS

This procedure has had a great deal of consideration by farm groups and was the basis for the McNary-Haugen bill, the first national legislative approach to the solution of the farm-surplus problem. That bill lacked only a few senatorial votes of passing over the veto by President Coolidge. Provision was made for marketing basic crop surpluses at lower than the standard domestic prices for consumption in other channels. Synthetic-rubber manufacture could have qualified very well as such an outlet.

In the original McNary-Haugen plan the farmers paid the bill for such disposal, and there was a minimum drain upon public funds. A smilar basic plan is provided in section 32 of the 1938 AAA amendments, but the cost of such disposal is paid from an allocation to the Secretary of Agriculture of 30 percent of the customs receipts, which provided a total of around $100,000,000 per year for this purpose. But so far as is known the only use that was made of this provision was the financing of the stamp plan for gift of surplus foods to low-income groups and dumping surplus grains abroad. It is definitely known that at least three proposals for diversion of surpluses into chemurgic use at prices considerably higher than those obtained on foreign sales were refused by the Department of Agriculture in 1938 and 1939.

The two-price system supplements the storage and loan provisions of the prewar farm program in an excellent manner, and, keeping in mind the need to maintain good relations with other farm product exporting nations, use of the surpluses in domestic industry is far better than dumping it into world markets. There are the additional advantages that domestic chemurgic industries return to the land all the elements of soil fertility present in the crop. Synthetic rubber represents only the carbohydrate of the farm crop processed, which is wholly obtained from the atmosphere by photosynthesis.

As seen above, grains presently have a low value for alcohol manufacture if the price must be reduced to a freely competitive level. About 35 to 40 cents per bushel of corn is all that the present alcohol manufacturer could pay if he used present processing methods. But as will be noted later, this situation can be very profoundly changed by application of new processing methods which research has developed, but which still must be put through a pilot plant stage before they can be commercially utilized.

Two-price marketing is commonly employed in industry. Thus, a chemical manufacturer produces only one grade of magnesium sulfate but sells small amounts as a pharmaceutical and fine chemical at a high price, and larger amounts for inferior uses at a much lower price. Steel products are similarly marketed at several basic price levels, and freight rates vary widely with the type of commodity hauled and with origin and destination. It is sound basic policy to sell into each market at the price that market can pay rather than let the most inferior market set the price for all, as has been the system in farm crops marketing.

FOURTH PROPOSAL: FREE COMPETITION THROUGH RESEARCH

The three proposals previously described are based upon artificial support for the manufacture of synthetic rubber from farm products. Similar support may be extended to the manufacture of other chemurgic products from farm crops. Although these artificial props may be justified upon the basis of certain broad economic and social objectives, there is no question that if it is possible to avoid their use through improvement in the efficiency of the manufacture of these chemurgic products, this would be a great deal the more desirable procedure.

There is a further matter to be considered in this connection. As previously pointed out, it is far easier to justify the establishment of artificial support for these operations at the present time if there is a chance that some day such props will not be needed than would be the case if there was never any hope that such industries could stand on their own feet. In connection with this fact, it was previously stated that whatever legislation may be passed for the artificial stimulus of synthetic-rubber production from farm crops should be limited in time. That is, some definite terminal facility for such support should be provided in the original legislation, so that all of the groups participating in such activity would clearly know the date upon which they would have to have their operations so organized that they would carry on without legislative help.

Although the manufacture of alcohol from grains and other farm crops is one of the oldest, if not the oldest organic chemical industry, it is in a very poor state of technical development and the costs of manufacture are excessive. Research in this industry has been notably weak and there has been no important technological change in many years. The yields of alcohol obtained are considerably below those that have long been known to be theoretically possible, byproducts recovery is incomplete and inefficient, the enzyme-containing matter used to convert the starch to fermentable sugars is far too expensive, and factory operating charges are excessive.

Research during recent years has supplied the answers to the technological questions concerning the possibility of improving this situation. Such research is, however, yet to be carried through a pilot plant scale operation, before all of the engineering data are available for the design of such commercial scale facilities. There is no question that such a pilot plant investigation will supply these engineering data nor is there any question that the yields obtained in the laboratory can be fully duplicated, both in the pilot plant and in the commercial installation. It must be emphasized, however, that this pilot plant investigation must yet be completed before commercial use can be made of the new processing methods. It is also obvious that cost estimates presented in this report are, after all, only estimates, even though they are based upon entirely sound reasoning. Actual use must be made of the processes, at least on a pilot plant scale, before more accurate data can be supplied. Since, however, the principal benefits of the new processes are the results of improvements in yields of alcohol and byproducts, and since there are practically no uncertainties about obtaining such yields in the commercial plant, the estimates presented in table 3 which has been supplied by Dr. Christensen, are quite dependable for the purposes of the present analysis, and clearly indicate what can be done by adopting this new processing technique.

There is no need in this report to present a detailed technical discussion of the means by which the production of alcohol from grains and tubers can be put upon a more efficient basis. It is, however, proper in this report to discuss the main points of diversion from orthodox in order that the cost data of table 3 may be more fully understood. This explanation is given in the following outline:

First. It is obvious that one of the major costs in present processing is the malt required to supply the enzyme needed to convert the starch to sugars fermentable by yeast. The malt must be made from the highest quality of

barley and the process requires about 8 days for the production of high-quality malt. There is a very considerable loss in weight and the cost of manufacture is high. In the new process, bran is removed from the grain to be processed and a selected mold is grown upon it, yielding mold bran in 36 hours that is at least three times as effective as is malt. The manufacturing costs given in table 3 are based upon pilot plant operations and assume that this mold bran will be produced in the alcohol plant in which it will be used. It is not possible to obtain this degree of economy if the mold bran is made in a separate plant under separate administration, because of the transportation and handling costs, the cost of drying the product for shipment, and the duplication of administrative charges.

Second. In orthodox processing there is a large loss of starch decomposed to carbon dioxide and water. This loss normally runs about 25 percent of the total starch charged to the process. That is, the alcohol yield obtained is not now more than about 75 percent of that theoretically possible. This loss is the more serious because not only was the raw material bought at a good price, but before it was lost it actually had to bear a great deal of the factory operating charges. In the new process this loss is avoided by cooking at an acid reaction and then instantaneously cooling to the temperature required for optimum activity of the mold bran which is employed for the final conversion. In order that this combined acid-enzyme saccharification may be used effectively, it is essential that most of the bran and the fat content of the grain be removed, because if they are not, this process yields toxic substances which interfere in the subsequent fermentation. By this means, the alcohol yield becomes about 90 percent of that theoretically possible and 20 percent greater than that obtained by orthodox methods.

Third. As previously noted, it is essential that the bran and fat be removed from the grain before mashing. The bran is removed by the usual milling operations and the cost of such processing is small. The fat content is removed from this grain by use of a simple solvent-extraction system which recovers at least 90 percent of the fat content of the grain. Present orthodox dry milling recovers only about one-fifth of the fat content of corn and cannot be applied to other grains. Present orthodox wet milling requires a very expensive installation and recovers only about one-half the total fat content of corn and cannot be applied to other grains. With vegetable oils at their present high prices, this improvement in fat recovery has great economic significance.

Fourth. The new process uses very much higher mash concentrations than are applied in orthodox processing. The steam consumption is greatly reduced and the cost of the plant installation is proportionately smaller. The plant operations have been simplified to a point where the cost of labor required for operation is markedly reduced. All of these are reflected in a considerable reduction in plant operating charges.

In table 3 are presented data on the costs of making alcohol by orthodox methods and by the new process. This process is covered by a group of patents assigned to the National Agrol Co., an organization set up by the inventors who have devoted nearly 15 years to its development. National Agrol Co. offers this process to manufacturers on a nonexclusive licensing basis at a royalty charge which is less than 5 percent of the savings its use provides. The process will be put through the pilot plant stage in a new unit under construction at Lincoln, Nebr.

In this table the yield data are those from comprehensive laboratory operations. The factory operating costs are based upon data from several present day alcohol plants, with extrapolation to the Agrol process and to other general economic levels based upon logical estimates. It is believed that the data are dependable and show with reasonable accuracy what may be possible in the near future in the way of more economical and efficient alcohol manufacture.

This table 3 referred to and prepared by Dr. Leo M. Christensen, the director of research for the National Agrol Co., is as follows:

TABLE 3.—*Estimated comparative costs of grain alcohol made by orthodox and Agrol processes at 5 general economic levels*

	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol
Charges:										
56 pounds of grain	$0.60	$0.60	$0.90	$0.90	$1.20	$1.20	$1.50	$1.50	$1.80	$1.80
6 pounds of malt	.24	-------	.30	-------	.36	-------	.42	-------	.48	-------
Manufacture of 2 pounds of mold bran	-------	.02	-------	.02	-------	.03	-------	.03	-------	.04
Steam, power, and water	.14	.08	.15	.09	.16	.10	.17	.10	.18	.11
Labor and supervision	.11	.05	.12	.06	.13	.07	.14	.08	.15	.09
Capital and maintenance	.07	.04	.08	.04	.09	.05	.10	.06	.10	.06
Insurance, bonds, and taxes	.06	.04	.06	.04	.07	.04	.08	.05	.08	.05
Total charges	1.22	.83	1.60	1.15	2.01	1.49	2.41	1.82	2.79	2.15
Byproduct credits:										
18 pounds dried residuals	.24	.24	.36	.36	.48	.48	.60	.60	.72	.72
0.5 pound oil	.05	-------	.08	-------	.11	-------	.14	-------	.16	-------
2 pounds oil	-------	.21	-------	.32	-------	.44	-------	.54	-------	.65
Total byproduct credit	.29	.45	.44	.68	.59	.92	.74	1.14	.88	1.37
Net cost of 2.65 gallons alcohol	.93	-------	1.16	-------	1.42	-------	1.67	-------	1.91	-------
Net cost of 3 gallons alcohol	-------	.38	-------	.47	-------	.57	-------	.68	-------	.78
Net cost of 1 gallon alcohol	.35	.13	.44	.16	.54	.19	.63	.23	.72	.26

Orthodox process: Cost of 1 gallon alcohol = $0.11 + 0.35 × cost of 56 pounds of grain.
Agrol process: Cost of 1 gallon alcohol = $0.06 + 0.11 × cost of 56 pounds of grain.
To provide for marketing expenses and other indirect charges, and to yield a reasonable profit, alcohol should sell at from $0.06 to $0.10 per gallon above the costs shown, depending upon the plant capacity, its location, and the type of business management. In some locations dry ice can be produced and sold to yield an additional net credit of from $0.02 to $0.03 per gallon, giving effect to the seasonal character of this commodity

THERE ARE OTHER LARGE MARKETS FOR ALCOHOL

As previously noted, the synthetic rubber program is especially interesting because it can easily be the pattern for the establishment of other chemurgic industries. This is particularly true for other markets for alcohol and fermentation chemicals generally. As previously noted, alcohol has a competitive value of approximately 25 cents per gallon for synthetic rubber manufacture. It will be shown that at this price alcohol finds many other very large present and potential markets.

In this connection it should be noted that before the war the United States made and consumed approximately 125,000,000 gallons of industrial alcohol per year. Eighty percent of this was derived from imported blackstrap molasses and nearly all of the world's production was brought to this country for that purpose. Immediately before the war a small production of alcohol from byproduct ethylene available in petroleum refining centers was undertaken, and this operation was considerably expanded during the war period.

During the war the demand for alcohol became so great and the transportation of molasses so difficult that nearly all of the alcohol used during the war period was derived from grains. Synthetic alcohol manufacture is based upon low-cost byproduct ethylene, which is available in limited amounts. In only a few localities is there enough to justify a plant. The present production capacity of 75,000,000 gallons per year is practically the limit.

With the end of the war it was thought that blackstrap molasses could immediately be brought to the country in the old accustomed volume. This has not been possible, however, because in the countries of origin alcohol plants were built during the war to convert the blackstrap to alcohol, which is used in place of gasoline they previously imported. There seems little inclination in such countries to return to the old status. Furthermore, there is now going into use in these countries a new process for the manufacture of cane sugar which greatly increases the yield of sugar and practically eliminates the production of byproduct molasses.

Expansion of synthetic alcohol manufacture has met with the difficulty of competition for the limited supply of byproduct ethylene. Styrene, one of the ingredients of synthetic rubber, requires such ethylene in its production, and new plastics based upon styrene are being made in rapidly increasing amounts. Other chemicals, notably for plastic manufacture, are taking more and more of this ethylene, and there is a serious question whether the present volume of synthetic alcohol manufacture can long be maintained. Of course, the rapid in-

creases in petroleum prices are also working against expansion in this industry.

Thus, the market for grain alcohol has expanded by virtue of failure of its competition. A large percentage of the industrial alcohol being produced is now made from grains, and the normal demands for industrial alcohol are larger than they were prewar. The present price of industrial alcohol is 98 cents per gallon, as compared with the 22½ cents per gallon that was typical of the prewar period.

But there are many more potential markets that are far more important than all of the present markets or synthetic rubber combined. The largest of these is provided by the automobile engine accessory known as the vita-meter. This accessory was used with great success on the large aeroplane engines during the war. It automatically injects alcohol-water into the intake manifold when conditions are favorable to detonation. By its use the fuel which is admitted to the engine is automatically adjusted in antiknock value to meet the changing conditions of speed and load.

Thompson Products Co., manufacturer of this supplemental fuel system, has announced its intention to market this unit for installation on present automobile, truck and tractor engines. On the basis of many tests it has been established that the average automotive engine so equipped, uses substantially 50 gallons of alcohol per year. If half the engines now in use were so equipped, substantially 1,000,000,000 gallons of alcohol per year would be required. To find this market, alcohol must sell at the producing plant at about $0.25 per gallon.

This development is of particular interest in view of the fact that this country is faced with a most serious shortage of lead. The tetraethyl lead previously used to build the antiknock value of gasoline cannot now be employed in the amounts necessary. Furthermore, it may be impossible to continue the use of tetraethyl lead for this purpose in any amount because lead is such an essential material in other uses.

It should also be pointed out that alcohol is a fuel for V–2 type rocket and since this type of rocket will undoubtedly be used on a large scale in future warfare, it is essential to national defense that this also have available an adequate alcohol supply.

Butyl alcohol, used in lacquer solvents and for many other purposes in chemical industry is currently selling at nearly three times its prewar price. Its manufacture can easily utilize large quantities of grain. Butylene glycol, a chemical useful in organic synthesis and as a permanent antifreeze is readily produced from grains. Lactic acid, which was imported before the war, and which is now of interest in making some new plastics, can be made in the same plant and from the same raw materials that are employed to make industrial alcohol, butyl alcohol, or butylene glycol.

No one can accurately forecast the possible magnitude of the grain fermentation industry, but there is good reason to expect that it can easily exceed 300,000,000 bushels of grain per year and might soon reach a value of double this volume.

In this connection it must also be pointed out that the United States has always been short of proteins needed for a balanced livestock-feeding program and of vegetable oils that are byproducts of this fermentation industry. There has never been, nor is there now in sight, any surplus of these proteins and oils. Thus the chemist has always maintained that there has never been nor is there in sight an actual grain surplus; only the grain starch is surplus. All of these fermentation chemicals are made from starch and their manufacture does not destroy grain. It only converts grain to materials badly needed in the national economy.

Farm crops are presently in a strong competitive position in the fermentation industry. This industry is faced with the necessity of changing its operations because of the failure of its accustomed raw-material supply. These fermentation chemicals will in the future be made from petroleum, coal, or farm products and a choice will soon be made. Once a pattern is established, there will be a strong tendency to follow it and if agriculture wishes to gain this new business it must take action at a very early date. Failing to do so, it may forever lose the opportunity now before it.

(Mr. CURTIS asked and was given permission to revise and extend his remarks and include certain tables, formulas, excerpts, editorials, articles, and copy of a bill.)

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H. R. 4075).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HAYS. Mr. Speaker, I ask unanimous consent that after the conclusion of special orders heretofore granted and the disposition of business on the Speaker's desk I may address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

TIME TO REAPPRAISE UNITED STATES-SOVIET RELATIONS

Mr. DIRKSEN. Mr. Speaker, tomorrow we observe freedom's birthday.

In that day of social and political upheaval, Thomas Paine wrote:

> Had it not been for America, there had been no such thing as freedom left throughout the whole universe.

Freedom is the reason for America. Freedom is the purpose of America. "In every generation we must—and we have—sought to rediscover and retrieve freedom at home and abroad."

It is time to lift our eyes. It is time to reassess our purpose.

It will soon be 2 years that the world-devastating conflict to end tyranny and assure all people and all nations of the "four freedoms," came to an end. While it might be too much to expect that complete world tranquillity would be restored after the elapse of 2 years, it was right and proper that we should expect substantial progress along the road to peace and freedom. Our hopes have not materialized. Our expectations have been frustrated.

Our good intentions have been maligned. Our generosity seems to have earned only ill will. Our candor has been met with stubbornness. Our insistence on self-determination for humble nations and peoples has been sabotaged by secret diplomacy, police techniques, infiltration, and psychological aggression. Generously have we provided out of the assets of America to soften the obstacles to peace but our generosity has been too often reciprocated with epithets, vilification, and a stubborn and selfish refusal to cooperate. The results of every effort on our part to heal the world's wounds, rehabilitate stricken lands, extend the benefits of freedom, and restore serenity are meager indeed. It would appear that war is still in progress and that its operations have merely been transferred from the military to the diplomatic front. It is time for a reappraisal of our policies and our relations with other nations.

I fully subscribe to the fact that the conduct of foreign relations is not the province of the Congress. But the expressed attitude of the Soviet Union at the Three Power Conference now in progress in Paris clearly brings the Congress into this domain.

The special dispatch to the New York Times by Harold Callender dated June 28 sets forth that—

> Mr. Molotov wanted to know the probable extent of United States aid to Europe, the terms on which it would be granted, and whether Europe could rely on congressional approval.

Perhaps it is only natural that Mr. Molotov, his associates, and the Soviet Union for which he speaks, want to know what Congress will do. It is equally natural that the Congress and more particularly certain Members of Congress want to know what Mr. Molotov and the Soviet Union propose to do.

Does the Soviet Union propose to cooperate wholeheartedly and without tongue in cheek in bringing about rehabilitation in Europe? Does the Soviet Union propose to relent its secret and aggressive efforts to subvert the democratic endeavors to establish free government in the countries within its orbit of influence? Does the Soviet Union propose to lift the Iron Curtain and truly enter into the fellowship of nations? Does the Soviet Union propose to desist from its secret policing operations in the Northern Hemisphere? Does the Soviet Union propose to cooperate in Korea and desist from its constant vilification of the American intention to establish sound, popular government in Korea?

Does the Soviet Union propose to forsake the course of concealment, deception and brutality which has been earnestly followed by it and some of its satellites? Does it propose to immediately and candidly discuss its lend-lease obligations to the United States? Does it propose to forsake the role of a spoiled child and give convincing assurances that it will cooperate to the fullest extent before complete collapse overtakes the nations of Europe?

If these assurances are not forthcoming soon, why should the Congress consider further aid to European nations at the expense of the American people while the Soviet Union tramples the liberties of weak and helpless people? More than that, why should this Nation continue the patient endeavors with a country which stubbornly, and for the sake of its own aggrandizement, continues to frustrate the effectuation of world peace?

ADJOURNMENT OVER

Mr. LOVE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the St. Louis Post-Dispatch.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 10 minutes.

GOVERNMENT PROPAGANDA—HOW IT WORKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein three short articles appearing in Washington newspapers in the last 48 hours.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, seldom can one find a clear-cut illustration of how the Federal bureaucrat peddles his propaganda by taking over the columns of the Nation's press. Recently such an illustration has come to light. On July 1 and 2, 1947, there appeared in various papers throughout the Nation three columns, each written and carried under the byline of a well-known Washington correspondent. While these columns were no doubt written independently of each other, each was on the same subject, each used the same arguments, each made the same charges, each worked up to the same emotional pitch, and each contained the same mixture of half-truths. In fact, each column is written around identical examples employing similar phraseology.

One of the columns written by Thomas L. Stokes was headed "Utilities' Blitzkrieg" and was carried in Scripps-Howard papers; the second, written by Lowell Mellett, was published in the Washington Evening Star and was presumably syndicated in other papers; the third, written by Marquis Childs, appeared in the Washington Post and other papers.

The subject of each of the three columns was the hearings presently being held on bills introduced by myself to amend the Federal Power Act. The hearings are being held by a subcommittee, of which I am a member, of the House Committee on Interstate Commerce. The purpose of the columns was not to report constructively on the facts being revealed by those hearings or to objectively analyze the testimony being presented by the witnesses. The sole purpose of each column was to discredit the hearings. Their means to this end was in each case identical. Each sought to discredit the work of this committee by raising emotional arguments rather than factual presentation.

I have no quarrel whatsoever with the right of these columnists to write and have published anything they desire so long as it is not offensive, immoral, or contrary to American standards of fair play and decency. I think the American public should know that not one of these gentlemen, while they write as experts on the subject, have been in attendance at the hearings; and it is clear from their writings that they have not read the transcripts, for had they done so they could have written facts and not facsimiles.

While the public interest is involved, I cannot believe that the public interest has been jeopardized in this particular case by the mental and physical laziness of these correspondents. What they have done proves the ancient axiom that "the truth will out." Truth has been served by their willingness to be spoonfed by a Government bureaucrat, for the simultaneousness of these three articles clearly reveals the writers for what they are—rewrite men for Government propagandists.

I repeat, there can be no question but that these correspondents are free to write as they choose. A different issue, however, arises when one considers the other side of the story—the position of the Government and one of its employees in all of this. The interest of good government is not served when a bureaucrat uses his talents to influence the publication of a single and distorted side of a picture. I am the first to admit that there are two sides to most questions and that the interest of good government is served by a complete appraisal of all facts on both sides of an issue. Playing up the emotional side of a story and completely disregarding the facts for the purpose of getting people to feel rather than to think is contrary to the interests of good government and is contrary to the finest traditions of American self-government. The conclusion is inescapable that the Government through one of its employees directly or indirectly inspired the writing of these columns and I do not have in mind the chairman of the Federal Power Commission.

Let us not be naive. Three separate individuals, thinking independently of each other, writing on a multiude of public issues in this day of strain and stress, just do not happen to sit down at their respective typewriters and write the same story with the same illustrations and the same conclusions on the same night.

The employee on the pay roll of the Federal Government who caused these three articles to be published simultaneously might feel proud of his achivement, for at first glance it appears to be a clever piece of propaganda work. It is not every day that a civil servant can influence the thinking of three such well-known Washington correspondents. If that employee feels proud of his achievement, I trust that his feelings for American democracy are such that he will, after a moment's reflection, realize how he has cheapened the Federal service, and free press, and the principles of self-government. I hope he feels ashamed, for he is a shameful person.

I am calling this matter to the attention of the House subcommittee of the Committee on Expenditures in the Executive Departments To Investigate Publicity and Propaganda in the Executive Agencies with the suggestion that it use its widespread powers to investigate these propaganda activities.

Mr. Speaker, in the remaining few moments I want to quote from two of these articles rather briefly. In the article appearing in the Daily News of July 1 by Thomas L. Stokes under the heading "Utilities' blitzkrieg" Mr. Stokes says:

> Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

What are the facts? The facts are a matter of record. The bills referred to were introduced on the 7th of April this year. On the 13th of April the chairman of that committee sent copies of the bills to the Federal Power Commission with request that it submit the usual report of its views on the suggested amendments. Two weeks' notice was given to members of the committee and to the Federal Power Commission that open hearings would be held on the 23d of June. Remember, the bills were introduced on the 7th of April. They talk about a sneak attack to get legislation through a committee.

The report of the Federal Power Commission was returned to the committee several days before the hearings were scheduled. As a result of the testimony presented on the 22d and 23d of June the Chairman of the Commission quite properly suggested that he needed additional time to present his case and had the hearings postponed for one full week.

They were given all day yesterday, morning and afternoon, by the subcommittee and the hearings further continued until next Wednesday that they might have full opportunity to present their full views.

In the statement of Lowell Mellett we find this interesting sentence:

> This week part of 1 day will be given to the Federal Power Commission at the urgent

request of the Commission members who discovered at the eleventh hour what was going on.

Mr. Speaker, these three articles are as follows:

WASHINGTON CALLING

(By Marquis Childs)

POWER COMPANIES' BILL

It's an ancient axiom of strategy that if you can't gain your objective by frontal attack, then take it from the rear by stealth. This is the maneuver the power companies are now undertaking through an innocent-sounding bill which thus far has almost entirely escaped attention.

What this measure does, in effect, is to repeal the most important provisions of the law creating the Federal Power Commission. At least three-fourths of the companies now regulated by the Commission would be exempted.

A parade of power company executives and lawyers have appeared before a House committee to urge immediate passage of the bill, which is sponsored by Representative WILLIAM J MILLER, Republican, of Connecticut. And while it has not been given the official stamp of approval by the Republican leadership, it might easily be slipped through in the last-minute jam that comes with the end of a session of Congress.

Witnesses for the Connecticut Light & Power Co., the Georgia Power Co., the Detroit Edison Co., and the Wisconsin Public Service Corp. were among those who wanted the bill adopted. There also were witnesses from several State utility commissions in favor of the measure, and this reveals the shrewdness of those promoting the maneuver.

The appeal is made to States' rights and State authority as contrasted to Federal authority. This sounds very well until one looks at the State commissions responsible for local utility regulation. With honorable exceptions, they are pretty hopeless.

One reason is that most States pay such poor salaries that experts qualified to do the technical job of regulation are always being lured away by high salaries offered by the utility companies. Most commissions are so inadequately staffed that the private companies are put under little restraint. The private-utility lobby in a State capital is ordinarily well-heeled, and now and then shocking cases of wholesale bribery have come to light.

To understand the significance of the current maneuver, it is important to look at the origin of Federal regulation. It comes originally out of the conservation movement sponsored by such leaders as Theodore Roosevelt and Gifford Pinchot. These men were concerned with protecting the water-power sites that were part of America's great natural heritage from wasteful and destructive exploitation.

Then, in the twenties, the private power industry began to develop on a Nation-wide scale, with power lines linking generating stations across State boundaries. In 1928, Congress ordered a comprehensive investigation of the utility industry by the Federal Trade Commission. In his annual message in December 1929, Herbert Hoover recommended reorganization of the Federal Power Commission as an independent agency to provide Federal regulation covering the interstate transmission of power which the State commissions were powerless to touch under the Constitution.

One of the sponsors of Federal regulation was the late Senator James Couzens, of Michigan. The fiery Couzens frequently blasted at power-company practices which he regarded as reprehensible. The Federal Trade Commission reported nearly a billion and a half dollars in overinflated values on utility company books—inflated values on which the average householder had his rates based.

ON THE OTHER HAND—FINDS POWER COMPANIES SEEKING RETURN TO DAYS OF SAM INSULL

(By Lowell Mellett)

As bold as any raid yet attempted on Congress is one now being undertaken by the private power companies. This is a fairly strong statement, having in mind that the insurance companies last year almost got themselves exempted from the operations of the antitrust laws and that the railroads are in a fair way actually to accomplish that very thing—subject, of course, to a probable veto by the President. It is a true statement, nevertheless and notwithstanding—notwithstanding even the success of the real-estate interests in the matter of housing legislation and rent control, or even the success, up to the veto point, of the wool growers.

So quietly as to escape public attention, the private power companies are seeking to reverse national policy with respect to the use of the country's water resources. They appear to think that the present Congress is one that will undo all that has been accomplished in the past half century.

INNOCENT-SOUNDING BILLS

Last week a subcommittee of the House Interstate Commerce Committee heard power company witnesses on two innocent-sounding bills introduced in April by Representative MILLER, Republican, of Connecticut. This week part of one day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

Among the things they discovered was a purpose to change the definition of stream "navigability" to make the term apply, as one commission lawyer expresses it, only to streams capable of floating superdreadnaughts. The judicial concept of navigability followed by the Supreme Court for a hundred years and finally fixed, it was thought, for all time in the famous New River case, would be disregarded.

Also revealed was a maneuver to transfer to the jurisdiction of the States about 75 percent of the utilities now subject to Federal regulation. It is notoriously true that virtually no State is equipped or can be equipped to handle such regulation. But one of the Miller bills would give the States authority over the development of watersheds and all water resources within their borders, regardless of what effect that might have on other States or whole contiguous regions.

ACCOUNTING PRACTICE

This bill, taken in conjunction with a bill by Representative BYRNES, Republican, of Wisconsin, also being considered, would take away from the Federal Government its present supervision of accounting practices in the case of the utilities transferred to State regulation.

Probably nothing more useful has been accomplished by the Federal Power Commission than the job it has done in the past 15 years in cleaning up the books of the utility companies. The Commission is prepared to demonstrate that it has eliminated more than $1,400,000,000 of water from utility stock issues during that time. This has made possible the reduction of power and light rates throughout the country. Not only that, it has made utility stocks a much sounder investment. The Commission's seal of approval on any company's books has come to be the best argument brokers have to offer in dealing with widows and orphans.

Our memories are short, but padding of accounts, outrageous write-ups, and inflation of expenditures to affiliated concerns were once common practices in the utility business. Our memories are indeed short. We have almost forgotten Sam Insull, Howard Hopson, and others of their breed. The legislation sought by the power companies and being gravely considered by the House Interstate Commerce Committee seems calculated to bring us a new crop of Insulls and Hopsons.

UTILITIES' BLITZKRIEG

(By Thomas L. Stokes)

Previously there has been disclosed here the drive by powerful private utility interests in this sympathetic Congress to break down protections established by Congress through the years for the electricity consumer.

Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

It would strike at fundamental policy of regulation recognized for years, far back beyond the New Deal, and sponsored, in basic principle, by Republican Presidents and instituted by Republican Congresses. It was President Hoover who, in 1929, recommended creation of an independent Federal Power Commission. A GOP Congress authorized it in 1930.

The 1930 act implemented an earlier one, the Federal Water Power Act, put through by a Republican Congress in 1920. This was to project further a broad policy first enunciated by President Theodore Roosevelt and endorsed by President Taft for development of water-power resources on a national scale in the general public interest and under Federal regulation.

What the pending bills, sponsored by Representative WILLIAM J. MILLER, Republican, of Connecticut, would mean to the consumer of electricity, both industrial and household, can best be shown by a review of developments that forced Federal regulation. Obviously, these were overlooked or forgotten by some Congress Members.

Reference is to the 6-year investigation into the private-power industry by the Federal Trade Commission that shocked the Nation with its revelations of the financial practices of great utility combines. The pyramiding of holding companies was shown, the watering of stock, the interchange of paper profits among dummy companies—all to create a heavily inflated structure upon which high rates to the consumer were charged.

By November 1929, the investigation had gone far enough to impress the conservative President Hoover with the necessity of Federal regulation. When it ended in the early part of the Roosevelt administration it was plain that additional Federal powers were needed. These were provided in 1935, including Federal accounting requirements to shake out $1,400,000,000 in water discovered by the Federal trade inquiry. Subsequently this water was squeezed out, and the way opened for rate reductions on the lower valuation—important for the consumer.

Now for the Miller bills. Their object is to restrict the scope of Federal regulation and to put the industry largely back under State regulation which long ago was found inadequate. The States now share in regulation, but uniform accounting standards are federally prescribed.

One bill would set up new definitions for interstate commerce so that a company could have interconnection across State lines without coming under the FPC. This would leave "only a handful of companies" under Federal regulation, according to FPC Chairman Nelson Lee Smith, and would be "substantial repeal of the law itself."

The other bill would narrow the definition of navigability, which is the basis for Federal regulation of hydroelectric power on our rivers, in such a way as to eliminate Federal regulation to a large degree. Navigability has been defined broadly to permit Federal Government supervision of our river systems, and the broad definition has been upheld repeatedly by the Supreme Court. This bill also would handicap integrated development of our river systems, likewise a long-established policy. Its effect, in the words again of Chairman Smith, would be to "reverse a national policy * * * that has been maintained for more than half a century."

Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. HESELTON] be permitted to extend his remarks at the conclusion of my remarks. In his extension he will show the dates referred to in these matters as well as the dates that the subject matter was covered in the CONGRESSIONAL RECORD. In addition to that, so that there can be no charge of any sneak attack, on three different occasions between the 7th of April and the 23d of June when the hearings were opened, I imposed myself on the Members of the House by discussing those particular amendments in the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HESELTON. Mr. Speaker, as a member of the subcommittee of the Committee on Interstate and Foreign Commerce now taking testimony on the bills to which the gentleman from Connecticut has referred, I want to comment briefly on one phase of the articles to which he has referred. It is indeed remarkable that two of these articles should have appeared in the evening newspapers of July 1 and that the third appeared in the morning newspapers of July 2. It is most difficult to believe that these three writers were independently inspired to select this one subject for their columns and to express conclusions which are so markedly similar.

Each of these articles was published within 24 hours of the date assigned for the hearing of testimony from the Federal Power Commission. Each expressed considerable concern as to the manner in which the hearings were being conducted. In one article, the statement appears that—

This week part of 1 day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

The plain implication of each of the articles was that the members of the subcommittee had reached a conclusion even before hearing the testimony in opposition to the proposals. That is both unwarranted and false.

Because I believe the Members of Congress and the public are entitled to a statement of the facts, I want to summarize them.

The bills now being considered by this committee were filed on April 7. In accordance with the practice, they were referred to the Commission for its report. Those reports were filed with the committee on June 13. The initial hearings were scheduled for June 23 and 24, and notice to that effect appeared in the Digest of the CONGRESSIONAL RECORD of Thursday, June 19. That notice was repeated in the Digest of June 20 and again in the Digest of June 23. And in the Digest of June 23 a report was made of the witnesses testifying in favor of the bills. In the Digest of June 24, a further report was made of other witnesses testifying in favor of the bills and in the Digest of June 25, another report was made of additional witnesses testifying in favor of the bills at a 3-hour evening session on June 24. In that issue of the Digest, a notice was given of the continued hearings on June 26. In the Digest of June 26, a report was made on hearings on June 26. In that Digest notice was given of the continued hearings to be held on July 2. That notice was repeated in the Digest of June 27, again repeated in the Digest of June 30, and finally repeated in the Digest of July 1. Moreover, representatives of the Commission were present during the hearings which were held on June 23, 24, and 25.

The best possible factual answer to the misstatements in these articles came from the Chairman of the Federal Power Commission, Mr. Nelson Lee Smith, at the outset of the hearing on July 2, when the chairman of the subcommittee, the gentleman from New York [Mr. LEONARD HALL], called Mr. Smith's attention to one of the articles. Mr. Smith stated that "reports were requested by the committee shortly thereafter"—after April 7—"and they were filed on June 13." Further, upon inquiry by the chairman of the subcommittee, Mr. Smith stated that it was a fact that all the time the Commission had requested had been granted, that it was his further understanding that the Commission was to have all of July 2 and that the subcommittee would sit in the evening, if necessary. As a matter of clear record, I do want to add that the testimony of the Commission has not been completed and that a further hearing has been scheduled for July 10.

It is amazing that not one but three writers of columns with national circulation, each of whom had full access to the public records in this matter, should have made such statements. But even now, it would seem to be a simple matter of factual and honest reporting for them to promptly wthdraw the suggestions they have made publicly which certainly involve a charge that members of this subcommittee are engaged in an effort to mislead the other members of the Committee on Interstate and Foreign Commerce, Congress as a whole, and the American public.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a radio commentary by George E. Reedy.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Arkansas [Mr. HAYS] is recognized for 5 minutes.

THE MARSHALL PLAN, THE DULLES PLAN, AND A BIPARTISAN PEACE PROGRAM

Mr. HAYS. Mr. Speaker, it was probably a coincidence that on the same day of the disappointing happenings in the Paris Conference there was issued a brilliant and significant statement by John Foster Dulles, head of the Commission on a Just and Durable Peace, appointed by the Federal Council of Churches of Christ in America. And I want to refer to that because of the stress he placed upon the moral aspects of the peace.

I was interested in what the gentleman from Illinois [Mr. DIRKSEN] had to say a few moments ago about this very problem. Mr. John Foster Dulles is a prominent Republican and a sincere churchman with wide influence. He had a large part in the preparation of this report by the Federal Council of Churches. The New York Times states that the commission calls for "a United States foreign policy primarily composed of moral ingredients." One of the most significant sentences in the report is that which asserts:

Whatever the views of the American people about the military aspects of national defense, they should make clear that they do not put primary reliance upon material defense. Our chief reliance is upon a moral offensive.

That is one of the high points in the report, and I am sure one that would be generally agreed with, although I believe it is the opinion of a great majority of the Congress that we must give attention to improvements in our material defense. It is a matter of determining values. Where are they? The greater values, says John Foster Dulles, are those of a moral character, and I agree.

Now, there are profound differences between the parties upon domestic issues in the present Congress, and I do not discount them. They are fundamental. They are important. We are entitled through our party activity to express our differences. But one heartening fact is that our controversies have not marred the bipartisan foreign policy of the United States, and I was glad that we emerged from the long debate over the Mundt bill, which I supported, without becoming involved in partisanship. The events of yesterday in connection with the Paris Conference make more important than ever that this Nation preserve a maximum degree of unity, and that the evolving foreign policy draw upon the resources of the two great political parties of this Nation. Without the contribution of both we will flounder in disunity and confusion.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I am very glad that the gentleman has quoted the statement of Mr. Dulles. I am certain that the gentleman is familiar with the fact that Mr. Dulles has been one of the most ardent advocates of a federated Europe, and it is significant that this

statement should come out about the same time that the conference in Paris breaks up, because the action of the agents of Moscow very forcefully demonstrates that Russia fully understand and appreciate the power of a unified Europe. Russia is doing everything that it can to prevent the unification of Europe, because if Europe is unified it has within itself the power to overcome communism.

Mr. HAYS. I thank the gentleman, and I agree that Mr. Dulles' espousal of his proposal for a United States of Europe is quite consistent with what he is saying here.

I think we too often have been timid in connection with asserting moral force, in speaking directly to the great issues in the world today.

May I revert now to the point I wish to make regarding the bipartisan peace policy of this Nation and the special contribution of a great Republican?

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I suggest that the theoretical description of the operations of communism made by John Foster Dulles was pretty well illustrated in the laboratory of life in Paris, where Communist-dominated Russia destroyed the effectiveness of the conference there, which would have given some hope and some substance to the little countries of Europe.

Mr. HAYS. I thank the gentleman.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does not the gentleman believe it would be well if in this country we would devote a little attention to establishing the freedom of the right of a man to work?

Mr. HAYS. I do. The right to work is certainly a fundamental freedom, and moral issues are most profoundly involved.

Mr. HOFFMAN. It would be well if we had a little bipartisan effort along that line here at home.

Mr. HAYS. I think there has been considerable evidence of a bipartisan approach to the problem in recent months.

Mr. HOFFMAN. It seems to me we lacked the President's cooperation the last time we tried it.

Mr. HAYS. But not in the Congress.

Mr. HOFFMAN. No; I will say that in the House there was no such obstructive move, but when we came to the Executive Office, although he had asked for cooperation and pledged it in the beginning of this session of Congress, we did not get it. I wonder if the gentleman can do anything about that.

Mr. HAYS. I am glad for the gentleman's comment to be recorded here. I am glad to yield to him for that purpose. Yet surely the gentleman will not disagree with me on the point I am trying to emphasize now, that whatever our differences on domestic issues, including this very complicated problem of labor-management relationships, we are making headway in the development of a policy for national security that utilizes the resources of both parties and does not play cheap, partisan politics, through maneuvering for position in 1948, with the most vital question in the world today, which is to preserve our free institutions.

Mr. HOFFMAN. I am not quite so sure about that maneuvering proposition. In some places it seems that that is just what they are doing, and I am not referring now to the Chief Executive. I agree with the gentleman that both parties have been supporting this, as he calls it bipartisan policy. In my opinion, while its purpose is good, what I fear is that you are going to continue it until you strip America so it cannot help even itself, to say nothing of the countries abroad.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. May I say in acknowledgment of the gentleman's contribution that while I have differed with him on some domestic issues and some questions of foreign policy, aid to Greece and Turkey, for example, I think it is a marvelous exemplification of democracy that he has provided in a prominent way an opposition, which is so essential to the functioning of democracy. The Soviet spokesmen speak of democracy in other terms. They say, "Why, ours is democracy, because there is no opposition to the rule of the people." They resort to that rationalization in proclaiming their system to be democratic. The essence of democracy is an opposition. While I might disagree with the gentleman, I think he renders a very great service in providing opposition. I am not undertaking to say that the bipartisan policy for peace involves the discouragement of an opposition.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The gentleman has made a splendid statement. I know he is a student of this question. Can the gentleman state what the bipartisan foreign policy of the United States Government is?

Mr. HAYS. The gentleman will notice that I have used the word "evolving" because if we should state it today we would have to restate it tomorrow. Essentially, it is to unite in support of our free institutions and to work with others of like mind for international peace, and, to the extent that it is possible, through our United Nations with its limited police powers to apply international force to prevent aggression.

Of course, it must be stated in the most general terms at this moment, and officially it should be left to the President and the Secretary of State in its fullness, but to the extent that Congress has responsibility I think we are making headway in the formulation of it.

Mr. KEEFE. The meeting of the Prime Ministers has just been concluded in Paris, which meeting was called for the purpose of discussing the Marshall plan. Has the gentleman been able to ascertain what the Marshall plan is?

Mr. HAYS. I will leave that to General Marshall. I think fundamentally that it was a matter of saying to Europe that we cannot go through this great transition with a sick and unhealthy Europe without imperiling ourselves, so in order to help Europeans to help themselves we are awaiting some decisions to be made by the governments of Europe.

Mr. KEEFE. I thank the gentleman. That leads to a practical question. Does the gentleman conceive the Turkish-Greek aid program to be part of the Marshall plan?

Mr. HAYS. It was adopted before the Marshall plan was advanced. I heard the gentleman's speech on the Greek loan. The gentleman from Wisconsin made a very able presentation of his own views in supporting the Greek-Turkish aid program. I think he made logical reservations and he made a real contribution.

Mr. KEEFE. Does the gentleman feel that the aid program, that is, the $350,000,000 aid program, is part of the Marshall plan?

Mr. HAYS. It preceded the Marshall plan and to the extent that the two are integrated and evolve a foreign policy, yes.

I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman used the word evolution, I believe. Would the gentleman say that the Marshall plan has evolved as a result of the problems which were presented when we debated the Greek-Turkish loan?

Mr. HAYS. I believe that is a fair statement of it.

Mr. BOGGS of Louisiana. I believe all of us are agreed that in the world in which we are living there are two ideologies and the chances of compromise are apparently remote. Most of us agree with the distinguished gentleman from New York [Mr. WADSWORTH], whom I see in the Chamber, on the theory that there can be no appeasement of the ideology of communism today.

Mr. HAYS. That is correct.

Mr. BOGGS of Louisiana. On the other hand, I think there is some merit in what our colleague from Michigan [Mr. HOFFMAN] says, that if we use a piecemeal plan of aid to Europe—Greece, Turkey, and then Italy and France, and all the other separate nations of Europe—we are bound to bankrupt this country. So, the Secretary of State has come forward with a program in which he says, "Let Europe use its own resources, wipe out the customs barriers, and the economic difficulties may be solved, and Europe can reconstitute itself."

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. This is a very interesting issue which is now developing. It is so extremely unfortunate for the destiny of the whole world that the three-power conference should have broken up summarily and that the Soviet Union almost in a mood of pout should leave. The thing that caught my eye, of course, was the dispatch from Paris in which Mr. Molotov wanted to know various things.

Above all else, he wanted to know what the Congress would do. Could they rely upon the Congress? Of course, the only thing for which they rely upon the Congress at the moment, in pursuance of this plan or any other plan, is how much money will the Congress provide. As I stated in my remarks, I subscribe completely to the conviction that our foreign policy must be conducted by the executive branch, but now, when it becomes the responsibility of Congress to further dissipate the assets of America, in response to the query in Mr. Molotov's mind, that, of course, brings us within the orbit of this thing; and we come back to the question of fundamental policy. I cannot think of anything that is so distressing at the moment, except what has happened in Paris so recently, because we are squarely up against the necessity of making some kind of a determination. So it comes back to what I called the $64 question. Perhaps it should properly be called the $64,000,000 question or the $64,000,000,000 question.

Do we propose now, in the light of every frustration we have experienced, every stubborn defense that has been set up on the pathway to peace and freedom—are we going to be equally patient now, or after 2 years' experience—soon it will be 2 years since hostilities were concluded—are we going finally to say, "We have had enough of this now, and the destiny of the world is in the balance. It is going to require some forthright speaking and some forthright acting for America. We are not going to permit one country in the world to frustrate the effectuation of the thing that has come out of the hearts of billions of people all over the world; that is, the hope of peace." So the Congress is squarely in the picture at the moment.

Mr. HAYS. I thank the gentleman very much for his valuable contribution, but would he not take hope in the fact that, while it is disappointing that the three can find no basis for agreement, at least we have come to a forthright facing of the issue, and that we may be better off as a result of it, to recognize that actually, for the present, we cannot have one world; we must have two worlds. Our world, including our fellow democracies in Europe, must be strong. It must be strong materially and it must be strong morally. That is what John Foster Dulles has said. I agree with the implication that perhaps there has been too much talk of money; the sending of money, the making of loans, even thinking in terms of material goods for a stricken people. These are vitally important, to be sure, but they must not be treated to the exclusion of the moral basis for our action. We should reexamine our own thinking, and then strive for unity between the parties for the sake of the world's recovery.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to compliment the gentleman on the speech he is making and on the continuous effort he has made to foster and stimulate a completely bipartisan foreign policy. I think he is pointing up a fundamental issue that faces the United States of America today, in relation to all of Europe. It is a simple issue, whether freedom and the dignity of man are to continue on the face of the earth in that part of the world, or whether we will have a hopeless state, under totalitarianism. It is an issue as old as Christianity itself. I hardly think that this country, blessed with the greatest harvest and the greatest income in the world, will now turn her back on the hundreds of millions of people throughout the world who are reaching for the torch of liberty, and say, "We are going to give nothing to help you out of the devastation in which war left you."

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I believe I have only about 1 minute remaining.

Mr. MASON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes to discuss this momentous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. MASON]?

There was no objection.

Mr. HAYS. I yield first to the gentleman from Illinois, and then I will yield later to the gentleman from Wisconsin.

Mr. DIRKSEN. I agree with the observations made by the gentleman from Oklahoma [Mr. MONRONEY] but what we are up against is, Shall we with the left hand dole out money to rehabilitate small nations, and then with the appeasement of the right hand permit a great power to come in and undo all the work for which hundreds of thousands of young Americans died, and for which we projected this country into a deep debt of some $260,000,000,000?

Now, we cannot pursue it both ways. As I indicated at the outset, my opinion is that the very purpose of this country is freedom and if we are not going out to confess that World War II was a great ecclesiastical vanity, then we must do something resolute in the field of foreign policy and somewhere along the line we are going to have to set up a stop sign and say "No more undermining such as took place in Czechoslovakia, Bulgaria, Turkey and Greece." Otherwise we dissipate the assets of our country; otherwise we cannot do this thing effectively. We are getting exactly nowhere, we are very nearly today back to the point where we were when hostilities ended in 1945.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to say that anyone can concur in the rather broad platitudes of the gentleman from Oklahoma [Mr. MONRONEY] with respect to this problem. I have made those expressions time and time again. But if you want to see this issue crystallized, read the editorial in Collier's Weekly of this week which asks the question I have asked in the hearings before the Deficiency Committee where we have under consideration now all of the appropriations to implement this program. I have not been able to get a single answer from anybody, from the State Department or any other place for the simple reason that they do not know.

Now, the question is, in the face of this huge program which is presently outlined covering every nation on the face of this earth—some of which you have never heard of, at least I have never heard of a lot involved—with present estimates $4,096,000,000. The President of the United States has appointed a commission to study the question and to report to the Congress and the people: How far can we go? And how far will the resources of this Nation permit us to go?

Before the Deficiency Committee the representatives of various agencies and departments have admittted their tremendous concern over the ability of these United States to meet the commitments that have already been made for the fiscal year 1948, to say nothing of fiscal year 1950, 1952, and on into the future as far as you can look. So it cannot be so simply stated, this problem, as to repeat certain repetitious ideas enunciated by the gentleman from Oklahoma. This is a real problem that confronts us and I think we are all going to have to work very hard to solve it.

Mr. HAYS. Just a minute. I appreciate that, the gentleman from Wisconsin is speaking feelingly about this matter and I am glad for him to do it, but the gentleman from Oklahoma has not advanced an inappropriate platitude. It comes with real timeliness. I am reminded of what a man named Basil Gildersleeve said. I do not know who he was or where he lived, but I ran across this thought of his and I pass it on to the gentleman from Wisconsin whose fine work on the Appropriations Committee we appreciate. He has been struggling with tough problems.

Mr. Gildersleeve said:

> To count the cost is in all temporal things the only wise course, but there comes a time in the life of every individual and of every nation when eternal principles enter the calculation, and when that time comes—

Said this philosopher—

> there is a sentiment that cannot be projected into the domain of statistics; it is the senti-

ment best expressed by Saint Paul who said in a great crisis in his life "neither count I my life dear unto myself."

And no man has a right to place the interests of his political party above the interests of his nation or the ideal of freedom in an hour like this. That was my thesis, that was my text. So we ought to say, like Saint Paul, "Neither count I the life of my political party dear unto myself."

And the plan of aid for Europe's recovery is not a platitude. It is a timely thought. If it should cost us $25,000,000,000 to save the peace it would be worth it. It would be worth the sacrifice of political position, of individual leadership, of our party's power if it were necessary to save the world.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I simply want to make one observation in connection with the remarks made by my distinguished friend and colleague from Arkansas. I listened with great interest to what my colleague from Oklahoma had to say. He talked about the values of Christianity and freedom. If those are platitudes, then I say we might as well close up this Congress and let communism take the world.

Mr. KEEFE. Will the gentleman yield for just one statement?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Just read the memorial address which I made to this House and see if you can find justification for the implications in the statement just made when I spoke from that platform with fervor, with honesty and with conviction that came from the heart. You will find there the sentiments which I have. I am speaking realistically in facing this situation and know this thing has to be implemented with money and with resources that God alone gave us.

Mr. HAYS. These are not incompatible, may I say to the gentleman from Wisconsin. These urgings to do something to save the peace and to maintain our Nation in a solvent condition are not incompatible. They can be harmonized and they must be harmonized.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Ohio.

Mr. BREHM. The thing which has caused me so much concern is: How are we, a Christian Nation, going to deal with an atheistic nation, with those who do not accept Jesus Christ as the Son of God? How are we going to reconcile those two ideologies. Will we not in the final analysis be as far apart as the poles? We have sent Christian missionaries throughout the world for years and years preaching the doctrine in which the gentleman from Arkansas believes and in which I believe and which I want eventually to dominate; but at the end of their teachings we come back with the biggest and best war in history. Is the State Department going to attempt to take over the functions of those missionaries? Meeting upon such a plane of opposite ideologies, one believing in a Supreme Being, the other in an atheistic ideology, are we ever going to be able to get together with a nation that has an ideology as far apart as theirs is from ours?

Mr. HAYS. Not unless the Soviet system relinquishes their rigid control over the minds of its people so that the religion in which we ourselves believe has a chance to appeal to the people. I refer to our expression of Christianity. It is sometimes proclaimed that Russia now grants religious freedom. But can a Christian minister stand up in Russia and criticize the government? That will be the test of freedom in Russia. That is the one test I would apply if I were close enough to Russia to see whether or not the Christian faith is taking hold of their government. If totalitarianism persists, the two cannot exist side by side. You cannot have political oppression and Christianity, which exalts the individual, together in one society.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has again expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman's argument about following a principle is all very fine, we all would like to agree with the gentleman on that; but what becomes of that idea if the individual or the Nation, in this case the Nation, so weakens itself that it goes out of existence? What good is your principle then? I was thinking about when the Crusaders were going to restore Christianity or the seat of Christianity. They had a good idea, they followed their principle, but what did they accomplish finally? Then getting back to the present: The gentleman has made the issue and the gentleman from Oklahoma has made the issue very, very clear. There are two theories of government in this world today. I take it one is communism and the other is the one to which we hold. As I understand it, you cannot have the two. Does the gentleman agree with me?

Mr. HAYS. I agree with you that the two cannot exist together.

Mr. HOFFMAN. All right. That gets us in the position, does it not, of being determined to rule the world and imposing our theories of government and religion upon everyone else?

Mr. HAYS. Not at all. I undertook to say that Christianity could not exist in its fullness in Russia unless individual freedom were granted.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I appreciate the gentleman's statement. There are two things that come to my mind in connection with the gentleman's presentation. It is not surprising to me that many people are confused. I know I am, because the President came home very hurriedly and told us how necessary it was to supplant the Monroe Doctrine with the Truman doctrine. And, we went along. The ink had not much more than gotten dry before Mr. Marshall came out with a different program. Now, Mr. Truman's program, as I understood it, was that he wanted to get the world forces against communism; he wanted to shoot everyone that bobbed his head above ground, just like chipmunks. And, Mr. Marshall said, "No, not necessarily; we do not care about shooting them. We want them to be good boys and come in here with us."

I think many of us get confused by the fact that we are trying to make two horses go in different directions. But the point I would like to make with my distinguished friend is this: When it comes down to dollars and cents, I usually do not want to be accused of being any Santa Claus, because I do not have the bells or the whiskers, but there is the point in connection with the money involved. If our country has to spend fifteen or twenty billion dollars a year in order to keep ourselves strong in a military manner—and we must think of that in connection with the money—what we could be passing out to the rest of the world would make it unnecessary for us to spend over three or four million.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that in considering the future policy of the United States in building a lasting peace, we must also consider the cost of the ground upon which that peace is to be built, and that ground has cost $4,000,000,000 of our money and the time of 16,000,000 of our young men for several years. Now, I think we have to be realistic about it. We are spending today over $11,500,000,000 to preserve an armed force, of which I am heartily in favor, but I know, and the gentlemen here know that an armed force, the best-trained and the best-equipped that Congress and our experienced officers can create, has no defense against atomic warfare or against bacteriological warfare. In the course of spending money for our own defense, aside from the Christian principles involved, in establishing a hope of freedom that is still alive in the world today, then we should spend, yes, billions of dollars to make possible the growth of freedom and the growth of peace. It is not going to grow accidentally. It is not going to grow if all the people in Europe feel that we have pulled down the curtains again and begun to slip behind the wall of isolationism. A virile force of totalitarianism and communism is sweeping over all of Europe, and the only thing we have to do to help and implement that sweep of communism is to say to the world, "Brothers, we are through; we have had enough."

Mr. HAYS. I thank the gentleman.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The gentleman from Arkansas alluded to the Apostle Paul a brief while ago. It was that same Apostle Paul who also once said, "Having done all, stand."

Now, let us get back and apply that to the American foreign policy. I am confident the American people are willing to gamble a very substantial sum on the effectuation of peace, but they want to see some results as they go along. But we advance the money, and free elections are denied in Poland. We continue to pour out money, and freedom is eclipsed in Rumania. We continue to advance money and set up great world projects, and freedom is a casualty in Bulgaria. If we had not interfered there might have been a casualty in Greece, in Iran, and in Turkey. We know, of course, that there was a casualty long ago in Yugoslavia and in Albania. Now we see threatening signs in Italy. We see this scourge of Red fascism moving into France.

The question I ask is probably the same kind of question that the humblest American citizen asks: "In return for all this money, what do we get?" Is it the case of the old Australian bird that walks backward, and the longer it walks the farther it gets from the goal? We are farther away from the goal now than we were in August of 1945. In all good conscience, can we go to the American people and say, "Five billions for 1948, five billions for 1949, five billions for 1950, and five billions for 1951 for the purpose of effectuating peace?" Where is that indefinable line where people will finally say, "We want some results." So to get results, in view of the break-up in Paris, and it is serious for the whole world, do we now come up against this gospel of the Apostle Paul, "Having done all, stand"?

Mr. NIXON. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. NIXON. The gentleman has made, I think, a very eloquent plea for bipartisan cooperation on foreign policy. I think the gentleman has recognized, too, that we have had bipartisan cooperation, and cooperation from a number of the Members on this side of the aisle. But I think we should bear in mind also that the cooperation we have had, I think, involves on the part of some Members on both sides of the aisle misgivings in this particular instance. The matters which have come before us involving foreign policy generally have come before us after the deed has been done. The Congress has come in after the decision has been made and the Congress has had to back up the decision that has been made by our State Department and by the executive branch.

The question I should like to ask is this: Does the gentleman not feel that a true bipartisan foreign policy means that it must be bipartisan in its inception and creation as well as in its execution?

Mr. HAYS. I do. I would criticize the President of the United States if he submitted to the Congress or to the Nation a policy or a phase of a policy that excluded a contribution by the Republican Party.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. McDONOUGH. Referring to the remarks of my colleague [Mr. DIRKSEN] a moment ago about the millions and billions that we may be called upon to put up, in other words, in an attempt to buy the peace, does not the gentleman believe that moral integrity and intellectual honesty in international affairs rather than dollars are the basis of peace? Is there any record in history where peace was ever decided by dollars, by setting up boundary lines for States, by one nation seeking to obtain all that she could at the expense of others, and advancing the false theory that Russia is now advancing. Today Russia, as we know, has sought to obtain all the oil, all the tin, all the steel, all the land, all of everything she can until the day could arrive, and it arrived yesterday in Paris, when she could tell the rest of the world that she was prepared to say, "We, Russia, are now the isolationist nation that we charged you to be, and we are willing to become isolationist because we are going to threaten you, and by our threats you shall shudder." Nobody has shuddered as yet. But moral integrity and intellectual honesty are the basis of peace.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I think it is a fallacy to state, as has been stated here this afternoon, that this is a struggle between two ideologies, the Communist ideology and the American democracy. I think it is a fallacy to say it is a struggle between only those two. I think there is a third ideology. It is the ideology that is prevailing throughout Europe. It is an ideology that is caught between the jaws of the nutcracker today. It is an ideology that is represented by so-called Socialist parties in Europe in the various countries. To a certain extent they have an ideology something like my friend from Mississippi [Mr. RANKIN] has about Government ownership and control of power and utilities.

Mr. RANKIN. Oh, well——

Mr. SADOWSKI. Wait until I finish. It is a fact, nevertheless, that you have these peoples of Europe today who do not want the old prewar governments that they had. They do not want any part of that prewar government because they had economic misery under it. They could not live. That is why so many of them came to the United States. They were hungry in Europe. They could not get bread to eat in Europe, and that is why they came here. These same people do not want communism either. They are struggling and fighting against communism. They do not want to return to the old government or to a capitalistic government which strangled their economy ther- They have nationalized their industries. They have parceled out the big estates. The land reform movement is not an idea which originated in Russia. Oh, no, that idea originated with the people themselves through their own political parties long before there was a Communist Russia. That was a part of the program of the people of Europe. The nationalization of industry in Europe or the socialization of industry can best be exemplified by what happened in Poland where, I was told, 83 percent of the industry there before the war was owned by foreign capital, and, as it was put to me, they said "SADOWSKI, how would you like it if the Chrysler Corp. or the General Motors Corp. and all the other plants in your district were owned by foreigners and foreign capital and they could stifle your production in your district or in your country and they could decide whether your people could work, when they could work, and when they could not work?"

Eighty-three percent of the industry in Poland before the war was owned by foreign capital. That was not only true of Poland, it was true in other European countries.

So what happened? A third ideology is now in the making in Europe. We should recognize that ideology. I think we can work with that ideology. It is not just a struggle between communism and American democracy. It is far greater than that. You can see it working today in Belgium. You can see it working today in France. You can see it working today in England. You can see it working today in Poland. You can see it working today in Czechoslovakia. You can see it working all over the world.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, I just listened to the statement here on so-called socialism of Europe, which is just a shade to the right of communism, which means the destruction of everything that we ever stood for in this country.

Only one side of this question is being discussed here, and I want to discuss the other side of it.

Mr. HAYS. I yield to the gentleman from California.

Mr. JACKSON of California. I think unquestionably one of the greatest matters of concern to all of the Members of this body and also the country at large with relation to this entire foreign policy matter and the problems brought about by our relationship to the rest of the world has been along the line of our capacity to produce and to furnish, combined with an accurate picture, the needs of the rest of the world. In order to meet that problem, to meet it so far as is

possible under the circumstances, the Committee on Foreign Affairs, its staff and subcommittee, expressly appointed for that purpose, has been for the past several weeks bringing together all of the available data bearing on those problems. I am sure everyone will understand any such approach must of necessity be incomplete. All we hope to achieve is to get together what is known on the subject. I asked the gentleman to yield merely for the purpose of calling to the attention of the House the fact that such a report has been prepared and has been released to the press today and that all Members of the House will receive a copy of that document, the preliminary economic survey report.

Mr. HAYS. I am glad to have the gentleman make that statement. May I say I am sure I am only one of a great number of Members of the House, who have served longer than the gentleman from California, who appreciate what he and his first-term colleagues are doing on the Foreign Affairs Committee. He probably has not been aware of the prominence he has enjoyed. Many of us have observed and spoken favorably of the work of the gentleman from California [Mr. JACKSON] and his colleague from California, and others, on the fact that they have not waited to gain seniority to make themselves heard.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BRADLEY. I would not attempt to discuss the ideological question brought up by the gentleman from Michigan [Mr. SADOWSKI] but the people in my district are very much troubled as to where we go from here; as to how long any of these policies will remain in effect; whether it is 2 weeks or 3 months. You must remember that within a short time we have had the Roosevelt policy, we have had the Hull policy, we have had the Byrnes policy; we got the Truman policy, and now we have the Marshall policy.

Mr. RANKIN. And we had the Willkie one-world policy, and now we have the Stassen policy.

Mr. BRADLEY. Yes. I do not have any idea what the Marshall policy is. I see it mentioned and referred to in all the papers. I cannot find out and my people do not know. Right now they write and they say, "You just gave millions of dollars. Are we throwing that away? Are we casting them all aside to get something new?" That is one of the things troubling the people of the Nation today.

Mr. HAYS. I yield to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. I was very much interested in the statement made by my colleague from Illinois [Mr. DIRKSEN]. I am one of his admirers in the House. I think his was one of the finest statements made during the debate on the Greek-Turkish loan. I thought he pointed up the issues probably as effectively as any Member of this House. I am somewhat concerned about his statement, because, while I agree with practically all he had to say, when he said now we must stand. I wonder what alternative he offers. Does he imply by that that we must cease our program in Europe, go back to a policy of doing nothing, or does he mean to say that we shall become more forceful? What does the gentleman mean?

Mr. HAYS. I am sure the gentleman from Illinois will be glad to answer the gentleman from Louisiana. If the gentleman does not press his request, I want to yield briefly to the gentleman from Indiana.

Mr. MITCHELL. The gentleman from Michigan [Mr. SADOWSKI] referred to the people in his district as saying, "SADOWSKI, how would you like to have Chrysler and General Motors Corps. controlled by foreigners, tell your people when they can work?"

Mr. SADOWSKI. Not said by the people of my district, but said to me by people who had come from Europe.

Mr. MITCHELL. I wish to make the observation that in many instances we have foreign labor leaders telling them when they can work and when they cannot. We want to stop that too.

Mr. HAYS. I ask the House to indulge me just one final statement, and then there will be time for others. I fear if we do not revert to the original proposition laid down in John Foster Dulles' statement, that we may recall these points of difference and the involvement over material things rather than the supremely important emphasis in his report, which is that America must be morally strong; we must be united. I want to express my gratitude that you have heard me so patiently. I hope this whole debate has been helpful. I have tried to yield to everyone. The text with which I started was this, and I close with it, the important thing is that we have through a bipartisan policy, an evolving policy, made great progress in the last few years. In the Congress if not in the executive branch of Government as some charge, we have at least worked toward an objective to which we could all subscribe, to preserve this Nation's security in the world, to preserve our free institutions, and to work together as Americans not as partisans for the good and the happiness of the peoples of the world.

The New York Times article of July 2, 1947, setting forth the contents of the report by Mr. Dulles' Commission is as follows:

MORAL OFFENSIVE BY UNITED STATES ADVOCATED BY DULLES GROUP

The free society versus the police state is the supreme political issue of today, declares a statement prepared by the Commission on a Just and Durable Peace, and adopted yesterday by the executive committee of the Federal Council of the Churches of Christ in America.

The statement, drawn up over a period of 2 months by a group headed by John Foster Dulles, Republican adviser to Secretary of State Marshall, discusses American policy today as regards relief and reconstruction, relations with the Soviet Union, relations with the United Nations, and the moral bases underlying these relations.

At a press conference held in the Federal Council's offices, 297 Fourth Avenue, following the executive committee's meeting yesterday, Mr. Dulles said in response to a question: "If Soviet leadership persists in its attempts to extend the police state system throughout the world I feel it will be extremely difficult to find the basis for a lasting understanding."

The Commission's statement calls for a United States foreign policy primarily composed of moral ingredients. Neither approving nor condemning the creation of military establishments, it says the American people should make clear that "whatever may be their views about the military aspects of national defense, they do not put primary reliance upon material defense; our chief reliance is on a moral offensive."

There is an "inescapable duty" to aid in reconstruction of foreign nations "to a degree not yet understood or accepted by our people," the statement asserts. An adequate program of aid, it continues, "may involve a reconsideration of basic domestic policies in relation to such subjects as taxation, public debt, tariff, labor and management relations and price policies. Whether or not the overall program seems in its immediate consequences to affect adversely certain features of our economic life, the duty is inescapable."

The problem is not merely financial, the commission declares, but one of production and delivery of goods and so involves also labor relations. The statement endorses the Marshall plan and adds that when resources are limited and a choice has to be made, it is "legitimate to favor those who are intelligently striving to help themselves and to help others."

TENSION INCREASING

Asserting that the most difficult international problem is to establish working relations with the Soviet Union and that tension among the nations is on the increase, the statement continues:

"We believe that one cause of this increased tension, and a cause which it lies within our power to control, is failure to demonstrate that the American people stand for a basic moral and political principle and not merely for self-interest. The critical and supreme political issue of today is that of the free society versus the police state. It is not the economic issue of communism versus capitalism or the issue of state socialism versus free enterprise. As to such matters, it is normal that there should be diversity and experimentation in the world.

"By a free society we mean a society in which human beings, in voluntary cooperation, may choose and change their way of life and in which force is outlawed as a means to suppress or eliminate spiritual, intellectual, and political differences between individuals and those exercising the police power. The police state denies such rights. In the Soviet Union such denial is sought to be justified by Marxian communism. As we pointed out in our earlier statement that doctrine 'in its orthodox philosophy stands clearly opposed to Christianity. Its revolutionary strategy involves the disregard of the sacredness of personality which is fundamental in Christianity.'

"The same statement went on to say that if American initiative is to prevail it must carry world-wide conviction on two basic facts: first, that 'our Nation utterly renounces for itself the use internationally of the method of intolerance'; and, second, that 'persistence internationally by the Soviet Government or the Soviet Communist party in methods of intolerance, such as purge, coercion, deceitful infiltration, and false propaganda, shielded by secrecy, will not in fact make its faith prevail and will jeopardize the peace.'

"We believe that our Nation has failed to carry conviction on those two basic propositions, particularly the first. There exists abroad a widespread impression that we

ourselves are using, or are prepared to use, methods of coercion to impose on others our particular form of society. That impression is largely due to unfriendly propaganda; also our practice in some instances has not always made our position clear.

"The peoples of the world are confused. Without doubt, they overwhelmingly prefer a free society of tolerance, although many prefer state socialism to free enterprise. However, they feel caught between the two greatest and most vigorous powers of the world, each of which, they assume, is seeking to impose its will by coercive methods of intolerance. As a result, there is no impressive and decisive alinement of the moral and spiritual forces of the world. The disunity or neutrality encourages Soviet leaders to persist internationally in their own methods of intolerance, and they are winning support from among the many who feel that they are offered a choice only between rival imperialisms.

"In order that moral power may be potent for peace, and in order that the United States may not be isolated and endangered in the world, our Nation must stand plainly for something so simple that all can understand and so clearly right that all men of good will will agree. That goal is a world of free societies wherein all men, as the children of God, are recognized to have certain basic rights, including liberty to hold and change beliefs and practices according to reason and conscience, freedom to differ even from their own Government, and immunity from persecution or coercion on account of spiritual and intellectual beliefs. We recognize that at home our people have not eradicated some kinds of intolerance, especially in race relations. There is, however, a profound difference between a free society, in which there can be appeal to the conscience of men to bring about self-correction, and a police state where no dissent is allowed.

"Our people, by word and deed, at home and abroad, ought to make clear that they stand on the principle of a free society as against a police state. Then we shall have brought into clear relief the issue on which turn the great decisions of our time. We shall have put in proper perspective the issues of communism, state socialism, cooperatives, capitalism, free enterprise, and other forms of social or economic life, admitting the right of all to experiment and seek by fair and tolerant methods to propagate their beliefs in the world.

"When our Nation's position is clarified in this respect, the American people will have identified themselves with a great principle which attracts the loyalty of men generally. On this principle the will of so many throughout the world could be consolidated as to make obvious the futility of attempting to extend generally the police state system. Then there would be reasonable basis to hope that the attempt would probably be renounced, if only as a matter of expediency. Fear and distrust would then give place to an atmosphere in which the nations could work together for a just and durable peace."

The statement urges the United States make greater use of the United Nations as a means for promoting consolidation of moral force "which is indispensable to peace."

Mr. HESELTON. Mr. Speaker, I did not want to interrupt the discussion between the gentleman from Arkansas [Mr. HAYS] and other Members, because, unfortunately, I was called from the floor and did not hear all of his remarks. I do want to express my conviction that the gentleman has addressed himself in his characteristically able manner to one of the most important issues now before Congress. His outstanding ability and complete integrity and sincerity is a guaranty that his remarks will be received as constructive and most helpful to his colleagues.

All Members of Congress have a tremendous individual responsibility in passing judgment upon the nature and extent of aid to other nations and peoples. In the attempt to discharge that responsibility, it is certain that individual Members will have to rely in large measure upon the recommendation of some committee. It is encouraging to learn that a report is being filed by the Committee on Foreign Affairs dealing with certain aspects of the problem. Nevertheless, it is completely obvious that this problem, in all of its phases, does not lie within the primary jurisdiction of any single committee of the House. We are confronted with phases of the problem over which the Committee on Armed Services has jurisdiction. Other phases of the problem are within the jurisdiction of the Committee on Foreign Affairs. The relation of the Import and Export Bank, the Monetary Fund, and certain commodity controls to the problem is within the jurisdiction of the Banking and Currency Committee. The jurisdiction of the Committee on Agriculture over matters involving crops, fertilizer, and certain export controls is clear. The Appropriations Committee will have most important responsibility with reference to the amounts of the expenditures involved, as well as in connection with the use of these funds.

It is fundamental that with such conflicting jurisdictions over such an extensive field, a determined effort should be made to provide correlation among the committees of the House, so that the Members can be guaranteed that they have all the facts as well as the results of the best available judgment when they are confronted with the necessity of forming their conclusions and casting their votes on proposals which inevitably will be made.

Fortunately, a specific measure to accomplish this exact purpose is contained in House Resolution 173, filed by the gentleman from Massachusetts [Mr. HERTER] over 3 months ago, on April 2, and on April 23 referred to the House Calendar. It is possible that Members might feel that valuable contributions could be made through the selection of a majority and minority member from one or more of the other committees of the House than those mentioned in the resolution, but it is clear from the resolution that this can be accomplished through the provision for additional appointments by the Speaker.

The resolution is as follows:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committtes of the Congress; and

Whereas these problems should, in order to safeguard the resources and economy of the United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

Resolved, That there is hereby created a select committee on foreign aid composed of 15 Members of the House of Representatives, who shall be appointed by the Speaker, 10 of whom shall be selected as follows: One from among the majority members and one from among the minority members of each of the following committees: The Committee on Appropriations, the Committee on Foreign Affairs, the Committee on Banking and Currency, the Committee on Armed Services, and the Committee on Agriculture. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a continuing study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, etc., and of economic rehabilitation; (2) resources available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) the administrative skills and performance of such agencies; (5) continuing wartime or other controls, if any, required to maintain prices of commodities in short supply at reasonable levels, whether such controls be domestic or international; (6) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but not less often than once in each 6 months.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

Mr. Speaker, in my judgment, the immediate passage of this resolution would be the most constructive action the House could take in an attempt to fully and adequately discharge its responsibilities in this field, and I urge all Members who wish to provide a means for the soundest possible solution of this problem to do everything within their power to bring about the prompt passage of the resolution.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a column from today's paper.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and that my remarks may be printed in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. MURRAY of Wisconsin addressed the House. His remarks appear in the Appendix.]

THE AMERICAN IDEOLOGY: "ALL MEN ARE CREATED EQUAL"

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, we have been speaking here this afternoon in this very interesting debate of conflicting ideologies. I think it behooves us for a moment to pay our attention to the pronouncement of what I think is the greatest ideology and philosophy of government that has ever been devised by man. It was phrased just 171 years ago tomorrow in our Declaration of Independence. The particular phrase to which I refer is that all men—not just Americans—all men are created equal, and that they are endowed by their Creator—not by a state, but by their Creator—with certain inalienable rights. That is the political philosophy of our form of government and I think we should contemplate it very deeply these days when we are thinking about conflicting ideologies. We should not be ashamed of it in this country or elsewhere throughout the world, and if there is to be a spread of any ideology it should be the ideology that recognizes that individuals get their rights from their God. We should not be afraid of intellectually defending that ideology under any and all circumstances as against any other type of government, because that ideology is based upon human nature. The same kind of human being that exists in this Chamber exists in Poland, in Czechoslovakia, in Rumania, Russia, everywhere; people are human. The rights that they have are not from their state but from their God. They have rights that are inalienable. We avowed that 171 years ago. It is good philosophy for Americans. It is good for people all over the world. That type of ideology can be defended by the people of any country. That is so because it is based on human nature. We should constantly let it be known to the world that ours, the finest government in the world, is based on a recognition of the fact that men are essentially equal the world over, that their fundamental rights—the right to life, the right to liberty, the right to seek and live a happy life—these rights and others are given to them by their God. These rights they have because they are human beings. No dictator, no president, no legislature, no court gives them these rights. Law and governments that are not based on human nature will wither away. But laws and governments which recognize that a human being is a king made in the image and likeness of his Creator, that he has rights and a dignity that are given to him by his Creator, rights and a dignity that no state can take away—those laws and that government, shall stand the test of the centuries.

THE PROFUNDITIES OF GOVERNMENT RESEARCH

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, I dislike to interrupt this discussion of ideologies. However, I have another matter that I think should be called to the attention of the House. I have here a clipping of a recent newspaper release from the Department of Agriculture which may have escaped the attention of some Members. It reads:

A brownish tinge that appears on white clothes during ironing may come from a scorched ironing board cover, home economists of the United States Department of Agriculture says. When very damp clothes are ironed, some of the brown color may come off the ironing board and onto the clean fabric. In the same way, other soluble stains on the ironing board may be transferred to clothes during ironing.

Now, Mr. Speaker, I am sure every Member will agree that the housewives of America should possess this profound knowledge. But I would be very much interested to know how many people the United States Department of Agriculture has had to keep on its pay roll in order to discover this important fact and to convey it to the public. I am sure the taxpayers would be interested to know just how much it cost them to have the Department of Agriculture dish out this vital information.

Perhaps President Truman has these pay-rollers in mind when he vetoed the Knutson tax-reduction bill.

THE JUDICIAL AND JUDICIARY CODE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I take this time to advise the Members of the House who are present that on page A3279 of the Appendix to the CONGRESSIONAL RECORD there is a brief on behalf of the adoption of title XXVIII of the code, the name of which code is the Judicial and Judiciary Code.

We appropriated, and it was approved by both bodies and the President, $100,000 for the work that has in these 4 years gone into the creation of this code. We believe that with 3,000 sections, 173 chapters and only two points of difference, we ought to approve that code. We believe it is sound and right. We have had the most expert advice that money could buy from the West Publishing Co. and the Edward Thompson Co., together with 4 years' work on the part of the Judiciary Committee. We have a unanimous report with only two corrections. One committee amendment will be offered when this matter comes up for consideration on Monday. If anyone wants to read it over the week end we will be happy to have you get the factual data on which this is based.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article on the shortage of oil and on GI loans.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, in the remarks I have heard today, there have been a great many comments about independence. It brings to mind the fact that in 1898 the island of Guam came under the jurisdiction of the United States and that in the 49 years which have followed, the people of that island have not enjoyed one single day of independence or freedom under a civil government.

I do not say that in any spirit of criticism, but rather in a spirit of sorrow that we should have kept this very loyal, hardworking, fine people under military jurisdiction for so many years.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY. I yield.

Mr. McDONOUGH. Was not the gentleman Governor of Guam at one time in his work with the United States Navy?

Mr. BRADLEY. For 2 years, and may I say to the gentleman that during those 2 years I put into effect a great many reforms and a great many measures to liberalize the government of Guam, but, unfortunately, these could last only as long as the current governor wanted them to last. He had the power to abrogate any or all at any moment.

During the few years after I left Guam, in the early thirties, I made a great many efforts to obtain measures to grant more local control to the people of that island, but I was not successful because of the situation then prevailing in the Asiatic world. However, since the recent war the governmental departments have come around to these same ideas. The Navy Department now favors an organic act and local civil government. The State Department approves, the Interior Department approves. The President has come out in favor of such an act and such civil government. Now nothing except Congress stands between the people of Guam and such laudable ambitions. The people ask only a small say in the way of government. They ask for citizenship. They ask for civil home rule. They ask for an organic act. They do

not want to get out from under the administration of the Navy. They realize that their living comes mainly from the Navy. Any effort to take them from under the jurisdiction of the Navy Department and put them under some other department at the present time would be merely starting their local economy on the road to the poorhouse.

Mr. Speaker, it seems to me that, as we discuss these matters of the independence of the United States and of our efforts to be of help to all other nations of the world, it is about time we should give a little thought and do a little something in the way of allowing local civil government and human rights to the people who are under our own domination. It is nice to help everyone else but it would be nice also to take care of our own people, among whom the people of Guam deserve an honored place.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. BRADLEY] has expired.

ATOMIC BOMB

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have listened with a great deal of interest to the discussion today, and my remarks have no reference to the remarks of any particular individual.

A year ago today I was serving on the President's Atomic Bomb Evaluation Committee in the Bikini Lagoon, in the South Pacific. We had just witnessed the first controlled experimental dropping of an atomic bomb. Slightly less than a year previous to that, August 9–12, 1945, the two first atomic bombs used in warfare had been dropped upon the Japanese industrial cities of Hiroshima and Nagasaki. A little less than a year ago I visited those two cities in Japan. I saw with my own eyes a city of a hundred thousand, approximately the size of the city of Long Beach, Calif., where the gentleman who has just spoken comes from, completely wiped out by one bomb dropped from a B–29. Eighty thousand people lost their lives when that bomb exploded, and the city was destroyed.

I went next to the city of Nagasaki and saw a like terrible illustration of this new and terrible power which had been discovered by man.

The horror of the atomic bomb is lost in the failure of our citizens to realize its terrible destructiveness. If the people throughout the world really understood the potential threat to their very existence, they would force cooperation upon their leaders.

The summer previous, a few days after the war ended in Europe, I had the opportunity of visiting the cities in Germany such as Frankfort, Hamburg, and others. I saw those cities in their destroyed condition, and they remain that way today. I realized the tremendous effort in terms of manpower, money, equipment, and life which was utilized in the destruction of the cities of Europe, and which is the cause of the terrible devastation in that country not only in the physical sense but also in the moral and in the political sense; and I thought of the great fleets of 700 bombers that went out from England—and I was there and saw some of them go out in 1944. Conditions have changed since VE-day and it is not necessary to send out 700 bombers at a time, it is necessary to penetrate with only one bomber with one atomic bomb, and drop it on a city the size of Frankfort and create the destruction that had been created by hundreds and hundreds of B–29's.

Shortly after that I flew from the city of Bethlehem in Palestine, the Tel Aviv Airport, a distance of 8,000 miles back to San Francisco in 36 flying hours by a plane that was slow, a C–54—slow in comparison to what we have today. It is possible today to fly from Washington to San Francisco, a distance of 3,000 miles in some 7 hours by high-speed bomber with an atomic bomb.

I am bringing up these facts for the one purpose of illustrating that we live in a different world today than we have ever lived in before. We live in a world where the concern of conditions in Europe is as vital to us in this country as the concern of conditions in New York was to the people of Virginia in Revolutionary days. It takes less time to go from here to Moscow or Berlin by air than it took to go from New York to Washington by horse in Revolutionary times.

I am at the present time a member of the Joint Committee on Atomic Energy of the House and the Senate. Most of our hearings are behind closed doors. I think we members of that committee are afraid to talk on that subject today, afraid that we might inadvertently say something which we should not say; but I say in all sincerity that unless there is control of atomic energy the world that we know will go up in flames—and within a few years. Unless that control is effectuated through international control there will be no control. I stand 100 percent behind the Baruch proposal. When I picked up the paper this morning and saw that the Prime Minister's Conference had failed, a shudder went through my body because I realized that one more step had been taken toward what seemed inevitable atomic war.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McDONOUGH. The gentleman referred to the question of the international control of atomic energy and the fact that he is a member of the Joint Committee of the House and Senate on Atomic Energy. Does the gentleman have any fear of international control of atomic energy insofar as the moral integrity and intellectual honesty of the international relationships of the United States with any other nation in the world are concerned? And if he has any such fear what nation in the world does he have the most fear of on account of lack of control of atomic energy?

Mr. HOLIFIELD. I will be glad to give my friend an answer on that which I hope will be frank.

I feel that international control is necessary, as I said. I believe it has to come through an international organization. I know the difficulties are great, but I know that that control must be established.

Mr. Speaker, I am going to say something which I have never said before in public and it is along the line of what the gentleman from Illinois [Mr. DIRKSEN] said today. I have been one of those who has thought it possible to obtain international agreement. I have not concluded yet that it is not entirely possible. But when I see things happen like the failure of the ministers' conference in Paris, because of the action of the Russian representative, a chill of fear grips my heart, because I believe that the policy of noncooperation which has been evidenced by the refusal of Russia to participate in all the different auxiliary organizations of the United Nations and to cooperate with the Atomic Energy Commission of the United Nations represents a real danger to world peace. When I see a continuance of that policy of noncooperation I realize that we are crystallizing into a condition of separation which, in my opinion, will inevitably lead to atomic war.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. McDONOUGH. I do not want to press the gentleman for an answer, but does he have any doubt of the moral integrity and intellectual honesty of those representing the United States in any international agreement in reference to atomic energy control? Does he have any doubt of the moral integrity and intellectual honesty of our representatives in establishing international control of atomic energy?

Mr. HOLIFIELD. Speaking of Mr. Baruch?

Mr. McDONOUGH. Our representatives.

Mr. HOLIFIELD. No. I have perfect confidence in the sincerity of the United States Representatives in the United Nations.

Mr. McDONOUGH. Does the gentleman have any doubt about the moral integrity and intellectual honesty of those representing Russia, or Russia itself, in establishing international control of atomic energy?

Mr. HOLIFIELD. I have very grave doubts about them. I have arrived at that point reluctantly, hoping that cooperative solution could be reached between Russia's representatives and ours.

Mr. McDONOUGH. I am glad to have that answer.

Mr. HOLIFIELD. I say that unless international accord is reached, there

will be atomic war between nations and if atomic war comes it means the end of civilization.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

THE LATE GARRETT WHITESIDE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, last evening a much beloved citizen of my State and for 40 years a secretary to Members of Congress died in the city of Washington. I refer to Garrett Whiteside, who came to the Capitol as a young man to serve as secretary to the late Ben Cravens, of Arkansas. Of the present membership, only the gentleman from Illinois [Mr. SABATH] was a Member of the House when Garrett Whiteside arrived. He served in later years as secretary to Hon. T. H. Caraway and Hon. Hattie Caraway, Members of the United States Senate. From 1945 to 1947 he was a member of the staff of the Secretary of the Senate He was widely known for his long and faithful service here and for his writings on Washington life. His column, which appeared in leading newspapers in Arkansas, was a popular feature and provoked a familiar opening for a conversation, "Garrett Whiteside says." He numbered his friends by the thousands and in spite of his long participation in public affairs had scarcely an enemy.

He enjoyed and cultivated his friendships, not to profit by them, but because he loved people and wanted to help them. He was one of the friendliest and one of the most industrious secretaries who ever served on Capitol Hill.

He was an exceptional husband and father, and exemplified the finest qualities in our American family life. He was an ardent churchman and a worker in many good causes His life was an unselfish one. He will be missed by thousands of friends who loved him and appreciated his contribution to our official life.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COLE of Missouri (at the request of Mr. HALLECK), indefinitely, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 2, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 2700. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1948, and for other purposes.

ADJOURNMENT

Mr. LOVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (a 3 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, July 7, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and illustrations, on a review of reports on Westcott Cove, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 379); to the Committee on Public Works and ordered to be printed, with two illustrations.

887. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Kent Island Narrows to Wells Cove, Chester River, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 380); to the Committee on Public Works and ordered to be printed, with an illustration.

888. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 18, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Cambridge Harbor, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 381); to the Committee on Public Works and ordered to be printed, with an illustration.

889. A letter from the Secretary of War, transmitting a draft of a proposed bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

890. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 270. Resolution providing for the consideration of H. R. 1639, a bill to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; without amendment (Rept. No. 788). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 271. Resolution providing for the consideration of Concurrent Resolution 54, concurrent resolution to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration; without amendment (Rept. No. 789). Referred to the House Calendar.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 3043. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; with amendments (Rept. No. 790). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4055. A bill to provide increases in the rates of pension payable to veterans of Indian wars and the dependents of such veterans; without amendment (Rept. No. 794). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3950. A bill to reduce individual income tax payments; without amendment (Rept. No. 795). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4075. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 796). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 1360. An act for the relief of Eric Seddon; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2350. A bill for the relief of Mrs. Daisy Park Farrow; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1931. A bill for the relief of the alien, Michael Soldo; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 4083. A bill authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate a toll bridge or tunnel or combined bridge and tunnel across or under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on Kent Island, and for other purposes; to the Committee on Public Works.

By Mr. REES:

H. R. 4084. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 4085. A bill to provide for the establishment of the Patton National Monument in the State of California; to the Committee on Public Lands.

By Mr. BLOOM:

H. R. 4086. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Post Office and Civil Service.

By Mr. BUSBEY:

H. R. 4087. A bill to reduce individual income-tax payments; to the Committee on Ways and Means.

By Mr. POULSON:

H. R. 4088. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. BENNETT of Michigan:

H. R. 4089. A bill to raise the minimum-wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. SHEPPARD:

H. J. Res. 225. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. J. Res. 226. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

H. Con. Res. 57. Concurrent resolution regarding disposal of Torney Hospital property in Palm Springs, Riverside County, Calif.; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of the enactment of the Reed bill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

717. By Mr. HART: Petition of New Jersey State Bar Association, urging the passage of H. R. 1639, the so-called Jennings bill; to the Committee on the Judiciary.

718. By Mrs. NORTON: Petition of the Hudson County Bar Association, of New Jersey, opposing the enactment of the Springer bill, H. R. 318, a bill to require certain persons within the United States to carry identification cards and be fingerprinted, and for other purposes; to the Committee on the Judiciary.

719. By Mr. REED of Illinois: Petition of Mrs. Ralph Emmert, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

720. Also, petition of Mrs. Earl F. Dobler, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

721. By the SPEAKER: Petition of Holy Name Society, St. Mark's Church, Gary, Ind., petitioning consideration of their resolution with reference to steps to investigate subversive activities of foreign agents working to break down constitutional government; to the Committee on Foreign Affairs.

722. Also, petition of Mrs. Carrie L. McMarcus and others, of Sarasota, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

723. Also, petition of Mrs. Albine Bibeau and others, of St. Petersburg, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

MONDAY, JULY 7, 1947

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast called us to our high responsibilities, we ask for that meed of bodily health and mental vigor that will make us equal to our tasks. As we address ourselves to the duties of another week, make us sensitive to Thy will. Help us to keep keen the edges of our minds to make our thinking straight and true. Help us to hold our personal interests in restraint and keep Thou the door of our lips lest we offend against Thee or one another. So may we move through the routine proceedings of this day's work that when evening comes there may be no vain regrets and we may rest in peace.

These blessings we ask in Jesus' name.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 3, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

LEAVE OF ABSENCE

Mr. WHERRY. Mr. President, it is with deep regret that I announce the death of the wife of our colleague the junior Senator from New York [Mr. IVES]. At this time I ask unanimous consent that the junior Senator from New York be excused from sessions of the Senate for the next few days.

The PRESIDENT pro tempore. Without objection, leave is granted.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

The PRESIDENT pro tempore. The Chair would like to make the appointments required to be made by the President pro tempore of the Senate under the terms of the Lodge-Brown Act for the establishment of the Commission on Organization of the Executive Branch of the Government. The law requires the President pro tempore to appoint two Members of the Senate and two civilians.

The Senate appointments will be the Senator from Vermont [Mr. AIKEN]; the Senator from Arkansas [Mr. MCCLELLAN]; Prof. James K. Pollock, of the University of Michigan, Ann Arbor, Mich.; and Hon. Joseph P. Kennedy, of Hyannis Port, Mass.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

COMPENSATION TO FOREIGN GOVERNMENTS FOR CERTAIN LOSSES AND DAMAGES

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON HAYDEN LAKE UNIT OF RATHDRUM PRAIRIE PROJECT, IDAHO

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report and findings on the Hayden Lake unit of the Rathdrum Prairie project, Idaho (with an accompanying report); to the Committee on Public Lands.

REFERENCE MANUAL OF GOVERNMENT CORPORATIONS (S. DOC. NO. 74)

A letter from the Comptroller General of the United States, transmitting information supplementing the Reference Manual of Government Corporations, as prepared in the General Accounting Office (S. Doc. No. 86, 79th Cong.), and reflecting changes in applicable laws, creation or liquidation of corporations, Government reorganizations, and other conditions affecting the auditing relations of the General Accounting Office and the corporations through 1946 (with an accompanying document); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

PETITIONS

Petitions were laid before the Senate by the President pro tempore and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Assembly Joint Resolution 50

"Joint resolution relative to funds for fish hatcheries in California

"Whereas it has come to the attention of the members of the California Legislature that because of lack of funds the United States salmon hatchery located on Mill Creek, a tributary of the Sacramento River, will be closed on May 31; and

"Whereas such closing of the hatchery will greatly and adversely affect the production and capture of salmon in the Sacramento River and tributaries as well as in the adjacent ocean; and

"Whereas such lack of funds is occasioned by budget slashes of the Department of the Interior by the Congress: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress are memorialized to restore or otherwise provide sufficient funds to continue the operation of the said hatchery and any other hatcheries in California which may be so adversely affected; and be it further

"Resolved, That the chief clerk of the assembly be directed to send a copy of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"Assembly Joint Resolution 28

"Joint resolution relative to a bill concerning interstate and foreign commerce in agricultural products pending in the Congress of the United States

"Whereas there is now pending in the House of Representatives of the Congress of the United States the Lemke bill, the Agricultural Equality Act of 1947, H. R. 794; and

"Whereas this bill provides regulation of interstate and foreign commerce in agricultural products, prevents unfair competition, provides for orderly marketing of such products; and

"Whereas such regulation will promote the general welfare of all people in the United States of America by assuring an abundant and permanent supply of agricultural products by securing to those producing agricultural products a minimum price of not less than the cost of production; and

"Whereas the State of California has vast agricultural projects vitally involved in this legislation, some of which have not been but should be included in the bill; and

"Whereas the objectives sought to be accomplished by the act are of tremendous importance to the future stability of agricultural production and to the welfare of all people in this country: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to amend H. R. 794 by adding to the list of agricultural products coming under the provisions of the act the following: Figs, apricots, prunes, plums, olives, almonds, and walnuts; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"Assembly Joint Resolution 55

"Joint resolution relative to the tidelands and submerged lands adjacent to the coast of California

"Whereas it appears that the United States Supreme Court has upheld the claim of the Federal Government to the ownership of the tidelands and submerged lands adjacent to the coast of California, and has declared that the Federal Government, rather than the State, is the owner of the oil and gas and other mineral resources therein; and

"Whereas this decision will result in a serious economic loss to the State of California and its local governmental agencies, and will retard the development and improvement of the tidelands and submerged lands for the purposes of harbors and navigation; and

"Whereas the Congress of the United States has heretofore evidenced its intent that the title to such tidelands and submerged lands be vested in the State of California by enacting a bill to that effect, which was vetoed: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress and President of the United States are hereby respectfully requested forthwith to enact into law such legislation as is necessary to grant to and vest in the State of California all right, title, and interest in and to the tidelands and submerged land adjacent to the coast of California, including the oil and other mineral deposits therein; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Assembly Joint Resolution 54

"Joint resolution relative to memorializing and petitioning the Congress to enact appropriate legislation to enable the several States and Territories to finance the administration of their unemployment-insurance systems

"Whereas the costs of administering the California unemployment insurance system and those of the other States and Territories are financed entirely by Federal funds in accordance with provisions of title 3 of the Social Security Act; and

"Whereas experience has demonstrated that this method of financing unemployment insurance administration has operated to deprive California and other jurisdictions of sufficient moneys to administer unemployment insurance on an efficient, equitable basis; and

"Whereas the employers of this State are required to pay a Federal unemployment tax of 3 percent of their subject pay rolls against which a tax credit offset is allowed up to 2.7 percent for amounts paid into the unemployment fund of the State, leaving a balance of three-tenths of 1 percent which is paid into the United States Treasury; and

"Whereas it appears that this three-tenths of 1 percent tax was originally intended to meet the administrative costs, both Federal and State, of the joint Federal-State unemployment-compensation system; and

"Whereas there has been collected from such California employers paying this three-tenths of 1 percent tax, a total of more than $84,000,000 through June 30, 1946, while there has been returned to California only some $30,000,000, for unemployment-insurance administration during the same period; and

"Whereas if the revenues from this employers' tax were made available to California and other States, adequate funds for effective unemployment-insurance administration would be provided; and

"Whereas if such revenues were available, it would also be possible from them to finance administration of the employment service, which is now supported by another grant of Federal funds; and

"Whereas the funds granted to this State for administration of unemployment compensation are subject to budgetary approval, and other fiscal controls of a Federal agency which takes no direct part in the operation and administration of the unemployment insurance act of this State; and

"Whereas this method of financing the operation of the unemployment insurance act of this State, by imposing dual controls, Federal fiscal control combined with State administrative responsibility, results in a complete separation of financial and administrative responsibility which impair proper and efficient administration: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is hereby respectfully petitioned and memorialized to enact legislation which will grant California and other employers full offset against the Federal unemployment tax for payments made to the California unemployment fund, or similar fund in other jurisdictions, and which will permit this State and other jurisdictions to finance the administration of their respective employment service and unemployment-compensation programs under State fiscal control and at a lower cost to the taxpayer; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this joint resolution to the Secretary of the United States Senate, the Clerk of the House of Representatives of the United States, the chairman of the Finance Committee of the United States Senate, the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the Committee on Appropriations of the United States Senate, the chairman of the Committee on Appropriations of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the House of Representatives of the Legislature of the State of California; to the Committee on the Judiciary:

"House Resolution 210

"Resolution relating to memorializing and petitioning Congress to enact legislation adequate to stamp out and abolish the evil of lynching

"Whereas during the last few years and throughout the Nation as a whole there have been many lynchings and attempts at lynching; and

"Whereas there is inadequate legislation by the United States and among the several States to discourage lynching; and

"Whereas proper legislation by the Congress of the United States would have a salutary effect and would greatly tend to decrease the number of lynchings and attempts at lynching; and

"Whereas it has been definitely proved that legislation by the United States of America with regard to other crimes has tended to decrease such crimes, and that public protection now demands that the United States of America extend its legislation to this field of crime; and

"Whereas many measures to curb lynching are now pending in the Congress; and

"Whereas this assembly desires to affirm the position taken by the Legislature of California in 1935, and reaffirmed in 1937 and 1939, in urging the National Government to enact effective legislation to prevent lynchings: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Congress of the United States is hereby memorialized to enact legislation adequate to decrease and abolish lynching; and be it further

"Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the House of Representatives of the Legislature of the State of California; to the Committee on Public Lands:

"House Resolution 275

"Resolution relative to memorializing the President and the Congress of the United States in relation to the application of the 160-acre limitation of the Federal reclamation law to the Central Valley project

"Whereas the Federal reclamation law, as originally enacted, was designed principally for the reclamation of arid lands on the Great Plains by developing a water supply for said lands and bringing them under cultivation; and

"Whereas in the earlier projects much of the land was owned by the United States and

open to homestead and the maximum agricultural homestead on public lands had been traditionally established at 160 acres; and

"Whereas not all of the land benefited by such reclamation was necessarily in public ownership and there was a possibility that a project might include considerable tracts of privately owned land which would be rendered more valuable because of the project; and

"Whereas to avoid conferring disproportionate benefits upon privately owned land in what were essentially public-land projects the Congress limited the acreage for which water would be made available to 160 acres; and

Whereas the Central Valley project of California is being constructed under the Federal reclamation law but under entirely different circumstances than existed when the 160-acre limitation was written into said law, because it is not a project for the reclamation of arid public land but a multiple purpose project the water features of which involve principally a supplemental water supply for land in private ownership and already capable of producing crops; and

"Whereas a large part of the supplemental water supplied by the project will be utilized for replenishing the underground water supply which will present an entirely different picture from the early Great Plains projects where the utilization of water supplied by gravity flow could be adequately measured so that the 160-acre limitation could be practically applied; and

"Whereas within the Central Valley Basin there is a vast difference between parcels of land lying in different areas in the basin, whereas the land of the Great Plains projects for which the 160-acre limitation was originally designed was generally uniform as to nature and productiveness; and

"Whereas the application of the 160-acre limitation to the Central Valley project would result in breaking up agricultural units which experience under California conditions has demonstrated are the proper size for efficient operation; and

"Whereas the application of the 160-acre limitation, if, indeed, such limitation can be practically applied, would serve no useful purpose, disrupt an agricultural economy long established, and would apply the Federal statute to a situation not contemplated at the time of its enactment; and

"Whereas there is pending in the Congress of the United States Senate bill No. 66 to make the 160-acre limitation inapplicable to the Central Valley project of California; Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Congress of the United States is hereby memorialized and requested to enact said Senate bill 66 and the President of the United States is memorialized and requested to approve said Senate bill 66; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Two joint resolutions of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution 52

"Joint resolution relative to memorializing Congress to enact legislation for compulsory military training

"Whereas since the cessation of hostilities in the recent World War the state of national defense in the United States of America has been progressively and rapidly deteriorating; and

"Whereas the experiment of depending upon voluntary enlistment rather than compulsory training to maintain and augment the Nation's Military Establishments has been amply tested during the past year and has proven to be inadequate to such a degree that if persisted in it eventually will reduce the country's armed forces to a state of military impotency comparable to that which existed and so humiliated its citizenry at the outbreak of both World War I and World War II; and

"Whereas though the Nation was able by wholehearted and universal effort to overcome its woeful unpreparedness and carry on eventually to victory in the last two great conflicts, it has no assurance that it will continue to be favored by such fortuitous circumstances in a third world conflagration, where jet-propelled and radio-controlled airplanes, with or without atomic bombs, could hurl their destructive and deathly missiles on our centers of population and industry without any warning whatsoever, if we are not prepared for just such an eventuality; and

"Whereas universal training of the youth of the Nation is not only the best method of supplying an adequate military force of enlisted personnel, but is also the most efficient means, by fostering promotions from the ranks upon merit alone and, without regard to race, color, creed, or station in life, of providing the trained military leadership required: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States be, and it is hereby, memorialized and urged to enact at the earliest practicable date, a system of universal selective military training for this Nation, to the end that it may be prepared for war and by being so prepared shall insure continued peace among the nations of the world; and be it further

"Resolved, that the chief clerk of the assembly be directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate and the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and members of the Armed Services Committees of the Senate and House of Representatives."

"Assembly Joint Resolution 35

"Joint resolution relative to commending Rear Adm. J. W. Reeves, Jr., of the United States Navy

"Whereas the Naval Air Transport Service under the command of a distinguished officer, Rear Adm. J. W. Reeves, Jr., has established a remarkable record of safety and regularity of operations in this country and overseas both during the war and in the postwar era; and

"Whereas the Naval Air Transport Service, familiarly known as NATS, has its headquarters at Moffett Field, Calif.; and

"Whereas NATS, under the able direction of Admiral Reeves, has developed and attained a highly efficient technique of ground controlled approach through the use of radar to insure a safe approach to and landing at an airport under conditions of fog and low visibility; and

"Whereas NATS has maintained most of its scheduled arrivals and departures even under adverse weather conditions when many commercial air-line operations have been canceled; and

"Whereas NATS has continued to improve its over-all safety record each year notwithstanding the release of over 4,000 experienced pilots, about two-thirds of its total; and

"Whereas the Naval Air Transport Service R5D planes alone, exclusive of other types, have achieved the amazing safety record of flying 1,400,000,000 passenger-miles in the last 4 years without a single passenger fatality; and

"Whereas Admiral Reeves, by gallant leadership, skill, ability, experience, and sound judgment, has inspired the forces under his command and brought glory and public renown to the Naval Air Transport Service: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That we, the members of the legislature, do hereby commend Rear Adm. J. W. Reeves, Jr., United States Navy, and give official recognition to his outstanding achievements in commanding and directing the far-flung domestic and overseas operations of the Naval Air Transport Service, and establishing a superlative record of safety and regularity in its operations; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Secretary of the Navy, and each of California's Representatives in the Congress of the United States; and be it further

"Resolved, That the chief clerk prepare a suitably engrossed copy of this resolution and forward it to Rear Adm. J. W. Reeves, Jr., with the sincere good wishes of every member of this legislature."

Two joint resolutions of the Legislature of the State of California; to the Committee on Banking and Currency:

"Assembly Joint Resolution 49

"Joint resolution relative to memorializing Congress to enact effective legislation to alleviate the housing shortage

"Whereas for some years housing facilities throughout the United States have become increasingly inadequate, until the housing shortage is now clearly recognized as the major problem confronting the people today; and

"Whereas the seriousness of the housing shortage in California, and the urgency of action to correct the situation, was emphasized by Gov Earl Warren in his message to the legislature on January 6, 1947, when he said, 'Of all the problems in our State, housing remains the most critical'; and

"Whereas the extent of the shortage is now so great throughout the entire United States that there is every indication that a program on a national scale would be the most effective way of meeting it; and

"Whereas such a program may be best achieved by action of government, provided for by Federal statute: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and Congress of the United States are hereby memorialized and requested to enact immediately the Taft-Ellender-Wagner bill, S. 866, or such other legislation as will be effective to alleviate the housing shortage at once, to create low-rent and low-cost housing and a long-range national program of housing which will include slum clearance; and be it further

"Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"Assembly Joint Resolution 5

"Joint resolution relative to memorializing Congress to issue commemorative gold coins, or in the alternative, to authorize the manufacture from gold of souvenirs for California's centennial celebrations

"Whereas the years 1948, 1949, and 1950 have been officially designated as California's Gold Discovery Centennial Year, Gold Rush Centennial Year, and California Centennial and World's Fair Year, respectively; and

"Whereas these centennials commemorate the historical discovery of gold in California in 1848, the dramatic gold rush of 1849 which brought to this State the hosts of people who in the matter of months made possible the admission of the State of California to the Union in 1850; and

"Whereas this discovery of and mining of gold have helped shape the destiny of California and of the United States; and

"Whereas these centennials come as peace replaces years of bitter conflict, and it is fitting and proper that people pause and pay homage to those who in 1848, 1849, and 1850 did much to make possible 100 years of prosperity for California and the United States; and

"Whereas since gold has played so important a part in California history, it is the opinion of this legislative body that a commemorative gold coin of a denomination not over $5 should be issued, and authority be granted for its distribution in this State by 1948, or in the alternative, to authorize the manufacture from gold of suitable commemorative souvenirs: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President, the Secretary of the Treasury, and the Congress of the United States to take whatever action is necessary to issue a suitable commemorative gold coin of a denomination not to exceed $5 commemorating the centennial of gold discovery in California, and to authorize its sale and distribution in California by 1948; and be it further

"Resolved, If the Federal Government deems it inadvisable to issue and authorize the sale and distribution of such commemorative gold coin, that the Legislature of the State of California respectfully memorializes the President, the Secretary of the Treasury, and the Congress of the United States to take whatever action is necessary to authorize the manufacture from gold, and sale to the public by 1948 of suitable commemorative souvenirs; and be it further

"Resolved, That the chief clerk of the assembly shall transmit copies of this resolution to the President, the Secretary of the Treasury, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Altrus Club, of Council Bluffs, Iowa, favoring the enactment of legislation to permit the immediate entry into Palestine of at least 100,000 Jewish immigrants now living in displaced persons' centers in Europe, and also the removal of land restrictions; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SMITH, from the Committee on Labor and Public Welfare:

S. 176. A bill to provide for, foster, and aid in coordinating research relating to dental diseases and conditions; to establish the National Institute of Dental Research; and for other purposes; without amendment (Rept. No. 436); and

S. 1454. A bill to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes; with amendments (Rept. No. 437).

By Mr. CORDON, from the Committee on Public Lands:

S. 1348. A bill to provide for the addition of certain revested Oregon & California Railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes; without amendment (Rept. No. 447).

By Mr. BUTLER, from the Committee on Public Lands:

H. R. 2167. A bill to authorize the inclusion within the Angostura unit of the Missouri Basin project of certain lands owned by the United States; without amendment (Rept. No. 448);

H. R. 2573. A bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement-of-appropriations basis; without amendment (Rept. No. 438); and

S. J. Res. 84. Joint resolution to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Monument, and for other purposes; with amendments (Rept. No. 449).

By Mr. WILEY, from the Committee on the Judiciary:

S. 99. A bill for the relief of John T. Hollandsworth, Jr.; without amendment (Rept. No. 441);

H. R. 566. A bill for the relief of Choctawhatchee Electric Cooperative, Inc.; without amendment (Rept. No. 443);

H. R. 1162. A bill for the relief of Persis M. Nichols; without amendment (Rept. No. 444);

H. R. 1888. A bill to incorporate the AMVETS, American Veterans of World War II; without amendment (Rept. No. 439);

H. R. 2306. A bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts; without amendment (Rept. No. 445);

H. R. 3170. A bill for the relief of R. W. Wood; without amendment (Rept. No. 446); and

S. J. Res. 134. Joint resolution providing for the proper observance of the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America; with an amendment (Rept. No. 442).

By Mr. BALDWIN, from the Committee on Civil Service:

S. 1490. A bill to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund, and for other purposes; without amendment (Rept. No. 450).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable executive reports were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

David Chavez, Jr., of New Mexico, to be United States district judge for the district of Puerto Rico, vice Robert A. Cooper;

Henry Otis Camp, of Georgia, to be United States marshal for the northern district of Georgia, vice Charles H. Cox, deceased; and

Loomis E. Cranor, of Kentucky, to be United States marshal for the western district of Kentucky.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Executive H, Seventy-ninth Congress, first session, an agreement on petroleum between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, signed in London, September 24, 1945; with amendments and reservations (Ex. Rept. No. 8).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GURNEY (by request):

S. 1570. A bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; and

S. 1571. A bill to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics; to the Committee on Armed Services.

By Mr. BALDWIN:

S. 1572. A bill to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes; to the Committee on Armed Services.

By Mr. McCARTHY:

S. 1573. A bill for the relief of Marcella Kosterman; to the Committee on the Judiciary.

By Mr. VANDENBERG (by request):

S. 1574. A bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations; to the Committee on Foreign Relations.

By Mr. AIKEN:

S. 1575. A bill to authorize the Office of Education to procure and make available to the schools and colleges of the country a series of educational motion pictures, film strips, and related materials depicting the basic freedoms guaranteed by the Constitution, the organization and functioning of the Congress, and other subject matters; and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MILLIKIN (by request):

S. 1576. A bill to amend section 3121 of the Internal Revenue Code; to the Committee on Finance.

By Mr. BROOKS:

S. 1577. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; to the Committee on Armed Services.

HOUSE BILL REFERRED

The bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act was read twice by its title and referred to the Committee on Finance.

EXEMPTIONS FROM LAND-LIMITATION PROVISIONS OF RECLAMATION LAWS—AMENDMENTS

Mr. CONNALLY submitted amendments intended to be proposed by him to the bill (S. 912) exempting certain projects from the land-limitation provisions of the Federal reclamation laws and repealing all inconsistent provisions of prior acts, which were referred to the Committee on Public Lands and ordered to be printed.

INVESTIGATION OF SOCIAL-SECURITY PROGRAM

Mr. MILLIKIN (for himself and Mr. GEORGE) submitted the following resolution (S. Res. 141), which was referred to the Committee on Finance:

Resolved, That the Committee on Finance, or any duly constituted subcommittee thereof, is authorized and directed to make a full and complete investigation of old-age and survivors insurance and all other aspects of the existing social-security program, particularly in respect to coverage, benefits, and taxes related thereto for the purpose of assisting the Senate in dealing with legislation

relating to social security hereafter originating in the House of Representatives under the requirement of the Constitution.

SEC. 2. For the purposes of this resolution, the Committee on Finance, or any duly constituted subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eightieth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 3. The committee is authorized to designate and appoint an Advisory Council to study, assist, consult with, and advise the Committee on Finance or its duly authorized subcommittee, and the committee is further authorized to designate and appoint such other officers, experts, or assistants as it deems necessary for the performance of the investigation directed by this resolution.

SEC. 4. The compensation of persons assisting the committee in the investigation directed by this resolution shall be fixed by the committee at such amounts or rat s as the committee deems appropriate, but such amounts or rates shall not exceed the amounts or rates payable for comparable duties prescribed by the Classification Act of 1923, as amended.

SEC. 5. The committee or its duly constituted subcommittee is authorized, with the approval of the Committee on Rules and Administration, to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government in the performance of its duties under this resolution.

SEC. 6. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the Senate upon vouchers signed by the chairman.

REREFERENCE OF NOMINATION OF BURTON N. BEHLING TO BE A MEMBER OF FEDERAL POWER COMMISSION

As in executive session,

Mr. WHITE submitted the following resolution (S. Ex. Res. 52), which was ordered to lie over 1 day under the rule:

Resolved, That the Committee on Public Works be, and it is hereby, discharged from the further consideration of the nomination of Burton N. Behling, of the District of Columbia, to be a member of the Federal Power Commission for the term expiring June 22, 1952, and that it be referred to the Committee on Interstate and Foreign Commerce.

MAJ. RICHARD R. WRIGHT

Mr. MARTIN. Mr. President, last Wednesday, in Philadelphia, Maj. Richard R. Wright passed from this life at the age of 94. His distinguished career was one of the greatest examples of what can be accomplished under our American way of life.

Major Wright was born as a slave in the State of Georgia. For 50 years he was active in the field of education in his native State. He was graduated from Atlanta University in 1876 and took postgraduate work at the University of Chicago, Harvard University, and the University of Pennsylvania.

He first taught in the elementary and secondary schools, and in 1880 was appointed principal of the Ware High School, the first Negro school of its kind in the State.

Later he was made president of Georgia State College, a post which he held for 30 years.

In 1921 he decided to go into business, and organized in Philadelphia the Citizens & Southern Bank & Trust Co., now the largest Negro bank in eastern United States.

He always championed the cause of his people. He fostered National Freedom Day, and his last visit to the Nation's Capital was to advocate recognition of that day. He was active in the church and fraternal organizations. He was interested in military work and attained the rank of major.

By the force of his personality, his work, courage, and knowledge Major Wright achieved outstanding things for himself and his people.

The Philadelphia Inquirer, which seldom refers to individuals in its editorials, paid appropriate tribute to him editorially, and I ask unanimous consent to have this editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAJ. RICHARD R. WRIGHT

Maj. Richard R. Wright, who died in this city on Wednesday, achieved distinction in many fields in a long lifetime that stretched back to pre-Civil War days in Georgia, where he was born in slavery.

From those beginnings he rose to become one of the foremost Negro educators in the country. He was principal of the first Negro high school in Georgia and for 30 years president of Georgia State College.

Widening his activities, he turned to banking comparatively late in life and was founder and president of the Citizens & Southern Bank & Trust Co. of this city, the largest Negro-owned and operated bank in the North.

Meanwhile, he served his country in the armed forces during the Spanish-American War, and was named by President McKinley a special paymaster with the rank of major.

He was known not only in Philadelphia but throughout the United States as a civic leader untiringly devoted to causes he believed would help the ordinary citizen, and as a sincere champion of his people.

Fostering National Freedom Day and obtaining the issuance of a postage stamp honoring Booker T. Washington were only minor aspects of his unflagging zeal in the interests of his fellow Negroes.

Major Wright was not only a highly successful and capable Negro educator and banker; he was a loyal, conscientious public servant, a distinguished American, and a fine gentleman.

WHAT OF THE FUTURE OF AMERICA?—ADDRESS BY SENATOR WATKINS

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a radio address entitled "What of the Future of America?" delivered by him on July 5, 1947, which appears in the Appendix.]

INDEPENDENCE DAY IN THE ATOMIC AGE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Independence Day in the Atomic Age," delivered by him over Wisconsin radio stations on July 4, 1947, which appears in the Appendix.]

AMERICAN RELATIONS WITH RUSSIA—SERMON BY DR. WALTER ROWE COURTENAY

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article entitled "Clergyman Wants United States To Get Tough With Russia," containing excerpts from a sermon by Dr. Walter Rowe Courtenay, pastor of the First Presbyterian Church of Nashville, Tenn., which appears in the Appendix.]

NATIONAL HEALTH INSURANCE—COMPILATIONS OF FACTS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD two brief compilations of facts bearing on the need for national health insurance, which appear in the Appendix.]

THE FEDERAL COURTS—EDITORIAL FROM THE NEW YORK TIMES

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an editorial entitled "For the Federal Courts," published in the New York Times, of July 6, 1947, which appears in the Appendix.]

POSTAL RATE ON BOOKS—ARTICLE BY MARQUIS CHILDS

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article entitled "Postal Rate on Books," written by Marquis Childs and published in the Washington Post of July 7, 1947, which appears in the Appendix.]

A GOOD FORMULA—AN EDITORIAL

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an editorial entitled "A Good Formula," published in the July 1, 1947, issue of the Newark Star-Ledger, which appears in the Appendix.]

THE PRESENT LIQUOR SITUATION—ARTICLE BY MRS. D. LEIGH COLVIN

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "The Present Liquor Situation," by Mrs. D. Leigh Colvin, president of the National Woman's Christian Temperance Union, which appears in the Appendix.]

EUROPE'S TESTING TIME—ARTICLE BY BARNET NOVER

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an article entitled "Europe's Testing Time," by Barnet Nover, published in the Washington Post of July 5, 1947, which appears in the Appendix.]

MEETINGS OF COMMITTEES DURING SENATE SESSION

Mr. REVERCOMB. Mr. President, on behalf of the Subcommittee on Immigration of the Committee on the Judiciary, I ask unanimous consent that it may meet this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, permission is granted.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the subcommittee of the Joint Committee on Atomic Energy be authorized to sit this afternoon.

The PRESIDENT pro tempore. Without objection, the order is made.

ENTRY OF DISPLACED PERSONS AS IMMIGRANTS—MESSAGE FROM THE PRESIDENT (H. DOC. No. 382)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Judiciary.

(For President's message, see today's proceedings of the House of Representatives on p. 8329.

CATHLEEN DOYLE HARRIS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 395) authorizing the issuance of a patent in fee to Richard Jay Doyle, which was to amend the title, so as to read: "An act authorizing the issuance of a patent in fee to Cathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased."

Mr. ECTON. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

UNIFICATION OF THE ARMED SERVICES

The PRESIDENT pro tempore. Under the order of the Senate of Wednesday, July 2, the Chair lays before the Senate the bill (S. 758) to promote the national security by providing for a national defense establishment, and so forth.

The Senate proceeded to consider the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

SHORT TITLE

That this act may be cited as the "National Security Act of 1947."

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Sec. 310. Definition.
Sec. 311. Separability.

DECLARATION OF POLICY

SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide three military departments for the operation and administration of the Army, the naval service, including the Navy and the Marine Corps, and the Air Force, with their assigned combat and service components; to provide for their authoritative coordination and unified direction under civilian control but not to merge them; to provide for the effective strategic direction of the armed forces and for their operation under unified control and for their integration into an efficient team of land, naval, and air forces.

TITLE I—COORDINATION FOR NATIONAL SECURITY

NATIONAL SECURITY COUNCIL

SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

The Council shall be composed of the President; the Secretary of State; the Secretary of National Security, appointed under section 202; the Secretary of the Army, referred to in section 205; the Secretary of the Navy; the Secretary of the Air Force, appointed under section 207; the Chairman of the National Security Resources Board, appointed under section 103; and such other members as the President may designate from time to time.

(b) In addition to performing such other functions as the President may direct, for the purpose of more effectively coordinating the polices of the departments and agencies of the Government and their functions relating to the national security, it shall, subject to the direction of the President, be the duty of the Council—

(1) to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith; and

(2) to consider policies on matters of common interest to the Department of State, the National Security Organization, and the National Security Resources Board, and to make recommendations to the President in connection therewith.

(c) The Secretary of National Security shall be director of the staff of the Council herein established and is hereby authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

(d) The Council shall, from time to time, make such recommendations and such other reports to the President as it deems appropriate or as the President may require.

CENTRAL INTELLIGENCE AGENCY

SEC. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof, to be appointed from the armed services or from civilian life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of $12,000 a year.

(b) Any commissioned officer of the armed services may be appointed to the office of Director; and his appointment to, acceptance of, and service in such office shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer on the active list shall, while serving in the office of Director, receive the military pay and allowances payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which $12,000 exceeds the amount of his annual military pay and allowances.

(c) Effective when the Director first appointed under subsection (a) has taken office—

(1) the functions of the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) are transferred to the National Security Council, and such Authority shall cease to exist; and

(2) the functions of the Director of Central Intelligence, and the functions, personnel, property, and records of the Central Intelligence Group are transferred to the Director of Central Intelligence appointed under this act and to the Central Intelligence Agency, respectively, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

NATIONAL SECURITY RESOURCES BOARD

SEC. 103. (a) There is hereby established a National Security Resources Board (hereinafter in this section referred to as the "Board") to be composed of the Chairman of the Board and such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President to be members of the Board. The Chairman of the Board shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 a year or at the rate of $50 a day but not to exceed $15,000 in any one year.

(b) The Chairman of the Board, subject to the direction of the President, is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to assist the Board in carrying out its functions.

(c) It shall be the function of the Board to advise the President concerning the coordination of military, industrial, and civilian mobilization, including—

(1) policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war;

(2) programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions;

(3) policies for unifying, in time of war, the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution, or transportation of military or civilian supplies, materials, and products;

(4) the relationship between potential supplies of and potential requirements for

manpower, resources, and productive facilities in time of war;

(5) policies for establishing adequate reserves of strategic and critical material, and for the conservation of these reserves;

(6) the strategic relocation of industries, services, Government, and economic activities, the continuous operation of which is essential to the Nation's security.

(d) The Board shall perform such other functions, not inconsistent with law, concerning the coordination of military, industrial, and civilian mobilization as the President may direct.

(e) In performing its functions, the Board shall utilize to the maximum extent the facilities and resources of the departments and agencies of the Government.

TITLE II—THE NATIONAL SECURITY ORGANIZATION

ESTABLISHMENT OF THE NATIONAL SECURITY ORGANIZATION

SEC. 201. (a) There is hereby established the National Security Organization, and a Secretary of National Security, who shall be the head thereof.

(b) The National Security Organization shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created within the National Security Organization.

SECRETARY OF NATIONAL SECURITY

SEC. 202. (a) The Secretary of National Security shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. Under the direction of the President he shall perform the following duties:

(1) Establish general policies and programs for the National Security Organization and for all of the departments and agencies therein;

(2) Exercise general direction, authority, and control over such departments and agencies;

(3) Supervise and coordinate the preparation of budget estimates; formulate and determine the budget estimates for submittal to the Bureau of the Budget; and supervise the budget program of the National Security Organization under the applicable appropriations acts: *Provided*, That nothing herein contained shall prevent the Secretary of any of the three departments hereinbefore mentioned from presenting to the President or to the Director of the Budget, after first so informing the Secretary of National Security, any report or recommendation relating to his department which he may deem necessary; *And provided further*, That the Department of the Army, the Department of the Navy, and the Department of the Air Force, shall be administered as individual units by their respective Secretaries and all powers and duties not specifically conferred upon the Secretary of National Security by this act are retained by each of the respective Secretaries.

(b) The Secretary of National Security shall submit annual written reports to the President and the Congress covering expenditures, work, and accomplishments of the National Security Organization, together with such recommendations as he shall deem appropriate.

(c) The Secretary of National Security shall cause a seal of office to be made for the National Security Organization, of such design as the President shall approve, and judicial notice shall be taken thereof.

MILITARY ASSISTANTS TO THE SECRETARY

SEC. 203. Officers of the armed services may be detailed to duty as assistants and personal aides to the Secretary of National Security, but he shall not establish a military staff.

CIVILIAN PERSONNEL

SEC. 204. (a) The Secretary of National Security is authorized to appoint from civilian life not to exceed three special assistants to advise and assist him in the performance of his duties. Each such special assistant shall receive compensation at the rate of $10,000 a year.

(b) The Secretary of National Security is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such other civilian personnel as may be necessary for the performance of the the functions of the National Security Organization.

DEPARTMENT OF THE ARMY

SEC. 205. (a) The Department of War shall hereafter be known as the Department of the Army, and the title of the Secretary of War shall be changed to Secretary of the Army. Changes shall be made in the titles of other officers and activities of the Department of the Army as the Secretary of the Army may determine.

(b) All laws, orders, regulations, and other actions relating to the Department of War or to any officer or activity whose title is changed under this section shall, insofar as they are not inconsistent with the provisions of this act, be deemed to relate to the Department of the Army within the National Security Organization or to such officer or activity designated by his or its new title.

(c) The term "Department of the Army" as used in this act shall be construed to mean the Department of the Army at the seat of government and all field headquarters, forces, reserve components, installations, activities, and functons under the control or supervision of the Department of the Army.

(d) The Secretary of the Army shall cause a seal of office to be made for the Department of the Army, of such design as the President may approve, and judicial notice shall be taken thereof.

DEPARTMENT OF THE NAVY

SEC. 206. (a) The term "Department of the Navy" as used in this act shall be construed to mean the Department of the Navy at the seat of government; the headquarters, United States Marine Corps; the entire operating forces of the United States Navy (including naval aviation) and of the United States Marine Corps, including the reserve components of such forces; all field activities, headquarters, forces, bases, installations, activities, and functions under the control or supervision of the Department of the Navy; and the United States Coast Guard when operating as a part of the Navy pursuant to law.

(b) The provisions of this act shall not authorize the alteration or diminution of the existing relative status of the Marine Corps (including the Fleet Marine Forces) or of naval aviation.

DEPARTMENT OF THE AIR FORCE

SEC. 207. (a) Within the National Security Organization there is hereby established an executive department to be known as the Department of the Air Force, and a Secretary of the Air Force, who shall be the head thereof. The Secretary of the Air Force shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

(b) Section 158 of the Revised Statutes is amended to include the Department of the Air Force and the provisions of so much of title IV of the Revised Statutes as now or hereafter amended as is not inconsistent with this act, shall be applicable to the Department of the Air Force.

(c) The term "Department of the Air Force" as used in this act shall be construed to mean the Department of the Air Force at the seat of government and all field headquarters, forces, reserve components, installations, activities, and functions under the control or supervision of the Department of the Air Force.

(d) There shall be in the Department of the Air Force an Under Secretary of the Air Force and two Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President by and with the advice and consent of the Senate.

(e) The several officers of the Department of the Air Force shall perform such functions as the Secretary of the Air Force may prescribe.

(f) So much of the functions of the Secretary of the Army and of the Department of the Army, including those of any officer of such Department, as are assigned to or under the control of the commanding general, Army Air Forces, or as are deemed by the Secretary of National Security to be necessary or desirable for the operations of the Department of the Air Force or the United States Air Force, shall be transferred to and vested in the Secretary of the Air Force and the Department of the Air Force: *Provided*, That the National Guard Bureau shall, in addition to the functions and duties performed by it for the Department of the Army, be charged with similar functions and duties for the Department of the Air Force, and shall be the channel of communication between the Department of the Air Force and the several States on all matters pertaining to the Air National Guard: *And provided further*, That, in order to permit an orderly transfer, the Secretary of National Security may, during the transfer period hereinafter prescribed, direct that the Department of the Army shall continue for appropriate periods to exercise any of such functions, insofar as they relate to the Department of the Air Force, or the United States Air Force or their property and personnel. Such of the property, personnel, and records of the Department of the Army used in the exercise of functions transferred under this subsection as the Secretary of National Security shall determine shall be transferred or assigned to the Department of the Air Force.

(g) The Secretary of the Air Force shall cause a seal of office to be made for the Department of the Air Force, of such device as the President shall approve, and judicial notice shall be taken thereof.

UNITED STATES AIR FORCE

SEC. 208. (a) The United States Air Force is hereby established under the Department of the Air Force. The Army Air Forces, the Air Corps, United States Army, and the General Headquarters Air Force (Air Force Combat Command) shall be transferred to the United States Air Force.

(b) There shall be a Chief of Staff, United States Air Force, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years from among the officers of general rank who are assigned to or commissioned in the United States Air Force. Under the direction of the Secretary of the Air Force, the Chief of Staff, United States Air Force, shall exercise command over the United States Air Force and shall be charged with the duty of carrying into execution all lawful orders and directions which may be transmitted to him. The functions of the Commanding General, General Headquarters Air Force (Air Force Combat Command), and of the Chief of the Air Corps and of the Commanding General, Army Air Forces, shall be transferred to the Chief of Staff, United States Air Force. When such transfer becomes effective, the offices of the Chief of the Air Corps, United States Army, and Assistants to the Chief of the Air Corps, United States Army, provided for by the act of June 4, 1920, as amended (41 Stat. 768), and Commanding

General, General Headquarters Air Force, provided for by section 5 of the act of June 16, 1936 (49 Stat. 1525), shall cease to exist. While holding office as Chief of Staff, United States Air Force, the incumbent shall hold a grade and receive allowances equivalent to those prescribed by law for the Chief of Staff, United States Army. The Chief of Staff, United States Army, the Chief of Naval Operations, and the Chief of Staff, United States Air Force, shall take rank among themselves according to their relative dates of appointment as such, and shall each take rank above all other officers on the active list of the Army, Navy, and Air Force: *Provided*, That nothing in this act shall have the effect of changing the relative rank of the present Chief of Staff, United States Army, and the present Chief of Naval Operations.

(c) All commissioned officers, warrant officers, and enlisted men, commissioned, holding warrants, or enlisted, in the Air Corps, United States Army, or the Army Air Forces, shall be transferred in branch to the United States Air Force. All other commissioned officers, warrant officers, and enlisted men, who are commissioned, hold warrants, or are enlisted, in any component of the Army of the United States and who are under the authority or command of the Commanding General, Army Air Forces, shall be continued under the authority or command of the Chief of Staff, United States Air Force, and under the jurisdiction of the Department of the Air Force. Personnel whose status is affected by this subsection shall retain their existing commissions, warrants, or enlisted status in existing components of the armed forces unless otherwise altered or terminated in accordance with the existing law; and they shall not be deemed to have been appointed to a new or different office or grade, or to have vacated their permanent or temporary appointments in an existing component of the armed forces, solely by virtue of any change in status under this subsection. No such change in status shall alter or prejudice the status of any individual so assigned, so as to deprive him of any right, benefit, or privilege to which he may be entitled under existing law.

(d) Except as otherwise directed by the Secretary of the Air Force, all property, records, installations, agencies, activities, projects, and civilian personnel under the jurisdiction, control, authority, or command of the Commanding General, Army Air Forces, shall be continued to the same extent under the jurisdiction, control, authority, or command, respectively, of the Chief of Staff, United States Air Force, in the Department of the Air Force.

(e) For a period of 2 years from the date of enactment of this act, personnel (both military and civilian), property, records, installations, agencies, activities, and projects may be transferred between the Department of the Army and the Department of the Air Force by direction of the Secretary of National Security.

EFFECTIVE DATE OF TRANSFERS

SEC. 209. Each transfer, assignment, or change in status under section 207 or section 208 shall take effect upon such date or dates as may be prescribed by the Secretary of National Security.

WAR COUNCIL

SEC. 210. There shall be within the National Security Organization a War Council composed of the Secretary of National Security, as Chairman, who shall have power of decision; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force. The War Council shall advise the Secretary of National Security on matters of broad policy relating to the armed forces, and shall consider and report on such other matters as the Secretary of National Security may direct.

JOINT CHIEFS OF STAFF

SEC. 211. (a) There is hereby established within the National Security Organization the Joint Chiefs of Staff, which shall consist of the Chief of Staff, United States Army; the Chief of Naval Operations; the Chief of Staff, United States Air Force; and the Chief of Staff to the Commander in Chief, if there be one.

(b) Subject to the authority and direction of the President and the Secretary of National Security, it shall be the duty of the Joint Chiefs of Staff—

(1) to prepare strategic plans and to provide for the strategic direction of the military forces;

(2) to prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans;

(3) to establish unified commands in strategic areas when such unified commands are in the interest of national security;

(4) to formulate policies for joint training of the military forces;

(5) to formulate policies for coordinating the education of members of the military forces;

(6) to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and

(7) to provide United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

(c) The Joint Chiefs of Staff shall act as the principal military advisers to the President and the Secretary of National Security and shall perform such other duties as the President and the Secretary of National Security may direct or as may be prescribed by law.

JOINT STAFF

SEC. 212. There shall be, under the Joint Chiefs of Staff, a Joint Staff to consist of not to exceed 100 officers and to be composed of approximately equal numbers of officers from each of the three armed services. The Joint Staff, operating under a Director thereof appointed by the Joint Chiefs of Staff, shall perform such duties as may be directed by the Joint Chiefs of Staff. The Director shall be an officer junior in grade to all members of the Joint Chiefs of Staff.

MUNITIONS BOARD

SEC. 213. (a) There is hereby established in the National Security Organization a Munitions Board (hereinafter in this section referred to as the "Board").

(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the three military departments, to be designated in each case by the secretaries of their respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 a year or at the rate of $50 a day but not to exceed $12,000 in any one year.

(c) It shall be the duty of the Board under the direction of the Secretary of National Security and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff—

(1) To coordinate the appropriate activities within the National Security Organization with regard to industrial matters, including the procurement, production, and distribution plans of the Organization.

(2) To plan for the military aspects of industrial mobilization.

(3) To recommend assignment of procurement responsibilities among the several military services and to plan for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment and common-use items on the basis of single procurement.

(4) To prepare estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations.

(5) To determine relative priorities of the various segments of the military procurement programs.

(6) To supervise such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities.

(7) To make recommendations to regroup, combine, or dissolve existing interservice agencies operating in the fields of procurement, production, and distribution in such manner as to promote efficiency and economy.

(8) to maintain liaison with other agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith;

(9) to assemble and review material and personnel requirements presented by the Joint Chiefs of Staff and those presented by the production, procurement, and distribution agencies assigned to meet military needs, and to make recommendations thereon to the Secretary of National Security; and

(10) to perform such other duties as the Secretary of National Security may direct.

(d) When the Chairman of the Board first appointed has taken office, the Joint Army and Navy Munitions Board shall cease to exist and all its functions, records, and personnel shall be transferred to the Munitions Board.

(e) The Secretary of National Security shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

RESEARCH AND DEVELOPMENT BOARD

SEC. 214. (a) There is hereby established in the National Security Organization a Research and Development Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of a Chairman, who shall be the head thereof, and two representatives from each of the Departments of the Army, Navy, and Air Force, to be designated by the Secretaries of their respective Departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 a year or at the rate of $50 a day but not to exceed $12,000 in any one year. The purpose of the Board shall be to advise the Secretary of National Security as to the status of scientific research relative to the national security, and to assist him in assuring adequate provision for research and development on scientific problems relating to the national security.

(b) It shall be the duty of the Board, under the direction of the Secretary of National Security—

(1) to prepare a complete and integrated program of research and development for military purposes;

(2) to advise with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress;

(3) to recommend measures of coordination of research and development among the military departments, and allocation among them of responsibilities for specific programs of joint interest;

(4) to formulate policy for the National Security Organization in connection with research and development matters involving

agencies outside the National Security Organization.

(5) to consider the interaction of research and development and strategy, and to advise the Joint Chiefs of Staff in connection therewith; and

(6) to perform such other duties as the Secretary of National Security may direct.

(c) When the Chairman of the Board first appointed has taken office, the Joint Research and Development Board shall cease to exist and all its records and personnel shall be transferred to the Research and Development Board.

(d) The Secretary of National Security shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

TITLE III—MISCELLANEOUS

SUCCESSION TO THE PRESIDENCY

SEC. 301. The first section of the act entitled "An act to provide for the performance of the duties of the Office of President in case of the removal, death, resignation, or inability both of the President and of the Vice President," approved January 19, 1886 (24 Stat. 1), is amended (1) by striking out "Secretary of War" and inserting in lieu thereof "Secretary of National Security," and (2) by striking out "or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Navy."

COMPENSATION OF SECRETARIES

SEC. 302. (a) The Secretary of National Security shall receive the compensation prescribed by law for heads of executive departments.

(b) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall each receive the compensation prescribed for the Secretary of National Security.

UNDER SECRETARIES AND ASSISTANT SECRETARIES

SEC. 303. The Under Secretaries and Assistant Secretaries of the Army, the Navy, and the Air Force shall each receive compensation at the rate of $12,000 a year and shall perform such duties as the Secretaries of their respective departments may prescribe.

ADVISORY COMMITTEES AND PERSONNEL

SEC. 304. (a) The Secretary of National Security, the Chairman of the National Security Resources Board, and the Director of Central Intelligence are authorized to appoint such advisory committees and to employ consistent with other provisions of this act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation while serving as members of such committees shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed $35 for each day of service, as determined by the appointing authority.

(b) Service of an individual as a member of any such advisory committee, or in any other part-time capacity for a department or agency hereunder, shall not be considered as service bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203), or section 19 (c) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves a department or agency which such person is advising or in which such department or agency is directly interested.

STATUS OF TRANSFERRED CIVILIAN PERSONNEL

SEC. 305. All transfers of civilian personnel under this act shall be without change in classification or compensation, but the head of any department or agency to which such a transfer is made is authorized to make such changes in the titles and designations and prescribe such changes in the duties of such personnel commensurate with their classification as he may deem necessary and appropriate

SAVING PROVISIONS

SEC. 306. (a) All laws, orders, regulations, and other actions applicable with respect to any function, activity, personnel, property, records, or other thing transferred under this act, or with respect to any officer, department, or agency, from which such transfer is made, shall, except to the extent rescinded, modified, superseded, terminated, or made inapplicable by or under authority of law, have the same effect as if such transfer had not been made; but, after any such transfer, any such law, order, regulation, or other action which vested functions in or otherwise related to any officer, department, or agency from which such transfer was made shall, insofar as applicable with respect to the function, activity, personnel, property, records or other thing transferred and to the extent not inconsistent with other provisions of this act, be deemed to have vested such function in or relate to the officer, department, or agency to which the transfer was made.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any transfer or change in title under the provisions of this act; and in the case of any such transfer, such suit, action, or other proceeding may be maintained by or against the successor of such head or other officer under the transfer, but only if the court shall allow the same to be maintained on motion or supplemental petition filed within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain settlement of the questions involved.

(c) Notwithstanding the provisions of the second paragraph of section 5 of title I of the First War Powers Act, 1941, the existing organization of the War Department under the provisions of Executive Order No. 9082 of February 28, 1942, as modified by Executive Order No. 9722 of May 13, 1946, and the existing organization of the Department of the Navy under the provisions of Executive Order No. 9635 of September 29, 1945, including the assignment of functions to organizational units within the War and Navy Departments, may, to the extent determined by the Secretary of National Security, continue in force for 2 years following the date of enactment of this act except to the extent modified by the provisions of this act or under the authority of law.

TRANSFER OF FUNDS

SEC. 307. All unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by or on behalf of the Army Air Forces or officers thereof, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Such other unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by the Department of War or the Department of the Army in exercise of functions transferred to the Department of the Air Force under this act, as the Secretary of National Security shall determine, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Unexpended balances transferred under this section may be used for the purposes for which the appropriations, allocations, or other funds were originally made available, or for new expenditures occasioned by the enactment of this act. The transfers herein authorized may be made with or without warrant action as may be appropriate from time to time from any appropriation covered by this section to any other such appropriation or to such new accounts established on the books of the Treasury as may be determined to be necessary to carry into effect the provisions of this act.

BUDGET ESTIMATES

SEC. 308. (a) So much of the annual budget transmitted to the Congress by the President as contains the estimates of appropriations for and expenditures by the National Security Organization and the departments therein shall be so arranged as clearly to show—

(1) with respect to each item for which the President recommends an appropriation or expenditure, a statement of the nature of such item and of the amount recommended by the President, the Secretary of National Security, and the head of the department concerned, respectively; and

(2) with respect to any item for which the President does not recommend an appropriation or expenditure but for which a budget estimate for inclusion in such budget was submitted by the Secretary of National Security or by the head of a department therein, a statement of the nature of such item and of the amount recommended by the Secretary of National Security and the head of the department, respectively.

(b) Each supplemental or deficiency estimate for appropriations or expenditures transmitted to the Congress by the President which contains any item recommending an appropriation to or an expenditure by the National Security Organization or any department therein shall be so arranged as clearly to show with respect to any such item a statement of the nature of the item and of the amount recommended by the President, the Secretary of National Security, and the head of the department, respectively.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 309. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

DEFINITION

SEC 310. (a) As used in this act, the term "function" includes functions, powers, and duties.

(b) As used in this act, the term "budget program" refers to recommendations as to the apportionment, to the allocation and to the review of allotments of appropriated funds.

SEPARABILITY

SEC. 311. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. GURNEY obtained the floor.

Mr. WHITE. Mr. President, will the Senator from South Dakota yield so that I may suggest the absence of a quorum?

Mr. GURNEY. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Bushfield	Johnston, S. C.	Robertson, Wyo.
Butler	Kem	Russell
Byrd	Kilgore	Saltonstall
Cain	Knowland	Smith
Capehart	Langer	Sparkman
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thye
Donnell	McFarland	Tydings
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is absent because of illness.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. GURNEY. Mr. President, I am glad to present to the Senate today the bill dealing with unification of the armed forces. It is labeled the National Security Act of 1947.

I believe that we could have handled this matter sooner. I believe that it is urgent now that the Congress speedily debate the question thoroughly and decide on the entire language of the bill and hurry it along into law.

The law is urgently needed because of personnel problems in the Army and Navy, including the Air Forces. It is needed so that the Congress and the people of the United States may with confidence look forward to efficiency and thrift in the expenditure of the funds appropriated for our national security.

It is my firm belief that not only can large savings be made in manpower, but that huge money savings can also be expected, perhaps not immediately, but during the course of the next year or two. I wish Congress to look closely to the fact that about one-third of our annual budget is spent on the armed forces, and that another third is spent to pay for a past war.

In the consideration of the bill before the Senate, in order to be of as much help as possible, the committee has had prepared a chart which I suggest may be helpful in clarifying to Senators the flow of authority, responsibilities, and so forth, proposed in the bill.

Mr. President, I believe that this is one of the most important tasks with which the Congress is charged under the Constitution; and it stems from its responsibility to provide for the "common defense."

Since 1944 a great deal of attention and effort have been devoted by both the armed services and the Congress to the study of our requirements for the most modern and efficient organization for national defense. That study has finally resulted in a bill for unification of our military forces, which is supported by our principal military and civilian leaders who are concerned with national security.

Your Committee on Armed Services reported this bill, S. 758, to the Senate on June 5, 1947, a little more than 1 month ago. It is my purpose today to discuss the background of this vital proposal and to emphasize the compelling necessity for its prompt passage.

Mr. President, this bill is fashioned in the light of hard, costly experience, gained by major participation in two great wars. It represents a determination upon the part of responsible civilian and military leaders that our country profit from the terrible lessons of World War II while those lessons are still fresh in our minds—and while the counsel of those who experienced World War I and who directed our efforts in World War II is still available to us.

The unification bill is a sincere and earnest attempt to put into effect by legislation a security organization which is adequate, effective, modern—and yet economical.

Every facility at the disposal of your committee has been used to study thoroughly and exhaustively the whole question of the reorganization of our national security system.

I need cite only a few of the studies which have been made in the last 4 years to illustrate how carefully the whole question has been explored. For instance, in 1944 there was the committee of the Joint Chiefs of Staff which visited every theater of war and sought the opinions of our top military and naval commanders.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Texas.

Mr. CONNALLY. Let me say to the Senator that I am delighted that he is discussing the Joint Chiefs of Staff. In years gone by the objections to unification were largely based on the claim that it would interfere with strategic operations. I understand that the bill provides, in effect, for a joint Army and Navy comparably responsible to the Joint Chiefs of Staff during wartime, so that military and naval operations would be so coordinated as to represent a unified military force. Is that correct?

Mr. GURNEY. The Senator is entirely correct. The committee, in considering this bill, has sought to keep that which is good and to discard that which is bad, and to take advantage of the lessons learned in war when the Joint Chiefs of Staff functioned.

This joint committee made a report to the President, with which most of the Senators are familiar. There were the hearings by the Select Committee on Postwar Policy of the House of Representatives later in the same year, 1944. Again, in the fall of 1945, the Senate Military Affairs Committee conducted extensive hearings in which many expert witnesses from the military services and from civilian life were heard. The report of Mr. Ferdinand Eberstadt to the Secretary of the Navy was carefully studied. The Naval Affairs Committee of the Senate studied the problem in the spring of 1946. Finally, after many adjustments by the services to harmonize divergence of opinion the present bill, Senate bill 758, was recommended by the President and introduced with the full support of both the War and Navy Departments. The Senate Armed Services Committee has now concluded thorough examination of the bill, which is favorably reported to the Senate in amended form.

Mr. President, no legislative proposal within my memory has received the close scrutiny and thoughtful consideration which has been given to this bill. Your committee has deliberated on this legislation for more than 11 weeks, and I assure the Senate that every paragraph, every sentence, every phrase has been very carefully weighed. The committee is proud to present the fruits of its efforts to the Senate. We firmly believe that the bill represents a sound and modern foundation upon which will be erected a lasting structure of national security.

The committee heard testimony against the bill as well as in favor of it. During the hearings two facts became obvious. One fact was that all the civilian officials and officers in uniform who had broad responsibilities for the coordinated use of the military services for our national security were advocates of unification. The other fact was that none of those who opposed unification had duties outside their own branch or specialty. Your committee is in the first category. We have broad responsibilities and we therefore advocate unification.

The bill provides for the creation of a national security organization consisting of the Department of the Army, the Department of the Navy, and the Department of the Air Force, and four agencies, each with equal representation from the three departments. These agencies are the Joint Chiefs of Staff, the War Council, the Munitions Board, and the Research and Development Board. At the head of this organization is the Secretary of National Security.

The bill also provides for a National Security Council, a Central Intelligence Agency, and a National Security Resources Board, all of which report directly to the President, but which also work closely with the agencies under the Secretary of National Security.

I would not impose upon the time of the Members of the Senate, Mr. President, to justify the inclusion of the Army, the Navy or its components, or the Air Forces, in the National Security Organization. Their records of past achievement are sufficient for that purpose. The new position for air power which is proposed is contained in the provisions for a Department of the Air Force and for a United States Air Force, organized and established on a parity with the Army and the Navy.

It may be truly said that during World War II air power came of age and that it proved its terrific force in the test of conflict. The Air Corps' prewar position of inferiority as a subdivision of the Army has been outgrown and outmoded. During the war, by the temporary expedient of the First War Powers Act, the shackles which bound the Air Corps were unlocked, and it was made in effect a basic arm whose contribution to victory in the Army-Navy-Air Force team will never be forgotten. Remember, that was through the provisions of the First War Powers Act. If this bill shall not pass, the Air Force will revert to its prewar position of being only a part of the Army.

The emancipation of the Air arm is recognized and made permanent in this bill by establishing it as a separate arm. To do less than this would be foolhardy, for as one defeated German general has said, "Without air supremacy you cannot win; with it you cannot lose."

If we give but momentary thought to the future, it is perfectly clear that if and when another enemy strikes, it will be through the element which has no geographic barrier—the air. To fail to recognize that fact in our defense preparations is to court disaster. Thus, in this bill the air arm is given its logical position of parity with the Army and Navy.

The early history of our country discloses that prior to 1798 all our military forces were under one civilian organization, the War Office. At that time, however, it was logical to "compartmentalize" our armed forces, because land battles and sea battles were clearly separate and distinct from one another. Therefore, with the growth of our naval forces, we established a separate Navy Department and a Navy. But as we have moved into an air age and the period of total war, it is no longer possible to keep our military forces in tight, separated compartments, with no one short of an overburdened President to render decisions in the absence of agreement.

We have just completed a triphibious war, in which closely integrated land, sea, and air teams were required to produce a victorious military force. Coordination and integration of our military forces was achieved with the aid of temporary laws and temporary organization. War forced us to forge these bonds of close cooperation. Now that the compulsion of war is gone, they are in immediate danger of rusting away.

We would be unwise indeed, Mr. President, if we did not preserve for the future every means at our disposal to keep together in times of peace the proven components of our security team.

The experience of the last war has clearly demonstrated that the most effective military organization for this country is one which provides for joint planning and joint logistical support of our fighting arms. It was with that idea in mind that the four joint agencies of the National Security organization to which I have previously referred were wisely included in the bill.

The War Council consists of the Secretary of National Security as Chairman, the Secretary of the Army; Secretary of the Navy; Secretary of the Air Force; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force. This Council is the principal advisory body to the Secretary of National Security. Here the joint civilian and military direction of the services is solidly established.

The provision for the Joint Chiefs of Staff, consisting of the Chief of Staff, United States Army, the Chief of Naval Operations, and the Chief of Staff, United States Air Force, gives legislative permanence to an organization which was created by the compelling necessity of war, and which in the absence of a better organization was the unifying element for the direction of the war. Its great contribution to victory has been attested to by all of our leading commanders in the Army, Navy, and Air Force.

The provision for the Joint Chiefs of Staff gives us a permanent organization of the heads of our three arms, who, working in harmony and unison, with the assistance of their joint staff representing all components of the military forces, will prepare strategic plans, and will provide for the unified strategic and logistic direction of our military forces.

They will establish unified commands, and will provide for joint training, will review the requirements of our military forces from an over-all combined standpoint, and will act jointly as the military advisers of the President and Secretary of National Security. In this way we shall be assured for the first time in our history that all parts of our military strength are jointly represented in a common purpose in time of peace as well as war. Only in this way can the President as Commander in Chief satisfactorily discharge his constitutional duty to the country in an age of high-speed, triphibious war.

In the Joint Staff there is provided, to assist the Joint Chiefs of Staff, a full-time staff which will lend both flexibility and body to the present loose structure of committees by assuming certain of their duties and by assisting the remaining committees to function with increased thoroughness and speed. This Joint Staff has in itself no command authority; it serves a Director, who in turn functions as an executive to the Joint Chiefs of Staff, whose members cannot themselves oversee the Joint Staff continuously. The provision of this agency should remedy the principal defect which has been noted in the present Joint Chiefs of Staff organization.

The Munitions Board provided for under the bill will give us a long-needed permanent board, composed of a chairman and the Under or Assistant Secretaries of each of the three departments, who will coordinate industrial procurement and production plans of the three departments; recommend assignments of procurement responsibility; plan for standardization; prepare estimates of potential production, procurement, and personnel; and determine priorities of the various segments of the military procurement program. The Munitions Board will fill to a large extent the same role in the procurement phase of logistics that the Joint Chiefs of Staff fill in the field of strategy and operations, and in the military phase of logistics. Through the collaboration of these two joint agencies, methods of joint purchasing and procurement will be expanded, and maximum joint use will be made of such services as hospitalization and transportation. These are the measures which are expected to effect the greatest economies, not only in dollar savings, but more important, in time and in the return realized upon the investment of American manpower and resources.

If the experience of the war has brought home one fact more forcibly to the Members of Congress than any other, it is the urgent need to eliminate the duplication and overlapping between the services which resulted in many dislocations, inefficiency, and unwarranted expense in the prosecution of the war.

I, for one, Mr. President, am sure that the services did not willfully do these things. I believe that because they were laboring within the confines of an outmoded organization, they could not help themselves. Attempts to solve these problems with hastily improvised voluntary joint committees only served to point more clearly to the urgent need for such a body as the Munitions Board. The joint Army-Navy Munitions Board, as now constituted, operates under Presidential authority, and is therefore temporary in character. The duties assigned to the present Board, which under this bill will pass to the Munitions Board in an augmented form, are so desperately important that common prudence dictates that the authority and permanence of the Board be fixed by law.

Faced as we are with the stupendous demands of modern war and with limited resources in manpower and materials, we must provide for the greatest conservation and the most frugal use of those resources. This cannot be accomplished by unbridled competition between the services. It can be accomplished only by careful regulation through a single joint authority such as the Munitions Board.

During World War II, and particularly since the development of the atomic bomb, there has been a growing public consciousness of the rapid strides in research and development. No protection

for our country is worthy of the name unless it contemplates continued and intensive research and development.

During the war we achieved notable scientific advances which materially contributed to ultimate victory, but there is no permanent organization for furthering that activity in time of peace. The limited supply of scientifically trained research personnel and the inevitable reduction which will occur in the amount we have to spend for research and development in time of peace, combine to demand the establishment of the Research and Development Board within the National Security Organization. This Board, consisting of representatives from all the services will be able for the first time in our history to prepare a complete and integrated continuous program of research and development for military purposes. It will replace the temporary Joint Research and Development Board which was set up by joint agreement between the Secretaries of War and Navy. It will effect the necessary coordination between the departments on research and development.

Responsibilities for specific programs of joint interest will be allocated between the services and with other agencies of Government, thus effecting economies and fostering efficiency.

I have briefly outlined the various segments of the National Security Organization which have been carefully devised to work in the various fields of interest which experience has dictated must be a part of any modern effective security system.

There is one element which I have purposely omitted until now, in order that I could more clearly illustrate its position in relation to the other elements. I refer, Mr. President, to the Secretary of National Security.

The whole purpose of the arrangement of and assignment of duties to the various parts of the National Security Organization is to insure that all our forces and facilities are directed toward broad common missions.

In the past we have witnessed the fallacy of having two great executive departments of Government so separated and insulated from one another that each tried in effect to become a self-sufficient national security organization. We have learned that this is the wrong approach. We have learned that in peacetime it is expensive, wasteful, and inefficient. We learned at Pearl Harbor that having two steering wheels on our defense machine can send it careening into the ditch.

After December 7, 1941, we resorted to temporary expedients to overcome the difficulties inherent in a double system of defense. But elements of a defense organization cannot be brought together to function as a team without a directing leader—not any more than a football team can have two quarterbacks, one calling signals for the backfield and one for the line. This lesson has been indelibly impressed upon the minds of the students of the past war by the efficiency of our unified field commands, as well as by the problems which arose before those commands were unified.

It is universally recognized that all our forces are subject to the direction of the President as constitutional Commander in Chief. Each of the segments of the National Security Organization provided for in S. 758 could report directly to him. He could point the way in which they should direct their efforts. He could do it, Mr. President, if he were a superman. But all of us know full well that the overburdened Chief Executive of our Government, even though he has the clear-cut responsibility for the operational functioning of our armed forces, cannot possibly discharge that responsibility with a modern military organization. He cannot discharge it by dealing directly and separately with two—much less with three—executive departments—no, not even with the advice and assistance of the joint agencies which are provided in the bill. The departments which deal with the armed forces and the armed forces themselves are too large and too complicated, and the President himself is far too busy to devote the full time necessary for the accomplishment of the task.

What the President needs is a means of dealing only with broad policies and with problems which have been resolved as far as possible before they are submitted to him. Above all, he needs a means of dealing with only a minimum of individuals.

It is therefore necessary, Mr. President, to provide a head for the National Security Organization to whom the President may look for simplification of his task. That individual is the Secretary of National Security, through whom are tied together all the departments and agencies of the National Security Organization.

The Secretary, under the direction of the President, will establish policies and programs for the National Security Organization and for its departments and agencies. He will exercise general direction, authority, and control over them. He will supervise and control as a coordinated whole the budgeted expenditures of the armed forces. He will thus relieve the President of a mass of detail and submit only for his consideration basic problems of major importance.

Mr. JOHNSON of Colorado. Mr. President——

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from South Dakota yield to the Senator from Colorado?

Mr. GURNEY. I yield.

Mr. JOHNSON of Colorado. The Senator is a member of the Committee on Appropriations, and a very able member. Does he understand that under the proposed plan one budget will come down for the armed forces, and that one bill for the armed forces will probably be introduced and considered in Congress as one bill, or will we have two bills or three bills in the future?

Mr. GURNEY. Under the pending bill it is specifically provided that we will have one bill for the whole National Security Organization. The three departments, the Army, the Navy, and the Air Forces, will first submit to their own secretaries their requests. Their secretaries will then individually present their requests for the next year's funds to the Secretary of National Security, and in that way Congress will have one bill, not two, as now, or not three, if we were going along under the old budgetary system, when and if we had a separate Air Force.

Mr. JOHNSON of Colorado. I am very glad to learn of that arrangement, because it is an important step forward.

Mr. GURNEY. In addition to having only one bill, the budget will come to Congress at the beginning of the year with only what the President says is necessary for these departments. But there will be a showing, too, in parallel columns, first, of the amount requested by the Secretary of each of the three groups; then, alongside, the request of the Secretary of the Navy, for instance, will appear what the Secretary of National Security recommends. In the third column will appear a showing of what the budget approves. So Congress will be fully informed of the request of the service secretary, the administrator of the individual department, then the recommendation of the National Security Secretary, and finally of the President himself.

Mr. JOHNSON of Colorado. That sounds like a very logical and sensible approach to the problem of financing the armed forces.

Mr. GURNEY. I think that in these times of stress it is very necessary that Congress be fully informed, so that it can go into the background of all requests, and see what the department heads responsible for the security of the Nation recommend in the first place. Then it will be the responsibility of Congress to decide just what should be done for each department.

Mr. JOHNSON of Colorado. If I may interrupt further, the Committee on Appropriations will have before it, perhaps, the defense plans of each of the branches of the armed forces. They will have their plans of operation, not singly, not one by one, but they will have them all at one time.

Mr. GURNEY. That is correct. Of course, that refers to logistic plans, not strategic plans.

Mr. JOHNSON of Colorado. Of course.

Mr. GURNEY. In a recent letter to the committee the Honorable Henry L. Stimson, our distinguished former Secretary of War, went straight to the heart of the matter with these words:

What the bill does—

Said Mr. Stimson—

is to delegate to a recognized officer of the Government a part of the authority over the military establishment which in the end always belongs to the President. If it were possible today for any President to give his full attention to military affairs, this step would not be necessary.

For Congress to fail to take this necessary step, in my opinion, would be tantamount to restraining the Commander in Chief from the most efficient possible performance of the responsibility which the Constitution places upon him.

There are some who express a fear that the creation of this office will lead toward dictatorship. I urge those who

voice such views to be more objective in their thinking. The Secretary of National Security is being given no new powers by this bill. He is a full-time Presidential representative exercising delegated Presidential power to assist the President in carrying out his responsibility to the Congress, the Nation, and the armed forces. Not since our Nation was young and relatively small has the President been able to assist adequately the Congress in obtaining an over-all picture of our security needs. This bill provides an officer short of the President who can accept in part the President's responsibility to keep the Congress fully and continuously advised of the needs of the armed forces.

Some have feared that this Secretary would be a meddler who would tamper with our military departments. Even a casual reading of the bill will disclose that the administration of the departments will be left to their respective secretaries and that the military forces will be commanded by their respective heads. The sort of order or direction which would be exercised by the Secretary is well illustrated, in my opinion, by the 29-word directive which was issued to General Eisenhower for the invasion of Europe. That directive reads as follows:

> You will enter the continent of Europe and, in conjunction with other Allied Nations, undertake operations aimed at the heart of Germany and the destruction of her armed forces.

This pointed the direction in which the effort was to be made and stated the ultimate mission or goal. It did not say how it was to be done or deal with details.

Nor is it intended under this bill, Mr. President, that the Secretary be concerned with details. His task is to keep our military forces heading toward a common goal and to see that they work in harmony and with efficiency. How each element accomplishes its task will be left to the secretaries of the departments and the military commanders, with the advice and assistance of the joint bodies upon which there is equal representation for all.

During the hearings before your committee there was much discussion about the possibility of the Secretary determining the specific roles and missions of the various elements of the armed forces. I think it might be well at this point, Mr. President, to clarify that subject for those Senators who have not had time to study the hearings.

Congress has been given the responsibility under the Constitution to determine what kind of military forces the Nation shall have and how large they shall be. The mere creation by the Congress of a Navy or an Army implies a basic reason for its existence and suggests its general mission. Provision for an air force, for instance, implies that it will be used in air combat; similarly, the law providing for artillery assumes that it is a ground force. The specific combat tasks, however, that are to be performed by any element of the armed forces have never been written into law, because the way in which our military forces are used is the responsibility of the Commander in chief. As the Chief Executive and Commander in Chief, it is the President's day-to-day responsibility, in war and in peace, to give direction to the military forces in the light of current scientific developments and current international balances.

For us to fix by law the specific combat missions of our armed forces would characterize us as being Maginot-line minded. Specific roles and missions could be specifically assigned if we were limited to a small battlefield instead of the whole world and if we knew in detail what kind of war the next one would be, but to set them in the concrete of permanent law, under the conditions of modern total warfare, would prevent the President from exercising the discretionary authority which is wisely provided for in the Constitution.

It is not intended that the President will delegate the authority to assign combat roles and missions to the Secretary of National Security. When the Secretary of War and Secretary of the Navy presented their joint agreement on unification to the President, they suggested that he issue an Executive order contemporaneously with the approval of this bill, setting forth the current roles and missions of the armed forces. This the President agreed to do, and the draft of the order has been approved by both the Army and the Navy. These combat roles and missions, once established by the President, can be changed only by him. The Secretary cannot do it.

The whole purpose behind the suggestion of writing combat roles and missions into the law rather than leaving them to the President as we have traditionally done for 170 years was that fear had been expressed that one or more components of the armed forces might be discriminated against by a designing secretary who sought to eliminate them. What kind and how many military forces we have, I repeat, is the responsibility of the Members of Congress, which they cannot delegate to anyone else, even if they wanted to. It is inseparably linked to the control of the purse by Congress. It may well be that the advice of the military experts on the Joint Chiefs of Staff, which has equal representation from Army, Navy, and Air Force, will be sought in making a decision as to what forces we shall have, but the final determination is still for the Congress and for no one else. Therefore, Mr. President, I say that the fear of the elimination of some element of the armed forces resolves itself into a fear of the Members of Congress of its own power, and not that of the Secretary, who must work with what Congress provides. Nevertheless, to make doubly certain that the intent of the bill was made crystal clear it has been amended by your committee to safeguard the Marine Corps and naval aviation by specific language, as follows:

> SEC. 206 (b). The provisions of this act shall not authorize the alteration or diminution of the existing relative status of the Marine Corps (including the fleet marine forces) or of naval aviation.

Representatives of the Navy Department, including the Commandant of the Marine Corps, agree that this language makes it unmistakably clear that the interests of the Marine Corps and naval aviation are being protected.

Now, I should like to turn to another matter which has been given a great deal of attention in considering this legislation—the matter of procurement and services.

Most of the examples of wasteful duplication which have been pointed out as a deficiency in our conduct of the war have to do with services and supplies. Many situations existed where the Army and Navy maintained duplicate facilities not fully utilized by either. Wasteful competition and overbuying existed in the procurement of common-type supplies. The elimination of these faults of operation should therefore be a source of great economy.

I may interpolate here that the evidence leads me personally to believe that about 67 percent of the Army and Navy needs are common items, and that under the committees so far established there have been combined purchases in about 11 percent of them. Therefore, in that respect there is an important goal to be attained and quite a saving in prospect—the difference between 11 percent and 67 percent.

It is essential, in my opinion, Mr. President, that we seek to economize by eliminating unnecessary expenditures of manpower, strategic materials, and normal supplies. One solution which has been considered is a centralized procurement agency within the National Security Organization. At first blush this might seem to be a good solution. Careful study of the subject, however—and I assure you, Mr. President, that it received very careful and thorough study—indicates that the solution offered by this bill is much to be preferred.

During the war our two executive departments which performed most of the services and purchased most of the supplies commenced operation in these fields as totally independent and self-sufficient entities. Before the war was over, by reason of sheer necessity and in the absence of any laws to facilitate close collaboration, there had been created some 2,200 committees to try to bring about some semblance of joint action. For the most part they were unsuccessful. In my judgment, a joint procurement agency or jointly operated services would have been almost as bad. We would then and would now disrupt efficient organizations of the military forces to create a new joint organization for the purpose. What we needed then and what we need now is a joint—staff—agency such as the Munitions Board which can determine after study by representatives of all the arms, the agency best qualified to procure what item and to perform what service. Once a decision is made upon a given subject we put a stop to duplication, overlapping waste, and the unnecessary expense which accompany them. At the same time we will not thereby interfere with the integrity of any service or disrupt or scramble it with another. We call this cross-procurement and cross-servicing. It is a sound method of operation, which has the support of all the services. It will save money and men. Under this method the using service, retains the responsibility for procur-

ing specialized items peculiar to that service, while at the same time the door remains open to single procurement of items common to several components of the armed forces. This method also permits standardization of specifications for a multitude of common use items, in itself an important saving device. Such standardization has the cumulative effect of making manufacture cheaper and easier, and of simplifying packaging, storing, and distribution.

It is thus clear that all the savings visualized by the advocates of centralized procurement can be effected under the system of cross procurement provided for in the bill, without disturbing presently operating procurement agencies which are experienced and efficient in their fields.

Critics of unification often demand to know—with tongue in cheek, I think—how much in dollars and cents will be saved each year by unification. I consider the question wanting in frankness because, obviously, no one can spell out in microscopic detail the amount of the dollar savings that will result.

But that there will be savings from unification of the Armed Services—and substantial ones—is crystal clear to anyone making even a casual examination of the legislation. Personally, I think the savings will be astonishingly large because, if for no other reason, our present system is so horribly uneconomical.

The bald fact is that as our security system is now constituted there is no one directly concerned with the defense establishment who has the authority to effect the savings which the taxpayers have a right to expect.

When Secretary Patterson testified before your committee, he said in part:

> Every year I have been asked, when I go down to the Appropriations Committee of the House, how this program fits in with the Navy Department's program. My answer is always, "I don't know." They will say, "Does General Eisenhower know?" I say, "No; he does not know."
>
> They say, "Hasn't he ever studied the Navy budget?"
>
> I say, "No; it is not his duty to, and it is not my duty to."
>
> And, of course, the same thing is true of the Secretary of the Navy and the Chief of Naval Operations. We could not possibly tell any committee of Congress how the two programs fit.

Unfortunately, this little colloquy is as truthful as it is ridiculous—I have heard it many times myself. Clearly, we will not have real economy in our defense organization until we take the obvious first step of giving someone the authority to effect economies and the opportunity to effect those economies with full knowledge of their impact upon our national security. The bill takes that step by setting up a Secretary of National Security.

The bill before the Senate for consideration, in addition to the elements included in the National Security Organization, provides for the creation of a National Security Council. This Council, reporting to the President and having as permanent members, the Secretary of State, the Secretary of National Security, the Secretaries of the military departments, and the Chairman of the National Security Resources Board, gives us for the first time a permanent organization for the thorough integration of our foreign and military policies. Recognizing that military policy is an extension of foreign policy, it gives us a means of developing our foreign policy upon the basis of our military and economic strength. This function is now performed by the State, War, and Navy Coordinating Committee.

As an important adjunct to the National Security Council there is provision for a Central Intelligence Agency, which fills a long-recognized demand for accurate information upon which important decisions, relating to foreign and military policy, can be based.

The National Security Resources Board, headed by a chairman and composed of the heads or representatives of such departments and agencies as the President may apoint, will in time of peace advise the President concerning the coordination of military, civilian and industrial mobilization to provide him with a sound basis on which to evaluate the elements involved in our domestic, military and foreign policies.

In time of war it would be made the effectuating agent for putting mobilization plans into operation generally, and for determining the needs of the civil and military elements of the nation and allocating material and facilities among them.

By means of the National Security Resources Board, Mr. President, there would be established adequate and timely provision—provision now desperately needed—for the protection and planned employment of our national resources; for we cannot afford ever again to dissipate those resources in the pursuit of extemporized plans, conceived in haste and executed under the pressure of emergency.

Mr. President, before I close, I want to recognize and refute the charge that no nation which unified its forces ever won a war. Critics of unification have contended that Germany, for example, had a single military establishment. Let us be clear on this point.

When General Eisenhower appeared before our Senate Military Affairs Committee during the last Congress, he said:

> The facts are that Germany never had a single department, nor even unity of direction. One of the major contributing factors to the Nazi defeat was the utter lack of unified direction over the Luftwaffe and the Wehrmacht, both in the Mediterranean and in Europe.

What about defeated Japan? Japan had two separate departments; one for the Army and another for the Navy, with no coordinated, unified command.

What about defeated Italy? Italy had three separate departments; one for the Army, another for the Navy, and a third for the Air Force, but no unity of command over the three.

And all three of those nations were defeated.

The problems of America's defense are peculiarly America's problems. We should look to other nations and to the experiences of their forces only for the purposes of guidance—but as we look at the experiences of other nations, we can certainly find nothing to recommend separate and uncoordinated defense forces.

Mr. President, many grave problems face the Eightieth Congress— problems calling for prompt and sound solutions. None, in my opinion, transcends in importance and urgency the proposal before the Senate today to unify the armed forces.

The profound significance and far-reaching effect of the legislation may well change the course of history.

I am sure the Senate understands that there is involved here more than a problem of organizing armies and fleets and air forces. There is embraced in the legislation the far greater task of laying the foundation and planning the structure of total national effort in event of total war—and it is perhaps the most challenging organizational problem that any nation can face.

It is not being an alarmist to point out that, with the development of supersonic planes and guided missiles with atomic warheads, the cushion of distance provided by the Atlantic, Arctic, and Pacific Oceans will no longer provide a corresponding cushion of time in which we may react to attack and mobilize our forces. It is not being an alarmist to point out that in the event of another global war hostilities will be initiated without prior warning, and by an attack as complete and devastating as lies within the capabilities of the nation which launches it.

Clearly, Mr. President, the time to plan—the time to prepare—is now.

And yet much of the planning of our military services has had to mark time—has necessarily had to wait for long months while these basic problems were debated and studied and finally resolved. It is now within the power of the Congress—it is now its responsibility—to give those services improved procedure and adequate agencies to help them with their tremendous task. It is now within our power to shun any display of weakness and vacillation which might encourage aggressors or lessen the faith of free peoples in our steadfastness of purpose. It is now within our power to give the President the help he so urgently needs, and to replace the security organization of 1798 with the organization of 1947. It is now our responsibility to act, for I say to the Senate, in all sincerity, to procrastinate is to invite disaster.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I ask the Senator to yield for a question because I am very much interested in the statements which he made with respect to the lack of effectiveness of the German forces and the Italian forces because there was no unification between the various departments of the army and of the navy. What was the situation with respect to the British forces? Was there unification betweeen the navy and the army such as is advocated by the Senator?

Mr. GURNEY. Not entirely so. However, their basic law is much better than ours; and the white paper recently issued

does unify their forces in a much better way than during World War II.

Mr. REVERCOMB. But there was not the unification which the Senator advocates, between the British Navy and the British Army.

Mr. GURNEY. No; not entirely during the war.

Mr. REVERCOMB. I thank the Senator.

Mr. GURNEY. However, there was a unification between their combined staff and our combined staff. There was also an over-all allied combined staff. But we lose that combination and authority of combined forces just as soon as the war powers become inoperative, as soon as we reach the point where they cannot mutually agree, as they had to do during the war.

The PRESIDING OFFICER (Mr. JENNER in the chair). The question is on agreeing to the committee amendment.

Mr. LODGE obtained the floor.

ALLEVIATION OF DAMAGE FROM FLOOD OR OTHER CATASTROPHE

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. LODGE. I yield.

Mr. AIKEN. Mr. President, Senate bill 1515, Calendar No. 447, provides for making surplus property available to States and local governments to alleviate the suffering of the victims of flood and other catastrophe. The bill was unanimously reported from the Committee on Expenditures in the Executive Departments last Thursday, but unfortunately there was no opportunity to bring it before the Senate at that time.

I have discussed the bill with the leaders of the Senate on both sides. I find no objection to it. It is essential, if it is to be of value to the sufferers from the recent flood and other catastrophes, that it be passed without delay. So I ask unanimous consent that the unfinished business be temporarily laid aside, with the understanding that we shall return to it immediately following consideration of the bill, and that Senate bill 1515 be considered at this time.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1515) to make surplus property available for the alleviation of damage caused by flood or other catastrophe.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. REVERCOMB. Mr. President, I do not rise to object to consideration of the bill. I merely wish to ask a question. Does the bill apply only to certain properties? I may say that I have discussed the bill with the able Senator from Vermont, and I am in favor of the objective; but does it apply only to certain kinds of property which will be useful in flood relief and in the replacement of building and structures which have been destroyed by floods?

Mr. AIKEN. That is true. It applies only to the victims of catastrophe such as flood, explosion, or any other catastrophe which brings about human distress.

Mr. REVERCOMB. Does the surplus property go to State and municipal governments rather than to individuals?

Mr. AIKEN. That is correct. The bill provides, first, that the President must make a determination that a catastrophe has occurred. A good example was the Texas City catastrophe. Another good example is the recent catastrophes from floods and other causes. When the President makes a determination, then the War Assets Administration is authorized to turn over to the Federal Works Administration any property which may be useful in alleviating the suffering of the victims. The Federal Works Administration will dispose of such surplus property to States and local governments, with or without compensation. Then the States and local governments will have the property wholly in their hands, and will make such arrangements as can be made to rehabilitate the people within their States or cities, under agreement, of course, with the Federal Works Administration.

Mr. REVERCOMB. As I understand, the property goes no further than the State or municipal government; in other words, the State or municipal government cannot dispose of it to individuals.

Mr. AIKEN. Yes.

Mr. REVERCOMB. Can it convey title and ownership?

Mr. AIKEN. The property must get into the hands of the individual in some way; but the committee did not feel that the Federal agency should deal directly with individuals.

Mr. REVERCOMB. I do not mean that the individual may not use the property; but is the property eventually to be a gift from the Federal Government to the State government or to the city government? After the property leaves the municipal government does it go into the hands of individuals as gifts to them? I have in mind construction machinery, such as bulldozers and concrete mixers. To whom will such property belong?

Mr. AIKEN. That kind of machinery will belong to the State or municipal government. It is not contemplated that surplus property of that kind shall be given free of charge.

Mr. GURNEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GURNEY. As I understand, the bill about which the Senator from Vermont is speaking has not yet displaced the unfinished business.

The PRESIDING OFFICER. It has not as yet.

Mr. GURNEY. Reserving the right to object, I ask the Senator from Vermont if he is willing to defer the consideration of the bill if the debate on it takes longer than 10 or 15 minutes.

Mr. AIKEN. That is correct. I am willing to desist if the debate seems to take too long.

Mr. GURNEY. With that understanding, I have no objection.

The PRESIDING OFFICER. The Senator from South Dakota can call for the regular order at any time.

Mr. AIKEN. Let me say in reply to the Senator from West Virginia that it is not contemplated that equipment which has permanent value shall be given to the States or municipalities. They would be able to purchase it from the War Assets Administration if it were necessary to rehabilitate their people in a hurry. However, with respect to such things as medicines, temporary bedding, and other similar items of property, it is not believed that a charge should be made for them. Such property could be given in the nature of a grant.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HICKENLOOPER. As a member of the Committee on Expenditures in the Executive Departments, of which the Senator from Vermont is chairman, I have had something to do with the bill in addition to being one of its sponsors.

I feel that the bill meets a drastic emergency need. I heartily join with the chairman of the committee in his representation of its emergency nature. I am satisfied that sufficient safeguards have been thrown around the disposition of surplus property so that the property will not and cannot go to the individual use of any persons aside from municipalities or public bodies. Is that the understanding of the Senator, too?

Mr. AIKEN. That is my understanding.

Mr. HICKENLOOPER. Equipment such as bulldozers and other earth-moving equipment and heavy equipment of a permanent nature can either be leased, with a return provision when the emergency has ended, or it can be sold for its reasonable value, if that procedure is deemed to be sound.

I invite the attention of Members of the Senate to one further point, and that is that the bill is restricted, first, to the declaration of a catastrophe or emergency in a particular section or location. Secondly, the property is to be available for use only in an emergency or catastrophe. I ask the Senator from Vermont if that is his understanding.

Mr. AIKEN. The explanation of the Senator from Iowa is entirely correct.

Mr. HICKENLOOPER. Permanent property, such as earth-moving equipment, can and probably will be returned to the agencies from which it was obtained when the catastrophe has been ended or the repair has been accomplished.

Mr. AIKEN. That is correct.

Mr. HICKENLOOPER. As the Senator from Vermont pointed out, expendable goods such as medicines, and perhaps in some cases food, will be consumed in the process. But I assure the Senate that in my opinion ample safeguards have been established not only to meet the emergency, but to protect and safeguard property.

Mr. AIKEN. The Senator is correct.

Mr. WHITE. Mr. President, reserving the right to object, I was called from the floor for a moment and I did not hear the Senator's request. Will he repeat his request?

Mr. AIKEN. The request was to lay aside temporarily the unfinished business so that the Senate may consider

the bill which was reported last Thursday, providing for the use of surplus property for victims of flood and other catastrophe.

Mr. WHITE. Is the bill on the calendar?

Mr. AIKEN. It is.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I do not wish to take up time to suggest the absence of a quorum, but some of my colleagues on this side are not present, and I should like to ask the Senator if the report from his committee is a unanimous report, or was there any objection?

Mr. AIKEN. The report was unanimous. I believe there are eight or nine Members present out of the 13.

Mr. JOHNSON of Colorado. In that case I shall not ask for a quorum call. I am heartily in favor of the measure, but I thought that there might be some objection on the part of Senators who are not present.

Mr. AIKEN. I discussed the matter with several Members on the other side of the aisle and found no objection. The minority leader, however, is not present, but I have confidence enough in the humane spirit of the minority leader to feel that he would not object if he were present.

Mr. JOHNSON of Colorado. The minority leader, I understand, has no objection to the consideration and passage of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1515) which had been reported from the Committee on Expenditures in the Executive Departments, with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding any other provisions of law, the War Assets Administration shall, whenever the President shall determine it to be necessary or appropriate because of flood or other catastrophe, transfer, without reimbursement, to the Federal Works Agency such articles of personal property, which have been declared surplus under the provisions of the Surplus Property Act of 1944 (58 Stat. 765), as amended, as in the judgment of the Federal Works Administrator and the War Assets Administrator can be presently utilized in alleviating damage, hardship, and suffering caused by such flood or other catastrophe.

SEC. 2. The Federal Works Administrator is authorized to loan or transfer, with or without monetary consideration and upon such terms and conditions as he may prescribe, to States and local governments situated in any area struck by any such flood or catastrophe, any property transferred to the Federal Works Agency for such purposes pursuant to the provisions of this act. All receipts from such transfer shall be covered into the Treasury of the United States to the credit of miscellaneous receipts.

SEC. 3. In carrying out the provisions of this act the Federal Works Administrator is authorized to utilize, and act through, any other Federal agency or any State or local government and he may utilize, without reimbursement therefor, such officers and employees of any such agency or State or local government as may be found necessary in carrying out the purposes of this act. In order to facilitate carrying out the purposes of this act, other Federal agencies shall cooperate with the Federal Works Agency and the War Assets Administration to the fullest extent consistent with the objective of this act.

SEC. 4. To carry out the provisions of this act, including administrative expenses in connection therewith, any funds available to the Federal Works Administrator or Agency for use in connection with the transfer of surplus or other excess property, under Public Law 697, Seventy-ninth Congress, are hereby made available; and for such purpose there is authorized to be appropriated such additional sums as may be necessary therefor.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MICHENER, Mr. SPRINGER, and Mr. CRAVENS were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 837. An act for the relief of the estate of Abraham Banta Bogert;

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Mary Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (b), and 3045 of the Internal Revenue Code;

H. R. 1946. An act to amend section 2801 (e) of the Internal Revenue Code;

H. R. 2302. An act for the relief of the New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor;

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of Senate Joint Resolution 145, to authorize commencement of action by the United States to determine interstate water rights in the Colorado River. The resolution is now pending before the Senate on a motion to appeal from the decision of the Chair made by the Senator from Arizona [Mr. HAYDEN]. Copies have not been printed, and I thought it would be helpful to the Members of the Senate if the joint resolution were printed in the RECORD so that it would be available when the matter is under consideration tomorrow under a special order.

There being no objection, the joint resolution (S. J. Res. 145) to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River was ordered to be printed in the RECORD, as follows:

Whereas the development of projects for the use of water in the Lower Colorado River Basin is being hampered by reason of long-standing controversies among the States in said basin as to the meaning and effect of the Colorado River compact, the Boulder Canyon Project Act, the Boulder Canyon Adjustment Act, the California Limitation Act (Stats. Cal. 1929, ch. 16), various contracts executed by the Secretary of the Interior with States, public agencies, and others in the Lower Basin of the Colorado River and other documents and as to various engineering, economic, and other facts: Now, therefore, be it

Resolved, etc., That, for the purpose of avoiding a multiplicity of actions and expediting the development of the Colorado River Basin, the Attorney General is hereby directed to commence in the Supreme Court of the United States of America, against the States of Arizona, California, Nevada, New Mexico, and Utah, and such other parties as may be necessary or proper to a determination, a suit or action in the nature of interpleader, and therein require the parties to assert and have determined their claims and rights to the use of waters of the Colorado River system available for use in the lower Colorado River Basin.

UNIFICATION OF THE ARMED SERVICES

The Senate resumed the consideration of the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department

of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security.

Mr. LODGE. Mr. President, let me say at the outset that I am opposed to any bill which endangers the civilian character of our Government. I am opposed to any bill which in any way weakens or dilutes or impinges upon the autonomy, the morale, and the esprit of our existing services, the Army, Navy, Marine Corps, Air Force, and the Coast Guard. I am opposed to censorship or muzzling or preventing any men from fully expressing themselves. Let me place all those sentiments in the RECORD at the beginning. I would not be in favor of any of those things. I should like to have that understood before I begin.

If Members of the Senate are wondering how they shall vote on the pending unification bill, I ask them first of all to try to visualize in their mind's eye what the war of the future will be like. Once they have done this I have not much doubt what their conclusion will be.

What will this dreadful war of the future be like? I quote from an expert, Lt. Gen. Lawton Collins.

We could expect—

He says—

that the war would start very suddenly and come through the air and that the enemy would try to eliminate the United States at the outset, not making the same mistake as last time of taking on somebody else first and allowing us to prepare. The attack would be primarily at the great cities and would cause great destruction both to physical structures and the people. It might involve atomic bombs, radioactive materials, biological warfare, and crop-destroying chemicals. The atomic bomb would probably be used against cities in preference to military targets. We would have chaos, with communications disrupted, millions of persons sick, wounded, and dying, civil disorder and sabotage. The initial bombing attack would likely be followed by airborne troops. There is also the possibility of long-range submarines popping up offshore and directing guided missiles to targets on this continent.

There is the opinion of the responsible professional. Can Senators imagine it? Can they visualize this country with its cities in smoking ruins, its railroads destroyed, its major bridges blown up, all communications such as telegraph, telephone, and mail obliterated? Can they see the dead and the wounded and those who have been artificially made sick by radioactivity and by the germs of biological warfare? Can they comprehend it? It is hard for us Americans to do so, because never in the lifetime of a single American has our country ever been really stricken by a foreign foe. But we might as well start thinking about it now, because if there is another war, that is the way it is going to be.

Then what happens? While we are groaning and suffering, before we have even had time to bury the dead—the airborne attack will come and maybe we will be hit by amphibious attacks from submarines and new-type naval craft. They would, of course, try to invade with actual armed troops just when our demoralization is at its worst, before we have had time to put out the fires, to repair our roads and railroads, while we are still coping with defeatism, demoralization, and disorder.

This is no fantasy. This represents the thinking of many serious and experienced officers.

One military expert says our bomber effectiveness could be wiped out overnight. It could be done by simply loading some shock troops into a half-dozen old transport planes and flying them to each of our six strategic air bases, where they would kill off our few trained bomber crews. It would be a year before we could train new crews. Could we reasonably expect to have another year?

I am not an expert; I am merely a student who tries to keep track of what experts think.

Students of the problem place great emphasis on the enemy working through a powerful fifth column, using sabotage with trained enemy sympathizers operating within our country, taking full advantage of any subversive elements who happened to be here. Therefore, they say, all key installations, whether they be civilian public utility plants or military air bases, would have to be guarded against this particular type of attack.

Mr. President, the conflict which these experts describe would not be merely a subject of civilian defense. It would not be something which could be met with a police force and a few civilian defense volunteers. It would be war—and the worst this country would ever have known.

Probably every man, woman, and child would have to rally to the common defenses. There would be American troops to meet enemy troops, but the entire Nation would have to seek and destroy the scattered air-dropped enemy soldiers, discover and eliminate the spies and saboteurs, fight the fire and pestilence, aid the wounded and maimed, and take part in every other conceivable kind of disaster relief. Our armed forces would comprise only a part of this effort, for the holocaust would be so widespread that nobody anywhere would be safe.

The possibility of panic and anarchy as the enemy bombarded a shocked and shattered people with persuasive propaganda urging us to quit, and promising us what they would call a just peace would also be a tremendous danger.

Above all remember this: Each part of the United States would be isolated from every other. These isolated areas, or pockets, or islands—call them what you will—would in all probability be wholly unable to reinforce each other, either with men or with ammunition, food or other supplies, because roads, railroads, and airfields would be destroyed. The initial force of an enemy invasion would have to be met by troops in the area at the time the blow fell, but again I warn that our own troops would not be in sufficient numbers to repel attacks from every quarter; probably every citizen would have to rise against the foe.

Mr. President, there is one picture of what the beginning of future war might be like. Can you see the confusion? Can you picture to yourself what chance we would have of ultimate victory if we had to sit down among the smoking ruins and then try to set up a military command which could take charge of the situation, restore order, repel and destroy the invaders, and conduct the counterattack which would lead to victory?

I repeat, Mr. President, because we must say it over and over and over again to ourselves, that whole sections of the country will be cut off from the others. One might say: "Headquarters at Washington will simply send a telegram naming General So and So or Admiral Such and Such to be in command in New England or in California or in Washington or in the Tennessee Valley or wherever the blow or blows might be falling." But, Mr. President, will there be a headquarters at Washington? May it not have been wiped out? Even if there were a Washington with men in it, who could write out orders, is it likely that the orders would be sent or received?

I realize that there are students of the art of war who picture a wholly different type of attack. They argue that the rockets alone will settle the issue, and will do so in a matter of days, and that manpower is not so important as some of us think it is. In a brilliant and provocative book entitled "There Will Be No Time," William Liscum Borden makes observations which certainly deserve attention, if not agreement. Borden is impressed by these two facts. First, that a single bomb destroyed three-fifths of Hiroshima; and, second, that German V–2 rockets reached a speed of 3,500 miles an hour. He cites the statement, in General Marshall's 1945 report, that—

Goering stated after his capture that it was a certainty the eastern American cities would have been under rocket bombardment had Germany remained undefeated for two more years. The first attacks would have started much sooner.

Borden then declares:

According to Col. John A. O'Mara, of the Air Service Technical Command, the 250-mile extreme range of Hitler's V–2's could be tripled 6 months after VE-day, and flights of 12,000 miles are the foreseeable goal. The United States Army, aided by German scientists, imported from Peenemunde, has conducted successful rocket soundings of the ionosphere over New Mexico; the Navy claims a rocket motor whose thrust exceeds that of the original V–2 by one-third; and Britain has engaged 30,000 square miles in southern Australia as a huge proving ground. The famous multibarreled katusha gun vouches for a long-standing Soviet interest in rockets; experimental robots have recently strayed across the Swedish and Norwegian borders; and at least three U. S. S. R. agencies are known to be active in ionosphere research. All signs indicate that the time lag between Nazi long-range missiles and round-the-world improvements will be short. Before World War II, Belgian fighter pilots found it difficult to attain top speed without overrunning the boundaries of their small country. The great powers are confronted with a similar problem in testing out rockets whose vast range will carry them far beyond national frontiers. The United States Joint Chiefs of Staff have already recommended surveys for a range on which mis-

siles may be fired at targets 2,000 miles away. A related problem now vexing inventors is how to prevent improved V-2's from drifting off into space because of the earth's low gravitational pull at altitudes above 500 miles.

The accelerating pace of inventions underlines the importance of weapons as yet unknown or undeveloped. Occupation of Japan exposed research upon a death ray capable of killing rabbits at a distance of 40 yards, while the Germans experimented with a sound machine whose pressure waves would theoretically disable troops over a considerable area. Developments in the field of missiles include the Felix, a target-seeking bomb responsive to heat; the Glomb, a television-controlled bomb; and the Bat, whose radar homing instinct caused it to change course relentlessly in pursuit of zigzagging Japanese ships. Maj. Gen. Curtis E. LeMay, the Army Air Forces research director, has actually predicted space vehicles as a likely development of the next few years. In this category might be included satellite rockets which would revolve in an orbit around the earth and when war came, plunge down on the enemy. Planners at the Army's Wright Field testing center foresee artificial planets propelled into the ionosphere, there to form bases for meteorlike bombardments. Under serious study are methods for diverting the ocean's currents and for impregnating clouds with fission byproducts, so that subsequent raindrops would bristle with radioactivity. No possibility is too farfetched for investigation, not even that of detonating atomic bombs in the antarctic polar regions, which might cause so much ice to melt as to raise the level of the seas, which in turn would inundate such coastal cities as New York. Most awesome and threatening of all is the theory that ionospheric layers shielding the lower atmosphere from the sun could be thinned out over an enemy country. The sun's powerful radiations would then pour through unfiltered and incinerate all life on the exposed terrain.

In the field of poison gas, 1,500 chemicals were tested at a secret University of Chicago Toxicity Laboratory; and Germany developed an almost odorless series known as the Tabum gases, said to be far more toxic than any previously discovered. Deadly fungi, rickettsiae, and bacteria can now be mass-produced for use against men, animals, and plants.

Mr. President, I have just been reading quotations from the book There Will Be No Time, by William L. Borden, who writes of some of the things we can contemplate in the war of the future. I shall make four or five quotations from his book, because it is a new one and I think it is extremely interesting.

Borden then speaks of the relative ease of launching rockets in World War II. He says on page 49 of his book:

Launching emplacements consisted of metal tables only 12 feet square—

That occurred during World War II; that is something which was in existence during that war—

small enough to be transported in trucks, and German ground crews were capable of setting up the complete firing apparatus in one-half hour. The rocket-borne atom bombs would require exactly 5 minutes and 6 seconds to reach cities in Britain 200 miles distant. A radar altimeter or even a simple aneroid pressure device would cause the warheads to detonate between 1,000 and 2,000 feet in the air, as at Hiroshima, so as to maximize blast effect. German V-2's were not perfectly accurate; but, of those crossing the English coast, a majority struck within 4 miles of their targets, near enough for atomic effectiveness. Casualties from the Hiroshima bomb were closer to 150,000 than 100,000. Taking the latter figure as a conservative estimate, a hundred V-2's could in 6 minutes account for 10,000,000 people, or nearly one-quarter of Britain's total population. Such an attack, far from being a futuristic dream, may have been practical as early as 1945 in terms of the weapons already used successfully in combat. Allowing for developments which must be regarded as a certainty, this area of rocket vulnerability will soon come to include every nation on earth, notably the United States.

On page 52, the author I am quoting makes this statement:

The atom is potentially endowed with such destructiveness that if a rocket-borne nuclear bomb were aimed at the White House in Washington, and actually struck in Bethesda, Md., the Capital City might still fall within the scope of devastation. In time the principal demand on a rocket carrier may be to land the explosive within a territorial area the size of Delaware—especially if the warhead be designed more to scatter radioactive material than to maximize blast.

Will we have a long warning of the approach of danger? He tells us:

Assuming that the present armistice endures until long-range missiles overshadow the heavy bomber, the sole overt warning the United States may have of an enemy attack is a flight of unidentified rockets on her radar screens. In this initial blow each American community of 5,000 people or more could theoretically call forth a separate rocket. Germany manufactured 650 V-2's per month at a unit cost of some $35,000. Prof. J. Robert Oppenheimer, formerly in charge of the Los Alamos, N. Mex., laboratory, has estimated that without any change in existing techniques mass production will reduce the expenditure on one atomic bomb to around $1,000,000. Since there are only about 2,100 United States communities with a population in excess of 5,000, the money cost of directing a rocket-borne atomic bomb at each in a single mass assault might not exceed $5,000,000,000, hardly a prohibitive sum in wartime. It is conceivable, though unlikely, that a sneak attack would give no clue to the enemy's identity. Thus a revived Japan might strike at America, not by firing rockets eastward from her home islands, but by firing them westward across Asia, Europe, and the Atlantic Ocean. The inference would then be that our enemy lay in Europe. Hostile rockets may well be powered with atomic energy, but there is little need to explore that possibility, real as it is. The enemy will hit with at least the suddenness of a V-2, whose average ground speed of 2,400 miles an hour has long been an accomplished fact.

Assuming that we have been attacked, what happens next? Borden provides this answer:

If our counterattack were built around rockets guided by human pilots, men would have to be alerted and assigned targets at a briefing. They would lose time adjusting headsets, parachutes, shock absorbers, and the Martian equipment requisite to protect bodies from the terrible heat created by atmospheric friction on a rocket's outer skin, as well as ionospheric extremes of warmth and cold. The men would have to be transported out to dispersal areas and strapped in their ships. They would take off and accelerate slowly for fear of physical injury, and when they curved from vertical to horizontal flight the surge of centripetal force would require deceleration—giving the enemy longer to gear his defenses. By the time our rockets were ready for bombs away, several hours might have elapsed, long enough for the opponent to secure an important and perhaps decisive advantage.

On the other hand, robot-controlled rockets could be on the launching ramps, aimed, and ready to fire as soon as unfriendly missiles appear to our radar sentinels. In the event that the identity of a potential enemy were uncertain, a separate set of ramps could be held in readiness especially for each powerful foreign state. If one attempted a rocket Pearl Harbor, countermeasures would go into effect before the aggressor's missiles exploded over North America and hampered our ability to retaliate.

Listen to this:

We cannot relax in the thought that another aggressor will resemble Hitler, and that hence we shall recognize him in time to take defensive action. The first victim may not be a small neighboring land or a hapless colony. Any incident reminiscent of Manchuria, Ethiopia, or Czechoslovakia would immediately serve notice that the whole world was being attacked, the United States included. Instead, the aggressor might bypass his small neighbors, postpone his colonial ambitions, and fire rockets directly at the United States, which has been underestimated in two wars and which now stands forth clearly as the main challenge to any world conqueror. The little countries could be dealt with more easily and much more safely after the United States was out of the way. There seems to be little likelihood of an unfolding, step-by-step pattern of aggression, beginning with persecution of minorities, passing through ideological attacks, and culminating with the seizure of one small nation after another.

So much depends on surprise that the aggressor-to-be may be expected to use diplomacy not to alert his victim but rather to lull him into a cozy sense of security. The time for a future Hitler to ready his rockets and atomic bombs is not after the presentation of an ultimatum but after an international conference in which he has made every reasonable concession. The time to attack is not after the aggressor's diplomats have walked out of the United Nations but after the speeches in which they have praised it and declared that nations must cooperate or perish. Here is the way diplomacy, one of the important weapons of war in peace, could be used to reap the full advantage of surprise.

It may be objected that this technique is too cold-blooded and treacherous even for a regimented population to tolerate. It is said again and again that the majority of people everywhere desire peace. Doubtless the statement is true, and hence the people might be expected to revolt against a dictator who followed up a peaceful diplomacy with an unprovoked aggression. The fact is that in any country where power is concentrated in the executive, a dictator can justify treachery merely by whispering to his people, as did Hitler.

Of course, there will be new forms of sabotage and new forms of Trojan horse tactics. This is how this author describes them:

Perhaps an American rocket site in North Dakota will be so deep underground and so cunningly protected by countermagnetic fields, heat neutralizers, and decoys as to baffle an aerial attack. In that event saboteurs might drive a large moving van concealing an atomic bomb into the fortress' vicinity and thus pave the pay for its elimination.

Another famous weapon of war in peace—propaganda—may likewise be tailored to help the offense achieve total surprise. The purpose will be to relax tension in nations being fattened for the kill. Where there is little tension, appropriations for national defense are cut to the bone. Scientists resign from research for the government and return to private universities. Therefore, hostile

propaganda might lose its old virulence and take on a conciliatory tone. Political parties which acted as the aggressor's sounding board could be ordered to speak in softer tones than before and to form a united front with moderate groups. Thereupon the victim's fears would tend to dissolve. In addition, much propaganda capital could be made of mankind's yearning for world peace. A reincarnated Goebbels would speak of outlawing war and of one world or none, echoing the very phrases most expressive of peaceful hopes. Far from advocating rebellion and barricades, the new propaganda might even be used to reenforce democracy. From the aggressor's point of view, democracy is the form of government most likely to be caught off guard in a surprise attack. Hence, it might profit him to bolster a government which in the past has usually waited for an armed attack before taking war seriously. Should the democracies awaken to the danger of surprise and therefore ready their defenses for instant use, the aggressor might foment criticism of such defenses as a barrier to international good will.

He concludes that victory depends on "our readiness to fight on a moment's notice, in terms of preexisting stock piles. We fight with what we have got. Our armed forces should be designed to fight independently, regardless of conditions on the home front."

It will be seen that his view of future warfare differs markedly from that held by many of the professionals whom I quoted at the beginning of my speech. But he, too, radical thinker that he is, draws the same moral from his contemplation of these horrors. He says that if headquarters A in Arizona were knocked out, headquarters B in Alaska would take over direction of the war, and if it in turn were destroyed, headquarters C in Puerto Rico would assume command. In other words, he visualizes a command and a plan already in existence, because he is sure of what I am sure of, and of what other experts are so sure of, that every part of our country will be cut off from every other. So, in the last quotation which I shall make from his book, I read this brief paragraph:

On the political front our national policy should give precedence over all internal problems to defense. There is only one fundamental issue: Whether or not the Nation will survive. Except as they affect our ability to remain strong, strikes, price control, business regulation, pensions, and other domestic questions are of the most trivial consequence. We need an arrangement with Canada for joint defense of the Canadian Arctic. Fortunately, both countries have a stake in close military cooperation, since any rocket threat to either would loop over the top of the world. American secret intelligence should be under Army-Navy control and not in any way connected with our State Department—an organization which has sufficient worries of its own without trespassing into the military sphere. It is not too soon to consider the problem of national disaster precautions and perhaps building codes which would require earthquake-resistant materials to be used in new urban structures. The need for a whole war's supply of weapons on hand in advance of any fighting, for a unified Department of Defense, for ocean bases, and for sufficient trained professional soldiers has already been stressed. Not to be overlooked is the necessity of legislation authorizing the armed forces to act instantly in case of attack, regardless of whether Congress is in session, how little diplomatic tension exists, and what time of the day or night the attack comes.

Indeed, we could not improvise a plan. We could not take our time as we did in the last war to decide that General X should command one theater and Admiral Y should command another. We could not, after the blow has fallen, indulge in the luxury of that careful, deliberate, advance planning which we have come to associate as being so vital to military success. The plan and the commanders would have to be ready in anticipation of the attack. There would have to be commanders set up to provide for every kind of disaster with staffs and plans which would enable them to conduct operations on land, sea, and air. If the unified command is not in operation before the blow strikes, we shall never survive. The first battle may well be the last.

As General Eisenhower told the Compton commission:

The decision in a future conflict will be determined by our ability to act and react in the first 60 days, rather than in the twelfth, eighteenth, or twenty-fourth month, as in past wars.

One must be ready when the whistle blows. If he is not ready, the whistle, so far as he is concerned, will be the last trump.

Can it be wondered that the Compton commission, which has just finished its survey of what the war of the future will be like, comes to this conclusion? I quote one paragraph:

Because the striking force and the other elements necessary to support it would entail use of air, sea, and ground strength and because all other phases of future war would similarly involve the most coordinated use of our military and civilian energies, we consider it a matter of extreme urgency that there be immediate unification of the armed forces. There can be no realistic planning or preparation without unity. The reluctance of Congress and some branches of the Military Establishment to move wholeheartedly toward unification has been a powerful deterrent toward acceptance by the public of the idea that unity of purpose in our national life is the foundation stone of our security.

I have heard some high-ranking officers say that, of course, unified command is absolutely essential in what the strategists of the last war called the forward areas, but that it was not necessary in the continental United States. In the war of the future every area is a "forward area." As the Compton commission declares:

The addition of the atomic bomb to the incalculable horrors of modern war has eliminated the concept of zones of safety in any future attack on this country.

What happens to the engines of modern war in a case of that kind? How long can the Navy, for instance, continue if all heavy industry is knocked out, if all refueling facilities are destroyed, if pipe lines, tank cars, and all those things are gone? How can the Army or the Air Force hold out since they are dependent on heavy industry? It has been heartening for me to note in recent conversation with friends in the Navy their keen appreciation of the importance of the so-called zone of the interior and of the vital need for a unified command here in the United States, if we are ever to sustain our military power away from our shores.

So there, Mr. President, is my first reason for favoring unification. Without unification we are doomed by the nature of future war, the first effect of which will be to disunite us tactically. I say with all the vigor and all the sincerity of which I am capable, without unification we cannot even begin to fight.

What are some other reasons? Let me assume that we have staved off the first attack—that we have pulled ourselves together and have begun counterattack and counterbattery. Supposing that we are lucky enough once more to be fighting an overseas war along more or less conventional lines. We know from experience, Mr. President, that we cannot win such a war without a unified command.

I hasten to add that I would be vigorously opposed to any so-called merger bill in which one branch of the service gobbles up another. I want to preserve all the glorious traditions and esprit de corps and effective autonomy of the Air Force, the Army, the Coast Guard, the Marine Corps, and the Navy. Let me say, too, that I am opposed to anything which in any way threatens the civilian character of our Government. In my judgment, the bill before us contains none of these dangers.

Perhaps I can point out, without being considered too personal, that, emotionally, I feel allied to all the services. Close relations of mine spent their lives in the Regular Navy; my father was in the Navy in the Spanish War, and my brother and my son were in the Navy during World War II. I have relatives and many close friends in the Marine Corps and the Air Force, and, of course, I myself have been in the Army Reserve during all my adult life. I received my first military training at a camp operated by personnel of the United States Marine Corps. As a newspaperman, I made a special study of naval matters and became a director of the Navy League of the United States. To this was added the experience of writing on naval matters for the New York Herald Tribune and other publications, as well as membership in the United States Naval Institute, the Naval Historical Foundation, and the Board of Visitors to the Naval Academy at Annapolis.

When I first came to this body, in 1937, I tried to continue my study of national defense questions. I was a member of the Committee on Military Affairs and was the ranking Republican member of the subcommittee on naval appropriations. Throughout this whole period I was regularly performing short tours of active duty in the Army, where I learned many things which were of immense value to me when I actually went to war, and which experience also taught me many things about human nature in its relation to military problems.

It so happens that I was first commissioned in the horse Cavalry and later was transferred to the Armored Force, which was the World War II descendant of the Tank Corps of World War I. I remember how long it took for the horse to die out in the Army. I think there is a bill on the calendar now, by which the Remount Service is transferred to the Department of Agriculture; which, I sup-

pose, marks the formal end of the horse in the Army. It took a long time. I remember in particular certain Horse Cavalry maneuvers in Texas in which we marched all day alongside of the road while trains and automobiles whizzed by. Every day an old, emaciated-looking tramp used to start out with us in the morning. Regularly in the evening he would pass us. I wondered why it took the Army so long to consider the Horse Cavalry in its proper perspective when it seemed that everyone outside the Army was perfectly clear about it. Later I realized that it was because there were certain persons who had made a life study of the horse and his place in warfare and were naturally convinced that there was nothing which could take his place. I do not say for a minute that these men clung to the horse for selfish reasons or because they thought that if the horse disappeared their chance for distinction, prestige, and promotion would vanish, although some uncharitable persons made that statement. I am perfectly willing to believe, and I do, that these Cavalry officers were honestly convinced that it was vitally necessary to maintain large units of horse Cavalry. Horse Cavalry was what they knew and they had advanced too far in life to learn something else.

I do not doubt that in the Navy there are also officers who cling to weapons and methods that become outmoded and, for all I know, there are some in the Air Force, even though it is such a new type of warfare. We may develop a guided missile or rocket which does not require anyone to be in it, and there may be found heavy-bombardment advocates who will be holding back and not favoring the use of the guided missile because they cling to the old traditions. I think we all realize that there are also men of that type in business and the professions and it is something with which one must cope—gently if possible, but certainly effectively.

The human tendency for men to divide themselves off into groups is very strong. In the Army there is considerable so-called "branch consciousness"—much too much, to my way of thinking. Of course, I am not talking about the question of unit pride—that conviction held by the members of an air corps squadron or a destroyer or an artillery battery that their outfit or ship is the best in the Army or Navy. That is something entirely different. That is wholesome and good—something which every commander strives, with justification, to inspire in his men. That is something which applies to young men in combat. But I never could see why it was necessary for a coast artilleryman to think he was better than a quartermaster, or for an infantryman to think he was better than a tank man. It is just like saying that apples are better than steak. The two are not comparable. I feel the same way about the old Army and Navy rivalry. I always get a little suspicious when I hear someone say that "the infantry is the queen of battle and the land battle decides the war", or that "seapower determines the victory", or that "airpower is everything in modern war." It is all right for college boys to cheer themselves hoarse about Annapolis and West Point or Harvard and Yale, but when manhood is reached that sort of rivalry and separatism seems utterly out of place. I have lived long enough to realize that it is a very real factor in human nature and is not confined to college boys—grown and otherwise mature men are quite sincere about it. It exists not only in the armed services. I have seen this old school-tie spirit as it might be called, among members of the legislature and Members of Congress. In politics George Washington called it the spirit of the party. It is something which can never entirely be eliminated. The danger is not that this separatism will be abolished; the danger always is that it will go too far and create so much division that effective action is impossible.

We hear it said: "The old methods served us well, therefore why change?" Or: "It is better to do nothing at all than to make a mistake." Whatever validity these philosophies may have had in the past, they are definitely and indeed dangerously out of line today. We must be bold nowadays and we must be prepared to accept new ideas. One often saves more life by experimenting than by being conservative.

My overseas wartime military service began in Libya in 1942 where the Germans had superiority in the air and on the ground and in the Mediterranean. When we heard a plane in those days, the chances were that it was a German plane. I shall never forget the atmosphere of the battlefield at that time—it was so different from anything I ever ran into later. Senators may remember that the British had lost control of the Mediterranean and that the Germans could come across practically at will. The British had to send their shipping all the way around Africa with enormous delay and expense. It was an object lesson to me in the vital importance of maintaining seapower and sea communications and showed the unspeakable things which happen to a ground Army when it is not supported by an adequate Air Force. That is just one little object lesson which I learned through my own little humble experience, which is very similar to that of millions of individuals.

In Sicily later on, as an observer, I saw General Patton's march along the northern coast road. On the left of this road was a steep precipice below which was the ocean. At the right the mountains rose steeply. When General Patton wanted to make any kind of a flank attack he either had to use mules in the steep Sicilian mountains to go around the right flank or to use naval vessels if he wanted to go around the left. Senators may remember that he had several flank attacks which were carried out by the Navy, and that he had the most harmonious and efficient working relations with the Navy. The result of it all was that the campaign was over in 38 days, which I believe is remarkably quick. If any one factor were to be singled out to explain such a success it was the completely enthusiastic, hard hitting and unreserved teamwork between land, sea and air, teamwork that went ahead without quibbling or pettifogging or suspicion of motives.

Once again, as an observer, I was in New Guinea and the Solomon Islands. While I did not witness any actual combat in those areas, I saw enough of those who were engaged in the operations to realize that the whole war out there was a type of leapfrogging in which the Navy and the Army sought to make possible the acquisition of landing fields for the Air Force, whereupon they leapfrogged each other and went forward again, bypassing some islands and landing on others. I do not know whether there is such a word, but I would say this was a completely triphibious type of war. Admiral Halsey, one of the great leaders of all time, in my opinion, for whom I have a limitless admiration and a deep affection, and who accomplished such miracles in the Pacific, actually had one unit under his orders which was commanded by a general in the Army, with a captain in the Navy as chief of staff, and a colonel in the Marine Corps in charge of operations. That is how far it went. Everyone liked it, and everyone up and down the line was in favor of it.

My next experience was in Italy where I served in an outfit which was on the west flank and went up the Italian shinbone. There, as everywhere else during the war, I often bumped into naval personnel because the Navy was supporting the detachment at the Anzio beachhead—it will be remembered what a rugged time that was—and doing so under tremendously difficult conditions. There was nowhere one could go where the enemy was not looking right down one's throat all the time. The whole harbor was under enemy observation and artillery fire. I witnessed the enormous air bombardment at Cassino and like every other experience in the war it showed the absolute necessity for teamplay between the different combat elements.

Finally I was one of the many who took part in an amphibious operation—that is an experience in which millions and millions of Americans have shared—which was the landing in southern France, and saw with my own eyes both the plans and the elements of land, sea, and air which participated in it. It was impossible to see the planes coming overhead and to have the Navy pick us up and put us on the beach at the right time and the right place, without giving us a proud feeling that we were all part of a team and that the essential thing was the fact that we were all making our contribution to victory together for our country.

One cannot go through such experiences as that—and they were typical average experiences which I know millions and millions of men in this war underwent—without coming to some pretty strong general conclusions about the way in which our national defense set-up should be established. I am not going into technicalities because I am not equipped to do so. In fact, if there were any real differences of opinion between the officers of our Army and Navy who were charged with studying this matter, I might not be speaking today. The fact, however, that they have agreed on

a proposal to unify the services and have done so only after great soul searching and great difficulty, makes me feel very strongly that any man is bold indeed to be the instrument which breaches that agreement. I mean, of course, one who breaches that agreement because of any military considerations. Those who fear that it will set up a power in the Government which will threaten the civilian character of our Government are in a different category. I do not happen to share that worry because I cannot see that it creates any more power than exists already in the President. In my opinion, former Secretary of War Stimson made the complete answer to the charge of so-called military dictatorship when he said:

> The Secretary of National Defense will be a powerful officer. That is entirely proper. He cannot successfully exercise his functions without adequate and flexible power. But it should be observed that he is given no powers which do not already belong to the President as Commander in Chief. What this bill does is to delegate to a recognized officer of the Government a part of the authority over the Military Establishment which in the end always belongs to the President. Under this bill the President as Chief Executive retains his powers unchanged; he is provided with a suitable officer for the proper exercise of these powers; that officer remains under his entire control. This appears to me to be a wholly proper and natural step, entirely in keeping with our best administrative practices.

In other words, to charge that the Secretary of National Defense will be a military dictator, or a czar, or what have you, is simply to level the same charge against the President, since his powers are given as Commander in Chief under the Constitution. If these charges are justified, then we have been living under a military dictatorship during the lifetime of our Republic.

Prof. Barton Leach, of Harvard Law School, who held several important posts in the Army during World War II, has this to say:

> It is a basic reality that a leader of a military establishment must have authority if he is to be effective. You cannot run armies by negotiations. Authority and discipline are the military counterparts of negotiation and discussion in civilian affairs. The Constitution of the United States recognizes this reality by placing in the hands of the President both civilian authority over the executive departments which control the armed forces and military authority over the forces themselves. In Washington's time the burdens of the office of President were such as to make it possible for the President to be, in reality, the civilian and military leader of the very limited armed forces we had at that time. The principle that authority is needed has not changed. Demands upon the man, who, under the Constitution, holds the joint position of civilian and military leadership, have seriously changed. In order to make the President's unified control a reality this bill proposes to give to him a single civilian official who, in pursuance of the President's power and under the President's direction, provides the single authority over the armed services which the Constitution envisaged. Far from being a departure from the wisdom of the fathers, this bill is an implementation of that wisdom and an adaptation of the principle of singleness of control to the realities of our present-day institutions.

I do not favor unification, however, merely because the armed forces have agreed upon this bill, although I think this is a persuasive consideration. My prime reason for favoring unification is that I think it is utterly vital to have the chain of command clearly set up and clearly established. During the course of these remarks I have, first, examined this proposition from the standpoint of the war in the future. Then I examined it from the standpoint of the war in the past World War II, through which we have just come.

No matter how we look at it we are brought to the conclusion that there must be unity.

My feeling as to who should occupy the places in that chain of command is as nothing compared with my belief in the importance of having such a chain. It would be all right with me, as one whose military experience was in the ground Army, to have all the top positions filled by the Navy or the Air Force so long as the chain of command and the unified team play is a guaranteed fact. It cannot be improvised quickly, and if there is another war, I repeat for the tenth time, we cannot expect to have 2 years in which to argue these things out. This is something which must be ready when the whistle blows.

My second principal reason for favoring unification is that it will result in a definite well-thought-out procedure for the allocation of our available supply of military manpower. Saving money is, of course, of vital importance. But to save manpower is even more crucial because we have a definite shortage of manpower in this country for all of the things that we need to do. If we take the age group of young men physically fit for military service and then deduct the ones who must remain in essential nonmilitary activities, we have not a great deal left. It is too important a matter to leave the allocation of this manpower to last-minute horse trading between the Army and the Navy and the Air Force, as was the case during the war. There must be a definite system of allocation. This is one of the results which will flow from having the machinery to take care of the problems which all the services have in common.

Third on my list is the economy which will come from the elimination of duplicate facilities. The distinguished chairman of the Armed Services Committee, the Senator from South Dakota [Mr. GURNEY] has gone into that question in detail, and I shall not repeat what he said or try to duplicate it. We may differ as to how much money it will save; but it will certainly produce some very real economies.

Fourth, I notice that in this bill the National Security Resources Board is given as one of its functions the duty of advising the President on policies to establish adequate reserves of strategic and critical materials and for the conservation of such reserves. The adoption of an intelligent policy with respect to our diminishing raw materials of all kinds is of vital importance and can mean the difference between defeat and victory in case of war.

I have heard a good deal said about the cooperation which has been achieved so far by using the present system. I was not at a sufficiently high level during the war to speak from personal knowledge of the way the high command functioned; but from what I have read and conversations I have had, I am perfectly prepared to believe that much good work has been done. I do, however, suggest that such integration as has taken place has been due to the pressure of events during the war; and I would not be surprised to learn that some of it was due to the fear of legislative action here in Congress, which would naturally tend to force officers who are not in favor of unification to take some sort of action in order to avert what they might consider was a greater evil.

Mr. President, these are my reasons for favoring unification. Of course, with respect to every legislative proposal, as we all know who are here in the Senate, there are always arguments on both sides. There is only one argument which has been made against the bill which I think would have merit if it could be sustained. That argument suggests that unification will tend to destroy the autonomy and the esprit de corps of the different branches of the service. I tell you very frankly, Mr. President, that any legislation which I thought would destroy the esprit de corps, the morale, the traditions and the fighting efficiency of the Navy or the Marine Corps or the Army or the Air Force would incur my strongest opposition. I not only do fail to find anything in the bill which would enable that to be done, but I simply cannot conceive of any responsible officer in any of our services desiring to do such a thing. We want to preserve all the strength that we can. The traditions and the morale of a crack outfit like our Marine Corps, for example, are a tremendous national asset; and I have never met an officer in any other branch of the service who I thought was intelligent and who has been successful, who did not agree.

I do not think that we here in Congress can legislate very far into the future, although it is our job to make the best estimate of the future that we can make. That is what makes our job so difficult. In this case, what I want to see above all is the seed planted and given a chance to grow. I have faith in the teachings of experience, in the impact on this plan of the personalities of the men who will administer it, and I believe they are sure to be able men of great character and ability. I have faith in the fact that circumstances will mold this scheme in a realistic way.

All I have tried to say today is that in union there is strength. This is as true in the field of the armed services as it is in the field of public affairs. Modern science has made union more desperately necessary than ever. We must unify or we will perish.

The PRESIDING OFFICER (Mr. MARTIN in the chair). The bill is before the Senate and is open to amendment.

Mr. ROBERTSON of Wyoming obtained the floor.

Mr. GURNEY. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. ROBERTSON of Wyoming. I yield.

Mr. GURNEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Bushfield	Johnston, S. C.	Robertson, Wyo.
Butler	Kem	Russell
Byrd	Kilgore	Saltonstall
Cain	Knowland	Smith
Capehart	Langer	Sparkman
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thye
Donnell	McFarland	Tydings
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. ROBERTSON of Wyoming. Mr. President, I desire to speak on behalf of the avowed objectives of Senate bill 758, and to propose amendments which will enable it to achieve its goal. To the bill itself—as it now stands—I am unalterably opposed. I cannot by any flight of imagination regard it as an effective instrument for the attainment of its asserted objectives. I cannot, indeed, regard it as even a worth-while effort to achieve them. Aside from its pretentious title, and a pious declaration of policy thrown as a sop to those whose criticisms could not be completely ignored, there is nothing in the bill which promises any substantial improvement over the existing security structure of the Nation. There is much, on the other hand, which will subtract from, rather than add to, the national security.

Mr. President, at the outset I want to state and I desire it to be publicly known that I am 100 percent for unification of our armed forces. I am for the unified command of all forces in every theater of operations in wartime or in peacetime—which we have today. I am opposed to a "merger" of the armed forces; and when I say that, Mr. President, it seems to me unnecessary to say that I am opposed to Senate bill 758 in its present form. In this form, Mr. President, the bill is first and foremost a merger of the armed forces.

According to the dictionary definition of the word "merger," it means, "To sink the identity or individuality of; cause to disappear, be combined, or be swallowed up; to lose identity or individuality; be lost to view or absorbed into something else."

I repeat that I am for the unification of the armed forces, but, Mr. President, in order to obtain real national security, I am for the unification and coordination of much more than the armed forces. I am for the coordination of every phase of our national life which affects national security. I am for the unification and coordination of those phases of our national life, together with the armed forces of the Nation. I am for the coordination of every department and agency of the Government concerned with national security—which the title of this bill sets forth, but never performs.

Mr. President, the Armed Services Committee of the Senate started open hearings on this bill on March 18, and continued them through April until May 9. Members of the committee who attended these hearings found that they left them but little time to attend to other important Senate duties. Almost daily the committee was unable to proceed with the hearings on account of the lack of a quorum, and often the hearings were delayed from 30 to 45 minutes. This, Mr. President, was no fault of the members of that committee; rather is it the fault of the Reorganization Act under which we are working. Let me call the attention of the Senate to the fact that in this Eightieth Congress, the Armed Services Committee is a "merger" of the Military Affairs Committee and the Naval Affairs Committee of the Seventy-ninth Congress. Each of those committees, Mr. President, had 18 members, making a total of 36. This Armed Services Committee has a membership of but 13 members. Yet, there are just as many functions to be performed by those 13 members, just as many bills to be considered, just as many important hearings to be held by those 13 members as there were by the 36 Senators of the two committees in the Seventy-ninth Congress.

With the Senate meeting almost daily at noon, it does not take a mathematician to figure out the limited time of each day's committee hearing. Although the committee is scheduled to meet each morning at 10 a. m., it was rarely that the hearings started before 10:30, and on many occasions not before 10:45.

Again I say, Mr. President, that this casts no reflection on the chairman or on members of the committee. The bald truth of the matter is that under the present system—that is, under the Reorganization Act—it is a most difficult matter to get a quorum of the committee in all instances.

There is another angle to this matter, and that is the waste of valuable time that is caused the many witnesses the committee has to hear. The Armed Services Committee provides an excellent example of this waste of time of important witnesses. Illustrative of this is the calling of the committee, we shall say, to hear the Secretary of the Navy, Mr. Forrestal, and the Chief of Naval Operations, Admiral Nimitz. The committee is called at 10 a. m. It is 10:45 before a quorum is present, and there is only time to hear Mr. Forrestal; and even 1¼ hours is all to short a time to hear the Secretary on such an important bill. Admiral Nimitz has to go away to come back the next day or at the next meeting of the committee. The same thing happens with Secretary of War, Mr. Patterson, and General Eisenhower—and not only with these top officials but with countless others who come to the committee hearings, expecting to be called, and then go away and are asked to come back another day. I do not know whether the Army or the Navy or the Marine Corps keep a record of all calls to, and appearances before, Senate committees, but it would be interesting, and I venture to say amazing, to learn the number of man-hours wasted by officers and men of the armed services as a result of our operations under the Reorganization Act.

After the open hearings closed on May 9, a number of executive committee meetings were held between that date and June 5, the date on which the final executive session was held; and the bill was voted on to the calendar on June 6, 1947.

During all that period, Mr. President, from March 18 to June 6, the Armed Services Committee was practically unable to consider any of the vast number of bills which were before it. For 11 weeks, out of a total of 27 weeks Congress has been in session, S. 758 was being considered by the Armed Services Committee. I repeat, Mr. President, this is no reflection on the chairman or any members of the committee, but to reduce 2 major committees of 18 members each to 1 committee of 13 members is just not feasible or workable, and certainly is not in the interest of efficiency.

Mr. President, I firmly believe that the most important thing that we, the Senate of the United States, have to consider is the security of the United States. Everything else pales into insignificance compared to the security of the Nation. This is no party question—it is a national question. National security does not belong to any party, any group, any majority, or any minority. It affects every man, woman, and child in the United States. But more than that, Mr. President, our national security, or insecurity, today affects every soul in the world.

If the United States should for any reason whatsoever lose or be unable to maintain its position of national security, then the people of no nation in the world could be considered as secure. Many of the nations of the world today have no national security.

Mr. President, when I speak of national security, I do not mean an army, a navy, or an air force, as these are but the physical means of fighting a battle to maintain security, or to repel insecurity after all other peaceable means have failed.

To be the only Nation to be well fed, where almost every family has an automobile, where the highest wages in the world are paid, where the greatest profits in the world are made, where production is, and can be, greater than in almost all the other nations in the world combined, where our wealth and national income are beyond the dreams of almost any other nation in the world—that is not national security.

If we do not take care of these fundamental assets of our nation, and coordinate them all into one great security program, then we lay ourselves open to the possibility, maybe probability, of having our great national security threatened by insecurity.

Mr. President, Senate bill 758 bears the impressive title of "A bill to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security."

It is indicative of the thinking of the framers of this bill, S. 758, that in the original bill, title I, entitled "The National Defense Establishment," should be purely military, and that the National Defense Establishment, according to the bill, was to consist of:

Section 101: Establishment of the National Defense Establishment.

Section 102: Secretary of National Defense.

Section 103: Military assistants to the Secretary.

Section 104: Civilian personnel.

Section 105: Department of the Army.

Section 106: Department of the Navy.

Section 107: Department of the Air Force.

Section 108: United States Air Force.

Section 109: Effective date of transfers.

Section 110: War Council.

Section 111: Joint Chiefs of Staff.

Section 112: Joint Staff.

Section 113: Munitions Board.

Section 114: Research and Development Board.

Title II of the bill was outside, separate and apart, from the Defense Establishment, or, as it is now called, "The Security Organization." Title II was entitled "Coordination for National Security," and consisted of:

Section 201: National Security Council.

Section 202: Central Intelligence Agency.

Section 203: National Security Resources Board.

In an effort to bring a realization to the members of the committee that we were seeking a national security organization and not a national military establishment, I was able to have the committee amend the bill so as to make title II, "Coordination for National Security," Title I, thus at least placing first things first.

I must take immediate exception to the application of the term "National Security Organization" to an establishment which is patently a military establishment. National security encompasses far more than the activities of the military departments and the armed services. It is the concern of every citizen—of every man, woman, and child in the United States. It is not only their concern—it is something to which they have in the past contributed and must in the future contribute a substantial portion of their time and their toil. Can my colleagues say to the farmer in his fields, the worker in the factory, the teacher in the classroom, the scientist in the laboratory, or the civil-defense worker patrolling his rounds—can my colleagues say to these citizens: "You are not a part of the National Security Organization. None but military forces contribute to the security of this country." I cannot do so, and I do not believe any of my colleagues can do so, either. Yet S. 758 says that, and we are asked to make that statement law.

The drafters of S. 758 could be excused for such a palpable misuse of the term "National Security Organization" if there were evidence that they were otherwise conscious of the importance of the civilian population and the civilian economy in the achievement of national security. We might excuse them of any intent to deny this importance if elsewhere in the bill there appeared some recognition of the vital role which the civilian segment of the Nation plays in maintaining its security—if there were due provision to take their viewpoint, their contribution, and their requirements into account.

Much needs to be done to perfect the security of our Nation—but it cannot be perfected if we confine our operation to the province of the military. The lessons of the past great war have indicated that inadequate coordination in and between the departments and agencies of the Government representing the civilian elements of the Nation were of no less importance than the shortcomings of the military departments and the armed services. In spite of strenuous efforts to bring about coordination between civilian elements, and between civilian and military elements, the results were far from satisfactory.

Notwithstanding the overwhelming evidence that a most fertile field for integration of the elements of national security lies among the civilian departments and agencies of the Government, or between the civilian agencies on the one hand and the military agencies on the other, the framers of S. 758 have made no attempt to solve this most important aspect of their problem.

According to its title, this is a bill "to promote the national security by providing for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security." Wherein does the language of the bill itself support such a title? If such language appears in the bill we should expect to find it in title I—Coordination for National Security—and more particularly in the provisions relating to the National Security Council. From its name and its status as the principal advisory body to the President in matters relating to national security, one might imagine that this body would bring together all the diverse elements of national security, where the potentialities and the requirements of each element could be weighed, and responsibilities apportioned. Surely this is the common ground where diplomacy, agriculture, industry, labor, education, science, and all the other civilian elements of national security would meet with the military and together come forward with balanced programs for the security of the Nation. Surely, in addition to the military departments and the Department of State, we should find represented here, the Departments of Agriculture, Commerce, Labor, Interior, and the Treasury, the Director of the Atomic Energy Commission, perhaps the chairmen of the congressional committees most vitally concerned with problems of national defense. But not so. Observe its narrow membership. Other than the President, there are the Secretary of State, the four military secretaries, and the chairman of a national security resources board. What have we represented here? Foreign policy, military policy, and, to some extent, economic policy. But what of the other elements of national security? They are simply not included.

If the language relating to the National Security Council fails utterly to substantiate the claim of the bill's title that it provides for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with national security, what other language is there in title I or in any other title of the bill to support such a pretentious claim? Mr. President, I have looked searchingly and without success for some evidence that something more than lip service has been paid to the civilian elements of national security—diverse elements of no less importance than the military elements, though less obvious and certainly less vocal. I have sought in vain to find some recognition of the fact that coordination and integration of these elements is one of the real problems facing us today. I have found no such evidence, no such recognition.

If the bill does not coordinate all elements of national security, then what is it intended to do? My colleagues need not turn to the so-called declaration of policy for an answer to this question. The declaration of policy is a soporific to dull the perceptions of those who seek to understand the bill. Let my colleagues read the language of the bill itself; there we can find an answer if we look closely enough.

The real intent of this bill is to create a vast military empire, one in which ambitious men will wield greater power over the Military Establishment than has ever been heretofore granted to nonelected individuals, and one which will wield untrammeled power over the entire social and economic structure of the Nation.

Mr. SALTONSTALL. Mr. President, will the Senator yield, or would he prefer not to yield?

Mr. ROBERTSON of Wyoming. I am yielding to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the distinguished Senator, from what provisions of the bill does he draw the inference that there is to be greater military power given to any one man than is the case under the existing law?

Mr. ROBERTSON of Wyoming. Mr. President, when the pending bill, as it does, creates the Secretary of National Security, over the three Secretaries of

Army, Navy, and Air, it puts a greater responsibility on that one man than rests on any man in the set-up today.

Mr. SALTONSTALL. But when the distinguished Senator says that the Secretary of National Security is over the three Secretaries, is that strictly true? The Senator from Wyoming had much to do with the argument pro and con in the committee that finally reported the bill in its present form. Does not the bill specifically give the Secretary of National Security limited powers, which are specifically enumerated and set forth, and that all other powers are left in the hands of the present Secretaries? Is that not true?

Mr. ROBERTSON of Wyoming. It is not true in its entirety. I shall deal with that point as I come to the question of the merger, Mr. President. I shall take care of the Senator's question at that time.

Let us not delude ourselves as to the character of the Military Establishment which this bill would create under the inaccurate title of a "National Security Organization." Here we have a merger of the armed forces, sententious declaration of policy notwithstanding.

I doubt seriously if we would today be considering this proposed piece of legislation had not the Army long ago set its sights on the merger of the armed services into a single service under a single Secretary, a single national Chief of Staff, and a single national general staff. The Navy's objections, supported by a substantial portion of the Congress and the public, resulted in a partial retreat of the Army from its original proposal for a single department and a single service, and a resort to more devious tactics to achieve the same end. The present proposal is a step in the direction of the Army's utlimate goal. It provides a single establishment in which the three military departments and the armed services retain the semblance of autonomy, but not its substance. In the absence of the substance of autonomy, the elements of the Military Establishment will find it increasingly difficult as time goes on to resist the Army pressure to achieve their ultimate goal.

The Army was reluctant to agree to the insertion of numerous clauses that apparently preserve the autonomy of the component departments and services. These supposedly protective clauses lose all their effectiveness—and I am sure the Army was aware of this, when they consented to their inclusion—in the presence of other clauses which give unmistakable, complete authority to the head of the Military Establishment, the misnamed Secretary of National Security.

First, let me read the merger provisions, which compromise eight lines. This is the answer to the question of the Senator from Massachusetts. I quote from title II, section 201 (a):

> There is hereby established the National Security Organization, and a Secretary of National Security, who shall be the head thereof.

Let us mark that. The Secretary of National Security shall be the head of the National Security Organization.

Subparagraph (b) describes the composition of the National Security Organization, as follows:

> The National Security Organization shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created within the National Security Organization.

The list of those agencies is given in the first pages of the bill, and in this case they are almost entirely military agencies. But there, Mr. President, is the merger. Those eight lines in section 201 (a) and (b) create the merger of the armed forces. Countless persons have written me or told me individually, "I am against the merger of the armed forces, but I am for unification." Many Senators have said the same thing. I firmly believe the majority of the Committee on Armed Services are opposed to a merger but in favor of unification. Yet lines 7 to 14 on page 37 of the bill, which I have just read, create the merger of the armed forces of the Nation, and place one man in charge of those merged forces. It does not require a lawyer to interpret the words of section 201 (a) and (b). They are clear and decisive. They are the root of the whole bill, and so long as they stay in the bill it is a merger bill, and the press have always been correct in their headlines or releases in giving the name "merger" to the measure.

Only this morning in one of the Washington newspapers I came across this language:

> MERGER BILL UP IN SENATE
>
> The Senate today opens debate upon the Army-Navy unification bill forewarned that failure to enact it would make the United States the "only major power which has not modified its Military Establishment"—

And so forth. The article goes on to say:

> The measure, requested by President Truman after a more thoroughgoing merger was spurned by Congress last year, would leave the War and Navy Departments intact but would place over them a Secretary of National Security with power to exercise "general direction, authority, and control" over the two war arms.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. I should like to call the Senator's attention to a clause on page 31 of the bill with which I know he is familiar, because we discussed the matter at length in the committee. The declaration of policy is stated on pages 30 and 31, and on page 31 it is specifically said: "To provide for" three military departments, and to provide for "unified direction but not to merge" these departments.

"Not to merge" them. Now how can the Senator say that the bill is a merger bill when the declaration of policy specifically says it is not a merger bill?

Mr. ROBERTSON of Wyoming. Mr. President, I say the declaration of policy is not a part of the law. It simply states in general terms the policy. If that language is followed absolutely in the bill then I have no argument with the Senator, but until section 201 (a) and (b) is eliminated it is in contradiction to the declaration of principles.

Mr. SALTONSTALL. Mr. President, will the Senator yield again?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. If the Senator is correct in his statement, then what language in the bill provides for merger? What words in the bill are merger words?

Mr. ROBERTSON of Wyoming. I have just read them to the Senator. I shall be glad to read them again.

Mr. SALTONSTALL. I heard those words read, but is there anything in those words that provides for a merger? Do not those words provide for a unified direction rather than a merger?

Mr. ROBERTSON of Wyoming. No, Mr. President, I do not think the Senator is correct. When one man, the Secretary of National Security, is placed at the head of the organization that makes it a complete merger, and he has complete authority over the various departments within that merged organization.

Let us for a moment see what the duties and powers of this misnamed Secretary of National Security are. I read from section 202:

> (a) The Secretary of National Security shall—
>
> (1) Establish general policies and programs for the National Security Organization and for all the departments and agencies therein;
>
> (2) Exercise general direction, authority, and control over such departments and agencies;
>
> (3) Supervise and coordinate the preparation of budget estimates; formulate and determine the budget estimates for submittal to the Bureau of the Budget; and supervise the budget program of the National Security Organization.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. Yes.

Mr. SALTONSTALL. Is not the final determination of the budget the duty of Congress, and if it is the duty of Congress, how can supervision of the work of getting the figures together and coordinating the figures, becomes such an important power as to create a merger or to give the Secretary of National Security more power than he should have?

Mr. ROBERTSON of Wyoming. No; the fact that he has such powers does not create the merger. The result of the merger is that he has those powers, and he can coordinate the budget, and the estimates all in one lump sum, for the three armed forces.

Mr. SALTONSTALL. But the Congress has the final decision?

Mr. ROBERTSON of Wyoming. The Congress makes the appropriation.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. LODGE. Does the Senator think that under those words the Secretary of National Security could modify the uniforms, and take officers out of one branch and put them into another branch, or anything of that kind?

Mr. ROBERTSON of Wyoming. I think he would have such power.

Mr. LODGE. Does the Senator know exactly what provision of the bill gives him power of that kind?

Mr. ROBERTSON of Wyoming. The power, I believe, comes by reason of his being the head of these three organizations. He is the head of the organization, and he has the power to do anything with respect to functions. I agree with Under Secretary Royall when he says that not only has this man the power to change functions but he must exercise them.

Mr. LODGE. If the Senator will permit me in his time, I should like to say that I would certainly be opposed to anything of that kind. I want to preserve the traditions and the esprit de corps and the autonomy. I think the bill would preserve them.

Mr. ROBERTSON of Wyoming. I know the Senator is honest when he says that he would not agree with the bill if such a provision were in it, but I assure the Senator that that is how I read the bill, and as I have read it from the first. That is why I am on my feet today opposing it.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON of Wyoming. I yield.

Mr. ELLENDER. I was very much interested in the statement made a moment ago by the distinguished Senator from Wyoming when he said that under the bill a vast military empire can be created. I should like to ask the Senator, how could such a military empire come into being when under section 8 of article I of the Constitution appropriations for military purposes cannot be made for a longer period than 2 years? In other words, it is up to the Congress, as was pointed out by the Senator from Massachusetts, to provide the wherewithal to keep the military and the naval departments operating. If, under the Constitution, which I am sure the bill does not change, it is up to the Congress to provide funds for only 2 years, I was simply wondering how such an empire could be created as the Senator envisaged.

Mr. ROBERTSON of Wyoming. I shall develop that much more fully as I proceed, if the Senater will bear with me.

Mr. ELLENDER. I am very much interested in that point, and I should like to hear the Senator's position with respect to it.

Mr. ROBERTSON of Wyoming. Mr. President, I just recited the powers and duties of this misnamed Secretary of National Security. I should be grateful if some of my colleagues could point out to me just one thing that the secretary of any executive department could do within his department which the Secretary of National Security could not do within the National Security Organization under these grants of authority.

Except for the dubious right to squeal when stuck, we have given no autonomous rights to the subordinate secretaries. The provision that each department within the National Security Organization shall be administered as an individual unit is inconsequential. Every bureau in an executive department is administered as an individual unit, just as every battalion within a regiment is administered as an individual unit. This is not autonomy; it is simply routine administrative organization. Nor is its significant provision that all powers and duties not specifically conferred upon the Secretary of National Security shall be retained by the subordinate Secretaries; for there are no powers or duties of consequence which have not been conferred upon the super-secretary. The plain fact is that S. 758 creates a new executive department on a grand scale and cloaks the secretary at its head with every power which ordinarily pertains to the head of such a department.

My criticism, however, is not so much that we are providing insufficient safeguards against abuse of power by the head of the National Security Organization, but rather that we are creating such an unnecessary and undesirable organization at all. We are building a new military empire where none was needed, and in doing so we are creating a Frankenstein monster which may work to the detriment rather than the enhancement of national security.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. The Senator has stated that the bill would create a Frankenstein monster, and has used various other words which would indicate one man was being given tremendous powers. I should like to ask this question: If he has only the powers set forth on pages 37 and 38, where the language occurs designating his powers, and all other powers are retained in the present secretaries, how would a Frankenstein monster be created? What implied powers are being given to him that would create within him such tremendous force?

Mr. ROBERTSON of Wyoming. In the first place, as I have explained, he is the head of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created within the National Security Organization. I think it would be well to refer to those agencies at this time. They are to be found listed under title II, the National Security Organization, sections 201 to 214. I think I have already read them, so there is no need of my repeating them. The Senator has them before him, on page 30 of the bill.

In addition, we vest the super-Secretary with powers to exercise general direction, authority, and control over such departments and agencies. As I previously stated, he is to have the power to supervise and coordinate the preparation of budget estimates, and so forth. He is to have the power of establishing general policies and programs for the National Security Organization. That means the National Military Establishment. He is to have the power to establish policies and programs for all departments and agencies thereunder. I do not see how we could possibly give any man more power than it is proposed to give to the super-Secretary.

What are the arguments for the erection of a superagency for the coordination of the military efforts and activities of the Nation? For one thing, it is stated that there has been inadaquate military coordination in the past. The evidence presented by the military witnesses during the course of committee hearings have brought out instances in which coordination and cooperation could have been improved. The other side of the picture was generally neglected by the administration witnesses. Admiral Carney took notice of this when he said:

> I have the feeling that in many instances proponents of merger have overlooked the fact that a great amount of integration has already been accomplished.

After considerable prodding, other witnesses reluctantly admitted that a notable improvement in coordination was actually brought about during the course of the war, and that by its end most of the problems of coodination had been effectively solved—and without merging the services. The simple fact seems to be that when the need was belatedly recognized, military officers were able to coordinate and cooperate with ease, dispatch, and effectiveness. Now that the lesson has been learned, I do not think it will ever be forgotten.

We are all familiar with the excellent job of coordination which was accomplished in the field by the unified field commands. We are little less familiar with the equally splendid job of command coordination which was effected here in Washington by the Joint Chiefs of Staff. I have yet to hear any witness challenge the correctness of the decisions of the Joint Chiefs of Staff or offer a valid criticism of the speed with which they were arrived at. It does not require a merger to perpetuate the principle of unified field commands, or to perpetuate the Joint Chiefs of Staff here in Washington. Both are here to stay, with or without a merger.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. The Senator stated earlier in his argument, if I correctly understood him, that he was for unification and coordination of more than the armed forces. He has stated that there was unification in the field, and that there was unification in the armed forces in Washington. If this bill, in peacetime, seeks to legalize that unification and continue it, what is the objection to a bill of this character?

Mr. ROBERTSON of Wyoming. The objection to the bill, as I have endeavored to show so far, and shall continue to endeavor to show, is that the bill is a merger of the armed forces, and very little else. As the Senator knows, I have always claimed that it was absolutely necessary that the Secretary of National Security should be under the President of the United States, and should be Secretary of the entire national security picture, and not merely Secretary of the

armed forces, displacing the Secretary of War, the Secretary of the Navy, and the Secretary of the Air Force as Cabinet officers.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Missouri?

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. I should like to make an inquiry of the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. ROBERTSON of Wyoming. I yield for that purpose.

Mr. DONNELL. I observe, on page 38 of the bill, in line 14, this language:

> All powers and duties not specifically conferred upon the Secretary of National Security by this act are retained by each of the respective Secretaries.

I observe, on page 37, as previously quoted by the Senator from Wyoming, that the Secretary of National Security shall, under the direction of the President, perform certain duties, among which are to—

> (1) Establish general policies and programs for the National Security Organization and for all of the departments and agencies therein.
>
> (2) Exercise general direction, authority, and control over such departments and agencies.

The question upon which I should like to have the comment of the Senator from Massachusetts is this: What powers and duties are there which are not specifically conferred upon the Secretary of National Security by the bill? Therefore, what powers and duties are retained by each of the respective Secretaries, in the opinion of the Senator from Massachusetts?

Mr. SALTONSTALL. Mr. President, will the Senator yield in order that I may answer the question?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I think it was the general feeling in the committee when that language was drafted that the general policies referred to, and the duties which the Secretary would perform under the direction of the President, were with regard to laying out the general policies of national defense and national security. He would have nothing to do, for instance, with the education of a naval flier; he would have nothing to do with the education or training of the operator of a tank or with the kind of tank that the Army should use. He could not necessarily say that we should have more jet planes or more planes of another character. Those are problems which are to be worked out, respectively, in the air department, the ground forces, and the Navy. He should, however, have an idea of how those three elements of the national force should be used together to unify all possible methods of establishing our national defense.

Mr. DONNELL. Mr. President, will the Senator yield for a very brief observation?

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. I thank the Senator from Massachusetts, although I am quite puzzled as to how it is possible for any powers and duties not to have been specifically conferred upon the Secretary of National Security by this bill, when by the very language on page 37 it is provided:

> Under the direction of the President he shall perform the following duties:
>
> (1) Establish general policies and programs for the National Security Organization and for all of the departments and agencies therein;
>
> (2) Exercise general direction, authority, and control over such departments and agencies;
>
> (3) Supervise and coordinate the preparation of budget estimates; formulate and determine the budget estimates for submittal to the Bureau of the Budget; and supervise the budget program of the National Security Organization under the applicable appropriation acts.

It would seem to me that that language is certainly susceptible of the construction placed upon it by the Senator from Wyoming [Mr. ROBERTSON] that it gives the ultimate determination, direction, authority, and control over these departments and agencies to the Secretary of National Security. It is certainly susceptible, it seems to me, of the construction placed upon it by the Senator from Wyoming to the effect that all powers and duties are specifically conferred upon the Secretary of National Security and that all that are left to the various departments and agencies thereunder are the powers and duties to act as subordinates under the ultimate control of the Secretary of National Security.

May I inquire of the Senator from Wyoming if I have in substance stated his position on the matter?

Mr. ROBERTSON of Wyoming. The Senator from Missouri has stated my position very clearly, and I thank him.

Mr. SALTONSTALL. Mr. President, will the Senator from Wyoming yield further?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I know that the Senator from Missouri is a very careful student of legislation. I would call his attention to the declaration of policy on page 30 of the bill. The declaration of policy, perhaps, is not a part of the proposed law, but it certainly could be used in interpreting the words of the bill. If the Senator reads that declaration of policy I believe that he will answer the question as the Senator from Massachusetts has answered it.

Mr. DONNELL. I thank the Senator from Massachusetts, and I shall not trespass longer upon the time of the Senators.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. LODGE. Responding to the point raised by the Senator from Missouri, it is my understanding that the Secretary of National Security shall confine himself entirely to those things which are general and not to those things which are special. In the military service those two words have a very clear meaning. I cannot conceive, under this language, and particularly under the language in line 10 on page 38, that he would exercise anything other than general functions for those things which the services have in common. In other words, it would seem inconceivable to me that he would concern himself with questions of uniform, equipment, supply, tactics, training, or any of the other things which take up nine-tenths of the time of a military organization.

Mr. DONNELL. Mr. President, will the Senator from Wyoming yield for a brief response?

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. I am not familiar, as doubtless is the Senator from Massachusetts, who has just spoken, with the construction of this language in the Army, but it would appear to me that it is perfectly clear that the construction ordinarily given to such language as "exercise general direction, authority, and control over such departments and agencies"—I say the general construction of that language in law would certainly imply that the official who has that authority has the ultimate general authority, which, as I see it, is the final authority and control over the departments and agencies involved.

I shall not labor the point or trespass upon the time of any of the Senators, but it seems to me that there is very much to be said in favor of the construction of the Senator from Wyoming, whether we agree with the ultimate conclusion.

Mr. LODGE. Mr. President, will the Senator be generous enough to yield again?

Mr. ROBERTSON of Wyoming. I yield.

Mr. LODGE. I think there is a misunderstanding of the meaning of the word "general." In most military organizations with which I am familiar there is a general staff. Most of the activities to which the new Secretary, as I read the language, will devote himself will be general, matters which the services have in common. Most of the things done in point of time, in point of money, in point of administration are things that they have always handled and will always continue handling.

Mr. GURNEY. Mr. President, will the Senator from Wyoming yield for a brief observation?

Mr. ROBERTSON of Wyoming. I yield.

Mr. GURNEY. I wish to call to the attention of the Senator from Missouri especially the fact that Congress cannot itself relinquish its responsibility. Congress must retain its power to regulate national security, under the Constitution, wherein it is provided that Congress shall provide for the common defense. The power of the purse is all-important. Therefore, I call the Senator's special attention to section 308, page 59, of the bill, wherein it is provided that the budget must be sent to Congress not just as the National Security Secretary wants it, but in minute detail as to the manner in which the secretaries of the branches of the service make

their requests to the National Security Secretary.

Mr. DONNELL. Mr. President, will the Senator from Wyoming again yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. It seems to me that the point made by the Senator from South Dakota certainly indicates that there is detailed statement in the bill as to the requirements of the annual budget, but to my mind he does not answer the proposition submitted by the Senator from Wyoming as to the construction to be placed upon the language on page 38 of the bill, that all powers and duties not specifically conferred upon the Secretary of National Security are retained by each of the respective secretaries.

Looking at that language we immediately search the bill to find what powers and duties are not specifically conferred upon the Secretary of National Security, and we find on the preceding page, which is page 37, that instead of any limitation on his powers, apparently the very broadest possible power is conferred upon the Secretary of National Security, for, without repeating in undue detail, section 202 (a) provides as follows:

> Under the direction of the President he shall perform the following duties:
>
> (1) Establish general policies and programs for the National Security Organization and for all of the departments and agencies therein.
>
> (2) Exercise general direction, authority, and control over such departments and agencies.

I should like to ask the Senator from Wyoming, or either the Senator from Massachusetts [Mr. SALTONSTALL] or the Senator from South Dakota [Mr. GURNEY], whether there is any definition of the word "general" in decisions of courts which would enable us to arrive at the proper conclusion to be placed upon the language, "Exercise general direction, authority, and control over such departments and agencies."

Mr. ROBERTSON of Wyoming. I shall have to leave that to my legal friend from Massachusetts [Mr. SALTONSTALL] to answer.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. McCARTHY. I should like to ask the Senator, since competent legal minds differ as to the interpretation that should be placed on this language, if that fact alone does not indicate that the powers which are so conferred are so indefinite that they may be dangerously indefinite?

Mr. ROBERTSON of Wyoming. Definitely dangerous, Mr. President.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. GURNEY. For the purpose of further answering the Senator from Wyoming, let me say that the responsibility for performing the roles, missions, and duties to be performed by the branches of our national security set-up rests entirely with the President of the United States. Under this bill, they are not taken away from the President at all. Under the bill, the Secretary of National Security cannot take them away from the President. They are not changed in any way by the bill. The President himself is the Commander in Chief, and he will remain the Commander in Chief under the Constitution. He alone can set the roles and missions of each branch of the service. Certainly the Secretary of National Security, under the language on page 37, I believe, to which the Senator has referred, could not superimpose himself as the one having the authority that is, of course, retained in the President.

Mr. DONNELL. Mr. President, will the Senator further yield to me?

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. I quite agree with the Senator from South Dakota that the language of section 202 (a) does not superimpose the Secretary of National Security upon the President. In fact, as I have indicated previously, the language is specifically "under the direction of the President."

But as I understand it, the point made by the Senator from Wyoming is that as between the Secretary of National Security and the heads of these various other units, namely, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the Secretary of National Security is supreme, subject only to the direction of the President of the United States.

I ask the Senator from Wyoming whether I correctly understand his position.

Mr. ROBERTSON of Wyoming. The Senator is correct as to my position.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from South Dakota said a few moments ago that the Congress cannot yield the power of the purse, but must retain it. But under paragraph (3) of section 202 (a) it is stated that one of the duties of the Secretary of National Security shall be to—

> (3) Supervise and coordinate the preparation of budget estimates; formulate and determine the budget estimates for submittal to the Bureau of the Budget; and supervise the budget program of the National Security Organization under the applicable appropriation acts.

Does not that mean that insofar as the Army, the Navy, and the Air Force are concerned the Congress by this act delegates the power of the purse to the Secretary of National Security?

Mr. ROBERTSON of Wyoming. My own interpretation of that clause is that it means that the Congress surrenders to the Secretary of National Security absolute power of the purse, as well as practically everything else.

Mr. AIKEN. I can see no other interpretation to be made of that authorization.

Mr. ROBERTSON of Wyoming. Mr. President, in connection with this matter, I should like to read something which I think answers practically all the questions that have been asked. I refer to the testimony of one of the witnesses who was one of the proponents of this bill, namely, the very able Under Secretary of War, Mr. Kenneth Royall. I quote now from pages 356 and 357 of part II of the hearings on Senate bill 758, the national defense establishment bill:

> Mr. ROYALL. * * * I want to say on the functions, I think I stated it later on in the statement that the change of functions can be made in three ways. The President, by Executive order, can delegate that to the Secretary of National Defense, or he can permit the Secretary of National Defense to exercise the powers given him by the bill, but that would be subject to the direction of the President.
>
> Senator ROBERTSON. On page 3, in paragraph 5, you say for the bill to have any real value, for it to accomplish what it is expected, the Secretary of National Defense must exercise as well as possess.
>
> Mr. ROYALL. That is right.
>
> Senator ROBERTSON. Broad authority as to functions.
>
> Mr. ROYALL. That is right. That is right, sir. Of course, that is under the direction of the President.
>
> May I add this, Senator, and I assume that, of course, the bill provides for three separate departments. This does not mean to indicate that the bill contemplates or that any sensible Secretary of National Defense would make changes in roles, missions, and functions, first, unless it was satisfactory with the President or some acquiescence by the President; and secondly, it was to promote either efficiency or economy or security of the country.
>
> Senator ROBERTSON. But, as I gather it, your reading of the bill provides the Secretary of National Defense with the broad authority as to functions, services, procurement, and the like.
>
> Mr. ROYALL. That is right; subject to the direction of the President, and if the President does not himself act in that field, and he has in the case of functions and roles and missions suggested that if this bill is enacted, he will issue an Executive order dealing with that, and the Executive order has been agreed on between the services.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. To answer the question asked by the Senator from Vermont, let me say I think he should read section 308 (a) in connection with the budgetary powers given the Secretary of National Security under section 202 (a), subparagraph (?). Just the first few words of section 308 (a) are:

> BUDGET ESTIMATES
>
> SEC. 308. (a) So much of the annual budget transmitted to the Congress by the President as contains the estimates of appropriations for and expenditures by the National Security Organization and the departments therein shall be so arranged as clearly to show—

And so forth. In other words, the National Security Secretary will coordinate the budget, and the President will submit the message, and the Congress will have all the powers it now has under the Constitution and laws of the United States.

Mr. ROBERTSON of Wyoming. Mr. President, the coordination effected in the administration, training, and supply

of the armed services is less well known, because it is less spectacular and far more complex; but it was, and is, in many respects as effective as that achieved in the strategic command of the forces. It was brought about by cooperative endeavor and by the more formal efforts of such bodies as the Aeronautical Board, the Army and Navy Munitions Board, the Joint Research and Development Board, and numerous other agencies. Some of these need to be perpetuated by legislation, while others will continue without special statutory recognition. None of them require a merger of the armed services to continue their effectiveness.

Mr. President, I should like to say in this connection that the Armed Services Committee has considered House bill 1366, which has passed the House of Representatives. It is a bill to facilitate procurement of supplies and services by the War Department and Navy Department.

Let me cite some of the methods of effective coordination which came about without benefit of merger. I quote from the testimony on Senate bill 758 of the Honorable W. John Kenney, Assistant Secretary of the Navy, before the Armed Services Committee:

First, there is the collaboration of buyers, wherein the buying agencies of the services are located in the same building and work side by side. Physical proximity and mutual helpfulness are relied upon for results.

This is the method which is used for purchases of textiles and petroleum. Second is the joint buying agency, which is an agency set up solely to purchase specific commodities for the joint account of the Army and Navy. The Joint Army-Navy Medical Purchasing Agency is an illustration of this.

Third, there is single service, or cross-procurement. Under this method, one service buys all of a commodity required by both the Army and the Navy. Thus the Army buys practically all food for both services and, to cite a different basis for division, all purchases from Pratt & Whitney are made by the Navy, and all purchases from Curtiss-Wright by the Army.

Mr. Kenney went on to say that the purchase of the following styles of material has been coordinated: Landing craft; aircraft engines and propellers; chemical-warfare material; specified items of construction equipment; gasoline, fuel, and lubricants; medical supplies; specified items of ordnance material; subsistence; textiles; internal-combustion engines, hulls, and machinery repair parts for certain vessels; solid fuels; lumber and allied products; specified items of marine life-saving equipment.

Further on in his testimony, on the subject of utilization of facilities, Mr. Kenney had this to say:

Much has already been accomplished in this field of utilization of facilities as a result of the work of such agencies as the Aeronautical Board, the Joint Chiefs of Staff, Joint Research and Development Board, and the Army and Navy Munitions Board. Each case must be analyzed and solved on its own merits. The following are illustrative of accomplishment in this field:

(a) The Army-Navy Air Facilities Committee, formed to facilitate the exchange of facilities, has arranged for the exchanges of complete airfields and joint use of fields. The Navy has taken over 15 or 20 air stations from the Army and has in turn released 2 to the Army and their operation. Eighteen airfields are used jointly and six primary gunnery and bombing ranges are in joint use.

(b) All explosive shipments in the Pacific will be handled through naval ammunition installations which permit deactivation of Army facilities.

(c) There is joint use of the military installations on Johnston Island, Kwajalein, Guam, Okinawa, Alaska, and other areas in the Pacific. This joint use of facilities is not a new development. As an illustration, the Army B-29 that took off from Tinian with the atomic bomb for Hiroshima took off from a field constructed by Navy Seabees and was fueled with gasoline purchased and transported to the Pacific by the Navy. The Army and Navy personnel who manned the plane were fed by food purchased by the Army and transported to the Pacific by the Navy. The bomb was transported to Tinian on a naval vessel, loaded on the plane by Army personnel, armed in flight by a naval officer—

That means given final preparation for detonation—

and released by an Army officer.

All this marvelous coordination without merger.

Let me cite some further instances of coordination achieved without benefit of merger. Again I quote Mr. Kenney, who has made an admirable presentation of the brilliant record achieved by the Army and Navy along these lines:

The Army proving ground at White Sands, N. Mex., collaborates with the Navy in the utilization of specialized techniques, such as the telemetering of missiles developed by the Navy. Eventually the personnel will be equally divided between Army and Navy.

The naval air missiles test center at Point Mugu, Calif., which is used to test guided missiles, rockets, and pilotless aricraft, is available for use by both the Army and Navy.

Navy ordnance unit at Newtown Neck, Md., is being disestablished and the activities are being transferred to the Army testing station at Aberdeen, Md.

The Army furnished all naval chemical warfare materials, and trains naval personnel in its chemical warfare schools.

The school for the disposal of bombs, mines, and similar missiles is run by the Navy at Indian Head, Md., for both services.

The Army arsenals at Frankford and Rock Island are manufacturing large ordnance parts for the Navy.

The Army arsenal at Pickatinny, N. J., renders various services for the Navy installation at Lake Denmark to preclude duplication.

The Army tests all Navy flares and illuminating projectiles, and the Navy tests Army 75-millimeter projectiles, 40-millimeter cartridges, and Air Force rockets.

Mr. President, I do not want to tire my colleagues with an endless list of these fine instances of coordination which have been effected out of Army-Navy wedlock, but I do believe that it is important, when we have been belabored with charges of waste and duplication in the services, that we hear the other side of the story. We stand indebted to Mr. Kenney for giving us the other side—the bright side—the side which has been purposely ignored by the vast majority of those who seek a merger.

Mr. SALTONSTALL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Massachusetts?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. Will not the Senator agree with me when I say that each of the witnesses whom he has just mentioned, Mr. Kenney and the representatives of the Army and the Air Force who told us about this great cooperation, stated that he believed that some plan similar to that now proposed should be put through while the present personalities were still in the Army, the Navy, and the Air Forces, so that they could work these matters out while they were still carrying them on in an informal way, or under an Executive order?

Mr. ROBERTSON of Wyoming. I think the Senator is correct.

Let me now give a little more of the picture Mr. Kenney has revealed. I again quote his testimony as it appears on pages 247 to 278 of part 2 of the hearings:

Army engineers are undertaking construction work for the Navy at Sangly Point in the Philippines and the Navy is performing some construction work for the Army in Alaska.

The Navy is making pier space available at Oakland so that the Army may give up certain leased piers in San Francisco.

The Army has made a deep-water berth available to the Navy in New Orleans for a floating drydock; the Navy is in turn making berths available as required by the Army, thereby obviating the leasing by the Navy of deep-water space.

Steps are in hand to reopen Navy cold-storage space at Cheatham Annex, Norfolk, at the request of the Army. Joint use of the Army's in-transit depots at Auburn, Wash.; Lathrop, Calif.; and Yermo, Calif.; was expected during the war; the combined total space at the three depots was 3,000,000 square feet. Since the war the Army has transferred the Yermo facility to the Navy as a subcommand of the Marine Corps Depot at Barstow, Calif.

Many naval patients are in Army hospitals, and many Army patients are cared for in naval advance base hospitals. In fact, an agreement has been reached whereby a bed in any governmental hospital is available to any governmental patient.

A joint radio circuit exists between Washington and Rio de Janeiro.

The Navy trains Army personnel for multichannel radio teletype equipment.

Messages are transferred between many communication centers for delivery to points served only by one service. Common use is made of Army telephone circuits in some overseas areas.

Mr. Kenney continues:

This represents a brief description of some of the areas where there has been common use of facilities. Studies are going forward for increasing the field of common use and particular attention is being directed to the following types of facilities:

(a) Harbor and port facilities at New York, San Francisco, Seattle, and New Orleans.

(b) Communications.

(c) Medical facilities.

(d) Transportation.

(e) Service facilities, such as laundries, commissaries, and bakeries.

(f) Post exchange stores and ships' service stores.

(g) Recruiting.

(h) Supply depots.

(i) Supply centers.

(j) Cost inspection.

(k) Material inspection.

(l) Audit and accounting.

All the instances of existing coordination which Mr. Kenney cited—and I ask you to bear in mind that he made no claim of covering the whole field—are evidence that great achievements are attainable when there exists a will to work together and to solve problems of mutual importance. No evidence has been adduced which indicates that the proposed merger could do better than has been done, is now being done, or would be done without a merger. It is a slur upon the records of the fine officers responsible for the achievements cited—as well as countless other achievements not mentioned—to imply that the efforts of these officers will cease now that the fighting is over—that we must hold over them the threat of compulsion by a supersecretary to force a continuation of the work they have thus far carried on through their own initiative, understanding, cooperation, and perseverance.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. McCARTHY. I have very carefully read the bill which was introduced by the Senator from Wyoming, a bill which I think contains all the good features of Senate bill 758, with none of its dangerous features; a bill which I think creates and maintains a balance of power between the military and the civilian economy. I hope I shall have a chance to vote for the measure introduced by the Senator from Wyoming. At this time, I should like to know whether or not the Senator from Wyoming intends to offer his bill as a substitute for Senate bill 758.

Mr. ROBERTSON of Wyoming. No, Mr. President; it is not my intention to do that. I shall offer a number of amendments to Senate bill 758, which, if accepted, would very nearly achieve what I set out to do in the bill I introduced.

Mr. DONNELL. Mr. President, would the Senator be willing to yield for a question? If not, I shall not interrupt him.

Mr. ROBERTSON of Wyoming. I yield for a question.

Mr. DONNELL. Reference was made earlier this afternoon to the importance of the declaration of policy, as tending to indicate the defect in the position of the Senator from Wyoming. In the declaration of policy, among other things, it is stated, on page 31, in line 4:

To provide for their authoritative coordination—

That is to say, the various branches, the Army, the Navy, the Marine Corps, and the Air Force—

To provide for their authoritative coordination and unified direction under civilian control but not merge them—

I emphasize the words "unified direction under civilian control." The question I should like to ask the Senator is this: Is there anything in the pending bill which requires that the Secretary of the Army, under the bill, shall be a civilian? I fail to find anything of that kind, and I am wondering if the Senator has located any requirement to that effect.

Mr. ROBERTSON of Wyoming. I do not know that that is mentioned in the pending bill. I do not recall it. The Senator would be able to know better than I do, whether the Constitution or the existing laws call upon the President, in appointing a secretary, to name a civilian. According to my recollection, the appointee has always been a civilian. I do not recall any exception.

Mr. DONNELL. I may say to the Senator that I am not an expert on the subject, but I do not recall any provision in the Constitution, certainly, that would require it.

Mr. ROBERTSON of Wyoming. The Senator is an authority on that.

Mr. DONNELL. No, I do not claim to be an authority; but I do not recall any such provision. I should like to ask the Senator whether there is, to his recollection, any provision in the pending bill requiring the Secretary of the Department of the Navy to be a civilian.

Mr. ROBERTSON of Wyoming. So far as I know, there is none.

Mr. DONNELL. I observe at page 41, lines 12 and 13, that the Secretary of the Air Force is required to be appointed from civilian life. The point I am making and the question I would ask the Senator is this: Assuming that there is nothing in the bill which requires the Secretary of the Army or the Secretary of the Navy to be a civilian, does not the declaration of policy, which states that the intent of Congress is to provide for the authoritative coordination and unified direction under civilian control of the various branches mentioned in the declaration of policy, substantiate the position of the Senator from Wyoming, when he takes the view that the effect of sections 201 (a) and 202 (a) was to give a unified control in the Secretary of National Security?

The Secretary of National Security, as the Senator will recall, is to be appointed by the President, so section 202 (a) says, from civilian life. I have not very clearly stated it, but the point, if I may repeat it very briefly, to which I invite the Senator's attention and on which I ask his opinion, is this: If there is no requirement in the pending bill that the Secretary of the Army or the Secretary of the Navy shall be a civilian; if there is no provision in the Constitution that requires those two officials to be chosen from civilian life, when the declaration of policy provides that it is the intent of Congress to provide for the authoritative coordination and unified direction under civilian control, would it not follow that that language in the declaration of policy, instead of tending to defeat the interpretation of the Senator from Wyoming, would tend to substantiate it, because the only man, with the exception of the Secretary of the Air Force, that I have thus far found is required to be appointed from civilian life, is the Secretary of National Security?

Mr. ROBERTSON of Wyoming. It undoubtedly would tend to substantiate the position I take. But I may say to the Senator, that I feel a civilian appointed Secretary of the Army or Secretary of the Navy becomes a part of the Army or the Navy, as the case may be, by the very contact that he has with the high officers of the Army and Navy, and he naturally is saturated in Army and Navy lore and represents the Army and Navy, although he is a civilian.

Mr. DONNELL. I should like to say, Mr. President, if the Senator will yield, that I do not mean by these inquiries necessarily to coincide with the ultimate conclusion of the Senator as to whether or not the pending bill should be passed, with or without amendments, but the point I am trying to make is that is seems to me that there is very much to be said in favor of the validity of the interpretation placed by the Senator upon the powers of the Secretary of National Security. I see the Senator from Massachusetts is again at his seat on this side of the aisle, and I would ask the Senator from Wyoming if I might very briefly put to the Senator from Massachusetts the same question I put to the Senator from Wyoming a moment ago?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Missouri for that purpose.

Mr. DONNELL. I will state to the Senator from Massachusetts——

Mr. SALTONSTALL. Mr. President, I heard the Senator's question.

Mr. DONNELL. I did not know that the Senator had heard the question.

Mr. SALTONSTALL. I would say in reply, I do not agree with that interpretation, at all; because while the title of the Secretary of War is changed to Secretary of the Army, his powers remain as they now are in the statute. The title of the Secretary of the Navy was not changed, because it was not necessary; and a new Secretary of Air Force has been provided. That is why the word "civilian" was used in connection with the Air Force. I cannot say it definitely, but I believe that both the Army and the Navy, in the statutes are under civilian heads, and that the language used for the Air Force is broadly speaking the same language as that which is found in the statutes for the Army and the Navy at the present time.

Mr. DONNELL. With the Senator's permission, may I ask the Senator from Massachusetts if there is anything, so far as he knows, in the pending bill which delegates the appointive power to select the Secretary of the Army or the Secretary of the Navy from civilian life?

Mr. SALTONSTALL. I would answer that question in the affirmative, for the reason that I believe it is in the present law, and I believe the President must therefore give effect to the present law in appointing the Secretary of the Army and the Secretary of the Navy.

Mr. DONNELL. The Senator, I take it, does not consider that the Secretary of the Army and the Secretary of the Navy are new officials, but they are simply old officials with the names changed; is that correct?

Mr. SALTONSTALL. That is absolutely correct.

Mr. ROBERTSON of Wyoming. The Senator is correct.

Mr. DONNELL. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Nebraska.

Mr. WHERRY. How does the provision in title III relating to succession to the Presidency, affect the present set-up? Is it discretionary in the President to name under secretaries who could fill the offices of Cabinet members? I read the language on pages 53 and 54:

SEC. 301. The first section of the act entitled "An act to provide for the performance of the duties of the Office of President in case of the removal, death, resignation, or inability both of the President and of the Vice President," approved January 19, 1886 (24 Stat. 1), is amended (1) by striking out "Secretary of War" and inserting in lieu thereof "Secretary of National Security," and (2) by striking out "or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Navy."

Is it the intention of the legislation to provide that that shall be the line of succession for the Presidency?

Mr. ROBERTSON of Wyoming. That is what I understand to be the intention of the legislation.

Mr. WHERRY. Is there any statute under which the President can name anyone else to his Cabinet in addition to the two Cabinet officers in question?

Mr. ROBERTSON of Wyoming. Does the Senator ask me if there should be?

Mr. WHERRY. Well, yes.

Mr. ROBERTSON of Wyoming. Does not able to answer that question. As I understand, the language under the heading "Succession to the Presidency," means that in case the President were unable to perform the duties of his office, the Secretary of National Security would step in, and if the Secretary of National Security did not qualify, then the Secretary of War, and then the next in line would be the Secretary of the Navy, and thereafter the Secretary of the Air Force.

Mr. WHERRY. That is the point I was making. The language beginning at the bottom of page 53 provides that the line of succession shall be first the Secretary of National Security, and in the event the Secretary of National Security does not qualify or is under a disability, then the Secretary of the Navy——

Mr. ROBERTSON of Wyoming. No; the Secretary of War is next.

Mr. WHERRY. Let me read the language again:

SEC. 301. The first section of the act entitled "An act to provide for the performance of the duties of the Office of President in case of the removal, death, resignation, or inability both of the President and of the Vice President", approved January 19, 1886 (24 Stat. 1), is amended (1) by striking out "Secretary of War" and inserting in lieu thereof "Secretary of National Security."

I take it the Secretary of National Security is first in line to succeed to the Presidency after the Secretary of State, following the official who was designated in the succession bill recently passed.

Mr. ROBERTSON of Wyoming. I agree with the Senator that that should be the interpretation.

Mr. WHERRY. If the Secretary of National Security does not qualify or is under a disability, then at least under the provisions of the pending bill, the succession would go to the Secretary of the Navy, who is next in line.

Mr. LODGE. No, Mr. President. Will the Senator yield?

Mr. WHERRY. That is what is provided in the language of the bill.

Mr. LODGE. The language is "amended (1) by striking out 'Secretary of War' and inserting in lieu thereof 'Secretary of National Security,' and (2) by striking out 'or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Navy.'"

Mr. WHERRY. Very well. Let me ask this question. Do the Secretary of the Army and the Secretary of the Navy remain Cabinet officers under the bill?

Mr. ROBERTSON of Wyoming. Not under the pending bill.

Mr. WHERRY. Is the Senator sure that it is not a discretionary right within the President to appoint them to the Cabinet.

Mr. ROBERTSON of Wyoming. The concept of the bill is that the Secretary of National Security becomes a Cabinet officer, and that the present Secretaries of the Army and the Navy are no longer Cabinet officers.

Mr. WHERRY. I thank the Senator. And for the purpose of succession there is simply the one Secretary of National Security, and in the succession line, in which I am very much interested, the Secretary of the Army and the Secretary of the Navy are eliminated, and only the Secretary of National Security is in the line of succession.

Mr. ROBERTSON of Wyoming. Yes.

Mr. WHERRY. And that line of succession is mandatory under the terms of the bill?

Mr. ROBERTSON of Wyoming. Yes.

Mr. WHERRY. I thank the Senator.

Mr. ROBERTSON of Wyoming. Mr. President, there has been much talk—clothed in sweeping generalities—of the savings which will accrue from the proposed merger. Efforts of the Committee on Armed Services to bring forth some concrete instances of such savings have been to no avail. The merger proponents have been asked to give us a blueprint of the proposed structure, indicating what new demands would be made upon the national purse, what returns would be made thereto. We have had no reply, save for a somewhat ridiculous estimate that the establishment of the proposed new departments would cost some $82,000 per year. Even the most ardent friends of the merger on your committee could not stomach this.

Mr. President, we were asked to believe, for example, that the office of the New Secretary of Air Forces would involve an added expense of only $107,000 a year, representing the salaries of the new Secretary and Under Secretary, two Assistant Secretaries, and 10 clerical and administrative personnel. I could not refrain from pointing out that the proposed clerical staff for the Secretary of Air was just about the size of the secretarial force of a Senator from one of the larger States. The absurdity of such an estimate was even more apparent when the salary figure of $107,000 was compared with the similar current appropriation for the Office of Secretary of War, $7,542,000, or again with the salary appropriation for the Office of the Secretary of the Navy, $4,785,000.

The estimated extra cost of a separate Secretary of the Air Force cheerfully omitted any mention of contingent expense which would be something comparable, I should imagine, to the current figures of $3,000,000 for the War Department, or at least the $1,250,000 figure for the Navy Department. We were asked at the same time to believe that the Office of Secretary of National Defense—this is the top supersecretary—would get along with some 100 civilian clerical and administrative personnel at a total cost of $663,000 for salaries. Such an estimate, Mr. President, shows a clear ignorance or willful disregard of the facts of life. If anyone who is familiar with the Washington scene imagines that an office directing the destinies of several million individuals and spending one-third of the national budget is going to operate with a civilian force of 100 persons he should see his physician at once. Washington simply does not operate that way. These ridiculous estimates concerned only the very top level of the men of the new departments, of course. Beneath these new department heads we can expect to see the same flowering of bureaucracy that we have never yet failed to perceive when a new departmental seed is planted in our Government. Indisputable evidence of this natural process confronts us on every side at every moment of the day and night.

Mr. President, the board of directors of any business firm, large or small, would summarily dismiss an executive who proposed a reorganization of the business based on such vague promises of operating efficiency and economy as have been made to your committee during the course of its hearings. Granting that it has been the custom of Congress to be less than exacting in its demands for facts relating to the establishment of new bureaus and agencies of the Government—the history of the past decade and a half bears ample witness to this—still there must be a limit to congressional patience in the face of such cavalier treatment. Surely it is not too much for Congress to ask and receive accurate and detailed estimates of the costs involved in the establishment of new agencies of the Government, and the savings to be realized. Or is this too much of a detail for us to concern ourselves with—a detail to be handled by the executive branch in its own inimitable manner?

When officials of the executive branch are proponents of a reorganization, they inevitably anticipate great savings and insignificant costs. The proponents of this merger are no exception. But let us look at the opinion of an official who only a few years ago was opposed to a similar merger of the armed services. Let us observe what Gen. Douglas MacArthur thought of the prospective economies of a single department when he was in opposition to such a merger. General MacArthur wrote as follows,

and I am quoting from the CONGRESSIONAL RECORD of April 30, 1932:

The history of the Government demonstrates that the parasitical development of bureaucracy springs from the setting up of superfluous echelons of control such as the one proposed.

Although I recognize the possibility of effecting relatively unimportant economies in isolated activities, the ultimate cost of this superimposed structure would, in my opinion, exceed by millions any economies that could be safely effected. The super-Cabinet officer at its head could not fail to be the acquisitor of one of the largest and undoubtedly most powerful governmental organizations the United States has ever known.

Continuing, General MacArthur goes on to say:

Rather than economy, this amalgamation would, in my opinion, represent one of the greatest debauches of extravagance that any nation has ever known.

Mr. President, I believe that General MacArthur's observation is as true today as it was 15 years ago, with the possible exception that 15 years ago we were still accustomed to think of Government extravagance in millions. Today we think of it in billions.

I regard the erection of a vast new military empire, merging the armed services and setting up a gigantic new echelon of command on top of them, as not only profligate in the extreme but highly dangerous as well.

Let me commence my discussion of this phase of the problem by reading an extract from an editorial which appeared in the Boston Herald on April 5, 1947. It exhibits a breadth of perception which this Nation could use more of today. Quoting from the Herald editorial:

Now that the military have vacated the common, and we've had our fill of buzzing war planes, martial music, and the grim presence of war machines, it may be well to ponder one of the more subtle threats to our liberties. It is the threat of the "military mind," and no small threat it is in a world in which the greatest exterior menace to our Nation is a totalitarian regime, whose war plans are made secretly, and whose attacks in an age of atom bombs and bacteriological warfare, would surely maximize the element of surprise.

In such an age of excessive jitteriness we are all in awe of the military who must protect us. Therein lies the danger to which we have reference here. It is the possibility that we may forget our traditional subordination of the military to the civil authority.

We must not let our fear of the Communist menace blind us to the danger of military domination. For the thing that could most surely end civil liberty in America would be for the Army General Staff to gain such control over the Nation's civil government as to make us all vassals of the military mind. One has only to recall the history of the German General Staff to know how true this is.

This ends the quotation from the Herald editorial. But let me continue perhaps at some length on the subject of militarism and the General Staff, for as I shall point out presently, the bill we are now considering is a bill in the General Staff pattern, and a bill which paves the way to the dominant militarism of a general staff.

Within a democracy such as ours the armed forces occupy a very definite place. Those who founded our system of Government were determined that the military power of the country should be subordinate to the civil power. Only on such a basis could our system of Government be democratic. Not since a small but ambitious group of officers proposed that George Washington declare himself king—a proposal that Washington refused with a burning rebuke—has there been a serious threat to our democracy by any of its military agencies.

Today, however, there are sincere students of government who believe they can detect symptoms of militarism in the thinking and conduct of the relatively small—approximately 5,000—but tremendously powerful War Department General Staff.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. LODGE. Is the Senator referring to the War Department General Staff, or the General Staff with troops?

Mr. ROBERTSON of Wyoming. The War Department General Staff, of approximately 5,000.

Mr. LODGE. That does not include the General Staff with troops?

Mr. ROBERTSON of Wyoming. No; the War Department General Staff.

That such symptoms should manifest themselves within the General Staff is infinitely more serious than if militaristic proposals should be made in an occasional article or speech by an individual army, or naval officer. In such a case it would quite probably represent only the opinion of an individual, and as such would not constitute a threat. Evidence of militarism from within the General Staff is not to be taken so lightly. General staffs are by their very nature fertile fields for the seeds of militarism.

I most emphatically do not mean that army general staffs as purely military institutions are bad. On the contrary, I believe that a general staff system is vitally necessary for the efficient control of a nation's army. General staffs are required for all larger field organizations, as well as for the top level direction of modern armies. When kept within the framework of the organization of the Army, which is subordinate to the civil authority of the government, a general staff is both desirable and indispensable. However, when a general staff forgets its proper relationship in the system of government and seeks to expand its authority over more and more governmental activities, usually doing so under the pretext of promoting military efficiency, then that general staff ceases to be a factor of governmental security, and is instead a mortal threat to the government that supports it.

It is almost axiomatic that militarism in any country increases proportionately to the power of the Nation's general staff.

Of all the nations of the modern world none has brought more suffering to mankind through war than has Germany. In no nation has militarism been more carefully developed according to plan. In no modern nation of the western world has a general staff enjoyed more power. The history of the German General Staff was one of constant struggle for more and more authority and independence within the government. We would do well to compare with it the growth of our own general staff.

From the time that Scharnhorst took charge of reorganizing the Prussian Army—particularly the general staff—after its defeat by Napoleon at Jena, the German General Staff increased in power. Gradually, but ultimately, the Minister of War lost control over the general staff. By 1866 the chief of the general staff, Von Moltke, had reduced even the Emperor to the role of a figurehead who rubber-stamped Von Moltke's plans for battle. The German General Staff constantly asserted its power in wars against Denmark, Austria, and France, until defeated by the Allies in 1918.

Although condemned to abolishment by the Treaty of Versailles, the German General Staff continued to exist under cover until Adolf Hitler decided in 1937 that the time was propitious to reestablish it officially. As Germany continued to prepare for the World War II, the guiding influence of the renascent general staff was ever evident. With each reorganization and further centralization of military authority the general staff gained more power over the nation. It has been said that Adolf Hitler, by taking personal supreme command, superseded the power of the general staff. But as the war went sour for Germany and defeat eventually came, it became more evident that instead of being superseded, the German General Staff had trapped Hitler. Again, as in 1918, when it created the myth of "Victory in the field—defeat at home," the German General Staff had craftily avoided much of the popular—and official—denunciation for the defeat of the German Nation. Adolf Hitler stands eternally guilty before the bar of history, but the German General Staff, the spark plug of German militarism, has avoided indictment as a collective war criminal.

We must understand the history and functioning of the German General Staff if we as a nation hope to avoid the disastrous consequences that accompany malicious militarism generated by an ambitious and excessively powerful general staff.

Study of German General Staff history discloses certain procedures or events that served as the stepping stones to the ultimate militarization of Germany by the general staff. They are: Continuous and accumulative acquisition of power through repeated reorganization of the general staff and the war ministry; an official, army-controlled medium of propaganda; universal military training; and continuous effort to centralize all control of the armed forces under one agency.

Our Army General Staff was originally established in 1903 as a result of the insistence of the then Secretary of War, Elihu Root, a sincere public servant, who realized that a general staff was indispensable to any great army. Yet, even then the establishment of the General Staff was not affected without opposi-

tion from those who warned of its potential danger.

Fortunately, Elihu Root and his constant adviser, Brig. Gen. William H. Carter, were no more aware of the necessity for a general staff than they were of the fact that many features of the German General Staff properly belonged to a militaristic system of government rather than to a democracy. Our Nation, in establishing a general staff, borrowed from the German General Staff concept, but did not borrow the German General Staff philosophy. Thus, as originally established, our General Staff was closely integrated with the Army War College, which resulted in the General Staff being drawn toward purely military matters and away from politics. Our General Staff was to plan how to carry out the policies of the Government, rather than to make such policies. Unfortunately, although the founders of our General Staff exercised extreme care in establishing a staff that conformed to our theory of government, they could not insure against the future growth of the germ of militarism that clung to any fragment of the German General Staff.

As a result of the experience of World War I, our General Staff was reorganized. This reorganization was restricted to effecting improvements in organization and technique. Such basic changes as were made were adopted from the French General Staff system, not the German. Our General Staff still retained its significant relationship with the Army War College, continuing the staff's emphasis upon purely military planning and coordinating. It was still a military institution well subordinated to the civil authority of the Government, occupying a proper place within the framework of the armed forces and our system of government.

The reason this 1921 reorganization was not a step toward extension of the powers of the General Staff was largely due to the character of the individuals who were members of the War Department board which effected the reorganization. The board was headed by Maj. Gen. James G. Harbord. Included among its members were Col.—later Brig. Gen.—John McA. Palmer and Col.—later Lt. Gen.—John L. DeWitt, two of the outstanding military thinkers of recent times. These officers were keen students of the history of military institutions, and they knew the proper place of a general staff within the army of a democracy. Under the General Staff system which they helped formulate, the germ of militarism was effectively suppressed.

During the long span of years between wars the General Staff continued largely as devised by the Harbord board, and during this time no one could with reason accuse our General Staff of being an instrument of militarism. But by the outbreak of World War II, the members of the Harbord board had been retired or were no longer in a position to decide General Staff policy. Further reorganization of the General Staff occurred in 1939, 1942, and 1946. These later reorganizations effected the abandonment of the concept of close relationship with the Army War College—a relationship that had emphasized the essentially military aspects of the General Staff. It is significant that since its disassociation with an educational institution, the General Staff has veered sharply from intellectual military pursuits. Like the German General Staff, our War Department General Staff became increasingly interested in civil affairs as it was subjected to repeated reorganizations.

The existence of an officially controlled medium of conditioning the thinking of Army personnel—and indirectly the civilians—was considered important by those who helped create the German General Staff and design the plan for the militarization of Germany. A program for thought-control of an army is a prerequisite and infallible characteristic of militarism and the dictatorship that invariably follows. Today our Army conducts an Army Information School. Graduates of this school are assigned to duty as public information officers to furnish information to the public, or as information-education officers to furnish information to the troops. An Army Information Digest is distributed to all commands, down to and including regiments, and this digest lists the numerous subjects on which Army talks, sponsored by the War Department, have been prepared and are available for distribution to information and education officers throughout the Army. When we contemplate the potentialities of such a great and yet tightly controlled medium of spreading official Army information, we are constrained to remember that when Scharnhorst began his reorganization of the German General Staff and planned the militarization of Germany, one of his first proposals for effecting thought control within the Prussian Army involved the establishment of an official periodical to be read to the troops.

Universal military training conducted by a militaristic general staff would be disastrous to a democratic nation. Universal military training subject to proper supervision by properly constituted civil authorities of the Government will increase the security of our Nation. The constant and clamorous support of conscription by the War Department General Staff engenders a strong suspicion of the Prussian procedures being employed by that organization. Just prior to the opening of the present Congress, the War Department bombarded Members of Congress with pamphlets supporting conscription. Use of taxpayers' money by the War Department for propagandizing in favor of universal military training is an overt act of high-handed militarism equaled only by the machinations of the German General Staff.

The development of the German General Staff has been characterized by continued efforts to bring all elements of the armed forces under control of a single agency directly or indirectly controlled by the general staff. Without going into the separate problem of what form the so-called merger of our armed forces should take, we should remember that any plan that would place all armed forces directly or indirectly under the War Department General Staff or any agency indirectly controlled by it would conform to a method by which the German General Staff militarized Germany.

The arguments voiced by our War Department for its plan for unification of the armed forces and creation of a high command seems inspired by the philosophy expounded by those who militarized Germany. For example, we find the following statements offered by high ranking representatives of the War Department before the Senate Military Affairs Committee during hearings on the merger proposal in October and November of 1945. Gen. H. H. Arnold said:

> I am fully convinced that both effectiveness and economy will be best served through the establishment of single executive Department of National Defense.

Lt. Gen. James H. Doolittle stated:

> It is my earnest conviction that the most sound, efficient, and economical defense establishment can be achieved only through a single Department of National Defense which will coordinate the activities of the three components.

Gen. Jacob L. Devers testified:

> To fight a war of the future will require * * * a single department with its resultant evolutionary unification of the Army, Navy, and Air Forces.

Maj. Gen. Millan G. White repeated the need for a single department for the armed forces. Gen. Carl Spaatz also advocated a single department. General Bradley said:

> It is my opinion that the needed results can best be attained by establishing now a unified, single department for the armed forces.

Gen. Brehon Somervell also testified in favor of a single Department of National Defense.

The repetitious use of the same terminology not only indicates a carefully planned program of thought-control within the War Department, but the collective testimony is all the more startling when we compare it with the following quotation:

> Unity of military leadership in a nation can be achieved only by placing all branches of the armed forces under the supervision of a single defense authority. This department must be in charge of all military preparation as well as the actual prosecution of the war.

This quotation is not taken from the testimony of the Army high command before the Military Affairs Committee as were the other quotations above. To the contrary, it is found in The Axis Grand Strategy, a compilation of the writings of Germany military writers who contributed to the militarization of Germany and the rise of the Nazi dictatorship. When the high officers of the War Department offer testimony that is practically interchangeable with a key passage in Germany militaristic literature, can we come to any conclusion except that our War Department General Staff has adopted the philosophy and the methods of Scharnhorst, Von Moltke, and Keitel? Again, we are constrained to recall that the early proposals for centralized control of all our armed forces emanated from our General Staff.

It is thought-provoking and not a little frightening when we realize that our War Department General Staff is following so closely the formula by which the German General Staff gained control of that Nation and brought on two great world wars. When considered individually, adoption by our War Department of each of the four German General Staff steps toward malicious militarism might be of only questionable significance. But when we find all four of the German tools of militarism—repeated reorganization of the general staff, an official army-controlled medium of information, universal military training, and continuous effort to centralize all control of the armed forces under one agency—all being so intimately connected with the conduct of our Army General Staff, we cannot pass off such evidence as mere coincidence. We can come to but one conclusion: Our General Staff is fostering a program of militarism, a program that utilizes the means by which the German General Staff enslaved a nation and almost destroyed a civilization.

Thus far the War Department General Staff has been defeated in its efforts to establish a single military commander over the armed forces—not as a result of public recognition of the danger to the Nation inherent in such a step, but because of the recognized harm to the military services which would accrue. But in the provision of S. 758 for a Joint Staff to the Joint Chiefs of Staff there has been implanted the germ from which the great National General Staff is expected to emerge in time. The great general staffs of other nations sprang from no more innocuous seeds than this. Our own War Department General Staff, when first created, was limited to some 40 officers. Today, the Pentagon is scarcely large enough to house it.

Nominally, the Joint Staff is to provide assistance to the Joint Chiefs of Staff—a function performed satisfactorily heretofore by a secretariat. S. 758 makes no provision, however, that the Joint Staff shall be confined to secretarial duties, nor that there shall be any limitation to the tenure of office of its members or its director. By virtue of its permanence, its availability, and its invitation to the Secretary of National Security to bypass the Joint Chiefs of Staff and place reliance upon it for the administration of the military services, the Joint Staff will inevitably expand, accumulate executive authority, and become the fountainhead of policy and direction for the Military Establishment. Its members will become a permanent national general staff corps, an inner circle of professional military men of the Nation, just as the Army General Staff Corps did within the War Department. It will be a short step indeed from such a position of actual power to a position of titular power at the head of our military forces and a position of dominance in the affairs of the Nation.

The manner in which the military mind—the general staff mind—will exert its control over the life of the Nation, once it has established its control over the merged armed forces, is not difficult to discern in the structure of and the relationships between the several bodies and agencies set up under S. 758 for the avowed objective of coordinating the Military Establishment with other elements of national security. Earlier we noted the lack of an adequate civilian voice in the national security structure. We are now in a position to see that this omission was not an oversight. It bears all the signs of cynical intent.

The formidable struggle which went on between military and civilian interests in the past war has been ably described by Mr. Donald Nelson in his book, The Arsenal of Democracy. Let me recite a few quotations from that source.

In his introduction, Mr. Nelson makes the following statements with regard to the relationship between the War Production Board and the Army:

> Our disagreements with the Army are well known and cast no discredit, I believe, upon either party. The cause of almost all these disputes was perfectly simple: The Army always wished to assume greater control over war production and civilian economy than the War Production Board deemed it prudent for it to have.

On page 363, after relating many instances which are illustrative of the struggle between military and civilian interest, Mr. Nelson sums up the situation by saying:

> I have no hesitation in saying that from 1942 onward the Army people, in order to gain control of our national economy, did their best to make an errand boy of WPB.

And on page 384:

> A friend of mine in the Army once told me that the primary mission of the Army is to enforce its will on the enemy. Considering my own experiences, I believe this to be true. The only thing I can add is that sometimes the Army doesn't seem to know the difference between its enemies and its friends.

I realize that there may be many among my colleagues who will not wish to accept the opinion of Mr. Nelson on this subject. These colleagues I respectfully refer to an official publication of the Government, The United States at War, put out by the Bureau of the Budget. You will find expressed therein many of the same conclusions which Mr. Nelson presented in his book.

It is on the National Security Council that the undue influence of the military will be exerted at the highest level. There it will have its effect upon the determination of foreign policy and upon the most significant questions of domestic policy. We will have lost our traditional concept that the military forces are the instrument of national policy—they will have become primarily responsible for shaping such policy. It is one thing for the Nation's highest advisory body to have available to it information relating to the military means available for enforcing policy decisions, and relating to the requirements of the military forces to implement such policies as may be decided upon. It is quite another thing to pack that body with military spokesmen and thereby place them in a position to decide what the policies shall be. It is the latter alternative which Senate bill 758 has chosen.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. I call the Senator's attention to section 101 (a) on page 31 of the bill. I know he has read this paragraph, and perhaps there is merely a disagreement of interpretation. I am referring to the third paragraph of that section. The function of the Security Council, as I interpret that paragraph, is to make it possible for the civilian departments of the Government to cooperate with the military departments so as to advise the President how the military can best protect the national security. The National Security Council is set up principally for the purpose of helping the military to gain knowledge of the civilian departments, in order that they may act more intelligently for national security. It certainly is not, as I understand, the job of the National Security Council and the military members to advise the President how to handle his office or how to handle civilian affairs or how to handle civilian diplomatic relationships with other countries.

Mr. ROBERTSON of Wyoming. Four of the seven named members of the National Security Council are to be the civilian heads of the military departments—the Secretary of National Security and the three lower-caste secretaries—really under secretaries, who are to execute in their respective departments the directions of the supersecretary.

It has been repeatedly asserted by proponents of this merger that the four secretaries, by virtue of their civilian origin, will think, talk, and act as civilians. This is utter nonsense.

I wish the Senator from Missouri [Mr. DONNELL] were here, because this would more fully answer his question than I was able to answer it at the time he asked the question.

One has only to listen to Secretary Patterson or Secretary Forrestal to realize that they are, as they should be, the spokesmen of their Departments—that they reflect the military viewpoint of the service officers who daily surround them, who provide them with the information on which they base their decisions, and who analyze that information for them. This is not to detract from the esteem and admiration that I—that all of us—have for these two gentlemen. We would, in fact, look askance at them if their loyalty to the services which they head were one whit less than it is. But the simple fact is that any civilian who is placed at the head of a military department is—by the time he is sufficiently familiar with his department to represent it—so steeped in its philosophy that he cannot help but exude it.

It is only realistic to accept the fact that the civilian heads of the military departments—the four of them on the National Security Council—will give that body a 4-to-3 military majority, and an unmistakable military complexion. It is inescapable that when an issue arises on which military interests are alined on the one side and civilian interests on the other the majority vote of the Security Council will go to the military side.

If the National Security Council is to be the body on which the influence of the military is to be felt at the highest level, it is through the relationship between the National Security Resources Board and the Munitions Board—the latter a strictly military body—that the influence of the military is to be made effective at a working level—at least, insofar as domestic economic policy is concerned.

There, Mr. President, we have a most interesting picture, and a most enlightening one if we only stop to think about it. Military requirements are to be taken care of by the Munitions Board—and I have no doubt that they will be well taken care of, for the Munitions Board will function day in and day out, in peace and in war, with ample personnel and facilities to do the job required of it. We may rest assured that exhaustive studies will be made of military requirements, and comprehensive plans prepared to meet them. When M-day comes the military will be ready with their solution—ready after years of painstaking study and analysis of their needs and of the resources and facilities available to satisfy them.

And what of civilian requirements? It looks as though the civilians are going to have to rely, not on a going agency like the Munitions Board, but on an M-day revival of some of the slumbering relics of the past war. The civilian is not going to have a blueprint of his requirements prepared for him through painstaking daily work during years of peace. No one is going to go out looking for factories to produce his needs in time of war. No, indeed. The only blueprint he is going to have on M-day is one that shows the agencies which will then be activated to see what can be done for him.

The National Security Resources Board is not the agency which is going to prepare the blueprints for mobilization. These blueprints are to be prepared for the military forces by the Munitions Board, for the civilian elements of the Nation by civil agencies to be set up under the National Security Resources Board on M-day. The function of the National Security Resources Board is to take the military and civilian requirements as presented to it by the Munitions Board and the revived civil agencies and translate them into overall requirement programs and procurement schedules—in short, to integrate the military and civilian requirements.

Under these circumstances the same thing will happen in the future that happened in the past. On M-day the military experts on the Munitions Board will come up with a laboriously conceived plan for industrial mobilization that meets military requirements. The civil agencies, still wiping the sleep from their eyes, will have nothing yet to offer. The National Security Resources Board will either have to take the military blueprint of the Munitions Board or stand by and wait until the civil agencies have had the necessary months to get under way. At the beginning of the last war the same situation confronted us. The military had a plan for industrial mobilization and the civilians did not. The military plans were so militarily biased that they were discarded. The result was, in the words of the Navy study, "the confused planning and the hasty, often misdirected, efforts of the first war years." When the next war comes, if there be one, there will be no opportunity to discard biased military plans and wait while mobilization plans are prepared which consider all aspects of the problem. The National Security Resources Board will have no alternative but to accept the military plans for mobilization and hope that the national economy can stand it.

In its relation to the proposed Munitions Board, the proposed National Security Resources Board is not unlike the existing National Defense Council in its relation to the existing Army and Navy Munitions Board. In the years leading up to World War II, the Army and Navy Munitions Board had the necessary working staff to do the job of economic planning for war, and actually did so, while the National Defense Council, with no subordinate civilian agencies to assist it, stood by with its hands in its pockets. It should occasion no surprise that the planning done by the Army and Navy Munitions Board took into primary account the requirements of the military agencies, and left the residual resources, if any, for the civilian segment of the population. Nor should it occasion any surprise that the biased plans of the Army and Navy Munitions Board had to be discarded at the start of World War II.

The basic objection to the relationship between the National Security Resources Board and the Munitions Board thus springs from the reliance which the Resources Board must inevitably place upon the military Munitions Board as its only continuously functioning subordinate agency for the preparation of plans for industrial mobilization. The Resources Board not only has no active subordinate civilian agencies, but does not even have an adequate staff which could perform even a few of the functions of such agencies. For that matter, in the absence of a suitable staff it is difficult to see how the Resources Board could even perform its assigned functions, let alone those of inactive civil agencies.

A real clue to the reliance which is to be placed on the Munitions Board is to be found in some of the activities of the existing Army and Navy Munitions Board, the predecessor of the Munitions Board to be set up by Senate bill 758. According to an article entitled "The Army's Plans for the Next War," which appeared in the February 1947 issue of the American Mercury:

> The Board is setting up some 70 industrial advisory committees to deal with all phases of governmental and industrial war activity. Army and Navy procurement officers are in the field inspecting potential war plants. The part each of these will play in the national defense, the weapons it will make, and even the schedule upon which it will turn them out are being determined now.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. LODGE. I may have misunderstood the distinguished Senator from Wyoming, but I thought I heard him say that in the War Department General Staff there are 5,000 officers. I have just looked up that matter, and I think it is correct to state that at the present time in the War Department General Staff there are 810 officers.

Mr. ROBERTSON of Wyoming. I am advised that the General Staff of the War Department was 5,000, but is slightly below that number today.

Mr. LODGE. I wonder whether the Senator included in that number the staff officers with the troops.

Mr. ROBERTSON of Wyoming. It may be that the Senator from Massachusetts is correct as to that.

Mr. LODGE. Of course that is entirely different. There are staff officers with the divisions in the field. But in the War Department the staff officers are 810.

Mr. ROBERTSON of Wyoming. I have the chart for the total number, but probably the Senator from Massachusetts is correct when he says that the number I have stated would include the officers in the field, as well.

Mr. LODGE. I thank the Senator.

Mr. ROBERTSON of Wyoming. Mr. President, here indeed is indisputable evidence that the present Army and Navy Munitions Board is taking the mobilization of American industry completely under its wing. Now let me quote a provision of Senate bill 758:

> When the chairman of the Board first appointed has taken office (the chairman of the new Munitions Board, that is), the Joint Army and Navy Munitions Board shall cease to exist and all its functions, records, and personnel shall be transferred to the Munitions Board.

In short, Mr. President, the Munitions Board is to continue to regard as its domain the whole of American industry.

As a matter of fact, the Army and Navy Munitions Board is not only going into fields that are to be the concern of civil agencies under the Resources Board—after M-day, of course—but is also going into the problem of how those civil agencies are to function. The same article in the Mercury Magazine which I quoted a moment ago goes on to say:

> Among the other activities sponsored by the Board is a probing analysis of the record of the War Production Board. It has called in a group of outstanding civilians who served with the WPB to dig through its history and make recommendations for the organization of a new WPB in any future war.

In short, Mr. President, the military is going to make sure that in the next war it will not meet the civilian opposition to its schemes that it met during the last war. I hardly need suggest that the outstanding civilians will be those whose views, while members of the WPB, coincided with the Army's views in the disputes between the WPB and the General Staff.

While on the subject of the American Mercury article, I do not think I should fail to give you one more quotation which is illustrative of the ambitious plans of the military mind:

> The Army is also anxious for legislation which would provide for a labor draft in case of World War III. Overtures are now being made to the CIO and the AFL to win organized labor's support for such a measure.

The final clincher in the military design to secure control of the National Security Resources Board, and thereby to secure control of the national economy in time of war or emergency, is the interlocking membership between the Resources Board and the Munitions Board. This exists, not as a fact but as a possibility, though a real one it is, since the membership of the Resources Board is unspecified, except for the Chairman, who is to be appointed from civilian life. Many proponents of the merger have suggested, in fact, that an interlocking membership would be a desirable arrangement. I think it would be disastrous.

The pattern of military control of the Nation is carried forward another important step in the provision of the bill that the Director of Central Intelligence may be a military officer. The bill really goes further than this; by its emphasis on provisions relating to a military director it suggests that the Director should be a military officer. Originally, the bill required a military director; the modification to permit a civilian to serve as Director was inserted only after opposition to such an obviously improper requirement. The mere fact that the bill still permits a military officer to serve as Director is sufficient indication, to my way of thinking, that the drafters of the bill still expect the President to appoint a military officer to the Director's job.

It is necessary to go to Executive order to find out what the functions and powers of the Central Intelligence Agency are to be. Many of those who have taken the trouble to do so—and I comment parenthetically that it should be unnecessary to go to an Executive order to interpret a statute—have reported that the proposed Agency has all the potentialities of an American gestapo. Needless to say, it would be an invaluable asset to militarism.

From all that I have so far said I hope it will have become apparent to my colleagues that we are being asked, in Senate bill 758, to create a military empire which cannot be justified on the grounds advanced for it, namely, those of increased effectiveness and economy, and one which is designed to immeasurably enhance the power of the military over the general affairs of the Nation.

There can be no compromise on this question of military versus civilian control of the policies of the Nation. There likewise can be no compromise on the basic military philosophy on which our armed services are to be organized. The Army and the Navy hold diametrically opposite views on this philosophy. Unless we wish to make our Military Establishment an arena for a continuing struggle which may well plunge us down the road to military defeat and national downfall, we must recognize these fundamentally incompatible points of view, and make a choice between them at the very outset.

The Army General Staff is completely sold on the theory that everything that flies through the air should be put in the Air Force, everything that walks or rolls on land should go to the Army, while everything that sails on or in the water belongs to the Navy. The Army calls this the ideal philosophy for the organization of the armed services.

This philosophy of the Army is known as the tri-elemental philosophy, since it segregates the components of military power according to the natural elements in which they operate. It might also be called the authoritarian philosophy, since it was the accepted philosophy of Napoleonic France, of Von Moltke's and Hitler's Germany, and of Mussolini's Italy. It is the Russian military philosophy today.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. GURNEY. I understand that the Senator from Wyoming would prefer to conclude his remarks on Wednesday, for I understand that tomorrow we are to have other business before the Senate. As chairman of the committee and Senator-in-charge of this bill, it is not my intention in any way to hold any Senator on the floor tonight. I should have no objection to some understanding, at least, that the Senator from Wyoming could have the floor again on Wednesday when this bill would come up for consideration as the unfinished business. If that is agreeable to the Senator from Wyoming, I would just as soon have the Senate take a recess at this time.

Mr. ROBERTSON of Wyoming. Mr. President, I am in no sense a filibusterer, and I would, indeed, appreciate having such action taken.

Mr. WHITE. Mr. President, the understanding is that tomorrow the Senate will proceed with the disposition of the Dooley nomination. The Senate will meet at 11 o'clock, and the vote will occur at 4. It would be my hope that we might then proceed, after 4 o'clock, to dispose of other matters on the Executive Calendar.

The PRESIDENT pro tempore. The Chair will state to the Senator from Maine that there is also an agreement that after 4 o'clock a parliamentary point of reference respecting Joint Resolution 145 is to be settled.

Mr. WHITE. Then my suggestion would not be a happy one; but from 11 o'clock until 4 the day would be given to the consideration of the Dooley nomination.

The PRESIDENT pro tempore. The time from 4 to 6 is to be given to the appeal from the decision of the Chair.

Mr. WHERRY. Mr. President, in keeping with what the majority leader has said about the program for tomorrow, I think it should also be stated, so that Senators can prepare for the balance of the week, that the policy committee desired to have it announced that, if it meets with the pleasure of the Senate, at the completion of action on the unification bill, which it is hoped will be by Thursday afternoon at least, the tax bill will be ready to be reported, and will have the right-of-way on Thursday and Friday, if, as I have stated, action on the unification bill shall be concluded on Thursday. It is the intention of the policy committee to have the Senate sit on Saturday, if necessary, in order to complete the consideration of the tax bill, if that is possible. So that Senators should hold themselves in readiness for a session Saturday, if it becomes necessary that one be held.

Mr. MORSE. I am wondering if the Senator has in mind a meeting on Sunday, as well.

Mr. WHERRY. I will say with a great deal of optimism that it is my hope that it will not be necessary for the Senate to meet on Sunday, but such an emergency might arise.

NOMINATION OF JOE B. DOOLEY

Mr. CONNALLY. Mr. President, as in executive session, I ask unanimous consent that there be printed in the RECORD endorsement of the nomination of Mr. Joe B. Dooley to be United States district judge by 15 former presidents of the bar association of the State of Texas.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

DALLAS, TEX., *July 5, 1947.*

Senator TOM CONNALLY,
Senate Office Building:

As former presidents of the State Bar Association of Texas we unanimously certify to the character and ability of Joe Dooley and endorse him for United States district judge.

D. A. Simmons, of Houston; Robert W. Stayton, of Austin; T. W. Davidson, of Dallas; A. H. Britain, of Wichita Falls; Henry P. Burney, of San Antonio; H. C. Pipkin, of Amarillo; Ben H. Powell, of Austin; John C. Townes, of Houston; Few Brewster, of Temple; Gordon Simpson, of Tyler; James L. Shepherd, of Houston.

HARLINGEN, TEX., *February 4, 1947.*

Senator TOM CONNALLY,
Washington, D. C.:

I respectfully endorse the nomination of Hon. Joe B. Dooley, of Amarillo, for judge of the western district of Texas. He is held in high esteem by the bench and bar of Texas and in my opinion his appointment is one of the best made during my legal experience. He possesses the attributes of character, judicial temperament, and moral integrity of the highest degree and will reflect credit upon the Federal judiciary if confirmed.

CLAUDE E. CARTER,
Former President, State Bar of Texas.

BEAUMONT, TEX., *February 5, 1947.*

Hon. ALEXANDER WILEY,
United States Senator, Chairman of the Senate Judiciary Committee, Senate Office Building,
Washington, D. C.:

I notice that the Senate Judiciary Committee is considering the appointment of Mr. Joe B. Dooley, of Amarillo, Tex., for judge of the United States District Court for the western district of Texas. I know Mr. Dooley to be an able, outstanding lawyer, and legal scholar during my term as president of the State bar of Texas, 1943–44, during which time he served as vice president of such State bar. I had occasion to be associated with him often and to hear comments of the Texas lawyers as to him. From this I feel, and believe that a large majority of the Texas lawyers feel that he is fully qualified to make an able judge of the United States District Court. Accordingly I desire to add my name to those recommending him to your committee.

MAJOR T. BELL,
Former President, State Bar of Texas.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Senate Judiciary Committee:

Mr. Joe B. Dooley, nominated for district judge, northern district of Texas, is a man of the highest integrity and a lawyer of the first order of ability. He has had wide and varied experience, and is one of the most outstanding lawyers of Texas. He possesses the personal qualities of courtesy, patience, fairnes, and courage. He is thoroughly grounded in the principles of the Constitution and the body of the law, and as a judge will perform his duty impartially and fearlessly. The lawyers of Texas overwhelmingly approve his appointment. I was formerly chief justice of the court of civil appeals at San Antonio and was last year president of the State bar of Texas, succeeding Mr. Dooley in the latter position. I make this personal reference to give assurance of my basis of opinion and to afford the committee, in considering the nomination, the assistance that is due from the bar.

JOHN H. BICKETT, Jr.,
Former President, State Bar of Texas.

DALLAS, TEX., *July 7, 1947.*
Hon. TOM CONNALLY,
Senate Office Building:

Please add my endorsement, Joe Dooley; was not present when other past president Texas bar endorsement was sent.

ANGUS G. WYNNE.

Mr. CONNALLY. Mr. President, I also ask to have printed endorsements of Mr. Dooley's nomination from representative members of the State bar in Texas.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

COURT OF CIVIL APPEALS,
SEVENTH SUPREME JUDICIAL DISTRICT,
Amarillo, Tex., June 12, 1944.
Hon. TOM CONNALLY,
United States Senator of Texas,
Washington, D. C.

DEAR SENATOR CONNALLY: It seems to be generally known that there will soon be a vacancy due to the retiring of one of the judges of the United States District Court of the Northern District of Texas, and we are all interested in seeing a good, strong, active successor appointed.

Since the western and northwestern part of the district has never had a man on the court, we feel that we are in a position to urge a most earnest consideration of the appointment of a good man who we believe would be the most acceptable man to the bar generally in the district. We recommend without reservation and urge the appointment of Joe B. Dooley, of Amarillo, when the vacancy occurs.

Mr. Dooley is well and favorably known throughout the State. He has the qualifications and we think he possesses the natural ability for such a position. He has never been in politics but has exercised considerable influence in strengthening the judiciary and in trying to keep it above criticism. He has been closely identified with the organizations of the legal profession, is an outstanding and popular leader within their ranks, and has their confidence and respect. He is a member of the law firm of Underwood, Johnson, Dooley & Wilson, of Amarillo, and enjoys a good practice. He is old enough to be settled and deliberate, yet young enough to be active and alert, with the prospect of at least a score of years of valuable service ahead of him.

Hoping this matter will have your most earnest consideration at the proper time, and assuring you of my personal regards, I am,

Very truly yours,

E. L. PITTS,
Chief Justice.

STAMFORD, TEX., *February 10, 1947.*
Hon. TOM CONNALLY,
Senate Office Building:

Advise Dooley if prairie-dog lawyer can assist to call me collect. He is suited and qualified for appointment by nature, character, balance, integrity, experience, ability, and judicial temperament. A vast majority of the lawyers of the district will be pleased by his confirmation.

CHAS. E. COOMBES.

AMARILLO, TEX., *February 9, 1947.*
Senator TOM CONNALLY,
United States Senate, Washington, D. C.:

My occupation is that of a cattleman and farmer. This expression is prompted by no one. I have known Joe Dooley as a gentleman and friend for 25 years. I have no ax to grind. As a student of the law he is regarded very highly and thorough. In my opinion he will discharge his duties on the Federal bench in an honorable and unimpeachable manner.

Respectfully yours,

EEN MASTERSON.

STOCKTON, TEX., *February 25, 1947.*
Senator TOM CONNALLY,
Senate Building:

Believing the vast majority of the lawyers of Texas desire the appointment of Joe B. Dooley, of Amarillo, as district judge for the northern district of Texas, I want to express my appreciation of your continued efforts on his behalf.

TRAVERS CRUMPTON,
District Attorney,
Eighty-third Judicial District of Texas.

EL PASO, TEX., *February 24, 1947.*
Hon. TOM CONNALLY,
Senate Chamber:

As an outstanding lawyer and gentleman, Joe Dooley is entitled to the appointment as United States district judge, northern district of Texas. We earnestly urge your continued support.

MAURY KEMP.
EUGENE R. SMITH.
J. M. GOGGIN.
WYNDHAM K. WHITE.

EL PASO, TEX., *February 24, 1947.*
Senator TOM CONNALLY:

We are enthusiastically endorsing the appointment of Mr. Joe Dooley as district judge.

CYRUS H. JONES.
THORNTON HARDIE.
ALLEN R. GRAMBLING.
BEN R. HOWELL.
WILLIAM B. HARDIE.

EL PASO, TEX., *March 6, 1947.*
Senator TOM CONNALLY,
Senate Office Building:

Heartily approve your stand on appointment of Joe B. Dooley and will appreciate your continued efforts on his behalf.

J. L. RASBERRY.

SAN ANGELO, TEX., *February 26, 1947.*
Hon. TOM CONNALLY,
United States Senate:

The undersigned attorneys of San Angelo and, we think, practically our entire bar here strongly commend your stand on appointment of Dooley as United States district judge. He is worthy of the honor and we wish you success in your effort to secure his confirmation.

Lloyd Ker, Louis Gayer, B. W. Smith, W. A. Griffis, Travis Baker, Herschel Upton, Lee Upton, Tom Lear, C. T. Dalton, James P. Farrell, Olin Blanks, John Logan, H. E. Jackson, Scott Snodgrass.

DALLAS, TEX., *July 4, 1947.*
Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

The 1911 law class of the University of Texas of which Joe B. Dooley, of Amarillo, is a distinguished member held its thirty-sixth annual reunion in cooperation with the State bar in Dallas today. Forty-six members consisting of more than two-thirds of the surviving members of the class were present representing every political thought in Texas today. By unanimous vote the class instructed the undersigned to assure you that Joe B. Dooley is an outstanding lawyer of the very highest personal integrity, fully capable of discharging any responsibility and deserving of any honor that may be conferred upon him. Copy of this telegram is being sent to Senator W. LEE O'DANIEL.

C. M. CALDWELL, *Abilene, Tex.,*
President.
EUGENE L. HARRIS, *of Houston,*
Secretary.

Mr. CONNALLY. I also ask to have printed a tabulation of the civil cases handled in the United States Federal Court for the Northern District of Texas.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Tabulation of civil cases, U. S. Federal Court, Northern District of Texas

Fort Worth	1,212
Amarillo	816
Lubbock	503
Abilene	446
Wichita Falls	338
San Angelo	184
Amarillo and Lubbock	1,319
Abilene, Wichita Falls, and San Angelo	1,018
Amarillo, Lubbock, Abilene, Wichita Falls, and San Angelo	2,337

The above tabulation is based on letters from the clerks' offices at the several cities named covering the number of civil suits filed at said respective offices of the Federal court in the northern district of Texas since the effective date of the Federal rules of civil procedure, which was September 16, 1938. The Fort Worth letter is dated October 11, 1946, the Amarillo letter October 15, 1946, and the Lubbock, Abilene, Wichita Falls, San Angelo letters all dated October 14, 1946.

ADDITIONAL REPORT OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—INTER-AMERICAN HIGHWAY (S. REPT. NO. 440)

Mr. FERGUSON. Mr. President, I wish to file with the Senate a report from the Special Senate Committee Investigating the National Defense Program on its investigation of the Inter-American Highway. I ask unanimous consent to submit the report, and request that it be printed with illustrations.

The PRESIDENT pro tempore. Without objection, the report will be received and printed as requested by the Senator from Michigan.

Mr. FERGUSON. Mr. President, before sending the report to the desk, I desire to make a brief statement concerning the committee's investigation.

In one respect, Mr. President, the committee's investigation of the Inter-American Highway differs from many of the other investigations the special committee has conducted. This investigation was a job given the committee by the Senate itself. It was not a matter which the committee had decided to go into

from its general investigation of war expenditures. I think it would be helpful for the record to recall, briefly, the circumstances under which our committee undertook this work.

In June, 1945, Fulton Lewis, Jr., the commentator, in a series of radio broadcasts, attacked some aspects of the manner in which sections of the Inter-American Highway in Central America had been built by the Army engineers. Mr. Lewis recited information obtained from people who had worked on the project. Transcripts of these broadcasts were made a part of the CONGRESSIONAL RECORD by certain Members of the Senate. A number of Senators, during the course of the debates, urged that the matter be thoroughly explored by the Special Senate Committee Investigating the National Defense Program. As one of the Senators on the floor at that particular time, I, as a member of the committee, thought the program should be investigated by the Senate committee, and so expressed myself.

On June 19, 1945, former Senator James M. Mead, then the chairman of the committee, announced in a speech on the floor of the Senate that the committee would undertake the investigation.

Subsequently, a subcommittee was appointed, of which the chairman was the Honorable Frank P. Briggs, former junior Senator from Missouri. This subcommittee, of which I later became a member, held public hearings in Washington, and the staff of the committee engaged in an extensive review of documentary evidence in the files of the War Department, the State Department, the Public Roads Administration, the Export-Import Bank, the construction contractors, and the field offices of the Army engineers.

At about the same time, and largely because of the interest the Senate had displayed in the subject, the War Department, through the then special assistant to the Secretary of War and now Under Secretary of War, Kenneth C. Royall, instructed the Inspector General of the War Department to conduct an exhaustive investigation, not only of the charges which had been made, but of the additional matters in which our committee was interested.

At about the same time, the Attorney General, Hon. Tom C. Clark, instructed the United States District Attorney in Los Angeles and the Federal Bureau of Investigation to conduct a thorough investigation of any possible criminal violations involved in the construction of the Inter-American Highway.

The investigation by the War Department and the investigation by the Department of Justice consumed several months, and the committee has had full advantage of the results of those investigations.

As the investigation of the committee progressed, it became apparent that the committee could not discharge its full responsibility to the Senate by confining itself merely to the matters originally discussed on the floor of the Senate, heretofore referred to, but that it should appraise the activities of our Government agencies with respect to the participation of the United States in the Inter-American Highway project, and file its report thereon for the information of the Senate and the public.

From the evidence accumulated by the committee, it became apparent that for the purpose of informing the Senate completely and accurately with respect to the highway, it would be necessary for a subcommittee to make a field investigation in the Central American Republics for the purpose of observing the actual conditions under which sections of the highway were built and for the purpose of interrogating lesser officials in the field possessing more detailed information regarding the project. Accordingly, in August 1946, together with the chief counsel for the committee, I spent one week conducting hearings, traveling by auto and jeep over various sections of the Inter-American Highway, and conferring with representatives of the Central American Republics.

Subsequently, in September 1946, hearings were held in Los Angeles with representatives of the Public Roads Administration, the Army engineers, and the construction contractors. These hearings were presided over by the former Senator from Washington, Hon. Hugh B. Mitchell.

Public hearings were subsequently conducted in Washington in September 1946 and in March 1947. The hearings and exhibits will shortly be printed. They will comprise 938 pages.

Mr. President, the report of the Committee on the Inter-American Highway has been laid on the desks of the Senators. It seeks to appraise our past participation in this highway through Central America, both on the part of the Public Roads Administration and the Army engineers. It tends to discourage some of the glowing reports which have been circulated to the general effect that this highway is practically finished and available for American tourists. Having driven, myself, over almost all the passable portions of the highway, and having flown over the entire route, I believe it is my duty to dispel any false notion that one can get in his car and drive from any point in the United States to Panama City, either now or within the immediate foreseeable future.

The Central American governments simply do not have the funds to build this highway. Unless some joint program for financial support by all the American Republics is developed, or unless a plan is worked out where the highway, through a bond issue or some other financial arrangement, can be financed out of subsequent revenues, this highway will not be built for many years to come, unless it is done by a grant of the United States public funds.

I would say—as does the report—that this so-called through highway is not yet even half complete in the sense we are accustomed to consider through highways in this country. There are long stretches on the proposed route of the Inter-American Highway where there is no road at all, and these stretches happen to be the most difficult terrain through which to build a road. I rode over a mountainous section south of San Jose, Costa Rica, where there were 19 slides in 1 mile, and where the only way that traffic could get through was to have bulldozers on hand to push the fallen dirt and rocks down the mountainside so that cars could drive through. Mr. President, it is not only that the dirt falls on the highway, but there is grave danger in many cases and at many places where the highway itself may fall. This road is literally carved out of the mountainside, and, from my observation, will require considerably more work before it is up to the standards of safety which we consider normal for mountainous roads in this country.

Mr. President, the report of the committee does not take a position one way or the other on the broad question of policy as to whether or not the United States should contribute the funds necessary to complete the Inter-American Highway, and I do not, at this time, desire to discuss that subject. Eventually, I presume, a proposal will be presented to the Congress in one form or another to appropriate more funds for this highway.

As I understand, the appropriation bills at the present time, as sent to Congress and as passed by the House, include no appropriation for this highway, although there was an appropriation in the fiscal year 1947 for work on the highway. It will then be incumbent upon the Congress to decide this broad question of policy when it is taken up for the purpose of completing the highway. The material which the committee has accumulated, and the summary of it in the report being presented today, will be of considerable value to the Congress in any such consideration of this highway project in the near future.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. FERGUSON. I am very glad to yield to the Senator from Maine, the chairman of the committee.

Mr. BREWSTER. I should like to ask, Has the Senator from Michigan addressed himself to the problem of maintenance? That is a very serious problem in connection with this matter.

Mr. FERGUSON. Mr. President, I would say that we discovered there was no agreement or understanding for the maintenance of the highway. As it stands today, the maintenance of a highway such as this would cost thousands of dollars per month or per year. There is no provision for maintenance. In fact, the countries in question could not possibly pay for the maintenance of the highway. Therefore, that is one of the questions that had never been looked into by the Public Roads Administration or the Engineers prior to this year.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WILLIAMS. Is it not also a fact that not only is there no provision made for the maintenance of the highway, but we have no agreement with any of the countries as to the use of the highway, if and when it is built and completed?

Mr. FERGUSON. Mr. President, the answer to that question is that we have no agreements at the present time for

the use of the highway passing through these countries. There may be questions of restrictions in connection with gas tanks and many other things which may come up, suggesting that in certain circumstances it might be found, if a certain part of a highway in a certain country were cut off, the highway would be useless by reason of the lack of alternative routes. This highway affords the only means of transportation. The vital questions of maintenance and agreements for use of the highway should have been considered and passed on. If necessary, treaties should have been made in relation to these problems; but that was not done. That is one of the matters raised in the report.

Mr. President, the substance of the committee's report and its views with respect to the work done by the Public Roads Administration and the War Department on this highway are set forth in the committee's conclusions, which I will read into the RECORD at this point:

CONCLUSIONS

1. The War Department should not have undertaken construction on the so-called Inter-American Highway in Central America as a war project. Thirty-six million dollars were added to the cost of World War II without contributing to the defense of the United States. Indeed, our war effort was hampered by the diversion of vast quantities of construction equipment, road materials, construction manpower, and shipping in 1942 and 1943, when we were facing shortages on all sides and the universal cry was "too little too late."

2. Like the Canol project—which was approved during the same period, in the spring of 1942—the War Department's Inter-American Highway project was conceived hastily and founded upon an absence of sound planning or reasoning. War Department approval was predicated almost wholly upon information supplied by the Public Roads Administration. These estimates clearly specified the conditions under which a highway could be completed within the time desired. The War Department disregarded the conditions and specifications upon which the Public Roads Administration estimates were based and ordered the highway built, notwithstanding clear evidence that it was impossible to execute the project as ordered.

3. Both before and after approval of the Inter-American Highway project, the official position of the War Department had consistently been that an overland route to the Panama Canal was not required for the logistical support of our forces in Panama. Nevertheless, the Secretary of War, on July 23, 1942, advised the Secretary of State that the construction of the Inter-American Highway was an urgent military necessity. It is clear from the evidence that the urgent military necessity was not military supply, but the promotion of continental solidarity. The committee believes that the War Department invaded the province of the State Department in certifying that the promotion of continental solidarity was an urgent military necessity. The committee further believes that defense funds and scarce manpower, materials, machinery, and shipping should not have been diverted to a project of such questionable and nebulous benefit to our war effort.

4. Execution of the project by the Army engineers was unbusinesslike. Excessive equipment rentals were paid. Records were inadequate. Supervision of contractors was ineffectual. Coordination with the United States Public Roads Administration was poor. Termination of the project was ordered belatedly. Liquidation was slow and expensive. As a result of these and other inefficiencies in handling the project, only 347 miles of road were completed at an expenditure of $36,000,000, although it had been estimated that over 905 miles of road could be completed for $14,500,000. Only one-third of the work done by the Army engineers is estimated to be useful to the future Inter-American Highway. Much of the work done by the Army engineers was on a road which will not be used by Public Roads Administration as a part of the Inter-American Highway as presently located.

5. Some contractors' profits were excessive. General provisions to prevent inordinate profits, such as price ceilings, income taxes, and renegotiation, as applied to this project, have not proved effective to date. However, tax recoveries against some of the constructors may yet be achieved.

6. United States representatives in the State Department and the Public Roads Administration were ineffective in securing agreements for selecting a route for some sections of the Inter-American Highway. In general, the route is located through the Cordilleras Mountain Range. This necessitates tremendous cuts and fills, adds to the difficulty and cost of construction, and will result in a tortuous, winding highway traversing mountains as high as 10,000 feet. The utility of the road for commercial or defense purposes is thereby limited. If the route had been located on the Pacific coastal plain, the highway would have been straight over long stretches and traffic could move faster. Economy in the movement of heavy cargoes would result from the greater efficiency of motor vehicles at lower altitudes and from avoiding hauling heavy loads over mountains.

7. The route of the Inter-American Highway in some sections is unnecessarily circuitous. In Nicaragua, the official Inter-American Highway is routed to pass by property owned by former President Somoza.

This detour adds 42 miles to the length of the highway. In El Salvador the official Inter-American Highway route makes a detour adding 14 miles for the purpose of serving a port. In Guatemala, a wholly new route, deviating from two existing alternative routes, was selected to connect Guatemala City with the Mexican border. In all three of these instances of unnatural location of sections of the route, there was violent disagreement between the United States Public Roads Administration and the Army engineers. This resulted in an anomalous situation where two United States agencies were doing work on routes paralleling each other, while other sections of the highway, where there was no road at all, were neglected.

8. The United States, since 1942, has spent $3,000,000 for partial construction of a 160-mile road in Nicaragua from San Benito to Rama, a river port. This project, which will cost $6,500,000, was not approved by Congress and the funds used were taken from the so-called secret or emergency fund of the President, available only for emergencies affecting the national security or defense and not requiring detailed accounting. Another $1,200,000 was spent by the Coordinator of Inter-American Affairs between 1942 and 1944 to construct the 40-mile Lake Yojoa road in Honduras. This was admittedly a make-work project to relieve unemployment in Honduras. Although built at the expense of the United States, this country has no rights in these roads and there is not even any agreement that they will be maintained. Neither road is a part of the Inter-American Highway. The committee does not consider either of these expenditures of United States funds sufficiently related to national defense to have justified them as proper defense expenditures in World War II.

9. Our State Department has been remiss in failing to negotiate firm agreements providing for the maintenance of the Inter-American Highway after its completion and in guarding against prohibitive restrictions or regulations which would prevent full use of the highway. Failure to maintain any section of the highway or the imposition of onerous restrictions in any section will render the highway useless as a whole, either for commercial or defense purposes, since there are no alternate routes to the Panama Canal below El Salvador.

10. The Army engineers spent a net amount of United States funds in excess of $36,000,000. The United States Public Roads Administration has expended approximately $30,000,000 to date and $8,000,000 more has been allotted to this work. In addition, the Export-Import Bank has loaned to Mexico and the Central American Governments, principally for the construction of various sections of the Inter-American Highway, approximately $48,000,000. Thus, a total grant of over $74,000,000 and loans of $48,000,000 of United States funds have been committed to this project. Yet, the highway is not as yet half completed. In September 1946 the Public Roads Administration estimated that it would cost an additional $65,000,000 to complete the highway, but in March 1947 the Public Roads Administration declined to give the committee any estimate of the final total cost. Accordingly, a project which was estimated in 1941 to cost the United States a total of $20,000,000 will now cost at least $139,000,000.

11. Immediate study should be given to the advisability of creating an Inter-American Highway Commission or authority to be established by multilateral treaty between the interested Governments. Such a Commission or authority should have power to insure the maintenance and use of the highway, when completed, as an international artery of commerce and as an instrument of hemispheric defense. The results of such a study should be available prior to any further substantial commitment of United States funds to this highway.

12. This committee believes that it should not take any position on the broad question of policy as to the establishment of a through highway between North and South America at the expense of United States taxpayers. This question is within the purview of authority of other committees of the Congress.

However, if such a highway is to be built in the interest of the economic development of the American continents, to strengthen the commercial and political ties between the American nations and to promote the security and defenses of this hemisphere, then the committee believes that the manner in which this highway project is conceived and executed should be businesslike and should be calculated to achieve the objective stated. To continue to pour out United States funds for highway developments in other countries without a firm, clear, and enforceable arrangement for insuring that the highway will, in fact, be the international artery of commerce and defense intended, as the committee's study discloses is now being done, will be an unjustifiable diversion of United States public funds.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Michigan yield to the Senator from Delaware?

Mr. FERGUSON. I yield.

Mr. WILLIAMS. Was it not admitted before the committee that the construction of these roads was in reality a part of an international WPA project, so-called?

Mr. FERGUSON. I would have to answer that question by saying that it was not exactly admitted that it was a WPA

project, but it was to maintain the economy of those countries.

Mr. WILLIAMS. In other words, those who testified did not even claim that they thought the roads they were constructing would contribute in any way at all toward the completion of the Inter-American Highway?

Mr. FERGUSON. That is true of the Honduras road, and I think it is also true of the Rama road, because there was no chance of building it during the period of hostilities.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CHAVEZ. I should like to have the record straight. Do I understand the Senator from Michigan to state that notwithstanding the projects in question were presumably directed toward the war effort, the roads he is now speaking of had nothing to do with the war?

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. That is the information before the committee at the moment?

Mr. FERGUSON. Yes; that is correct.

Mr. CHAVEZ. And do I correctly understand also that so far as the Public Roads Administration is concerned they had a project which appeared sound and feasible, but that the Army engineers would not follow their plan or specifications?

Mr. FERGUSON. That is partly correct. The difficulty with the Public Roads Administration was that they had surveyed certain roads, for instance, from Guatemala City to the Mexican border. They had surveyed part of a route. To this day the testimony shows clearly that they do not know where the road will end on the Mexican border. They are working now on the road north of Guatemala City, but they do not have any idea at the present time of the point to which that road will go.

Mr. CHAVEZ. Who is building the road, the Public Roads Administration or the Army engineers?

Mr. FERGUSON. At the present time the Public Roads Administration.

Mr. CHAVEZ. The Public Roads Administration has continued with the work started by the Army engineers?

Mr. FERGUSON. No; that is a different route from the one on which construction was made by the Army engineers. The Army engineers decided to build from Guatemala City what was known as a lower route through Escuintla, on the Mexican border. But the Public Roads Administration will have no part of that route. So we have eliminated that route, and it will never become a part of the Inter-American Highway.

Mr. CHAVEZ. What I should like to have made clear in my mind is this. If there was waste, was it committed under the jurisdiction and the supervision of the Army engineers, or of the Public Roads Administration?

Mr. FERGUSON. Will the Senator restate his question?

Mr. CHAVEZ. I am quite well satisfied that there was much waste in building the so-called Pan-American Highway from the Mexican border toward Panama. However, I should like to find out what information the committee has as to who was responsible for the waste, the Army engineers or the Public Roads Administration.

Mr. FERGUSON. I would have to say that both the Army engineers and the Public Roads Administration were responsible for the waste.

Mr. TAFT. Were they working together or on two separate projects?

Mr. FERGUSON. They were supposed to be working together, but we found in many cases they were working against each other, and they would be working on different projects even paralleling each other.

Mr. CHAVEZ. Will the Senator yield to me for a brief observation?

Mr. FERGUSON. I am glad to yield.

Mr. CHAVEZ. Of course, we know that wars are wasteful and, of course, we know that the money spent on the Alcan Highway was largely wasted. We have been obliged to come to that conclusion. However, in the circumstances of the moment when the operation was taking place, when we were at war, could we afford not to make some attempt to build the Alcan Highway and the road from the Mexican border to Panama?

Mr. FERGUSON. The committee which made the investigation of this particular highway felt that it was a waste and should not have been begun under the circumstances at all.

Mr. CHAVEZ. Will the Senator indulge me for a moment further?

Mr. FERGUSON. Yes.

Mr. CHAVEZ. At the moment the Government decided to build these particular projects south of the Mexican border was it not a fact that even then the German submarines were in the Gulf of Mexico and throughout the entire Atlantic Ocean, and that of necessity, in order to assure national defense, some attempt, whether it prove wasteful or not, should have been made by the American people to build such roads, even though charges of negligence would be made in connection with the building of them?

Mr. FERGUSON. Yes; there was evidence in the record that submarines were in the Gulf and that submarines were in the Atlantic. But the testimony also clearly showed that to build this road from the Mexican border to Panama City would not give us a proper means of communication, and could not have been used for supplying our Army in Panama.

Mr. CHAVEZ. I am not trying to justify waste whatsoever, whether it be indulged in by the Army engineers or by the Public Roads Administration, or any other Government agency. I think the committee wants to be fair, and while analyzing the waste, it should analyze the circumstances of the moment that brought about the expenditure of the money.

Mr. FERGUSON. The record shows clearly that General Eisenhower opposed the building of the highway. On page 18 of the report I find the following:

> On June 4, 1942, Maj. Gen. Dwight D. Eisenhower, then Assistant Chief of Staff, Operations Division of the War Department General Staff, now Chief of Staff of the United States Army, wrote a memorandum for the Chief of Staff in which he said in part:
>
> "1. The Operations Division considers that the utility of the proposed road to the present war effort is problematical. Consequently, no justification exists for the diversion to this project of men or critical materials or equipment."

Mr. CHAVEZ. Notwithstanding that memorandum by the general, the Secretary, his superior, did approve the project.

Mr. FERGUSON. He approved it on the basis of continental solidarity.

Mr. CHAVEZ. The contention of the Senator from Michigan is that the project was not good so far as military strategy and results were concerned.

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. But because of the political angle, involving continental solidarity, it was justifiable, and the Secretary so decided.

Mr. FERGUSON. I will say that at least the Secretary so decided.

Mr. CHAVEZ. Nevertheless the Secretary of War had nothing to do with continental solidarity.

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. His functions had to do only with military matters and national defense.

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. And as such he had approved the project.

Mr. FERGUSON. However, in the opinion of the committee, the office of the Secretary of State should have been the agency to pass upon that question.

Mr. CHAVEZ. I have a great deal of respect for the committee. Nevertheless the Secretary of War did justify and approve the project.

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. I do not see—nor is there any record whatsoever before the committee—that the Secretary of War actually approved it on the ground of continental solidarity. Is there any information to that effect?

Mr. FERGUSON. I will answer that question by saying that the Chief of Transportation of the War Department, General Gross, refused to order the road built on the ground that it was a military necessity. However, it was allowed to go through on the basis of continental solidarity.

Mr. CHAVEZ. I should like to obtain the information from the record showing where anyone in the War Department, no matter what kind of an official, or what position he occupied, stated to the committee that it was done to promote continental solidarity.

Mr. FERGUSON. I think I can find that in the report. I read from page 17 of the report:

> Mr. MEADER. But nowhere in your letters do you recommend it (the Inter-American Highway project) as a transportation matter, and you say now that your recommendation was based upon the fostering of continental solidarity.
>
> Mr. GROSS. That is correct.
>
> Mr. MEADER. Do you think that the Chief of Transportation should be an expert on friendly relations? Is that a part of your duties?

Mr. GROSS. I think that is entirely immaterial. I was asked whether I believed that this road should be built.

Mr. MEADER. But you were Chief of Transportation. Wouldn't you assume that you were asked as an expert on transportation rather than as an expert on the good-neighbor policy?

Mr. GROSS. From the time I was old enough, by God, to have any attribute of manhood, when I have been asked for an opinion I have given it. I have never put myself in a little compass, a little compartment, and been afraid to be a man. I gave what I thought should be done.

He then proceeded to justify giving his opinion on the basis of continental solidarity.

Mr. CHAVEZ. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. CHAVEZ. I admire the opinion of the General, who was expressing a general opinion. Nevertheless, we can all agree that his functions were completely military in this instance, in matters dealing with transportation. I believe that we can agree, as a matter of practice, that a Cabinet officer such as the Secretary of War would have more to say about continental solidarity than would a subordinate official who had to do with transportation. Am I correct in that assumption?

Mr. FERGUSON. I do not know whether the Senator is correct in assuming that he would follow what the Cabinet member had approved.

Mr. CHAVEZ. Of necessity the Cabinet member must deal in many instances directly with other Cabinet members, the heads of other departments, including the State Department. So of necessity the Secretary of War would know more about what was in the mind of the Secretary of State than would a subordinate officer in the War Department who had to do only with transportation.

Mr. FERGUSON. I could not answer the question as to whether or not he would know more.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WILLIAMS. The question has been raised about this program being launched in the interest of continental solidarity. When this project was first started, was it not the original plan that the Central American nations were to pay one-third of the cost of construction?

Mr. FERGUSON. That is correct. The road was estimated to cost $30,000,000. This country was to put up $20,000,000, and the Central American countries were to put up $10,000,000.

Mr. WILLIAMS. If I am not mistaken, the low estimate of $30,000,000 was made only after the President decided that he should not gain the approval of Congress for a $58,000,000 project. A revision in the estimate was made 3 months later, and an over-all estimate of $30,500,000 was submitted for the same project. The Central American countries were to underwrite $10,000,000 of the cost, and we were to pay the other $20,000,000. Is that correct?

Mr. FERGUSON. The record shows that, and the record clearly shows one of the reasons for the arrangement was that the Central American nations could not afford to pay more than $10,000,000. I think it was clear that those nations were to borrow the money from the United States.

Mr. WILLIAMS. And they did borrow it.

Mr. FERGUSON. And they did borrow it, although certain sums were raised by the nations themselves.

Mr. WILLIAMS. The Senator from New Mexico raised the point with respect to exorbitant profits, and admitted that he thought possibly there were some excessive profits. I should like to point out one case in that connection.

The example I have in mind is that of Harold G. Rose, of Los Angeles. In this particular instance this man furnished 22 Ford dump trucks for the project. They were valued at $31,900. Mr. Rose received $112,483 in rentals for those same 22 trucks, and afterwards he was paid $32,020 for 14 of the trucks which were worn out on the job.

Mr. FERGUSON. I remember that evidence in the record.

Mr. WILLIAMS. That evidence is in the record. That is a flagrant example of excessive profits. There is no question about it. The question is, Did the Central American countries pay one-third of these excessive profits?

Mr. FERGUSON. No; I should like to correct that statement. The Army itself was paying this bill.

Mr. WILLIAMS. Was it all paid by the Army?

Mr. FERGUSON. There was no outside contribution of any kind. This bill was paid 100 percent from United States funds.

Mr. WILLIAMS. I was wondering if part of the excessive charge was being passed on to the Central American countries.

Mr. FERGUSON. No; that was not being passed on.

Mr. WILLIAMS. Then the American taxpayer paid all of this and the many other listed cases of graft.

Mr. FERGUSON. The American taxpayer paid that bill 100 percent.

Mr. President, I send to the desk for filing the report of the Special Senate Committee Investigating the National Defense Program on the Inter-American Highway.

The PRESIDING OFFICER. The report will be received.

PARTICIPATION BY THE UNITED STATES IN THE WORLD HEALTH ORGANIZATION

Mr. VANDENBERG. Mr. President, when the calendar was called Thursday we discussed at some length Calendar No. 433, Senate Joint Resolution 98, which provides for membership and participation by the United States in the World Health Organization, which, as Senators know, is the successor to a similar organization which operated under the League of Nations very successfully over the years. There was general agreement as to the legislation, except that the able Senator from Missouri [Mr. DONNELL] raised a question regarding the escape clause on page 4 of the joint resolution. This is the clause which was called to the Senate's attention, the clause in which the United States reserves the right to withdraw from the organization under a 90-day notice. In other words, there is a complete 90-day escape clause with respect to the entire operation.

When the calendar was called there was, I repeat, considerable discussion and general agreement, with the exception of the objection made by the Senator from Missouri; and it was the understanding that I would endeavor to work out language which would meet the Senator's objection. The Senator authorizes me to say that if section 4 is amended, striking out on page 4, in lines 4 to 6, the words "in the absence of any provision in the World Health Organization constitution for withdrawal from the Organization", those words representing the only possible reservation against our exercise of this right, he would be entirely satisfied and would be happy to have the resolution adopted.

I dislike very much to suggest action of this sort under circumstances such as this, when so few Senators are present, but I think perhaps I am justified, in view of the very complete discussion which was had on Thursday, in view of the fact that the subject itself was without controversy, inasmuch as the committee reported it unanimously, and inasmuch as it also has in its related field the approval of the American Medical Association and the American Pharmaceutical Association. Since there are only 2 or 3 weeks left in which to get completed action, and the joint resolution must also go to the House, I shall at least test the opinion of my colleagues as to whether I am justified in asking, under all those circumstances, that the pending business be temporarily laid aside and that the Senate proceed to consider Senate Joint Resolution 98.

Mr. CHAVEZ. Mr. President, reserving the right to object—and I shall not object, because I am in favor of the joint resolution—may I inquire of the Senator from Michigan if I would be justified in asking if I can get the assurance of the Senator from Michigan that the minority leader knows about the joint resolution and that members of the committee on this side of the aisle are satisfied with the joint resolution?

Mr. VANDENBERG. The minority leader voted for the joint resolution in committee, and I discussed it with him the last time it was up, and he was completely in favor of it.

Mr. CHAVEZ. I have no objection.

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, which had been reported from the Committee on Foreign Relations with an amendment, to add at the end of the joint resolution a new section, as follows:

SEC. 4. In adopting this joint resolution the Congress does so with the understanding that, in the absence of any provision in the World Health Organization constitution for withdrawal from the Organization, the United States reserves its right to withdraw

from the Organization on a 90-day notice: *Provided, however,* That the financial obligations of the United States to the Organization shall be met in full for the Organization's current fiscal year.

So as to make the joint resolution read:

Resolved, etc., That the President is hereby authorized to accept membership for the United States in the World Health Organization (hereinafter referred to as the Organization), the constitution of which was adopted in New York on July 22, 1946, by the International Health Conference for the establishment of an international health organization, and deposited in the archives of the United Nations.

SEC. 2. The President shall designate from time to time to attend a specified session or specified sessions of the World Health Assembly of the Organization not to exceed three delegates of the United States and such number of alternates as he may determine consistent with the rules of procedure of the World Health Assembly. One of the delegates shall be designated as the chief delegate. Whenever the United States becomes entitled to designate a person to serve on the Executive Board of the Organization, under article 24 of the constitution of the Organization, the President shall designate such person who shall be entitled to receive compensation at a rate not to exceed $12,000 per annum for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is thus designated shall be entitled to receive such compensation. The President may also designate such alternates as may be deemed necessary.

SEC. 3. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization, including those incurred by the Interim Commission, as apportioned by the Health Assembly in accordance with article 56 of the constitution of the Organization, and such additional sums as may be necessary to pay the expenses incident to participation by the United States in the activities of the Organization, including (a) salaries of the officials provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere without regard to the civil-service and classification laws; (b) travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Subsistence Expense Act of 1926, as amended, and section 10 of the act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of the United States officials provided for in section 2 hereof and other personnel in going to and returning from their post of duty; (c) allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a), and similar allowances for persons temporarily stationed abroad; (d) cost-of-living allowances under such rules and regulations as the Secretary of State may prescribe, including allowances to persons temporarily stationed abroad; (e) services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; (f) official entertainment; (g) local transportation; and (h) printing and binding without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111), and section 3709 of the Revised Statutes, as amended.

SEC. 4. In adopting this joint resolution the Congress does so with the understanding that, in the absence of any provision in the World Health Organization constitution for withdrawal from the Organization, the United States reserves its right to withdraw from the Organization on a 90-day notice: *Provided, however,* That the financial obligations of the United States to the Organization shall be met in full for the Organization's current fiscal year.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. VANDENBERG. Mr. President, I move to amend the committee amendment by striking out, on page 4, in lines 4, 5, and 6, the words "in the absence of any provision in the World Health Organization constitution for withdrawal from the Organization."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

UNIFICATION OF THE ARMED SERVICES

The Senate resumed the consideration of the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security.

Mr. KNOWLAND. Mr. President, I shall not keep the Senate long at this late hour in the day, but I do want to make a few remarks regarding the pending legislation, the unification bill, Senate bill 758.

I shall support the legislation, not because I believe it is a "cure-all" for our national defense needs, but because I believe it is definitely a step in the right direction. If this country should be so unfortunate as to get into another war, we cannot count on the time element we had in World War I and World War II to perfect our defense. In those two conflicts our allies, or those who later became our allies, were able to hold off the enemy until we had a chance to mobilize our manpower and our industrial resources and throw our weight into the war. We are generally credited with being the deciding factor.

This legislation is only one factor in the over-all national-defense picture. I believe that we must maintain an adequate national defense in the air, on the land, and on the sea. I believe we can make our greatest contribution to world peace by maintaining an adequate national defense. We can make our highest contribution to the success of the United Nations by maintaining an adequate armed force which will be recognized as adequate by all the powers in the world. Mr. President, I believe that an adequate national defense not only requires the unification and coordination of our armed forces, but it also requires sufficient appropriations for our Army, Navy and Air Force. We must have an air force in being, and not merely on blueprints. I do not believe we can uphold our position in the world by merely carrying a feather duster.

This bill is but one step in putting this country in proper shape insofar as adequate national defense is concerned.

I, for one, hope that as soon as this legislation is out of the way, the Armed Services Committee will immediately take up and begin hearings on the universal military training legislation. I believe it is important to the defense of our Nation. I do not believe it is something which should be postponed to the next session of Congress.

I believe that this session of the Eightieth Congress has a responsibility to consider that legislation and to report it to the Senate so that we may have a chance to vote it up or down. I personally believe that universal military training is one of the important keystones to an adequate national-defense picture.

There are some opponents of universal military training who believe it would infringe upon the rights of our young men. However, I believe that in addition to there being rights of citizenship, there are also obligations of citizenship, and I believe that every young man in this country has an obligation to be prepared to defend this country at any time it may be endangered in the future.

Mr. President, I firmly believe that had this country been adequately prepared prior to 1917 and 1941 we would not have had World War I or World War II. It is now generally recognized that the dictators were willing to go to war because they believed America was a "decadent democracy," that we could not mobilize our manpower or our industrial resources in time to interfere with their grasp for world power. In both those instances they were proven to be wrong; but I am not at all certain that others are not now making the same mistake. We must be in a position to maintain our international obligations if we are ever called upon to do so.

For the reasons I have stated, and because I believe that the United Nations and world peace require an adequate American national defense, I hope the chairman of the Armed Services Committee will immediately proceed to hold hearings on the universal military training bill, and that the bill will be reported at this session of the Congress, so that we in the Senate may have an opportunity to vote on this important measure.

Mr. MORSE. Mr. President, I wish to discuss another matter for several minutes, but first I should like to comment briefly upon the last point made by the Senator from California. The chairman of the Armed Services Committee is not now present; but I wish to assure the Senator from California that the Armed Services Committee has decided to schedule hearings at an early date on the military training bill. However, it would be physically impossible to carry out the suggestion the Senator from California

has made, if I understood him correctly, namely, to complete those hearings in time to permit action to be taken on the bill at this session of the Congress. We could not possibly do that and also adjourn on July 26. It is obvious that we could not take such action unless the Senator from California wishes to join in a suggestion I made a few days ago, namely, to have the Senate stay in session, as I think it should, through August and September.

The Armed Services Committee has decided to go as far as possible with the hearings before the adjournment of Congress; and then, next fall, in November and December, if possible, we plan to continue with the hearings in order to have a report ready for the Congress in January, assuming that the Congress does not meet again until January. However, if, as suggested in the newspapers, it develops that the Congress will meet again in October, then I am sure the committee will press forward with hearings on the universal military training bill, so that we may have a report ready for the Senate as early in the fall as possible.

SALE OF SURPLUS ARMY HORSES

Mr. MORSE. Mr. President, I now desire to comment on an article which I read in this morning's Washington Times-Herald. The article is by Rhoda Christmas, and I ask unanimous consent to have the article printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELEANOR ROOSEVELT'S CAST-OFF SHOW HORSE GOES ON AUCTION BLOCK AFTER YEARS OF FAITHFUL DUTY—WON MANY PRIZES FOR EX-FIRST-LADY

(By Rhoda Christmas)

Cast off like an old automobile tire that has been patched too often, or a hat long out of style, Here's How, once the favorite mount of Mrs. Eleanor Roosevelt, will take its place on the auction block Wednesday along with 100 other old and unwanted horses.

If the fate that has befallen too many other faithful steeds is to be that of Here's How, the auction block at Fort Myer will be but the first step on a long and cruel road at the end of which is nothing but merciful death, which more than likely will come from starvation and neglect.

1,000-TO-1 SHOT

Nothing but the luck of a 1,000-to-1 shot is likely to save this horse that carried the former First Lady in many horse shows, from an old age between the shafts of a huckster's wagon, an old age of unaccustomed toil, no grass, few oats, and many beatings.

Here's How is good for nothing else—unless it be the peaceful retirement horse lovers are accustomed to provide in lush meadows for the mounts that served them well in their younger years.

For it was a cast-off when the Army remount service, its present owners, got the horse. That was when Mrs. Roosevelt left the White House and turned the chestnut gelding over to the Army as a gift.

True to the tradition of never looking a gift horse in the mouth, the Army recorded Here's How as an 8-year-old, but I looked in his mouth yesterday and can vouch for it, this horse will never see his ninth birthday—again.

No registration papers accompanied Mrs. Roosevelt's gift, so there is no official record of age of Here's How, but his teeth tell their own story.

"Cups" disappear from a horse's teeth at the age of 9 years. The years from then on can be guessed on an "about" basis by the shape and position of the teeth.

ANKLES ARE ENLARGED

The cups have disappeared from Here's How's teeth just as surely as he has lost the loving care many horses of his type and former position in the horse world retain in their old age. He would appear to be 11 or 12 years old now.

And his condition is far from good, even for his years. He is thin. Both hind ankles show signs of "interference," that is, the striking of one foot against the opposite leg as they pass.

The constant irritation of "interference" has given Mrs. Roosevelt's cast-off horse enlarged ankles, the result of leakage of synovia, the fluid that lubricates the ankle joints.

No one appears to be much concerned about what's going to happen to Here's How, unless perhaps it's the enlisted man who, as an army groom, prepared the animal for Mrs. Roosevelt to take to many a show and greeted it when it returned to Fort Myer with the trophies it had won for the First Lady.

TIRED OLD HIDES

There will be little to distinguish the former White House horse from the other cast-offs when the auctioneer begins to swing his hammer at the fort Wednesday.

Most of the others are rank and file cavalry horses that have outlived their usefulness to the service. They are 10 or 12 years old, like Here's How, or older. Many are careworn and bedraggled, and they show curbs, splints, and bogs. They are good for nothing but quiet pastures—or the few pennies some future owner may drudge from their tired old hides.

They are being sold because the Remount Service is in the process of being legislated out of the Army into the Department of Agriculture. A bill to accomplish the transfer has passed the House and is pending in the Senate. In anticipation of the change, the Army is unloading its cast-offs. Because the change has not been completed, Agriculture cannot do anything for the unwanted horses—even if some bureaucrat wanted to.

Mr. MORSE. Mr. President, the article deals with the auction of horses that is to be held at Fort Myer on next Wednesday. The Senate will recall that some weeks ago the War Assets Administration sought to auction off decrepit and aged horses and voices of protest were raised all over the country by various humane societies and friends of animals. It was my pleasure to present those objections on the floor of the Senate. As a result of the joint action of those who were interested in preventing any inhumaneness in connection with the proposed auction, the auction was stopped.

It now seems that the author of the article to which I have referred thinks that the auction scheduled for the coming Wednesday is to be a repetition of the previous proposal. The author of the article may be correct; but I wish to state for the RECORD what the War Assets Administration states the facts in regard to the auction are. I hope they are the facts. Mr. Grimsley, of the War Assets Administration, says that the proposal to sell these horses is made due to the fact that they have been declared surplus. He says the proposed sale to which I objected some weeks ago was a sale of old and decrepit horses, and that upon investigation the War Assets Administration found that I was correct, and stopped the sale, agreeing with me that public policy did not justify the sale of such horses.

He alleges, and I have no reason to doubt him—that these horses are not old and broken down. He states that the War Assets Administration has veterinary certificates stating that each horse is sound, and that they are to be sold by the accepted means of disposing of Government livestock, namely, by auction in accordance with the regular priority. He says there are between 70 and 100 horses each fit for sale. He takes exception to the statements in the Times-Herald referring particularly to Mrs. Roosevelt's horse, which is discussed at some length in the article. He says that horse is not old but is only 8 years old, and is suitable for use for a good many years to come. He also assures that this matter has been taken up with the American Humane Society, and that it, upon obtaining the facts, is not inclined to object to the sale that is to be held on Wednesday.

Mr. President, I wish to say in closing that, after all, the spirit of humaneness toward animals that characterizes the American people would be greatly shocked if the facts are not as Mr. Grinsley says they are in the information he gave me today. One of the great things about us as a people is our humaneness and our right to expect our Government to be as humane in such matters as the people themselves are. If there are any horses that, in fact, are not suitable for sale in this proposed auction, I wish to suggest that it is not too late for those who have the sale in charge to take note of the fact that we do have in this country several Government remount farms to which these horses should be pensioned, if in fact they are not suitable for sale purposes. This causes me to call attention again to the fact that there is a remount bill on the calendar, and under that bill it is sought to transfer these remount farms from the Army to the Department of Agriculture. I think this instance presents us with another little bit of evidence of why it is desirable for us to keep those remount farms in existence, so that we can practice our professings of humaneness.

MEETING OF COMMITTEE DURING SESSION OF SENATE

Mr. BALDWIN. Mr. President, I ask unanimous consent that a subcommittee of the Committee on Armed Services be permitted to hold a hearing tomorrow afternoon at 2:30 o'clock.

The PRESIDING OFFICER. Is there objection? No objection being heard, the order is made.

RECESS

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 11 o'clock in the forenoon of tomorrow.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate

took a recess until tomorrow, Tuesday, July 8, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 7, 1947:

RAILROAD RETIREMENT BOARD

William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for a term of 5 years from August 29, 1947. (Reappointment.)

UNITED STATES ATTORNEY

Joseph T. Votava, of Nebraska, to be United States attorney for the district of Nebraska. (Mr. Votava is now serving in this office under an appointment which expires July 7, 1947.)

UNITED STATES MARSHAL

George E. Proudfit, of Nebraska, to be United States marshal for the district of Nebraska. (Mr. Proudfit is now serving in this office under an appointment which expires July 7, 1947.)

HOUSE OF REPRESENTATIVES

MONDAY, JULY 7, 1947

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, who art ever making us the beneficiaries of a bountiful providence, we rejoice that Thou hast revealed Thyself as the guiding intelligence in all the difficult problems which confront and challenge our generation.

We pray that we may appreciate more fully and understand more clearly how sacred and wonderful it is that we are privileged to hold communion and counsel with the God of all wisdom, whose mind is too wise to err, and the God of all love, whose heart responds to our every need. Show us how we may appropriate that wisdom and that love and apply them more effectively in all the spheres of human relationships.

Grant that in the midst of the world's confusion the Members of this Congress may be men and women of vision and of valor who are endeavoring heroically to bring to fulfillment and fruition those moral and spiritual ideals which are the only hope for a nobler civilization.

We bring our petitions in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 3, 1947, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 3, 1947:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

On July 7, 1947:

H. R. 775. An act for the establishment of the Commission on Organization of the Executive Branch of the Government; and

H. R. 3611. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code;

H. R. 1946. An act to amend section 2801 (e) of the Internal Revenue Code;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 493. An act to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.);

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for the relief of Norman Thoreson;

H. R. 1954. An act for the relief of Robert Hinton;

H. R. 1956. An act for the relief of Hugh C. Gilliam;

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 8. An act to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia;

S. 136. An act for the relief of Ioannis Stephanes;

S. 186. An act for the relief of Santiago Naveran;

S. 187. An act for the relief of Antonio Arguinzonis;

S. 189. An act for the relief of Simon Fermin Ibarra;

S. 190. An act for the relief of Pedro Ugalde;

S. 298. An act for the relief of certain Basque aliens;

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes;

S. 409. An act for the relief of Milan Jandrich;

S. 558. An act for the relief of the alien Michael Soldo;

S. 714. An act authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken;

S. 1043. An act for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y.;

S. 1087. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

S. 1180. An act to authorize the issuance of a special series of commemorative stamps in honor of Gold Star Mothers;

S. 1249. An act authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes;

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents;

S. 1350. An act to authorize relief of accountable officers of the Government, and for other purposes;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen;

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

S. 1442. An act to amend sections 235 and 327 of the Code of Laws for the District of Columbia;

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes;

S. 1508. An act to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33);

S. 1519. An act to amend section 10 of the Federal Reserve Act, as amended, and for other purposes;

S. J. Res. 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia;

S. J. Res. 138. Joint resolution to provide for returns of Italian property in the United States, and for other purposes;

S. Con. Res. 14. Concurrent resolution favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment; and

S. Con. Res. 18. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of William E. Borah.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr WILEY, Mr. COOPER, and Mr. MCCARRAN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 2, 5, 26, and 35 to the above-entitled bill.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include an article appearing in Coronet magazine.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Long Beach Independent.

Mr. REEVES asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Star.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an address by General Eisenhower at the Carnival of the Confederacy at Vicksburg.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances, and in one to include a letter and a statement, in another a speech he made before the Italian-American World War Veterans at Lynn, Mass., and in the third a radio address.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and include in each a newspaper article.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD.

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include a recent clipping from a Washington paper.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD in four instances, and in three to include editorials and in the fourth a statement by the president of the Industrial Union of Marine and Shipbuilding Workers of America, CIO.

SPECIAL ORDER GRANTED

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the delegate from Alaska?

There was no objection.

DISPLACED PERSONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 382)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on the Judiciary, and ordered to be printed:

To the Congress of the United States:

On several occasions I have advocated legislation to enable a substantial number of displaced persons to enter the United States as immigrants. I stated this view in opening the second session of the General Assembly of the United Nations. In the message on the state of the Union on January 6, 1947, I said:

> The fact is that the executive agencies are now doing all that is reasonably possible under the limitation of existing law and established quotas. Congressional assistance in the form of new legislation is needed. I urge the Congress to turn its attention to this world problem, in an effort to find ways whereby we can fulfill our responsibilities to these thousands of homeless and suffering refugees of all faiths.

I express appreciation to the Congress for the attention already being given to this problem, an appreciation which appears to be generously shared by the public with increasing understanding of the facts and of our responsibilities.

Because of the urgency of this subject I should like again to call attention to some of its fundamental aspects. We are dealing here solely with an emergency problem growing out of the war—the disposition of a specific group of individuals, victims of war, who have come into the hands of our own and the other western allied armies of occupation in Europe.

We should not forget how their destiny came into our hands. The Nazi armies, as they swept over Europe, uprooted many millions of men, women, and children from their homes and forced them to work for the German war economy. The Nazis annihilated millions by hardship and persecution. Survivors were taken under the care of the western allied armies, as these armies liberated them during the conquest of the enemy. Since the end of hostilities, the armies of occupation have been able to return to their homes some 7,000,000 of these people. But there still remain, in the western zones of Germany and Austria and in Italy, close to a million survivors who are unwilling by reason of political opinion and fear of persecution to return to the areas where they once had homes. The great majority come from the northern Baltic areas—Poland, the Russian Ukraine, and Yugoslavia.

The new International Refugee Organization, supported by the contributions of this and other countries, will aid in the care and resettlement of these displaced persons. But, as I have pointed out before, the International Refugee Organization is only a service organization. It cannot impose its will on member countries. Continuance of this Organization and our financial support of its work will be required as long as the problem of these homeless people remains unsolved.

It is unthinkable that they should be left indefinitely in camps in Europe. We cannot turn them out in Germany into the community of the very people who persecuted them. Moreover, the German economy, so devastated by war and so badly overcrowded with the return of people of German origin from neighboring countries, is approaching an economic suffocation which in itself is one of our major problems. Turning these displaced persons into such chaos would be disastrous for them and would seriously aggravate our problems there.

This Government has been firm in resisting any proposal to send these people back to their former homes by force, where it is evident that their unwillingness to return is based upon political considerations or fear of persecution. In this policy I am confident I have your support.

These victims of war and oppression look hopefully to the democratic countries to help them rebuild their lives and provide for the future of their children. We must not destroy their hope. The only civilized course is to enable these people to take new roots in friendly soil. Already certain countries of western Europe and Latin America have opened their doors to substantial numbers of these displaced persons. Plans for making homes for more of them in other countries are under consideration. But our plain duty requires that we join with other nations in solving this tragic problem.

We ourselves should admit a substantial number as immigrants. We have not

yet been able to do this because our present statutory quotas applicable to the eastern European areas from which most of these people come are wholly inadequate for this purpose. Special legislation limited to this particular emergency will therefore be necessary if we are to share with other nations in this enterprise of offering an opportunity for a new life to these people.

I wish to emphasize that there is no proposal for a general revision of our immigration policy as now enunciated in our immigration statutes. There is no proposal to waive or lower our present prescribed standards for testing the fitness for admission of every immigrant, including these displaced persons. Those permitted to enter would still have to meet the admission requirements of our existing immigration laws. These laws provide adequate guaranties against the entry of those who are criminals or subversives, those likely to become public charges, and those who are otherwise undesirable.

These displaced persons are hardy and resourceful or they would not have survived. A survey of the occupational backgrounds of those in our assembly centers shows a wide variety of professions, crafts, and skills. These are people who oppose totalitarian rule, and who because of their burning faith in the principles of freedom and democracy have suffered untold privation and hardship. Because they are not Communists and are opposed to communism, they have stanchly resisted all efforts to induce them to return to Communist-controlled areas. In addition, they were our individual allies in the war.

In the light of the vast numbers of people of all countries that we have usefully assimilated into our national life, it is clear that we could readily absorb the relatively small number of these displaced persons who would be admitted. We should not forget that our Nation was founded by immigrants many of whom fled oppression and persecution. We have thrived on the energy and diversity of many peoples. It is a source of our strength that we number among our people all the major religions, races, and national origins.

Most of the individuals in the displaced-persons centers already have strong roots in this country—by kinship, religion, or national origin. Their occupational background clearly indicates that they can quickly become useful members of our American communities. Their kinsmen, already in the United States, have been vital factors in farm and workshop for generations. They have made lasting contributions to our arts and sciences and political life. They have been numbered among our honored dead on every battlefield of war.

We are dealing with a human problem, a world tragedy. Let us remember that these are fellow human beings now living under conditions which frustrate hope; which make it impossible for them to take any steps, unaided, to build for themselves or their children the foundations of a new life. They live in corroding uncertainty of their future. Their fate is in our hands and must now be decided. Let us join in giving them a chance at decent and self-supporting lives.

I urge the Congress to press forward with its consideration of this subject and to pass suitable legislation as speedily as possible.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 7, 1947.*

REDUCING INDIVIDUAL INCOME TAX

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 272, Rept. No. 797), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill H. R. 3950, to reduce individual income-tax payments, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to the said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

REGULATING FOREIGN AND DOMESTIC COMMERCE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 273, Rept. No. 798), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4075, to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3647, an act to extend certain powers of the President under title III of the Second War Powers Act, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MICHENER, SPRINGER, and CRAVENS.

EXTENSION OF REMARKS

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include an address by Mr. Dille, secretary of the Colorado-Big Thompson Conservancy District project, and another by Attorney Hatfield Chilson of the same organization.

SPECIAL ORDERS GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House on Wednesday next for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. FARRINGTON asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial from Atlanta and in the other an editorial from Boston.

Mr. BENNETT of Missouri asked and was granted permission to extend his remarks in the RECORD.

Mr. GILLIE asked and was granted permission to extend his remarks in the RECORD and include a resolution from the State Federation of Indianapolis.

Mr. ABERNETHY asked and was granted permission to extend his remarks in the RECORD and include an article by Marquis E. Childs on the 1948 Agriculture Department appropriation bill.

Mr. FORAND asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other a resolution by the city of Providence.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject The American Forum of the Air, and to include certain extracts from newspapers. The Public Printer

informs me the cost will be $319.50. I ask unanimous consent that notwithstanding the additional cost the extension may be made.

The SPEAKER. Notwithstanding and without objection, the request of the gentleman is granted.

There was no objection.

Mr. BUCHANAN asked and was granted permission to extend his remarks in the RECORD and include the President's statement when he signed the Treasury-Post Office Department appropriation bill.

Mr. MUNDT asked and was granted permission to extend his remarks in the RECORD in two different instances and to include therein editorials.

SPECIAL ORDER GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on Wednesday, after the legislative program and any other special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

TO REVISE, CODIFY, AND ENACT INTO LAW TITLE 28 OF THE UNITED STATES CODE, JUDICIAL CODE AND JUDICIARY

The Clerk called the first bill on the calendar (H. R. 3214), to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK, Mr. RICH, Mr. CHURCH, and Mr. DINGELL objected, and the bill was stricken from the calendar.

UNIFORMITY OF GEOGRAPHIC NOMENCLATURE

The Clerk called the bill (H. R. 1555) to promote uniformity of geographic nomenclature in the Federal Government, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PRICE OF COPIES OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Clerk called the bill (H. R. 2938) to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to inquire whether the Barrett amendment is now in the bill.

Mr. BARRETT. No, it is not.

Mr. BUCK. I withdraw my reservation of objection, Mr. Speaker.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the author of this bill if the Department of the Interior is going to make a charge for a gift of circulars and so forth that they are making in the various parks commensurate with the cost.

Mr. BARRETT. I may say to the gentleman that this bill has nothing to do with the national parks. This bill provides that the Department of the Interior may furnish authenticated copies and other instruments to people at their actual cost, rather than at the rate which is presently in effect and which is usually below cost.

Mr. RICH. That is my inquiry, because they have been giving out many of these circulars in certain of these parks and monuments very lavishly. They are not at all conservative in passing them out. They care nothing for expenses. Go down here to the Jefferson Memorial if you will and if a dozen people of one family go in there they hand the same circular out to each one, whereas a third of the number would do the work, and give all the information. They are extravagant in giving out these circulars not only at the Jefferson Memorial but in many of the parks under the Department of the Interior. I hope they will in the future be more conservative in passing them out. We need more economy in every department of Government.

Mr. BARRETT. I agree with the gentleman. The purpose of this legislation is to require the Department of the Interior to charge actual cost for copies of instruments and documents that may be requested by the general public.

Mr. RICH. I think it is a good move; one that has long been delayed.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), is amended to read as follows: That the Secretary of the Interior, the head of any bureau, office, or institution, or any officer of that Department, may, when not prejudicial to the interests of the Government, furnish authenticated or unauthenticated copies of any official books, records, papers, documents, maps, plats, or diagrams within his custody, and charge therefor a sum equal to the cost of production thereof, as determined by the Secretary of the Interior or such subordinate official or employee as he may designate, and in addition the sum of 25 cents for each certificate or verification and the seal attached to authenticated copies: *Provided*, That there shall be no charge for the making or verification of copies required for official use by the officers of any branch of the Government: *Provided further*, That only a charge of 25 cents shall be made for furnishing authenticated copies of any rules, regulations, or instructions printed by the Government for gratuitous distribution.

SEC. 2. Section 1 of the act of June 5, 1920 (41 Stat. 908, 43 U. S. C., sec. 22), is amended by striking out the words, "*Provided*, That hereafter photolithographic copies of township plats shall be sold to the public at 50 cents each."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENALTY FOR ENTERING CLOSED FOREST LAND

The Clerk called the bill (H. R. 1826) making it a petty offense to enter any national-forest land while it is closed to the public.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

OFFICE OF DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

The Clerk called the bill (H. R. 1436) to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

INCREASING MINIMUM ALLOWANCE PAYABLE FOR REHABILITATION IN SERVICE-CONNECTED CASES

The Clerk called the bill (H. R. 3308) to increase the minimum allowance payable for rehabilitation in service-connected cases.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING THE CANAL ZONE RETIREMENT ACT

The Clerk called the bill (H. R. 1260) to amend section 107 of title 2 of the Canal Zone Code, approved June 19, 1934.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, it is my understanding that the gentleman from New York [Mr. COLE], the last time the Consent Calendar was called, requested that this bill be passed over without prejudice to give him an opportunity to ascertain the amount of money this bill would cost the Federal Government. He has now investigated the matter and left a memorandum with his colleagues on the committee to the effect that it will not cost over $30,000 a year—at least he was so advised.

With that understanding I withdraw the reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That section 107 of title 2 of the Canal Zone Code, approved June 19, 1934, is amended by adding at the end thereof the following:

"In the case of any annuitant retired under the provisions of this article prior to July 29, 1946, the annuity shall be recomputed and paid in accordance with section 92, title 2, of this article as amended July 29, 1946."

SEC. 2. Nothing herein shall be so construed as to reduce the annuity of any such person nor shall any increase in annuity commence before the 1st day of the month following the month in which this act is approved.

With the following committee amendments:

Page 1, line 7, strike out "July 29, 1946", and insert "July 29, 1942."

Page 1, line 9, strike out all of line 9 after the word "section" and insert in lieu thereof "96 of this title, as amended July 29, 1942."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING NAVIGATION RULES FOR THE WESTERN RIVERS AND INLAND WATERS

The Clerk called the bill (H. R. 3350) relating to the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. WEICHEL. I believe I shall have to object to that.

Mr. CUNNINGHAM. I have made this request, Mr. Speaker, because I notice that when it was called 2 weeks ago, two of my colleagues, the gentleman from New York [Mr. COLE], and the gentleman from New Jersey [Mr. KEAN], at that time requested that the bill be passed over without prejudice. These two gentlemen are unable to be present today. I do not know what reason they had for making the request 2 weeks ago, nor do I know whether they have since changed their minds or opinions in regard to this measure, but the fact that they made the request justifies me in making it again in their absence.

I hope the gentleman from Ohio will not object because in that event I should have to pass to the passage of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

REARING PONDS AND FISH HATCHERY, ROGERS CITY, MICH.

The Clerk called the bill (H. R. 210) to establish rearing ponds and a fish hatchery at or near Rogers City, Mich.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REARING PONDS AND FISH HATCHERY, ST. IGNACE, MICH.

The Clerk called the bill (H. R. 214) to establish rearing ponds and a fish hatchery at or near St. Ignace, Mich.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REARING PONDS AND FISH HATCHERY, CHARLEVOIX, MICH.

The Clerk called the bill (H. R. 215) to establish rearing ponds and a fish hatchery at or near Charlevoix, Mich.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REARING PONDS AND FISH HATCHERY, ANNA RIVER, MICH.

The Clerk called the bill (H. R. 216), to establish rearing ponds and a fish hatchery.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING ORGANIC ACT OF THE UNITED STATES GEOLOGICAL SURVEY

The Clerk called the bill (H. R. 3106) to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PROMOTING MINING OF COAL, PHOSPHATE, SODIUM, ETC., ON GOVERNMENT LAND

The Clerk called the bill (H. R. 3022) to promote the mining of coal, phosphate, sodium, potassium, oil shale, gas, and sulfur on lands acquired by the United States.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. BRADLEY. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I object.

INCREASES IN RATES OF PENSIONS TO SPANISH-AMERICAN WAR VETERANS

The Clerk called the bill (H. R. 969) to provide increases in the rates of pensions payable to Spanish-American War veterans and their dependents.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, as I understand it, this bill was passed last week under suspension of the rules; am I correct?

The SPEAKER. Yes; a similar bill was passed.

Mr. CUNNINGHAM. Mr. Speaker, I move that the bill be laid on the table.

The motion was agreed to.

REIMBURSING CERTAIN NAVY PERSONNEL

The Clerk called the bill (S. 665) to reimburse certain Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to certain Navy personnel and former Navy personnel, such sum or sums, amounting in the aggregate to not to exceed $2,017, as may be certified by the Secretary of the Navy to be required to reimburse them for losses they sustained as a result of certain sums of money having been stolen or obtained by false pretenses from them, without fault or negligence on their part, while they were on duty as members of Company 956–43 at the naval training station, Farragut, Idaho, in the months of November and December 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING COMMISSIONER OF PUBLIC BUILDINGS TO DETERMINE FAIR MARKET VALUE OF FIDELITY BUILDING, KANSAS CITY, MO.

The Clerk called the bill (H. R. 2955) authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to substitute the Senate bill, S. 1231, for the House bill, an identical bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Commissioner of Public Buildings is authorized and directed to cause to be determined by appraisal the fair market value of certain real estate in Kansas City, Mo., recently acquired by the United States, which real estate consists of the building known as the Fidelity National

Bank and Trust Building and the tract of land on which said building is situated, said real estate being located at the southeast corner of the intersection of Ninth and Walnut Streets in said city. Said fair market value shall be determined, and the amount thereof shall be made a matter of public information, on or before September 1, 1947. For the purpose of making such determination, the Commissioner may employ, without regard to the civil-service laws or the Classification Act of 1923, as amended, three disinterested persons resident in Kansas City, Mo., who have knowledge of the value of real estate in Kansas City and are qualified appraisers of real estate used for industrial or commercial purposes in said city. Funds continued available under the provisions of section 1 (a) of Public Law 413, Seventy-ninth Congress, approved June 14, 1946, are hereby made available for the purpose of paying the necessary costs relating to the employment of such appraisers.

SEC. 2. From and after the date upon which such fair market value is determined as herein provided, and until December 31, 1947, the Commissioner of Public Buildings shall solicit and receive sealed bids for the purchase of said real estate from the United States. Said bids shall not be opened prior to January 1, 1948. On or after January 1, 1948, but in no case later than January 10, 1948, said bids shall be opened and made a matter of public information.

SEC. 3. On or before February 1, 1948, the Commissioner of Public Buildings shall transmit to the Congress a report of the action taken pursuant to this act and the results thereof, attaching to, and making a part of, said report (1) a digest of said appraisal and a statement as to the amount of the fair market value of said real estate as determined thereby, and (2) an abstract of all bids received for the purchase of said real estate, showing as to each bid the name of the bidder or bidders and the amount and terms of the bid. Said report shall serve as the basis for further action by the Congress with respect to the sale of said real estate by the United States.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 2955) was laid on the table.

A motion to reconsider was laid on the table.

AUTHORIZIING FEDERAL WORKS ADMINISTRATOR TO APPOINT SPECIAL POLICEMEN

The Clerk called the bill (H. R. 3219) to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him may appoint employees as special policemen without additional compensation for duty in connection with the policing of public buildings and other areas under the jurisdiction of the Federal Works Agency. Such special policemen shall have the same powers as sheriffs and constables upon such Federal property, except for the service of civil process and for the collection of strictly private debts, to enforce the laws enacted for the protection of persons, property, health and morals, to prevent breaches of the peace, to suppress affrays or unlawful assemblies, and to enforce any rules and regulations made and promulgated by the Administrator or such duly authorized officials of the Federal Works Agency for the property under their jurisdiction: *Provided, however,* That the jurisdiction and policing powers of such special policemen shall be restricted to the Federal property over which the United States has acquired exclusive or concurrent criminal jurisdiction.

2. The Federal Works Administrator or officials of the Federal Works Agency duly authorized by him are hereby further authorized to make all needful rules and regulations for the government of the Federal property under their charge and control, and to annex to such rules and regulations reasonable penalties as will insure their enforcement.

3. Upon the application of the head of any department or agency of the United States having buildings, property, or lands of the United States under its administration and control and over which exclusive or concurrent criminal jurisdiction has been ceded, the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him, is authorized to detail any such special policemen for the protection of such buildings, property, or lands, and also, if he deems it desirable, to extend to such buildings, property, or lands any such regulations and to enforce the same as herein set forth: *Provided*, That the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him, whenever it is deemed economical and in the public interests, may utilize the facilities and services of existing Federal law-enforcement agencies, and, with the consent of any State or local agency, the facilities and services of the State or local law-enforcement agencies, upon such terms as may be agreed upon.

4. Whoever violates any rule or regulation promulgated pursuant to section 2 of this act shall be punished by a fine of not more than $50 or imprisonment for not more than 30 days, or both.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO SECTION 3 OF FLOOD CONTROL ACT

The Clerk called the bill (H. R. 3146) to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the Flood Control Act approved August 28, 1937, is amended to read as follows:

"SEC. 3. That, in order to further the declaration of policy and principles declared in sections 1 and 2 of the Flood Control Act approved June 22, 1936, and to supplement the preliminary examinations and surveys which the Secretary of War has heretofore been, or is hereafter, authorized and directed to make of waterways with a view to the control of their floods, the Secretary of Agriculture be, and he is hereby, authorized and directed to cause preliminary examinations and surveys to be made for run-off and water-flow retardation and soil-erosion prevention on the watersheds of said waterways, the costs thereof to be paid from appropriations heretofore or hereafter made for such purposes."

SEC. 2. After the Secretary of Agriculture has submitted to Congress a regular or formal report made on any examination or survey, pursuant to the Flood Control Act approved June 22, 1936, as amended and supplemented, a supplemental, additional, or review report or estimate may be made if authorized by law or by resolution of the Committee on Public Works of the House of Representatives or the Committee on Public Works of the Senate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARKETING AGREEMENTS AND ORDERS

The Clerk called the bill (H. R. 452) to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE NATIONALITY ACT OF 1940, AS AMENDED

The Clerk called the bill (H. R. 3555) to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING SECTION 10 OF NATIONAL ARCHIVES ACT

The Clerk called the bill (H. R. 3628) to amend section 10 of the act establishing a National Archives of the United States Government.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes," approved June 19, 1934 (44 U. S. C. 300j), is hereby amended by inserting immediately after the words "books and maps;" the words "payment in advance when authorized by the Archivist for library memberships in societies whose publications are available to members only or to members at a price lower than to the general public;".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AIR MAIL DELIVERY BY GOVERNMENT-OWNED TRUCKS

The Clerk called the bill (H. R. 2588) requiring all mails consigned to an airport from a post office or branch, or from an airport to a post office or branch, within a radius of 35 miles of a city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, this bill involves a considerable cost. It is opposed by the Department, and I, therefore, object to the bill.

TRANSFERRING PANAMA RAILROAD PENSION FUND

The Clerk called the bill (H. R. 3513) to transfer the Panama Railroad pension fund to the civil service retirement and disability fund.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That beginning July 1, 1947, all officers and employees of the Panama Railroad Company not employed on the Isthmus of Panama and not within the operation of section 91 through section 107 of title 2 of the Canal Zone Code shall be included within the terms of the Civil Service Retirement Act of May 29, 1930, as amended, unless excluded by Executive orders issued under the authority of said act.

SEC. 2. The Panama Railroad Company shall cause to be transferred to the Secretary of the Treasury for credit to the civil service retirement and disability fund an amount equal to the gross assets of the Panama Railroad pension fund at the close of business on June 30, 1947, subject to the assumption of the liabilities of that fund as of the close of business on June 30, 1947, by the civil service retirement and disability fund.

SEC. 3. Under such regulations as the Civil Service Commission may prescribe, an individual account shall be established for each officer and employer who is a member of the Panama Railroad pension fund as of June 30, 1947, and to whom this act applies, to which shall be credited the amount of contribution which he would have made, had he, while employed by the Panama Railroad Company prior to July 1, 1947, been within the purview of the Civil Service Retirement Act of May 29, 1930, as amended, with interest thereon, and credit shall be allowed for the purposes of said act for the period of service covered by said contributions.

SEC. 4. No credit under section 3 of this act shall be allowed under the Civil Service Retirement Act to any officer or employee to whom this act applies for service rendered the Panama Railroad Company prior to July 1, 1947, unless and until the amount of any refund of contributions to any such officer or employee out of the Panama Railroad pension fund has been redeposited with interest in the civil service retirement and disability fund.

SEC. 5 In the case of those officers and employees of the Panama Railroad Company who before July 1, 1947, shall have been retired under the provisions of the Panama Railroad pension plan, the annuity shall be paid out of the civil service retirement and disability fund, but this act shall not be so construed as to reduce or increase the annuity in any such case, and all rights and benefits of such persons shall otherwise continue as though this act had not been enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING COAST GUARD AVIATION STATIONS

The Clerk called the bill (H. R. 72) to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONSTRUCTION OF A CHAPEL AT COAST GUARD ACADEMY

The Clerk called the bill (H. R. 3539) to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Coast Guard is authorized to construct a suitable chapel for religious worship by any denomination, sect, or religion at the Coast Guard Academy in New London, Conn.

SEC. 2. The Coast Guard is authorized to acquire an appropriate site adjoining the present Coast Guard Academy reservation either by purchase, condemnation, gift, or otherwise.

SEC. 3. The Coast Guard is authorized to accept private contributions to assist in defraying the cost of construction of the chapel provided for herein. Such contributions shall be received and accounted for under such regulations as the Secretary of the Treasury may prescribe.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to complete the purposes of this act.

With the following committee amendment:

Page 1, line 7, after the word "acquired", insert "title to."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVERSION OF CERTAIN NAVAL VESSELS

The Clerk called the bill (H. R. 3315) to authorize conversions of certain naval vessels.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. HESS. Mr. Speaker, I reserve the right to object.

Mr. KEAN. I will say to the gentleman why I am doing this, because it would cost $55,000,000 over a period of 4 years, and though I think it is a very meritorious bill, we just cannot let a bill that is going to cost so much go through by unanimous consent.

Mr. HESS. The funds have already been appropriated and they are now in the construction of ship funds. It will merely mean the transfer of those funds to another fund to convert these vessels. There is no additional appropriation required at all.

Mr. KEAN. I do not see anything about that in the report.

Mr. HESS. That was testified to by Admiral Mills at the hearing.

Mr. KEAN. I will have to insist and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

INTERSTATE OIL COMPACT TO CONSERVE OIL AND GAS

The Clerk called the joint resolution (H. J. Res. 211) consenting to an interstate oil compact to conserve oil and gas.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that a similar Senate joint resolution (S. J. Res. 122) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the consent of Congress is hereby given to an extension and renewal for a period of 4 years from September 1, 1947, of the Interstate Compact to Conserve Oil and Gas, executed in the city of Dallas, Tex., the 16th day of February 1935, by the representatives of Oklahoma, Texas, California, and New Mexico, and thereafter recommended for ratification by the representatives of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and subsequently ratified by the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, which said compact was deposited in the Department of State of the United States, and thereafter such compact was, by the President, presented to the Congress and the Congress gave consent to such compact by House Joint Resolution 407, approved August 27, 1935 (Public Resolution No. 64, 74th Cong.), and which said compact was thereafter extended and renewed for a period of 2 years from September 1, 1937, by an agreement executed in New Orleans, La., the 10th day of May 1937, by the representatives of the States of Oklahoma, Texas, Kansas, and New Mexico, and was duly ratified by the States of Oklahoma, Texas, Kansas, New Mexico, Illinois, and Colorado, and was deposited in the Department of State of the United States, and thereafter such extended and renewed compact was, by the President, presented to the Congress and the Congress gave consent to such extended and renewed compact by Senate Joint Resolution 183, approved August 10, 1937 (Public Resolution No. 57, 75th Cong.), and which said compact was thereafter extended and renewed for a period of 2 years from September 1, 1939, by an agreement duly executed and ratified by the States of Oklahoma, Texas, Kansas, Colorado, New Mexico, and Michigan, and was deposited in the Department of State of the United States, thereafter such extended and renewed compact was, by the President, presented to the Congress and the Congress gave consent to such extended and renewed compact by House Joint Resolution 329, approved July 20, 1939 (Public Resolution No. 31, 76th Cong.), and which said compact was thereafter extended and renewed for a period of 2 years from September 1, 1941, by an agreement duly executed and ratified by the States of Texas, Oklahoma, Kansas, Colorado, New Mexico, Illinois, Michigan, Arkansas, Louisiana, New York, and Pennsylvania, and was deposited in the Department of State of the United States, and thereafter such extended and renewed compact was, by the President, presented to Congress and the Congress gave consent to such extended and renewed compact by House Joint Resolution 228, approved August 21, 1941 (Public Law 246, 77th Cong.), and which compact was thereafter extended and renewed for a period of 4 years from September 1, 1943, by an agreement executed and ratified by representatives of the States of Kansas, Oklahoma, Texas, Colorado, New Mexico, Arkansas, Louisiana, and Kentucky, and was deposited in the Department of State of the United States and thereafter such extended and renewed compact was, by the President of the United States, presented to Congress and the Congress gave consent to such extended and renewed com-

pact by House Joint Resolution 139, approved July 7, 1943 (Public Law 117, 78th Cong.), and thereafter the representatives of the States of Montana, West Virginia, Alabama, Illinois, Michigan, New York, Pennsylvania, Ohio, Florida, Tennessee, and Indiana, executed counterparts of said agreement, and said counterparts so executed were deposited in the Department of State of the United States. The extended and renewed compact dated the 1st day of February 1947, duly executed by the representatives of the States of Alabama, Arkansas, Colorado, Florida, Kansas, Louisiana, Montana, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, Tennessee, and Indiana, and which extended and renewed compact has been deposited in the Department of State of the United States, reads as follows:

"AN AGREEMENT TO EXTEND THE INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"Whereas on the 16th day of February 1935, in the city of Dallas, Tex., there was executed 'An interstate compact to conserve oil and gas' which was thereafter formally ratified and approved by the States of Oklahoma, Texas, New Mexico, Illinois, Colorado, and Kansas, the original of which is now on deposit with the Department of State of the United States, a true copy of which follows:

"'AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"'ARTICLE I

"'This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"'ARTICLE II

"'The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"'ARTICLE III

"'Each State bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"'(a) The operation of any oil well with an inefficient gas-oil ratio.

"'(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas, in paying quantities.

"'(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

"'(d) The creation of unnecessary fire hazards.

"'(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"'(f) The inefficient, excessive or improper use of the reservoir energy in producing any well.

"'The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

"'ARTICLE IV

"'Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order, or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"'ARTICLE V

"'It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"'ARTICLE VI

"'Each State joining herein shall appoint one representative to a commission hereby constituted and designated as the Interstate Oil Compact Commission, the duty of which said commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

"'The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"'No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting States represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production of the compacting States during said period.

"'ARTICLE VII

"'No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"'ARTICLE VIII

"'This compact shall expire September 1, 1937. But any State joining herein may, upon 60 days notice, withdraw herefrom.

"'The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the governor of each of the signatory States.

"'This compact shall become effective when ratified and approved as provided in article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.'

"Whereas the said Interstate Compact to Conserve Oil and Gas has heretofore been duly renewed and extended with the consent of Congress to September 1, 1947; and

"Whereas it is desired to renew and extend the said Interstate Compact to Conserve Oil and Gas for a period of 4 years from September 1, 1947, to September 1, 1951:

"Now, therefore, this writing witnesseth:

"It is hereby agreed that the compact entitled 'An Interstate Compact to Conserve Oil and Gas,' executed in the city of Dallas, Tex., on the 16th day of February 1935 and now on deposit with the Department of State of the United States, a correct copy of which appears above, be, and the same hereby is, extended for a period of 4 years from September 1, 1947, its present date of expiration. This agreement shall become effective when executed, ratified, and approved as provided in article I of the original compact.

"The signatory States have executed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States and a duly certified copy thereof shall be forwarded to the governor of each of the signatory States. Any oil-producing State may become a party hereto by executing a counterpart of this agreement to be similarly deposited, certified, and ratified.

"Executed as of the 1st day of February 1947 by the several undersigned States, at their several capitols, through their proper officials as duly authorized by statutes and resolutions, subject to the limitations and qualifications of the acts of the respective State legislatures."

SEC. 2. The right to alter, amend, or repeal the provisions of section 1 is hereby expressly reserved.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H. J. Res. 211) was laid on the table.

AMENDING CIVIL SERVICE RETIREMENT ACT OF 1930

The Clerk called the bill (H. R. 1995) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing 10 years of service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"(b) In the case of any officer or employee to whom this act applies who shall be transferred to a position not within the purview of this act, or who shall become absolutely separated from the service before he shall have completed an aggregate of 10 years of service computed in accordance with section 5 of this act, the amount of deductions from his basic salary, pay, or compensation credited to his individual account, together with interest at 4 percent compounded on December 31 of each year, shall, upon the employee's request, be returned to such officer or employee: *Provided*, That when an officer or employee becomes involuntarily separated from the service, not by removal for cause on charges of misconduct or delinquency before completing 10 years of creditable service the total amount of deductions from his basic salary, pay, or compensation with interest at 4 percent compounded on December 31 of each year shall, upon the employee's request, be returned to such officer or employee: *Provided further*, That no such interest shall be allowed on any separation unless the service covered thereby aggregates more than 1 year: *Provided*, That all deductions from basic salary, pay, or compensation so returned to an officer or employee must, upon reinstatement, retransfer, or reappointment to a position coming within the purview of this act be redeposited with interest at 4 percent compounded on December 31 of each year before such officer or employee may derive any benefits under this act, except as provided in this section, but interest shall not be required covering any period of separation from the service. In computing interest under this subsection, a fractional part of a month in the total service of an officer or employee shall be disregarded."

With the following committee amendments:

On page 2, line 2, before the word "service" insert the word "civilian."

On page 2, line 7, strike out "the employee's" and insert "his."

On page 2, line 11, before the word "service" insert the word civilian."

On page 2, line 14, strike out "the employee's" and insert "his."

On page 2, line 15, insert, after the colon, the following: *"Provided further,* That in case any request under this subsection is submitted after the date of transfer to a position not within the purview of this act or of absolute separation from the service, the interest allowed for the period after such date of transfer or separation shall be at the rate of 3 percent compounded on December 31 of each year."

On page 2, line 18, strike out *"Provided"* and insert *"And provided."*

On page 3, line 5, after "service," insert a comma and the following: "or in the total period after the date of transfer or separation."

On page 3, add, after line 5, the following:

"SEC. 2. The amendment made by the first section of this act to section 12 (b) of such act of May 29, 1930, as amended, shall take effect as of January 24, 1942."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUREAU OF THE CENSUS

The Clerk called the bill (H. R. 1821) to provide for the collection and publication of statistical information by the Bureau of the Census.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. I object, Mr. Speaker.

FACILITATING PAYMENT OF CERTAIN GOVERNMENT CHECKS

The Clerk called the bill (S. 1316) to establish a procedure for facilitating the payment of certain Government checks, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, with the exception of checks issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, the amounts of all original and substitute checks drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, or drawn by authorized officers of the United States on designated depositaries, which have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued, shall be transferred from the account of the drawer or the account then available for the payment thereof to a special-deposit account or accounts on the books of the Treasurer of the United States.

(b) With the exception of checks issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, any original or any substitute checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, or drawn by authorized officers of the United States on designated depositaries which have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued and checks issued in payment of claims settled by the General Accounting Office on account of any of such clerks shall be payable from the special-deposit account or accounts established pursuant to this section: *Provided,* That in the following classes of cases any original or substitute check shall be payable from the special-deposit account or accounts only after settlement by the General Accounting Office: (1) Where the check is drawn on a designated depositary, (2) where the owner or holder of the check has died or is incompetent, (3) where on presentation of the check for payment the Treasurer of the United States is on notice of a doubtful question of law or fact, and (4) where the check is over 10 years old: *And provided further,* That the limitation imposed in respect to certain claims or demands against the United States by the act of October 9, 1940 (54 Stat. 1061; U. S. C., title 31, secs. 71a, 237), shall not be deemed to apply to original or substitute checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, or drawn by authorized officers of the United States on designated depositaries, but nothing contained in this act shall be deemed to affect the limitation imposed in respect to claims on account of certain checks by section 2 of the act of June 22, 1926 (44 Stat. 761; U. S. C., title 31, sec. 122).

SEC. 2. The balances deposited to the credit of the outstanding-liabilities account of any fiscal year pursuant to section 21 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1235; U. S. C., title 31, sec. 725t), and which have not been covered into the surplus fund of the Treasury shall be transferred to the foregoing special-deposit account or accounts and together with the amounts transferred thereto under the provisions of section 1 shall be available to pay any check payable from such account or accounts.

SEC. 3. The Secretary of the Treasury is hereby authorized to take such action as may be necessary to transfer at appropriate intervals from the foregoing special-deposit account or accounts to the appropriate receipt account or accounts on the books of the Treasury any amounts not required to effect the purposes of this act and with the concurrence of the Comptroller General to make such rules and regulations as he may deem necessary or proper for the administration of the provisions of this act.

SEC. 4. (a) Sections 306, 307, 308, 309, and 310 of the Revised Statutes of the United States, as amended (U. S. C., title 31, secs. 149, 150, 151, 152, 153), and section 21 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1235; U. S. C., title 31, sec. 725t), are hereby repealed.

(b) Section 5 of the act of July 1, 1916, as amended (U. S. C., title 31, sec. 154), is hereby amended to read as follows:

"At the termination of each fiscal year the General Accounting Office shall report to the Secretary of the Treasury all checks issued by any disbursing officer of the Government or its wholly owned or mixed-ownership corporations, as shown by his accounts rendered to the General Accounting Office, or otherwise, which shall then have been outstanding and unpaid for one full fiscal year after the fiscal year in which issued, stating in such report the date, number, and amount of each check, and the symbol on which it was drawn."

(c) Subsection (a) of section 3646 of the Revised Statutes of the United States, as amended (U. S. C., 1940 edition, Supp. V, title 31, sec. 528 (a)) is further amended by deleting the phrase "before the close of the fiscal year following the fiscal year in which the original check was issued" and inserting in lieu thereof the phrase "prior to the expiration of 10 years from the date on which the original check was issued" and by inserting immediately following the phrase "from the account of the drawer" the phrase "or the account available for payment of the original check."

(d) Subsections (c) and (e) of section 3646 of the Revised Statutes of the United States, as amended (U. S. C., 1940 edition, Supp. V, title 31, secs. 528 (c) and (e), are, respectively, further amended by deleting the phrase "before the close of the fiscal year following the fiscal year in which the original check was issued" and inserting in lieu thereof the phrase "prior to the expiration of 10 years from the date on which the original check was issued."

(e) Subsection (f) of section 3646 of the Revised Statutes of the United States, as amended (U. S. C., 1940 ed. Supp. V. title 31, sec. 528 (f) is further amended to read as follows:

"(f) Substitutes issued under this section drawn on the Treasurer of the United States, except those for checks issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, shall be deemed to be original checks and shall be payable under the same conditions as original checks. Substitutes for checks issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws shall be payable directly by the Treasurer of the United States without limitation of time."

(f) Subsection (g) of section 3646 of the Revised Statutes of the United States, as amended (U. S. C., 1940 ed., Supp. V, title 31, sec. 528 (g) is further amended by deleting the phrase "by any corporation or other entity" and inserting in lieu thereof "by any wholly owned or mixed-ownership Government corporation or by any entity."

SEC. 5. This act shall take effect on July 1, 1947.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING LEASES OF PROPERTY BY WAR AND NAVY DEPARTMENTS

The Clerk called the bill (H. R. 3471) to authorize leases of real or personal property by the War and Navy Departments, and for other purposes.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OF VINSON-TRAMMELL ACT

The Clerk called the bill (H. R. 3051) to amend the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a) and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934 (48 Stat. 503; 34 U. S. C. 495), as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CARROLL. Reserving the right to object, Mr. Speaker, I should like to ask the chairman of the committee several questions on this bill.

Mr. ANDREWS of New York. I yield to the ranking member of the subcommittee, the gentleman from Texas [Mr. KILDAY].

Mr. CARROLL. The previous legislation provided that the profit could not

exceed 10 percent. Is that determined by the committee to be inadequate for the contracts for building naval vessels?

Mr. KILDAY. This would serve to amend the existing Vinson-Trammell Act. That provided a ceiling limitation on profits on naval vessels and also on aircraft construction. But not on any other industry. It has been found to be impractical. Specifically, it has not been regarded as providing an inadequate profit but it has served to operate as a minimum, as such things generally do. When you have provided that the maximum profit shall be 10 percent, it is ordinary for that to be regarded as the minimum profit, and contracts have been made accordingly. It has been found that because of accounting procedures required under the Vinson-Trammell Act the action costs the Government money rather than saves money. The gentleman from Georgia [Mr. VINSON], the author of the original legislation, has agreed that the act itself, which was passed in 1934, has served its purpose, and that these amendments should now be made.

Mr. CARROLL. Does the gentleman mean that as a result of the revision of the existing law contracts would be let for less than 10 percent profit?

Mr. KILDAY. It is anticipated that they will be let on a strictly competitive basis and that in instances there is likely to be a good deal less than 10 percent profit. Perhaps there may be a greater profit because the profit incentive has been taken out of these contracts because of the power of the Government to audit the contractor's books and to reduce his profits. It has operated somewhat like the old idea governing the fixed-fee or percentage basis of profit contracts.

Mr. CARROLL. My real point is to find out whether the committee found that 10 percent is not a sufficient profit.

Mr. KILDAY. The committee did not so find. But we found that it has not served to save the Government money but has served to cost the Government money. I will give the gentleman one instance. Batteries had to be bought for submarines during the war on negotiated contracts because the Vinson-Trammell Act was not in effect during the war but was suspended. When they attempted to buy the same batteries after the war subject to the Vinson-Trammell Act they found that they would have to pay from 13 to 15 percent more than they had to under the negotiated contracts because of the vast amount of accounting work necessary in order to comply with the act.

Mr. CARROLL. Then the gentleman is convinced that the passage of this act will save the Government money?

Mr. KILDAY. I think the entire committee was convinced of that.

Mr. CARROLL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a), is hereby amended by deleting section 6 and by renumbering the present section 7 as "6", and the present section 8 as "7."

SEC. 2. Section 2 of the act of March 27, 1934, entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", as amended, is hereby further amended by deleting the third proviso thereof, and so much of the fourth proviso which reads: "if inconsistent with the public interests in any year to have a vessel or vessels constructed as required above,".

SEC. 3. Section 2 of said act of March 27, 1934, is hereby further amended as follows:

That portion of the last proviso of the first paragraph reading as follows: "That not less than 10 percent of the aircraft, including the engines therefor, the procurement of which is authorized by this act and hereafter undertaken, shall be constructed and/or manufactured in Government aircraft factories and/or other plants or factories owned and operated by the United States Government.

"The foregoing paragraph is subject to the following conditions:

"(1) That if it shall be determined by the President that present plants, factories, and equipment owned by the Government are not such as to permit the construction and/or manufacture of the said aircraft and/or engines in such Government plants and factories, in the proportions herein specified and required, then and in that event such requirement may be suspended in whole or in part by his order. However, in the event of such order of suspension being made by the President, then at his discretion the existing plants, factories, and facilities now owned and/or operated by the Government shall forthwith be expanded and equipped to enable the Government to construct, manufacture and repair not less than 10 percent of its naval aircraft therein, except that it shall be discretionary with the President as to the percent constructed and/or manufactured in Government plants if he should find it impracticable for the Government to undertake the construction and/or manufacture of not less than 10 percent of its naval aircraft therein.

"(2) The President is also authorized to employ Government establishments in any case where—

"(a) it should reasonably appear that the persons, firms, or corporations, or the agents therefor, bidding for the construction of any of said aircraft, engines, spare parts, or equipment have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said aircraft, engines, spare parts, or equipment, or—

"(b) should it reasonably appear that any person, firm, or corporation, or agents thereof, being solely or peculiarly in position to manufacture or furnish the particular type or design of aircraft, engines, spare parts, or equipment required by the Navy, in bidding on such aircraft, engines, spare parts, or equipment, have named a price in excess of cost of production plus a reasonable profit, as provided in section 3 of this act.";

is hereby amended to read as follows: "That in the manufacture or construction of aircraft, aircraft engines, aircraft spare parts or aircraft equipment, the procurement of which is undertaken after the date of enactment of this act, the President, or if the President shall delegate such authority to the Secretary of the Navy, the Secretary of the Navy shall be authorized to employ Government aircraft factories or other plants or factories owned and operated by the United States Government, or both, whenever—

"(a) it shall reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding or in the absence of formal competition, submitting proposals for the construction of any such aircraft, engines, spare parts, or equipment have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said aircraft engines, spare parts, or equipment; or

"(b) it shall reasonably appear that any persons, firms, or corporations, or the agents thereof, being solely or peculiarly in position to manufacture or furnish the particular type or design of aircraft, engines, spare parts, or equipment required by the Navy, in bidding thereon or in the absence of formal competition in submitting price proposals therefor have quoted an unreasonable price; or

"(c) the employment of Government aircraft factories or other plants or factories owned and operated by the United States Government, or both, in such construction or manufacture shall reasonably appear to be in the interest of national defense."

SEC. 4. Section 3 of the act of March 27, 1934 (48 Stat. 505), entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes," as amended (34 U. S. C. 496), is further amended to read as follows:

"SEC. 3. The Secretary of the Navy is hereby directed to submit annually to the Bureau of the Budget estimates for the construction of the foregoing vessels and aircraft; and there is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act."

SEC. 5. Sections 2 (b), 3, and 4 of the act of June 28, 1940 (54 Stat. 676), entitled "An act to expedite national defense, and for other purposes," as amended and as contained in the United States Code (Supp. V, title 50 App., secs. 1152–1154, inclusive), are hereby expressly repealed.

SEC. 6. The act of March 5, 1940 (54 Stat. 45), entitled "An act to facilitate the procurement of aircraft for the national defense," as amended (50 App., U. S. C., Supp. V, 769), is hereby further amended by deleting the third proviso thereof.

SEC. 7. Notwithstanding any agreement to the contrary, no contractor or subcontractor shall be required to make any report or to pay any profit under, or otherwise to comply with the other provisions of, section 3 of the act of March 27, 1934 (48 Stat. 505), as amended, with respect to any income-tax taxable year commencing after December 31, 1945.

With the following committee amendment:

On page 6, add a new section following section 7, to be numbered section 8 and to read as follows:

"SEC. 8. Section 14 of the act of April 3, 1939, entitled "An act to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939" (53 Stat. 560), is amended by striking out all of such section except the last proviso thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

The Clerk called the bill (H. R. 3855) to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to inquire how many Assistant Secretaries there are in the Department at the present time.

Mr. LEA. There is one Assistant Secretary at the present time whose duty primarily is to take care of civil aeronautics. The assistant proposed by this legislation would devote himself primarily to foreign and domestic commerce. At the present time, the volume of international trade is about $20,000,000,000, and the work is very burdensome. It is the purpose of this legislation to provide an assistant who would give his time primarily to the encouragement of that trade.

Mr. BUCK. If this bill is enacted, there would be a Secretary, an Under Secretary, and two Assistant Secretaries. Is that correct?

Mr. LEA. That is correct.

Mr. BUCK. Mr. Speaker, I withdraw my reservation of objection.

Mr. KEAN. Mr. Speaker, reserving the right to object, I want to say to the ranking member of the committee having jurisdiction of this bill that the letter of the Secretary is undated and bears the signature A. G. Harriman, when his name is W. A. Harriman.

Mr. LEA. That is evidently a clerical mistake. I thank the gentleman for the correction. Mr. Harriman appeared before the committee and made a statement covering this matter last March.

Mr. RICH. Mr. Speaker, if the gentleman will yield, in reference to this Under Secretary, is this the expanded program of the Department of Commerce which was established here a short time ago under former Secretary Wallace?

Mr. LEA. I am not sure as to the former program. This proposal is to take care of foreign and domestic commerce as it presents its problems at this time. The burden is there and it is largely because of the great increase in commerce.

Mr. RICH. It seems to me if we adopted the same program that we had in the Department of Agriculture under his reign, we are going to have a great burden here with the Department of Commerce such as we had with the Department of Agriculture.

Mr. LEA. I think the gentleman will recognize that there is quite a substantial difference in the Department at the present time.

Mr. RICH. Well, I do not know. Has the gentleman made any investigation to know definitely that this additional Secretary is needed down there?

Mr. LEA. I will yield to the chairman of the committee.

Mr. WOLVERTON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the chairman of the committee.

Mr. WOLVERTON. With reference to the need for this additional Assistant Secretary of Commerce, it was apparent from the testimony presented to the Committee on Interstate and Foreign Commerce that the work of the Department of Commerce has greatly increased, particularly with respect to the work it is now doing, and contemplates doing, in the matter of domestic and foreign commerce. The Department requires the services of this additional Secretary to take over duties now being performed by others in the Department, and which duties are of sufficient importance to entitle the person performing such duties to the status of an Assistant Secretary. I also wish to bring to the gentleman's attention the fact that the appointment of this Assistant Secretary will not necessitate an increase in existing appropriations for the Department. It merely gives the status of Assistant Secretary to the person who performs very important duties in the Department.

I emphasize the fact that it will not incur any additional cost so far as expense for the Department is concerned. The Secretary of Commerce has assured us that the salary of the new assistant will come within the appropriation that has already been granted to the Department of Commerce.

Mr. RICH. What I am trying to do is to keep down this great expansion by the Secretary of Commerce that was established about a year ago. It will become large and voluminous like the Department of Agriculture under the same former Secretary. We do not want anything like that to happen. We have to keep down instead of building up these departments.

Mr. WOLVERTON. I can readily understand the gentleman's viewpoint. I have the same feeling the gentleman has. If I thought it would have that effect, I would have opposed rather than advocated the passage of this bill.

Mr. CHURCH. Reserving the right to object, Mr. Speaker, it has been stated that there is no increase in the appropriation. Does the chairman of the committee believe that this will require an additional appropriation next fiscal year?

Mr. WOLVERTON. I do not anticipate any additional expense as a result of the designation of an additional Assistant Secretary. The work is now being done. The duties hereafter will be performed by a person who will have a title that will give him the standing which we feel his position and the duties he performs entitles him to have.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that an identical bill (S. 1421) be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. CUNNINGHAM]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That there shall be in the Department of Commerce one additional Assistant Secretary of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce may assign to his Assistant Secretaries such duties, including the direction of the Bureau of Foreign and Domestic Commerce, as he shall prescribe, or may be required by law. The Assistant Secretaries of Commerce shall be without numerical distinction of rank and shall have salaries of $10,000 per annum.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3855) was laid on the table.

ACQUISITION AND MAINTENANCE OF WILDLIFE MANAGEMENT AND CONTROL AREAS IN THE STATE OF CALIFORNIA

The Clerk called the bill (H. R. 107) for the acquisition and maintenance of wildlife management and control areas in the State of California, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to purchase or rent not to exceed 20,000 acres of land or interests therein in suitable locations in the State of California, for the management and control of migratory waterfowl and other wildlife in connection therewith, from moneys to be appropriated by Congress from time to time.

SEC. 2. The Secretary of the Interior may do all things and make all expenditures necessary to secure the safe title in the United States to the areas which may be acquired under this act, including purchase of options when deemed necessary, and expenses incident to the location, examination, and survey of such areas and the acquisition of title thereto, but no payments shall be made for any such areas until the title thereto shall be satisfactory to the Attorney General. The acquisition of such areas by the United States shall in no case be defeated because of rights-of-way, easements, exceptions, and reservations which from their nature will, in the opinion of the Secretary of the Interior, in no manner interfere with the use of the areas so encumbered for the purposes of this act.

SEC. 3. Sections 8, 9, 10, 13, 14, and 15 of the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222; 16 U. S. C. 715), as amended, are hereby made applicable for the purposes of this act in the same manner and to the same extent as though they were enacted as part of this act, except that lands acquired hereunder may be administered primarily as wildlife management areas not subject to the prohibition against the taking of birds or nests or the eggs thereof, as contained in section 10 of the Migratory Bird Conservation Act, and hunting thereon may be regulated, at the option of the Fish and Game Commission of the State of California, in such cooperative manner as is deemed necessary to carry out the purposes of this act subject, however, to the provisions of the Migratory Bird Treaty Act of July 3, 1918 (49 Stat. 1555, 16 U. S. C. 703–711), as amended.

SEC. 4. Funds made available under this or any other act for the administration, maintenance, and development of any areas acquired under this act, shall be available also for the construction of dams, dikes, ditches, buildings, and other necessary improvements and for the purchase, planting, growing, and harvesting of grains and other crops for the

feeding of waterfowl and other wildlife frequenting the localities where such lands may be purchased or rented.

With the following committee amendment:

On page 1, line 8, after the word "time", insert "*Provided*, That no sums appropriated under this authority for the acquisition of lands shall be expended for such purpose unless and until the State of California shall have set aside and made available for expenditure funds for the purchase of equivalent acreages as determined by the Secretary of the Interior."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND IMMIGRATION ACT OF 1917

The Clerk called the bill (H. R. 3566) to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (54 Stat. 671; 56 Stat. 1044; 8 U. S. S. 155 (c)), is further amended to read as follows:

"(c) In the case of any alien (other than one to whom subsection (d) is applicable) who is deportable under any law of the United States and who has proved good moral character for the preceding 5 years, the Attorney General may (1) permit such alien to depart the United States to any country of his choice at his own expense, in lieu of deportation; or (2) suspend deportation of such alien if he is not ineligible for naturalization or if ineligible, such ineligibility is solely by reason of his race, if he find (a) that such deportation would result in serious economic detriment to a citizen or legally resident alien who is the spouse, parent, or minor child of such deportable alien; or (b) that such alien has resided continuously in the United States for 7 years or more and is residing in the United States upon the effective date of this act. If the deportation of any alien is suspended under the provisions of this subsection for more than 6 months, all of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such suspension. These reports shall be submitted on the 1st and 15th day of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or if a case is reported less than 30 days prior to the close of the session, then during the next session of the Congress, either of the two Houses passes a resolution stating in substance that it does not favor the suspension of such deportation, the Attorney General shall thereupon deport such alien in the manner provided by law. If during the session of the Congress at which a case is reported, or if a case is reported less than 30 days prior to the close of the session, then during the next session of Congress, either of the two Houses does not pass such a resolution, the Attorney General shall cancel deportation proceedings upon the termination of such session, except that such proceedings shall not be canceled in the case of any alien who was not legally admitted for permanent residence at the time of his last entry into the United States, unless such alien pays the Commissioner of Immigration and Naturalization a fee of $18 (which fee shall be deposited in the Treasury of the United States as miscellaneous receipts). Upon the cancellation of such proceedings in any case in which fee has been paid the Commissioner shall record the alien's admission for permanent residence as of the date of his last entry into the United States and the Secretary of State shall, if the alien was a quota immigrant at the time of entry and was not charged to the appropriate quota, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the act of May 26, 1924 (U. S. C., title 8, sec. 212), for the fiscal year then current at the time of cancellation or the next following year in which a quota is available: *Provided*, That no quota shall be reduced by more than 50 percent in any fiscal year."

SEC. 2. No private bill or resolution authorizing or directing the relief of any alien under the immigration and naturalization laws shall be introduced unless the Attorney General shall submit a report to the Congress in an individual case setting forth that there is no administrative remedy in existing law and that, in his opinion, legislative relief by way of a private bill should be considered.

With the following committee amendments:

On page 3, line 21, change the period to a colon, strike out the quotation marks, and add the following: "*Provided further*, That the provisions of clause (2) of this subsection shall not apply to cases in which bills have been introduced in Congress and which have been considered by a committee of Congress on their merits but which have not received favorable action by such committee prior to the date of enactment of this amendatory subsection."

On page 4, line 1, strike out the language appearing after the word "that", and all of the language on lines 2 and 3, and in lieu thereof substitute the following: "such alien has exhausted all administrative remedies under existing law."

Mr. HINSHAW. Mr. Speaker, I move to strike out the last word in order to ask the chairman of the judiciary subcommittee in charge of this bill, if he is in the Chamber, concerning the amendment which would preclude the consideration of cases where a bill had been introduced in the Congress for the relief of the particular individual. Is the gentleman here?

Mr. GRAHAM. The chairman of the subcommittee is not present.

Mr. HINSHAW. The reason I ask this question is because a number of such bills have been introduced. My question is whether or not the particular cases that are covered by these bills are handled in the pending measure or some other measure? Otherwise without the passage of additional law they would be precluded from their rights to permanent residence in the United States, as I understand it. May I ask some member of the judiciary subcommittee if this is not the case?

Mr. ROBSION. What was the gentleman's question?

Mr. HINSHAW. My question is that with this committee amendment to this bill which would exclude from the rights that are granted under the bill, as I understand it, persons for permanent residence in the United States when a bill has been introduced in the Congress for their relief, What is being done to give those people the right to continuous residence under an act of Congress?

Mr. ROBSION. The gentleman means a special bill in their behalf?

Mr. HINSHAW. Yes. This amendment says that if any special bill has been introduced in the Congress on their behalf and for their relief that the rights of permanent residence are not granted under the bill. Just why is that the case?

Mr. Speaker, this is a very important consideration. Many other Members of the House, as well as I, have bills introduced for the relief of particular persons which would permit them to remain as residents in the United States.

Mr. ROBSION. The gentleman from Maine [Mr. FELLOWS], who is chairman of the subcommittee, I understand, is necessarily absent this morning and cannot be here. I believe the gentleman from Pennsylvania [Mr. GRAHAM] has given the question some study and can answer the gentleman's question.

Mr. HINSHAW. I am afraid I have not received an answer to the question.

Mr. GRAHAM. As I understand, it is only when the committee declines or refuses to consider a private bill that the question is found. If the committee has done so then the Attorney General is empowered to act.

Mr. HINSHAW. Yes; the Attorney General would be empowered to act.

Mr. Speaker, in view of the absence of the chairman of the subcommittee, I ask unanimous consent that the proceedings so far had on the bill be vacated and that the bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GRAHAM and Mr. EBERHARTER objected.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. CELLER. This bill is to do away with the practice that has arisen in this House of offering private bills to stay deportation.

It got so that it was almost an abuse. Members were offering bills to stay deportation where the subject of the bill had died, where the person had actually been admitted, and in order to do away with that abuse we are offering this bill so that the Attorney General shall have discretionary power in suitable cases to suspend deportation, but he cannot suspend deportation in certain cases, for example, where the individual is an anarchist or Communist or a criminal or has been guilty of moral turpitude. It is essential that the subject of the provisions of the bill shall have been in the country for 7 years and shall have been a person of good moral character during the past 5 years.

Mr. HINSHAW. Will the gentleman explain the committee amendment?

Mr. CELLER. The last provision?

Mr. HINSHAW. The committee amendment to the bill which has been offered and that is now under consideration.

Mr. CELLER. We provide in section 2 as follows:

SEC. 2. No private bill or resolution authorizing or directing the relief of any alien under the immigration and naturalization laws shall be introduced unless the Attorney General shall submit a report to the Congress in an individual case setting forth that such alien has exhausted all administrative remedies under existing law.

Thus, if there be no administrative relief, then a private bill can be offered.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think the gentleman from California is interested in the committee language under which it is impossible for the Department of Justice to exercise any discretionary power after the Committee on the Judiciary has reported adversely or the committee has decided to report a bill adversely on its merits.

The SPEAKER. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROBSION. There has grown up in the Congress a certain practice. For instance, a person could very properly be deported. A bill would be introduced and the deportation proceeding would be held up during the entire term of the Congress. Then in the next Congress another bill would be introduced and in some cases they would be held up for 10 years.

Mr. HINSHAW. I introduced a bill for the relief of a certain alien. I have not yet heard from the Committee on the Judiciary as to whether or not it intends to report that bill or report it as a part of an omnibus bill. This language that has been read by the Clerk as a committee amendment, as I understand it, would cause the immediate deportation of that alien.

Mr. CELLER. No, it would not. For example, if the Attorney General acts upon the case and the Attorney General agrees that there should be deportation, then you have a perfect right to offer your private bill and it will be considered by the subcommittee of the Judiciary Committee.

Mr. ROBSION. And while that private bill is pending no action can be taken by the Attorney General.

Mr. CELLER. You have a right to offer a bill. It does not deprive a Member from offering a private bill if the Attorney General or other official or office or department having jurisdiction reports that there is no disposition to afford remedy.

Mr. HINSHAW. As nearly as I understand it, this particular bill that I have in mind, which I do not know of any report on as yet, has been approved by the Attorney General. The alien in question I believe has been approved by the Attorney General and the Bureau of Immigration for permanent residence in the United States. I want to make certain no action will be taken to cause his deportation until congressional action is taken.

Mr. WALTER. I suggest that the gentleman request a prompt hearing.

Mr. HINSHAW. I had a hearing several months ago but have had no indication of any action on the bill.

Mr. CELLER. These bills have piled up and it is difficult for the subcommittee to act expeditiously on all of them; but in view of what the gentleman states this morning he will get expeditious action on the bill, if he asks for it.

The SPEAKER. The time of the gentleman from California has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. JAVITS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 3, line 19, strike out all after the comma and all in line 20 and up to the colon in line 21, and insert "For the fiscal year at the time of entry of such alien, or if the immigration quota of the country of the alien's nationality was filled for such fiscal year, then in the next following fiscal year in which such immigration quota was not filled."

Mr. JAVITS. Mr. Speaker, I propose this amendment to the committee's bill, but I want to make it clear at that same time that I am in favor of the general purposes of the bill. I must move to amend it, however, because there is a latent inequity in the bill that needs correction by the House. This inequity I reported to the chairman of the committee, and I believe after reading the bill, as I will explain to the House, that the reason it was not taken care of is because the committee had to make some compromise in order to get the bill out unanimously. But it is a situation which the House can and should correct.

The facts are these. This bill gives the Attorney General the power to suspend deportation where an alien is now here, but entered this country illegally, and has been here for 7 years. He must not be guilty of any act involving moral turpitude, or be a political undesirable. But if he is here illegally, let us say he jumped ship or crossed the border illegally and has been here for 7 years, the Attorney General can then suspend deportation, and report the facts to the Congress. If neither House passes a resolution saying that the suspension shall be lifted, in other words, that the alien shall be deported nevertheless, then the alien may remain here as a permanent legal resident. If either House passes a resolution requiring the suspension of deportation to be lifted and the suspension is lifted, the alien must be summarily deported.

Now here is the point of my amendment. This bill provides that if such an alien is permitted to remain here as a permanent resident, he shall be given a quota number which shall be deducted from the quota of the country of which he is a national for the year—not in which such alien arrived in the United States illegally, but for the year in which the Attorney General ordered him deported. But if the quota for that year has been filled then it goes over until the succeeding year; but no quota shall be reduced by virtue thereof, says this bill, more than 50 percent. In practical effect, therefore, there is the possibility of reducing the already limited quotas under the existing immigration law by 50 percent through these cases. This is not an unrealistic possibility. In 1927, in a typical case—and I take the case of Greece, our ally, about which we recently argued so long and so hard on this floor and finally agreed to extend to her several hundred millions in aid—the total quota is the munificent number of 307 per annum. In the fiscal year 1947 there were 240 cases under section 19 (c) of the immigration law, which is the section we are discussing for amendment now, leaving a total of 6 quota numbers after deducting the preferences which also first came out of the quota. That left 6 nonpreference aliens to be admitted under the Greek quota. Under this bill before the House that would not have been 6; it would have been less than half of the Greek quota, but you can understand with a small quota like that of Greece it would still leave a very, very small number of remaining quota numbers.

This is not discussion of ideologies; of the advisability of increasing or decreasing immigration quotas, or of letting in or keeping out displaced persons. It is a question of elemental fairness in the basic problem of the quotas which already exist.

There is an additional reason why this particular provision in the bill is unfair. The law as it stands now states that where an alien is admitted for permanent residence under section 19 (c) of the law because he has a spouse, parent, or minor child here, and I now read from the law:

The Commissioner shall record the alien's admission for permanent residence as of the date of his last entry into the United States.

For all purposes, that is, for becoming a citizen or for other purposes, he is considered admitted as of the date he last came in, but for this special purpose of quota he is charged to the current quota, at the time the Attorney General suspends deportation and the alien has been here at least 7 years, despite the fact that we all know of the pressure on these quotas and the pressure on us from the folks back home with thousands and thousands of relatives abroad. So I say with reference to my amendment—which I urge the House to adopt, and which I appreciate that the committee in an effort to compromise its differences, because it is having a lot of trouble with immigration, could not adopt—what the House should do is to provide that quota to be charged with that particular alien should be the quota as of the time of his last admission, just exactly as the charge is made under the law as it stands now for purposes of citizenship.

I can understand why the committee was in no position to do what I urge ought to be done because of trying to compromise very serious differences among its members on immigration.

But I think it is elementary justice, and the least we can do in this very difficult immigration situation, that the House adopt this amendment, and the House should do it now.

Mr. CUNNINGHAM. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, we are confronted here with a situation of a Member offering on the floor a prolonged and lengthy amendment to a bill on the Consent Calendar, a bill which has been approved with amendments by the Committee on the Judiciary. In the opinion of the objectors, this amendment, meritorious as it may be, should not be considered in this manner. Therefore we ask that the amendment be defeated and that the regular order prevail.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. This whole matter was discussed in the committee and disposed of as inequitable, a procedure that ought not be resorted to, so it has all been gone over and considered in the subcommittee.

Mr. CUNNINGHAM. I thank the gentleman from Pennsylvania. That is a further reason why the amendment should be defeated.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Tennessee.

Mr. JENNINGS. This is the trouble about this far-reaching amendment. It penalizes some person who justly should come in under the quota then existing by taking his right to enter this country and giving it to a man who came in illegally in the first instance.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a greater penalty to penalize under the immigration quota than to penalize as of the time when this man came in?

Mr. CUNNINGHAM. I say as I said a moment ago, regardless of the merits of the amendment, this is a prolonged amendment to be considered on the floor when a bill is on the Consent Calendar, so if for no other reason than that I would ask that the amendment be defeated, because it is not the proper time to bring it up, until the matter has been thoroughly considered by the Committee on the Judiciary.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Mississippi.

Mr. RANKIN. I thoroughly agree with the genleman from Iowa as far as he goes, but I think this bill ought to be recommitted to the Committee on the Judiciary and, when it is brought up again, be brought up under the regular rules of the House.

Mr. CUNNINGHAM. I believe it is too late for that, may I say to the gentleman.

Mr. RANKIN. No, I do not think so. I think a motion to recommit would be in order later.

The SPEAKER. After a bill has been engrossed and read a third time, a motion to recommit is always in order before the passage.

Mr. CUNNINGHAM. I beg the Chair's pardon; I was thinking of the objection to the consideration of the bill.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. RANKIN. Mr. Speaker, since there was objection to letting this bill be passed over, I offer a motion to recommit, in order that it may have further study and be brought up under the regular rules of the House.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RANKIN. Yes; certainly I am opposed to it, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXPLORATION OF FISHING INDUSTRY IN PACIFIC

The Clerk called the bill (H. R. 859) to provide for the exploration, investigation, development, and maintenance of the fishing resources and development of the high-seas fishing industry of the Territories and island possessions of the United States in the tropical and subtropical Pacific Ocean and intervening seas, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I would like to ask the Delegate from Hawaii [Mr. FARRINGTON] a question. I notice that the bill as originally introduced provided for an appropriation at one place of $350,000 and in another place of $355,000. The committee amended by striking that out, and now the bill apparently is unlimited as to the amount of money that may be spent. At another place $700,000 appears, which was stricken out. Could the Delegate enlighten us on that?

Mr. FARRINGTON. I would say to the gentleman from Iowa that an ultimate expenditure of that amount may be anticipated, but it is not anticipated that that expenditure would be made in the immediate future. This is necessary to provide the authority which the Fish and Wildlife Service must have in order to coordinate the work of the Federal Government with that of the Territorial government in exploring the fishery resources of the Pacific.

Mr. CUNNINGHAM. I think that otherwise this is a meritorious bill, but it authorizes appropriations necessary for carrying out the program. Could the gentleman tell us what he believes it will cost to carry out the program?

Mr. FARRINGTON. I do not think it is going to approximate that to inaugurate the program.

Mr. CUNNINGHAM. Does the gentleman believe it will cost more than $700,000?

Mr. FARRINGTON. No; I do not. I would point out to the gentleman that we have taken over the control of something like 2,000 islands in the Pacific area during the past year under our agreement with the United Nations. The only genuine resource in this Pacific area are the fisheries, and without this authority steps cannot be taken to lay the foundation for the exploration of those resources.

Mr. CUNNINGHAM. May I ask the Delegate from Hawaii if the $700,000, which he believes the program will not exceed, is to inaugurate the program or is that amount for the purpose of covering the program over a period of years?

Mr. FARRINGTON. I do not think it is possible to state at this particular time just what the program will cost. I think immediately the cost is likely to be considerably less than that. There is no immediate prospect that they are going to acquire the ships which were originally called for in the legislation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. RICH. Is it not a fact that during the last 6 or 8 years we have had other committees that have gone out and made investigations of the fishing industries in this country? That has happened in the last 8 or 9 years. Now, why is it necessary to have another committee go out and do the same thing?

Mr. CUNNINGHAM. I cannot answer the gentleman. Possibly the Delegate from Hawaii may answer the gentleman.

Mr. FARRINGTON. I call to the attention of the gentleman from Pennsylvania that it is the opinion of the Fish and Wildlife Service that they at present do not have authority to explore the fishery resources of the South Pacific.

Mr. RICH. The committee that was appointed under similar legislation 5 or 6 years ago evidently made a report which is probably the same kind of report that this committee would make.

Mr. FARRINGTON. I disagree with the gentleman because at that time we did not have control of the Pacific islands. The Marshall Islands and the Caroline Islands were behind the iron curtain.

Mr. RICH. Since we have taken over the whole world now, is it expected of us that we are going to go out and make surveys of the whole world and are we expected to finance such things?

Mr. FARRINGTON. No; but it has been estimated that the fishery resources of the Pacific islands will develop and that the industry will yield between $80,000,000 and $100,000,000 a year. That is the opinion of some experts.

Mr. RICH. Why is it not possible for us to permit some of the nations of the world to go out and do some of this fishing without the United States doing all of it?

Mr. FARRINGTON. This is not for the benefit of the rest of the world. This is for the benefit of the United States.

Mr. RICH. But I think that in the end it will probably be for the greater good of some other countries than our own.

Mr. CUNNINGHAM. Mr. Speaker, with the explanation made by the Delegate from Hawaii that this is not going to cost over $700,000, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is the policy of the United States to provide for the exploration, investigation, development, and maintenance of the fishing resources and development of the high-seas fishing industry of the Territories and island possessions of the United States in the tropical and subtropical Pacific Ocean and intervening seas, for the benefit of the residents of the Territory of Hawaii and Pacific island possessions and of the people of the United States.

SEC. 2. The Secretary of the Interior, through the Fish and Wildlife Service of the Department of the Interior, is authorized and hereby directed to conduct such fishing explorations and such necessary related work as oceanographical, biological, technological, statistical, and economic studies to insure maximum development and utilization of the high-seas fishery resources of the Territories and island possessions of the United States in the tropical and subtropical Pacific Ocean and intervening areas as may be consistent with developing and sustaining such fishery resources at maximum levels of production in perpetuity and to provide for the best possible utilization thereof.

SEC. 3. In carrying out the purposes and objectives of the foregoing sections, the Secretary of the Interior may cooperate with appropriate agencies of the Territorial and island governments, and with such educational, industrial, or other organizations, enterprises, and individuals as may be expedient.

SEC. 4. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the following: $350,000 for the construction, including architectural services, and for furnishings and equipment of a fishery research laboratory and experiment station in the Hawaiian Islands and necessary substations at suitable locations, together with suitable dock and storehouse facilities to be used in conjunction with the operation of research and experimental fishing vessels: *Provided, however,* That no part of said appropriation shall be expended for the acquisition of lands for sites for said laboratory, experiment station, or substations in the Territory of Hawaii; $700,000 for the procurement and for the modification, refitting, and equipment of two experimental high-seas fishing vessels, together with all necessary gear and appurtenances, and of one multiple-purpose high-seas fishing and oceanographical research vessel, together with all necessary gear and appurtenances, including necessary naval architectural and engineering services.

SEC. 5. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the additional sum of $355,000 for expenses during the fiscal years 1947–48 to carry out the purposes of this act, including personal services, traveling expenses, transportation of things, purchase, maintenance, and operation of motor vehicles, miscellaneous equipment, and supplies, communications, other contractual services, necessary printing locally, and maintenance, repair, improvement, equipment, and operation of vessels and buildings or other structures.

SEC. 6. There is hereby authorized to be appropriated from time to time in fiscal years after 1947–48 such sums as may be necessary to enable the Fish and Wildlife Service of the Department of the Interior to carry out the purposes of this act, including all the classes of expenditures enumerated in the foregoing section.

With the following committee amendments:

Page 2, line 22, after the word "hereby", insert the words "authorized to be."

Page 2, line 23, after the words "not otherwise appropriated", strike out the words "the following: $350,000" and insert in lieu thereof the words "such amounts as may be necessary."

Page 3, line 5, after the word "vessels", strike out the words ": *Provided, however,* That no part of said appropriation shall be expended for the acquisition of lands for sites for said laboratory, experiment stations, or substations in the Territory of Hawaii; $700,000" and add a comma.

Page 3, line 8, before the words "for the procurement", insert the word "and."

Page 3, line 8, after the words "procurement and", strike out the word "for."

Page 3, line 14, after the words "engineering services", strike out the period, insert a colon, and add the words "*Provided, however,* That no part of said appropriation shall be expended for the acquisition of lands for sites for said laboratory, experiment station, or substations in the Territory of Hawaii."

Page 3, line 15, after the words "There is hereby", insert the words "authorized to be."

Page 3, line 16, before the word "additional", strike out the word "the."

Page 3, line 17, strike out the words "the sum of $355,000" and insert in lieu thereof the word "sums."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTEGRATION OF THE UNITED STATES COAST GUARD

The Clerk called the bill (H. R. 3494) to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, would the gentleman from New Jersey [Mr. HAND], from the Committee on Merchant Marine and Fisheries, tell us how many additional officers would be authorized by this bill? It seems to me there would be a considerable number. What would be the cost, approximately, of this increase?

Mr. HAND. Mr. Speaker, answering the gentleman's question, there actually would be no increase at all, as a matter of fact, over the present personnel. The present personnel is about 1,875, or it was at the time of the hearing. Of course, the authorized personnel, which was before World War II, and which is not adequate for the needs of the service now, is only some 900. This bill increases the authorized number to 2,250. From that, of course, there must be deducted, for all practical purposes, about 500 men from the Bureau of Marine Inspection, so the service contemplates under this bill an authorized number of about 1,750. That is not only designed to take care of their present needs, but also the possibility of some increase in their functions as a result of the integration of the services and contemplated legislation.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HAND. I yield.

Mr. WALTER. What effect will the transfer of the men in the Bureau of Marine Inspection and Navigation have upon the retirement pay that they are probably entitled to under the civil-service law?

Mr. HAND. Of course, the whole system would be changed. They will come under the provisions of this act, which we think treats them very generously; but they are no longer under the civil service if this act is adopted.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HAND. I yield.

Mr. CELLER. There is a campaign of the Coast Guard to continually expand its jurisdiction. We find that this Bureau of Marine Inspection, over a hundred years old, for many years in the Department of Commerce, was suddenly transferred to the Coast Guard. Can the gentleman enlighten us as to why that was done?

Mr. HAND. It was done as a result of the Presidential reorganization plan which, as a result of not being rejected, was adopted by the Congress. This bill has nothing to do with that. We are merely implementing and carrying out what the Presidential reorganization plan told us to do.

Mr. CELLER. Would it be the gentleman's opinion that it would be far better to put that bureau back where it was originally, in the Department of Commerce? It belongs there.

Mr. HAND. I regret I cannot agree with the gentleman. I think the President's plan is correct, and that the Bureau ought to be integrated into the Coast Guard.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. HAND. I yield.

Mr. BONNER. I think it would be helpful to the gentleman from New York [Mr. CELLER] to know that during the consideration of the bill in the committee there was no objection to the bill, and as the bill was reported out there was no evident objection by the members of the Marine Inspection Service. In fact, they testified for the bill, with certain amendments and certain benefits, which were included, at their sug-

gestion, in the bill before the bill was reported out.

Mr. CELLER. What would be the disposition of the gentleman with reference to the bill offered by the gentleman from Pennsylvania [Mr. WALTER] to transfer this Bureau back to the Department of Commerce?

Mr. BONNER. That is a matter that the Congress must decide. This service was put under the Coast Guard in one of the President's reorganization plans.

I wish to say something else to the gentleman, which I think will be of interest to him. There is a provision made in the bill for future members of this particular service to be selected from the merchant marine, as well as other branches of the service. I think that satisfied the objection that some certain groups had to the bill originally.

Mr. CELLER. I have no disposition to object to the bill. I wanted to get an explanation, and beyond that, to sound a warning that the Coast Guard is trying to become a hydra-headed monster, taking in all manner of jurisdictions. For example, not long ago we in New York State, which has a splendid Merchant Marine Academy—and there are four other marine academies in four different States—woke up one morning to find ourselves, by a Presidential order, within the jurisdiction of the Coast Guard. What the Coast Guard has to do with jurisdiction over a Merchant Marine academy is beyond me. We had to fight like blazes to get the jurisdiction back where it belonged, to the merchant marine. We succeded, but only after a hard fight.

I will say this, that if the Coast Guard seeks in any other way to extend its jurisdiction further, if their bills are up on the Consent Calendar for that purpose I will object; but I do not object to this bill.

Mr. KEOGH. Mr. Speaker, reserving the right to object I should like momentarily again to refer to the question raised by the gentleman from Pennsylvania [Mr. WALTER] with respect to the inspectors of the Bureau of Marine Inspection and Navigation. As I understand, the subcommittee had before it for consideration an amendment which had for its purpose the granting of credit upon retirement only. I wonder if the gentleman would be good enough to give the House the benefit of the committee's thinking in that regard?

Mr. HAND. I may say to the gentleman from New York, a distingushed member of our committee, that the subcommittee thoroughly considered that proposition and gave it a good deal of attention. We were unanimously of the opinion, as evidently was the full committee, that this would in effect be a very bad precedent; that is, that it would take civil service years and add them to a military service. We could find no precedent for any such thing as that with the possible exception of the Lighthouse Service which has always been considered as part of the military.

We think that the bill has been exceptionally favorable to the Bureau of Marine Inspectors.

Mr. KEOGH. The gentleman admits, of course, that the purpose of the bill is to integrate into the military service former civilian employees of the Bureau. Why should there be possible any situation where two men holding precisely the same rank, with precisely the same length of Government service, not be on the same basis for computing retirement pay? Yet it is possible under the bill in its present form. I may say to the gentleman from New Jersey, however, that in view of the official position stated by the member of the committee of objectors, I propose not to press an amendment which I have prepared and was ready to offer; but I do hope that the gentleman as chairman of the subcommittee and the subcommittee will reconsider this one particular question I raise. I might induce him to give me some assistance in having another body consider this.

Mr. HAND. I know that the committee would be very glad to hear from the gentleman on this subject.

Mr. KEOGH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the total number of commissioned officers, including permanent, temporary, temporary service, and Reserve officers on active duty, and excluding chief warrant officers, on the active list of the Coast Guard shall not exceed 2,500. Included in this number shall be the 61 extra numbers in rank which under existing law operate to increase the authorized number of line officers upon separation or retirement of the person holding that number, the five professors authorized by existing law who shall not be considered as extra numbers in rank, and the extra numbers in rank authorized by this act. The commissioned officers shall be distributed in the ranks of rear admiral, commodore, captain, commander, lieutenant commander, lieutenant, lieutenant (junior grade), and ensign in the same percentages as are now or may hereafter be prescribed by statute for the Navy. To determine the authorized number of officers in the various ranks as provided in this section the computation shall be based on the actual number of officers on active duty, including permanent, temporary, temporary service, and Reserve officers on active duty, but not including extra numbers in the Coast Guard at the date of making the computation. The Secretary of the Treasury shall, at least once each year, make such a computation, and the resulting numbers in the various ranks as so computed shall be held and considered for all purposes as the authorized number in such various ranks. The nearest whole number shall be regarded as the authorized number in case fractions result in the computation. The Secretary of the Treasury is, however, as he may from time to time determine the needs of the Coast Guard require, authorized to reduce the percentages applicable to any rank or ranks above lieutenant commander and in order to compensate for such reduction, to increase correspondingly the percentages applicable to any rank or ranks below the rank or ranks in which such percentages are so reduced. No officer shall be reduced in rank or pay or removed from the active list of the Coast Guard as the result of any computation or determination made by the Secretary of the Treasury to establish the number of officers in the various ranks.

SEC. 2. Commissioned officers, including extra numbers in rank, shall be promoted to the ranks of rear admiral and commodore by selection, under such regulations as the Secretary of the Treasury may prescribe. The Assistant Commandant and the Engineer in Chief shall be entitled to the pay and allowances provided by law for rear admirals of the upper half. The number of rear admirals on the active list of the Coast Guard entitled to the pay and allowances provided by law for rear admirals of the upper half, excluding the Assistant Commandant and the Engineer in Chief for purposes of computation, shall be one-half of the number of officers on the active list of that rank. Where the division results in an odd number, the odd number shall be placed in the upper half. No officer who has or may become entitled to the pay and allowances of a rear admiral of the upper half shall suffer a reduction of his pay and allowances solely by reason of the fact that the number of rear admirals may for any reason be reduced. The precedence on the list of rear admirals shall be determined by the date of first appointment to that rank, except that the Assistant Commandant shall, while holding such office, be next in precedence to the Commandant.

SEC. 3. The President is authorized to appoint, by and with the advice and consent of the Senate, permanent commissioned officers in the Coast Guard in ranks appropriate to their qualifications, experience, and length of service, as the needs of the Coast Guard may require and as are found by the Secretary of the Treasury, as the result of such examinations as he may deem necessary, to be mentally, morally, professionally, and physically qualified, from among the following categories:

(1) Graduates of the Coast Guard Academy;

(2) Temporary commissioned officers of the Coast Guard;

(3) Chief warrant officers, warrant officers, and enlisted men of the Coast Guard;

(4) Members of the Coast Guard Reserve;

(5) Licensed officers of the United States merchant marine who have served four or more years aboard a vessel of the United States in the capacity of a licensed officer; and

(6) Personnel of the former Bureau of Marine Inspection and Navigation of the Department of Commerce, and the Bureau of Customs of the Treasury Department, who were transferred from those bureaus to the Coast Guard by Executive Order 9083, dated February 28, 1942 (7 F. R. 1609), and by Reorganization Plan No. 3, effective July 16, 1946 (11 F. R. 7875), and who on March 1, 1942, held the civil-service rating of CAF-9 or P-3, or above.

Any person described in category (5) of this section, commissioned pursuant to the provisions of this act, shall serve a probationary period of 2 years, during which time his commission may be revoked if his services are unsatisfactory, pursuant to such regulations as the Secretary of the Treasury may prescribe.

SEC. 4. Appointees under section 3 shall take precedence with other officers in their respective ranks in accordance with the dates of commission in such ranks. Appointees whose dates of commission are the same shall take precedence with each other as the Secretary of the Treasury may determine. Appointees who, during any period of World War II, served temporarily as commissioned officers of the Coast Guard, or as commissioned officers who were regular members of the Coast Guard Reserve on active duty, shall take precedence with other officers in their respective ranks under such regulations as the Secretary of the Treasury may prescribe. Appointees from category (6) of section 3 shall be assigned running

mates, as determined by the Secretary of the Treasury, from among regular line officer of the Coast Guard in the respective ranks in which such appointees are commissioned.

SEC. 5. The President is authorized to appoint, by and with the advice and consent of the Senate, permanent chief warrant officers in the Coast Guard, as the needs of the Coast Guard may require and as are found by the Secretary of the Treasury as the result of such examination as he may prescribe, to be mentally, morally, professionally, and physically qualified, from among the following categories:

(1) Temporary commissioned officers of the Coast Guard;

(2) Temporary chief warrant officers of the Coast Guard;

(3) Temporary and permanent warrant officers of the Coast Guard;

(4) Enlisted men of the Coast Guard;

(5) Members of the Coast Guard Reserve;

(6) Licensed officers of the United States merchant marine; and

(7) Personnel of the former Bureau of Marine Inspection and Navigation of the Department of Commerce, and the Bureau of Customs of the Treasury Department, who were transferred from those bureaus to the Coast Guard by Executive Order 9083, dated February 28, 1942 (7 F. R. 1609), and by Reorganization Plan No. 3, effective July 16, 1946, 11 F. R. 7875).

SEC. 6. The Secretary is authorized to appoint permanent warrant officers in the Coast Guard, as the needs of the Coast Guard may require and as are found by the Secretary of the Treasury, as the result of such examinations as he may prescribe, to be mentally, morally, professionally, and physically qualified from among the following categories:

(1) Temporary chief warrant officers and temporary warrant officers of the Coast Guard;

(2) Enlisted men of the Coast Guard;

(3) Members of the Coast Guard Reserve;

(4) Licensed officers of the United States merchant marine; and

(5) Personnel of the former Bureau of Marine Inspection and Navigation of the Department of Commerce, and the Bureau of Customs of the Treasury Department, who were transferred from those bureaus to the Coast Guard by Executive Order 9083, dated February 28, 1942 (7 F. R. 1609), and by Reorganization Plan No. 3, effective July 16, 1946 (11 F. R. 7875).

SEC. 7. Appointees under sections 5 and 6 shall take precedence with other officers in their respective ranks in accordance with the dates of commission in such ranks. Appointees whose dates of commission are the same shall take precedence with each other as the Secretary of the Treasury may determine. Appointees who, during any period of World War II, served temporarily as commissioned officers, chief warrant officers, or warrant officers of the Coast Guard, or as commissioned officers, chief warrant officers, or warrant officers who were regular members of the Coast Guard Reserve on active duty, shall take precedence with other officers in their respective ranks under such regulations as the Secretary of the Treasury may prescribe.

SEC. 8. Included in the 2,500 commissioned officers authorized by section 1 of this act shall be 453 extra numbers to which the President is authorized to appoint, pursuant to the provisions of this act only the personnel described in category (6) of section 3. In the event that any person from among the personnel eligible to fill such extra numbers does not qualify, or who, being qualified does not accept a commission, the extra numbers not so filled shall be reserved pending the separation of such persons from the Coast Guard by retirement, transfer, resignation, death, or other cause. Upon such separation, each vacancy so reserved, and each vacancy created by the unavailability for appointment of personnel described in category (6) of section 3, or by the retirement, resignation, death, or other separation from the active military service of the Coast Guard of personnel described in category (6) of section 3 who are commissioned pursuant to the provisions of this act shall increase by one the authorized number of line officers, and decrease by one the authorized number of extra numbers.

SEC. 9. Any person described in category (6) of section 3 who is commissioned pursuant to the provisions of this act shall be an extra number in any rank to which he may be promoted. He shall be eligible for promotion, if otherwise qualified, at such time as the regular line officer who is his running mate becomes eligible for promotion, and shall be examined only with respect to those qualifications which pertain to his specialty.

SEC. 10. No person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6 shall be required to undergo further professional, physical, or mental examinations as a prerequisite to original commissioning, appointment, or enlistment pursuant to this act, and the physical standards for such personnel while serving in the Regular Coast Guard shall not be greater than those applicable generally to civilian employees under civil-service laws and regulations.

SEC. 11. In computing length of service for purposes of retirement of a person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6 who is commissioned, appointed, or enlisted pursuant to the provisions of this act, there shall be included, in addition to all service now or hereafter creditable by law, all service as a civilian employee of the United States within the purview of the act of May 22, 1920, as amended (5 U. S. C. 691 and the following), such service to be classified as commissioned, warrant, or enlisted depending upon which status the person assumes upon his entry into the Regular Coast Guard. Service covering the same period shall not be counted more than once.

SEC. 12. Any person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6 who is commissioned, appointed, or enlisted pursuant to the provisions of this act shall not be entitled to any retirement benefits under any laws relating to the retirement of civilian personnel of the Federal Government, but shall be entitled upon claim therefor to a return of the total contributions made by him to the retirement fund with interest thereon and, in addition, to eligibility for retirement benefits provided by law for members of the Regular Coast Guard, he shall, if his total service in the Federal Government, civil plus military, is 15 years or over, be entitled, upon reaching the statutory retirement age for military personnel of the Regular Coast Guard, to retirement pay amounting to 75 percent of his active-duty pay at the time of such retirement; and, in the administration of applicable laws for physical disability retirement, a disability shall be deemed to have been incurred incident to Coast Guard service if the cause of such disability originated during any period of service which may be included in the computation of service for purposes of retirement as provided in section 11 of this act.

SEC. 13. No person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6 who is commissioned, appointed, or enlisted in the Coast Guard pursuant to the provisions of this act shall suffer any reduction in annual compensation, including allowances, below the compensation applicable to his permanent civil-service position at the time of such commissioning, appointment, or enlistment, exclusive of overtime compensation, and the civil-service status, tenure, seniority, and compensation of any such person who for any reason is not commissioned, appointed, or enlisted under the provisions of this act shall not be impaired by reason of this act.

SEC. 14. Accrued military leave of any person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6 who is a member of the Coast Guard Reserve or the Naval Reserve on active duty, and who is commissioned, appointed, or enlisted pursuant to the provisions of this act, shall be credited to him upon such commissioning, appointment, or enlistment.

SEC. 15. Any person described in category (5) of section 6 who enlists in the Coast Guard shall be considered as enlisted pursuant to this act.

SEC. 16. All acts or parts of acts inconsistent with this act are hereby repealed.

With the following committee amendments:

Page 1, line 7, strike out the words "five hundred" and insert in lieu thereof the words "two hundred and fifty."

Page 2, line 7, strike out the word "commodore."

Page 3, line 4, after the words "reduced in", insert the word "permanent."

Page 3, line 10, after the words "rear admiral", strike out the words "and commodore."

Page 8, line 16, strike out the words "five hundred" and insert in lieu thereof "two hundred and fifty."

Page 11, line 9 to line 12, strike out the words "originated during any period of service which may be included in the computation of service for purposes of retirement as provided in section 11 of this act" and insert in lieu thereof the words "is not due to vicious habits, intemperance, or misconduct."

Page 12, line 12, strike out the period and insert in lieu thereof a semicolon and add the words "but nothing contained in this act shall be construed to affect the continued application to the Coast Guard of the act of July 24, 1934, as amended (U. S. Code, 1940 ed., title 34, Sup. V, secs. 350–350J)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY PLANS AND ESTIMATES OF COSTS FOR ADDITIONAL OFFICE BUILDING FOR USE OF THE UNITED STATES SENATE

The Clerk called the bill (S. 723) to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Architect of the Capitol, subject to the direction and supervision of the Senate Office Building Commission created by the Sundry Civil Appropriation Act of April 28, 1904 (33 Stat. 481), the membership of which is hereby increased from three to five members, to be appointed by the President of the Senate, is authorized and directed to prepare preliminary plans and estimates of cost for an additional office building for the use of the United States Senate.

SEC. 2. The Architect of the Capitol is authorized to make such expenditures as may be necessary to carry out the provisions of this act, and there is hereby authorized to be appropriated for such purpose the sum of $25,000.

The bill was ordered to be read a third time, was read the third time, and passed,

and a motion to reconsider was laid on the table.

UNITED STATES CAPITOL GROUNDS

The Clerk called the bill (S. 930) to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 14 (b) of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946 (60 Stat. 718), is hereby amended to read as follows:

"(b) Regulations authorized to be promulgated under this section shall be promulgated by the Capitol Police Board and such regulations may be amended from time to time by the Capitol Police Board whenever it shall deem it necessary: *Provided*, That until such regulations are promulgated and become effective, the traffic regulations of the District of Columbia shall be applicable to the United States Capitol Grounds."

SEC. 2. Section 14 (c) of said act is hereby amended to read as follows:

"(c) All regulations promulgated under the authority of this section shall, when adopted by the Capitol Police Board, be printed in one or more of the daily newspapers published in the District of Columbia, and shall not become effective until the expiration of 10 days after the date of such publication, except that whenever the Capitol Police Board deems it advisable to make effective immediately any regulation relating to parking, diverting of vehicular traffic, or the closing of streets to such traffic, the regulation shall be effective immediately upon placing at the point where it is to be in force conspicuous signs containing a notice of the regulation. Any expenses incurred under this subsection shall be payable from the appropriation 'Uniforms and Equipment, Capitol Police'."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF UNSETTLED CLAIMS RESULTING FROM EXPLOSIONS AT PORT CHICAGO, CALIF., JULY 17, 1944

The Clerk called the bill (H. R. 669) to provide a method of paying subrogation claims arising out of insurance payments for damages sustained as the result of explosions at Port Chicago, Calif., on July 17, 1944.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, this bill provides for the payment of a very large sum of money. A million dollars of this goes to insurance companies who had already received premiums on policies covering the property damaged.

I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERRING UPON THE GOVERNOR OF ALASKA POWERS TO PARDON AND REMIT FINES

The Clerk called the bill (H. R. 175) to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of June 6, 1900 (31 Stat. 321; 48 U. S. C. 61), be amended by striking out the sentence, "He may also grant reprieves for offenses committed against the laws of the district or of the United States until the decision of the President thereon shall be made known.", and inserting in lieu thereof the following: "He may grant pardons and reprieves and remit fines and forfeitures for offenses against the laws of the said Territory and reprieves for all offenses against the laws of the United States until the decision of the President thereon shall be made known.".

SEC. 2. This act shall take effect upon the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING PUBLIC LAW 304, SEVENTY-SEVENTH CONGRESS

The Clerk called the bill (H. R. 187) to amend Public Law 304, Seventy-seventh Congress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 304, Seventy-seventh Congress, entitled "An act to authorize transportation of employees of the United States on vessels of the Army transport service," approved November 21, 1941 (55 Stat. 775), is amended to read as follows:

"That when, in the opinion of the Secretary of War, accommodations are available, transportation on vessels or airplanes of the Army transport service may be provided, without expense to the United States, to employees of the United States, residing in Alaska, who have been in such employment for a period of not less than 2 years, and to their families: *Provided*, That except in cases of dire emergency, such as sickness or death, the privilege herein granted shall be limited, as to each eligible individual, to one round trip between Alaska and the State during each 2-year period from and after the passage of this act."

With the following committee amendment:

Page 1, line 10, strike out "the" and "service" and insert "agencies."

Page 2, after line 8, insert the following: "*And provided further*, That no such traffic by air shall be carried by the Army if such air traffic can be reasonably handled by a United States civil air carrier, and the carriage of all such air traffic shall be terminated if the Civil Aeronautics Board certifies that in its opinion commercial services of United States civil air carriers adequate to handle such air traffic are in operation between Alaska and the continental United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING CITIZENSHIP TO THE METLAKAHTLA INDIANS OF ALASKA

The Clerk called the bill (H. R. 205) to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska (48 Stat. 667), is amended by adding thereto a new section to be known as section 3 as follows:

"SEC. 3. The district court of the Territory of Alaska is authorized to grant a certificate of citizenship to each person made a citizen of the United States by this act, upon application therefor, in such form and upon such proof and under such regulations as said court may establish or require. Review of the decision of the district court granting or refusing any such application for certificate of citizenship may be had in the United States Circuit Court of Appeals for the Ninth Circuit, as in other cases."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 1 of the act of May 7, 1934, entitled 'An act granting citizenship to the Metlakahtla Indians of Alaska' (48 Stat. 667) is hereby amended to read as follows:

"'That the Indians of the Tsimshian Tribe, and those people known as Metlakahtlans, who emigrated from Metlakatla, British Columbia, Canada to Annette Island, in the Alexander Archipelago in southeastern Alaska in the year 1887, and there establish a colony known as Metlakatla, Alaska, and any and all other British Columbia Indians who joined them there not later than January 1, 1900, and have since resided continuously in the Territory of Alaska, having been faithful and loyal to the Constitution, laws, and the Government of the United States, are hereby declared to be citizens of the United States.'

"SEC. 2. That the first sentence of section 339 of the Nationality Act of 1940, approved October 14, 1940, as amended (54 Stat. 1160; 58 Stat. 4; 8 U. S. C., Supp. 739), is hereby amended to read as follows:

"'SEC. 339. A person who claims to have derived United States citizenship through the naturalization of a parent or through the naturalization or citizenship of a husband, or who is a citizen of the United States by virtue of the provisions of section 1993 of the United States Revised States, or of section 1993 of the United States Revised Statutes as amended by section 1 of the act of May 24, 1934 (48 Stat. 797), or who is a citizen of the United States by virtue of the provisions of section 201 (c), (d), (e), and (g) of the Nationality Act of 1940 (54 Stat. 1138; U. S. C., title 8, sec. 601), or of the act of May 7, 1934 (48 Stat. 667), may apply to the Commissioner for a certificate of citizenship.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO ACT OF FEBRUARY 12, 1925

The Clerk called the bill (H. R. 734) to amend the act of February 12, 1925, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved February 12, 1925 (43 Stat. 886), entitled "An act authorizing certain Indian tribes, or any of them, residing in the State of Washington to submit to the Court of Claims certain claims growing out of treaties or otherwise," be, and the same is hereby, amended by adding thereto the following sections:

"SEC. 4. That in the action now pending before the Court of Claims entitled "The Quinaielt Tribe of Indians versus the United

States," No. L–23, instituted pursuant to the provisions of this act, the Quinaielt Tribe is hereby declared to be the proper party plaintiff for the purpose of further proceedings in that action, and for the purpose of prosecuting the action to a final conclusion on behalf of all Indians having rights in the Quinaielt Reservation as established under the treaty of July 1, 1855, and January 25, 1856 (12 Stat. 971), the Executive order of November 4, 1873, and any subsequent acts of Congress.

"SEC. 5. That the Court of Claims is authorized and directed, notwithstanding any other provision of this act, to ascertain what attorney or attorneys have performed services for the Indians of the Quinaielt Reservation in the aforesaid action, and in conformity with the contract of employment, approved by the Secretary of the Interior on November 30, 1937, to determine the compensation of the attorney or attorneys on the basis of quantum meruit but not exceeding in the aggregate 10 percent of the amount of the judgment, if any, to be entered in said action. The proceeds of the judgment, less the amount deductible for attorneys' compensation and the amount deductible for necessary and proper expenses, shall be deposited in the Treasury of the United States to the credit of the Indians having rights in the Quinaielt Reservation as established under the treaty of July 1, 1855, and January 25, 1856 (12 Stat. 971), the Executive order of November 4, 1873, and any subsequent acts of Congress: *Provided*, That the plaintiff in the aforesaid pending action may amend its petition to conform to this act and the act of August 13, 1946 (Public, 726, 79th Cong.)."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PER CAPITA PAYMENT TO RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the bill (H. R. 1337) authorizing a per capita payment of $100 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw as much as may be necessary from the fund on deposit in the Treasury of the United States arising from the proceeds of the sale of timber and lumber within the Red Lake Reservation in Minnesota, according to the provisions of the act of May 18, 1916 (39 Stat. L. 137), to the credit of the Red Lake Indians in Minnesota, and to make therefrom a per capita payment or distribution of $100 to each of the members of the Red Lake Band of Chippewa Indians of the State of Minnesota, living at the date of the passage of this act, immediately payable upon the passage of this act, under such rules and regulations as the said Secretary may prescribe: *Provided*, That the money paid to the Indians as authorized herein shall not be subject to any lien or claim of attorneys or other parties: *Provided further*, That before any payment is made hereunder, the Red Lake Band of Chippewa Indians in Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior ratify the provisions of this act and accept same.

With the following committee amendment:

Page 2, line 3, strike out "$100" and insert "$50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation."

A motion to reconsider was laid on the table.

BOARD OF ROAD COMMISSIONERS, TERRITORY OF ALASKA

The Clerk called the bill (H. R. 1554) to amend the act entitled "An act providing for the transfer of duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932 (47 Stat. 446), is hereby amended by adding at the end thereof the following new section:

"SEC. 5. In all patents for lands hereafter taken up, entered, or located in the Territory of Alaska, and in all deeds by the United States hereafter conveying any lands to which it may have reaquired title in said Territory not included within the limits of any organized municipality, there shall be expressed that there is reserved, from the lands described in said patent or deed, a right-of-way thereon for roads, roadways, highways, tramways, trails, bridges, and appurtenant structures constructed or to be constructed by or under the authority of the United States or of any State created out of the Territory of Alaska. When a right-of-way reserved under the provisions of this act is utilized by the United States or under its authority, the head of the agency in charge of such utilization is authorized to determine and make payment for the value of the crops thereon if not harvested by the owner, and for the value of any improvements, or for the cost of removing them to another site, if less than their value."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING LEGISLATURE OF ALASKA TO PROVIDE FOR EXERCISE OF ZONING POWER

The Clerk called the bill (H. R. 1609), to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Legislature of the Territory of Alaska is hereby authorized to exercise or to provide for the exercise of zoning power, through a Territorial Zoning Commission or otherwise, in town sites on the public lands of the United States in Alaska; except that such power shall not extend to lands or buildings while they are being utilized by, or to buildings or other structures while they are being constructed by or for, the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION AND OPERATION OF DEMONSTRATION PLANTS TO PRODUCE SYNTHETIC LIQUID FUELS

The Clerk called the bill (H. R. 2161) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil, shales, agricultural and forest products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes."

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I should like to express the hope that the gentleman, who, I know, speaks to uphold a general policy of the so-called unofficial committee of objectors, might reconsider that request. This bill proposes to do one of the most important things that can be done for national defense. The letter from the Secretary of the Interior strongly urges enactment of the measure. The Bureau of Mines thinks that this program may unlock a fuel supply requirement for centuries to come and answer the question of gasoline supply.

We have passed a good deal of legislation here on the ground it was necessary to make it possible to import fuel oil and petroleum to make gasoline from other countries. We have spent hundreds of millions of dollars for that purpose.

The Bureau of Mines is able to say on the basis of presently known processes which they are now refining, that gasoline produced from subbituminous coal as compared now is almost on a competitive basis with that produced from petroleum. I would really like to ask the committee to reconsider and let this bill go to passage.

Mr. KEAN. I am sorry, I cannot, on account of the expense.

Mr. CRAWFORD. Mr. Speaker, further reserving the right to object, I join with the gentleman from South Dakota in urging the committee to permit this bill to go through. We have a situation in this country which is developing very rapidly incident to coal and fuel oil. You cannot continue with the coal industry moving in the direction in which it is going now, and that applies not only to the coal industry, but it has to do with the steel industry, it affects the whole economic life of this country. I do not think this work can be started too quickly.

Mr. RICH. Mr. Speaker, further reserving the right to object, does not the gentleman think a bill as important as this one is should come on the floor of the House in the regular order rather than by unanimous consent, permitting the

good points and bad points to be argued out. Then when we get legislation we will get legislation we ought to have. I think the gentleman from New Jersey is quite right in his contentions here.

I think if you get permission to have this bill brought up in the usual way that you will do a better job than permit it to go through by unanimous consent.

Mr. CASE of South Dakota. I am sure that the gentleman from Pennsylvania, with his insistence on economy, would be one of the strongest advocates for this bill.

Mr. Speaker, in view of the statement of the objectors—and I recognize that that is their general rule to object to bills that involve more than a million dollars going on the Consent Calendar—I shall not object to the request that it go over without prejudice, but I should like to express the hope that the Speaker and the leadership of the House will lend their support to an early rule for the consideration of this bill or the bringing of it out under suspension of the rules.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CLARIFYING THE LEGAL STATUS OF CERTAIN LANDS

The Clerk called the bill (H. R. 2361) to clarify the legal status of certain lands described in a treaty between the United States and the Delaware Indians, dated October 3, 1818.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Indiana [Mr. SPRINGER] to explain the effect of this bill upon the original owner.

Mr. SPRINGER. Mr. Speaker, in response to the query which has just been propounded by the gentleman from New York, I beg to advise that this proposed legislation merely gives the right to the present owners to go into court and quiet title to this tract of real estate consisting of some 40 acres located in Delaware County, and not far removed from the city of Muncie, Ind. This land has been held continuously by the owners for many years. They have paid taxes upon it. They have held it openly and notoriously, and they have used it, throughout the years, and by reason of the fact that the approbation of the President of the United States was not secured when the title was conveyed many, many years ago, the hiatus appeared in the abstract, and they are now unable to sell the real estate. This measure merely gives the opportunity to bring an action and to bring all interested persons into court and to have an adjudication of the entire matter and to quiet title to the real estate so it can be sold. The measure is merely one to give the right to the owners to quiet their title to this land.

Mr. BUCK. I withdraw my reservation of objection, Mr. Speaker.

Mr. CARROLL. Mr. Speaker, further reserving the right to object, do I understand that this bill does not attempt to divest title?

Mr. SPRINGER. This measure does not attempt to divest title. It simply gives the owners the right to go into court and to bring an action to quiet title and to set it at rest by reason of the fact that the President had not given his approbation at the time the real estate was conveyed many years ago.

Mr. CARROLL. It does not affect the rights of parties at this particular time?

Mr. SPRINGER. It does not. It gives them the full right to appear in court and assert any title which they might contend they have.

Mr. CARROLL. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all conveyances or transactions, heretofore or hereafter made or entered into, with respect to the whole or any part of the lands described below shall be valid and binding in the same manner and to the same extent as though the treaty between the United States and the Delaware Indians, dated October 3, 1818 (7 Stat. 188), had not contained any condition or requirement with respect to securing the approbation of the President of the United States prior to the making of any conveyance or transfer of such lands. The lands referred to above are as follows: The southeast quarter and the southwest quarter of section 14, township 20 north, range 9 east, located in Delaware County, Ind.

With the following committee amendment:

Strike out all after the enacting clause, and insert "That (a) an action may be brought by any person against any Indian or the heirs of any Indian, and/or the unknown heirs, devisees, or assigns of any Indian, who was or were granted, or was or were to have granted to him or them, land by virtue of a treaty between the United States and the Delaware Indians, dated October 3, 1818 (7 Stat. 188), which contained a condition that such lands should never be conveyed or transferred without the approbation of the President of the United States, for the purpose of determining and quieting the question of title to such land, in cases where there is no deed or record showing a conveyance by the Indian, or his heirs, to whom the land was granted, and where the records of the county in which the land is located show that the present record owners, or their grantees, immediate and remote, have claimed title to said land and have paid the taxes on said land for more than 75 years.

"(b) Such actions may be brought in the State courts having jurisdiction, in the county, in which such real estate is located, to hear actions to quiet title, shall be brought in the same manner and under the same rules as other suits may be brought to quiet title where there is a defect in the record title to real estate, and service may be had on the Indian, or his heirs, to whom the real estate was granted, and/or his unknown heirs and assigns, in the same manner as service may be acquired upon persons generally, and their unknown heirs and assigns, in suits to quiet title in such State court, the same as though such treaty had not contained any condition or requirement with respect to securing the approbation of the President of the United States prior to the making of any conveyance or transfer of such lands, the same as though such Indians had never been wards of the United States, and regardless of whether or not the heirs of such Indians are now wards of the United States.

"(c) Any Indian who is now a ward of the Government of the United States who may or might have any right, interest, or title in or to any of the lands granted to an Indian or Indians under such treaty shall assert such right, title, or interest not later than September 1, 1947, if such right, title, or interest would be barred or extinguished except for the fact that such Indian is a ward of the Government of the United States; and any such right, title, or interest which otherwise would be barred, shall not be asserted after September 1, 1947."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the filing of actions in State courts to quiet title to lands described in a treaty between the United States and the Delaware Indians, dated October 3, 1818."

A motion to reconsider was laid on the table.

AUTHORIZING PAYMENT OF CERTAIN SUMS TO JOBBERS

The Clerk called the bill (H. R. 2484) to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to have the author of the bill explain its provisions.

Mr. D'EWART. Mr. Speaker, there were certain contracts made with these Indians for the getting out of timber on this reservation, but in the final settlement these particular Indians were not satisfied with the payments that were made, and this bill proposes to pay them the money that the committee found they were rightfully entitled to.

Mr. BUCK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to pay to the Menominee Indian Mills to the credit of the several accounts of Herman Fredenberg; Walter J. Peters, Sr.; Charles J. Frechette; Joe Gristeau, Jr.; James Tebeau; Joe Caldwell, Sr.; John R. Pecore; Roy Oshkosh; Louis Tucker, Jr.; James Warrington; Alexander Waupoose; Bernard Grignon; Earl Vaughn; Louis Washinawatok; Reuben Long; Nahpone Perote; George Smith; Louis Corn; Paul Vigue, Sr.; and Louis Vigue, operating as a partnership; Dan Wescott and Paul Vigue, Jr., operating as a partnership; and the estates of George Irving; Louis Kinepoway; John Tucker, Sr.; Dominic Worden; John Mosehart; George Caldwell; John Okimosh; Anton Shawanometta; Mrs. Lillian Oshkosh, out of the Menominee 4-percent fund, the sum of $1 for each 1,000 feet of timber respectively logged by said parties on the Menominee Reservation during the logging season of 1934–35 according to the schedule prepared by the Menominee Indian Mills

which schedule shall be approved by the general council of the Menominee Tribe. Said amounts shall be credited against the amounts, if any, respectively owed the Menominee Indian Mills by said parties without taking into account any procedural defenses of a personal nature which might have been interposed in an action at law to collect such debts, and the balance, if any, shall be paid to said parties or their heirs: *Provided, however,* That the foregoing amounts shall be in full payment of any and all claims which said parties may claim to have by reason of promises made by officers of the Menominee Indian Mills for the logging of timber during the logging season of 1934–35.

SEC. 2. The Secretary of the Interior, or his duly authorized representative, is hereby authorized with the concurrence of the general council of the Menominee Indian Tribe to cancel any balance still due to the Menominee Indian Mills by any of the jobbers listed in section 1, after the amount allowable under the said section has been credited, if in his judgment the balance of the claim is uncollectible or inequitable.

SEC. 3. The said Secretary, or his duly authorized representative, with the concurrence of the advisory council of the Menominee Indian Tribe may cancel other obligations due or which may become due to the Menominee Indian Mills when in his judgment such obligations are uncollectible.

With the following committee amendments:

Page 1, line 5, insert the letter "J." following the word "Herman."

Page 2, line 3, delete the name "Louis Corn." Delete the semicolon following the word "Senior" and insert in lieu thereof a comma.

Page 2, line 8, insert the name "Louis Corn" after the comma following the name "Oshkosh."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL FACILITIES, OWYHEE, NEV.

The Clerk called the bill (H. R. 2996) to authorize an appropriation for public-school facilities at Owyhee, Nev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed $375,000 for the construction, extension, improvement, including architects' fees, and equipment of public-school facilities in Owyhee, Nev.: *Provided,* That plans and specifications for the construction, extension, and improvement of the said school buildings shall be furnished by the local or State authorities, and submitted to the Commissioner of Indian Affairs for approval, before any moneys appropriated hereunder may be expended, and that upon compliance with this provision actual work shall proceed under the direction of such local or State officials: *Provided further,* That payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service to the Commissioner of Indian Affairs, whose determination and approval of the proper amount chargeable to any appropriation made hereunder shall be final and sufficient for such payment thereof: *And provided further,* That the said school buildings so constructed, extended, and improved shall be the property of the public school district and shall be maintained by the said school district and shall be made available to all Indian children of the said district on the same terms, except as to the payment of tuition, as to other children of said school district.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed $300,000 for the construction, extension, improvement, and equipment of school buildings in Owyhee, Nev.: *Provided,* That plans and specifications for the construction, extension, and improvement of the said school buildings shall be furnished by the Commissioner of Indian Affairs: *And provided further,* That the said school buildings so constructed, extended, and improved shall be the property of the United States and shall be turned over to the Owyhee Public School District under the provisions of the Act of April 16, 1934 (48 Stat. 596), as amended by the act of June 4, 1936 (49 Stat. 1458), and shall be made available to all Indian children of the said district on the same terms, except as to the payment of tuition, as to other children of said school district."

The committee amendment was agreed to.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 686, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed $300,000 for the construction, extension, improvement, and equipment of school buildings in Owyhee, Nev.: *Provided,* That plans and specifications for the construction, extension, and improvement of the said school buildings shall be furnished by the Commissioner of Indian Affairs: *And provided further,* That the said school buildings so constructed, extended, and improved shall be the property of the United States and shall be turned over to the Owyhee Public School District under the provisions of the act of April 16, 1934 (48 Stat. 596), as amended by the act of June 4, 1936 (49 Stat. 1458), and shall be made available to all Indian children of the said district on the same terms, except as to the payment of tuition, as to other children of said school district.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2996) was laid on the table.

AMENDMENT OF ALASKA GAME LAW

The Clerk called the bill (H. R. 3343) to amend the Alaska game law.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second paragraph of section 4 of the Alaska game law of January 13, 1925 (43 Stat. 739), as amended July 1, 1943 (57 Stat. 301), is further amended to read as follows:

"Members of the Commission, other than the executive officer, each shall receive as compensation for his services a per diem of $10 while going to and from and while actually engaged in investigations, meetings, inquiries, and hearings of the Commission, but the total per diem compensation of all the Commissioners, taken together, shall not exceed the sum of $7,000 in any one fiscal year. In addition, each member of the Commission, including the executive officer, shall have reimbursed to him necessary traveling and subsistence expenses incurred or made in the discharge of his official duties. The per diem compensation and the traveling and subsistence expenses of the Commissioners, other than the executive officer, shall be paid from the appropriations authorized by section 17 of this act, and the salary and the traveling and subsistence expenses of the executive officer shall be paid from such appropriations for the work of the Fish and Wildlife Service in the Territory, including those provided for by this act, as the Director may designate."

SEC. 2. Any and all employment of members of the Commission to carry out the investigations, inquiries, and hearings referred to in section 4 of the Alaska game law prior to the enactment of this act, and the payment of compensation to them for such services in addition to the payment of compensation for their services in attendance at meetings of the Commission, is hereby approved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERRITORY OF HAWAII

The Clerk called the bill (H. R. 3679) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

Mr. KEAN. Mr. Speaker, at the request of the Delegate from Hawaii, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

NAVAL POSTGRADUATE SCHOOL, MONTEREY, CALIF.

The Clerk called the bill (H. R. 1341) to authorize the Secretary of the Navy to construct a postgraduate school at Monterey, Calif.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

INDIANS WHO SERVE IN THE ARMED FORCES

The Clerk called the bill (H. R. 1113) to provide for removal of restrictions on property of Indians who serve in the armed forces.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN and Mr. BUCK objected.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

INDIAN FULL-CITIZENSHIP BILL

Mr. CASE of South Dakota. Mr. Speaker, this bill, H. R. 1113, which is being passed over without prejudice, deals with a subject to which members of

the Committee on Indian Affairs in previous Congresses have given much study, and to which the Subcommittee on Indian Affairs in this Congress, under the very able leadership of the gentleman from Montana [Mr. D'EWART] has given patient, thoughtful, and extended consideration. It is the subject of extending the rights of full citizenship to Indians.

The bill comes under a title of removing restrictions from Indians who have served in the armed services in time of war. It follows in that respect bills which I have introduced in this and previous Congresses. The committee amendment broadens the bill to cover the field of full citizenship for all Indians who request it and who demonstrate in a naturalization court their fitness to handle their property and otherwise enjoy the rights of unrestricted citizenship. It adapts in many respects features of bills which I have introduced in successive Congresses under the title of emancipation bills.

For convenient reference, I will state here the text of three small amendments I propose to offer to the committee amendment.

The first would provide that the cutting off of future gratuities as provided in section 2 "shall not be construed to prevent settlement of and payment for any such benefit or service due or accrued prior to issuance of the writ of competency." This amendment is merely clarifying.

In section 5 I proposed to offer an amendment to strike out the language which makes writs of competency automatic for all Indians born after the date of the act, and then to insert language to provide automatic full citizenship for any enrollee of an Indian tribe possessing less than one-fourth degree of Indian blood when he reaches the age of 21.

I hope the bill can be given early consideration by the House.

INTERNATIONAL CHILDREN'S FUND OF THE UNITED NATIONS ORGANIZATION

The Clerk called the bill (H. R. 1938) to authorize the appropriation, for expenditure by the International Children's Fund of the United Nations organization, of certain amounts received from services of conscientious objectors.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, may we have an explanation of this bill and what it means?

Mr. ANDREWS of New York. Mr. Speaker, in the absence of the gentleman from New York [Mr. COLE], the author of this bill, may I say that the purpose of the proposed legislation is to authorize the President to appropriate as a contribution to the International Children's Fund of the United Nations organization, the money formerly held in special deposits in the Treasury for Selective Service which it had received from employers for work performed by conscientious objectors during the war. This fund amounts to approximately $1,229,000. The Committee on Armed Services was informed that this money will be used to provide one supplementary meal a day for 1 year for 100,000 children in starving areas throughout the world.

The money involved herein was earned by conscientious objectors, who, in many instances, performed great services for their country. Some of them lost their lives in dangerous medical experiments, such as starvation diets and self-infection. During the hearings it was revealed that a poll conducted by the National Service Board of Religious Objectors brought out the fact that a majority of the conscientious objectors who earned this money preferred that it be spent for world-relief purposes.

Mr. RICH. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That amounts received by the Selective Service System from services of conscientious objectors, held as special deposits in the Treasury, are hereby authorized to be appropriated for expenditure by the International Children's Fund of the United Nations organization, and shall not be appropriated for any other purpose.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That there is hereby authorized to be appropriated for contribution by the President to the International Children's Emergency Fund of the United Nations for the special care and feeding of children an amount equal to the amount covered into the Treasury as miscellaneous receipts on March 7, 1947, from the special deposit account which had theretofore been maintained in the Treasury for moneys received by the Selective Service System from private employers for work performed by persons who were assigned to tasks of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940, as amended.

"SEC. 2. The amount authorized to be appropriated by the first section shall be in addition to any other funds authorized to be appropriated for contribution to the International Children's Emergency Fund of the United Nations."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time and passed.

The title was amended so as to read: "A bill to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940."

A motion to reconsider was laid on the table.

TAX REDUCTION

Mr. GARY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, an event of outstanding importance took place in Washington last week, when on Monday, at midnight, the United States Government closed its books for the fiscal year ending June 30, 1947, with a surplus of $754,000,000, which is the first time in 17 years that governmental receipts have exceeded disbursements. This should bring joy to the hearts of every true American, because at last we are on the road to sound Federal financing, and we are approaching the time when we can reduce our burdensome war taxes without jeopardizing our economic stability.

In view of the surplus and the reductions which are being made by the Congress in the appropriations for the next fiscal year, I now believe that taxes can be reduced beginning January 1, 1948, and still leave a leeway for reasonable debt retirement. Since, however, present taxes and high prices are particularly oppressive on the lower-income groups, I feel that the greatest relief should be in the lower-income-tax brackets. I am, therefore, introducing a bill today providing for an increase of personal exemptions from $500 to $700 for each taxpayer and dependent. In addition, the bill will extend to a husband and wife the privilege of dividing their income between them for tax-reporting purposes, so that the taxpayers of noncommunity-property States may enjoy the same benefits that are now enjoyed by the taxpayers of the 10 community-property States. The bill seeks to eliminate the existing unjust discrimination which the community-property laws have created in our Federal tax system. It will reduce taxes approximately $4,000,000,000, about the same amount as provided in the Knutson bill, and by increasing the exemptions it will eliminate the filing of approximately 10,000,000 returns by the lowest-income group, thereby reducing greatly the clerical work in the Treasury Department in handling these small returns.

CONSENT CALENDAR

MODOC NATIONAL FOREST, CALIF.

The Clerk called the bill (H. R. 3395) to add certain lands to the Modoc National Forest, Calif.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, how are these lands going to be acquired and at what cost?

Mr. ENGLE of California. May I say as the author of the measure that the lands will not be acquired except by exchange agreement with the owners under the Forest Service Exchange Act, that is, as to those lands now in private ownership. In other words, there will be no cost to the Government, but merely an exchange of other lands or the cutting rights on other lands.

Mr. BUCK. Are the lands presumably of equal value?

Mr. ENGLE of California. That is correct. That will be done under the usual forest service exchange procedure.

Mr. BUCK. I am not familiar with that procedure.

Mr. ENGLE of California. It is a procedure where under the Forest Service Exchange Act the cutting rights on land which the Federal Government now owns are exchanged for lands under private ownership where the exchange is on an equal basis.

Mr. BUCK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the boundaries of the Modoc National Forest are hereby extended to include the following-described lands and, subject to valid and existing claims, all lands of the United States within said area which heretofore were not parts of said national forest are hereby made parts thereof and hereafter shall be subject to all laws and regulations applicable thereto: *Provided*, That nothing herein shall be construed as prohibiting the location and entry under the mining laws of the United States, and the rules and regulations applying thereto, of any of the public-domain lands hereby added to said national forest or of any land within said area hereafter acquired through exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended:

MOUNT DIABLO MERIDIAN, CALIF.

Township 41 north, range 9 east, sections 23, 24, 25, and 36.

Township 39 north, range 10 east, section 1, east half.

Township 40 north, range 10 east, sections 1 to 4, inclusive; sections 9 to 15, inclusive; sections 24, 25, and 36.

Township 41 north, range 10 east, sections 16 to 21, inclusive; sections 26 to 36, inclusive.

Township 39 north, range 11, east, sections 1 to 18, inclusive; sections 22 and 23.

Township 40 north, range 11 east, sections 5 to 8, inclusive; section 16, southwest quarter southeast quarter; sections 17 to 21, inclusive, section 27, west half northwest quarter; sections 28 to 35, inclusive.

Township 41 north, range 11 east, section 32.

Township 39 north, range 12 east, section 7, west half southwest quarter, section 16.

With the following committee amendments:

Page 2, change lines 15 to 18 to read: "Township 40 north, range 11 east, section 5, except lot 6; sections 6 to 8, inclusive; section 16, southwest quarter southeast quarter; sections 17 to 20, inclusive; section 21, north half northeast quarter, southwest quarter northeast quarter, northwest quarter, south half; section 27, west half northwest quarter; sections 28 to 33, inclusive; section 34, south half northeast quarter, southwest quarter northwest quarter, south half; section 35, southwest quarter northwest quarter, southwest quarter, south half southeast quarter."

Page 2, change line 19 to read: "Township 41 north, range 11 east, section 32, northwest quarter northeast quarter, south half northeast quarter, southeast quarter northwest quarter, south half."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRAINERD WAR DEAD NATIONAL MEMORIAL

The Clerk called the bill (H. R. 3614) to provide for the establishment of the Brainerd War Dead National Memorial.

Mr. BUCK. Mr. Speaker, this bill is opposed by the Battle Monuments Commission. It establishes a precedent and, therefore, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SUBMARGINAL LANDS ON INDIAN RESERVATIONS IN MONTANA

The Clerk called the bill (H. R. 3153) to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the State of Montana.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, there is no report on this bill from the Bureau of Indian Affairs or from the Director of the Budget. May I inquire of the gentleman from Montana [Mr. D'EWART] what the situation is?

Mr. D'EWART. Mr. Speaker, the Bureau of Indian Affairs has had much trouble keeping up with the reports of committees which have been referred to our committee since there have been some 130 bills referred to the subcommittee. We, therefore, asked them to appear before our committee in person and either approve or disapprove of the legislation. Mr. Zimmerman, head of the Indian Bureau, and others, have appeared before our committee and presented testimony with reference to this legislation and have offered some of the amendments in the bill. I believe it has their approval.

Mr. BUCK. Does the gentleman say categorically that it has the approval of the Bureau?

Mr. D'EWART. It has the approval of the Bureau.

Mr. BUCK. Mr. Speaker, with that understanding, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) upon the enactment of this act the Secretary of the Interior shall set up a land disposal committee for each of the Indian reservations in the States of Montana, which has within its boundaries land acquired under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), and title III of the Bankhead-Jones Farm Tenant Act of July 22, 1937 (50 Stat. 522), as amended (hereinafter referred to as "title III land").

(b) Such committee shall be composed of—

(1) the chairman of the board of county commissioners of the county in which the major portion of the Indian reservation lies, or a member of the board designated by him;

(2) the chairman of the production and marketing administration committee of the county in which the major portion of the Indian reservation lies, or a member of the committee designated by him;

(3) the Indian agent of the reservation;

(4) the chairman of the tribal council of the reservation, or a member of the council to be designated by the council; and

(5) an honorably discharged veteran, who is a resident of the county and is familiar with the lands in question, to be chosen as the fifth member of the committee by the four members described above.

SEC. 2. The committee shall organize immediately with the chairman of the board of county commissioners, or the member of the board of county commissioners designated by him, as its chairman, and shall proceed to determine the disposition of all title III land within the Indian reservations, in tracts the size of which is found to be consistent with the intent of this act.

SEC. 3. Title III land may be (a) granted or sold to (1) the United States in trust for the Indians occupying the reservation, (2) other Federal or State government units, (3) individual Indian veterans, (4) individual non-Indian veterans, or (b) exchanged for other land located within the same reservation.

SEC. 4. In the disposal of said land the committee may fix a consideration based on adequate appraisal which considers normal value, except that in grants of land to the United States in trust for Indians or to other Federal or State government units said transfer may be made without a consideration if the committee shall decide it would best further the intent of this section. In making its findings the committee shall consider (a) the capability and condition of the tract concerned; (b) the effect such disposition would have on the economy of local farms, ranches, and units of government; (c) the best land use of the area; and (d) other factors which the committee considers pertinent.

SEC. 5. The committee in each county, when it shall have determined the disposition of the said lands or any part thereof, shall so certify to the Secretary of the Interior, who is hereby authorized and directed to make such transfers of title as shall carry out the recommendations of the committee. The title to any lands remaining unsold or otherwise undisposed of after 2 years from the date of approval of this act are hereby declared to be in the United States in trust for the Indians of the reservation within which the lands are located.

SEC. 6. All rentals or other revenues received for the use or sale of the title III land shall be divided as follows: (a) One-fourth shall be paid to the county in which the lands are located; (b) one-fourth shall be credited to miscellaneous receipts in the Treasury of the United States; (c) one-half shall be deposited in the Treasury of the United States to the credit of the tribe of the reservation in which the tract concerned is located.

With the following committee amendments:

Page 1, line 5, change the word "State" to "States"; after the word "Montana", insert a comma and add the words "North Dakota, and South Dakota."

Page 1, line 6, change the word "has" to "have" and the word "its" to "their."

Page 2, delete all wording appearing in lines 9, 10, 11, and 12, and insert in lieu thereof: "the State Conservationist of the Soil Conservation Service or a representative designated by him."

Page 2, delete all wording appearing in line 13, and insert in lieu thereof: "the Superintendent of the Indian Reservation."

Page 2, line 24, delete the word "determine" and insert in lieu thereof the word "recommend."

Page 2, line 25, delete the words "within the Indian reservations", and substitute in lieu thereof the words "described in section 1 of this act."

Page 3, delete all of lines 1 and 2 and insert in lieu thereof:

"In making such recommendation, the committee may secure the assistance of the Soil Conservation technicians of the Indian Office and the Soil Conservation Service and it shall classify title III lands according to their use capability, designating as grazing lands those tracts which cannot be used for the production of cultivated crops without causing soil depletion and accelerated erosion."

Page 3, line 11, after the word "value", substitute a period for the semicolon, delete

the balance of line 11, all of lines 12, 13, and 14, and all of line 15 to and including the period.

Page 4, line 4, delete the words "within which the lands", and all of line 5, and insert in lieu thereof "for whose use and benefit the lands were assigned by Executive order."

Page 4, line 12, delete the words "in which the tract", and all of line 13, and insert in lieu thereof "for whose use and benefit the tract concerned was assigned by Executive order."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota."

A motion to reconsider was laid on the table.

SHASTA NATIONAL FOREST, CALIF.

The Clerk called the bill (H. R. 3175) to add certain public and other lands to the Shasta National Forest, Calif.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PUBLIC-IMPROVEMENT BONDS, TERRITORY OF HAWAII

The Clerk called the bill (H. R. 3266) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or of any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

SEC. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

SEC. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVENUE BONDS, TERRITORY OF HAWAII

The Clerk called the bill (H. R. 3376) to ratify the confirming act 10 of the Session Laws of Hawaii, 1947, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That act 10 of the Session Laws of Hawaii, 1947, amending section 6095 of chapter 118, Revised Laws of Hawaii, 1945, as amended, so as to extend the time within which revenue bonds may be issued and delivered under said chapter 118, is hereby ratified and confirmed and revenue bonds may be issued under and pursuant to the provisions of said chapter 118, Revised Laws of Hawaii, 1945, as amended, and as further amended by said act 10, without the approval of the President of the United States and without the incurring of an indebtedness within the meaning of the Hawaiian Organic Act, and said chapter 118, as amended, shall constitute full authority for the issuance of said bonds without reference to and independent of the Hawaiian Organic Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURAL GAS ACT

The Clerk called the bill (H. R. 2956) to amend the Natural Gas Act approved June 21, 1938, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 7 of the Natural Gas Act, approved June 21, 1938, as amended by H. R. 5249, approved February 7, 1942, is hereby amended by adding after subsection (g) the following new subsection:

"(h) When any holder of a certificate of public convenience and necessity cannot acquire by contract, or is unable to agree with the owner of property to the compensation to be paid for, the necessary right-of-way to construct, operate, and maintain a pipe line or pipe lines for the transportation of natural gas, and the necessary land or other property, in addition to right-of-way, for the location of compressor stations, pressure apparatus, or other stations or equipment necessary to the proper operation of such pipe line or pipe lines, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which such property may be located, or in the State courts. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform as nearly as may be with the practice and procedure in similar action or proceeding in the courts of the State where the property is situated: *Provided*, That United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds $3,000."

With the following committee amendment:

Page 1, lines 4 and 5, strike out "by H. R. 5249, approved February 7, 1942" and insert in lieu thereof "(15 U. S. C. 717f)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF RURAL POST ROADS

The Clerk called the bill (H. R. 3759) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes, approved July 11, 1916, as amended, and supplemented, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the author of this bill how far the Federal Government is supposed to go in the constructon of post roads, and what part of the construction costs the States are going to bear as well as the United States.

Mr. CUNNINGHAM. Mr. Speaker, this bill has really nothing to do with that. When the Congress passed the 1944 Postwar Highway Road Act, which provided $500,000,000 a year for each of the three postwar years, to be allocated to the States for the new road program, it also provided that 2½ percent of the amount allocated to the States be used for administrative work in the Public Roads Department. They are under way with the program, and they find that 2½ percent is not sufficient. They came to me, as chairman of the Subcommittee on Roads, and I told them they would have to justify this expenditure, and that I would give them a chance to be heard. They came before the committee and justified it to the satisfaction of the committee. It is a unanimous committee report.

However, the unusual thing about it is that it is not going to cost the Federal Treasury a cent. The people who lose the money by this, and where the money will come from, is each of the 48 States. In other words, they will receive 1¼ percent less money for building highways. The Association of State Highway Officials appeared before the committee and unanimously endorsed this bill. They said it was necessary. They were perfectly willing to lose the additional money that they would get, and let it go for administrative purposes, primarily because the Federal Highway Act of 1944 granted a larger amount of money for farm-to-market roads than was ever granted by the Federal Government in the past. The Association of State Highway Officials and the State Highway Engineers, through their organization representatives, appeared before the committee and pointed out that the amount of planning to build $10,000 worth of farm-to-market roads is just as great as to build $100,000 worth of paved roads or completed highways under the primary system. This was overlooked when they asked in 1944 that the amount for administrative purposes be 2½ percent. They showed that the farm-to-market road program is being held up for lack of money to do the proper planning in the several States by the Federal Administration here in Washington.

There is one other reason why the bill should be passed. Since 1944, when the 1944 law was enacted by Congress, this Congress has granted wage increases to Federal employees, making a total of 31 percent. With this increase and the extra cost that the States are undergoing in the planning of the roads, they tell us they cannot go ahead and properly carry out the program unless the amount for administrative purposes for the Public Roads Administration in Washington is increased.

Mr. RICH. Why is it not possible for the surveys and construction work on these highways which are in the States to be done by the States? There is where it belongs.

Mr. CUNNINGHAM. It is left to the States, but subject to the administration of the Public Roads Administrator.

Mr. RICH. This 2½ precent was to be paid by the Federal Government to look after the spending of this $500,000,000?

Mr. CUNNINGHAM. No, not the $500,000,000. The Public Roads Administration takes out not to exceed 2½ percent to cover their administrative costs in allocating the money to the States, approving the Federal highways that have been built through the States and through the urban areas, and approving the farm-to-market road programs. It is 2½ percent less that the States get out of the $500,000,000. The States themselves came in and asked that they get still less, this extra 1¼ percent, which is to go to the Roads Administration.

Mr. RICH. It seems to me that 2½ percent for the Federal Government in distributing this money to the States is plenty. In fact it is too much. We have got to cut down these Federal expenditures.

Mr. CUNNINGHAM. I agree with the gentleman's statement so often made, "Where are we going to get the money?" This 2½ percent has to cover much more than approving the plans. The Public Roads Administration keeps people on the job in every State. They have to approve these roads so that the Federal money can be paid out to the States. It was not the attitude of the Public Roads Administration so much that caused the committee to report the bill as it was the fact that the State Highway Engineers Association and the State Highway Officials Association of the whole United States came in and endorsed the bill and wanted us to give more of their money to the Public Roads Administration to enable them to make additional studies and plans. The States themselves requested that it be used by the Public Roads Administration because the road building program is being held up due to the Public Roads Administration not having sufficient money.

Mr. RICH. Mr. Speaker, I believe they should cut down needless expenditures, but I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 21 of the Federal Highway Act, approved November 9, 1921 (23 U. S. C. 21), is hereby amended to read as follows:

"That so much, not to exceed 3¾ percent, of all moneys appropriated or authorized to be appropriated for expenditure under the provisions of this act, as the Federal Works Administrator may deem necessary for administering the provisions of this act and for carrying on necessary highway research and investigational studies independently or in cooperation with the State highway departments and other research agencies, and for publishing the results thereof, shall be deducted therefrom for such purposes when the apportionment is made and the amount so deducted shall be available until expended from appropriations made under the provisions of this act: *Provided*, That should the apportionment of the amounts authorized for the third postwar fiscal year be made in accordance with section 4 of the Federal-Aid Highway Act of 1944 before the approval of this act, a revised apportionment may be made and the increased amount authorized by this section deducted for administration, research, and investigational studies."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTING CERTAIN INEQUITIES IN THE ARMED FORCES LEAVE ACT OF 1946

The Clerk called the bill (H. R. 3501) to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes.

Mr. BUCK. Mr. Speaker, the report contains no cost estimate. I, therefore, ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING PAY INCREASES FOR PHYSICIANS AND SURGEONS IN THE UNITED STATES MILITARY, NAVAL, AND PUBLIC HEALTH SERVICES

The Clerk called the bill (H. R. 3851) to provide additional inducements to physicians and surgeons to make a career of the United States military, naval, and public health services, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, this bill presumably will cost about $10,000,000 a year. For this reason it does not seem to me a proper measure to be on the Consent Calendar. I, therefore, ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENDING CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Clerk called the bill (H. R. 3152) to extend certain powers of the President under title III of the Second War Powers Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. O'HARA. Mr. Speaker, I object.

ACADEMIC ADVISORY BOARD AT THE MERCHANT MARINE ACADEMY

The Clerk called the bill (H. R. 3672) to create an Academic Advisory Board for the United States Merchant Marine Academy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Maritime Commission is authorized to appoint an Academic Advisory Board of the United States Merchant Marine Academy which shall consist of not to exceed seven persons of distinction in the field of education who shall serve without pay. The members of the Board shall visit the United States Merchant Marine Academy at least once during the academic year for the purpose of examining the course of instruction and advising the superintendent relative thereto. The expenses of the Board while engaged in these duties, including the expense of travel, shall be defrayed under Government travel regulations from any appropriation for the authorized work of the Maritime Commission.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF CHAPEL AND LIBRARY AT UNITED STATES MERCHANT MARINE ACADEMY

The Clerk called the bill (H. R. 3569) to authorize the construction of a chapel and a library at the United States Merchant Marine Academy at Kings Point, N. Y., and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Maritime Commission is authorized to construct a suitable chapel for religious worship by any denomination, sect, or religion, and a library at the United States Merchant Marine Academy at Kings Point, N. Y.

SEC. 2. The Maritime Commission is authorized to acquire an appropriate site or sites adjoining the present Merchant Marine Academy reservation either by purchase, condemnation, gift, or otherwise.

SEC. 3. The Maritime Commission is authorized to accept private contributions to assist in defraying the cost of construction of the chapel and library provided for herein. Such contributions shall be received and accounted for under such regulations as the Comptroller General of the United States may prescribe.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to complete the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING THE POST ROADS ACT OF 1866, AS AMENDED

The Clerk called the bill (S. 816) to repeal the Post Roads Act of 1866, as amended, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Post Roads Act of 1866, as amended (Revised Statutes, secs. 5263–5269, inclusive; U. S. C., title 47, secs. 1–6, inclusive, and 8), is hereby repealed.

SEC. 2. Nothing in this act shall limit the authority of the Federal Communications Commission under the provisions of the Communications Act of 1934, as amended, to prescribe charges, classifications, regulations, and practices, including priorities, applicable to Government communications.

SEC. 3. This act shall take effect on the tenth day following the enactment data thereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARTICIPATION BY THE UNITED STATES IN INTERPARLIAMENTARY UNION

The Clerk called the bill (S. 1005) to amend the act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, in 1946 the United States contributed 68 percent of the cost of this organization. This bill would raise our contribution by another 50 percent. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TRANSFER OF PORTION OF FORT McINTOSH, LAREDO, TEX., TO THE UNITED STATES SECTION, INTERNATIONAL BOUNDARY AND WATER COMMISSION

The Clerk called the bill (H. R. 2225) authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Section, International Boundary and Water Commission, United States and Mexico, is hereby authorized to accept by transfer without reimbursement or exchange of funds, and to assume permanent custody and control over, that portion of Fort McIntosh at Laredo, Tex., described as follows: A tract containing sixty-five and twenty-five one-hundredths acres, more or less, shown as tract 2 on drawing No. 7125–08 of the United States Section of the International Boundary and Water Commission, United States and Mexico, and on field notes attached thereto, which drawing and field notes are on file with said United States Section, with the Federal Public Housing Authority, and with the War Assets Administration; together with the improvements and buildings hereon located, and such of the furnishings, equipment, and other personal property situated at Fort McIntosh and under the jurisdiction of the War Assets Administration, and which has heretofore been declared surplus, as may be needed for the maintenance, operation, and protection of the area described and improvements thereon, and for purposes incidental to the use of such property by the said United States Section as a field headquarters, or for other purposes, in connection with any project or works under the jurisdiction of the said United States Section, said property having heretofore been declared surplus and assigned to the Federal Public Housing Authority as disposal agency by the War Assets Administration; and the War Assets Administration, or other Federal agency in responsible charge, is authorized and directed to transfer said property to the said United States Section without reimbursement or exchange of funds.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING VETERANS' PREFERENCE BENEFITS TO WIDOWED MOTHERS OF CERTAIN EX-SERVICEMEN

The Clerk called the bill (H. R. 1426) to extend veterans' preference benefits to widowed mothers of certain ex-servicemen.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, this bill was opposed by the Civil Service Commission. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPOSITION OF OBSOLETE ORDNANCE BY LOAN OR GIFT TO STATE HOMES FOR FORMER MEMBERS OF THE ARMED FORCES

The Clerk called the bill (H. R. 3127) to provide for the loan or gift of obsolete ordnance to State homes for former members of the armed forces.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, and cannon balls in their respective Departments," approved May 22, 1896, as amended (U. S. C., 1940 ed., title 50, sec. 67), is amended by striking out "State museums, and incorporated museums operated and maintained for educational purposes only, whose charter denies them the right to operate for profit, municipal corporations" and inserting in lieu thereof "State museums, and incorporated museums operated and maintained for educational purposes only, whose charter denies them the right to operate for profit, State homes for former members of the armed forces, municipal corporations."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AUTHORIZING THE ATTORNEY GENERAL TO ADJUDICATE CERTAIN CLAIMS RESULTING FROM EVACUATION OF CERTAIN PERSONS OF JAPANESE ANCESTRY UNDER MILITARY ORDERS

The Clerk called the bill (H. R. 3999) to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders.

The SPEAKER. Is there objection to the present consideration of the bill

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ENABLING THE OSAGE TRIBAL COUNCIL TO DETERMINE THE BONUS VALUE OF TRACTS OFFERED FOR LEASE FOR OIL, GAS, AND OTHER MINING PURPOSES, OSAGE MINERAL RESERVATION, OKLA.

The Clerk called the bill (H. R. 3323) to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the third paragraph of section 3 of the act entitled "An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma," approved June 24, 1938 (52 Stat. 1034), is amended by striking out the colon following the phrase "as may be deemed for the best interest of the Osage Tribe of Indians" and inserting in lieu of said colon the following clause: "and the Osage tribal council may determine the bonus value of any tract offered for lease for oil, gas, and other mining purposes on any unleased portion of said land, and such determination shall be final."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR COOPERATION WITH PUBLIC-SCHOOL DISTRICTS (ORGANIZED AND UNORGANIZED) IN MAHNOMEN, ITASCA, PINE, BECKER, AND CASS COUNTIES, MINN., IN THE CONSTRUCTION, IMPROVEMENT, AND EXTENSION OF SCHOOL FACILITIES TO BE AVAILABLE TO BOTH INDIAN AND WHITE CHILDREN

The Clerk called the bill (H. R. 2825) to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to the amount authorized to be appropriated by the act of October 8, 1940 (Public, No. 804, 76th Cong.), there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $213,000 for the purpose of cooperating with the following public-school districts (both organized and unorganized) in the State of Minnesota, such appropriation to be apportioned as follows: Naytahwaush, Independent School District No. 29, Mahnomen County, $146,000; Inger, District No. 6 (Deer River), Itasca County, $12,500; Lake Lena, District No. 129, Pine County, $12,500; Pine Point, District No. 133, Becker County, $27,000; Squaw Point area, unorganized territory, Cass County, $15,000; for the construction, extension, equipment, and improvement of public-school facilities: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the schools maintained by these said districts in the said buildings shall be available to all Indian children of the districts, on the same terms, except as to payment of tuition, as other children of said school districts: *Provided further*, That plans and specifications for construction, extension, or improvement of structures shall be furnished by local or State authorities without cost to the United States Government, and upon approval thereof by the Commissioner of Indian Affairs, actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That funds thus appropriated may be used as sponsors' contribution for the construction, extension, equipment, and that any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States, and in computing the amount of recoupment for each project interest at 2 percent per annum shall be included on unrecouped balances: *And provided further*, That not to exceed 10 percent of the amount allocable to any of the several above-named districts may be transferred in the discretion of the Commissioner of Indian Affairs,

to the amount of any other of the above-mentioned projects, but no project shall be increased more than 10 percent by any such transfer.

With the following committee amendments:

Page 2, line 23, strike out the words "*Provided further.*" Strike out all of lines 24 and 25.

Page 3, line 1, strike out the phrase "improvement of the said public-school facilities."

Page 3, line 3, following the word "under", insert a comma and the following: "title to which will, after recoupment is accomplished, vest in the public school district."

Page 3, line 10, strike out the figure "2" and insert in lieu thereof the figure "3."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING RIGHTS-OF-WAY THROUGH RESTRICTED OSAGE INDIAN LAND

The Clerk called the bill (H. R. 3322) to facilitate rights-of-way through restricted Osage Indian land, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to grant right-of-way in the nature of easements, under such rules and regulations as he may prescribe, for the construction, operation, and maintenance of pipe lines of every kind and character, pumping plants, canals, ditches, flumes, highways, telephone and telegraph lines, and electric-power transmission lines, over, under, upon, through, and across any lands, the title to which is inalienable without approval of the Secretary of the Interior, owned or acquired or by or for any member of the Osage Tribe who does not have a certificate of competency.

With the following committee amendments:

Page 1, line 4, strike out the word "easements" and insert "easements upon just compensation and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTRICTIONS APPLICABLE TO INDIANS OF THE FIVE CIVILIZED TRIBES OF OKLAHOMA

The Clerk called the bill (H. R. 3173) relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, may I inquire the attitude of the tribal council toward this bill?

Mr. STIGLER. I may say to the gentleman from New York this bill has not been officially endorsed by the tribal council because all of the tribes in the Five Civilized Tribes do not have a tribal council; but I have had quite a few letters from lawyers and others. The bill has been endorsed by the State bar of Oklahoma. It will clarify and stabilize the titles in our State, which is very badly needed at this time.

Mr. BUCK. Have representatives of the Five Civilized Tribes approved the bill?

Mr. STIGLER. At the time the hearings were conducted we had representatives from the tribes before the committee.

Mr. SCHWABE of Oklahoma. Mr. Speaker, this is a bill that has been much needed for a long while. It is a bill that will clarify a number of our Indian titles in the Five Civilized Tribes in northeastern and in almost all of eastern Oklahoma.

Mr. STIGLER. That is correct.

Mr. SCHWABE of Oklahoma. I appeared before the committee and testified in its behalf. I have practiced law down there 36 years and I know that the situation is one that is very much needed.

Mr. D'EWART. Mr. Speaker, this bill was introduced at the request of the tribes affected and representatives of the tribes appeared before our committee and gave indication that it met with their approval. The bill was sent up by the tribal representatives and presented to our committee and passed at their request.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all restrictions upon all lands belonging to members of the Five Civilized Tribes in Oklahoma, whether acquired by allotment, inheritance, devise, gift, or by purchase with restricted funds, of whatever degree of Indian blood, and whether enrolled or unenrolled, shall be, and are hereby, removed at and upon his or her death: *Provided*, That (a) no conveyance, including an oil and gas or mineral lease, of any interest in land acquired before or after the date of this act by an Indian heir or devisee of one-half or more Indian blood, when such interest in land was restricted in the hands of the person from whom such Indian heir or devisee acquired same, shall be valid unless approved in open court by the county court in Oklahoma having jurisdiction of the settlement of the estate of the deceased allottee, or a grantee named in a restricted deed: *Provided further*, That (b) where the deceased allottee or grantee dies a nonresident of Oklahoma, such heirs or devisees may convey with the approval of the county court of the county where the land is located: *Provided further*, That (c) petition for approval of conveyance shall be set for hearing not less than 10 days from date of filing, and notice of hearing thereon, signed by the county judge, reciting the consideration offered and a description of the land shall be given by publication in at least one issue of a newspaper of general circulation in the county where the land is located and written notice of such hearing shall be given to the probate attorney of the district in which the petition is filed at least 10 days prior to the date on which the petition is to be heard. The grantor shall be present at said hearing and examined in open court before such conveyance shall be approved, unless the grantor and the probate attorney shall consent in writing that such hearing may be had and such conveyance approved in the absence of the grantor, and the court must be satisfied that the consideration has been paid in full. Proceedings for approval of conveyances by restricted heirs or devisees under this section shall not be removable to the Federal court. (d) The evidence taken at the hearing shall be transcribed and filed of record in the case, the expense of which, including attorney fees, must be borne by the grantee. The court in his discretion, when deemed for the best interest of the Indian, may approve the conveyance conditionally, or may withhold approval entirely: *Provided further*, That (e) at said hearing competitive bidding may be had and the conveyance may be confirmed in the name of the person offering the highest bid therefor or when deemed necessary the court may set the petition for further hearing: *Provided further*, That (f) the probate attorney shall have the right to appeal as now provided from any order approving conveyances to the district court of the county in which the proceedings are conducted within the time and in the manner provided by the laws of the State of Oklahoma in cases of appeal in probate matters generally: *And provided further*, That (g) conveyances of the interests of minors and incompetent persons shall be made in the county court of the county having jurisdiction of the estates of such minor or incompetent persons.

SEC. 2. In determining the quantum of Indian blood of any Indian heir or devisee, the final rolls of the Five Civilized Tribes as to such heir or devisee, if enrolled, shall be conclusive of his or her quantum of Indian blood. If unenrolled, his or her degree of Indian blood shall be computed from the nearest enrolled paternal and maternal lineal ancestors of Indian blood enrolled on the final rolls of the Five Civilized Tribes.

SEC. 3. (a) The State courts of Oklahoma shall have exclusive jurisdiction of all guardianship matters arising under section 6 of the act of May 27, 1908 (35 Stat. 312), of all proceedings to administer estates, to probate the wills of deceased Indians of the Five Civilized Tribes, and of all actions to determine heirs arising under section 1 of the act of June 14, 1918 (40 Stat. 608).

(b) The State courts of Oklahoma shall have exclusive jurisdiction of all other proceedings or actions involving the restricted lands of Indians of the Five Civilized Tribes, or the rents, issues, and profits derived from such lands, in which the amount in controversy does not exceed $3,000: *Provided*, That nothing contained in this subsection shall be construed to prevent the United States from instituting an original action in the Federal court involving a matter in which an action has not been instituted in a State court.

(c) The United States shall not be deemed to be a necessary or indispensable party to any action or proceeding of which the State courts of Oklahoma are given exclusive jurisdiction by the provisions of this act, and the final judgment rendered in any such action or proceeding shall bind the United States and the parties thereto to the same extent as though no Indian property or question were involved: *Provided*, That written notice of the pendency of any such action or proceeding shall be served by the plaintiff on the Superintendent for the Five Civilized Tribes within 10 days of the filing of the first pleading in said action or proceeding. Section 3 of the act of April 12, 1926 (44 Stat. 239), shall have no application to actions or proceedings covered by the provisions of this section.

(d) Nothing contained in this section shall be construed to limit any right of appeal.

SEC. 4. That the attorneys provided for under the act of May 27, 1908 (35 Stat. L. 312), are authorized to appear and represent any restricted member of the Five Civilized Tribes in Oklahoma before any of the courts of the State of Oklahoma in any matter in which the said restricted Indian may have an interest.

SEC. 5. That all minerals, including oil and gas, produced from any lands belonging to any Indian of the Five Civilized Tribes in Oklahoma, whether acquired by allotment, inheritance, devise, gift, or by purchase with

restricted funds, shall be subject to all State and Federal taxes as provided in section 3 of the act approved May 10, 1928 (45 Stat. 495).

SEC. 6. That all funds and securities, exclusive of any land or lands or any interest therein, now held by, or which may hereafter come under the supervision of the Secretary of the Interior, belonging to and only so long as belonging to Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, are hereby declared to be restricted and shall remain subject to the jurisdiction of said Secretary until otherwise provided by Congress, subject to expenditure in the meantime for the use and benefit of the individual Indians to whom such funds and securities belong, under such rules and regulations as said Secretary may prescribe.

SEC. 7. (a) Except as hereinafter provided the tax-exempt lands of any Indian of the Five Civilized Tribes in Oklahoma shall not exceed 160 acres, whether the said lands be acquired by allotment, descent, devise, gift, or by purchase with restricted funds.

(b) All tax-exempt lands owned by an Indian of the Five Civilized Tribes on the date of this act shall continue to be tax exempt in the hands of such Indian during the restricted period: *Provided,* That any right to tax exemption which accrued prior to the date of this act under the provisions of the acts of May 10, 1928 (45 Stat. 495), and January 27, 1933 (47 Stat. 777), shall be forfeited unless a certificate of tax exemption has been filed of record in the county where the land is located within 2 years from the date of this act.

(c) Any interest in restricted and tax-exempt lands acquired by descent, devise, or gift after the date of this act by an Indian of the Five Civilized Tribes of one-half or more Indian blood shall continue to be tax-exempt during the restricted period: *Provided,* That the tax-exempt lands of any such heir, devise, or donee, whether acquired by allotment, descent, devise, gift, or purchase with restricted funds, shall not exceed 160 acres in the aggregate: *Provided further,* That nothing contained in this subsection shall be construed to terminate or abridge any right to tax exemption to which any Indian was entitled on the effective date of this act.

(d) Nothing contained in this section shall be construed to affect any tax exemption provided by the act of June 26, 1936 (49 Stat. 1967).

(e) On or before the 1st day of January of each year following the date of this act, the superintendent of the Five Civilized Tribes shall file with the county treasurer of each county in the State of Oklahoma where restricted Indians' lands of any type of members of the Five Civilized Tribes are situated a statement showing what lands are regarded as tax exempt, and the names of the Indians for whom the lands are claimed as tax exempt: *Provided,* That before a county treasurer shall proceed to sell any restricted lands for delinquent taxes, it must appear from the records of the office of the county treasurer that a list of the tracts included in the proposed sales of land for delinquent taxes in said county has been sent by registered mail to the superintendent for the Five Civilized Tribes at Muskogee, Okla., at least 90 days before the date fixed by the laws of the State of Oklahoma for sales of land for delinquent taxes.

SEC. 8. All removals of restrictions and approvals of deeds heretofore made by the Secretary of the Interior, regardless of whether applications were made therefor by the Indian owner, are hereby validated and confirmed.

SEC. 9. That no tract of land, nor any interest therein, which is hereafter purchased by the Secretary of the Interior with restricted funds by or for an Indian or Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, shall be construed to be restricted unless the deed conveying same shows upon its face that such purchase was made with restricted funds.

SEC. 10. That all conveyances by Indians of the Five Civilized Tribes in Oklahoma of lands acquired by inheritance, devise, gift, or by purchase with restricted funds, made after the effective date of the act of January 27, 1933, and prior to the effective date of this act, that were approved either by a county court in Oklahoma or by the Secretary of the Interior are hereby validated and confirmed: *Provided,* That if any such conveyance is subject to attack upon grounds other than sufficiency of approval or lack of approval thereof, such conveyance, insofar as such other ground or grounds of attack are concerned, shall not be affected by this act.

SEC. 11. Section 2 of the act of June 26, 1936 (49 Stat. 1967), commonly known as the Oklahoma Welfare Act, shall be amended by the addition of a new paragraph as follows:

"The preference right of the Secretary to purchase shall be considered as waived where notice of the pendency of sale is given in writing to the Superintendent of the Five Civilized Tribes for at least 10 days prior to the date of sale and the Secretary does not within that time exercise the preferential right to purchase."

SEC. 12. The second proviso of section 1 of the act of Congress of July 2, 1945 (— Stat. —), is hereby amended to read as follows: "*Provided further,* That if any such conveyances are subject to attack upon grounds other than the insufficiency of approval or lack of approval thereof, such conveyances, insofar as such other ground or grounds of attack are concerned, shall not be affected by this section."

SEC. 13. All restricted lands of the Five Civilized Tribes are hereby made subject to all oil and gas and other conservation laws of Oklahoma: *Provided,* That no order of the Corporation Commission affecting restricted Indian land shall be valid unless first submitted to and approved by the Secretary of the Interior or his duly authorized representative.

SEC. 14. Sections 1 and 8 of the act of January 27, 1933, are hereby repealed.

SEC. 15. All acts and parts of acts in conflict herewith are hereby repealed.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That all restrictions upon all lands in Oklahoma belonging to members of the Five Civilized Tribes, whether acquired by allotment, inheritance, devise, gift, exchange, partition, or by purchase with restricted funds, of whatever degree of Indian blood, and whether enrolled or unenrolled, shall be, and are hereby, removed at and upon his or her death: *Provided,* (a) That except as provided in subdivision (f) of this section, no conveyance, including an oil and gas or mineral lease, of any interest in land acquired before or after the date of this act by an Indian heir or devisee of one-half or more Indian blood, when such interest in land was restricted in the hands of the person from whom such Indian heir or devisee acquired same, shall be valid unless approved in open court by the county court of the county in Oklahoma in which the land is situated; (b) that petition for approval of conveyance shall be set for hearing not less than 10 days from date of filing, and notice of hearing thereon, signed by the county judge, reciting the consideration offered and a description of the land shall be given by publication in at least one issue of a newspaper of general circulation in the county where the land is located and written notice of such hearing shall be given to the probate attorney of the district in which the petition is filed at least 10 days prior to the date on which the petition is to be heard. The grantor shall be present at said hearing and examine in open court before such conveyance shall be approved, unless the grantor and the probate attorney shall consent in writing that such hearing may he had and such conveyance approved in the absence of the grantor, and the court must be satisfied that the consideration has been paid in full. Proceedings for approval of conveyances by restricted heirs or devisees under this section shall not be removable to the Federal court; (c) the evidence taken at the hearing shall be transcribed and filed of record in the case, the expense of which, including attorneys fees and court costs, must be borne by the grantee. The court in its discretion, when deemed for the best interest of the Indian, may approve the conveyance conditionally, or may withhold approval; (d) that at said hearing competitive bidding may be had and a conveyance may be confirmed in the name of the person offering the highest bid therefor or when deemed necessary the court may set the petition for further hearing; (e) that the probate attorney shall have the right to appeal from any order approving conveyances to the district court of the county in which the proceedings are conducted within the time and in the manner provided by the laws of the State of Oklahoma in cases of appeal in probate matters generally, except that no appeal bond shall be required; (f) that sales of the interest of minor and incompetent persons shall be made in conformity with the laws of the State of Oklahoma. Notice of such sale shall be given to the probate attorney of the district in which the petition is filed at least 10 days prior to the date on which the petition for sale is to be heard; (g) that nothing contained in this section shall be construed to modify or repeal the act of February 11, 1936 (49 Stat. 1135), relating to leases for farming and grazing purposes.

"SEC. 2. In determining the quantum of Indian blood of any Indian heir or devisee, the final rolls of the Five Civilized Tribes as to such heir or devisee, if enrolled, shall be conclusive of his or her quantum of Indian blood. If unenrolled, his or her degree of Indian blood shall be computed from the nearest enrolled paternal and maternal lineal ancestors of Indian blood enrolled on the final rolls of the Five Civilized Tribes.

"SEC. 3. (a) The State courts of Oklahoma shall have exclusive jurisdiction of all guardianship matters affecting Indians of the Five Civilized Tribes, of all proceedings to administer estates or to probate the wills of deceased Indians of the Five Civilized Tribes, and of all actions to determine heirs arising under section 1 of the act of June 14, 1918 (40 Stat. 606).

"(b) The United States shall not be deemed to be a necessary or indispensable party to any action or proceeding of which the State courts of Oklahoma are given exclusive jurisdiction by the provisions of subsection (a) of this section, and the final judgment rendered in any such action or proceeding shall bind the United States and the parties thereto to the same extent as though no Indian property or question were involved: *Provided,* That written notice of the pendency of any such action or proceeding shall be served on the Superintendent for the Five Civilized Tribes within 10 days of the filing of the first pleading in said action or proceeding. Such notice shall be served by the party or parties causing the first pleading to be filed. Section 3 of the act of April 12, 1926 (44 Stat. 239), shall have no application to actions or proceedings covered by the provisions of subsection (a) of this section.

"(c) No action or proceeding in which notice has been served on the Superintendent for the Five Civilized Tribes pursuant to the provisions of section 3 of the act of

April 12, 1926 (44 Stat. 239), shall be removed to a United States district court except upon the recommendation of the Secretary of the Interior or his duly authorized representative. The United States shall have the right to appeal from any order of remand entered in any case removed to a United States district court pursuant to the provisions of the act of April 12, 1926 (44 Stat. 239).

"(d) Nothing contained in this section shall be construed to limit any right of appeal.

"SEC. 4. That the attorneys provided for under the act of May 27, 1908 (35 Stat. 312), are authorized to appear and represent any restricted member of the Five Civilized Tribes in Oklahoma before any of the courts of the State of Oklahoma in any matter in which the said restricted Indian may have an interest.

"SEC. 5. That all funds and securities now held by, or which may hereafter come under the supervision of the Secretary of the Interior, belonging to and only so long as belonging to Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, are hereby declared to be restricted and shall remain subject to the jurisdiction of said Secretary until otherwise provided by Congress, subject to expenditure in the meantime for the use and benefit of the individual Indians to whom such funds and securities belong, under such rules and regulations as said Secretary may prescribe.

"SEC. 6. (a) Except as hereinafter provided, the tax-exempt lands of any Indian of the Five Civilized Tribes in Oklahoma shall not exceed 160 acres, whether the said lands be acquired by allotment, descent, devise, gift, exchange, partition, or by purchase with restricted funds.

"(b) All tax-exempt lands owned by an Indian of the Five Civilized Tribes on the date of this act shall continue to be tax-exempt in the hands of such Indian during the restricted period: *Provided*, That any right to tax exemption which accrued prior to the date of this act under the provisions of the acts of May 10, 1928 (45 Stat. 495), and January 27, 1933 (47 Stat. 777), shall terminate unless a certificate of tax exemption has been filed of record in the county where the land is located within 2 years from the date of this act.

"(c) Any interest in restricted and tax-exempt lands acquired by descent, devise, gift, exchange, partition, or purchase with restricted funds, after the date of this act by an Indian of the Five Civilized Tribes of one-half or more Indian blood shall continue to be tax-exempt during the restricted period: *Provided*, That the tax-exempt lands of any such heir, devisee, donee, or grantee, whether acquired by allotment, descent, devise, gift, exchange, partition, or purchase with restricted funds, shall not exceed 160 acres in the aggregate: *Provided further*, That nothing contained in this subsection shall be constructed to terminate or abridge any right to tax exemption to which any Indian was entitled on the effective date of this act.

"(d) Nothing contained in this section shall be construed to affect any tax exemption provided by the act of June 26, 1936 (49 Stat. 1967).

"(e) On or before the 1st day of January of each year following the date of this act, the Superintendent of the Five Civilized Tribes shall file with the county treasurer of each county in the State of Oklahoma where restricted Indians' lands of any type of members of the Five Civilized Tribes are situated, a statement showing what lands are regarded as tax exempt, and the names of the Indians for whom the lands are claimed as tax exempt. Before a county treasurer shall proceed to sell any restricted land for delinquent taxes, it must appear from the records of the office of the county treasurer that a list of the tracts included in the proposed sales of land for delinquent taxes in said county has been sent by registered mail to the Superintendent for the Five Civilized Tribes at Muskogee, Okla., at least 90 days before the date fixed by the laws of the State of Oklahoma for sales of land for delinquent taxes.

"SEC. 7. All removals of restrictions and approvals of deeds heretofore made by the Secretary of the Interior, regardless of whether applications were made therefor by the Indian owner, are hereby validated and confirmed.

"SEC. 8. That no tract of land, nor any interest therein, which is hereafter purchased by the Secretary of the Interior with restricted funds by or for an Indian or Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, shall be construed to be restricted unless the deed conveying same shows upon its face that such purchase was made with restricted funds.

"SEC. 9. That all conveyances, including oil and gas or mineral leases, by Indians of the Five Civilized Tribes in Oklahoma of lands acquired by inheritance or devise, made after the effective date of the act of January 27, 1933, and prior to the effective date of this act, that were approved either by a county court in Oklahoma or by the Secretary of the Interior are hereby validated and confirmed: *Provided*, That if any such conveyance is subject to attack upon grounds other than sufficiency of approval or lack of approval thereof, such conveyance shall not be affected by this act.

"SEC. 10. Section 2 of the act of June 26, 1936 (49 Stat. 1967), commonly known as the Oklahoma Welfare Act, shall be amended by the addition of a new paragraph as follows:

" 'The preference right of the Secretary to purchase shall be considered as waived where notice of the pendency of sale is given in writing to the Superintendent of the Five Civilized Tribes for at least 10 days prior to the date of sale and the Secretary does not within that time exercise the preferential right to purchase.'

"SEC. 11. All restricted lands of the Five Civilized Tribes are hereby made subject to all oil and gas conservation laws of Oklahoma: *Provided*, That no order of the Corporation Commission affecting restricted Indian land shall be valid as to such land until submitted to and approved by the Secretary of the Interior or his duly authorized representative.

"SEC. 12. Sections 1 and 8 of the act of January 27, 1933 (47 Stat. 777), are hereby repealed.

"SEC. 13. All acts and parts of acts in conflict herewith are hereby repealed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATIVE COINS

The Clerk called the bill (H. R. 1180) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one-hundredth anniversary of the admission of Wisconsin into the Union as a State, there shall be coined not to exceed 500,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations of such coinage.

SEC. 2. The coins herein authorized shall bear the date of the year in which they are minted, shall be legal tender to the amount of their face value, and shall be issued only upon the request of a duly authorized representative of the State of Wisconsin, upon the payment by it of the par value of such coins. Such coins shall be issued in such numbers and at such times during the calendar year 1948 as shall be requested by such State of Wisconsin and may be disposed of at par or at a premium, and the net proceeds shall be used for the observation of the centennial as directed by the Governor of the State of Wisconsin.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material; and for the transportation, distribution, and redemption of coins; for the prevention of debasement or counterfeiting; for the security of the coins; or for any other purpose, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein athorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FEDERAL TORT CLAIMS ACT

The Clerk called the bill (H. R. 3690) to amend the Federal Tort Claims Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 410 (a) of the Federal Tort Claims Act (Public Law 601, 79th Cong., title IV) is hereby amended so that it shall read as follows:

"SEC. 410. (a) Subject to the provisions of this title, the United States district court for the district wherein the plaintiff is resident or wherein the act or omission complained of occurred, including the United States district courts for the Territories and possessions of the United States, sitting without a jury, shall have exclusive jurisdiction to hear, determine, and render judgment on any claim against the United States, for money only, accruing on and after January 1, 1945, on account of damage to or loss of property or on account of personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant for such damage, loss, injury, or death in accordance with the law of the place where the act or omission occurred. Subject to the provisions of this title, the United States shall be liable in respect of such claims, to the same claimants, in the same manner, and to the same extent, as a private individual under like circumstances, except that the United States shall not be liable for interest prior to judgment. Costs shall be allowed in all courts to the successful claimant to the same extent as if the United States were a private litigant, except that such costs shall not include attorneys' fees."

SEC. 2. This act shall take effect as of August 2, 1946.

With the following committee amendment:

Page 2, line 16, after the word "judgment", insert "for punitive damages: *Provided, however*, That in any case wherein death was caused, where the law of the place where the act or omission complained of occurred, provides, or has been construed to provide, for damages only punitive in nature, the United

States shall be liable for actual or compensatory damages in lieu thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING CRIMINAL CODE

The Clerk called the bill (H. R. 1810) to amend the Criminal Code to permit certain referees in bankruptcy to prosecute claims against the United States before the courts and the executive departments and agencies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 109 of the Criminal Code, as amended (U. S. C., 1940 edition, title 18, sec. 198), is amended by adding at the end thereof the following new sentence: "Referees in bankruptcy to the extent that they are not barred from engaging in the practice of law by the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, shall not be subject to the provisions of this section."

With the following committee amendments:

Page 1, line 6, strike out "referees" and insert "part-time referees."

Page 2, after line 3, insert the following:

"SEC. 2. Section 113 of the Criminal Code, as amended (U. S. C., 1940 ed., title 18, sec. 203), is amended by adding at the end thereof the following new paragraph:

"'Part-time referees in bankruptcy, to the extent that they are not barred from engaging in the practice of law by the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, shall not, by reason of their status as referees, be subject to the provisions of the first paragraph of this section.'

"SEC. 3. The proviso in the sixth paragraph under the subheading 'War Department' of the heading 'Claims allowed by the Third Auditor and Second Comptroller' of the deficiency appropriations act of July 7, 1884 (23 Stat. 258; U. S. C., 1940 ed., title 5, sec. 261), is amended to read as follows: '*Provided*, That the Secretary of the Treasury may prescribe rules and regulations governing the recognition of agents, attorneys, or other persons representing claimants before his Department, and may require of such persons, agents, and attorneys, before being recognized as representatives of claimants, that they shall show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render such claimants valuable service, and otherwise competent to advise and assist such claimants in the presentation of their cases. Nothing in the preceding sentence shall be construed to authorize the Secretary of the Treasury to preclude or bar part-time referees in bankruptcy from engaging in the practice of law before the Department of the Treasury to the extent that they are permitted to engage in the practice of law by the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended. Such Secretary may after due notice and opportunity for hearing suspend, and disbar from further practice before his Department, any such person, agent, or attorney shown to be incompetent, disreputable, or who refuses to comply with the said rules and regulations, or who shall with intent to defraud, in any manner willfully and knowingly deceive, mislead, or threaten any claimant or prospective claimant, by word, circular, letter, or by advertisement.'

"SEC. 4. Subdivision b of section 39 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898 (60 Stat. 326; U. S. C., 1940 ed., title 11, sec. 67), as amended, is amended to read as follows:

"'b. Referees shall not (1) act in cases in which they are directly or indirectly interested; or (2) purchase, directly or indirectly, any property of an estate in any proceeding under this act. Active full-time referees shall not exercise the profession or employment of counsel or attorney, or be engaged in the practice of law. Active part-time referees, and referees receiving benefits under paragraph (1) of subdivision d of section 40 of this act, shall not practice as counsel or attorney in any proceeding under this act, nor, while acting as referee in a proceeding under this act with respect to any person, shall they practice as counsel or attorney for or against such person or his estate in any suit or proceeding before any judicial, legislative, or administrative tribunal in any jurisdiction.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Criminal Code and certain other legislation to permit part-time referees in bankruptcy to act as agents or attorneys for claimants against the United States."

A motion to reconsider was laid on the table.

REHABILITATION OF OYSTER BEDS IN THE STATES OF MISSISSIPPI AND LOUISIANA

The Clerk called the bill (H. R. 3505) authorizing an appropriation for investigation and rehabilitating the oyster beds damaged or destroyed by the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., and by the opening of the Bonnet Carre spillway, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to have this bill explained. We would like to know what the cost is going to be.

Mr. DOMENGEAUX. Mr. Speaker, this bill has for its purpose authorizing the Fish and Wildlife Service to investigate and study the means and methods best adaptable to the rehabilitation, replanting, and maintenance of oyster beds in the States of Louisiana and Mississippi that have been destroyed through the operation of the Bonnet Carre spillway and certain flood-control projects. It is one of the most equitable bills that has ever been presented before this committee. It is only for the purpose of making a study to determine what will be the cost of rehabilitation and replanting these oyster beds.

Mr. RICH. In order to make that study what does the gentleman think the cost is going to be?

Mr. DOMENGEAUX. That is rather difficult to say. The actual damages were in the neighborhood of $4,000,000 for both States.

Mr. RICH. Four million dollars to make a survey?

Mr. DOMENGEAUX. No; that is the actual damage. The actual mortality of the oyster beds involved $4,000,000.

Mr. RICH. Whose responsibility is it to see that these beds are rehabilitated?

Mr. DOMENGEAUX. Definitely the responsibility of the Federal Government.

Mr. RICH. What did the Federal Government do to destroy these oyster beds?

Mr. DOMENGEAUX. The Federal Government constructed certain flood-control projects and destroyed these beds which were privately owned by the State of Mississippi and by the inhabitants of the State of Louisiana who have had these oyster beds from time immemorial.

Mr. BUCK. Mr. Speaker, if the gentleman will yield, the bill states that the authorization is $50,000.

Mr. DOMENGEAUX. That is correct.

Mr. RICH. If this report is favorable, then it is going to cost how much?

Mr. DOMENGEAUX. There is no way of determining, but it is believed that it will be kept to a very small amount, because it will only involve the replanting of these oyster beds which is not necessarily an expensive operation.

Mr. RICH. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated the sum of not to exceed $50,000 to enable the Fish and Wildlife Service, Department of the Interior, to investigate and study the means and methods best adaptable to the rehabilitation, replanting, and maintenance of the oyster beds in the States of Louisiana and Mississippi that have been or may be destroyed through the operation of the Bonnet Carre spillway and through the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., together with such sums that may be determined, as a result of such investigations and studies, to be necessary to rehabilitate, replant, and maintain such oyster beds in accordance with the provisions of the act of August 14, 1946 (Public Law 732, 79th Cong., 2d sess.).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, I desire to assure the gentleman from Pennsylvania [Mr. RICH] as well as the membership of the House generally, that this is a most meritorious bill. I might say that there can be no question about the liability of the Federal Government in this instance. This bill has for its purpose the eventual payment of the damages done the oyster industry of the States of Mississippi and Louisiana as a result of the opening of the Bonnet Carre spillway, but that payment to be made in kind. That is to say that this bill paves the

way for the rehabilitation of those beds destroyed as the result of the flooding of the Mississippi River in the spring of 1945. The purpose of the bill is aptly stated in the report as follows:

PURPOSE OF THE BILL

The purpose of this bill is to authorize the Fish and Wildlife Service of the Department of Interior to investigate and study the means and methods best adaptable to the rehabilitation, replanting, and maintenance of oyster beds in beds in the States of Louisiana and Mississippi that have been destroyed through the operation of the Bonnet Carre spillway. The effect of this bill would be to provide assistance to people who have been drastically injured, through no fault of their own, by the operation of a Government flood-control project and who probably have no legal grounds for asserting direct claims for damages.

In past years, floods of the Mississippi River have caused tremendous damage through wide areas. Within the past weeks we have had vivid examples of the damage which can result from flood stages of this great river. Because of the national importance of this flood damage, the Federal Government in past years has built large-scale flood-control projects. One of these projects was the so-called Bonnet Carre spillway, which was built by the Federal Government at considerable cost. That project provided a means whereby the Mississippi River, at its high stages, could be partially diverted into Lake Pontchartrain from its normal circuitous course, and from there into the Gulf of Mexico. By opening the Bonnet Carre spillway approximately 250,000 cubic feet per second out of an estimated 1,500,000 cubic feet per second flow of the river can be withdrawn from the normal channel. By so diverting the waters of this great river it was believed that substantial flood damage to the city of New Orleans and other areas along the Mississippi could be avoided.

During a high river stage in the spring of 1945, the Bonnet Carre spillway was opened. As a result, great quantities of fresh water entered the Gulf of Mexico in other than its normal course. Observers have testified that the normal bluish green salt water of the Mississippi Sound, shortly after the opening of the spillway, looked like a muddy fresh water lake. Not only were millions of cubic feet of fresh water released into this area but tremendous quantities of silt carried by the river's floodwaters were deposited. Similar damage occurred from the blockage of the natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin from other flood-control projects.

For many years, a large-scale oyster industry had been developed in the areas into which the controlled waters flowed. Between twelve and fifteen thousand people were employed in the cultivation and utilization of these oyster beds. It must here be added, parenthetically, that oysters thrive in brackish water, usually in an area where there is an influx of fresh water into salt water. It is impossible for them to thrive either in normal ocean salt water or in fresh water. When the Bonnet Carre spillway was opened, the great flow of fresh water carrying silt over these beds completely destroyed the oysters. So far as the committee were able to determine, not a single oyster survived. As a result, the industry in this area came to a complete standstill, and people who had previously relied upon it for their livelihood were forced to other endeavors. Substantial damage and a huge monetary loss was thus caused; it has been estimated that the damage in the State of Mississippi resulting from this opening of the spillway approximated $3,000,000, while the damage in the State of Louisiana was approximately $1,000,000.

Because of the nature of this destruction as an incident to a Federal flood-control project, it is doubtful whether the people so damaged have any legal remedy or claims to compensation. This bill would not give them any recompense for their loss. Your committee feels, however, that the Federal Government has an obligation to give them some assistance to reestablish their means of earning a livelihood. To accomplish this, the bill authorizes a study to be made by the Fish and Wildlife Service which will provide information as to the best means and methods which these people may use in order to rehabilitate their oyster beds. Your committee are of the opinion that simple justice to these people requires that this minimum Federal assistance be given to them.

The Secretary of the Interior has indicated no objection to the enactment of this bill. The Secretary of the Interior's letter, dated June 11, 1947, is set forth below:

DEPARTMENT OF THE INTERIOR,
Washington 25, D. C., June 11, 1947.

CHAIRMAN,
Committee on Merchant Marine and Fisheries,
House of Representatives.

MY DEAR MR. CHAIRMAN: Reference is made to your recent letter, requesting reports on H. R. 3504 and H. R. 3505, both entitled "A bill authorizing an appropriation for investigating and rehabilitating the oyster beds damaged or destroyed by the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., and by the opening of the Bonnet Carre spillway, and for other purposes."

I have no objection to the enactment of the proposed legislation.

The two bills in question would authorize an appropriation of not to exceed $50,000 to enable the Fish and Wildlife Service to investigate and study the means and methods best adaptable to the rehabilitation, replanting, and maintenance of certain oyster beds in the States of Louisiana and Mississippi that have been, and in the future may be, affected adversely by the operation of flood-control projects in those States. These bills differ materially from prior bills relating to the same subject-matter in that they contemplate an investigation and study of the problems relating to the rehabilitation and maintenance of a valuable resource as contrasted with an authorization to pay damages for injury that was but the incidental consequence of the proper exercise of governmental power.

Unquestionably the oyster beds in Louisiana and Mississippi in the areas referred to in the two bills constitute a valuable resource that should be given adequate protection and encouragement consistent with their economic importance, and the principle of promoting effectual planning for the development and maintenance of such resources by the Federal Government in similar circumstances already is fully recognized by the act of August 14, 1946 (Public Law 732, 79th Cong., 2d sess.). As pointed out in this Department's report on the previous bills, H. R. 572 and H. R. 1763, investigations of the nature authorized by the present bills should be made before any definite steps looking toward rehabilitation and replanting of the beds in question are taken. This will permit of a more precise determination of the problems involved and the cost of rehabilitation.

In view of my understanding that you desire an immediate report on H. R. 3504 and H. R. 3505, this letter has not been submitted to the Bureau of the Budget for consideration. Therefore, no commitment can be made concerning the relationship of the foregoing views to the program of the President.

Sincerely yours,

OSCAR L. CHAPMAN,
Under Secretary of the Interior.

Mr. Speaker, the gentlemen from Louisiana [Mr. DOMENGEAUX], a member of the Merchant Marine and Fisheries Committee, and I have been working diligently on this matter since July 1945. At that time I introduced H. R. 3888 entitled "A bill authorizing appropriation for rehabilitating the oyster beds destroyed by the opening of the Bonnet Carre spillway, and for other purposes." The gentleman from Louisiana [Mr. DOMENGEAUX], introduced a companion bill which would take care of the damages to the oyster beds west of the Mississippi River and in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La.

Again in the Eightieth Congress in January of this year we introduced similiar bills to achieve the same purpose. It was after extensive hearings before the Merchant Marine and Fisheries Committee that the present bill was agreed upon as the proper procedure to effect this result. That is the bill that we have before us today.

Mr. Speaker, the oyster industry in the States of Mississippi and Louisiana means the livelihood of a large number of fishermen and packers. More than that, it means a substantial article of food for the Nation. The oyster industry is one of our great natural resources, and as such it should be encouraged by the Federal Government. Certainly, when the Federal Government is responsible for the destruction of a large portion of this natural resource in this vicinity it is the duty of this Government to make amends. This bill should pass without objection.

FISH RESTORATION AND MANAGEMENT PROJECTS

The Clerk called the bill (H. R. 1693) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. I object, Mr. Speaker.

SOCKEYE SALMON FISHERY OF FRASER RIVER SYSTEM

The Clerk called the bill (H. R. 3767) to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Sockeye Salmon Fishery Act of 1947."

SEC. 2. When used in this act—

(a) Convention: The word "convention" means the convention between the United State of America and the Dominion of Canada for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, signed at Washington on the 26th day of May 1930.

(b) Commission: The word "Commission" means the International Pacific Salmon

Fisheries Commission provided for by article II of the convention.

(c) Person: The word "person" includes individuals, partnerships, association, and corporations.

(d) Convention waters: The term "convention waters" means those waters described in article I of the convention.

(e) Sockeye salmon: The term "sockeye salmon" means that species of salmon known by the scientific name Oncorhynchus nerka.

(f) Vessel: The word "vessel" includes every type or description of water craft or other contrivance used, or capable of being used, as a means of transportation in water.

(g) Fishing: The word "fishing" means the fishing for, catching, or taking, or the attempted fishing for, catching, or taking, of any sockeye salmon in convention waters.

(h) Fishing gear: The term "fishing gear" means any net, trap, hook, or other device, appurtenance or equipment, of whatever kind of description, used or capable of being used, for the purpose of capturing fish or as an aid in capturing fish.

SEC. 3. (a) It shall be unlawful for any person to engage in fishing for sockeye salmon in convention waters in violation of the convention or of this act or of any regulation of the Commission.

(b) It shall be unlawful for any person to ship, transport, purchase, sell, offer for sale, import, export, or have in possession any sockeye salmon taken in violation of the convention or of this act or of any regulation of the Commission.

(c) It shall be unlawful for any person or vessel to use any port or harbor or other place subject to the jurisdiction of the United States for any purpose connected in any way with fishing in violation of the convention or of this act or of any regulation made by the Commission.

(d) It shall be unlawful for any person or vessel to engage in fishing for sockeye salmon in convention waters without first having obtained such license or licenses as may be used by or required by the Commission, or to fail to produce such license, upon demand, for inspection by an authorized enforcement officer.

(e) It shall be unlawful for any person to fail to make, keep, submit, or furnish any record or report required of him by the Commission or to refuse to permit any officer authorized to enforce the convention, this act, and the regulations of the Commission, or any authorized representative of the Commission, to inspect any such record or report at any reasonable time.

(f) It shall be unlawful for any person to molest, interfere with, tamper with, damage, or destroy any boat, net, equipment, stores, provisions, fish-cultural stations, rearing pond, weir, fishway, or any other structure, installation, experiment, property, or facility acquired, constructed, or maintained by the Commission.

(g) It shall be unlawful for any person or vessel to do any act prohibited or to fail to do any act required by the convention or by this act or by any regulation of the Commission.

SEC. 4. Any person who fails to make, keep, or furnish any catch return, statistical record, or any report that may be required by the Commission, or any person who furnishes a false return, record, or report, upon conviction shall be subject to such fine as may be imposed by the court not to exceed $1,000, and shall in addition be prohibited from fishing for and from shipping, transporting, purchasing, selling, offering for sale, importing, exporting, or possessing sockeye salmon from the date of conviction until such time as any delinquent return, record, or report shall have been submitted or any false return, record, or report shall have been replaced by a duly certified correct and true return, record, or report to the satisfaction of the court. The penalties imposed by section 5 of this act shall not be invoked for failure to comply with requirements respecting returns, records, and reports.

SEC. 5. (a) Except as provided in section 4, any person violating any provision of the convention or of this act or the regulation of the Commission upon conviction shall be fined not more than $1,000 or be imprisoned not more than 1 year, or both, and the court may prohibit such person from fishing for, or from shipping, transporting, purchasing, selling, offering for sale, importing, exporting, or possessing sockeye salmon for such period of time as it may determine.

(b) The catch of fish of every vessel or of any fishing gear employed in any manner, or any fish caught, shipped, transported, purchased, sold, offered for sale, imported, exported, or possessed in violation of this act or the regulations of the Commission shall be forfeited, and upon a second and subsequent violation the catch of fish shall be forfeited and every such vessel and any fishing gear and appurtenances involved in the violation may be forfeited.

(c) All procedures of law relating to the seizure, judicial forfeiture, and condemnation of a vessel for violation of the customs laws and the disposition of such vessel or the proceeds from the sale thereof shall apply to seizures, forfeitures, and condemnations incurred, or alleged to have been incurred, under the provisions of this act insofar as such provision of law are applicable and not inconsistent with this act.

(d) In cases of minor violations of the provisions of the convention or of this act or the regulations of the Commission, and in cases where immediate arrest of the person or seizure of fish, fishing gear, or of a vessel, together with its tackle, apparel, furniture, appurtenances, and cargo, would impose an unreasonable hardship, the person authorized to make such arrest or seizure or any court of competent jurisdiction may, in his or its discretion, issue a citation requiring such person to appear before the proper official of the court having jurisdiction thereof within a specified time, not exceeding 15 days; or in the case of property, post such citation upon said property and require its delivery to such court within such specified time. Upon the issuance of such citation and the filing of a copy thereof with the clerk of the appropriate court the person so cited and the property so seized and posted shall thereupon be subject to the jurisdiction of the court to answer the order of the court in such cause. Any property so seized shall not be disposed of except pursuant to the order of such court or the provisions of subsection (e) of this section.

(e) When a warrant of arrest or other process in rem, including that specified in subsection (d) of this section, is issued in any cause of admiralty jurisdiction under this section, the marshal or other officer shall stay the execution of such process, or discharge any property seized if the process has been levied, on receiving from the claimant of the property a bond or stipulation with sufficient sureties or approved corporate surety in such sum as the court shall order, conditioned to deliver the property seized, if condemned, without impairment in value (or, in the case of sockeye salmon, to pay its equivalent in money) or otherwise to answer the decree of the court in such cause. Such bond or stipulation shall be returned to the court and judgment thereon against both the principal and sureties may be recovered in the event of any breach of the conditions thereof as determined by the court.

SEC. 6. (a) The President of the United States shall designate a Federal agency which shall be responsible for the enforcement of the provisions of the convention and this act and the regulations of the Commission except to the extent otherwise provided for in the convention and this act. It shall be the duty of the Federal agency so designated to take appropriate measures for enforcement at such times and to such extent as it may deem necessary to insure effective enforcement and for this purpose to cooperate with other Federal agencies, State officers, the Commission, and with the authorized officers of the Dominion of Canada.

(b) The Federal agency designated by the President for enforcement purposes may authorize officers and employees of the State of Washington to enforce the provisions of the convention and of this act and the regulations of the Commission. When so authorized such officers may function as Federal law-enforcement officers for the purposes of this act.

(c) Enforcement of the convention and this act and the regulations of the Commission shall be subject to and in accordance with the provisions of article IX of the convention.

(d) Any duly authorized officer or employee of the Federal agency designated by the President for enforcement purposes under the provisions of subsection (a) of this section 6; any officer or employee of the State of Washington who is authorized by the Federal agency so designated by the President; any enforcement officer of the Fish and Wildlife Service of the Department of the Interior, any Coast Guard officer, any United States marshal or deputy United States marshal, any collector or deputy collector of customs, and any other person authorized to enforce the provisions of the convention, this act, and the regulations of the Commission, shall have power, without warrant or other process, but subject to the provisions of the convention, to arrest any person committing in his presence or view a violation of the convention or of this act or of the regulations of the Commission and to take such person immediately for examination before an officer or trial before a court of competent jurisdiction; and shall have power, without warrant or other process, to search any vessel within convention waters when he has reasonable cause to believe that such vessel is subject to seizure under the provisions of the convention or this act, or the regulation of the Commission, and to search any place of business or any commercial vehicle when he has reasonable cause to believe that such place or vehicle contains fish taken, possessed, transported, purchased, or sold in violation of any of the provisions of the convention, this act, or the regulations of the Commission. Any person authorized to enforce the provisions of the convention and of this act and the regulations of the Commission shall have power to execute any warrant or process issued by an officer or court of competent jurisdiction for the enforcement of this act, and shall have power with a search warrant to search any person, vessel, or place, at any time. The judges of the United States courts and the United States commissioners may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue warrants in all such cases. Subject to the provisions of the convention, any person authorized to enforce the convention and this act and the regulations of the Commission may seize, whenever and wherever lawfully found, all fish caught, shipped, transported, purchased, sold, offered for sale, imported, exported or possessed contrary to the provisions of the convention or this act or the regulations of the Commission and may seize any vessel, together with its tackle, apparel, furniture, appurtenances and cargo, and all fishing gear, used or employed contrary to the provisions of the convention or this act or the regulations of the Commission, or which it

reasonably appears has been used or employed contrary to the provisions of the convention or this act or the regulations of the Commission.

(e) Evidence of any regulation made by the Commission may be given in any court proceedings by the production of a copy of such regulation certified by the Secretary of the Commission to be a true copy and no proof of the signature of the Secretary on such certification shall be required.

(f) Any authorized representative of the Commission, or any person authorized to enforce this act and the regulations of the Commission may inspect any licenses issued to persons or vessels engaging in fishing for sockeye salmon in convention waters and for this purpose may at any reasonable time board any vessel or enter upon any premises where such fishing is or may be conducted.

SEC. 7. (a) All agencies of the Federal Government are authorized, upon request by the Commission, to furnish facilities and personnel for the purposes of assisting the Commission in carrying out its duties of scientific invetigation and improvement of the fishery, as specified in the convention.

(b) None of the prohibitions contained in this act, or the laws and regulations of the States shall prevent the Commission from conducting or authorizing the conduct of fishing operations and biological experiments at any time for purposes of scientific investigation, or shall prevent the Commission from discharging any other duties prescribed by the convention.

SEC. 8. There is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums from time to time, as may be necessary to enable the Commission and agencies of the Federal Government to carry out the provisions of the convention and of this act, including purchase, operation, maintenance, and repair of aircraft, motor vehicles (including passenger-carrying vehicles), boats, research vessels, and other necessary facilities; and printing.

SEC. 9. If any provision of this act is held invalid for any cause, such invalidity shall not affect the other provisions hereof.

SEC. 10. This act shall be effective 30 days from the date of its approval.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARINE RADIOTELEGRAPH OPERATORS AS SHIP OFFICERS

The Clerk called the bill (H. R. 1036) to provide for the licensing of marine radiotelegraph operators, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to inquire as to whether this bill affects the cost of operating ships, and as to whether or not there is a unanimous report of the committee?

Mr. BRADLEY. Mr. Speaker, if the gentleman will yield, this bill does not affect the cost in the slightest degree. It is simply recognizing a condition which is now de facto. It does have the unanimous consent of the subcommittee and of the whole committee.

Mr. BUCK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever the complement of any vessel prescribed pursuant to section 4463 of the Revised Statutes, as amended (46 U. S. C., sec. 222), includes one or more radiotelegraph operators such operators shall be required to be licensed officers.

SEC. 2. The boards of local inspectors authorized under section 4414 of the Revised Statutes (U. S. C., 1940 ed., title 46, sec. 382) shall license radiotelegraph operators, and it shall be unlawful to employ any person or for any person to serve as a radiotelegraph operator of any steamer or of any other vessel of over 100 gross tons carrying passengers for hire who is not licensed by the inspectors; and anyone violating this section shall be liable to a penalty of $100 for each offense.

SEC. 3. Whenever any person applies for authority to perform the duties of radiotelegraph operator of any vessel, the inspectors shall require possession of a valid radiotelegraph license issued by the Federal Communications Commission; and if, upon full consideration, they are satisfied that his character, habits of life, and physical condition are such as to authorize the belief that he is a suitable and safe person to be entrusted with the powers and duties of such a station, they shall grant him a license, authorizing him to be employed in such duties for the term of 5 years, provided he continues to hold a valid radiotelegraph license issued by the Federal Communications Commission.

All licenses issued under this section shall be subject to suspension or revocation on the same grounds and in the same manner and with like procedure as is provided in the case of suspension or revocation of license of officers under the provisions of section 4450 of the Revised Statutes, as amended.

SEC. 4. (a) Section 2 of the act of March 4, 1915, as amended (U. S. C., 1940 ed., title 46, sec. 673), is amended by striking out the period after the words "management of the vessel" and inserting a colon and the following words: "*Provided*, That in the case of radiotelegraph operators this requirement shall be applicable only when three or more radio officers are employed."

(b) Nothing in this act shall be presumed to repeal the provisions of section 2 of the act of March 4, 1915, as amended (U. S. C., 1940 ed., title 46, sec. 673), limiting the work of radiotelegraph operators to 8 hours in 1 day.

SEC. 5. Every radiotelegraph operator who receives a license shall, before entering upon his duties, make oath before one of the inspectors herein provided for, to be recorded with the certificate, that he will faithfully and honestly, according to his best skill and judgment, without concealment or reservation, perform all the duties required of him by law.

Every applicant for license as radiotelegraph operator under the provisions of this act shall make and subscribe to an oath or affirmation, before one of the inspectors referred to in this act, to the truth of all the statements set forth in his application for such license.

Any person who shall make or subscribe to any oath or affirmation authorized in this act and knowing the same to be false shall be deemed guilty of perjury.

Every radiotelegraph operator who shall change, by addition, interpolation, or erasure of any kind, any certificate or license issued by an inspector or inspectors referred to in this act shall, for every such offense, upon conviction, be punished by a fine of not more than $500 or by imprisonment at hard labor for a term not exceeding 3 years.

SEC. 6. Every radiotelegraph operator who shall receive a license shall, when employed upon any vessel, within 48 hours after going on duty, place his certificate of license, which shall be framed under glass, in some conspicuous place in such vessel, where it can be seen by passengers and others at all times: *Provided*, That in case of emergency such radiotelegraph operator may be transferred to another vessel of the same owners for a period not exceeding 48 hours without transfer of his license; and for every neglect to comply with this provision by any such radiotelegraph operator, he shall be subject to a fine of $100 or to the revocation of his license.

SEC. 7. Nothing in this act shall affect the status of radiotelegraph operators while serving aboard vessels operating solely on the Great Lakes.

SEC. 8. Nothing in this act shall increase the number of radiotelegraph operators at present required by law to be carried on vessels, or the type of vessels on which radiotelegraph operators are required to be carried, or to alter, repeal, modify, or affect any other statute of the United States, it being the only intent of this act to give to radiotelegraph operators the status of licensed officers as herein provided without affecting in any way any statute of the United States except as specifically hereinbefore authorized.

With the following committee amendments:

Page 2, line 9, after the words "of a valid", insert the words "first or second class."

Page 2, line 10, before the words "license issued", insert the word "operator."

Page 2, line 17, after the words "hold a valid", insert the words "first or second class."

Page 2, line 17, after the words "radiotelegraph", insert the word "operator."

Page 5, after line 5, insert the following new section:

"SEC. 9. The provisions of this act shall become effective on July 1, 1948."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the licensing of marine radiotelegraph operators as ship radio officers, and for other purposes."

A motion to reconsider was laid on the table.

STIMULATING PRODUCTION FROM DOMESTIC MINES

The Clerk called the bill (H. R. 1602) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN and Mr. RICH objected.

APPROVAL OF PACIFIC MARINE FISHERIES COMPACT

The Clerk called the bill (H. R. 3598) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous of the Pacific coast, creating the Pacific Marine Fisheries Commission, and now ratified by the States of California, Oregon, and Washington, which compact reads as follows:

"PACIFIC MARINE FISHERIES COMPACT

"The contracting States do hereby agree as follows:

"ARTICLE I

"The purposes of this compact are and shall be to promote the better utilization

of fisheries, marine, shell, and anadromous, which are of mutual concern, and to develop a joint program of protection and prevention of physical waste of such fisheries in all of those areas of the Pacific Ocean over which the States of California, Oregon, and Washington jointly or separately now have or may hereafter acquire jurisdiction.

"Nothing herein contained shall be construed so as to authorize the aforesaid States or any of them to limit the production of fish or fish products for the purpose of establishing or fixing the prices thereof or creating and perpetuating a monopoly.

"ARTICLE II

"This agreement shall become operative immediately as to those States executing it whenever two or more of the States of California, Oregon, and Washington have executed it in the form that is in accordance with the laws of the executing State and the Congress has given its consent.

"ARTICLE III

"Each State joining herein shall appoint, as determined by State statutes, one or more representatives to a commission hereby constituted and designated as the Pacific Marine Fisheries Commission, of whom one shall be the administrative or other officer of the agency of such State charged with the conservation of the fisheries resources to which this compact pertains. This commission shall be invested with the powers and duties set forth herein.

"The term of each Commissioner of the Pacific Marine Fisheries Commission shall be 4 years. A commissioner shall hold office until his successor shall be appointed and qualified but such successor's term shall expire 4 years from legal date of expiration of the term of his predecessor. Vacancies occurring in the office of such commissioner from any reason or cause shall be filled for the unexpired term, or a commissioner may be removed from office, as provided by the statutes of the State concerned. Each commissioner may delegate in writing from time to time, to a deputy, the power to be present and participate, including voting as his representative or substitute, at any meeting of or hearing by or other proceeding of the Commission.

"Voting powers under this compact shall be limited to one vote for each State regardless of the number of representatives.

"ARTICLE IV

"The duty of the said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about the conservation and the prevention of the depletion and physical waste of the fisheries, marine, shell, and anadromous, in all of those areas of the Pacific Ocean over which the States of California, Oregon, and Washington jointly or separately now have or may hereafter acquire jurisdiction. The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their respective jurisdictions and said conservation zones to promote the preservation of those fisheries and their protection against overfishing, waste, depletion, or any abuse whatsoever and to assure a continuing yield from the fisheries resources of the signatory parties hereto.

"To that end the Commission shall draft and, after consultation with the advisory committee hereinafter authorized, recommend to the governors and legislative branches of the various signatory States hereto legislation dealing with the conservation of the marine, shell, and anadromous fisheries in all of those areas of the Pacific Ocean over which the States of California, Oregon, and Washington jointly or separately now have or may hereafter acquire jurisdiction. The Commission shall, more than 1 month prior to any regular meeting of the legislative branch in any State signatory hereto, present to the governor of such State its recommendations relating to enactments by the legislative branch of that State in furthering the intents and purposes of this compact.

"The Commission shall consult with and advise the pertinent administrative agencies in the signatory States with regard to problems connected with the fisheries and recommend the adoption of such regulations as it deems advisable and which lie within the jurisdiction of such agencies.

"The Commission shall have power to recommend to the States signatory hereto the stocking of the waters of such States with marine, shell, or anadromous fish and fish eggs or joint stocking by some or all of such States and when two or more of the said States shall jointly stock waters the Commission shall act as the coordinating agency for such stocking.

"ARTICLE V

"The Commission shall elect from its number a chairman and a vice chairman and shall appoint and at its pleasure remove or discharge such officers and employees as may be required to carry the provisions of this compact into effect and shall fix and determine their duties, qualifications, and compensation. Said Commission shall adopt rules and regulations for the conduct of its business. It may establish and maintain one or more offices for the transaction of its business and may meet at any time or place within the territorial limits of the signatory States but must meet at least once a year.

"ARTICLE VI

"No action shall be taken by the Commission except by the affirmative vote of a majority of the whole number of compacting States represented at any meeting. No recommendation shall be made by the Commission in regard to any species of fish except by the vote of a majority of the compacting States which have an interest in such species.

"ARTICLE VII

"The fisheries research agencies of the signatory States shall act in collaboration as the official research agency of the Pacific Marine Fisheries Commission.

"An advisory committee to be representative of the commercial fishermen, commercial fishing industry and such other interests of each State as the commission deems advisable shall be established by the commission as soon as practicable for the purpose of advising the commission upon such recommendations as it may desire to make.

"ARTICLE VIII

"Nothing in this compact shall be construed to limit the powers of any State or to repeal or prevent the enactment of any legislation or the enforcement of any requirement by any State imposing additional conditions and restrictions to conserve its fisheries.

"ARTICLE IX

"Continued absence of representation or of any representative on the commission from any State party hereto, shall be brought to the attention of the governor thereof.

"ARTICLE X

"The States agree to make available annual funds for the support of the commission in proportion to the primary market value of the products of their fisheries as recorded in the latest published reports (5-year average), provided no State shall contribute less than $2,000 per annum and the annual contribution of each State above the minimum shall be figured to the nearest $100.

"The compacting States agree to make available initially the annual amounts scheduled below, which amounts are calculated in the manner set forth herein, on the basis of the latest 5-year catch records. Subsequent budgets shall be recommended by a majority of the commission and the total amount thereof allocated equitably among the States in accordance with the above formula.

"Schedule of initial annual State contributions:

California	$11,000
Oregon	2,000
Washington	2,000
Total	15,000

"ARTICLE XI

"This compact shall continue in force and remain binding upon each State until renounced by it. Renunciation of this compact must be preceded by sending 6 months' notice in writing of intention to withdraw from the compact to the other parties hereto."

SEC. 2. The Pacific Marine Fisheries Commission constituted by the compact shall make an annual report to Congress not later than 60 days after the beginning of each regular session thereof.

SEC. 3. The right to alter, amend, or repeal the provisions of sections 1, 2, and 3 is hereby expressly reserved.

With the following committee amendment:

Page 1, line 8, after the word "Washington" strike out "which compact reads as follows:" and insert "*Provided*, That a representative of the Fish and Wildlife Service of the United States Department of the Interior, designated by the Director, shall be authorized to attend all meetings of the Commission and to participate in the deliberations of the Commission, but shall have no vote: *And provided further*, That the Commission and the fisheries research agencies of the signatory States shall consult with the Fish and Wildlife Service with regard to studies and investigations of the fisheries of mutual interest and concern, and in the conduct of such studies and investigations the fisheries research agencies of the signatory States and the Fish and Wildlife Service shall collaborate to the extent that may be expedient. The compact reads as follows:"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTEND TIME FOR FILING PATENT APPLICATIONS

The Clerk called the bill (H. R. 3958) to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CARROLL. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the committee why no report has been submitted from the department affected.

Mr. LEWIS. Mr. Speaker, if the gentleman will yield, there is a report.

Mr. CARROLL. By the committee itself, but from the Government department I had reference to. Did they file a report?

Mr. LEWIS. Yes; they appeared and asked that the bill be passed.

Mr. WALTER. Mr. Speaker, if the gentleman will yield, representatives of the department appeared and testified orally on behalf of the bill.

Mr. CARROLL. And they are in favor of the legislation?

Mr. WALTER. Yes.

Mr. CARROLL. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the period of extension of priority rights under section 1 of Public Law 690, Seventy-ninth Congress, approved August 8, 1946, and the time within which the payment of any fee or the taking of any other action under section 3 of said act, specified as expiring 12 months after the passage of that act, shall be further extended to and including December 31, 1947, in favor of citizens of the United States and citizens or subjects of countries which grant or shall grant before December 31, 1947, substantially reciprocal privileges to citizens of the United States for such extended term.

With the following committee amendments:

Page 1, line 5, strike out "within which" and insert in lieu thereof the word "for."

Page 1, lines 8 and 9, strike out "and including December 31, 1947" and insert in lieu thereof "a date not later than February 29, 1948."

Page 1, line 11, strike out "December 31, 1947" and insert in lieu thereof "February 29, 1948."

Page 1, line 13, change the period to a comma and add "subject to the provisions of said Public Law 690."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNITION OF SERVICES OF PANAMA CANAL EMPLOYEES

The Clerk called the bill (H. R. 2273) to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Reserving the right to object, Mr. Speaker, every time we pass a bill concerning the services of those engaged in the construction of the Panama Canal it seems to create an inequality by reason of which we have to pass more and costly legislation later. May I ask the author of the bill if this will complete the matter?

Mr. POTTS. I think it will. I have been over the act, and I think this irons it all out.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OF PHILIPPINE REHABILITATION ACT

The Clerk called the bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Reserving the right to object, Mr. Speaker, and I was not going to object, I understand there are some committee amendments to be offered which have not as yet been submitted to those members charged with checking bills on the Consent Calendar. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 3247) to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Coast and Geodetic Survey is hereby authorized to provide, from appropriations now or hereafter made available to the Survey, for—

(a) Transportation (including packing, unpacking, crating, and uncrating) of personal and household effects of commissioned officers who die on active duty to the official residence of record for such officers, or, upon application by their dependents, to such other locations as may be determined by the Director of the Coast and Geodetic Survey or by such person as he may designate.

(b) Reimbursement, under regulations prescribed by the Secretary, of commissioned officers for food, clothing, medicines, and other supplies furnished by them for the temporary relief of distressed persons in remote localities and to shipwrecked persons temporarily provided for by them.

(c) Erection of temporary observatory buildings, and lease of sites therefor when necessary.

SEC. 2. The Coast and Geodetic Survey is hereby authorized to pay extra compensation to members of crews of vessels when assigned duties as bombers or fathometer readers, and to employees of other Federal agencies while observing tides or currents or tending seismographs, at such rates as may be specified from time to time in the appropriation concerned.

With the following committee amendment.

Page 2, strike out subsection (c) in lines 10 and 11.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 3541) to define the functions and duties of the Coast and Geodetic Survey, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, to provide charts and related information for the safe navigation of marine and air commerce, and to provide basic data for engineering and scientific purposes and for other commercial and industrial needs, the Director of the Coast and Geodetic Survey, hereinafter referred to as the Director, under direction of the Secretary of Commerce, is authorized to conduct the following activities in the United States, its Territories, and possessions:

(1) Hydrographic and topographic surveys of coastal water and land areas (including surveys of offlying islands, banks, shoals, and other offshore areas);

(2) Hydrographic and topographic surveys of lakes, rivers, reservoirs, and other inland waters not otherwise provided for by statute;

(3) Tide and current observations;

(4) Geodetic-control surveys;

(5) Field surveys for aeronautical charts;

(6) Geomagnetic, seismological, gravity, and related geophysical measurements and investigations, and observations for the determination of variation in latitude and longitude.

SEC. 2. In order that full public benefit may be derived from the operations of the Coast and Geodetic Survey by the dissemination of data resulting from the activities herein authorized and of related data from other sources, the Director is authorized to conduct the following activities:

(1) Analysis and prediction of tide and current data:

(2) Processing and publication of data, information, compilations, and reports;

(3) Compilation and printing of aeronautical charts of the United States, its Territories and possessions; and, in addition, the compilation and printing of such aeronautical charts covering international airways as are required primarily by United States civil aviation;

(4) Compilation and printing of nautical charts of the United States, its Territories, and possessions;

(5) Distribution of aeronautical charts and related navigational publications required by United States civil aviation;

(6) Distribution of nautical charts and related navigational publications for the United States, its Territories, and possessions.

SEC. 3. To improve the efficiency of the Coast and Geodetic Survey and to increase engineering and scientific knowledge, the Director is authorized to conduct developmental work for the improvement of surveying and cartographic methods, instruments, and equipments; and to conduct investigations and research in geophysical sciences (including geodesy, oceanography, seismology, and geomagnetism).

SEC. 4. The Director is authorized to enter into cooperative agreements with, and to receive and expend funds made available by, any State or subdivision thereof, or any public or private organization, or individual, for surveys or investigations authorized herein, or for performing related surveying and mapping activities, including special-purpose maps, and for the preparation and publication of the results thereof.

SEC. 5. The Director is authorized to contract with qualified organizations for the performance of any part of the authorized functions of the Coast and Geodetic Survey when he deems such procedure to be in the public interests.

SEC. 6. The Secretary of Commerce is hereby authorized to accept and utilize gifts or bequests of money and other real or personal property for the purpose of aiding or facilitating the work of the Coast and Geodetic Survey and such gifts and bequests and the income therefrom shall be exempt from Federal taxes.

SEC. 7. The President is authorized to cause to be employed such of the public vessels as he deems it expedient to employ, and to give such instructions for regulating their conduct as he deems proper in order to carry out the provisions of this act.

SEC. 8. There are hereby authorized to be appropriated such funds as may be necessary to acquire, construct, maintain, and operate ships, stations, equipment, and facilities and for such other expenditures, including personal services at the seat of government and elsewhere, as may be necessary for the conduct of the activities herein authorized.

SEC. 9. Any provision of law, in whole or in part, that is inconsistent with the provisions of this act, is hereby amended or repealed accordingly.

With the following committee amendments:

Page 3, after section 2, insert a new section 3 to read as follows:

"SEC. 3. To provide for the orderly collection of geomagnetic data from domestic and foreign sources, and to assure that such data shall be readily available to Government and private agencies and individuals, the Coast and Geodetic Survey is hereby designated as the central depository of the United States Government for geomagnetic data and the Director is authorized to collect, correlate, and disseminate such data."

Page 3, line 8, strike out the words "SEC. 3." and insert in lieu thereof "SEC. 4."

Page 3, line 16, strike out the words "SEC. 4." and insert in lieu thereof "SEC. 5."

Page 3, line 24, strike out the words "SEC. 5." and insert in lieu thereof "SEC. 6."

Page 4, line 3, strike out the words "SEC. 6." and insert in lieu thereof "SEC. 7."

Page 4, line 9, strike out the words "SEC. 7." and insert in lieu thereof "SEC. 8."

Page 4, line 14 strike out the words "SEC. 8." and insert in lieu thereof "SEC. 9."

Page 4, line 18, after the word "elsewhere," insert the words "and including the erection of temporary observatory buildings and lease of sites therefor."

Page 4, line 20, delete the present section 9 and substitute in lieu thereof the following:

"SEC. 10. The following statutes are hereby repealed:

"(1) The act of January 31, 1925 (ch. 121, 43 Stat. 802) (33 U. S. C. 866).

(2) Section 4681 of the Revised Statutes (33 U. S. C. 881).

"(3) Section 4682 of the Revised Statutes (33 U. S. C. 882).

"(4) Section 4683 of the Revised Statutes (33 U. S. C. 883).

"(5) Section 4684 of the Revised Statutes (33 U. S. C. 883).

"(6) Section 4686 of the Revised Statutes (33 U. S. C. 885)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of bills eligible for consideration on the Consent Calendar today.

AMENDING THE NATIONALITY ACT OF 1940

Mr. WALTER. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 197, the bill (H. R. 3555) to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 303 of the Nationality Act of 1940, as amended (54 Stat. 1140; 8 U. S. C. 703) (sec. 1, Special Law 483, 79th Cong.; ch. 543, 2d sess.), is hereby amended by changing the period after the figure 317 to a comma and adding the following: "nor to a person, regardless of race, who is permanent resident of the United States and who is the natural parent of a member of the armed services of the United States who died while in the armed services during World War II, which war, for the purposes of this subsection, shall be considered as having started on December 8, 1941, and to have ended on December 31, 1946, the date on which the President declared hostilities to have ended."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That subsection (b) of section 303 of the Nationality Act of 1940, as amended (54 Stat. 1140; 8 U. S. C. 703) (sec. 1, Pub. Law No. 483, 79th Cong.; ch. 543, 2d sess.), is hereby amended to read as follows:

"'(b) Nothing in the preceding subsection shall prevent the naturalization of former citizens of the United States who are otherwise eligible to naturalization under the provisions of section 317, nor a person regardless of race, who is a permanent resident of the United States and who was the natural parent of a member of the armed services of the United States who died while in the armed services during World War II, which war, for the purpose of this subsection, shall be considered as having started on December 8, 1941, and to have ended on December 31, 1946.'"

Mr. WALTER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER to the committee amendment: On page 2, line 16, after "died" insert "or was wounded."

Mr. WALTER. Mr. Speaker, this bill provides for the granting of citizenship to the parents of men who made the supreme sacrifice in the recent war. Under this amendment the same privileges are extended to the parents of men who were wounded in action.

The SPEAKER. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-IMPROVEMENT BONDS, TERRITORY OF HAWAII

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 238 the bill (H. R. 3266) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to substitute Senate bill S. 1420 for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

SEC. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

SEC. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the House bill (H. R. 3266) was passed were vacated and that bill laid on the table.

RULES FOR PREVENTION OF COLLISIONS ON CERTAIN INLAND WATERS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 175 the bill (H. R. 3350) relating to the rules for the prevention of collisions on certain inland waters of the United States and the western rivers, and for other purposes. I previously asked that the bill be passed over without prejudice because our colleague, the gentleman from New York [Mr. COLE], had asked that it be passed over 2 weeks ago and we had no information from him that he had changed his mind.

The SPEAKER. Is there objection to the request of gentleman from Iowa?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of the first section of the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897, as amended (U. S. C., 1940 ed., title 33, sec. 154), as reads "That the following regulations for preventing collision shall be followed by all vessels navigating all harbors, rivers, and inland waters of the United States, except the Great Lakes and their connecting and tributary waters as far east as Montreal and the Red River of the North and rivers emptying into the Gulf of Mexico and their tributaries, and are hereby declared special rules duly made by local authority:" is amended to read as follows: "That the following regulations for preventing collisions shall be followed by all vessels upon the harbors, rivers, and other inland waters of the United States, except the Great Lakes and their connecting and tributary waters as far east as Montreal, and the waters of the Mississippi River between its source and the Huey P. Long Bridge and all of its tributaries emptying thereinto and their tributaries, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway, and the waters of the Mobile River above Choctaw Point and all of its tributaries, and the Red River of the North; and are hereby declared special rules duly made by local authority:".

SEC. 2. Article 3 in the first section of such act approved June 7, 1897, as amended (U. S. C., 1940 ed., title 33, sec. 173), is amended to read as follows:

"ART. 3. A steam vessel when towing another vessel or vessels alongside or by pushing ahead shall, in addition to her side lights, carry two bright white lights in a vertical line, one over the other, not less than 3 feet apart, and when towing one or more vessels astern, regardless of the length of the tow, shall carry an additional bright white light 3 feet above or below such lights. Each of these lights shall be of the same construction and character, and shall be carried in the same position as the white light mentioned in article 2 (a) of this chapter or the

after-range light mentioned in article 2 (f) of this chapter.

"Such steam vessel may carry a small white light abaft the funnel or aftermast for the vessel towed to steer by, but such light shall not be visible forward of the beam."

SEC. 3. Sections 2, 3, and 4 of such act of June 7, 1897, as amended (U. S. C., 1940 ed., title 33, sections 157, 158, and 159), are amended to read as follows:

"SEC. 2. (a) That the Commandant of the United States Coast Guard shall establish such rules to be observed on the waters mentioned in the preceding section by steam vessels in passing each other and as to the lights to be carried on such waters by ferryboats and by vessels and craft of all types when in tow of steam vessels, or operating by hand power or horsepower or drifting with the current, and any other vessels not otherwise provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety, which rules are hereby declared special rules duly made by local authority, as provided for in article 30 of chapter 802 of the laws of 1890. Two printed copies of such rules shall be furnished to all vessels and craft mentioned in this subsection, which rules shall, where practicable, be kept posted up in conspicuous places thereon.

"(b) Except in an emergency, before any rules or any alteration, amendment, or repeal thereof, are established by the Commandant of the United States Coast Guard under the provisions of this section, the said Commandant shall publish such rules, alterations, amendments, and repeals, and public hearings shall be held with respect thereto before the Coast Guard Merchant Marine Council on such notice as the Commandant deems reasonable under the circumstances.

"SEC. 3. That every pilot, engineer, mate, or master of any steam vessel, and every master or mate of any barge or canal boat, who neglects or refuses to observe the provisions of this act, or the regulations established in pursuance of the preceding section shall be liable to a penalty of $100, and for all damages sustained by any passenger in his person or baggage by such neglect or refusal: *Provided*, That nothing herein shall relieve any vessel, owner, or corporation from any liability incurred by reason of such neglect or refusal.

"SEC. 4. That every vessel that shall be navigated without complying with the provisions of this act shall be liable to a penalty of $200, one-half to go to the informer, for which sum the vessel so navigated shall be liable and may be seized and proceeded against by action in any district court of the United States having jurisdiction of the offense."

SEC. 4. Section 4233 of the Revised Statutes of the United States, as amended (U. S. C., 1940 ed., title 33, sec. 301 and the following) is amended to read as follows:

"SEC. 4233. The following regulations for preventing collisions shall be followed by all vessels upon the waters of the Mississippi River between its source and the Huey P. Long Bridge and all of the tributaries emptying thereinto and their tributaries, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway, and the waters of the Mobile River above Choctaw point and all of its tributaries, and the Red River of the North; and are hereby declared special rules duly made by local authority:

"I—PRELIMINARY DEFINITIONS

"Rule No. 1: In the following rules every steam vessel which is under sail and not under power is to be considered a sailing vessel, and every vessel under power, whether under sail or not, is to be considered a steam vessel.

"The words 'steam vessel' shall include any vessel propelled by machinery.

"A vessel is 'under way' within the meaning of these rules when she is not at anchor, or made fast to the shore, or aground.

"The word 'visible' in these rules, when applied to lights, shall mean visible on a dark night with a clear atmosphere.

"The words "distinct blast' in these rules, when applied to whistle signals, shall mean a clearly audible blast of any length.

"II—LIGHTS, AND SO FORTH

"Rule No. 2: The rules concerning lights shall be complied with in all weathers from sunset to sunrise, and during such time no other lights which may be mistaken for the prescribed lights, or impair their visibility, shall be exhibited.

"Rule No. 3: A steam vessel when towing another vessel or vessels alongside or by pushing ahead shall carry—

"(a) On the starboard side a green light so constructed and fixed as to show the light from ahead and not more than half a point on the port bow to two points abaft the beam on the starboard side, and of such a character as to be visible at a distance of at least 3 miles.

"(b) On the port side a red light so constructed and fixed as to show the light from ahead and not more than half a point on the starboard bow, to two points abaft the beam on the port side, and of such a character as to be visible at a distance of at least 3 miles.

"(c) The said green and red side lights shall be fitted with inboard screens painted black and projecting at least 3 feet forward from the light, so as to prevent these lights from being seen more than half a point across the bow.

"(d) At or near the stern, and higher than the side lights, where they can best be seen, two red lights in a vertical line, one over the other, not less than three feet apart, of such a character as to be visible from aft for a distance of at least 2 miles, and so screened as not to be visible forward of the beam.

"Rule No. 4: A steam vessel when towing another vessel or vessels on a hawser astern shall carry, in addition to the side lights described in rule 3 (a), (b), and (c) and at a greater height than those lights, in the forward half of the vessel, two bright white lights in a vertical line, one over the other, at least three feet apart. Each of these lights shall be so constructed as to show an unbroken light over an arc of 20 points of the compass, so fixed as to throw the light 10 points on each side of the vessel, namely, from right ahead to two points abaft the beam on either side and of such a character as to be visible at a distance of at least 3 miles.

"Rule No. 5: A seagoing steam vessel underway shall carry lights as required by article 2, International Rules, as amended.

"Rule No. 6: A river steamer, by which is meant a river-type steam vessel with two smokestacks in an athwartship line, may carry, in lieu of the lights prescribed by rule 7 (a), the following lights, namely: One red light on the outboard side of the port smokestack and one green light on the outboard side of the starboard smokestack. Such lights shall show forward, aft, and abeam on their respective sides.

"Rule No. 7: (a) A steam vessel underway, except as otherwise provided in these rules, shall carry, in addition to side lights as described in rule 3 (a), (b), and (c), a central range of two white lights, the after light being carried at an elevation of at least 15 feet above the light at the head of the vessel. The headlight shall be so constructed as to show an unbroken light through 20 points of the compass, namely, from right ahead to two points abaft the beam on either side of the vessel, and the after light so as to show all around the horizon.

"(b) The lights for barges, canal boats, scows, and other vessels of nondescript type, when in tow of steam vessels, and for ferryboats, shall be as prescribed by the Commandant, United States Coast Guard.

"Rule No. 8: A sailing vessel under way, and any vessel being towed except barges, canal boats, scows, and other vessels of nondescript type when in tow of steam vessels, shall carry screened side lights as prescribed by rule 3, sections (a), (b), and (c), for a steam vessel, and a stern light as prescribed by rule 10.

"Rule No. 9: Whenever, as in the case of small vessels during bad weather, the green and red lights cannot be fixed, these lights shall be kept on deck, on their respective sides of the vessel, ready for instant exhibition, and shall, on the approach of or to other vessels, be exhibited on their respective sides in sufficient time to prevent collision, in such manner as to make them most visible, and so that the green light shall not be see on the port side, nor the red light on the starboard side. To make the use of these portable lights more certain and easy, they shall each be painted outside with the color of the light they respectively contain, and shall be provided with suitable screens.

"Rule No. 10: A vessel which is being overtaken by another, except a steam vessel which already has one or more running lights visible from aft, shall show from her stern to such overtaking vessel a white light or a flare-up light.

"The white light required to be shown by this article may be fixed and carried in a lantern, but in such case the lantern shall be so constructed, fitted, and screened that it shall throw an unbroken light over an arc of the horizon of 12 points of the compass, namely, for 6 points from right aft on each side of the vessel, so as to be visible at a distance of at least 2 miles.

"Rule No. 11: (a) Sailing pilot vessels, when engaged on their station on pilotage duty, and not at anchor, shall not show the lights required for other vessels, but shall carry a white light at the masthead, visible all around the horizon, at a distance of at least 3 miles, and shall also exhibit a flare-up light or flare-up lights at short intervals, which shall never exceed 10 minutes.

"On the near approach of or to other vessels they shall have their side lights lighted, ready for use, and shall flash or show them at short intervals to indicate the direction in which they are heading, but the green light shall not be shown on the port side, nor the red light on the starboard side.

"A sailing pilot vessel of such a class as to be obliged to go alongside of a vessel to put a pilot on board may show the white light instead of carrying it at the masthead, and may, instead of the side lights above mentioned, have at hand, ready for use, a lantern with a green glass on the one side and a red glass on the other, to be used as prescribed above.

"(b) A steam pilot vessel when engaged on her station on pilotage duty and not at anchor shall, in addiiton to the lights and flares required for sailing pilot vessels, carry, at a distance of 8 feet below her white masthead lights, a red light, visible all around the horizon at a distance of at least 3 miles, and also the side lights required to be carried by vessels when under way.

"(c) All pilot vessels, when engaged on their stations on pilotage duty and at anchor, shall carry the lights and show the flares prescribed above, except that the side lights shall not be shown.

"When not engaged on their stations on pilotage duty they shall carry the same lights as other vessels of their class and tonnage.

"Rule No. 12: Motorboats, when not engaged in towing, shall be lighted as provided by the Motorboat Act of April 25, 1940, as amended. When towing, they shall be subject to the same provisions for lighting as other steam vessels towing.

"Rule No. 13: (a) A vessel under 150 feet in length, when at anchor, and not moored to the bank or wharf, shall carry forward, where it can best be seen, a white light in a lantern so constructed as to show a clear, uniform, and unbroken light visible all around the horizon at a distance of at least 2 miles: *Provided*, That the Secretary of War may, after investigation, by rule, regulation, or order, designate such areas as he may deem proper as 'special anchorage areas'; such special anchorage areas may from time to time be changed, or abolished, if after investigation the Secretary of War shall deem such change or abolition in the interest of navigation: *Provided further*, That vessels not more than 65 feet in length when at anchor in any such special anchorage area shall not be required to carry or exhibit the white light required by this article.

"(b) A vessel of 150 feet or upward in length, when at anchor, and not moored to the bank or wharf, shall carry in the forward part of the vessel, where it can best be seen, one such light, and at or near the stern of the vessel, and at such a height that it shall not be less than 15 feet lower than the forward light, another such light.

"Rule No. 14: The exhibition of any light on board of a vessel of war of the United States or a Coast Guard cutter may be suspended whenever, in the opinion of the Secretary of the Navy, the commander in chief of a squadron, or the commander of a vessel acting singly, the special character of the service may require it.

"Rule No. 15: All signals prescribed by this article for vessels under way shall be given—

"By 'steam vessels' on the whistle or siren.

"By sailing vessels and 'vessels towed' on the foghorn.

"A steam vessel shall be provided with an efficient whistle or siren, sounded by steam or by some substitute for steam, so placed that the sound may not be intercepted by any obstruction, and with an efficient foghorn; also with an efficient bell. A sailing vessel of 20 gross tons or upward shall be provided with a similar foghorn and bell.

"In fog, mist, falling snow, heavy rainstorms, or any other condition similarly restricting visibility, whether by day or night, the signals described by this article shall be used as follows, namely:

"(a) A steam vessel under way and towing another vessel or vessels shall sound, at intervals of not more than 1 minute, three distinct blasts of the whistle, of approximately equal length.

"(b) A steam vessel under way without a tow shall sound, at intervals of not more than 1 minute, three blasts of the whistle, the first two blasts to be approximately of equal length, the last blast to be longer.

"(c) A steam vessel, with or without a tow, lying to, by which is meant holding her position near or against the bank by using her engines, or temporarily moored to the bank, when a fog signal or other sound is heard indicating the approach of another vessel, shall, if lying to on the right bank, give one tap of the bell to indicate her presence, and if lying to on the left bank, two taps of the bell, at intervals of not more than 1 minute, such signals to continue until the approaching steam vessel has passed. Right and left bank is understood as facing downstream or with the flow of the current.

"(d) A vessel when at anchor shall, at intervals of not more than 1 minute, ring the bell rapidly for about 5 seconds.

"Rule No. 16: Every steam vessel shall, in fog, mist, falling snow, heavy rainstorms, or any other condition similarly restricting visibility, whether by day or night, go at a moderate speed. A steam vessel hearing, apparently forward of her beam, the fog signal of another vessel shall at once reduce her speed to bare steerageway, and navigate with caution until the vessels shall have passed each other.

"Rule No. 17: When two sailing vessels are approaching one another, so as to involve risk of collision, one of them shall keep out of the way of the other, as follows, namely:

"(a) A vessel which is running free shall keep out of the way of a vessel which is close-hauled.

"(b) A vessel which is close-hauled on the port tack shall keep out of the way of a vessel which is close-hauled on the starboard track.

"(c) When both are running free, with the wind on different sides, the vessel which has the wind on the port side shall keep out of the way of the other.

"(d) When both are running free, with the wind on the same side, the vessel which is to the windward shall keep out of the way of the vessel which is to the leeward.

"(e) A vessel which has the wind aft shall keep out of the way of the other vessel.

"III—STEERING AND SAILING RULES

"PRELIMINARY—RISK OF COLLISION

"Risk of collision can, when circumstances permit, be ascertained by carefully watching the bearing of an approaching vessel. If the bearing does not appreciably change such risk should be deemed to exist.

"Rule No. 18: (a) When two steam vessels are meeting end on, or nearly end on, so as to involve risk of collision, except when one steam vessel is ascending and the other descending a river, it shall be the duty of each to pass on the port side of the other, and to alter course to starboard sufficiently so that this can be done in safety. This maneuver shall require an exchange of one-blast signals when the vessels are not less than one-half mile apart, and either vessel shall blow the first signal which the other shall promptly answer.

"(b) When an ascending steam vessel is approaching a descending steam vessel on a river, the signals for passing shall be one distinct blast of the whistle by each vessel if passing port to port, and two distinct blasts of the whistle if passing starboard to starboard.

"The pilot of the ascending steam vessel shall give the first signal for passing, which shall promptly be answered by the same signal by the pilot of the descending steam vessel, if safe to do so, and both shall be governed accordingly; but if the pilot of the descending steam vessel deems it dangerous to take the side indicated by the ascending steam vessel, he shall immediately signify that fact by sounding four or more short and rapid blasts, the danger signal, and it shall be the duty of the pilot of the ascending steam vessel to answer by a similar danger signal and the engines of both shall immediately be stopped and backed, if necessary, until signals for passing are given, answered, and understood. After sounding the danger signal by both vessels, the pilot of the descending steam vessel shall indicate by his whistle the side on which he desires to pass, and the pilot of the ascending steam vessel shall govern himself accordingly, the descending steam vessel being entitled to the right-of-way.

"The pilot of the descending steam vessel shall not blow the first signal, except that if the other vessel has not whistled when the steam vessels, or the forward end of their tows, if being pushed ahead, are within one-half mile of each other, he shall blow the first danger signal, which shall be promptly answered by a danger signal by the ascending vessel; but whether answered or not, the pilot of the descending vessel shall indicate the side on which he desires to pass, and both vessels shall be governed accordingly.

"Rule No. 19: (a) When two steam vessels are crossing so as to involve risk of collision, other than when one vessel is overtaking another, the vessel which has the other to starboard shall keep out of the way of the other. Either vessel shall give, as a signal of intention to comply with this rule, one distinct blast of her whistle, which the other vessel shall answer with a similar blast: *Provided, however*, That a steam vessel descending a river and towing another vessel or vessels shall be deemed to have the right-of-way over any steam vessel crossing the river, and shall give as a signal of her intention to hold on across the bow of the other vessel, three distinct blasts of the whistle. The crossing vessel shall immediately reply with a similar signal, and shall keep clear by stopping or going under the stern of the descending vessel.

"(b) If from any cause the conditions covered by these situations are such as to prevent immediate compliance with each other's signals, the misunderstanding or objection shall be at once made apparent by blowing four or more short and rapid blasts, the danger signal, and both steam vessels shall be stopped and backed if necessary until signals for passing with safety in accordance with these rules are given, answered, and understood.

"Rule No. 20: When a steam vessel and a sailing vessel are proceeding in such directions as to involve risk of collision, except when the sailing vessel is overtaking the steam vessel, the steam vessel shall keep out of the way of the sailing vessel.

"Rule No. 21: Every steam vessel, when approaching another vessel so as to involve risk of collision, shall slacken her speed, or, if necessary, stop and reverse.

"Rule No. 22: (a) Notwithstanding anything contained in these rules, every vessel, overtaking any other, shall keep out of the way of the overtaken vessel.

"Every vessel coming up with another vessel from any direction more than two points abaft her beam shall be deemed to be an overtaking vessel; and no subsequent alteration of the bearing between the two vessels shall make the overtaking vessel a crossing vessel within the meaning of these rules, or relieve her of the duty of keeping clear of the overtaken vessel until she is finally past and clear.

"As the overtaking vessel cannot always know with certainty whether she is forward of or abaft this direction from the other vessel, she should, if in doubt, assume that she is an overtaking vessel and keep out of the way.

"(b) When one steam vessel is overtaking another steam vessel, so as to involve risk of collision, and the overtaking vessel shall desire to pass on the right or starboard side of the other vessel, she shall give, as a signal of such desire, one distinct blast of her whistle, and if the overtaken vessel answers with one blast, shall direct her course to starboard; or if the overtaking vessels shall desire to pass on the left or port side of the other vessel, she shall give as a signal of such desire, two distinct blasts of her whistle and if the overtaken vessel answers with two blasts, shall direct her course to port. However, if the overtaken vessel does not think it is safe for the overtaking vessel to attempt to pass at that time, she shall immediately so signify by giving several short and rapid blasts of her whistle, not less than four, and under no circumstances shall the overtaking vessel attempt to pass until such time as they have reached a point where it can be safely done, and the overtaken vessel shall have signified her willingnss by blowing the proper signal, two blasts for the overtaking vessel to pass on the port side, one blast to pass on the starboard side, which signal shall be answered with a similar signal by the overtaking vessel before passing. After an agreement has been reached the overtaken vessel shall in no case attempt to cross the bow or crowd upon the course of the overtaking vessel.

"Rule No. 23: Where by rules 17, 19, 20, and 22 one of two vessels shall keep out of

the way, the other shall keep her course, subject to the qualifications of rule 25.

"Rule No. 24: (a) If, when steam vessels are approaching each other either vessel for any reason fails to understand, or regards as unsafe, the course or intention of the other, the vessel in doubt shall immediately so signify by giving several short and rapid blasts of her whistle, at least four, the danger signal.

"(b) Whenever a steam vessel, whether ascending or descending, is nearing a bend in a channel where, from the height of the banks or other cause, a steam vessel approaching from the other direction cannot be seen for a distance of 600 yards, such steam vessel, when within 600 yards of such bend—or if she have a tow projecting ahead, then when the head of such tow is within 600 yards of the bend—shall give a signal by three distinct blasts of her whistle, which signal shall be answered by a similar signal given by an approaching steam vessel that may be within hearing around the bend. Should such signal be so answered by a steam vessel upon the farther side of such bend, then, immediately upon sighting each other, the usual signals for meeting and passing shall be given and answered. Regardless of whether an approaching vessel on the farther side of the bend is heard, such bend shall be rounded with alertness and caution.

"(c) When a steam vessel is moved from her dock, or anchorage, she shall give the same signal as in the case of a steam vessel nearing a bend, but she and any approaching vessel shall be governed by rules 25 and 26 until her course is apparent, and then both vessels shall be governed by the other steering and sailing rules.

"(For additional whistle signals and other regulations established by the Commandant, United States Coast Guard, see Pilot Rules for Western Rivers as prescribed under sec. 4233A.)

"Rule No. 25: In obeying and construing these rules due regard shall be had to all dangers of navigation and collision and to any special circumstances which may render a departure from the above rules necessary in order to avoid immediate danger. When such departure becomes necessary neither vessel shall have the right-of-way and both shall navigate with caution until danger of collision is over.

"Rule No. 26: Nothing in these rules shall exonerate any vessel, or the owner or master or crew thereof, from the consequences of any neglect to carry lights or signals, or of any neglect to keep a proper look-out, or of the neglect of any precaution which may be required by the ordinary practice of seamen, or by the special circumstances of the case.

"Rule No. 27: All orders to helmsmen shall be given as follows:

" 'Right rudder' to mean 'Direct the vessel's head to starboard'.

" 'Left rudder' to mean 'Direct the vessel's head to port.'

"SEC. 4233A. (a) The Commandant of the United States Coast Guard shall establish such rules to be observed on the waters mentioned in the preceding section by steam vessels in passing each other and as to the lights to be carried on such waters by ferryboats and by vessels and craft of all types when in tow of steam vessels, or operating by hand power or horsepower or drifting with the current, and any other vessels not otherwise provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety, which rules are hereby declared special rules duly made by local authority, as provided for in article 30 of chapter 802 of the laws of 1890. Two printed copies of such rules shall be furnished to all vessels and craft mentioned in this subsection, which rules shall, where practicable, be kept posted up in conspicuous places thereon.

"(b) Except in an emergency, before any rules or any alteration, amendment, or repeal thereof, are established by the Commandant of the United States Coast Guard under the provisions of this section, the said Commandant shall publish such rules, alterations, amendments, and repeals and public hearings shall be held with respect thereto before the Coast Guard Merchant Marine Council on such notice as the Commandant deems reasonable under the circumstances.

"SEC. 4233B. Every licensed or unlicensed pilot, engineer, mate, or master of any steam vessel, and every master or mate of any barge, canal boat, scow, or other nondescript craft, who neglects or refuses to observe the provisions of section 4233, or the regulations established in pursuance of section 4233A, shall be liable to a penalty not exceeding $500, and for all damages sustained by any passenger in his person or baggage by such neglect or refusal: *Provided*, That nothing herein shall relieve any vessel, owner, or corporation from any liability incurred by reason of such neglect or refusal.

"SEC. 4233C. Every vessel that shall be navigated without complying with the provisions of section 4233, or the regulations established in pursuance of section 4233A, shall be liable to a penalty of $500, one-half to go to the informer, for which sum the vessel so navigated shall be liable and may be seized and proceeded against by action n any district court of the United States having jurisdiction of the offense."

With the following committee amendment:

On page 15, line 7, strike out the word "track" and insert "tack."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SEWER BONDS, TERRITORY OF HAWAII

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 230 the bill (H. R. 3679) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

Mr. KEAN. Mr. Speaker, reserving the right to object, I previously asked that the bill be passed over because of a mistake in the figures which the Delegate from Hawaii has since explained.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act of the Session Laws of Hawaii 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however*, That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

With the following committee amendment:

Page 1, line 8, strike out "maintain and repair."

The committee amendment was agreed to.

Mr. FARRINGTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARRINGTON: On page 2, line 10, after the word "act", insert "69."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARMED FORCES LEAVE ACT OF 1946

Mr. BLACKNEY. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 242 the bill (H. R. 3501) to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. FORAND. Mr. Speaker, reserving the right to object, I would like an explanation as to what the bill does.

Mr. BLACKNEY. Mr. Speaker, when this bill was called, the gentleman from New York objected to the bill as he did not hear my request for withholding it. This bill is connected with the bill (H. R. 4417) on terminal-leave payments. However, this particular bill provides for the termination of terminal leave and the compensation to servicemen who were discharged later under a lump-sum payment based on pay and longevity. It results in a saving to the Government because it does away with certain features of administrative functions which now apply.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Armed Forces Leave Act of 1946 is hereby amended to read as follows:

"SEC. 4. (a) Leave to be settled and compensated for under section 6 of this act shall be compensable as follows:

"(1) In the case of leave accumulated as an enlisted member of the armed forces, on the basis of the base and longevity pay applicable to such member on the date of his discharge from enlisted service if discharged

before August 31, 1946, or on August 31, 1946, if not so discharged, and an allowance computed at the rate of 70 cents a day for subsistence, plus, in the case of enlisted members of the first three grades with dependents on August 31, 1946, or former enlisted members of the first three grades with dependents at the time of discharge if prior to such date, an allowance computed at the rate of $1.25 a day for quarters.

"(2) In the case of leave accumulated or accrued as a member of the armed forces as a warrant or commissioned officer, on the basis of the base and longevity pay and allowances applicable to such member on August 31, 1946.

"(b) After August 31, 1946, members of the armed forces when absent on account of sickness or wounds, or when directed by the Secretary to be absent from duty to await orders pending action on disability retirement proceedings for any period in excess of the number of days' leave authorized by this act, shall receive the same pay and allowances they would receive if not so absent; when absent with leave for other causes, members shall be entitled during such absence not exceeding the aggregate number of days' leave authorized by this act to the same pay and allowances they would receive if not on leave and to any additional allowance or allowances otherwise provided by law for members while on leave. When the Secretary authorizes members to be absent in excess of the number of days' leave authorized by this act, they shall not be entitled to any pay or allowances during such absence. When absent without leave or absent over leave, they shall forfeit all pay and allowances during such absence, unless such absence is excused as unavoidable. The Secretary of War may authorize persons who have accepted appointments as commissioned officers of the Regular Army pursuant to the provisions of the act of December 28, 1945 (Public Law 281, 79th Cong.), as amended, to be absent from duty to await orders assigning them to their initial-duty stations and during such absence they shall receive the same pay and allowances they would receive if not so absent.

"(c) Any member of the armed forces discharged after August 31, 1946, having unused accrued leave standing to his credit at time of discharge shall be compensated for such unused leave in cash on the basis of the base and longevity pay, excluding allowances, applicable to such member on the date of discharge: *Provided*, That no cash settlement shall be made to any member (1) discharged for the purpose of accepting a commission or warrant or entering into an enlistment in his respective branch of the armed forces, or (2) electing to carry over such unused leave to a new enlistment in his respective branch of the armed forces on the day following date of discharge. A member excluded from cash settlement by the foregoing provision and a member reverting from warrant or commissioned officer to enlisted status shall carry any unused accrued leave standing to his credit from one status to another within his respective branch of the armed forces. Unused leave settled and compensated for in cash in accordance with this subsection shall not be considered as service for any purpose. Settlement and compensation in accordance with this subsection shall be made only to a living member or living former member of the armed forces.

"(d) Any member of the armed forces discharged under other than honorable conditions shall forfeit all unused accrued leave to his credit at the time of discharge.

"(e) Determination of the number of calendar days of leave to which a member or former member is entitled, including the number of calendar days of absence from duty or vacation to be counted or charged against such leave, shall be made in accordance with regulations to be prescribed by the respective Secretaries, which regulations shall provide equal treatment of officers and enlisted men and shall establish to the fullest extent practicable uniform policies for the several branches of the armed forces. In the case of the leave of enlisted members or former enlisted members attributable to the period prior to the date of enactment of this act, the Secretary may in the determination of the number of calendar days of absence from duty or vacation to be counted or charged against such leave rely on such records and evidence, including applicants' sworn statements as to the material facts, as he may determine proper. All decisions by the Secretary under this section shall be final and conclusive and shall not be subject to review by any court or by any officer of the United States."

SEC. 2. A member of the armed forces transferred or returned to an inactive status with retired or retainer pay on or prior to the last day of the first calendar month following the date of enactment of this act, or a member who is on leave on such date, at the exipration of which he will be transferred or returned to an inactive status with retired or retainer pay, shall not be entitled to settlement or compensation under section 4 (c) of the Armed Forces Leave Act of 1946 as added by section 1 of this act.

SEC. 3. Former members of the armed forces who were discharged by reason of medical survey after August 31, 1946, and, requiring continued hospitalization, were placed in a Veterans' Administration hospital or center or other Government hospital for such hospitalization shall, if so discharged prior to enactment of this act, be entitled, in addition to the settlement provided for in section 4 (c) of the Armed Forces Leave Act of 1946, as added by section 1 of this act, to settlement and compensation in cash for the period of such unused leave as follows:

(a) For such former enlisted members, an allowance computed at the rate of 70 cents per day for subsistence, plus, in the case of such former enlisted members of the first three pay grades with dependents at the time of discharge, an allowance computed at the rate of $1.25 per day for quarters.

(b) For such former warrant or commissioned officers, the allowance applicable to such former members at time of discharge.

SEC. 4. The Armed Forces Leave Act of 1946 is further amended by adding at the end thereof the following new section:

"SEC. 10. The provisions of this act shall not apply to cadets at the United States Military Academy or the United States Coast Guard Academy, or to midshipmen at the United States Naval Academy, or to cadets or midshipmen serving elsewhere in the armed forces. The respective Secretaries are authorized to prescribe regulations concerning leave for cadets and midshipmen."

SEC. 5. Section 1265, Revised Statutes (10 U. S. C. 841); the last paragraph appearing under the heading "Mileage", Act of May 28, 1924 (ch. 203, 43 Stat. 202), and the last paragraph appearing under the heading "Mileage", Act of February 11, 1925 (ch. 209, 43 Stat. 879; 34 U. S. C. 871), are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. ROCKWELL. Mr. Speaker, I ask unanimous consent that the Committee on Irrigation and Reclamation may sit this afternoon during the general debate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

TAXATION BENEFITS TO SUCCESSOR RAILROADS

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3861) entitled "An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purpose of certain provisions of the Internal Revenue Code," with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "1948" and insert "1950."

Page 2, line 6, strike out "year; and" and insert "year, and."

Page 4, after line 22 insert:

"(c) This section shall be applicable to those taxable years of the successor corporation to which there is a carry-over of a net operating loss or unused excess profits credit under section 1, and to any later taxable year for which a net operating loss deduction or unused excess profits credit adjustment results or is increased by reason of the use in another year of a carry-over permitted under section 1."

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

TRANSFER OF THE "JOSEPH CONRAD" TO THE MARINE HISTORICAL ASSOCIATION OF MYSTIC, CONN.

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3333) entitled "an act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes," with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, strike out "matters, in" and insert "matters. In."

Page 2, line 9, after "to" where it appears the first time insert "give and."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. SEELY-BROWN]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

REDEEMING ARMED FORCES LEAVE BONDS IN CASH

Mr. BLACKNEY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4017) to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of section 6 (a) of the Armed Forces Leave Act of 1946 is amended to read as follows:

"(1) Settlement and compensation shall be made entirely in cash—

"(i) when the amount due is less than $50;

"(ii) in the case of any enlisted member of the armed forces discharged prior to January 1, 1943;

"(iii) in any case covered by subsection (b) or (c) of this section; or

"(iv) in the case of any applicant who has not made application for settlement and compensation and who makes application to the Secretary after the enactment of this amendatory act and who requests that settlement and compensation be made entirely in cash. The amount of cash settlement provided for in this subparagraph shall include an amount equivalent to the amount of interest which would have accrued to the end of the month in which settlement is made had the settlement been made in an armed forces leave bond, issued pursuant to the provisions of paragraph (2) of section 6 (a). Such equivalent amount shall be considered as interest, as in the case of bonds, for the purposes of section 7 of the Armed Forces Leave Act of 1946. Appropriations available for cash payments shall also be available for the payment of the equivalent amounts authorized by this subparagraph to be paid."

SEC. 2. So much of section 6 (a) of the Armed Forces Leave Act of 1946 as reads as follows: "Each such bond shall mature 5 years from the date thereof." is amended to read as follows: "Each such bond shall mature 5 years from the date thereof, but shall be redeemable in cash at any time after September 1, 1947, at the option of the holder thereof, at the full face value plus accrued interest."

SEC. 3. The proviso to section 6 (d) (1) of the Armed Forces Leave Act of 1946 is hereby repealed.

SEC. 4. Section 6 of the Armed Forces Leave Act of 1946 is amended by adding at the end thereof the following new subsection:

"(e) The provisions of subsections (h) and (i) of section 22 of the Second Liberty Bond Act, as amended (U. S. C. Supp. V., title 31, sec. 757c), relating to the use of paying agents for the payment of United States savings bonds shall apply with equal force to payments of the armed forces leave bonds issued pursuant to this act."

SEC. 5. Section 5 of the Armed Forces Leave Act of 1946 is amended by striking out the word and figures "September 1, 1947" wherever they appear in this section and inserting in lieu thereof the word and figures "September 1, 1948."

The SPEAKER. Is a second demanded?

Mr. SIKES. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second is considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for 20 minutes and the gentleman from Florida is recognized for 20 minutes.

Mr. BLACKNEY. Mr. Speaker, I yield myself 13 minutes.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. BLACKNEY. I yield.

Mr. ANDREWS of New York. In view of the short time allowed for debate, if the members will indicate at this desk if they wish to be permitted to extend their remarks at this point in the RECORD, the gentleman from Michigan will see to it that they are given that opportunity before the close of debate.

Mr. BLACKNEY. Mr. Speaker, we are considering today H. R. 4017, a bill unanimously approved by the Armed Services Committee of the House, which provides that bonds issued under the Armed Forces Leave Act of 1946 may be redeemed in cash at any time after September 1, 1947. The bill further provides that future claimants who have not yet applied for settlement and compensation under the act may request payment entirely in cash. In addition the bill extends the time within which applications for settlement and compensation under the act may be made to September 1, 1948.

I am sure the history of this legislation is familiar to all the Members of Congress. As you no doubt are aware, the House originally asked that terminal leave be paid in cash, but at the insistence of the other body of Congress, who advocated a 5-year nonnegotiable bond, the House conferees were forced to recede from their position, in order that a bill providing for settlement and compensation in some form could be passed.

Some 30 bills were introduced this session to eliminate this injustice. Since no one bill contained all of the provisions we thought were desirable, the bill now before the House was introduced which, in my judgment, will accomplish its purpose efficiently and well.

In my opinion, and in the opinion of many others, this bill is fair and just. At this time, I wish to acknowledge the fine assistance which our subcommittee received from the proponents of other terminal-leave bills, as well as other Members of Congress who appeared before our subcommittee. Spokesmen for several of the veterans' organizations appeared before our subcommittee, and they were unanimous in recommending legislation that will enable the holders of leave bonds to redeem them in cash as soon as practicable. All agreed that veterans are entitled to their terminal-leave pay now for past services rendered to their country.

It was my thought and is still my thought, that veterans were entitled to be paid at the time their service was terminated. They should not be required to wait 5 years to receive that pay. Terminal-leave pay is just as much earned pay as the regular compensation that veterans earned when they were serving their country.

We have been informed by the Treasury Department that to pass such a bill would increase the hazards of inflation. I say that those who hold that view have not considered all of the facts.

Is it any less inflationary for the Government to spend money than it is for the citizens who earn the money? When President Truman vetoed our tax-reduction bill, he said by inference that it would be inflationary if the people who earn the money use it as they desire, but that if the Government takes it from them in taxes and spends it, the result is not inflationary. I do not agree with that kind of reasoning.

As a matter of fact, a large national debt in itself has an inflationary effect, since Government bonds in the hands of banks are themselves a basis for credit expansion. Thus, it comes down to a question of whether the men and women who toil, and earn the money, shall have the right to do with it what they will, allowing, of course, for taxes to cover the necessary expenses of government.

It is strange logic to say that terminal-leave pay would be inflationary, but not the many other benefits that have been awarded to our ex-servicemen, such as disability compensation, widows' pensions, unemployment insurance, income-tax rebates, and other forms of cash payment. Why hold back part of the veterans' pay by giving him the lame excuse that it would be inflationary to pay him in full, now.

If we can spend billions to aid the other nations of the world, I can see no reason why we should not pay our just debts to those veterans who defended our country. Furthermore, the inflationary argument overlooks the fact, that redemption of these bonds in cash will decrease the public debt, and will decrease the cost of government by eliminating interest charges on the bonds. To date, these bonds have accumulated approximately $60,000,000 in interest, and unless this bill is passed, the total interest charges each year on the total number of bonds that would eventually be issued would be approximately $62,500,000. We, who favor this bill, have gone on record as favoring reduction in the national debt. That means bond retirement, and I can think of no bonds more fully entitled to redemption than leave bonds. If the Treasury favors debt retirement, why should the Department be opposed to reducing the debt represented by these bonds? I do not understand the logic of the Treasury Department's position. In my judgment, it is equitable, and also sound economy to correct an injustice, to cut down the public debt, and to cut the cost of government.

The average bond issued is worth about $240. On the average, no individual is going to receive an amount of cash that will disrupt the economy of the country. On the other hand, many of our veterans need their terminal-leave pay in cash now, for many reasons. They need their money to pay the butcher and the grocer and to keep a roof over their heads. They need it to supplement their income in the case of those who are going to school, and they need it to help start small businesses. And, by starting new businesses, or by paying their debts, they add to the wealth of America, and create more revenue for the Government.

This Congress has made a remarkable record in the reduction of governmental expenditures—for that reason the people are enttiled to have a portion of those savings passed on to them to be used in the building of America. The ability of the Government to cash these bonds is certain. The present economy-minded Congress has already seen to that. As you know, the present Congress has reduced Government expenditures, and revenues are increasing because of the action of our present economy-minded Congress. In fact, the Treasury Department reports a surplus of almost $800,000,000 for the fiscal year just ended, after paying $500,000,000 on the war debt.

Finally, enactment of this bill will correct a great injustice. It was manifestly

unfair to the enlisted man to require him to wait 5 years to receive his pay for terminal leave, while officers were entitled to receive their terminal leave in cash.

As you know, there are about eight and one-half to nine million bonds now outstanding, worth approximately $1,792,000,000. Under the provisions of this bill those who have bonds may redeem them any time after September 1, 1947, in cash, at face value, plus accured interest. The original protective provisions of the act of 1946, which make the bonds nonnegotiable and nontransferable, and prohibit their hypothecation or sale, still remain in effect.

Under this bill veterans may, after September 1, 1947, redeem their bonds in cash by merely taking them to their local bank, provided that it is a bank authorized to cash savings bonds. Since there are approximately 16,000 banks in the country that now qualify as cashing agencies of savings bonds, this will provide an adequate and rapid method of cashing the bonds. However, nothing in this bill requires a veteran to cash his bond. He still retains his option to keep his bond until it matures, or to apply for a bond in the event that he has not yet applied for settlement and compensation under the act of 1946.

In this respect, we have added a new subparagraph to existing law which permits those persons who have not as yet applied for settlement and compensation under the act to apply for cash rather than a bond, provided that they request cash in their applications and also provided that they have not already made application.

In the event that a veteran has made an application before this bill becomes law, he cannot make a new application for cash. This was necessary in order to eliminate an administrative problem that would otherwise arise. If persons who have already applied, and who have not as yet received a bond, were permitted to reapply for cash, the duel applications would result in considerable confusion and administrative costs, that would, in the long run, delay the settlement and compensation the veteran would receive.

Therefore, it was deemed wise to require that those veterans who have already applied, before this bill is enacted, may not send in a new application asking for cash. This does not penalize those persons who have already made an application, or those persons who make application before this bill becomes law, since they may, in any event, redeem their bonds in cash after September 1, 1947.

In the event they do not, in the future, request cash in their applications, they will receive a bond as provided in section 6 (a) (2) of existing law.

Another feature of the bill which I should like to call to your attention, provides that those persons who apply for cash after this bill becomes law, will receive in addition to the amount of the bond an amount in cash, equivalent to the interest they would have received had they been awarded a bond under the act of 1946.

This was done in order to eliminate the necessity for a veteran to apply for a bond in order to take advantage of earned interest. In addition, there is no reason whatsoever to penalize a veteran who has not made an application and who now desires to make his application for cash.

Under the present law, the time for making application for payment expires September 1, 1947. Under this bill, the time within which veterans may apply for settlement and compensation is extended to September 1, 1948. It was felt that this was necessary in view of the fact that many veterans have awaited the proposed bill, and, therefore, Congress should give them an additional year to apply for settlement and compensation.

In conclusion, I wish to recall to your mind the words of our distinguished Speaker, the Honorable JOSEPH MARTIN, when the present law was under consideration in the House during the Seventy-ninth Congress. Mr. MARTIN stated:

> I want to serve notice that nothing is ever settled until it is settled right; if the officers could have cash, then there is no reason on earth why the private soldier should not be treated the same.
>
> After all, it is the good old private and noncom who carried the great burdens of the war. I believe whatever we do today, this fight will continue. If we do not give fair, equal treatment today, why, then, the next Congress will see that the injustice is corrected. Eventually, the American people will see that fair play prevails.

Mr. Speaker, I am sure this House and the country full agree with your statement. This bill, when enacted into law, will settle the terminal leave pay issue the way the people want it settled.

Mr. SIKES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the measure before us has been very ably discussed by the distinguished chairman of the subcommittee who has given a great deal of time and effort to perfect this meritorious legislation. There is no opposition to the bill and there should not be. What we are attempting to do here today is to complete the work which was begun in the Seventy-ninth Congress. At that time some 28 or 30 bills were introduced to correct an inequality which was known to exist in the treatment between officers and enlisted men in the armed services. The officers received compensation for unused leave time known as terminal leave; the enlisted men did not. We sought to remedy that condition.

It was my good fortune at that time to be chairman of the subcommittee of the House Committee on Military Affairs which considered this matter and reported a bill to the floor. We attempted to write a bill which would insure the orderly operation of the processes of payment and at the same time to protect fully the rights of the servicemen. Feeling that none of the bills then introduced fully did those things, the subcommittee wrote a bill which was reported to the House as a substitute for a bill introduced by our distinguished colleague from Florida [Mr. ROGERS]. The bill passed the House unanimously, went to the Senate, and in the other body a provision was written into the law requiring payment in bonds rather than cash payments. The House will recall that long conferences were held in an effort to eliminate the bond-payment provision and to secure cash for the boys who served as enlisted men. It became evident that it would not be possible to secure cash payment. Consequently, in the closing days of the session, in order to get a bill of any kind, we accepted the bond-payment plan with the understanding among ourselves that we were coming back and renew our efforts immediately to secure cash for the men who had earned terminal-leave payments.

It is interesting to note that some 9,000,000 bonds have been issued out of a total of possibly 14,000,000 which might be issued under the law. The cost of those which have been issued is now approximately $1,800,000,000. It is thought that the number issued represents nearly all the bonds for which application will be filed, and that the total cost will not be far in excess of the amount stated. It is interesting to note that I predicted a cost of between two billions and three billions for the terminal-leave-payment program a year ago even though it was exceedingly difficult to secure an accurate estimate. It must be recalled that a great number of the men in the services used up all of their leave time and therefore are not entitled to any additional compensation for terminal-leave payments. In addition there are some for whom the amount receivable is so small that they will probably not ask for it.

Out of the 9,000,000 bonds which have been issued, about 250,000 were used for insurance payments, representing about $50,000,000 of the total issued.

When the subcommittee began its work on a bill to provide cash payments, it was found, as in the Seventy-ninth Congress that many bills had been introduced. A careful study was made, and, after consultations with representatives of the affected agencies of government, it became evident that a redraft was required to insure a workable measure. The result is before you. It has been analyzed, and I am confident it meets the desires of the Congress by providing a convenient vehicle for the speedy cashing of bonds held by the service men and women. At the same time it gives them and the Government the protection which both need.

The bill becomes effective on September 1. It is felt that the Treasury Department will need that time in order to prepare for the handling of these 9,000,000 bonds and those which may be issued in addition. The time for applying for bonds or for cash is extended for 1 year, or from September 1, 1947, to September 1, 1948, in order to insure that no deserving person will not be given ample opportunity to secure the money to which he is entitled.

I feel that the House will be solidly behind this effort to complete a job that we started a year ago. Today we are going to eliminate the inequality shown in terminal-leave payments between the enlisted man and the officer.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to my distinguished friend.

Mr. COX. The Government will actually effect a saving as a result of the adoption of this measure?

Mr. SIKES. The Government will actually effect a saving by virtue of the fact that interest payments on the money borrowed to pay the bonds will be less under prevailing money rates than the interest now payable on the bonds themselves.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The bondholders can keep the bonds and draw the interest if they desire?

Mr. SIKES. If they so desire they can keep the bonds. Of course, bonds will accrue interest during the time they are held.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Alabama.

Mr. HOBBS. I understand that this will reduce by just the amount of the payments the debt of the United States?

Mr. SIKES. My distinguished friend is correct.

Mr. BLACKNEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Speaker, this is a very important bill. There are one or two aspects of it about which I wish to take this opportunity to speak.

In the first place, some thirty-odd Members of the House of Representatives introduced bills on this situation. I think it is probably very well known that the gentleman from Florida [Mr. ROGERS] has been a proponent of this process for a long time, dating into last year. He was one of the first to do so. The gentleman from Pennsylvania [Mr. VAN ZANDT], a veteran of both wars, introduced the first bill on this matter in this Congress.

The fact is that under analysis, and I am sure none of the authors of the bills introduced will deny it, none of the provisions of any of the bills, in the opinion of anyone with a full knowledge of how the matter should be accomplished, would do the job. They were imperfect and lacking in many details of the mechanics of cashing these bonds that are necessary in order to do it in a businesslike way. Therefore, it became necessary for the subcommittee under the chairmanship of the gentleman from Michigan [Mr. BLACKNEY] to draw a brand new bill which, as far as we know from contact with all of the bureaus concerned in a process of this magnitude, will adequately meet the situation.

I wish to take this opportunity of complimenting the gentleman from Michigan [Mr. BLACKNEY], the gentleman from Florida [Mr. SIKES], the ranking minority member of the subcommittee, and all those who worked on the proposal for the very fine way they have cooperated and the product that they developed in the form of this bill.

Mr. Speaker, at this time, on behalf of the gentleman from Michigan [Mr. BLACKNEY] I ask unanimous consent that the following Members may be permitted to extend their remarks at this point in the RECORD in this order: Messrs. MCGREGOR, BUSBEY, VURSELL, Mrs. ROGERS of Massachusetts, Messrs. SCHWABE of Oklahoma, ROBSION, KUNKEL, SPRINGER, MARTIN of Iowa, KEARNEY, GAVIN, SHAFER, and PHILLIPS of Tennessee.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from New York [Mr. ANDREWS] would ask that all Members may extend their remarks.

Mr. ANDREWS of New York. Mr. Speaker, my request was in behalf of Members who desire to extend their remarks at this point. Those who wish to extend their remarks in the Appendix may, of course, do so.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MCGREGOR. Mr. Speaker, I am indeed glad to support H. R. 4017—introduced by the gentleman from Michigan [Mr. BLACKNEY]—a bill to amend the Armed Forces Leave Act of 1946. This bill gives our veterans the right to cash their terminal-leave pay bonds at any time after September 1, 1947.

May I respectfully call to your attention that I introduced H. R. 4498 on October 25, 1945, during the Seventy-ninth Congress, to provide for the discharge or release from active duty of certain members of the armed forces, and restrict jurisdiction of commanding officers in declaring essentiality, and for terminal leave for enlisted personnel.

Also, on January 6, 1947, I introduced H. R. 534, a bill to amend the Armed Forces Leave Act of 1946 which would provide that bonds issued under this act shall be redeemable at any time, to permit settlement and compensation under such act to be made in cash, and for other purposes.

Mr. Speaker, I am incorporating at this point in the RECORD a copy of this bill, H. R. 534, the features of which are carried in H. R. 4017 before us at this time:

A bill to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time, to permit settlement and compensation under such act to be made in cash, and for other purposes

Be it enacted, etc., That section 6 (a) (1) (iii) of the Armed Forces Leave Act is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), or (e)."

SEC. 2. So much of section 6 (a) of the Armed Forces Leave Act of 1946 as reads as follows: "Each such bond shall mature 5 years from the date thereof." is amended to read as follows: "Each such bond shall mature 5 years from the date thereof, but shall be redeemable at any time prior to maturity at the option of the holder thereof."

SEC. 3. The proviso to section 6 (d) (1) of such act is hereby repealed.

SEC. 4. Section 6 of the Armed Forces Leave Act is amended by adding at the end thereof the following new subsection:

"(e) Leave by this act provided to be settled and compensated for under this section shall, upon request for any applicant making application to the Secretary after this subsection takes effect, be settled and compensated for entirely in cash."

I believe this record will justify the statement that I have always firmly believed that the members of our armed forces should be paid in cash and not in the form of bonds. I also would like to insert at this point, Mr. Speaker, my statement before the Armed Services Committee on June 26, 1947:

I appreciate the privilege of appearing before you this morning during the consideration of legislation to amend the Armed Forces Leave Act of 1946. May I respectfully call to your attention my bill, H. R. 534, which I introduced on January 6, 1947.

This bill would give to our veterans, who are qualified to receive terminal-leave pay, the privilege of receiving cash, instead of bonds, if they so desire. This bill provides that bonds issued under this act shall be redeemable at any time, to permit settlement and compensation to be made in cash. In other words, it leaves to the veteran the choice of whether or not he shall receive cash or bonds commensurate with the amount allowed for this terminal leave.

I strongly contend that if we are able to loan or give money to other countries to pay their veterans in cash, we certainly should be able to take care of our own veterans in the same manner.

I fully recognize that many bills have been introduced on this subject and I am certain that the general public is in accord with the views contained therein. I respectfully urge the Committee on Armed Services to immediately give a favorable report on this subject.

I hope, Mr. Speaker, that H. R. 4017 will be passed by unanimous vote of the House and that the other body of the Congress will take prompt and similar action.

Mr. BUSBEY. Mr. Speaker, I congratulate the Committee on Armed Services for reporting out H. R. 4017, which provides for the cash payment of all terminal-leave bonds after September 1, 1947, for those who desire to convert their bonds into cash.

This is legislation which should have been passed by the previous Congress. Terminal leave would have been paid in cash to enlisted men last year were it not for the objections of President Truman and officials of the Treasury Department. I sincerely trust that by now President Truman has seen the error of his stand and will approve this legislation. H. R. 4017 will not only redeem our obligation to the GI's of World War II, but it is an economy measure as well, because it is estimated that approximately $60,000,000 will be saved in interest.

H. R. 4017 was introduced on June 30 of this year at the request of the Committee on Armed Services in order to incorporate all of the best features of legislation of this kind as developed from testimony before the committee by myself and other veterans. While I was hopeful that the committee would amend the bill which I introduced on the first day of the Eightieth Congress to pay ter-

minal-leave bonds in cash, I want to go on record as 100 percent in favor of the bill the committee drafted. I trust it will pass the House of Representatives without a single dissenting vote.

Mr. VURSELL. Mr. Speaker, I am in favor of this bill to pay the GI veterans their terminal leave in cash. Two years ago I spoke from this floor in favor of cash terminal leave for these thousands of foot soldiers, so to speak, urging that justice demanded they be accorded the same treatment the officers had already received.

The President let it be known in the Senate that he would veto a cash payment and the Senate voted to pay them this leave in bonds that could not be cashed for 5 years.

Today we seek to amend that act so that those who want cash and need it can cash their bonds after September 1.

I am happy again to vote for such cash provision. At last justice will be done these veterans if this legislation is approved in the Congress and by the President. I urge the House to support this legislation.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD at this point, I wish to emphasize that the cashing of the terminal-leave bonds now instead of 5 years from now will save the country much money in interest. Beyond that, it is an obligation owed the enlisted veterans; the officers had this privilege and it is but fair to grant it to the men who served under them. This is the second time the House has passed legislation to pay cash to the enlisted men. However, the passage of this legislation should in no way jeopardize or interfere with the enactment of legislation for the disabled veterans or with certain legislation for veterans under the GI bill. They need benefits today, not next autumn or next year. For the disabled the war is an ever-present reality, which pain does not permit them to forget. In order that the veterans may find pleasure and comfort in the right to cash their bonds, it is hoped that the Senate will go along with the House and agree to this bill. Many of the veterans need the money so badly.

Mr. SCHWABE of Oklahoma. Mr. Speaker, I am delighted to be numbered among some 30 Members of this House who have introduced proposed bills to give the veterans who are holders of the enlisted men's terminal-leave bonds payment in cash for those bonds. My bill was introduced the opening session of Congress January 3, 1947.

It will be recalled that a bill was introduced during the last Congress to provide terminal-leave pay to enlisted men in cash. The bill passed the House unanimously and went to the Senate. There the bill was amended to provide terminal-leave pay to enlisted men in bonds, except for odd amounts, less than $50 and such portion of terminal-leave pay as an enlisted veteran might want to apply on his Government insurance.

In the first place, the House took the position that since the commissioned officers had been paid their terminal leave in cash, the enlisted men were entitled to the same consideration. For some reason, the administration was opposed to the payment of any terminal leave whatever to enlisted men. Apparently, it was for this reason that the administration refused to let the bill be brought to the floor of the House for consideration and action, until after the required number of us had signed a petition to discharge the committee from further consideration of the bill.

After the bill came back from the Senate, it was amended to provide payment in bonds instead of the cash, as the House had originally planned in its bill. Again delay seems to have been one of the weapons the administration used, for the conference report was not presented to the House until July 31, 1946, the second day before adjournment.

It will be remembered that the President and a majority of the Members of both the Senate and the House were Democrats. On the conference committees of both Houses of Congress considering this bill, there was a majority of Democrats. The report was made to the House by one of the Democratic conferees, on July 31, 1946, that—

> The Director of the Budget, or to be more exact, his representative, who spoke with his authority, appeared before the conference and reminded us of something we already knew, that we are in an inflationary period in this country and that the Director of the Budget would not approve the immediate expenditure. * * * And I might add that he said this—of course, neither he nor any other person was authorized to speak for the President, but he did make the authorized statement to the committee that this bond proposal had been submitted to the President who approved it with the further statement that he would not approve anything more than that at the present time. * * * To be perfectly frank about it, at the present time I think it is this or nothing. (CONGRESSIONAL RECORD, July 31, 1946, p. 10581.)

Of course, everyone knows that the Bureau of the Budget, and its director, is the financial mouthpiece of the President. He is his direct appointee and financial adviser on all Congressional appropriations and Government expenditures. It is customary to say that one is not authorized to quote the President, without authority so to do, but when the Bureau of the Budget, or its director, speaks, you may rest assured that we all know that is the declaration of the President's policy on the given subject.

I wish further to quote from the CONGRESSIONAL RECORD of July 31, 1946, at page 10582, the following words from the spokesman for the House conferees on the conference report, as follows:

> I will try to quote the representative of the Director of the Bureau of the Budget who appeared before the conference. He said this plan had been submitted to the President and that the Director of the Budget and the President had approved the plan but that they would not at this time approve anything more than that. Nobody is authorized to speak for the President. Nobody can say he would veto a cash payment. I pressed for a statement that I could quote and the representative of the Bureau of the Budget said that the President would approve this plan but he would not approve of any more at this time, and the Director of the Budget then added that he thought it would be a very bad thing for the country to turn $3,000,000,000 loose on our economy at this time on such short notice. A lot of that money would be recklessly spent. It would add to our inflation problems.

Another spokesman for the Democratic Party said:

> There is no alternative at the moment but to vote up or down on the conference report. (CONGRESSIONAL RECORD, July 31, 1946, p. 10585.)

Mr. Speaker, in the present bill it is provided that veterans may have the option at any time after September 1, 1947, to present their bonds for redemption, in cash, at full face value plus accrued interest.

It is also provided in this bill, H. R. 4017, that we are considering today, that the bonds may be presented and cashed the same as the Second Liberty Bond Act provides for the cashing of bonds redeemable under the provisions of that law. The bill also provides that the time may be extended to September 1, 1948, within which application for compensation and settlement under the Enlisted Men's Terminal Leave Pay Act may be made.

This bill wisely provides that enlisted men's terminal leave pay bonds may be redeemed and cashed in the same manner and by the same method that United States savings bonds are now redeemable.

It is almost a foregone conclusion that this bill will be passed today with few or no dissenting votes. It will be passed because it is sound legislation, overdue, and such legislation should have been enacted long ago, and would have been except for the fact that the President opposed its enactment. It is sound legislation because it is based upon fairness, justice, and equality; because the buck private is entitled to just as much consideration in the matter of terminal leave pay as the highest commissioned officer in the armed forces; because it is American in principle to treat the enlisted men the same as the commissioned officers, or at least on a comparable basis; because it is economically sound—it will save the taxpayers approximately $62,500,000 a year in interest charges alone, and will discharge our Federal indebtedness to the extent that the bonds are cashed by the veterans. Finally, it is right, and the people have said that they wanted this Congress to enact legislation such as is provided in this bill.

It is to be hoped that when this bill reaches the other body, that it will meet with hearty approval there, and that finally the President will now have no objection to signing the bill and enable it to become a law.

Mr. SPRINGER. Mr. Speaker, I rise today to support this measure to pay the terminal-leave bonds, issued to our GI's, in cash. All will remember, I am certain, that we passed a measure in the House in the Seventy-ninth Congress to pay the terminal leave in cash, just as the commissioned officers had been paid their terminal leave in cash. We passed that measure in the House. The bill then went to the other body, and then to conference, but the administration appeared to be opposed to the payment of this terminal-leave pay in cash, and the administration prevailed. It

was then that the bonds were issued as an evidence of the debt to our GI's. It is my considered judgment that this payment, in cash, of the terminal leave has been too long delayed. I have ever been wholeheartedly for the payment in cash of the terminal leave to our GI's—just as the commissioned officers were paid their terminal leave in cash. It has appeared to me to be unjust, and very unfair, to pay the commissioned officers their terminal leave in cash, and to merely issue bonds, payable in 5 years, to our GI's for that same leave. This measure today presented by the gentleman from Michigan, Representative BLACKNEY, of the Armed Service Committee, will give to every GI the opportunity to exchange their bonds for cash, if they so desire. If any GI does not desire the cash for his bonds he may retain the bonds and cash them later, or at the time they mature, if he so elects. However, may I say that in many cases the payment of these bonds in cash will be very helpful to our veterans of World War II, as they desire to secure homes, or to engage in business or to make other arrangements, and, as a matter of fact, in many cases they need the cash now. This measure will aid in serving this very purpose, to aid them when they need that aid most.

Mr. Speaker, I am happy to cast my vote today for this measure. I am confident this will mean that justice is now extended to our GI's, which has been too long delayed. This payment will reduce our national debt, it will prevent the accumulation of interest, and it will aid our veterans who need that aid now. It is my fervent hope that there will not be one single dissenting vote against the passage of this measure.

Mr. MARTIN of Iowa. Mr. Speaker, the bill, H. R. 4017, now under consideration has for its purpose redeeming the armed forces leave bonds in cash. If enacted into law, this bill will carry out the original view of the House of Representatives when they passed the bill, H. R. 4051, in the Seventy-ninth Congress. That bill originally called for payment of cash benefits in lieu of accumulated leave but the cash feature was changed to a provision calling for bonds when the bill was before the Senate for consideration and the Senate view prevailed in conference so that when the House of Representatives had the matter before them for final consideration on July 31, 1946, the measure in its final form called for payment in bonds.

Mr. Speaker, I attended every session of the subcommittee that developed this legislation in the Seventy-ninth Congress and I had charge of the time on the Republican side during the general debate on the bill when it first came before the House for consideration. I know the full extent of the desire of the House of Representatives on that occasion to pay these benefits in cash and the vote on the bill on its original passage with the cash provision in it was 380 to 0. I was not a member of the committee on conference but when the conference report came back to the House on July 31 there were many statements of Members urging early conversion of the bonds into cash. Among these statements you will find the very convincing statement by our Speaker, the gentleman from Massachusetts [Mr. MARTIN] which appears at page 10587 of the CONGRESSIONAL RECORD of July 31, 1946. In his brief statement on that occasion, the gentleman from Massachusetts [Mr. MARTIN] said:

Mr. Speaker, as one who believes the claims of the veterans should be paid in cash, I exceedingly regret the legislative situation we find ourselves in today. It is almost impossible to exercise our real will. The House is unanimously of the opinion the veterans be paid in cash. Apparently we find before us two obstacles, one in the Senate and the other the attitude of the White House. If we persisted and fought the issue out, we might overcome the stumbling block in the other branch of the Congress, but I am afraid from the frank statement of the conferees we could not get the approval of the President. Knowing of the existence of the House bill, he has let it be known he favors the Senate bill.

High officials of the administration have signified to the conferees their opposition to the cash proposition, and it is reasonable to assume they speak for the President. They would not dare to take the position without his support. Therefore, we are indeed in a quandary.

Mr. Speaker, I despair when I hear now the cry of inflation. We have been spending billions of dollars for many things. We spent $4,000,000,000 for subsidies. Many other activities we freely authorized requiring billions of dollars of spending and no one uttered the word "inflation." Now, when we come to legislation in which veterans are concerned, we hear the cry of inflation. If it is true that inflation is caused by excessive spending, then why are we not consistent and stop the wild, reckless, extravagant spending such as has been going on for the last 2 years? The administration voices have been silent heretofore. Now we hear the cry of inflation. Our predicament is that apparently it is the Senate version of the terminal pay or nothing, as my good friend from Texas stated. I believe that the House conferees were sincere and did everything possible to get the House viewpoint to prevail. But they were informed, "it was this or nothing," and apparently that is the same reason why the various military organizations have come to favor the conference report as submitted. Unquestionably, if they thought there was a chance to have a cash plan they would continue the fight.

I want to serve notice that nothing is ever settled until it is settled right. If the officers could have cash, then there is no reason on earth why the private soldiers should not be treated the same. After all it is the good old private and noncom who carries the greater burdens of war. I believe, whatever we do today, this fight will continue. If we do not give fair, equal treatment today why then the next Congress will see the injustice is corrected. Eventually the American people will see that fair play prevails.

In that same debate on July 31 you will find my own remarks on page 10588 of the CONGRESSIONAL RECORD, as follows:

Mr. Speaker, I attended every session of the subcommittee that developed this legislation. I know what we worked on and what we thought we were getting. I had charge of the time on the Republican side during the debate. I have never seen such requests for time to express a unanimous opinion on any legislation as occurred here on June 7 in the general debate. I recall quite vividly that on June 11 the bill passed the House by a vote of 380 to 0. At that time the bill called for cash. All that time we were struggling to make our treatment of GI Joe the same as the treatment accorded the officers. And here today for the first time we are confronted with a parliamentary situation where we are given the defy to vote them bonds or nothing. Bonds that are nonnegotiable, bonds that cannot be cashed for 5 years, except for insurance, when we know GI Joes who cannot afford to carry insurance. Yet we cannot vote them anything but bonds. We must turn them down on cash for their terminal leave and look to some future Congress. I will join the procession here in voting for this bill even though it is for bonds, and then I will join the minority leader, the gentleman from Massachusetts [Mr. MARTIN], and the author of the bill, the gentleman from Florida [Mr. ROGERS], in their announced purpose to drive forward to make these bonds redeemable long before 5 years have gone by. As long as it is within my power to do so, I intend to join in that drive to make good our word and to take away from Congress the stigma of drawing a line of demarcation in the treatment of GI Joes as compared with the treatment accorded the officers.

Do not tell me that this is an inflationary measure. It just makes an echo come back to me from 1933, when I heard the echo of the famed Economy Act. All of you who were in the service and who worked in ex-servicemen's organizations at that time know what I mean.

Forcing our ex-service enlisted men to take bonds after paying every officer his pay and allowances in cash while on terminal leave is just another outstanding example of the failure of the present national administration to understand the importance of fair and equal treatment of all classes. This bill unmistakably follows the pattern of the Economy Act of 1933 in its vicious discrimination against the GI's. That situation must be corrected by a Congress that is determined to be fair. I sincerely hope the Eightieth Congress will do just that next winter.

Mr. KEARNEY. Mr. Speaker, in supporting H. R. 4017 I do so in the belief that at last a just correction has been made to the now existing law. When the original bill passed during the Seventy-ninth Congress, I then was of the belief the bill should have provided for payment in cash instead of bonds. If my memory serves me correctly it was, at that time, either a question of taking the bonds or nothing at all. There was no reason why the enlisted men should have to wait a period of 5 years before the bonds could be redeemed in cash. The commissioned personnel were paid in cash and it was certainly not a just act to pass a bill calling for GI's to hold bonds for a period of years. With the speedy enactment of this bill into law thousands upon thousands of veterans will now be able to cash their bonds and use the proceeds for their own good use.

Mr. GAVIN. Mr. Speaker, I want to take this opportunity to compliment the gentleman from Michigan [Mr. BLACKNEY], the distinguished chairman of the Pay and Administration Subcommittee of the Committee on Armed Services, for his work in connection with H. R. 4017.

I had the opportunity, as a member of the committee, to work with the distinguished chairman, who gave this legislation his very serious consideration and attention.

The bill, which is now before the House, I know will meet with the unanimous approval of the Members and permit settlement and compensation so the veterans will not have to wait 5 years to receive their terminal leave pay, but will be able to receive cash on or about September 1, 1947.

The chairman the gentleman from Michigan [Mr. BLACKNEY] and also the gentleman from Florida [Mr. SIKES] deserve and have earned the hearty commendation of the Members on both sides of the aisle for their work in connection with this bill, and I feel that this legislation will meet with the wholehearted approval of the American people.

Mr. PHILLIPS of Tennessee. Mr. Speaker, I am supporting H. R. 4017, which is a bill to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes.

I favor the immediate passage of this bill to provide for the cash payment of the terminal-leave bonds. I think that it is just and fair to permit veterans to redeem their bonds in cash. To my mind it has never been equitable to require the veteran to wait 5 years to receive his pay. The immediate payment of the terminal-leave bonds will reduce the public debt almost $2,000,000,000, and will save millions of dollars in interest charges alone. The above savings will definitely be in the interest of national economy.

In my opinion no bill that has come before the Congress has any greater merit than the present bill under consideration. The enactment of this legislation will enable probably 9,000,000 veterans to receive their cash, in addition to accrued interest. It should be pointed out that in fairness to the Government and veterans that the amount involved is an obligation due the veteran and should be paid now on the same basis as his monthly pay check or Regular Army pay.

Millions of veterans have spent their accumulated savings by reason of high prices, and are now broke. This legislation will aid our GI's in the payment of their debts, the payment upon a home, the payment upon an automobile, or the purchasing of needed farm machinery, as well as the meeting of many pressing financial obligations.

I am happy to see this legislation come before this Congress because I feel, and I am sure that you feel, that it is the fulfillment of a just and honorable promise and obligation to millions of veterans who served our country in time of its greatest need. By our action here today we are proving that the Congress of the United States is mindful of the great work and patriotic duty performed by millions of soldiers throughout the world. When we vote to pay in cash the terminal-leave bonds we are fulfilling a pledge which many of us made during our campaign for Congress. Time and again I repeated to the veterans throughout my congressional district my desire and intention to support legislation of the kind which we are considering here today. I know that this country owes a great debt to the millions of foot soldiers who fought so gallantly in all parts of the world in all branches of the armed services. This token of appreciation will prove that we are mindful of them, and willing to give a helping hand. It is my opinion that small business and our entire economy will be stimulated when approximately $2,000,000,000 is placed in circulation. For the reasons just stated I am 100 percent in sympathy with this legislation, and I deem it a great privilege to vote for the immediate passage of H. R. 4017.

Mr. DAWSON of Utah. Mr. Speaker, I rise in favor of H. R. 4017. I believe that veterans were entitled to be paid at the time their service was terminated. There is no logical reason why they should be required to wait 5 years to receive their pay. Terminal-leave pay is just as much earned pay as the regular compensation that the veterans earned when they were serving our country.

The executive department claims that the passage of such a bill would increase the possibilities of inflation. I disagree with this view, claiming that they are not considering all the facts. Is it any less inflationary for the Government to spend money than it is for the citizens who earn the money? Today our country is faced with a huge public debt. The redemption of these bonds in cash will decrease this public debt and will decrease the cost of government by eliminating interest charges in the bonds. Thus far, these bonds have accumulated approximately $60,000,000 in interest, and unless this bill is passed, the total interest charges each year on the total number of bonds that would eventually be issued would be approximately $62,500,000. In supporting this bill I feel it is a move toward reduction in the national debt. If the administration favors debt retirement, why should it oppose reducing the debt represented by these bonds?

Since the average bond issued is worth approximately $240, no individual is going to receive an amount of cash that will disrupt the economy of the country. Today many of our veterans need their terminal-leave pay in cash, to meet the high cost of living. Those who are going to school need it to supplement their income, while those who are starting small businesses can certainly use additional funds.

I am proud of the record Congress has made thus far in the reduction of governmental expenditures, and I believe now our veterans are entitled to have a portion of these savings passed on to them in the building of America.

The passage of this bill will greatly correct an injustice done to the enlisted man when he was required to wait 5 years to receive pay for terminal leave, while officers were entitled to receive their terminal leave in cash.

Under this bill, as I understand, after September 1, 1947, veterans may redeem their bonds in cash by taking them to an authorized bank for cashing savings bonds. I am told there are approximately 16,000 banks in the country now qualified to cash savings bonds. This will provide an adequate and quick method of cashing the bonds.

There is nothing in this bill, however, that requires a veteran to cash his bond. He can retain option to keep it until it matures, or to apply for a bond in the event he has not yet applied for settlement and compensation under the act of 1946.

Another admirable feature about this bill is that it extends the time from the present expiration date of September 1, 1947, to September 1, 1948, in which veterans may apply for settlement and compensation under the act. This is an advantage since many of the veterans have apparently awaited for this proposed bill and therefore Congress should give them an additional year to apply for settlement and compensation.

May I at this time quote the words of the gentleman from Massachusetts, Hon. JOSEPH MARTIN, when the present law was under consideration by the House last year during the Seventy-ninth Congress. He said:

> I want to serve notice that nothing is ever settled until it is settled right. If the officers could have cash then there is no reason on earth why the private soldier should not be treated the same. After all, it is the good old private and noncom who carried the great burdens of the war. I believe whatever we do today, this fight will continue. If we do not give fair, equal treatment today, why, then, the next Congress will see that the injustice is corrected. Eventually the American people will see that fair play prevails.

Mr. Speaker, a Republican majority is now in control of the Eightieth Congress, and I trust that the prophetic words uttered by you at the Seventy-ninth Congress will now be fulfilled.

Mr. McCORMACK. Mr. Speaker, in supporting this bill, and urging the House to pass it, the terminal-leave pay bill, I want to particularly pay my respects to the distinguished gentleman from Florida [Mr. ROGERS] for his outstanding leadership and persistent determination which resulted in this bill being before us today. To him, more than any other individual Member of the House, is due the credit for the passage of this meritorious bill, which passage through the House will take place shortly.

I cannot too strongly stress the gratitude our veterans—"GI Joes," in particular—owe the gentleman from Florida [Mr. ROGERS].

This bill should be properly termed the "Rogers of Florida bill."

I know this bill will overwhelmingly pass the House, but the main credit for its passage now is due to the gentleman from Florida [Mr. ROGERS], of whom there is no finer or more sincere, able, and hard-working Member of this National House of Representatives.

Mr. RIZLEY. Mr. Speaker, I congratulate the committee on bringing this bill before the House for consideration.

Some of us did everything in our power to pay the GI's in cash for their terminal leave a year ago. I made my record at that time when in the closing days of the

Seventy-ninth Congress I urged payment in cash instead of bonds. I am happy to see the injustice corrected. I hope the President will permit this legislation to become the law and not veto the bill as has been predicted by some.

Mr. BRYSON. Mr. Speaker, in voting today for the passage of H. R. 4017, accompanied by Report No. 784, I rejoice with my colleagues in correcting a grave injustice to the enlisted personnel of our armed forces. It will be recalled that during the Seventy-ninth Congress I introduced one of the first bills providing for terminal-leave pay in cash, appeared before the then House Committee on Military Affairs, and later voted for a bill similar to mine providing for payment in cash of terminal leave to enlisted men as had been done to officers. Although the House passed the measure unanimously, the other body did not agree and provided for settlement of terminal-leave pay in bonds. Our enlisted servicemen resented this apparent guardianship placed over them and their justly earned moneys, especially when the same limitations or restrictions were not made applicable to commissioned personnel.

With the opening of the Eightieth Congress I introduced H. R. 219 on the very first day of the session, to wit, January 3, 1947, providing for cash settlement of the terminal-leave bonds. The present Armed Services Committee having given no indication of favorable action after the elapse of many months, I signed a petition for the discharge of a terminal-leave-pay bill, as did many other Members of Congress. On June 26 I appeared in person before the Armed Services Committee of the House, urging favorable action on the proposition to settle terminal-leave-pay bonds in cash, and I now rejoice with others in the privilege of voting today for the settlement in cash of a debt long since due.

It is a great satisfaction to know of the sacrifice being made by our servicemen as they seek to further their education. All through the country at every institution these stalwart sons, some of them in very low grades, others in professional schools and universities, many of them accompanied by their wives and children, are applying themselves to their studies. I have been told by heads of the schools that the first honors, the highest grades, as a rule, are being earned by servicemen who are, on an average, from 25 to 35 years of age. It has been difficult for these boys to stay in school. They have been restricted in their earnings. Their wives, in a great many instances, have worked so as to keep the family together. The payment of these funds now will be of great benefit and encouragement to those of our servicemen who are continuing their studies.

Here and there through the country, our servicemen are seeking to establish themselves in small businesses of one type or another. They can use their funds to great advantage.

I can think of no vote I have ever cast which gave me more satisfaction than the vote I am casting today for the enactment of H. R. 4017 providing for the cashing of terminal-leave bonds on September 1, 1947, or thereafter at the option of the holder.

Mr. BRADLEY. Mr. Speaker, I feel that there is no logical reason for opposition to this bill at the present time. It is a just bill. It is a bill which will help the veterans; it will help American industry, and it will benefit the whole Nation.

I am happy in my knowledge that the provisions of this bill will permit many a family to commence the acquirement of a home, to burn a mortgage, or to satisfy some long-felt need.

This is indeed a pleasant day for every veteran in the House.

Mr. REEVES. Mr. Speaker, every Member of this House ought to support H. R. 4017.

All veterans of World War II resent the present discrimination against enlisted personnel on the matter of terminal leave. Commissioned officers accrued 30 days of leave each year and were entitled to accumulate as much as 120 days under the regulations. Upon separation from the service an officer was entitled to take his accumulated leave, which meant that his pay and allowances continued in full for the total period of leave accumulated. There is nothing unusual about the arrangement; exactly the same provision is made for every civilian employee of the Government, with slight modifications.

There never was a good reason for denying equal privileges to enlisted personnel, most of whom were not accorded normal leave while on active duty. An enlisted man or woman ought to be entitled as a matter of right to the same amount of leave, and to accumulate the same amount of leave, as is an officer.

The so-called terminal-leave bill enacted by the Seventy-ninth Congress was actually a gesture. Cash payments under that measure were insignificant. The bulk of the leave was represented by 5-year bonds bearing 2½-percent interest; in effect, the Government borrowed from the ex-GI the value of his terminal leave. I have yet to meet the veteran who was satisfied with this arrangement. It is a matter of record that the Republican Members of the House, then in the minority, insisted on cash payment in full and, when defeated on that proposition, pledged cash redemption of the bonds as promptly as possible during the Eightieth Congress. We shall redeem that pledge today.

How can there be any objection to the enactment of this bill? We have brought about economies which permit a reduction of the national debt out of current receipts. The terminal leave bonds, which are part of the national debt, should be retired for two reasons: First, because they should never have been issued in the first place; and, second, because they bear a higher rate of interest than most Government borrowing. By redeeming them we shall do justice to the veteran, reduce the debt, and materially cut the interest on the debt. And no one can complain that a veteran is to be permitted to retain his bonds as an investment, if he chooses.

Let it be clearly understood that we are taking this action today in the face of determined opposition from the administration. The Treasury Department, unquestionably with Executive approval, has resisted the proposal to redeem these bonds on the plea that it would be inflationary. That argument has a hollow ring in the light of the consistently inflationary policies of the administration. Moreover, the amount of money involved is to be spread among so many persons and in such relatively small amounts that the inflationary effect, if any, will be negligible.

The administration will find few friends across the aisle on this vote, I think. The bandwagon is crowded with many who have forgotten something the bond-holding GI will remember: That once again a bad mistake and inexcusable injustice of a Democratic administration has been rectified by a Republican Congress.

Mr. EVINS. Mr. Speaker, I rise in support of the bill to authorize redemption of terminal leave bonds held by enlisted men separated from the armed services. I desire to commend the committee for reporting this bill out and bringing it before the House for passage. On May 20, last, I spoke in support of this legislation and prior to this I signed the discharge petition held on the Speaker's desk to bring this legislation to the floor for consideration. I was also pleased to recently appear before a subcommittee of the Committee on Armed Services of the House of Representatives urging that the present bill be reported by the committee and brought to the floor of the House in order that the membership might have an opportunity to vote for this legislation. These bonds represent a national obligation for patriotic services performed and in no respect constitute a bonus or servicemen's pay readjustment. Upon separation from the service officers of the Army, Navy, and Marine Corps were provided with a cash payment for their accumulated terminal leave and it is only just and fair and right that the same treatment should be accorded enlisted men. When an officer of the armed service is separated from the service he is paid his accumulated terminal leave. When a member of the diplomatic corps is separated from employment with the State Department he is paid for any leave which may have been accumulated during his employment and likewise civil-service employees are provided with a cash payment for their terminal leave upon separation from the Government service. To fail to provide this payment to the enlisted men of the Army upon their separation from the service would constitute a direct discrimination and I know that the membership of this House does not desire to effect this unjust discrimination. In addition to the discharge of a direct obligation of the Government the passage of this bill will also effect economy in the Government by providing a savings of the 2½ percent interest which these bonds presently draw. In addition such bill will effect a reduction of the national debt.

Mr. Speaker, I am pleased to join with other Members of the House in supporting this bill to provide that the enlisted

men holding outstanding terminal leave bonds may convert these securities into cash and therefore to correct a wrong and to bring about fair play in the treatment of the men who have served our country during the war.

Mr. GATHINGS. Mr. Speaker, the bill under consideration would permit enlisted men who served their country in time of war to cash their terminal-leave bonds at once. In am heartily in favor of paying these bonds in cash at this time. The Seventy-ninth Congress authorized the issuance of bonds for accrued leave to these members of the armed forces. Those bonds would be payable within 5 years with interest at 2½ percent per annum. This bill sets up the procedure whereby these bonds can be paid in cash, thus removing the injustice that has existed continuously since these men came back into civilian life.

I do not subscribe to the doctrine that officers be paid for unused leave while at the same time privates and noncoms are denied the same consideration. Yet that is the result if we do not pass this bill.

The payment of these bonds at this time will mean a greater saving in interest to the United States Government. It is estimated that the face value of the bonds would amount to approximately $2,500,000,000. The interest rate is 2½ percent per annum. By paying the bonds now, the Government would save $62,500,000 a year in interest payments alone. Over a 4-year period the saving would amount to $250,000,000. It is fallacious to contend that the passage of this legislation is inflationary. As a matter of fact, the enactment of this bill is deflationary.

Under the provisions of the bill the bonds may be cashed at any time after September 1, 1947. The procedure is the same as in redeeming United States Savings bonds. The veteran can go to any bank or lending institution, which has been approved by the Treasury Department, to cash Savings bonds and obtain payment.

The bill extends the time to September 1, 1948, for the veteran to apply for settlement of the amount due him.

These men have earned this money. It is theirs. Terminal-leave bonds were issued to these servicemen for actual earned pay which was accrued by service to the Nation during World War II. It is unreasonable and unjust that a veteran wait 5 years to obtain payment of the money which he earned while in the service.

I trust that the bill will pass without a dissenting vote. It means only dealing fair with those who fought for and preserved the American way of life.

Mr. GOFF. Mr. Speaker, I am glad indeed to express my support for this bill to permit the cash redemption of terminal leave bonds by veterans who were given bonds in lieu of cash which in all fairness should have been paid them upon their discharge. I happen to have been a commissioned officer in World War II, and received pay in full for leave time which I had been unable to take during hostilities or when I was overseas. It seems to me only simple justice that men whose contribution to the war was at least as much as mine, and in many instances greater, should have received equal consideration.

I hope as many as possible will keep their bonds and not redeem them, but there are a great many to whom the cash will be a godsend at this time. Whether they hold the bonds or take the cash is, however, a matter for them to decide, and not to be determined by this Congress. Actually, it is their pay, justly due them for services faithfully rendered. I am proud of the fine record made by the ex-servicemen of this war in our colleges and universities where they have taken advantage of the GI bill of rights to further their education. This will be a great help to those who now have family responsibilities. But the money will also go to many a young veteran not in school who is just starting an independent business or is buying a home. I have no fear that any substantial number will squander the money and if some should do this, they probably would be the ones who would follow the same course years hence if the bonds ran to full maturity. The savings that will accrue to the Government from interest on the bonds will in the long run make it more economical to pay the money now than to wait until later.

I hope every Member here will vote for this bill.

Mr. BEALL. Mr. Speaker, the Seventy-ninth Congress authorized terminal-leave payments for enlisted men. This put the enlisted man on the same basis as the officer insofar as receiving salary when he did not, or could not, take advantage of the official leave which was due him because at the time he was very often in combat or in a combat zone.

It is most unfortunate that the original law provided for making terminal-leave payments to enlisted personnel in bonds rather than cash. Now I think, Mr. Speaker, the time has long since passed when the enlisted personnel should be given the cash which is actually just paying them for services rendered.

If the Government redeems these bonds and makes the cash available to the enlisted personnel, they may do one of two things. They may continue to hold the bonds and draw interest, or if they feel they need the money, they may cash them. Actually the payment of cash will be a saving to the taxpayer, as it will save the interest which will accumulate on the bonds if they are held, and will, therefore, not force any additional financial burden on the Government.

I sincerely hope that the House will pass the bill H. R. 4017, and it will shortly become a law.

Mr. TEAGUE. Mr. Speaker, I believe the 10,000,000 veterans who have received their terminal-leave bonds and the nearly 5,000,000 other veterans who are eligible yet have not applied for this pay for unused leave should be given the option of receiving cash for this service or of keeping their interest bearing bonds.

The total cost of the terminal leave act amounts to approximately $2,000,000,000 which is a part of the national debt. Interest on these issued bonds costs the Government $50,000,000 each year and it would be a definite savings to allow cash payment now. By honoring these bonds now with surplus funds in the Treasury, we would be reducing the national debt.

I urge all of you to support this legislation authorizing payment to those desiring to cash their bonds.

Mr. REES. Mr. Speaker, this legislation to provide that all bonds issued to discharged members of the armed forces for leave pay be cashable on demand should be passed without opposition. This legislation is similar to the provisions in a bill I introduced in this House early in this session.

These bonds were issued to enlisted men who were released from the armed forces in lieu of cash. There is no reason, as I see it, why former members of the armed forces should not be paid now rather than wait until some future date. There can be no good reason why payment should be withheld. I do not know of any time when they will need it more than right now. It seems rather inconsistent that our Government should pay officers terminal leave in cash and then tell enlisted men they must wait 5 years for their money.

I expressed my views on this matter last summer when this matter was under consideration.

There is nothing inflationary about this proposal. It is an obligation of the Federal Government. In reality it is a part of the national debt. In paying these bonds we pay a part of our national obligation. The legislation is fair. It is sound. It is reasonable.

Mr. SIKES. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, lawyers in court often refer to justice as having leaden feet because of the long delay of cases experienced from the commission of the offense to the adjudication of the case. Justice to the enlisted man awaiting settlement of his terminal leave pay is certainly leaden footed. It has moved with a painstaking and patience-testing slowness.

During the height of the great war, the top authorities in the Army and Navy decreed that officers should receive terminal leave pay; and this pay should be the equivalent of 30 days for every year served in the armed forces. No more than 4 months' accumulation, under the law invoked, could be received by any officer. The decree was based upon the optional authority given an old act which had not been invoked in the First World War but which was put into effect during the close of the Second World War. The officers either received their leave annually when it came due or they were given this leave all at once when they were terminated from service. No officer was required to wait to receive this leave or the leave money longer than his termination from the armed services.

On the other hand, enlisted men were not treated in the same manner. As the unfairness of paying the officers and refusing the payment to the enlisted men

became apparent, the clamor arose to right a flagrant, patent injustice. I introduced a bill in the Seventy-ninth Congress which was used as one of the three bills forming the basis of the act which the House passed and sent to the Senate. At first the feeling was that the Senate would pigeonhole this measure until the Eightieth Congress came into being. At the last moment this body decided on an arrangement to issue bonds in lieu of cash to enlisted personnel, and this arrangement required the enlisted population to wait 5 years for their money instead of receiving it immediately as was the arrangement with the officers. Accordingly, the Seventy-ninth Congress put through legislation which issued bonds to those below the rank of second lieutenant while permitting commissioned officers to draw terminal leave in cash. In order to get the legislation through in any form, the House accepted the Senate proposal. At the same time the legislation gave enlisted personnel interest at the rate of 2½ percent per annum on the amounts due these men to maturity of the 5-year bonds.

This was not a happy solution—nor was it a just one. It is true that there exists some 11,000,000 enlisted population whereas the officer strength was approximately 1,100,000. This fact alone should not have been the test. On the contrary, the principle involved is the same, and the application of this same principle should be the same among the officers and among the enlisted personnel.

The war has now been over for 2 years. The veterans have returned to their homes and to their families. Many of them are trying to build homes and others are trying to open up new businesses and go into new fields of endeavor. The money which Congress has decreed they are entitled to receive as a part of their pay remains yet due and owing. I am glad to say that H. R. 4017, which is a committee bill from the Armed Services Committee, seeks to permit cash payment at once. It is not exactly like the bill which I introduced, but it accomplishes the same objective and it should receive the approval of this House.

Mr. Speaker, under the arrangement perfected, the banks throughout the country will be authorized to cash the bonds. A veteran may simply go to his bank, present the bond, identify himself properly and to the satisfaction of the local banker, and receive the cash in due course. He will receive the face amount of the bond and will, in addition to this, receive interest at the rate of 2½ percent to date. A charge can be made of 15 cents by the bank upon the Government for this service for the first 1,000 bonds cashed; and above this number, the charge is reduced to 10 cents per bond. It is estimated the Government will sustain an expense of about 15 cents per bond for handling charges, making the total cost to the Government of handling the bonds about 30 cents each. This amount of costs is small and will have to be paid whether the bonds are cashed now or at a later date when they mature in due course.

Mr. Speaker, experts coming before the committee indicate that this legislation will save our Government some $200,000,000 for the entry transaction, or at the rate of $50,000,000 to $60,000,000 annually in interest accruing on the bonds. They further state that this transaction will not increase the national debt. These bonds are already carried upon the rolls as a part of our national debt; and of course, payment will reduce the debt to the extent that the Treasury Department will not be compelled to borrow to replace the money paid to these veterans.

Mr. Speaker, from every section of the country come appeals from the veterans. Many of them are in actual need and in distress, and yet we withhold their pay. Many of them have plans which a few dollars received as their terminal leave pay will aid them in completing. Many are going to school, and with families are not able to make both ends meet by relying solely upon the subsistence pay of $65 and $90 per month which we allow veterans going to school. Many other veterans are building homes, and still others have homes completed but owe large sums upon them which are burdening them very heavily. In all, some 8,500,000 veterans own these terminal-leave bonds which total the sum of $1,800,000,000. All in all, 11,000,000 enlisted personnel were available; but it is realized that some of them have already received their leave during the course of the service and it is further realized that some will never apply for this payment.

Mr. Speaker, this obligation is due and unpaid. We should not delay further. Veterans should be given the option of cashing their bonds and receiving the money due.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. WILLIAMS. Would the gentleman point out the fact that this is not a veterans' benefit but is money due for services rendered by our GI's and for which they did not get paid?

Mr. BROOKS. That is correct.

Mr. WILLIAMS. It is for the same type of service for which our officers did get paid.

Mr. BROOKS. This is actually money which is due the men who served in the armed forces of this Nation during the war, and there is no excuse for delaying payment further.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, I ask unanimous consent to include at this point a letter received by me from the House Committee on Armed Services, together with an accompanying letter from the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The letters referred to are as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., July 3, 1947.

Hon. VITO MARCANTONIO,
House of Representatives,
Washington, D. C.

DEAR MR. MARCANTONIO: I am enclosing a copy of the Treasury Department's report on your bill, H. R. 3707, to extend for 1 year the time within which application may be made for benefits under the Armed Forces Leave Act of 1946.

Sincerely yours,

ROBERT H. HARPER,
Chief Clerk.

JULY 2, 1947.

Hon. W. G. ANDREWS,
Chairman, Committee on Armed Services,
House of Representatives,
House Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of June 10, 1947, enclosing a copy of the bill H. R. 3707, to extend for 1 year the time within which application may be made for benefits under the Armed Forces Leave Act of 1946, and requesting the views of the Treasury Department on this proposed legislation.

The purpose of H. R. 3707 is to extend the time within which application for the settlement and compensation for leave may be made, under the Armed Forces Leave Act of 1946, for a period of 1 year, from September 1, 1947, to September 1, 1948.

As of this date, approximately 142,500 applications for settlement under the Armed Forces Leave Act have been received from persons who served in the Coast Guard during the period covered by the act. The current rate of receipt of applications is about 3,000 per month. The best estimate of the total potential number that are eligible to file applications is about 185,000. This indicates that, unless there is an unexpected acceleration in the receipt of applications prior to September 1, 1947, over 30,000 persons eligible to receive benefits under the Armed Forces Leave Act will not have submitted applications within the time limit as now prescribed in the statute. The Department is of the opinion that the remaining personnel eligible to receive benefits under the act should have additional time in which to make application if they so desire.

Inasmuch as the Armed Forces Leave Act contemplated the settlement for unused leave of all persons eligible under the act, there will be no additional cost to the Government over what was originally anticipated at the time the Armed Forces Leave Act was enacted, in case H. R. 3707 is enacted into law.

The Treasury Department, for the reasons stated above, recommends the enactment of H. R. 3707.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the gentleman from Florida [Mr. PRICE].

Mr. PRICE of Florida. Mr. Speaker, I am in favor of the passage of this bill, as I believe it will correct an injustice that has been committed against our enlisted men.

We are all familiar with the fact that the officers were paid for unused leave, and there has been no logical reason ad-

vanced why enlisted men should not receive the same treatment. We know that Congress passed a measure providing for the payment of enlisted men, during the last session, which gave these enlisted men bonds, instead of cash.

I hope that Congress will now see fit to remedy this injustice and that before we adjourn, this bill may become a law, even though it may be of great expense to the Government. We did not consider expense when these boys were sent into battle; in fact, they did not consider the cost, even though it may have meant their lives.

We, as a country, have been generous to the people of the whole world, and even to those who were our enemies during this war; therefore, I cannot see how one Member of Congress could conscientiously oppose this measure and I hope that it will pass without delay.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I shall support the pending bill. On last January 3, the opening day of this Congress, I introduced the bill, H. R. 290, to amend the Armed Forces Leave Act of 1946 so as to provide that the war veterans' terminal-leave pay bonds issued under such act shall be redeemable at any time, and to permit settlement and compensation under such act to be made in cash. Such legislation is now long overdue. In simple justice to our GI war veterans I trust the pending bill which is similar in objective to H. R. 290 will be passed without a dissenting vote. Officers in our armed forces received their terminal leave pay in cash. Fairness requires that enlisted men and women should be given the same privilege as the officers have had. I trust that we can proceed to a vote on this bill immediately and without any partisan political demagoguery since I am sure that no Member on either side of the aisle will vote against it.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, on December 18, 1943, I introduced H. R. 3875 to provide terminal leave for enlisted men. It has been my thought that terminal leave for enlisted men should be paid in cash from the beginning. The several bills I have introduced have provided this. At present I have a bill before the Congress, H. R. 773, which would pay terminal leave for enlisted men in cash. It pleases me that the House today will pass this very meritorious legislation. It should have been passed long ago.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Speaker, I am very much for this legislation. We are glad it is here and we will soon have the "Yeas" and no "Nays." This marks the culmination, insofar as the House is concerned, of the efforts which we started in the last Congress to pay enlisted men that which is due them. Mr. Speaker, I worked diligently in the Seventy-ninth Congress to get signers on the petition to force the terminal-pay bill to the floor for action and, as everybody knows, we finally got that action and passed the bill in the House unanimously to pay the men in cash. When this legislation got over to the other body, that body refused to go along with the House in the payment of this sum in cash and the House faced the choice of either having no bill at all or else agreeing to the payment partly in cash and partly in bonds. The friends of the veterans and even the veterans' organizations themselves took the position that it was better to accept the compromise bill rather than to see the bill killed entirely, as would have been done at that time by the insistence of the other body on bonds instead of cash.

As soon as the Eightieth Congress convened, I introduced on the very first day of this Congress a bill requiring the payment of these bonds in cash. When action was not taken by the committee handling the matter, a petition was placed on the Speaker's desk to force the issue to the floor for action. I signed that petition and was one of the very first ones to sign it.

Last week the Armed Services Committee finally agreed to hold hearings on the matter of cashing these bonds and I was given the opportunity to go before the committee and present an argument for my bill. I appreciated the courtesy shown me by the committee and I availed myself of that opportunity and I presented very compelling reasons for the passage of this legislation. I will not take time here, Mr. Speaker, this evening, in the limited time at our disposal, to review all of the arguments for this, but it seems to me there are some arguments that are so compelling that it is difficult to see how anyone could deny favorable action on the legislation at this time. In the first place, our Government owes this money to these men. They earned it. That argument alone is sufficient. It is a debt, an obligation, owed these men. In the second place, payment of these bonds at this time will reduce the national indebtedness just that much. We have something over $1,800,000,000 in outstanding bonds due the veterans and payment of that sum to them now simply reduces our national debt that much, and everybody wants to reduce our national debt all we can. In the third place, Mr. Speaker, payment at this time will stop that much interest charge. These bonds bear interest and the interest on nearly $2,000,000,000 is a good big item and the interest charge can be saved by paying the bonds now. It seems to me that those three arguments ought to be entirely sufficient to warrant favorable action on this bill to pay these bonds. I therefore, Mr. Speaker, urge the immediate passage of this bill and I hope that there will not be a single vote against it. I trust also that the other body this time will go along with the House on immediate payment in cash and I hope that the President signs the legislation. It is a good bill, and let us give it our unanimous backing. In conclusion, Mr. Speaker, I want to say that this day brings to me a measure of great satisfaction because it witnesses what appears to be the culmination of my long fight to bring this money to our deserving veterans.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I am glad to see this bill come up for passage. I cannot understand why it has been delayed this long. Last year when the Rogers bill was before the House I was a candidate for Congress, I made a campaign pledge to the people of my district that if a law were not passed during the Seventy-ninth Congress to pay enlisted men terminal-leave pay that I would work for the passage of such a law in the Eightieth Congress. The Seventy-ninth Congress passed the Rogers bill, but it had been amended in the Senate to provide for the issuance of 5-year bonds instead of paying the enlisted men's terminal leave in cash. The act further provided that the bonds were nonnegotiable. The veteran could not sell them or use them as security for a loan, thus the bonds would be of no immediate benefit to the veteran.

To my mind there is no just reason why terminal-leave money should be paid in cash to officers and enlisted men be required to wait 5 years for their cash. I have urged that the same treatment which was accorded to officers be accorded to enlisted men, and that they be authorized to turn their terminal-leave bonds in to the Government and get cash, if they desire to do so. This is simply an act of justice.

I had thought the bill would be promptly taken up by Congress and passed, but as the weeks went by no bill for this purpose was reported out for passage. The gentleman from Florida [Mr. ROGERS] who, on the first day of the session, introduced a bill to pay these bonds in cash, spoke to me one day and announced that he was considering filing a petition to discharge from the committee the bill he introduced to pay these bonds in cash. Such a petition requires 218 signatures to bring the bill on the floor for passage. I stated to Mr. ROGERS that I would sign his petition, and when he filed it shortly thereafter I did sign it.

I am glad that such overwhelming sentiment has manifested itself in favor of this act of simple justice, that a bill has now been reported out of the committee and is now on the floor of the House for consideration. I sincerely hope that there will not be a vote against it.

From a standpoint of economy it is good business for the Government to pass this bill and pay these bonds in cash. The Government is now paying 2½ percent interest on these bonds. It can borrow the money to pay them off for 1½ percent. It can therefore save 1 percent per annum as interest by paying them now. This cash, placed in the hands of the veterans now will enable many of them to make a down payment on a home, buy household furniture, or buy needed business equipment. It will not only serve that purpose, but it will

discharge an obligation of the Government to the veterans which is long overdue.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, during this session I have witnessed on several occasions a very apparent lack of interest in helping the veterans of World War II. This indifference can correctly be laid at the door of the Republican Party. I witnessed their determined fight to take away from the Reconstruction Finance Corporation the right to buy GI loans from local lending agencies, thereby denying many veterans the opportunity to get a long-term loan to purchase a home. I saw them vote against permitting veterans to use their terminal-leave bonds as a down payment on Government housing units which are to be offered for sale to veterans. I recall how they cut the appropriation for the Veterans' Employment Service.

Today we all have an opportunity to show the veteran that he has not been totally forgotten; to prove that the Congress is willing to assist him in his rehabilitation by voting for this bill which will permit a veteran to cash his bonds on September 1. We should today wipe out the distinction that was made between officers and enlisted men. We have the surplus in the Treasury to do this. By enacting this law we will be making a payment on our national debt and discharging an obligation to our veterans at the same time. There should not be a dissenting vote on this measure. I shall ask for roll-call vote in order to get a record of the voting. The real friends of veterans will vote "aye."

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Speaker, I am happy that the House is today considering the bill to allow former enlisted men to cash their terminal-leave bonds. It is my hope that we will pass this measure unanimously and that the Senate will then take action. In this way an injustice will be remedied and a glaring discrepancy between ex-officers and ex-enlisted men and women will be obliterated.

I should like to also urge the Congress once again to take up my resolution investigating the Litchfield trials and the whole Army court-martial system, so that injustices perpetrated against enlisted men can be corrected. I also want to request the Congress to consider, before adjournment, my bill to raise the payments to veterans now enrolled in the on-the-job training program. I am happy to have introduced three bills covering these issues on the first day of the present session, and I hope all of them will be passed before Congress adjourns for this session. They are all worthy measures, and our passage of them will bring home to the ex-service men and women of our country the fact that we are just as interested in them now—after their sacrifices—as we were when they were fighting for us on all the fronts of the world.

Mr. Speaker, the passage of all these measures will, in my opinion, be a dispensation of justice and a recognition of well-deserved needs. I urge its immediate and favorable passage.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, by its action today, the House of Representatives will repudiate one of the most discriminatory injustices ever perpetrated upon American soldiers and veterans. Because of the action of another body of this Congress, our soldiers were paid their terminal-leave money in bonds, which would not mature until 5 years. This is in contrast to the law now existing whereby officers of our armed services are paid their terminal leave money in cash upon separation from the service.

Let me say at the outset that this is not a veterans' benefit. The payment of these bonds is merely the discharge of an obligation of our Government owed to the enlisted men who fought and won the war, and is a payment for actual services rendered. It is not a bonus by any stretch of the imagination, and should not be considered as such. Every nickel paid to our servicemen under this bill has been earned by that serviceman in blood and sweat, and I am delighted that I can claim to be a Member of the Congress which righted this wrong.

I have said in previous talks to this House about all that I feel necessary to be said on this bill. But I want to take just a moment of your time to thank—on behalf of our enlisted men—the man who has led the fight for the passage of this bill, and I think that it is almost a miscarriage of justice that this bill does not bear his name. The distinguished gentleman from Florida [Mr. ROGERS] introduced a bill in the Seventy-ninth Congress which would allow the cashing of these bonds, and watched it pass this House only to die in another body. On the opening day of this Congress, he introduced another bill for the same purpose, only to see it pigeon-holed by a Republican-controlled committee. In his efforts to see the measure passed, he placed a discharge petition on the Speaker's desk which would, if signed by enough of the membership, bring his bill to the floor of this House for action. I am proud to say that I was one of the first signers of that petition.

The gentleman from Florida [Mr. ROGERS] has fought diligently and earnestly to right the wrong of the last Congress, and I rejoice with him in that victory has finally been achieved.

Veterans everywhere will be forever grateful to the gentleman from Florida [Mr. ROGERS] for his efforts in their behalf, and I hope that the Republican leadership will see fit to forget partisanship long enough during the debates on this measure to give proper recognition to his efforts.

Mr. Speaker, it is a pleasure for me to be able to wholeheartedly support this bill, and I respectfully ask that every other Member of this House do the same.

Mr. SIKES. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, this is a very happy day in my congressional career—the day on which we will pass the bill providing cash for terminal leave bonds. May I give you a brief history of this legislation?

On September 13, 1945, I introduced a terminal-leave pay bill known as H. R. 4051. After the arduous circuit which that bill made, through petition filed upon the Speaker's desk, that bill was brought out so that this House might consider it. On June 11, this House unanimously, without a dissenting vote, passed the bill. That bill H. R. 4051 provided for a lump-sum cash payment, but when it went to the other body, unfortunately they made it payable in bonds. When it came back and we were discussing the conference report, I addressed the membership of this House. I refer you to a speech which I made on this floor on July 31, 1946, when I told you that the very first bill I would introduce in the Eightieth Congress would be a bill providing for cash payment of these bonds. I did that. On January 3, just as soon as the Speaker let the gavel fall convening the Eightieth Congress, I introduced H. R. 3. I could not get any action, for some reason, from the committee. On March 4, 1947, I filed discharge petition No. 1 to get that bill out and the petition now has around 115 names thereon. I am happy today that the Committee on Armed Services has seen fit to bring this most just, this much delayed bill for consideration and passage by the House.

In conclusion, I am going to use the words that St. Paul used. He said, when he made his last remarks, "I have finished my course. I have fought a good fight. I have kept the faith."

If you will look at the further remarks he said that he shared the glory with those who had followed him.

I am glad to share the glory of this bill with my Democratic and Republican friends. I am glad the Armed Services Committee has seen fit to bring out this bill and give the membership an opportunity to pass it, and I predict without a dissenting vote, and give the GI's the terminal-leave pay in cash which they should have had long ago instead of 5-year bonds.

For a complete history of terminal-leave legislation I refer you to the Appendix of the CONGRESSIONAL RECORD, pages A2508–A2509.

The SPEAKER. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. SIKES. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Speaker——

Mr. BRYSON. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. BRYSON. Will the distinguished gentleman from South Carolina, a member of the Armed Services Committee make clear just how soon the GI may expect to get his money?

Mr. RIVERS. As one of the authors of bills of this nature I may say to the gentleman from South Carolina [Mr. BRYSON], and I am delighted to be able to, that we on the Armed Services Committee made these terminal-leave bonds payable on the 1st of September in or-

der to give the Treasury a chance to set up the machinery whereby this legislation might be put into effect immediately and without delay.

As a member of the Armed Services Committee I am glad our committee has brought this legislation out and I can say for the chairman and the other members of the committee from both sides of the aisle that we did work hard to bring this out. We realized it was just, we realized it fulfilled the promise we owed these boys, to pay a long-over due debt. These young men are now hoping that the body at the other end of the Capitol will act promptly. This gives them something to plan with, something to build the home they need, or funds to start a business. I, like you, am sure there will be no opposition. I am glad that our committee has acted. Now the membership at large has their opportunity to do their part.

Thousands of former enlisted men of all services are enrolled in schools and in colleges. Thousands need a few dollars to maintain them and their small families during the days of their instruction. Thousands are enrolled in other avenues of instruction and adventure. They too feel the need and feel the debt the Nation owes them. Today we answer their pleas and make definite the day of payment. What a happy pleasure for me, like you, to play my part in this righteous cause.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I hope the action today will be as unanimous as it was in the last session on the original enactment of this legislation. At that time we passed by unanimous vote the bill providing for the payment of terminal leave for enlisted men in cash. This was changed in the Senate to provide that payment should be in bonds payable at the end of 5 years.

On the first day of the present session of Congress I introduced a bill, H. R. 141, to make these bonds payable in cash not later than March 1. While that day has passed I am, of course, gladly supporting this bill to make these bonds payable in cash on September 1.

Of all our obligations I think our greatest debt is to those men and women who offered their lives in defense of our country. The officers were paid for their unused leave at the time of their discharge. We certainly should do no less for the enlisted men. Already they have been made to wait too long for the money they earned and so richly deserve.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Speaker, it has heretofore been pointed out that last year when the House of Representatives first passed the so-called terminal leave bill, it directed that the payments be made in cash, not in bonds. I voted for the bill providing for cash payments. Subsequently when we had before us the conference report and the House was informed that the other body would only accept a bill providing for payment in bonds, for the second time the House voted for payments in cash and I was one of those who so voted. When the issue was again submitted to the House by the conferees we were informed that we would have to accept bonds or nothing, as the other body positively would not accept the provision providing for cash payments. With a deadlock inevitable the House receded and accepted the bond provision. It was either that or nothing and we were unwilling to let the Congress adjourn without passage of a terminal leave bill.

Early in this session my good friend, the gentleman from Florida [Mr. ROGERS] introduced a bill providing for the immediate redemption of the bonds. When it appeared that no action would be taken he placed a discharge petition on the Clerk's desk in an effort to force the bill out of committee that the House might pass its judgment thereon. I was one of the first signers of that petition. Since this matter has been so long delayed it is regrettable that the required number of signatures was not long ago obtained. However, I congratulate the members of the committee on bringing this bill to the floor and offering us an opportunity to eliminate a discrimination which had been practiced against enlisted personnel. There is no good reason why they should not receive the same treatment as was afforded officers.

I am glad that the Republican leadership, which is by a large vote in control of legislation coming before the House, has finally agreed to bring the bill to the floor. I only wish that it had acted sooner. I appreciate the privilege of voting for it and trust it will pass unanimously.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Speaker, this day will be long remembered by the GI as the day on which the Congress of the United States rectified a long-existing injustice. I feel confident that there will not be a negative vote cast on this bill—not because the Representatives in Congress are afraid to vote against it, but because the fairness and justice of the bill requires an affirmative vote. Our courts have long held that class legislation is unconstitutional; we all know that class legislation is undesirable. When the Congress provided that officers should receive terminal-leave pay upon their discharge but made no such provision for enlisted men, then the Congress was guilty of enacting class legislation which should have been remedied long ago.

I would like to take this opportunity of congratulating my distinguished colleague from the Sixth District of Florida for his untiring efforts in behalf of this bill. I regret, as do all of us Democrats, that he will not be listed as the author of the bill, for we know, just as every Member of this House does, that the gentleman from Florida [Mr. ROGERS] was the father of the terminal-leave pay bill and has been the prime mover toward getting terminal-leave pay bonds cashed since the question first arose.

Without taking up any more of the time of this body, I again wish to state that I am happy in the knowledge that the enlisted veteran is now to receive the same generous, fair treatment that was given to the officers—his fellow soldiers—heretofore.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I can see no valid reason why this bill, providing for the redemption of terminal-leave bonds, should not pass. These bonds were not issued as a bonus or gratuity but in settlement of services rendered. Under the provisions of the bill, it is made optional with the veteran as to whether he surrenders his bonds for cash or holds them and makes collection as they fall due. I take it, however, that most veterans will want cash, and in every instance where this happens the Government will effect a saving for the bonds draw interest at 2½ percent, whereas the Government can borrow money at a lower rate.

Payment of these bonds will increase purchasing power by nearly $2,000,000,000 and will, for a time, be a great stimulation to business. The inflationary effect of payment will not be great enough to count. Veterans will likely make wise use of the money; and if they do, good for all will result. The bill will pass and will, in my judgment, become law.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, terminal leave is earned pay. It represents furlough time at the rate of 2½ days for each month of active service, which is due every member of the armed forces. Often times, the serviceman could not get this time off, and so, in all fairness, the Government was under a moral obligation to pay him for it.

To meet this situation, the Armed Forces Leave Act was passed in 1946. It provided that veterans would be paid in cash for such unused leave, up to the amount of $50. Beyond this figure, the veteran was paid off in bonds that are nonnegotiable, nontransferable, and may not be hypothecated. These bonds, bearing interest at 2½ percent, cannot be redeemed for 5 years.

With one hand we paid the veteran, and with the other hand, to all practical intents and purposes, we took it away.

We gave him a pretty piece of paper, which could not help his present needs.

This hypocritical legislation was properly greeted with a storm of criticism. The GI who fought to save our democracy, was confronted with the fact that his own Government was not practicing it at home. The caste system, under which he labored while in the service, continued on into the peace. Officers were paid off in cash but the men in the ranks were given a promise to pay. This was democracy in reverse, and the ill-feeling engendered by it, reached swelling proportions. The morale of the veterans, upon whom so much in this postwar world depends, was not helped by this obvious discrimination.

It is well to note that the first bill introduced to the Eightieth Congress, out of a host of plaguing problems clamoring

for solution, was a bill to amend the Armed Forces Leave Act of 1946.

Now in the month of July and the closing weeks of this session of Congress we at last have the chance to pass upon the bill which will give to the individual veteran the option of keeping his bond or redeeming it in cash.

Nine million holders of GI terminal-leave bonds are looking to us to equalize a set-up that is plainly out of balance.

Out of all those who appeared at committee hearings on this bill, no person or department, with the one exception of the Treasury, opposed it. This is an indication of the overwhelming sentiment in favor of it.

Apart from the glaring injustice that it will correct, this bill will lower the public debt and will decrease interest charges that would otherwise accrue on outstanding bonds.

If this bill does not become law, it is estimated that the number of bonds that would eventually be issued would total $2,500,000. With an interest rate of 2½ percent, this would cost the Government $62,500,000 a year in interest charges alone.

To those wild-eyed fanatics of economy who would discharge hundreds of thousands of faithful Government employees and seriously interfere with the essential services of Government I would suggest that the present bill is a more sensible approach to the whole problem of economy. Under the proposed bill, the bonds may be redeemed in the same manner as United States savings bonds are now redeemed. The Treasury Department assures us that the appropriation provided to carry out the Armed Forces Leave Act of 1946, should be sufficient to pay all administrative expenses under this bill, including reimbursement to banks and other financial institutions for paying the bonds.

This is justice.

And this is economy which will hurt no one.

The veteran who spent years in the service of his country lost ground in the race of life. He needs this money now to compensate in some small measure for the sacrifices which he made.

The men who gave the commands were promptly paid for their terminal leave in cash.

The men who did the fighting must also get theirs in cash.

The morale of our veterans, and the morale of all our citizens, depends upon the ability to translate democratic preachments into democratic action.

The passage of this bill, amending the Armed Forces Leave Act of 1946, will prove that, in our treatment of the veterans, we do not indulge in un-American discriminations.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Speaker, the House today, by its unanimous passage of the terminal-leave-pay bill, has righted a wrong and corrected a discrimination against millions of enlisted men who served in World War II.

During my campaign last summer I promised to support such legislation during this session. I was one of the first to sign the discharge petition when the legislation seemed to be unduly delayed.

Many of the servicemen will not cash their bonds, but they should have the privilege to do so if they so desire, in view of the fact that officers have long since been paid terminal leave.

The Government will save money in the long run, as a considerable amount in interest will not have to be paid out.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Speaker, I am pleased to see this legislation pass. I signed the discharge petition of the gentleman from Florida [Mr. ROGERS] to bring this legislation to the floor. My name is No. 5 on that petition. This is just legislation and will, in the long run, save the Government money in the way of interest. I feel sure the veterans will use the money to good advantage in buying homes, businesses, and farms.

Mr. SIKES. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Speaker, I rise in support of H. R. 4017, a bill to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for for other purposes.

I want to compliment the gentleman from Florida [Mr. ROGERS] for the great fight he has made in an effort to accomplish this purpose. The necessity for this legislation was brought about by an old law enacted in 1887 wherein officers were permitted to receive cash settlement for terminal-leave pay.

In the Seventy-ninth Congress I signed a discharge petition which helped to bring a bill to the House which provided for cash settlement to enlisted men for terminal leave. This measure passed the Lower House unanimously. However, the other body saw fit to amend the bill providing that this leave be paid in bonds. The conferees brought back a conference report to the Lower House in the closing days of the session which provided that settlement be made in bonds. It was necessary for the House to accept this report or be entirely without legislation in the Seventy-ninth Congress.

Several months ago I again signed a discharge petition for the purpose of bringing this bill to the floor of the House. I am delighted to see that the committee has seen fit to report this bill and I have every reason to feel that the House will approve the legislation unanimously. I hope that the other body will join us in correcting this injustice to the enlisted men. This legislation is long overdue.

Mr. SIKES. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi [Mr. RANKIN].

The SPEAKER. The gentleman from Mississippi is recognized for 3 minutes.

Mr. RANKIN. Mr. Speaker, it is regrettable that the other body did not pass the Rogers bill introduced by the gentleman from Florida, as it passed the House in the last Congress, to pay the servicemen their terminal-leave pay in cash.

There are about 7,000,000 servicemen of World War II, who have got nothing so far, aside from the ones who have drawn pay for education and unemployment.

This bill will give them a start at least, and I am delighted that it is brought forward at this time.

I am much more in favor of this kind of legislation to pay our own veterans what we owe them than I am of tearing down the bars of immigration and importing into this country large numbers of people who bring with them communism, atheism, anarchy, and infidelity.

I am much more in favor of this kind of legislation than I am legislation to send American money to feed and clothe every lazy lout from Tokyo to Timbuktu.

I am much more in favor of this kind of legislation than I am of legislation to try to hold in power certain tyrants who are trying to dominate, subjugate, and enslave the people of the countries in which they live.

I am very much in favor of this legislation at this time because of the fact that the commissioned officers were paid when they left the service. They got their pay then and there is no reason the enlisted man should not have his.

For these reasons I hope the bill passes without a dissenting vote, and that the other body will pass it in the same way and not try to defeat it as they did in the last Congress.

I believe President Truman will approve this measure.

Harry Truman is the first President we have had in 40 years who ever had on a uniform in time of war. He was on the firing line when the First World War closed; and I do not believe I ever saw a man in his exalted position who had more sympathy for the servicemen of the Nation than he manifests at all times.

I feel confident that if this measure is passed by Congress, President Truman will sign it.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. BLACKNEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, the provisions of H. R. 4017 are in full accord with my sentiments that the Armed Forces Leave Act of 1946 should be amended to provide optional cash payment of terminal-leave bonds.

When the Armed Forces Leave Act of 1946 was approved by the House the majority of the Membership favored cash payment of terminal-leave benefits. It was with reluctance that the House accepted the Senate version of the bill providing for payment by the bond method.

It is reported that the total face value of bonds outstanding at the present time, excluding the persons entitled to less than $50 and who were paid in cash, is approximately $1,800,000,000 and that the total interest cost to date is in the neighborhood of $60,000,000. The number of persons eligible for terminal-leave bonds is estimated at 14,500,000, which includes all branches of the armed forces. Applications to date number approximately 10,500,000 of which 9,000,-

000 are bondholders at the present time. The average size of bonds issued to date is $208.60. When all eligibles have received their bonds, the value will amount to approximately $2,800,000,000.

I want to emphasize the fact that at the time of the passage of the Armed Forces Leave Act of 1946 the majority of the Membership of the House favored cash payment in the same manner that officers received terminal-leave benefits. The intent of Congress was to avoid any discrimination by treating officer and enlisted personnel on the same basis.

When the Eightieth Congress convened on January 3, 1947, I introduced H. R. 2, designed to provide optional cash payment of terminal-leave bonds. The principles of my bill were supported by the major veterans organizations and during the past 6 months I have frequently expressed the desire to see this legislation become law.

When the subcommittee of the House Committee on the Armed Services held hearings on the subject of cashing terminal-leave bonds, I appeared and testified in support of H. R. 2, which I introduced on January 3, 1947. I stated at that time that some corrections were needed in the language of my bill to avoid administrative difficulties in carrying out the intent of the proposed law, permitting the cashing of terminal-leave bonds.

I am glad to learn that the committee has made such corrections in reporting H. R. 4017, which is a revised version of H. R. 2. It is my earnest hope that favorable consideration will be given H. R. 4017.

While it is difficult to estimate with any degree of accuracy the number of veterans who may exercise the option to cash terminal-leave bonds, it is interesting to learn that when similar legislation was approved following World War I concerning the cashing of the so-called bonus bonds 88.2 percent were redeemed prior to maturity, the remaining 11.8 percent being held to maturity. In addition, it is revealed that following World War I, 3,800,000 veterans were eligible for bonus bonds in comparison to 14,500,000 World War II veterans, who are eligible for terminal-leave bonds.

The Veterans' Administration discloses that under the GI law 2,500,000 veterans have qualified for educational benefits, 500,000 veterans have secured loans on real estate and for business purposes, and 6,500,000 received unemployment insurance benefits. However, it is pointed out that many of these veterans have received two or more benefits with the result that the actual number of veterans as recipients of GI law benefits is approximately 7,000,000, leaving nearly 8,000,000 veterans who received no benefits except mustering-out pay and terminal-leave bonds.

It is evident that the entire veteran population of World War II faced great hardship in returning to civilian life and becoming readjusted after months of service in our armed forces. The high cost of living contributed in no small degree to the hardships World War II veterans have encountered in becoming adjusted to peacetime living conditions.

It should also be remembered that the disabled veteran, who receives compensation for injuries in service, is likewise finding the high cost of living a difficult problem, and he needs the cash value of his terminal-leave bonds at this time.

Then, too, let us not forget the 8,000,000 veterans of World War II, previously mentioned, who have received no benefits under the GI law and who will be greatly helped by being enabled to cash their terminal-leave bonds.

In closing, I sincerely hope that every Member of Congress will recognize the merit in the proposal to cash terminal-leave bonds and the fact that such action will effect a substantial saving to the American taxpayer by eliminating future interest charges, and that payment of the face value of the bonds will reduce the national debt. Therefore, I earnestly appeal for unanimous approval of H. R. 4017.

Mr. BLACKNEY. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I favor the immediate passage of H. R. 4017 for the purpose of making the enlisted men's terminal-leave bonds redeemable in cash. I voted for a cash settlement of terminal leave obligations when the matter was before us in the last Congress and when President Truman's announced intention to veto a cash settlement resulted in legislation to square this obligation by the issuance of nonredeemable bonds I then stated I would avail myself of the first opportunity to make these bonds redeemable in cash. This is that opportunity. I take pleasure in supporting this constructive legislation and in fulfilling my pledge of a year ago.

Not only is this action one of simple but delayed justice to our enlisted men, Mr. Speaker, but in addition to meting out this justice this legislation also enables us to reduce the national debt and to effect an annual saving through the redemption of these bonds which carry a comparatively high rate of interest. Fortunately, the economies effectuated by this Republican Congress enable us to pay these bonds in cash at this time from existing cash balances without the necessity of floating additional bond issues. It is for this reason that redemption of these terminal-leave bonds serves the three constructive purposes of first giving enlisted men of World War II the just treatment they deserve; second, reducing the existing national debt; and third, reducing the annual interest charges against the people of the United States.

In my opinion this legislation should be passed unanimously by both Houses of Congress and signed by the President of the United States. I have supported this position consistently, Mr. Speaker, and have been among those urging the Committee on Armed Services to bring this bill before us prior to the summer recess of Congress. I am gratified by this prompt action on the part of the committee and I am confident this measure will have the overwhelming approval of Congress.

Mr. BLACKNEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, I am wholeheartedly in favor of this bill. In the Seventy-ninth Congress I voted for the bill which would have provided for the payment of terminal leave for enlisted men in cash. Unfortunately, the bill was not approved in the Senate after it had passed the House and as a compromise a provision was put in the bill requiring payment in bonds. Under the law, therefore, as it now stands, enlisted men must wait for 5 years in order to secure their terminal-leave pay. This pay is for their service in behalf of the United States. There is no justifiable reason why it should not be paid in cash as all other pay is made in cash. Furthermore, officers received terminal-leave pay and they were paid in cash while the enlisted men were paid in bonds. This penalizes the enlisted men and gives the officers preference. There is no justification for such a procedure. I am happy, therefore, today to vote for this bill and I hope that it will receive the approval of the other body and be signed by the President at an early date so that on September 1, 1947, all enlisted men may receive their terminal-leave pay in cash.

Under the proposed bill armed forces leave bonds may be redeemed, in cash, any time after September 1, 1947, at full face value plus accrued interest. Veterans who have not previously made application may apply for settlement and compensation entirely in cash.

At present, there are approximately 8,500,000 bonds outstanding with a face value of approximately $1,792,000,000. Within the next few weeks, it is anticipated that there will be 9,000,000 bonds outstanding. Of this number, to date, 242,000 bonds, worth approximately $50,000,000, have been assigned to the Veterans' Administration under the provisions of section 6 (d) (1) of the Armed Forces Leave Act of 1946, which permits the assignment of bonds for the purposes of paying Government insurance premiums. In the event that the proposed bill does not become law, it is estimated that the number of bonds that would eventually be issued would total approximately $2,500,000,000. Since the bonds carry an interest rate of 2½ percent, this would cost the Government approximately $62,500,000 a year in interest charges alone.

Existing law has been amended, under the proposed bill, by adding a new subparagraph which provides that settlement and compensation may be made entirely in cash for those who have not as yet applied for settlement or compensation under the act of 1946. In order to apply under this provision the veteran must meet three qualifications: First, He must not have made any other application for settlement and compensation; second, he must apply to the Secretary of the respective branch of the service in which he served after this bill becomes law; and third, he must request in his application that settlement and compensation be made in cash. The purpose of this provision is to prevent an administrative problem that would otherwise

arise. If veterans who have already applied for settlement and compensation under existing law were permitted to request settlement in cash while their previous applications were being processed, confusion would result. All applications now being processed and all applications received before this bill becomes law, and all applications that do not request cash will be compensated for in bonds. This latter provision preserves the veterans' right to receive a bond if he so desires. This subparagraph does not penalize the veteran in any way since he may immediately, after September 1, 1947, redeem his bond for cash under the proposed bill. this new subparagraph, in addition, provides that any person who applies for cash having not previously made application and who is granted cash in lieu of a bond will also receive, in cash, an amount equivalent to the amount that he would have received as interest had he been awarded a bond under the act of 1946.

There is no reason to penalize a veteran for applying for cash, and by giving the veteran compensation in cash plus an amount equivalent to the interest he would have received had he received a bond, the possibility of a veteran applying for a bond and then immediately redeeming the bond, in order to take advantage of the interest, is eliminated. It should be noted that this subparagraph, however, specifically states that any amount received which is equivalent to the interest that would have been received had a bond been issued is subject to income-tax provisions as provided for in section 7 of the present law.

In addition, the proposed bill provides that the bonds may be redeemed in the same method as United States savings bonds are now redeemed. Approximately 16,000 banks and lending institutions are now authorized by the Treasury Department to cash savings bonds and it is believed that this will be an efficient and rapid method of redeeming these bonds. Post offices, as cashing agencies, were considered and rejected, since it is thought that the proposed bill provides adequate facilities and that in addition, post offices are not equipped to handle the large amounts of cash that will be necessary to redeem the bonds. Finally, the proposed bill amends existing law by extending to September 1, 1948, the time within which application for compensation and settlement under the act may be made. The veteran should be given full opportunity to apply for settlement and compensation, particularly in view of the changes made by the proposed bill.

Nothing, however, in the proposed law requires a veteran to redeem his bond. He still has the privilege of retaining his bond for the full 5-year period, at 2½ percent interest.

Mr. BLACKNEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Speaker, I fully realized the need for legislation for cash payment of terminal-leave benefits to veterans early in this session when I introduced H. R. 117, which provided for terminal-leave pay in cash or in bonds which could be held or converted into cash at the discretion of the veteran. During the Seventy-ninth Congress, I signed the discharge petition and voted for the passage of H. R. 4051, which ran into a snag in the Senate, where it was reduced to $50 cash and the balance in bonds.

Cash payments of terminal-leave pay will bring greater economy. Through cash payments interest on bonds which otherwise would have been issued will be saved, and there will be some reduction in the national debt.

At the present time rising costs of living have created additional hardships for veterans who have tried to take advantage of the various aids to their rehabilitation under the GI bill of rights. Payment of terminal-leave pay in cash will provide immediate cash for many deserving veterans who need money to buy or build homes. It will help other veterans in their business ventures. It will be a great aid to student veterans who need extra cash immediately to supplement their meager subsistence allowance.

Terminal-leave benefits have been approved for these veterans. No additional money is involved in these bills. No new benefits are provided. Cash payment of terminal-leave benefits will only make available to the veteran immediately money already granted to him for future payment.

The veteran today is establishing his place in postwar America. Today his need is greatest for every assistance which will enable him to make his own position in the future secure, whether he is establishing a home or a farm, a business, a trade, or seeking the knowledge which will enable him to enter professional, scientific, or technical fields. He is entitled to terminal-leave pay, and he is entitled to this payment now in cash.

I urge the Members of the House to act favorably on H. R. 4017.

Mr. BLACKNEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. Mr. Speaker, I strongly favor the measure introduced by our colleagues, the gentleman from Michigan [Mr. BLACKNEY], the gentleman from Pennsylvania [Mr. VAN ZANDT], a veteran of World Wars I and II, the gentleman from Florida [Mr. ROGERS], and others requiring the United States to pay in cash terminal leave or accumulated furlough bonds issued to the veterans of World War II.

In the last Congress, the House, by an overwhelming majority, passed a bill providing for the payment of accumulated furlough or terminal leave due veterans of World War II in cash, but President Truman and his administration were very much opposed to paying these sums in cash. The bill went to the Senate and as we recall, the Senate passed the bill providing for the payment of these sums of money in bonds and not in cash. The bill then went to conference made up of Members of the House and Senate. The administration gave the conferees to understand that the President would not agree to payment of these sums in cash and the conferees had to agree to the settlement of these sums by the issuance of bonds where the amount was $50 or over, and the only way to get a bill through was to accede to President Truman's wishes as it was not likely the bill could be passed over a veto in both Houses.

I favored, as did an overwhelming majority of the Members of the House, paying these sums in cash. At that time the administration was pushing a so-called loan to Great Britain of $3,750,000,000 and, of course, Great Britain desired that sum set aside to her to draw on it at any time. It was in effect a cash transaction. No one believes we will ever get any of that money back.

As a matter of justice to the veterans of World War II and because of the attitude of President Truman and his administration in handing over this immense sum in cash to Great Britain, other Members of the House and myself felt that we should pay our own veterans cash and not force them to take bonds. He had sacrificed much and gave immense treasure to Great Britain in the war.

IT IS RIGHT AND WILL SAVE MONEY

Some persons are not entirely familiar as to the basis of these payments to our veterans of World War II. It really is pay for services rendered, and not a gift.

For many years our Government has allowed the officers of our Army and Navy credit of 30 days each year as furlough, and where these officers did not take the furlough and continued to perform their duties, the Government paid them for such part of their furlough as they did not use at the same rate of pay that they were receiving as officers. Now, many of us could see no good reason for this discrimination against the enlisted personnel of the Army, Navy, Marine Corps, and Air Corps, and the law that we passed in the last Congress wiped out that discrimination. It provided that the enlisted personnel, too, should have 30 days' furlough each year, the same as the officers, and if they did not use their furlough time, they should be entitled to pay for that part of the time of their furlough that they did not use and at the same rate they were receiving while performing their services in the Army, Navy, Marine Corps, and Air Corps.

Under the law passed in the last Congress the Government has paid off in cash those whose sums were under $50 and issued bonds to those whose accumulated furlough or terminal-leave pay amounted to $50 or more. The total amount of these bonds is approximately $1,800,000,000. These bonds are outstanding debts against the United States. They bear interest at 2½ percent. They are payable in 5 years. Now, if we pay these bonds off in cash we have discharged so much of the United States debt. The Government borrows the money at 1½ percent. It can borrow the money, if necessary, at 1½ percent and pay off this acknowledged debt of the United States and save 1 percent interest each year. One percent of these debts owed to the veterans will amount to $18,000,000 a year, and in 5 years would amount to $90,000,000. That will be a saving of that vast sum of money to the Government by paying off these bonds.

Of course, the veterans do not have to cash their bonds unless they want to, but all those who want the cash can get

the cash as of September 1, 1947, but the Government will not have to borrow the money. This Republican Congress has effected savings that will take care of this vast sum of money which we owe to the veterans. For the first time in 17 years, this Nation closed its books on June 30, 1947, in the black, with a tidy surplus fund. Billions have been saved by cutting out great numbers of useless officeholders and cutting out a lot of waste. Those who have not made application for terminal leave due them must do so by September 1, 1947.

So, in passing this bill, we not only do the decent and right thing for the veterans but at the same time save millions of dollars in the way of interest to the Government and it is a pleasure and a privilege to me to speak and vote for this bill to pay these just debts in cash to our veterans as I did when we first passed the bill in the last Congress.

Mr. BLACKNEY. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I certainly do not want to inject a partisan note in the consideration of this very important measure and I shall not. However, in view of some of the things that have been said, particularly as to the failure of the Congress in the last session to follow the precedent set by the House in providing for cash payment. I think the record should be made clear.

The truth of the matter is that the administration opposed the payment of terminal leave in cash and insisted upon issuance of these nonnegotiable bonds instead. I also know that when the measure went to conference, there again administration pressure defeated the House position, the position talked about by the gentleman from Florida [Mr. ROGERS].

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. ARENDS. I happen to have been one of the conferees on this particular bill, may I say to the majority leader, and after we sat two or three days making no headway at all, the final word was sent in to the conference committee that bonds were to be taken or nothing at all. Finally we had to accede to that position.

Mr. HALLECK. In the Eightieth Congress, a Republican Congress, a number of bills were introduced to provide for the cashing of these bonds. The gentleman from Pennsylvania [Mr. VAN ZANDT] introduced the first bill. It was H. R. 2. The gentleman from Florida among others introduced a bill.

Now, some of us realized and knew that these terminal-leave bonds were obligations of the United States Government. We Republicans set out in this Congress by cutting the cost of government to save some money that might be available to pay on the debts of the United States Government. We have had it in mind for a long time that by achieving savings in the expenditure of the Government we could and would pay these terminal-leave bonds; first to retire a part of the public bonds outstanding; secondly, to help the veterans; and thirdly, to pay off a part of the high-interest national debt.

We come on down to the present time. It was not so long ago that the acting chairman of the Democratic National Committee undertook to upbraid the Republicans for not supporting the proposal to cash the terminal-leave bonds. I do not know where he got his information. It certainly was erroneous because there has been no question about our attitude on the matter beginning in the last Congress. In this Congress, and again having regard to what may finally happen, the gentlemen of the Armed Services Committee know that the administration, through the Treasury Department, is opposing the action to be taken here today.

As far as the ultimate passage of the measure is concerned and its enactment into law, the question arises in my mind as to what side of the street the President is working? What side of the street is Mr. Truman on? Does he stand with Mr. Sullivan, acting chairman of his political committee who stated that the bonds ought to be paid or does he stand with the position taken by the administration, his administration, the Treasury Department, which even today opposes paying these bonds in cash at this time at the option of the holder?

Now, we may meet another veto; I do not know. I would not undertake to guess which side of the street Mr. Truman will be working. But, for those of us here today, certainly it may be said that we are performing an act of justice; we are paying these bonds to the veterans who want the money; we are paying a part of the national debt out of savings that some of us have fought and struggled to make. We are not going to have to borrow the money to pay these bonds. We can pay them out of the savings we have made.

The SPEAKER. The time of the gentleman from Indiana has expired. All time has expired.

The question is on suspending the rules and passing the bill.

Mr. BLACKNEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 388, nays 0, not voting 42, as follows:

[Roll No. 99]

YEAS—388

Abernethy	Bell	Burleson
Albert	Bennett, Mich.	Busbey
Allen, Calif.	Bennett, Mo.	Byrne, N. Y.
Allen, Ill.	Bishop	Byrnes, Wis.
Allen, La.	Blackney	Camp
Almond	Blatnik	Canfield
Andersen, H. Carl	Bloom	Cannon
Anderson, Calif.	Boggs, Del.	Carroll
Andresen, August H.	Boggs, La.	Carson
Andrews, Ala.	Bonner	Case, N. J.
Andrews, N. Y.	Boykin	Case, S. Dak.
Angell	Bradley	Celler
Arends	Bramblett	Chadwick
Arnold	Brehm	Chapman
Auchincloss	Brooks	Chelf
Bakewell	Brophy	Chenoweth
Banta	Brown, Ga.	Chiperfield
Barrett	Brown, Ohio	Church
Bates, Ky.	Bryson	Clason
Bates, Mass.	Buchanan	Clements
Battle	Buck	Clevenger
Beall	Buckley	Clippinger
Beckworth	Buffett	Coffin
	Bulwinkle	Cole, Kans.
	Burke	Colmer
	Combs	Jackson, Calif.
	Cooley	Jackson, Wash.
	Cooper	Jarman
	Corbett	Javits
	Cotton	Jenison
	Courtney	Jenkins, Ohio
	Cox	Jenkins, Pa.
	Cravens	Jennings
	Crawford	Jensen
	Crosser	Johnson, Calif.
	Crow	Johnson, Ill.
	Cunningham	Johnson, Ind.
	Curtis	Johnson, Okla.
	Dague	Johnson, Tex.
	Davis, Ga.	Jones, Ala.
	Davis, Tenn.	Jones, N. C.
	Davis, Wis.	Jones, Wash.
	Dawson, Utah	Jonkman
	Deane	Judd
	Delaney	Karsten, Mo.
	Devitt	Kean
	D'Ewart	Kearney
	Dingell	Kearns
	Dirksen	Keating
	Dolliver	Kee
	Domengeaux	Keefe
	Dondero	Kefauver
	Donohue	Kennedy
	Dorn	Keogh
	Doughton	Kerr
	Drewry	Kersten, Wis.
	Eaton	Kilday
	Eberharter	King
	Elliott	Kirwan
	Ellis	Klein
	Ellsworth	Knutson
	Elsaesser	Kunkel
	Engel, Mich.	Landis
	Engle, Calif.	Lane
	Evins	Lanham
	Fallon	Larcade
	Feighan	Latham
	Fenton	Lea
	Fernandez	LeCompte
	Fisher	LeFevre
	Flannagan	Lemke
	Fletcher	Lewis
	Fogarty	Lodge
	Folger	Love
	Foote	Lucas
	Forand	Lusk
	Fulton	Lyle
	Gallagher	Lynch
	Gamble	McConnell
	Gary	McCormack
	Gathings	McCowen
	Gavin	McDonough
	Gearhart	McDowell
	Gillette	McGarvey
	Gillie	McGregor
	Goff	McMahon
	Goodwin	McMillan, S. C.
	Gordon	McMillen, Ill.
	Gore	Mack
	Gorski	Macy
	Gossett	Madden
	Graham	Mahon
	Granger	Maloney
	Grant, Ala.	Manasco
	Grant, Ind.	Mansfield, Mont.
	Gregory	Marcantonio
	Griffiths	Martin, Iowa
	Gwinn, N. Y.	Mason
	Gwynne, Iowa	Mathews
	Hagen	Meade, Md.
	Hale	Merrow
	Hall, Leonard W.	Myer
	Halleck	Michener
	Hand	Miller, Calif.
	Harless, Ariz.	Miller, Conn.
	Harness, Ind.	Miller, Md.
	Harris	Miller, Nebr.
	Harrison	Mills
	Hartley	Mitchell
	Havenner	Monroney
	Hays	Morgan
	Hébert	Morris
	Hedrick	Morrison
	Heffernan	Morton
	Hendricks	Muhlenberg
	Herter	Mundt
	Heselton	Murdock
	Hess	Murray, Tenn.
	Hill	Murray, Wis.
	Hinshaw	Nixon
	Hobbs	Nodar
	Hoeven	Norblad
	Hoffman	Norrell
	Holifield	O'Brien
	Holmes	O'Hara
	Hope	O'Konski
	Horan	O'Toole
	Howell	Owens
	Huber	Pace
	Hull	Passman
		Patman
		Patterson
		Peterson
		Phillips, Calif.
		Phillips, Tenn.
		Pickett
		Ploeser
		Poage
		Potts
		Poulson
		Preston
		Price, Fla.
		Price, Ill.
		Priest
		Rabin
		Rains
		Ramey
		Rankin
		Rayburn
		Rayfiel
		Redden
		Reed, Ill.
		Reed, N. Y.
		Rees
		Reeves
		Rich
		Richards
		Riehlman
		Riley
		Rivers
		Rizley
		Robertson
		Robsion
		Rockwell
		Rogers, Fla.
		Rogers, Mass.
		Rohrbough
		Rooney
		Ross
		Russell
		Sabath
		Sadlak
		Sadowski
		St. George
		Sanborn
		Sarbacher
		Sasscer
		Schwabe, Mo.
		Schwabe, Okla.
		Scoblick
		Scott, Hardie
		Scott, Hugh D., Jr.
		Seely-Brown
		Shafer
		Sheppard
		Sikes
		Simpson, Ill.
		Simpson, Pa.
		Smathers
		Smith, Kans.
		Smith, Maine
		Smith, Va.
		Smith, Wis.
		Snyder
		Spence
		Springer
		Stanley
		Stefan
		Stevenson
		Stigler
		Stockman
		Stratton
		Sundstrom
		Taber
		Talle
		Teague
		Thomas, N. J.
		Thomas, Tex.
		Thomason
		Tibbott
		Tollefson
		Towe
		Trimble
		Twyman
		Vail
		Van Zandt
		Vursell
		Walter
		Weichel
		West
		Wheeler
		Whitten
		Whittington
		Wigglesworth
		Williams
		Wilson, Ind.
		Wilson, Tex.
		Winstead
		Wolcott
		Wolverton
		Wood
		Woodruff
		Worley
		Youngblood
		Zimmerman

NAYS—0

NOT VOTING—42

Barden	Gifford	Pfeifer
Bender	Gross	Philbin
Bland	Hall,	Plumley
Bolton	Edwin Arthur	Powell
Butler	Hardy	Scrivner
Clark	Hart	Short
Cole, Mo.	Jones, Ohio	Smith, Ohio
Cole, N. Y.	Kelley	Somers
Coudert	Kilburn	Taylor
Dawson, Ill.	Lesinski	Vinson
Douglas	MacKinnon	Vorys
Durham	Mansfield, Tex.	Wadsworth
Elston	Meade, Ky.	Welch
Fellows	Norton	
Fuller	Peden	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Taylor with Mr. Vinson.
Mr. Cole of New York with Mr. Kelley.
Mr. Butler with Mrs. Norton.
Mr. Edwin Arthur Hall with Mr. Pfeifer.
Mr. Kilburn with Mrs. Douglas.
Mr. Cole of Missouri with Mr. Philbin.
Mr. Meade of Kentucky with Mr. Somers.
Mr. Wadsworth with Mr. Lesinski.
Mr. Smith of Ohio with Mr. Clark.
Mr. Short with Mr. Barden.
Mr. Scrivner with Mr. Powell.
Mr. Plumley with Mr. Bland.
Mr. Gross with Mr. Hardy.
Mr. MacKinnon with Mr. Peden.
Mr. Elston with Mr. Dawson of Illinois.
Mr. Coudert with Mr. Hart.
Mrs. Bolton with Mr. Mansfield of Texas.
Mr. Bender with Mr. Durham.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

J. F. POWERS

Mr. REEVES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 811) for the relief of J. F. Powers, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$500" and insert "$400."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO REVISE, CODIFY, AND ENACT INTO LAW TITLE 28 OF THE UNITED STATES CODE ENTITLED "JUDICIAL CODE AND JUDICIARY"

Mr. ROBSION. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 3214) to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary," as amended.

The Clerk read the bill with the following amendments:

Page 87, strike out the period at the end of section 1294 and insert in lieu thereof a comma, and the following: "In the same manner and to the same extent as decisions of the district courts in cases tried without a jury."

Page 157, line 14, after "court", insert "No qualified person shall be denied admission before such court because of his failure to be a member of any profession or calling."

Mr. MICHENER (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Is a second demanded?

Mr. DINGELL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Kentucky [Mr. ROBSION] is recognized for 20 minutes.

Mr. ROBSION. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, this bill, which proposes to codify and revise title 28 of the United States Code, the Judicial Code, is a very, very important measure. Work on it was begun in 1943 by the former House Committee on Revision of the Laws under the able chairmanship of the gentleman from New York [Mr. KEOGH] as part of an extensive program to codify and revise the existing titles of the United States Code. It was planned to take up first the more important titles and those urgently needing codification and title 28 was one of them—perhaps the most important—inasmuch as there has been no comprehensive revision of it since 1911. When enacted it will give the Congress and the bench and bar of the Nation a modern, workable Judicial Code for the first time in over 35 years. The urgent need for such a code and the desirability of favorable action on this particular bill are recognized by judges and lawyers everywhere.

This bill is not the product of my own mind nor of the individual members of the Committee on Revision of the Laws on the Subcommittee of the Committee on the Judiciary, of which I am chairman, or of the full Committee on the Judiciary. While all of these have taken a very earnest and active part in bringing to you the best bill possible, it is, as a matter of fact, the product of the minds of some of the ablest lawyers of the country, of distinguished State jurists, of United States district and circuit court judges, and of the late Chief Justice of the United States himself, together with some of his associate justices.

Under the Legislative Reorganization Act of 1946, matters within the jurisdiction of the Committee on Revision of the Laws were transferred to the Committee on the Judiciary. A number of bills to enact some of the titles of the United States Code into positive law were completed and approved by the Committee on Revision of the Laws and passed the House some two or three times. At the last session, before the transfer of the functions of that committee, the Judiciary Committee considered the codification and revision of the United States Code of so great importance that it agreed to cooperate with that committee and reviewed in detail the bill to revise title 18, the Criminal Code, which passed the House at the last session and again at this session, and the bill which preceded this one covering title 28.

The Committee on Revision of the Laws and the Judiciary Committee retained the services of the West Publishing Co. and the Edward Thompson Co., long engaged in the business of publishing law books and aiding in the codification and revision of State and Federal statutes. They maintain, of course, a staff of able editors. They desired that this work be made as nearly perfect as possible and added to their staff one of the ablest codifiers and revisers in the Nation, who had many years of experience in the Department of Justice and in codifying and revising statutes. An advisory committee composed of able and distinguished Federal judges and lawyers was created, and they took an active interest and held many conferences in perfecting this bill.

In addition to this, the Committee on Revision of the Laws had the aid of the counsel of that committee and also the counsel for the Judiciary Committee, Mr. Zinn and Mr. Long. The late Chief Justice Stone and two of his associate justices, together with a committee of judges appointed by the Judicial Conference, and a representative of the Attorney General sat in at the conferences and offered suggestions and criticisms of the several preliminary drafts of the bill. At these conferences the drafts were reviewed in detail, section by section, and most helpful discussions took place. Copies of the drafts were furnished to every Federal judge, to every United States attorney and marshal, to every bar association in the country, to the administrative offices of the courts, and many other Federal officials connected with the courts and the administration of justice. Lawyers who are active in the affairs of the American Bar Association took a lively interest in the preparation of this bill. Therefore, I emphasize again that this bill is not the product of my mind nor the minds alone, through the years, of the Committee on Revision of the Laws or the Committee on the Judiciary, made up of 27 lawyers.

The Committee on Revision of the Laws and the subcommittee of the Judiciary Committee read the bill, section by section and chapter by chapter, at a time when able codifiers and revisers and counsel for the committees were present. Hearings were held at which the committee received the judgment of qualified persons who are interested in seeing that the bench and bar receive a modern Judicial Code.

After all these investigations and hearings the subcommittee of which I

am chairman made a unanimous and favorable report. The bill was then considered at great length by the full Committee on the Judiciary and reported favorably to the House by a unanimous vote with the two amendments that are proposed here today, and those amendments received unanimous support of the committee. It can be said truthfully that this bill is not a partisan bill in any respect. Democrats and Republicans alike have worked earnestly and sincerely in harmonious efforts to bring to the House the very best codification and revision possible. I have served in the Congress a number of years, and I know of no bill that has had more sincere and careful consideration than has this bill and the other revision bills that have been submitted to the House at this session. On May 12 titles 1, 4, 6, 9, 17, and 18 of the United States Code were passed by unanimous consent, and those bills, too, were carefully considered over a period of years. The bill on crimes and criminal procedure contained nearly 500 printed pages. This bill represents a great deal of hard work. It will mean little politically to anyone who gave it his time and thought. However, it is a much-needed work and will be greatly appreciated both by the bench and bar, by officials, and people generally who have recourse to the Federal laws of our country. It will serve not only as the body of the laws that are now in existence, but also as a framework for future laws. The law on any particular subject can then be quickly and easily found by the average intelligent citizen and in the event that amendments or changes are desirable, it will be most helpful in that respect.

ALMOST UNANIMOUS

Mr. Speaker, there has been absolutely no opposition whatever to this codification as a whole. Its urgency is too well recognized for that. No student of the law could seriously object to a program of this nature as set forth in this bill. On the contrary, everyone who has expressed himself on the subject has voiced his approval of the project as a whole.

The executive branch of the Government has expressed its approval through the Secretary of the Treasury, Mr. Snyder, and through the Attorney General, Mr. Clark. The judicial branch has expressed its approval most emphatically through the late Chief Justice Stone, other associate justices, the Judicial Conference Committee, many other Federal judges of the United States circuit courts of appeal and district courts, Mr. Chandler, administrative officer of all the United States courts, and a number of distinguished State jurists.

I have pointed out in some detail the general unanimity in which this measure has been approved by the legislative branch that has had it under consideration, but there are some objectors on the Ways and Means Committee to just one small feature of this bill.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield? Will the gentleman please tell the House what that is?

Mr. ROBSION. I am coming to that point.

The bill covers the whole judicial system of the United States, the personnel and procedure, together with district attorneys and marshals, but on one small point we find some objection by individual members of the Committee on Ways and Means who do not want the provisions relating to one of the courts—the Tax Court—included in this code. Those provisions are now in the Internal Revenue Code only because that court, as originally established in 1924, was called the Board of Tax Appeals, and in 1939, when the first Internal Revenue Code was adopted, those provisions were included by the drafters of that code and they want the provisions kept there.

It is most significant, Mr. Speaker, that the two executive departments concerned with this matter have no objection to those provisions in H. R. 3214. As a matter of fact, the Attorney General has specifically and in so many words approved these provisions. In his letter of April 17, 1947, to the chairman of the Committee on the Judiciary, the Attorney General said this:

> You are therefore advised that the Department of Justice has no objection to the incorporation in the bill of appropriate language declaring the Tax Court of the United States to be a court of record.

Now that is the crux of the objections raised by some Members and it seems to me that this specific approval by the Attorney General to these provisions which were incorporated in the bill after the careful study I outlined to you earlier is an adequate answer to such objection.

Moreover, the Treasury Department, which is vitally concerned with this court, had only one recommendation on this point—and we have taken care of that in the bill—and that was that provision be made for them to continue representing the Commissioner of Internal Revenue before the Tax Court. Normally, the Government is represented before our courts by the Attorney General but in the Tax Court such representation has always been by the Treasury Department and we understand that the Attorney General has no objection to our provision in section 2560 of the bill that the Government be represented by counsel designated by the general counsel of the Treasury Department. So there we have the only executive departments concerned giving their approval to including the Tax Court provisions in this code.

No one has advanced a single sound reason why these provisions should not be in this code. The argument that the court was originally created by legislation reported out of the Committee on Ways and Means and that that committee should retain control of the court does not sound convincing to me.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. I yield.

Mr. DINGELL. The gentleman says it is purely judicial. That is not what the court said.

Mr. ROBSION. Well, the gentleman has 20 minutes. I am going to tell the House what your committee said in its report in 1926. What did they say?

THE TAX COURT IS A COURT IN NAME AND FACT

Everybody agrees that the functions of the Tax Court are purely judicial. Its functions are not executive or administrative. That view is concurred in by the Committee on Ways and Means which stated at page 20 of its report on the revenue bill of 1926:

> In the view of the committee the decisions of the Board are judicial and not legislative or administrative determinations. Review of judicial decisions may be had by direct appeal to the courts as well as by petitions to the courts for the enforcement of an administrative order or by extraordinary remedy and suits for refund. Further, no rehearing need be provided before the reviewing court and the review of the decision of the Board may be limited to the record made before the Board. The imposition upon the court of the duty of reviewing judicial decisions such as those of the Board is not the imposition of a nonjudicial duty.

On page 18 of the same report the Committee on Ways and Means stated: "No other court in the world tries cases which in the aggregate involve such great amounts." That is the expressed view of the Committee on Ways and Means, several of whose members now object to including that court in the Judicial Code along with all the other Federal courts.

The Tax Court hears and decides about 5,000 cases a year. As required by law it follows the usual court procedure in taking evidence and issues are formed and determinations made in judicial fashion.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. I yield.

Mr. GEARHART. Whether or not the Tax Board or the Tax Court has been a judicial or an administrative body, if this bill is passed it will become a judicial body? That is correct, is it not?

Mr. ROBSION. It will become a judicial body, recognized by the court as such. It has been a judicial body in name and in fact and in action.

Mr. GEARHART. If that is true, will the gentleman advise me under what authority of the Constitution we can by law set up a judgeship with a fixed term, in view of section 1 of article III of the Constitution which says plainly that the judges both of inferior courts and the Supreme Court shall hold their office during good behavior?

Mr. ROBSION. If the gentleman will read the opinion in the Bakelite case he will find that that whole question is carefully reviewed and then they base their opinion on the first great pronouncement by John Marshall when he was Chief Justice, in which he said that this type of court is not a constitutional court and that Congress is free to make such legislative courts.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. No; I cannot yield. My friends on the Ways and Means Committee have 20 minutes.

Mr. RICH. But we would like to get some questions answered that we have in our minds.

Mr. ROBSION. I am going to cover that very question. Perhaps if I do not cover it, then I will answer the gentleman's question.

Boiled down, what is the issue between the proponents of this bill and those Members who are opposing this portion

of it? They claim the Tax Court is an administrative agency in the executive branch of the Government. We say that that is not true, but, if it is true, the language of the law should be amended so as to clarify this situation.

A decision of the Supreme Court, Dobson against United States Commissioner of Internal Revenue, and a very recent case, Lincoln Electric Corp. against United States Commissioner of Internal Revenue, decided in the United States Court of Appeals for the Sixth Circuit, have brought about some confusion. In 1924 the Congress created a Board of Tax Appeals, made up of seven members, and while that act gave to this Board judicial functions to perform it also provided that it was an independent agency in the executive branch of the Government. The Supreme Court has been criticized considerably for holding that this was an independent agency in the executive branch of the Government in view of the fact that the functions of this Board or court are purely judicial and not executive. This act creating it was amended in 1926 and made this so-called Board to consist of 16 members. President Coolidge and others indicated that this was a court and not an executive agency. At the time of the signing of the bill President Coolidge issued a formal statement. Referring to the hardships of taxpayers resulting from delay in the ultimate and final determination of their liability, the President's statement contained the following:

Provision should be made for the prompt and final determination of a taxpayer's liability, and such was the purpose in the suggestion for a Board of Tax Appeals.

The provisions of the bill, however, with reference to the Board, make it in all its essentials practically a court of record. The Board is to be bound by formal rules of evidence and procedure. In each case a formal record must be prepared and all oral testimony in cases involving more than $10,000 must be reduced to writing and an opinion in addition to the findings of fact and a decision must be written. A taxpayer is entitled to appeal to the Board before any assessment can be made. The reduction in the salary of the members of the Board from $10,000, as recommended by the Treasury, to $7,500, and the reduction of the term of office of the original appointees from the 10 years recommended to 2 years, make it difficult to secure for membership on the Board men with training, experience, and ability. This Board of Tax Appeals, unable to secure the proper type of men for membership hampered and burdened with rules of procedure and evidence and forced to prepare a record, a finding of fact, and a decision in practically every case, will be unable to handle the business which will come to it. The result will be greater delay in the final settlement of tax cases, and may ultimately result in the complete break-down of the administrative machinery for the collection of taxes.

The legislative history accordingly shows that the Board of Tax Appeals was made a judicial tribunal, with formal procedure, because Congress, rather than the Treasury and the President, wished it to be that way. That the Treasury completely changed its views as to the desirability of a formal judicial tribunal such as had been created by the Revenue Act of 1924, is shown by the statement of Mr. A. W. Gregg, Solicitor of Internal Revenue, made to the Ways and Means Committee in 1925, and as reported at page 932, Hearings, Revenue Revision, 1925. After pointing out that the Treasury had asked for a board with informal procedure to settle tax cases, whereas Congress had created a court, Mr. Gregg said:

I think I am in a position where I can praise the work of the Board—having been, at least theoretically, representing one side of every case before it—better than almost anyone else. They have handled the work before them in such a way that they have received the sincere admiration of attorneys and taxpayers who have seen the work of the Board and its opinions, as well as of the Treasury Department. I think that what they have done deserves the appreciation of Congress. They have really done a wonderful piece of work in getting started, producing, and establishing the precedents that they have. It seems to me that in order to be able to carry out what they have begun so well, they should be made a court in name as well as in fact, and that provision should be made which will enable the Board to procure the services of competent men.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. ROBSION. Mr. Speaker, I yield myself five additional minutes.

In order to be able to carry out what they had begun so well it should be made a court in name as well as in fact.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. I think I will cover the gentleman's question if he will just let me proceed.

The 1926 act, however, contained the language that it was an agency in the executive branch of the Government. In 1942, the Ways and Means Committee reported out a bill, the Revenue Act of 1942, in section 504a of which they provided that this so-called Board be known as "The Tax Court of the United States, and members thereof shall be known as the presiding judge and the judges of the Tax Court of the United States," and from that time on, it has been known as the Tax Court of the United States and its 16 members are designated as judges with a chief judge that is elected by the judges every 2 years, and, of course, their duties have been purely judicial and not executive.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. Permit me to complete my statement, please.

Mr. RICH. But we are not going to get an answer to the question we want to ask and that is, whether you are going to prohibit tax accountants and men qualified to appear before this court from appearing.

Mr. ROBSION. I said I would cover that point; just give me a little time. We have one amendment from the Juliciary Committee which will take care of that completely.

Mr. RICH. That amendment will be offered, will it?

Mr. ROBSION. Yes; it will be part of the bill when the bill is voted on. As a matter of fact, there are two amendments to the bill. One of them covers the subject the gentleman refers to. That amendment is not needed because it is the law already, section 504 (b) of the Revenue Act of 1942. If we did not put it in this bill it would still be in the law.

That act of 1942 declared that the Tax Court of the United States should be made up of 16 judges to be appointed by the President by and with the advice and consent of the Senate, and they were to be known as the Tax Court of the United States. These judges were to serve 12 years and the salary was fixed at $10,000 a year. Their salaries were increased by the recent Federal Judicial Salary Act of 1946, along with the salaries of judges in the other Federal courts. They could only be removed for inefficiency, neglect of duty, or malfeasance in office. That act also set out the way and manner in which this court would conduct its business. The judges were required to visit parts of the United States to hear cases. The trial judge would write his opinion, and of course the determination would then be reviewed by the chief judge and could be reviewed by the whole court. That was the sort of measure that was brought in and urged to be passed by the Ways and Means Committee itself and when all, or almost all, of those now objecting, were on the Ways and Means Committee. Now, they insist that it should be merely an administrative agency in the executive branch of the Government. Its functions are purely judicial, its acts are purely judicial, and it should be in fact and in name a court of record designated in section 271 of H. R. 3214.

This court, when it started operating, found an accumulation of more than 30,000 tax cases, involving hundreds of millions of dollars. They have shown great ability and industry and they cut down that docket to almost a minimum. There are filed with this court approximately 5,000 cases a year and under their procedure, they can handle approximately that number of cases a year.

Perhaps it would be desirable to pause for a moment to define our terms at this point: Black's Law Dictionary defines "court" as an organ of the Government belonging to the judicial department, whose function is the application of the laws to controversies brought before it, and the public administration of justice. It defines "judge" as an officer so named in his commission who presides in some court; a public officer appointed to preside and who administers the laws of a court of justice. We must believe that the Revenue Act of 1942 used these terms in this sense—which, of course, is the only possible one.

Before reporting out the bill under consideration here today, the Committee on the Judiciary held hearings at which the former Associate Justice of the Court of Appeals for the District of Columbia, Justin Miller, testified in part as follows:

Moving from the general to the particular, I would like to recommend one change in the structure of the law to be embodied in H. R. 2055, namely, the transfer of the provisions relating to the Tax Court of the United States from the Internal Revenue Code to the Judicial Code. As a former member of the Tax Court, familiar with the jurisdiction and scope of its work, I heartily recommend this transfer. The Tax Court now exercises all the functions of a court; it operates in a truly judicial manner; and it is

fitting that the provisions relating to it should be found in the Judicial Code along with the provisions relating to the other courts.

It seems to me that there can be no question but that the provisions relating to the Tax Court properly belong in the Judicial Code because it is clear that the Court is strictly judicial in nature. Let us consider for a moment, Mr. Speaker, that would be the result of leaving them out of the Judicial Code in view of the provisions of the Administrative Procedure Act. If that body is not a court but a purely administrative agency it would come within the purview of the Administrative Procedure Act. Of course, in the view of the Attorney General, expressed to the Senate Committee on the Judiciary in connection with the proposed Administrative Procedure Act, the term "court" includes the Tax Court and similar courts and the act does not apply to their procedure nor affect their requirements nor resort thereto. See Senate Report No. 752, Seventy-ninth Congress, page 38.

However, because the provisions relating to the Tax Court are not now in the Judicial Code considerable confusion has arisen regarding its status and the status of litigants.

CONFUSION, DELAY, INCREASED EXPENSE

The decisions in the Dobson and the Lincoln Electric Co. cases have created a great deal of confusion which will greatly delay this court in the handling of these thousands of cases annually and greatly increase the cost of this service to the detriment of both the taxpayer and the Government. If this is a court in truth and in fact, and as provided for in this measure, appeals can be taken from this court to the United States circuit court of appeals and to the United States Supreme Court, just as appeals are taken from the United States district courts in cases tried without a jury. With these decisions standing and this court considered as merely an administrative agency in the executive branch of the Government, the right of appeal will be greatly restricted, both to the taxpayer and to the Government. One class of our citizens will receive one type of treatment in their cases in the United States district courts and those whose cases are heard by this Tax Court will receive a different type of treatment. If these decisions hold, and with no amendment to the law, the only relief that the taxpayer or the Government can secure is a review to the circuit court of appeals and the United States Supreme Court where the reviewing court can see beyond a reasonable doubt that the decision of the Tax Court was clearly wrong on purely a question of law. Thus, there is no real right of review, although Congress clearly intended that all errors of law of the Tax Court shall be subject to correction on appeal. This is not the treatment accorded to taxpayers or the Government in cases tried in the district court without the intervention of a jury.

It can be seen at once that litigants in regard to other matters have their appeal and can secure relief that litigants in the Tax Court cannot receive under the Dobson and the Lincoln Electric Co. decisions.

I wish to point out some other serious objections to the present law on this subject. Here we have 16 judges designated as a court. Their tenure of office is 12 years. They receive a salary of $15,000 a year, and they try cases involving millions of dollars, yet it is not a court at all if these decisions obtain. They are set out under the law to try cases. They can issue subpenas and have witnesses summoned but, strange to say, they cannot compel the witnesses to come to the court and testify.

If the Tax Court is required to conform to the Administrative Procedure Act, it is believed that its work would be increased many times and that the court would be unable to function as it now functions. Section 8 of the Administrative Procedure Act provides that where a hearing is had before a member of an agency, either of the parties may, as a matter of right, have an appearance before the agency as a whole. The effect of giving each litigant in the Tax Court the right to have the decision of the judge reviewed by the entire body of 16 judges would be disastrous to the docket of the court. It has been estimated that within 4 years the court would have between 15,000 and 20,000 cases pending.

What does this bill do? It settles forever one question. It makes it a court of record. The Ways and Means Committee said it was a court. It provides as such court the taxpayers can appeal from its decision to the United States circuit court of appeals and to the Supreme Court under the same terms and conditions as an appeal from a United States district court.

These Tax Court judges can go all over the country and try cases, big cases involving millions and millions of dollars. They can issue subpenas, all right, but if the witnesses do not want to come, they cannot compel them to come in.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. ROBSION. Mr. Speaker, I yield myself one additional minute.

Mr. Speaker, the Tax Court cannot compel the witnesses to come in. After they had tried one big case in Pennsylvania and had gotten down to the point almost of finishing and they needed a witness with books and records. For the judge could subpena that witness to bring in the books and records, but when he did that the witness refused to produce the records. Then they had to go to the United States district court and get an order to compel that witness to come in with his books. The district judge there had to hear it for months before he could determine whether or not that witness ought to come in with the books. It delayed that big tax case for about a year.

Yes, Mr. Speaker, this is a court in name, there can be no question about that, and we will do the worst disservice we can to this great court and the tax cases if we do not pass this bill. It has the approval of the Department of Justice, Chief Justice Stone and his associates on the United States Supreme Court, and other Federal and State judges all over the country.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. ROBSION. I yield to the gentleman from Indiana.

Mr. SPRINGER. As a matter of fact, it makes the court a court of record, does it not?

Mr. ROBSION. It makes it a court of record.

Mr. DOUGHTON. What about the buildings for this court? Will they not want separate buildings?

Mr. ROBSION. They will hold court where they now are. This court can and will carry on its business as it has done and is doing.

Mr. DOUGHTON. But they will want separate buildings. Next thing is they will be wanting a separate building.

Mr. ROBSION. Oh, no.

Mr. DOUGHTON. Why, they would not be a court if they did not want their own buildings.

Mr. ROBSION. Mr. Speaker, I urge the Members to act favorably on the bill, H. R. 3214, so that our program of codifying the entire body of the Federal statutory law may proceed, and particularly so that the bench and bar of the Nation may have, for the first time in over 35 years, a modern, systematic Judicial Code which has been prepared with the most unusual care and skill and which has the approval of all persons interested in these laws.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. DINGELL. Mr. Speaker, what I have to relate is a story of deceit and misunderstanding—deceit on the part of certain members of the Tax Court of the United States; and misunderstanding on the part of the Committee on the Judiciary of the origin, purpose, and history of the former Board of Tax Appeals. I have read very carefully the extension of remarks of the gentleman from Alabama, Judge HOBBS, on page A3279 in the Appendix of the CONGRESSIONAL RECORD. The gentleman, apparently speaking for the Judiciary Committee, advocates the adoption of title 28, United States Code, as now revised and contained in H. R. 3214. Chapter 13 of the proposed title 28 deals with the Tax Court of the United States, known prior to 1942 as the Board of Tax Appeals.

The argument in support of chapter 13, which would change materially the present status of the Tax Court, discloses a misapprehension regarding the nature of this agency. The Committee on Ways and Means has long exercised sole jurisdiction over the administration of the Federal tax system. The Revenue Act of 1924 provided for the creation of the Board of Tax Appeals, not a tax court, in order to eliminate certain specific criticisms of taxpayers about the handling of tax disputes by the Commissioner of Internal Revenue.

Prior to that time, a taxpayer could, prior to payment of his tax, appeal to a special Committee on Appeals and Review within the Bureau of Internal Revenue. But the Committee on Ways and Means thought that the taxpayer should be able to obtain an impartial and disinterested determination of the issues

involved by an agency which would not be both judge and advocate. For this purpose, the Board of Tax Appeals was created.

Since that date, the Board of Tax Appeals has been continued as an independent agency in the executive branch of the Government. The Board is composed of 16 members appointed by the President with the advice and consent of the Senate. Pursuant to statutory authority, the 16 members may individually sit and hear tax cases at any place within the United States. In this way the Board has been able to handle the ever-growing volume of tax disputes, and at the same time to provide taxpayers with convenient access for settlement of their disagreements with the Commissioner of Internal Revenue. Not only attorneys and accountants have been permitted to represent taxpayers, but other qualified persons have been admitted to practice before the Board of Tax Appeals.

Some idea of the popularity of this system of handling tax disputes is indicated by the statistics of cases taken to the Tax Court for fiscal years 1943–46. The total of taxpayers' petitions amounted to 1,741 or the average, and involved an average of approximately 2,500 tax returns each year. The Tax Court, largely because of its informal procedures and its ability to move about unhampered by judicial restraint, has decided an average of well over 700 cases annually since 1943. During the same period the average number of tax cases decided by all of the United States district courts totaled 184 annually.

Now, I have gone into the history of the origin and years of successful operation of the Tax Court so that the Members of the House may know how successful has been this creature of the Committee on Ways and Means. We are proud of the fact that taxpayers prefer to have their disputes settled in this body rather than in the United States district courts. We want the Members of the House to know that the Committee on Ways and Means maintains the same supervision over the Tax Court and its operations as we do over the Bureau of Internal Revenue and the Treasury Department. Consequently, we trust that we may be pardoned for raising our objections when the Committee on the Judiciary, in its otherwise commendable purpose to revise the Judicial Code, seeks to transfer this independent agency which we created in the executive branch of the Government to the judiciary.

The members of the Committee on Ways and Means suspect that the entire issue arises from a section inserted in the Revenue Act of 1942. Section 504 of that act changed the name of the agency in question from Board of Tax Appeals to the Tax Court of the United States. Now, at the time, many of the members of the Committee on Ways and Means had misgivings about this change in name. But we were told by members of the Board of Tax Appeals that it would enable them more readily to obtain space in Federal courthouses in which to hold their hearings. Moreover, we were told, there was sometimes embarrassment because counsel in addressing a member of the Board often did not know what title should be used.

So, to help the Board of Tax Appeals with their housekeeping and to prevent them from being called "Member," "Budge," or some equally undignified term, it was agreed only to change the name of the Board to Tax Court of the United States, and to provide that the members should be known as judges.

Now, the members of the Committee on Ways and Means still were a bit skeptical about the good faith of the members of the Board of Tax Appeals. We feared that they might be entertaining dreams of grandeur and hopes of cloaking themselves in the robes, tenure, and independence of the judiciary. However, one of our members, Hon. Wesley Disney, whose brother was a member of the Board of Tax Appeals, assured me that this was not a case of the camel getting his nose under the tent. I reported this assurance to the committee, and upon that basis and notwithstanding the objections of the Treasury Department, the committee decided to grant the request for change in name. But the committee insisted, despite the assurance of good faith by Mr. Disney on behalf of the members of the Board of Tax Appeals, that the statute should spell beyond possibility of doubt our intention that there was to be no change in jurisdiction, powers, and tenure of the Tax Court. Section 504 (b) of the Revenue Act of 1942 reads as follows:

(b) Powers, tenure, etc., unchanged: The jurisdiction, powers, and duties of the Tax Court of the United States, its divisions and its officers and employees, and their appointment, including the designation of its officers, and the immunities, tenure of office, powers, duties, rights, and privileges of the presiding judge and judges of the Tax Court of the United States shall be the same as by exising law provided in the case of the Board of Tax Appeals. The Commissioner shall continue to be represented by the same counsel in the same manner before the court as he has heretofore been represented in proceedings before the Board of Tax Appeals and the taxpayer shall continue to be represented in accordance with rules of practice prescribed by the court. No qualified person shall be denied admission to practice before such court because of his failure to be a member of any profession or calling.

And so that ordinary laymen could understand this language, I took the floor of the House and restated the intention of the committee and to remove any doubt or ambiguity. I incorporate in my remarks what I said then on July 17, 1942, at pages 6335–6336 of the CONGRESSIONAL RECORD:

Mr. DINGELL. Mr. Chairman, I want to treat briefly the question involving the change affecting the United States Board of Tax Appeals, and to say it is fully understood and agreed by the Committee on Ways and Means that the authorized change of name identifying the body heretofore known as the Board of Tax Appeals and hereafter to be known at the Court of Tax Appeals does not in any sense or in any way alter or change the rights and privileges of those who now practice before that body; more specifically, qualified laymen are not to be excluded from practice before the court or barred from service as members of the court.

It is intended that membership of the court, or practice before it, be not restricted to lawyers, barristers, or those who have been duly admitted to practice law, but shall extend to and include competent qualified laymen.

It is my understanding that at present laymen and lawyers enjoy equal rights and privileges before the Board of Tax Appeals, and that laymen as well as lawyers may without handicap or prejudice not only practice before the Board but may be privileged to serve as members of the Board. The change in the name or title from "Board" to "court", or whatever the change in name might be, does not alter the status or function of either, and permits the President of the United States, as heretofore, to choose for appointment as members of the court either laymen or lawyers.

It is intended that my remarks shall indicate the attitude and intent of Congress and to circumvent any technical or erroneous interpretation on the part of the courts, as a rule composed of and inclined to exclude from practice and service all but lawyers. A narrow or strained translation, in view of our action here today, should be impossible.

The equality before the court, and on the court, of accountants—not necessarily certified public accountants—and of other laymen and lawyers is here and now, by the action of the committee, definitely established so to remain until specifically changed by the Congress.

The rights of present or former Members of Congress, heretofore enjoyed, are neither abridged nor enlarged upon, and their right to serve upon the court is unchallenged and protected.

Mr. Speaker, the present efforts of members of the Tax Court to have this agency transferred to the Judiciary Branch of the Government amounts to a deliberately underhanded and contemptible action by certain members of the Tax Court. If chapter 13 is allowed to remain in the proposed Judicial Code, it would be better to abolish the Tax Court and turn the settlement of tax disputes back to the Commissioner of Internal Revenue and his informal Committee on Appeals and Review. The Tax Court, if H. R. 3214 should pass in its present form, would be beyond the supervision of the Committee on Ways and Means. The judges—whose ambition to don the judicial toga seems to know no bounds and to tolerate no bond or promise—will then proceed to prescribe rules prohibiting the appearance as tax counsel persons who are not lawyers. Instead of the flexible procedures and hearings now prevailing, the Tax Court will assume all of the technicalities of practice and procedure so familiar among the members of the legal profession.

Mr. Speaker, these are more than fears of fancy. When the 1942 change in name was pending in the Congress, the Attorney General of the United States wrote the Secretary of the Treasury on June 5, 1942, that constitution of the Board of Tax Appeals as a Federal Court would involve a change in the representation of the Government before that body. Attorneys of the Bureau of Internal Revenue now represent the Government in the Tax Court. If this bill should pass, this function would, according to the Attorney General, be transferred to the Department of Justice.

Now, if only the Department of Justice can handle tax cases for the Government, we are surely justified in being skeptical about the continuance of the right of accountants and others not members of the legal profession to represent clients before the Tax Court.

Mr. Speaker, under the section entitled "Confusion," the gentleman from Alabama refers to two procedural problems that have arisen in the disposition of tax litigation originating in the Tax Court. The first problem is the scope of review by the United States Circuit Court of Appeals and by the United States Supreme Court of Tax Court decisions. Now, it is true that the scope of review of Tax Court decisions is more limited than review of tax cases originating in the United States District Courts. The leading case in this field is *Dobson* v. *Commissioner* (320 U. S. 489), decided in 1943.

What is the proper scope of review of tax cases on appeal from the Tax Court has been the subject of very intensive study by the staff of the Joint Committee on Internal Revenue Taxation and the Treasury Department. There surely is no justification for legislating on this subject without obtaining the benefit of their expert opinion. Whatever the decision may be, the desired result can be accomplished by a simple amendment to section 1141 (c) of the Internal Revenue Code without disturbing the present status and functions of the so-called Tax Court.

The second problem discussed by the gentleman from Alabama [Mr. HOBBS] is the one raised in a recent dictum of the Circuit Court of Appeals for the Sixth Circuit in the Lincoln Electric Co. case, decided June 5, 1947. The court suggested in that case that the Administrative Procedures Act applies to the Tax Court. Now, of course, the Tax Court, which has its own flexible rules of administration and practice, should not be subject to the Administrative Procedures Act. But, Mr. Speaker, all doubt can be removed by the insertion of a specific exception in section 2 of the Administrative Procedures Act. So, to try to justify the drastic changes which would be effected by proposed chapter 13 is like condoning the amputation of a leg to get rid of a wart on the toe.

I repeat that the former Board of Tax Appeals is an administrative agency which reviews administrative determinations. I quote from a letter dated July 3, 1942, from the Attorney General to the chairman of the Committee on Ways and Means:

> The Supreme Court has repeatedly characterized it as an administrative body exercising quasi-judicial powers (*Old Colony Trust Co.* v. *Commissioner* (279 U. S. 716; *Goldsmith* v. *Board of Tax Appeals* (270 U. S. 117). Its administrative status has been held sharply to distinguish it from a court. Cf. *Blair* v. *Oesterlein Machine Co.* (275 U. S. 220), with *Williamsport Co.* v. *United States* (277 U. S. 551). Its jurisdiction is limited by statute. It does not have authority to enforce its decisions (*U. S. ex rel. Girard Co.* v. *Helvering* (301 U. S. 540, 542)); nor does it possess any of the inherent powers of a court. It is in no sense a part of the judicial branch of the Government.

When the Committee on Ways and Means created the Board of Tax Appeals it was intended that Mr. Average Citizen could present his case before the Board without becoming entangled in Latin phrases such as "certiorari," "habeas corpus," and "de novo," or other legalistic mumbo-jumbo, and I understand that the experts all agree that certain types of cases can best be handled before the tax courts by accountants or other qualified business analysts. For example, section 722 of the Internal Revenue Code deals with relief for hardship cases under the excess-profits tax. An accountant with or without the assistance of a lawyer will, I am told, probably present a better case for his client than a lawyer who in any event must rely heavily upon the counsel of an accountant.

Mr. Speaker, the question here is not merely one of procedure or jurisdiction. In view of the history of the Tax Court to date, its supervision by the Committee on Ways and Means, and the commitments made at the time of enactment of the Revenue Act of 1942, the question on passage of this bill, as long as the Tax Court provision remains, is an elementary matter of right and wrong. The bill should be recommitted to the Committee on the Judiciary with instructions to delete all references to the Tax Court.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DOUGHTON. Is it not a fact that this matter of changing the name "board" to "court" was before our committee several times during different Congresses and that some of us, being fearful that the next step would be to make it a court of record, inquired of the proponents as to that; and did they not insist repeatedly that there was no such purpose or intention, and that the only thing they sought to accomplish was to enable a member of the board, when he was sent out to a Federal court building, to obtain facilities for conducting the hearings? It was contended that, unless the name was changed to the Tax Court, they would not be able to get facilities for conducting their hearings. Did not the proponents of this matter disclaim any purpose whatsoever ever to make it a court? Is it not a fact that that is how the bill got through our committee? I have no criticism to make, but that is all they claimed. When we asked them if the next step at some other time might not be to make it a court, they disclaimed any such intention. The gentleman from Tennessee [Mr. COOPER] and other members of the committee will testify to the fact, also, that they said there was no such purpose or thought or intention. Now, see what you have.

Mr. DINGELL. The gentleman is absolutely correct. Here you are confronted with the consideration of a bill 190 pages long, superimposing a new tax court system on the Nation. It is something unheard of, so far as I can determine, in the consideration of a similarly important step in such limited time for debate.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I am glad to yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman from Michigan will agree that the Board of Tax Appeals was created by the Revenue Act of 1924 on the recommendation of President Coolidge for the benefit of, and in the interest of, the taxpayers of this country.

Mr. DINGELL. That is correct.

Mr. COOPER. The statute was amended in 1926. Prior to 1924, when a deficiency assessment was made against the taxpayer the taxpayer had to pay that assessment and then sue for a refund in court. Therefore, in order to help the taxpayers of the country, the Board of Tax Appeals was created to permit the taxpayer to appeal from the decision of the Commissioner of Internal Revenue to a Board of Tax Appeals, so that the matter could be determined and settled without the taxpayer having to pay the money beforehand. It was entirely in the interest of the taxpayers of this country.

Mr. DINGELL. That is correct.

Mr. COOPER. It was created as an administrative board in the executive branch of the Government. It never was intended to be as a court, and it was not expected to be a court. Throughout all the years when taxpayers and other people have appeared before the Committee on Ways and Means, we have never at any time heard any request from the taxpayers of the country for the change that is here proposed to be made.

Mr. DINGELL. That is correct.

Mr. COOPER. So the Ways and Means Committee took a position by a vote of 16 to 3, against the provisions included in this bill. It is the position of the Committee on Ways and Means that such changes in procedure or scope of review as are necessary to be made in the interest of the taxpayers of this country should be considered by the Committee on Ways and Means, which has handled this matter all the way through. Our committee should make whatever decisions that may be necessary to meet the Dobson decision, or any other decision along that line.

Mr. DINGELL. I agree with that entirely.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DOUGHTON. Does not the gentleman think that a matter of this importance should be granted more than 40 minutes' discussion?

Mr. DINGELL. I agree with the gentleman. It should not be brought in here at all. They could not get a rule before the Rules Committee, so they drag it in here under any means they can in order to get it by the Congress.

Mr. ROBSION. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Let me finish my statement, and then I will yield.

Mr. ROBSION. The gentleman has made a statement that will not stand up. The gentleman said we could not get a rule. Of course we can get a rule.

Mr. DINGELL. Mr. Speaker, a point of order. Have I the floor or not?

The SPEAKER. The gentleman certainly has the floor.

Mr. DINGELL. Now, the gentleman from Kentucky seemingly resented my reference to the fact that he was unable to get a rule from the Rules Committee. Perhaps my deductions were incorrect, but I will ask the gentleman this question: Why did you not go there on an important matter of this kind, when you are trying today to superimpose upon the judicial system of this country an entirely new Tax Court system, where it will be necessary for Mr. John Taxpayer to go through all the interminable delay of Federal court procedure? Why did you not do that? This is one of the most important things ever presented to this Congress.

Mr. ROBSION. For the same reason that today, under suspension of the rules, we passed the soldiers' relief bill. Let me answer the gentleman's question. The Department of Justice, the Supreme Court, and the judges and everybody are behind this bill except a few friends on the Ways and Means Committee.

Mr. DINGELL. No; that is wrong. I challenge that statement. I cited the Supreme Court decisions which held the Tax Court to be an administrative agency in the administrative branch of the Government, and that it was never a court.

Mr. ROBSION. There are 173 chapters in the bill. We recently passed 6 titles of the code.

Mr. DINGELL. That is not an answer to my question.

Mr. ROBSION. And we believe this title should be passed.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD a reprint of my remarks in the matter in the Seventy-seventh Congress, July 17, page 6335.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection .

Mr. ROBSION. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Speaker, it may have been brought out in the debate before, but I think it ought to be made clear, that one of the higher courts in a decision the other day held that the Tax Court which we thought was a court is not in effect a court but a board and is now subject to the rules of the Administrative Procedure Act passed last year.

Unless the Tax Court is in effect a court, it is going to be nothing but a debating society.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. KEOGH. As a matter of fact, the reason the Tax Court was not specifically excluded from the Administrative Procedures Act was an opinion by the Attorney General to a committee in the other body to the effect that it was a court.

Mr. GOSSETT. That is true. I appreciate the gentleman's contribution. Action was taken on the opinion of the Attorney General that the Tax Court was a court. But now in view of the recent decision of one of the higher courts, they do not know where they are. I submit to the gentleman it is highly desirable, if not absolutely essential, that the status of the Tax Court be cleared up and in the manner we are seeking to clear it up. It ought to be a court in the interest of orderly procedure and in the interest of litigants who appear there. It ought to be taken out of the Executive agency and placed in a judicial status.

Mr. ROBSION. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, knowing that our time would be very limited today, I briefed this case on July 2, as shown on page A3279 of the Appendix of the RECORD. We all have the highest regard for the Ways and Means Committee and its members. There is no criticism and we do not blame them for being sore for what the members of their committee conceive to be a breach of an agreement on the part of some members of the Tax Court.

What we want to show you is this, if you will bear with us a minute: We are not invading the jurisdiction of that committee in any way, shape, form, or fashion. We want to prevent what is going on now—denying the Government of the United States, as well as the taxpayers of this Nation, any kind of adequate review of many decisions of the Tax Court. It is not now, it never has been, a court, and that is why we have to make it a court. The Ways and Means Committee, by its bill of 1942, which was passed and became law, said that the Board of Tax Appeals should be no longer called by that name they had given it 18 years before, but that it must be named "The Tax Court of the United States."

We finally submit to you that you cannot let the injustice go on of allowing adequate judicial review of decisions of the district courts all over the United States and not give adequate review to the taxpayers, nor to the Government, in these Tax Court cases.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so glad to yield to the gentleman.

Mr. DINGELL. The gentleman knows that Mr. John Q. Taxpayer can go into the courts now, if he chooses.

Mr. HOBBS. Mr. John Q. Taxpayer can go into the courts now, if he has a long enough purse. He may buy himself in. He cannot do it now any other way. That is why out of 3,000 sections in this title 28 of the United States Code, that you authorized $100,000 to make us write, we have made only one change of which you complain, and that was made necessary by reason of your calling your creature a court when you did not mean it, thereby intruding into the province of the Judiciary Committee, where we always welcome you.

Mr. DEVITT. Mr. Speaker, the controversial aspects of H. R. 3214 concern themselves with those sections thereof which remove the statutory provisions relating to the Tax Court from the Internal Revenue Code to the Judicial Code and which classify the Tax Court as a court of record.

The change is made necessary as a result of the decision of the United States Supreme Court in the *Dobson Case* (320 U. S. 489), the recent decision of the United States Circuit Court of Appeals for the Sixth Circuit in the Lincoln Electric Co. against Commissioner case, and the enactment by the Seventy-ninth Congress of the Administrative Procedure Act.

The Tax Court was created as the Board of Tax Appeals under the Revenue Act of 1924. Changes have been made in it in subsequent laws from time to time. It is clear from an examination of the statutes that the Tax Court performs purely judicial functions. Cases are initiated on formal pleadings, and the trials are limited to the issues joined. These trials are substantially the same as those before a Federal district judge sitting without a jury. The rules of evidence are those applicable in courts of equity of the District of Columbia. The hearings, including the testimony, are stenographically reported. Written findings and opinions are made in all cases heard and decided on the merits. Appeal lies directly from the decision of the Tax Court to the appropriate circuit court of appeals. Such review is had on the record of the court below and, as in cases heard and decided by the other Federal courts, such cases may go to the Supreme Court by writ of certiorari. The opinions of the Tax Court are published in printed volumes. On the face of it, it would appear that there is absolutely no doubt that the Tax Court is a thoroughly judicial body.

By reason of the fact, however, that in section 900 of the Revenue Act of 1926 and section 1100 of the Internal Revenue Code, the Board of Tax Appeals was described as being continued "as an independent agency of the executive branch of the Government," many practical difficulties are constantly encountered. When, for instance, new legislation is enacted relative to executive departments and administrative agencies in general, there is invariably the question whether the legislation is applicable to the Tax Court. The difficulty is present with reference to the application of the Reorganization Act of 1945.

Of much more serious import than the Reorganization Act, however, is the recently enacted Administrative Procedure Act. That act defines the term "agency" as meaning "each authority of the Government of the United States other than Congress, the courts, or the governments of the possessions, Territories, or the District of Columbia." It thus appears that unless the Tax Court is clearly defined as a court, it is subject to the requirements of the Administrative Procedure Act and its procedure must be in conformity with that law.

As a practical matter, it would be impossible for the Tax Court to function as it now functions, and has always functioned, if the Administrative Procedure Act is applicable. This is true because under the Administrative Procedure Act a citizen whose case has been heard by a hearing commissioner may, as a matter of right, appeal to the agency as a whole. In the case of the Tax Court it would mean that if a litigant received an adverse decision from

one member of the Tax Court, he would have the right to appeal to the entire 16-man bench. This would involve too much work for the Tax Court. It is now overburdened. The only alternative would be to employ a large staff of commissioners or trial examiners at a greatly added expense to the Government, and in such event it would be impossible, with the necessary dual hearings, to conduct the normal business of the court. The fact that the judges of the Tax Court personally hear their cases has been an outstanding attribute of the successful operation of the court, and has been one which has commended it so favorably to the Government and the public alike. The practice should be continued.

The confusion engendered by the statute which brands this court as an "independent agency in the executive branch of Government" is emphasized by the decisions of the Supreme Court in the Dobson case and the Lincoln Electric Co. case.

The Dobson case has created great confusion in the field of tax law. Its implications, and the implication of the Lincoln Electric case, are far-reaching as pertaining to the status of the Tax Court because both cases recognize the Tax Court, not as a court, but as an administrative agency of Government. The Lincoln Electric Co. case held that the Tax Court is subject to the provisions of the Administrative Procedure Act. Immediate action is necessary by the Congress in order to clarify the status of the Tax Court. The pertinent provisions of H. R. 3214 recognize the Tax Court as a court and not as an administrative agency of the Government. This bill titles the Tax Court a court of record. This relieves the court of the necessity of complying with the Administrative Procedure Act. An amendment to be offered by the committee will rectify the confusion created by the Dobson case.

It is said in some quarters that this is purely a "lawyers' bill" and that it is an attempt to prevent nonlawyers from practicing before this tribunal. This is not the case. The bill makes no changes with reference to admission to practice of accountants and other nonlawyers. Rule 2 of "Rules of Practice Before the Tax Court of The United States" specifically provides now that applicants who establish good moral character and the requisite qualifications may be admitted to practice before the court. This has been the rule for many years. It is not changed by this bill. The court has no intention of changing the rule. The presiding judge so testified in the hearings before the full Judiciary Committee.

H. R. 3214 is a sound piece of legislation. It is long overdue. In the interest of good government we must have an orderly and systematic presentation of our laws. H. R. 3214 is a commendable effort to make our laws systematic and easily understandable. There can be no legitimate objection to a revision and recodification of our outmoded statutes. It is to the best interests of the members of Congress, the bench, the bar, and the general public that H. R. 3214 be enacted into law.

Mr. HAYS. Mr. Speaker, there should be no confusion whatever regarding the work or the status of the Tax Court of the United States. This bill is necessary however to correct imperfections in previous statutes defining its function and, not to reverse the policy of Congress with reference to the court. Never at any time has the Congress prescribed any other function for the court than a judicial function. In the period in which it was called the Board of Tax Appeals it was continuously performing a judicial, not an administrative service. It is true, as the gentleman from Texas [Mr. GOSSETT] states that without this proposed legislation the court will be subject to the Administrative Procedures Act under the Lincoln Electric Co. case decided by the Circuit Court of Appeals for the Sixth Circuit and this was obviously not contemplated by the Congress. The decision rests upon a technicality which the bill would correct. Even in 1924 when the court was established the Congress chose the judicial procedure in preference to the informal or negotiation type of relief for those taxpayers disputing the Government's claims.

In 1926, after the Board had functioned under this mandate, Mr. A. W. Gregg, Solicitor of Internal Revenue, had this to say about the Board's work:

> The Treasury Department originally recommended a board in the Treasury Department with informal procedure to settle tax cases. It was recognized at the time that there were two needs—one for a board to settle tax cases—and I mean settle them in the sense of settling them across the table—and the other a court to establish precedents, the latter not for its value in deciding the cases which would be presented to it, because they necessarily must be limited in number, but for the purpose of establishing precedents to guide the bureau in the settlement of other cases and to guide the taxpayer in disposing of his case.
>
> The original recommendation of the Treasury Department was for a board to settle tax cases. Congress changed that and gave us the other, which was also much needed—a court to establish precedents for the disposition of other cases pending in the Department.
>
> Having done that, it seems to me that Congress should go the whole way and establish it in name and in other respects as they have established it in fact—as a court; call it a court and give the members long terms—I think making it a court involves making the appointments to it for life or good behavior—give the members salaries which are adequate and continue what we have now, a body to create precedent for the disposition of the other cases in the bureau.

Thus it will be seen that the Treasury Department recognized the wisdom of pursuing the formal procedure. At that time, 1926, the Congress went further and made the board a court of record and provided for the first time for appeals to the circuit court of appeals.

In 1928, the Committee on Ways and Means of the House, acting on the view that the Board of Tax Appeals should have status as a judicial body not susceptible of any doubt, inserted the following provision in the bill designed to clarify the situation:

> Force and effect of rules: A recent decision by the Circuit Court of Appeals for the Seventh Circuit indicates that there is some disposition to regard the Board of Tax Appeals as an investigative rather than a judicial body, and to require it to reach its decision not merely on the basis of the evidence presented in the record, but on the basis of such additional evidence outside the record as may be necessary fully to develop the taxpayer's case. The committee is of the opinion that the Board's function is purely judicial, and in order to clarify the situation has provided that no decision of the Board (whether rendered before or after the bill becomes law) should hereafter be modified or reversed because the Board or any of its divisions has failed to consider evidence not adduced before the Board or division. At the same time the committee has provided that the rules of practice and procedure of the Board shall, just as the Federal equity rules, have the force and effect of law.

After the bill was passed and went to the Senate, the Senate Finance Committee eliminated the provision which had been placed in the House bill and in doing so made the following statement on page 38 of its report on the bill to the Senate:

> Modification or reversal of board decision: In view of certain expressions in a recent court opinion, the House bill in section 601 provides that no decision of the board shall be modified or reversed because the board has failed to consider evidence not adduced before it. While an appellate court has the right and duty, if an error of law has been made, to remand a case to the board for subsequent proceedings in accordance with law, the existing provisions of law clearly contemplate judicial, not administrative, procedure on the part of the board and the committee can see no need of further legislation on this subject. It is not the duty of the board to make investigations of tax cases but to decide the case on the basis of evidence properly placed before it by the commissioner and the taxpayer.

Thus both House and Senate concurred in the view that the Board was a judicial body.

Mr. Speaker, it is clear that as constituted by the Revenue Act of 1926 the Board of Tax Appeals, now the Tax Court of the United States, was organized and has since functioned according to judicial principles. There have been no changes of any substance either in its character or its manner of procedure. By the Revenue Act of 1942, its name was changed from the Board of Tax Appeals to the Tax Court of the United States.

Its jurisdiction was, up to the enactment of the Revenue Act of 1943, limited to cases involving Federal taxes, chiefly income tax, estate tax, and gift tax. By the provisions of the Revenue Act of 1943, it was given jurisdiction to hear and decide proceedings as to the amount, if any, of excess profits realized by contractors under war contracts. Basis for these proceedings is the unilateral determination by the War Contracts Price Adjustment Board, or, in the case of contracts ending prior to July 1, 1943, by a department or Government agency, that the profits of a contractor under a war contract or contracts are excessive in the amount therein shown. In such case the contractor, as in the case of taxpayers in tax cases, was given the right to institute a proceeding before the Tax Court and to have a trial thereon, for the purpose of showing no excessive profits

or a lesser amount of excessive profits than that determined against him. The proceeding was declared to be a trial de novo. They are heard and decided, as in tax cases, on the issues drawn and pleaded by the pleadings filed.

The above history clearly indicates that Congress created a court and made it quite obvious that the creation of a court was intended.

Mr. KEATING. Mr. Speaker, this bill so forcefully presented by the distinguished gentleman from Kentucky [Mr. ROBSION], who has labored extensively and ably in the field of codification of the laws, deserves the support of this body.

The most important change in existing law is to make the Tax Court a judicial rather than an administrative body. The hearings before the Committee on the Judiciary, especially the testimony of the present presiding judge of the court, convince me beyond a doubt that this change should be made.

I am happy that the committee has accepted an amendment at the end of section 2560 to provide as follows:

> No qualified person shall be denied admission before such court because of his failure to be a member of any profession or calling.

Considerable doubt has been raised that the conversion of this body to a court of record might prevent practice before it by anyone other than a member of the bar. As a lawyer, I would be the last to contend that a legal training is not highly desirable for a practitioner before the Tax Court. In all fairness, however, we must recognize that the litigation which comes before that court is often of a peculiarly technical character which circumstances may dictate can best be presented by a certified accountant, or in part by a lawyer and in part by one skilled in figures. To compel membership in the bar is a condition precedent to practice in this court would be a departure from precedent which I do not feel prepared to take.

In many of these important cases it is desirable and in the interests of the litigant for lawyers and accountants to associate in the prosecution of the case. It would be a mistake, in my judgment, for Congress to interfere with this practice. The situation regarding this court seems to be quite different from other judicial bodies in this respect. To deprive accountants by legislative enactment of the right to practice before the Tax Court after it becomes a judicial body, while perhaps advantageous to lawyers, would deprive qualified nonlawyers of a valuable right without a showing of correlative advantage to the litigants, who in good conscience should be the object of our chief concern in the consideration of this legislation.

I urge support of this amendment and this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. DINGELL) there were ayes 91, noes 12.

Mr. DINGELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 342, nays 23, not voting 65, as follows:

[Roll No. 100]

YEAS—342

Abernethy	Dondero	Keogh
Albert	Donohue	Kersten, Wis.
Allen, Calif.	Dorn	Kilday
Allen, Ill.	Drewry	Kirwan
Allen, La.	Elliott	Klein
Almond	Ellis	Kunkel
Andersen, H. Carl	Ellsworth	Landis
Andresen, August H.	Elsaesser	Lane
Andrews, Ala.	Engel, Mich.	Larcade
Angell	Engle, Calif.	Latham
Arnold	Evins	Lea
Auchincloss	Fallon	LeCompte
Bakewell	Feighan	LeFevre
Banta	Fenton	Lemke
Barrett	Fernandez	Lewis
Bates, Ky.	Fisher	Lodge
Battle	Flannagan	Love
Beall	Fletcher	Lucas
Beckworth	Fogarty	Lusk
Bell	Foote	Lyle
Bennett, Mo.	Fulton	McConnell
Bishop	Gallagher	McCormack
Blackney	Gamble	McCowen
Blatnik	Gary	McDonough
Boggs, Del.	Gathings	McDowell
Boggs, La.	Gavin	McGarvey
Bonner	Gillette	McGregor
Boykin	Gillie	McMahon
Bradley	Goff	McMillan, S. C.
Bramblett	Goodwin	McMillen, Ill.
Brehm	Gordon	Macy
Brooks	Gore	Madden
Brophy	Gorski	Mahon
Brown, Ga.	Gossett	Maloney
Brown, Ohio	Graham	Manasco
Bryson	Granger	Mansfield, Mont.
Buchanan	Grant, Ala.	Marcantonio
Buck	Griffiths	Martin, Iowa
Buckley	Gwinn, N. Y.	Mathews
Buffett	Gwynne, Iowa	Meade, Md.
Bulwinkle	Hagen	Merrow
Burke	Hale	Meyer
Burleson	Hall, Leonard W.	Michener
Busbey	Halleck	Miller, Calif.
Byrne, N. Y.	Hand	Miller, Conn.
Canfield	Hardy	Miller, Md.
Carroll	Harless, Ariz.	Miller, Nebr.
Carson	Harness, Ind.	Mills
Case, N. J.	Harris	Monroney
Case, S. Dak.	Harrison	Morgan
Celler	Havenner	Morris
Chadwick	Hays	Morrison
Chapman	Hedrick	Morton
Chelf	Heffernan	Muhlenberg
Chenoweth	Herter	Mundt
Chiperfield	Heselton	Murdock
Church	Hess	Murray, Tenn.
Clason	Hill	Murray, Wis.
Clements	Hinshaw	Nixon
Clevenger	Hobbs	Nodar
Clippinger	Hoeven	Norblad
Coffin	Hoffman	Norrell
Cole, Kans.	Holifield	O'Brien
Colmer	Holmes	O'Hara
Combs	Horan	O'Konski
Cooley	Howell	O'Toole
Corbett	Huber	Pace
Cotton	Jackson, Calif.	Passman
Cox	Jackson, Wash.	Patman
Cravens	Jarman	Patterson
Crawford	Javits	Peterson
Crosser	Jenkins, Ohio	Phillips, Tenn.
Crow	Jenkins, Pa.	Pickett
Cunningham	Jennings	Ploeser
Curtis	Jensen	Poage
Dague	Johnson, Calif.	Potts
Davis, Ga.	Johnson, Ill.	Poulson
Davis, Tenn.	Johnson, Ind.	Preston
Davis, Wis.	Johnson, Tex.	Price, Fla.
Dawson, Utah	Jonkman	Price, Ill.
Deane	Judd	Priest
Delaney	Karsten, Mo.	Rabin
Devitt	Kearney	Rains
D'Ewart	Kearns	Ramey
Dirksen	Keating	Rankin
Dolliver	Keefe	Rayfiel
Domengeaux	Kefauver	Redden
	Kennedy	Reed, Ill.
Rees	Scott, Hardie	Thomas, Tex.
Reeves	Scott, Hugh D., Jr.	Thomason
Rich	Seely-Brown	Tibbott
Richards	Sikes	Tollefson
Riehlman	Simpson, Ill.	Towe
Riley	Simpson, Pa.	Trimble
Rivers	Smathers	Twyman
Rizley	Smith, Kans.	Vail
Robertson	Smith, Maine	Van Zandt
Robsion	Smith, Va.	Vursell
Rockwell	Smith, Wis.	Walter
Rogers, Fla.	Snyder	Weichel
Rogers, Mass.	Somers	Wheeler
Rohrbough	Spence	Whitten
Rooney	Springer	Whittington
Ross	Stanley	Williams
Russell	Stefan	Wilson, Ind.
Sabath	Stevenson	Wilson, Tex.
Sadlak	Stigler	Winstead
Sadowski	Stockman	Wolcott
St. George	Stratton	Wolverton
Sanborn	Sundstrom	Wood
Sarbacher	Taber	Woodruff
Sasscer	Talle	Worley
Schwabe, Mo.	Teague	Youngblood
Schwabe, Okla.	Thomas, N. J.	Zimmerman
Scoblick		

NAYS—23

Anderson, Calif.	Folger	Knutson
Byrnes, Wis.	Forand	Lynch
Camp	Gearhart	Mason
Cannon	Grant, Ind.	Owens
Cooper	Hull	Phillips, Calif.
Dingell	Jenison	Reed, N. Y.
Doughton	Kean	Wigglesworth
Eberharter	King	

NOT VOTING—65

Andrews, N. Y.	Gifford	MacKinnon
Arends	Gregory	Mansfield, Tex.
Barden	Gross	Meade, Ky.
Bates, Mass.	Hall, Edwin Arthur	Mitchell
Bender	Hart	Norton
Bennett, Mich.	Hartley	Peden
Bland	Hébert	Pfeifer
Bloom	Hendricks	Philbin
Bolton	Hope	Plumley
Butler	Johnson, Okla.	Powell
Clark	Jones, Ala.	Rayburn
Cole, Mo.	Jones, N. C.	Scrivner
Cole, N. Y.	Jones, Ohio	Shafer
Coudert	Jones, Wash.	Sheppard
Courtney	Kee	Short
Dawson, Ill.	Kelley	Smith, Ohio
Douglas	Kerr	Taylor
Durham	Kilburn	Vinson
Eaton	Lanham	Vorys
Elston	Lesinski	Wadsworth
Fellows	Mack	Welch
Fuller		West

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Arends with Mr. Sheppard.
Mr. Bates of Massachusetts with Mr. Bloom.
Mr. Hope with Mr. Courtney.
Mr. Hartley with Mr. Gregory.
Mr. Jones of Washington with Mr. Hébert.
Mr. Gifford with Mr. West.
Mr. Mitchell with Mr. Jones of North Carolina.
Mr. Eaton with Mr. Vinson.
Mr. Mack with Mr. Hendricks.
Mr. Shafer with Mr. Kee.
Mr. Jones of Ohio with Mr. Kerr.

Mr. RANKIN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. ROBSION. Mr. Speaker, I ask unanimous consent that the printing of the bill in the RECORD be dispensed with but that the amendments be printed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ROBSION. Mr. Speaker, I ask unanimous consent that all those who desire may extend their remarks in the RECORD at the point the bill was being considered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. McGARVEY asked and was given permission to extend his remarks in the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD, and include an editorial.

DISTRICT OF COLUMBIA REVENUE MEASURE—CONFERENCE REPORT

Mr. DIRKSEN submitted a conference report and statement on the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include a radio address he delivered yesterday.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a letter from a constitutent.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and, if not heretofore inserted therein, include the address made on July 4 by the President of the United States at Monticello, the home of Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VORYS (at the request of Mr. McGREGOR), for an indefinite time, on account of illness in family.

To Mr. MACKINNON, for today, on account of illness.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (b), and 3045 of the Internal Revenue Code;

H. R. 1946. An act to amend section 2801 (e) of the Internal Revenue Code;

H. R. 2302. An act for the relief of the New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Tuesday, July 8, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

891. A letter from the Comptroller General of the United States, transmitting Supplement 1 to Reference Manual of Government Corporations; to the Committee on Expenditures in the Executive Departments.

892. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill for the relief of Louis L. Williams, Jr.; to the Committee on the Judiciary.

893. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $181,000 for the Federal Security Agency (H. Doc. No. 383); to the Committee on Appropriations and ordered to be printed.

894. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing authorization for expenditure of funds of the United States Spruce Production Corporation (H. Doc. No. 384); to the Committee on Appropriations and ordered to be printed.

895. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $50,000 for the American Battle Monuments Commission (H. Doc. No. 385); to the Committee on Appropriations and ordered to be printed.

896. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $2,650,000 for the Federal Mediation and Conciliation Service (H. Doc. No. 386); to the Committee on Appropriations and ordered to be printed.

897. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $4,025,300 for the National Labor Relations Board (H. Doc. No. 387); to the Committee on Appropriations and ordered to be printed.

898. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $599,000 for the Department of Commerce (H. Doc. No. 388); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 272. Resolution providing for the consideration of H. R. 3950, a bill to reduce individual income-tax payments; without amendment (Rept. No. 797). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 273. Resolution providing for the consideration of H. R. 4075, a bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 798). Referred to the House Calendar.

Mr. SPRINGER: Committee on the Judiciary. Senate Joint Resolution 123. Joint resolution to terminate certain emergency and war powers; with amendments (Rept. No. 799). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARSON: Committee on Interstate and Foreign Commerce. H. R. 4051. A bill to amend the Natural Gas Act, approved June 21, 1938, as amended; with an amendment (Rept. No. 800). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 4069. A bill to terminate certain tax provisions before the end of World War II; without amendment (Rept. No. 802). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 4090. A bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

By Mr. FARRINGTON:

H. R. 4091. A bill to ratify Act 237 of the Session Laws of Hawaii, 1947; to the Committee on Public Lands.

By Mr. BENNETT of Missouri:

H. R. 4092. A bill to promote the safety and health of employees engaged in baggage, mail, or express-train service in interstate commerce by requiring common carriers by railroad and any express company to install and maintain all such cars and equipment used or furnished by them for such purposes in safe and suitable conditions for use in the service for which they are put; to the Committee on Interstate and Foreign Commerce.

By Mr. GARY:

H. R. 4093. A bill to reduce individual income tax payments; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 4094. A bill to forbid the interstate transportation of fireworks in certain cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BLAND:

H. R. 4095. A bill to authorize a bridge, roads and approaches, supports and bents, or other structures across, over, or upon lands of the United States within the limits of the Colonial National Historical Park at or near Yorktown, Va.; to the Committee on Public Works.

By Mr. ENGLE of California:

H. R. 4096. A bill to direct the Secretary of War to prepare an honor roll of the names of United States citizens who died while serving in the Royal Air Force or the Flying Tigers during World War II; to the Committee on Armed Services.

By Mr. FLETCHER:

H. R. 4097. A bill to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 4098. A bill to incorporate the American Division, Inc., World War II Veterans Association; to the Committee on the Judiciary.

By Mr. PRIEST:

H. R. 4099. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH:

H. R. 4100. A bill to modify the requirements relating to lifesaving appliances on passenger vessels navigating the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mrs. SMITH of Maine:

H. R. 4101. A bill to authorize lump-sum payments to Air Corps Reserve officers who are selected for commission in the Regular Army; to the Committee on Armed Services.

By Mr. WOLVERTON:

H. R. 4102. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POULSON:

H. J. Res. 227. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. BREHM:

H. J. Res. 228. Joint resolution to amend section 304 of the Labor-Management Relations Act; to the Committee on Education and Labor.

By Mr. LANDIS:

H. J. Res. 229. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEARHART:

H. J. Res. 230. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to nondeductible income of recipients of old-age aid; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California memorializing the President and the Congress of the United States to enact legislation adequate to stamp out and abolish the evil of lynching; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 4103. A bill for the relief of Charles M. Davis; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 4104. A bill for the relief of Mrs. Mark Shee Chu; to the Committee on the Judiciary.

By Mr. OWENS:

H. R. 4105. A bill for the relief of Wpan Jan Loperny; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

724. By Mr. COTTON: Memorial of the Legislature of the State of New Hampshire, memorializing the Congress of the United States to extend the tax savings appertaining to the community-property system to all States of the Union; to the Committee on Ways and Means.

725. By Mr. LANE: Petition of the Board of Aldermen, Chelsea, Mass., urging immediate passage of the Taft-Ellender-Wagner housing bill; to the Committee on Banking and Currency.

726. By the SPEAKER: Petition of Missouri River States Committee, petitioning consideration of their resolution with reference to flood control in the Missouri River Basin; to the Committee on Appropriations.

727. Also, petition of the International Telecommunications Conferences, petitioning consideration of their resolution with reference to reaffirming warm friendship for the United States of America; to the Committee on Foreign Affairs.

728. Also, petition of various citizens of the Sixth Congressional District, State of Washington, petitioning consideration of their resolution with reference to endorsement of H. R. 2716; to the Committee on Veterans' Affairs.

SENATE

TUESDAY, JULY 8, 1947

(Legislative day of Monday, July 7, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast made of one blood all kingdoms and tongues and peoples for to dwell together upon the face of the earth, today our thoughts go out across the seas to consider the welfare of peoples less fortunate than ourselves. Help Thy servants of this body to make a true and understanding appraisal of the tragic situation that affects our fellow men. Give us this day the wisdom that cometh down from above and is profitable to direct. Open our eyes that we may see all things in their right perspective. Keep our hearts sensitive and sympathetic to their needs, and according to our capacity may we share with generosity the bounties of our abundant life and the blessings of our free enterprise.

For our own dear land we pray that in humility and gratitude we may prove ever more worthy of Thy mercies, which are new every morning and fresh every evening.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 7, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

On June 5, 1947:

S. 135. An act to legalize the admission into the United States of Frank Schindler.

On July 8, 1947:

S. J. Res. 124. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pre-

tenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes;

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 811) for the relief of J. F. Powers.

The message further announced that the House had severally agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 107. An act for the acquisition and maintenance of wildlife management and control areas in the State of California, and for other purposes;

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R. 859. An act to provide for the exploration, investigation, development, and maintenance of the fishing resources and development of the high seas fishing industry of the Territories and island possessions of the United States in the tropical and subtropical Pacific Ocean and intervening seas, and for other purposes;

H. R. 1036. An act to provide for the licensing of marine radiotelegraph operators as ship radio officers, and for other purposes;

H. R. 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State;

H. R. 1260. An act to amend section 107 of title 2 of the Canal Zone Code, approved June 19, 1934;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 1810. An act to amend the Criminal Code and certain other legislation to permit part-time referees in bankruptcy to act as agents or attorneys for claimants against the United States;

H. R. 1938. An act to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940;

H. R. 1995. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing 10 years of service;

H. R 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement;

H. R. 2361. An act to authorize the filing of actions in State courts to quiet title to lands described in a treaty between the United States and the Delaware Indians, dated October 3, 1818;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2938. An act to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior;

H. R. 2956. An act to amend the Natural Gas Act approved June 21, 1938, as amended;

H. R. 3051. An act to amend the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a), and to amend section 2 and to repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934 (48 Stat. 503; 34 U. S. C. 495), as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes;

H. R. 3127. An act to provide for the loan or gift of obsolete ordnance to State homes for former members of the armed forces;

H. R. 3146. An act to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes;

H. R. 3153. An Act to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota;

H. R. 3173. An act relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes;

H. R. 3214. An act to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary";

H. R. 3219. An act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3322. An act to facilitate rights-of-way through restricted Osage Indian land, and for other purposes;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3350. An act relating to the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers, and for other purposes;

H. R. 3376. An act to ratify and confirm Act 10 of the Session Laws of Hawaii, 1947, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3395. An act to add certain lands to the Modoc National Forest, Calif.;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes;

H. R. 3501. An act to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes;

H. R. 3505. An act authorizing an appropriation for investigating and rehabilitating the oyster beds damaged or destroyed by the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., and by the opening of the Bonnet Carre Spillway, and for other purposes;

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3541. An act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes;

H. R. 3555. An act to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended;

H. R. 3566. An act to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes;

H. R. 3569. An act to authorize the construction of a chapel and a library at the United States Merchant Marine Academy at Kings Point, N. Y., and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission;

H. R. 3638. An act to amend section 10 of the act establishing a National Archives of the United States Government;

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy;

H. R. 3679. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

H. R. 3690. An act to amend the Federal Tort Claims Act;

H. R. 3759. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented and for other purposes;

H. R. 3767. A bill to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; and

H. R. 4017. An act to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 811. An act for the relief of J. F. Powers; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

A letter from the Chairman of the Federal Reserve System, transmitting, pursuant to law, a copy of the annual report of the Board of Governors of the Federal Reserve System, covering operations during the year 1946 (with an accompanying report); to the Committee on Banking and Currency.

LOUIS L. WILLIAMS, JR.

A letter from the Acting Administrator of the Federal Security Agency, transmitting a draft of proposed legislation for the relief of Louis L. Williams, Jr. (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the International Telecommunications Conference, at Atlantic City, N. J., reaffirming its warm friendship for the United States, and expressing deep appreciation for the great contributions made by the United States to the cause of democracy; to the Committee on Foreign Relations.

A resolution adopted by the Missouri River States Committee in meeting at Omaha, Nebr., relating to flood control in the Missouri River Basin; to the Committee on Public Works.

COMMUNISTIC INFLUENCES IN THE UNITED STATES—RESOLUTION BY VETERANS OF FOREIGN WARS, DEPARTMENT OF IDAHO

Mr. TAYLOR. Mr. President, in these days of loose charges and countercharges, both in and out of Government, on the subject of Communistic influences in the United States, I was particularly pleased at the sound approach which has been voiced by the Department of Idaho, Veterans of Foreign Wars.

The Idaho VFW, meeting recently at Pocatello, approved a firm resolution condemning witch hunts and overzealous individuals and groups which seek to smear Americans by calling them communistic or fascistic.

The authors of the resolution are two prominent members of the VFW in Idaho, Mr. Robert L. Summerfield, of Twin Falls, Idaho, a World War II veteran, and Axel Rosenlund, World War I veteran and former mayor of Coeur d'Alene, Idaho.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That the Veterans of Foreign Wars of the United States, Department of Idaho, in its regular State encampment in Pocatello, Idaho, on June 11, 1947, goes on record as endorsing the viewpoint of J. Edgar Hoover, Director of the Federal Bureau of Investigation, on communism as expressed in his article on the subject published in the June 9, 1947, issue of the weekly magazine Newsweek.

The Veterans of Foreign Wars, Department of Idaho, particularly endorses the following don'ts as set forth by Mr. Hoover:

1. Don't label anyone a Communist unless you have the facts.

2. Don't confuse liberals and progressives with Communists.

3. Don't be a party to the violation of the civil rights of anyone. When this is done you are playing directly in the hands of the Communists.

4. Don't let up on the fight against real Fascists, the Ku Klux Klan, and other dangerous groups.

5. Don't give aid and comfort to the Communist cause by joining front organizations, contributing to their campaign chests or by championing their cause in any way, shape, or form.

6. Don't fail to make democracy work with equal opportunity and the fullest enjoyment of every American's right to life, liberty, and the pursuit of happiness; furthermore be it

Resolved, That it is the considered opinion of this organization that the most un-American of all un-American activities are exemplified by "witch hunts" carried on in the name of patriotism. The appeal to patriotism has many times been the last refuge of some of the world's greatest scoundrels. The Veterans of Foreign Wars, Department of Idaho, warns you to beware of those individuals who use race and religion as appeals to prejudice. The Veterans of Foreign Wars further warns you to beware of those who appeal to your patriotism and then call you Communist or Fascist because you disagree with their political opinions or ambitions.

The members of the Veterans of Foreign Wars, all of whom tread foreign soil in the fight for democracy and Americanism condemn as un-American those character assassins who make unfounded charges of communism, fellow travelers, or fascism merely because of differing opinions on public affairs. The members of this organization are likewise unalterably opposed to communism, fascism, nazism, and all other "isms" with the one exception of Americanism.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 1512. A bill to improve accounting within the Federal Security Administration, to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes; with an amendment (Rept. No. 451).

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 929. A bill to amend section 2 of the act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes, approved March 3, 1883 (22 Stat. 564); without amendment (Rept. No. 452).

By Mr. ROBERTSON of Wyoming, from the Committee on Armed Services:

S. 474. A bill for the relief of Samuel E. Belk; without amendment (Rept. No. 454).

By Mr. TYDINGS, from the Committee on Armed Services:

S. 703. A bill to authorize the carrying of Civil War battle streamers with regimental colors; with amendments (Rept. No. 455).

By Mr. WILSON, from the Committee on Armed Services:

S. 739. A bill authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administratio of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement; without amendment (Rept. No. 456).

By Mr. BALDWIN, from the Committee on Armed Services:

H. R. 2314. A bill to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates; without amendment (Rept. No. 457).

By Mr. KILGORE, from the Committee on Armed Services:

H. R. 3053. A bill to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, Territory of Hawaii; without amendment (Rept. No. 458);

H. R. 3056. A bill to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public-road and utility purposes in certain Government-owned lands situated

in Bibb County, Ga., and for other purposes; without amendment (Rept. 459); and

H. R. 3252. A bill to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes an easement in certain lands within the Navy housing project at Long Beach, Calif.; without amendment (Rept. No. 460).

By Mr. MORSE, from the Committee on Armed Services:

S. J. Res. 70. Joint resolution authorizing the President to issue posthumously to the late Colonel William Mitchell a commission as a major general, United States Army, and for other purposes; without amendment (Rept. No. 453);

By Mr. McCARTHY, from the Committee on Banking and Currency:

S. 1293. A bill to enable the Veterans' Administration to provide housing units for certain disabled veterans of World War II; with amendments (Rept. No. 461).

By Mr. MALONE, from the Committee on Public Works:

S. 418. A bill to provide for water-pollution-control activities in the United States Public Health Service, and for other purposes; with amendments (Rept. No. 462).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 1578. A bill to authorize and direct the Secretary of the Interior to issue to Adelia Charging Thunder a patent in fee to certain land; to the Committee on Public Lands.

By Mr. McCARRAN:

S. 1579. A bill for the relief of Damian Gandiaga; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1580. A bill authorizing the issuance of a patent in fee to Louise White Cloud Rhodd; to the Committee on Public Lands.

By Mr. HAWKES:

S. 1581. A bill to provide additional time to the city of Newark, N. J. for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes; to the Committee on Armed Services.

By Mr. HOLLAND:

S. 1582. A bill relating to the sale of Paxon Field, Duval County, Fla.; to the Committee on Expenditures in the Executive Departments.

By Mr. TYDINGS:

S. 1583. A bill to provide for the conveyance to the State of Maryland, for the use of the University of Maryland, of the northern portion of a parcel of land previously constituting a part of the campus of the university and previously conveyed by the State of Maryland to the United States for the use of the Bureau of Mines; to the Committee on Public Lands.

By Mr. MILLIKIN (for himself, Mr. BALL, Mr. BREWSTER, Mr. BUSHFIELD, Mr. BUTLER, Mr. CAIN, Mr. CORDON, Mr. DWORSHAK, Mr. ELLENDER, Mr. ECTON, Mr. FERGUSON, Mr. FLANDERS, Mr. GEORGE, Mr. GURNEY, Mr. HAYDEN, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. MARTIN, Mr. McFARLAND, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. MALONE, Mr. OVERTON, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON of Wyoming, Mr. RUSSELL, Mr. TAYLOR, Mr. THYE, Mr. VANDENBERG, Mr. WHERRY, Mr. WATKINS, and Mr. YOUNG):

S. 1584. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; to the Committee on Finance.

By Mr. BROOKS:

S. 1585. A bill for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills; to the Committee on the Judiciary.

(Mr. BUTLER introduced Senate bill 1586, to prohibit the sale of grain and grain products by Government agencies to foreign purchasers for export, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

INVESTIGATION OF HIGH PRICES OF CONSUMER GOODS—AMENDMENT

Mr. BALDWIN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 19) establishing a joint committee to investigate high prices of consumer goods, which was referred to the Committee on Banking and Currency and ordered to be printed.

NOTICE OF HEARING ON NOMINATION OF PHILIP L. RICE TO BE JUDGE OF THE FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, July 15, 1947, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Philip L. Rice, of Hawaii, to be judge of the fifth circuit, circuit courts, Territory of Hawaii. Judge Rice is now serving in this post under an appointment which expired April 22, 1947. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Missouri [Mr. DONNELL], chairman, the Senator from Oklahoma [Mr. MOORE], and the Senator from Nevada [Mr. McCARRAN].

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BUCK. Mr. President, I ask unanimous consent that the Banking and Currency Committee may meet today at 2 o'clock and tomorrow at 2 o'clock.

The PRESIDENT pro tempore. Without objection, consent is granted.

Mr. BUCK. Mr. President, I also ask unanimous consent that the Committee on the District of Columbia may meet tomorrow afternoon at 2 o'clock.

The PRESIDENT pro tempore. Without objection, consent is granted.

ADDRESS BY SENATOR WILEY BEFORE TOWNSEND CONVENTION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Townsend National Convention, Washington, D. C., June 28, 1947, which appears in the Appendix.]

PROPOSED TAX FOR THE SUPPORT OF LIQUOR CLINICS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an excerpt from a statement by Dr. Clinton N. Howard, of Washington, D. C., before the Senate Committee on the District of Columbia, on the subject of a proposal to tax liquor advertising for the support of liquor clinics, which appears in the Appendix.]

LABOR-MANAGEMENT RELATIONS ACT—QUESTIONS AND ANSWERS

[Mr. TAFT asked and obtained leave to have printed in the RECORD a list of questions and answers relating to the effect of the Labor-Management Relations Act of 1947, which appears in the Appendix.]

MISSOURI RIVER FLOODS—EDITORIAL FROM CHICAGO SUN

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial on the Missouri River floods which was published in the Chicago Sun, which appears in the Appendix.]

AMERICAN VETERANS' COMMITTEE—ANNUAL REPORT

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD the annual report of Charles G. Bolte, retiring national chairman of the American Veterans' Committee, given at the organization's second annual convention in Milwaukee, Wis., on June 20, 1947, which appears in the Appendix.]

NOMINATION OF JOE B. DOOLEY

The PRESIDENT pro tempore. The parliamentary situation is as follows: Under the order of the 2d instant the Senate, in executive session, will at this time resume the consideration of the nomination of Joe B. Dooley to be United States district judge for the northern district of Texas, the time to be equally divided; from now to the hour of 4 o'clock, between those favoring and those opposed to the nomination, to be controlled, respectively, by the senior Senator from Texas [Mr. CONNALLY] and the junior Senator from Texas [Mr. O'DANIEL].

The Senate, in executive session, resumed the consideration of the nomination of Joe B. Dooley to be United States district judge for the northern district of Texas.

The PRESIDENT pro tempore. The pending question is on agreeing to the motion of the junior Senator from Texas [Mr. O'DANIEL] to recommit the nomination to the Committee on the Judiciary.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll.

The PRESIDING OFFICER (Mr. WHERRY in the chair). Forty-nine Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. How many committees of the Senate are now sitting under permission from the Senate for the Members thereof to absent themselves from the Senate?

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that one committee is now sitting, having obtained unanimous consent yesterday to sit today.

Mr. CONNALLY. Is only one committee sitting?

The PRESIDING OFFICER. That is the information the Chair has received from the Parliamentarian.

Mr. CONNALLY. Mr. President, an additional parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Will the Presiding Officer ask the Parliamentarian to inform him where the Senators are who are not attending the committee meeting? Why can we not have a quorum present?

The PRESIDING OFFICER. The Chair would suggest to the distinguished Senator that that is not a parliamentary inquiry.

Mr. CONNALLY. The inquiry refers to this parliament.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names, and a quorum is present.

Mr. CONNALLY. Forty-nine Senators may have answered, but they are not here now.

The PRESIDING OFFICER. The Senator from Texas, who has been a Member of the Senate for many, many years and rendered very valuable service to the Senate, is well acquainted with the procedure which has now taken place in the Senate chamber.

Mr. CONNALLY. I thank the Chair for his very complimentary reference to the "many, many, many years" of my service, but I have not been here that long. [Laughter.] I will say that, regardless of whether I know about the procedure which has taken place, when the Senate has important business to transact and only one committee is sitting under permission of the Senate, it is a grievous reflection on the United States Senate that there should be difficulty in obtaining a quorum and a greater difficulty in keeping one after it has been obtained.

The roll call, as completed for the Journal and the RECORD, disclosed the presence of 88 Senators, as follows:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Jenner	Revercomb
Brooks	Johnson, Colo.	Robertson, Va.
Buck	Johnston, S. C.	Robertson, Wyo
Bushfield	Kem	Russell
Butler	Kilgore	Saltonstall
Byrd	Knowland	Smith
Cain	Langer	Sparkman
Capehart	Lodge	Stewart
Capper	Lucas	Taft
Chavez	McCarran	Taylor
Connally	McCarthy	Thomas, Okla.
Cooper	McClellan	Thye
Cordon	McFarland	Tydings
Donnell	McGrath	Umstead
Dworshak	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
George	Moore	Wilson
Green	Morse	Young
Gurney	Murray	
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is unavoidably detained, the airplane on which he was to return to Washington today having been grounded because of adverse weather conditions.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. WHITE. Mr. President, perhaps I am choosing an inappropriate time to make a unanimous-consent request, but I have been asked to request unanimous consent that a subcommittee of the Committee on the Judiciary now considering the Perlman nomination so-called, may be permitted to sit during the session of the Senate this afternoon.

Mr. CONNALLY. Mr. President, reserving the right to object—and I shall not object—I wish to say that that committee is the very one which had charge of the matter which is now before the Senate. The members of that subcommittee are familiar with the issues here involved, and their advice ought to be made available to the Senate. Yet, the members of that subcommittee, with the sanction of the leadership, desire to absent themselves from the Senate in order to hold a meeting of the subcommittee. I shall not object, but I merely wished to make that comment.

Mr. LUCAS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Will the Senator permit the Chair to state the parliamentary situation?

Under the order entered on the 2d of July, the Senate is now in executive session, considering the nomination of Joe B. Dooley to be United States judge for the northern district of Texas, and the time between the meeting of the Senate today and the hour of 4 p. m. today is equally divided between those favoring and those opposing the said nomination, and is controlled, respectively, by the senior Senator from Texas [Mr. CONNALLY] and the junior Senator from Texas [Mr. O'DANIEL].

The pending question is on agreeing to the motion of the junior Senator from Texas [Mr. O'DANIEL] to recommit the nomination to the Committee on the Judiciary.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Texas [Mr. CONNALLY] and asks him if he will yield to the Senator from Illinois.

Mr. CONNALLY. I thank the Chair for his generosity, but I had not asked to be recognized. I yield to the Senator from Illinois.

Mr. LUCAS. I wanted to ask the Senator from Maine [Mr. WHITE], the majority leader, how long the committee is going to continue to investigate Mr. Perlman.

Mr. WHITE. I know nothing about the case. I have simply acted as intermediary. The request came to me from the chairman of the subcommittee, and I proffered the request to the Senate. I think that ends my responsibility in connection with it. I know nothing about the particular matter under consideration by the committee.

The PRESIDING OFFICER. If there be no objection, the unanimous-consent request of the majority leader is granted.

To whom does the senior Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from New Mexico [Mr. CHAVEZ], for 10 minutes.

Mr. CHAVEZ. Mr. President, the pending question before the Senate is whether or not the Senate will advise and consent to the nomination of Mr. Dooley to be judge of the United States District Court for the Northern District of Texas.

I would not take the time of the Senate at this moment to explain my position unless I knew what I was talking about. I fully realize that the matter of making recommendations for appointments in the several States is something which should be left to the States.

The question which we are now considering is of extreme importance. I shall give the Senate what information I have concerning the qualifications of Mr. Dooley. This information has been obtained because it so happens that Amarillo, Tex., where Mr. Dooley practices law, is within a stone's throw of my State. As a matter of fact, the home of Mr. Dooley is closer to many parts of the State of New Mexico than it is to the capital of the State of Texas.

Mr. President, we all love good reputations. We want to feel that our neighbors bear good reputations. We in New Mexico know Mr. Dooley by reputation. We know him personally. He has practiced law in our State and is our neighbor. I would be doing a great injustice if I did not tell the Senate the reputation which he bears as a citizen of Texas and as a practicing attorney and other things which enter into his reputation among his neighbors.

It is very difficult for a Senator to vote against a nominee from another State who bears a fine reputation. In the few brief remarks which I shall make I have no idea of questioning the motives or intention of anyone from Texas who might object to Mr. Dooley. I wish I could agree with both Senators from Texas. However, knowing Mr. Dooley as I do, knowing his reputation among the members of the bench and bar in my State, and knowing the reputation which he bears among his neighbors as a man of integrity, a man of honesty, a man trained in the law, I would be doing an injustice to him if I did not vote to confirm his nomination.

It is not my purpose to interfere with the politics of Texas. The citizens of Texas seem to be able to take pretty good care of their politics, and I am willing to let them do so. However, I will say to the Senate that no man from my State who has ever been considered by this body for a judicial office had a better reputation than has Mr. Dooley. As I have said, we all appreciate the value of a good reputation. It is the only thing a man has when the show-down comes. It would be a great injustice to Mr. Dooley for any Senator who knows him to vote against him because of political considerations in the State of Texas.

Amarillo is close to us. Let me give a little geographical background to show how close it is to New Mexico. Amarillo is only 100 miles from the city of Clovis, the home town of my colleague [Mr. HATCH]. Amarillo is 72 miles from the eastern New Mexico line. Amarillo is within 140 miles of the county seat of Quay County, which was named after a great Republican Senator from the State of Pennsylvania. Citizens of New Mexico go to Texas and practice law in Texas. Lawyers from Texas come to New Mexico and practice law there. So we come to know them.

Mr. President, that is all I have to say to the Senate. Irrespective of what happens in Texas, I cannot in good conscience vote against Mr. Dooley.

Mr. President, I give back the remainder of my time to the Senator from Texas.

Mr. CONNALLY. Mr. President, it seems to me that the junior Senator from Texas [Mr. O'DANIEL] ought to finish his opening statement at this time, if he is so disposed.

The PRESIDING OFFICER. The Chair informs the two Senators from Texas that the time is theirs, and any agreement which they may reach will be adhered to.

Mr. CONNALLY. Mr. President, I yield to the Senator from Rhode Island [Mr. MCGRATH] such time as he may require.

The PRESIDING OFFICER. How much time does the Senator require?

Mr. MCGRATH. Five minutes.

Mr. President, it is not a very pleasant matter for Senators to be called upon to take sides on an issue such as that which is now before the Senate of the United States, namely, to make a choice on a matter which is personal to fellow Senators. But, since we are forced to devote our time to questions of this kind, rather than attending to urgent public business, I should like to make my personal position clear in the RECORD.

Mr. President, I believe it to be the right and duty of the President of the United States to make appointments to judicial offices throughout the country of those men who have been recommended to him as being qualified to fill such positions. I have sat as a member of the Committee on the Judiciary of the Senate and have listened to practically every word of the testimony, which was quite lengthy, regarding the qualifications of Mr. Joe B. Dooley, of Amarillo, Tex., to be a judge in the United States district court for the district in which that city is located. I have not heard, during all the testimony, one single word that would in any way discredit Mr. Dooley from holding the position of United States judge to which the President has nominated him.

Mr. President, I recognize that we as Senators have some personal rights, but I do not believe that the right of any Senator is paramount to the right of an American citizen of good repute who, having consented to allow the use of his name by the President for appointment to a high public office, to be confirmed in that office when we find, after searching inquiry, that he is eminently qualified for the post and nothing is developed against him either as to his legal ability, attainments, or character. For any one Senator to stand upon the floor and make personal objections, to cast aspersions upon a character such as we have before us, seems to me, Mr. President, to smack a little bit of dictatorship. If this sort of thing can happen in the United States Senate when a man of unimpeachable character and ability can be refused the positon to which he has been nominated by the President merely because somebody does not like him personally, then I think we are fast heading down the road which leads to impossibility on the part of any President of the United States to secure men of character, learning, and ability to fill responsible offices of Government.

Mr. Dooley is a past president of the Texas Bar Association. He is a distinguished lawyer, the father of a splendid family, a member of one of the finest law firms in the city in which he lives. He is a lawyer whose name, before it was sent to the Senate, was not even known to the Senator who is making objections to the confirmation of his nomination. Therefore, Mr. President, I can, for my part, in good conscience, vote for Mr. Dooley and feel that I am not doing a disservice to a fellow Senator, because the junior Senator from Texas, in the testimony which he gave before the committee, said he did not know Mr. Dooley before he was nominated; that he had never met him; that Mr. Dooley had never done anything to injure him or to hurt him, and had never said anything about him. How can he be personally obnoxious to that Senator?

Mr. Dooley himself testified before the committee that he had never in his life said anything detrimental to the junior Senator from the State of Texas.

So, Mr. President, basing my conviction upon those broad principles which I have tried to state here today, namely, that any American citizen whose name comes before us for judgment have some rights which we should respect, I shall unhesitatingly cast my vote for the confirmation of the nomination of Joe B. Dooley.

Mr. President, while I am on my feet I want to say that I think that some of the procedures which have been resorted to by committees of the Senate in the consideration of Presidential appointments, and some of the things that are going on now in subcommittees of the Judiciary Committee, of which I am a member of one, are a disgrace to the American way of doing things. I refer to what is happening to Mr. Philip Perlman, whose name is before the Judiciary Committee today, and what has been happening to him for the past 3 or 4 months at the hands of a subcommittee of the United States Senate, which has seen fit to tear up this man's constitutional rights, to pry into the privacy of his clients, to pry into the privacy of his own affairs, to investigate matters that are none of the committee's business to investigate, and to have delayed the confirmation of that particular nomination during all of these long months.

Like Joe B. Dooley, Mr. Perlman is a distinguished American, a lawyer who should have been confirmed in his appointment many months ago. Yet, we have had the temerity to sit here and deny to the Supreme Court of the United States during practically a whole term of that court the services of a Solicitor General. I know something about the duties of the Office of Solicitor General, because I had the great distinction of serving in that position for a short period of time. I know that the Supreme Court relies greatly upon the availability of a Solicitor General. The Court has no one else with whom to discuss the various ramifications of procedure in cases in which the United States is a party before that Court, cases which involve the life and the liberties of our people, and millions, yes, billions of dollars. Our Supreme Court has been denied during the last 4 months, while we have delayed around here, the services of a Solicitor General.

So long as I remain a Member of the United States Senate, Mr. President, I shall try to take a broad view of these matters and have my voice heard whenever it can be heard, when things are happening in our committees or on the floor that I think run contrary to the great basic principles of our Government and of our Constitution. I think that if we deny a judgeship to Joe B. Dooley we shall be taking part in a denial of constitutional rights, American rights, to a distinguished lawyer who, through long, long years of private and public life, has won a name for himself in his community, and with whom we should be glad and happy to associate our names in voting for the confirmation of his nomination.

We should also be happy to be given a chance to vote for the confirmation of the nomination of Mr. Perlman, which has not yet been reported from the committee. I am a member of the subcommittee which is hearing the evidence. There was a meeting scheduled this morning for 10 o'clock. I was there at 10 o'clock, ready to proceed with the hearing, but a Republican Policy Committee meeting was being held, and the rest of the committee could not proceed. Therefore I wasted my time sitting around from 10 o'clock until the Senate convened.

The people of my State sent me here to be on the Senate floor when the Senate is in session, and I intend to stay here. I should like to be doing my whole duty; I should like to be helping to get the Perlman nomination out of committee, but I cannot be there because of the procedure which has been adopted by the committee. The committee does not meet when meetings are called; it meets when it is convenient for the chairman of the committee to hold the meeting, regardless of the time he has advised other Members to be present. I have sat, Mr. President, in those committee hearings on the nomination of Mr. Perlman and have been ashamed of the questions which have been asked. I have been ashamed of the denial of constitutional rights to this man. I have deliberately stayed away from a few of the meetings because I simply could not be a part of what was happening.

Mr. President, I say now that as a member of that commitee, fully satisfied with the qualifications of this distinguished lawyer, unless his nomination is soon reported, I, for one, shall move to discharge the committee from the further consideration of Mr. Perlman's nomination so that this American, the same as Joe B. Dooley, can have his fair day in court, the court being the floor of the Senate of the United States to which the President has sent these names and where they are entitled to have their nominations passed upon.

I suspect that the plan is to continue to delay and drag out these hearings until we come to the date of adjournment, so that the country and the United States Supreme Court can go through another year without a Solicitor General. If that is the plan, I wish to give notice here and now that I shall not be a party to it, and that at the proper time I shall move on the floor of the Senate to discharge the committee from the further consideration of the nomination of Philip B. Perlman.

Mr. CONNALLY. Mr. President, I yield to the senior Senator from New Mexico [Mr. HATCH] such time as he may require.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. HATCH. Mr. President, I realize that we are speaking under a limitation of debate. I do not wish to occupy the floor too long. In fact, this morning, as usual, on the floor of the United States Senate, especially during this session, which is the worst I have ever seen in that respect, it is more than discouraging to arise and address the Senate on any subject, for the empty seats around us now are not conducive to argument or to reasoning. Sometimes I wonder of what use it is for a Senator to exert his ability and energy, as the Senator from Rhode Island [Mr. MCGRATH] has just done in his eloquent and able address. It is regrettable, Mr. President, that so often we speak to empty seats.

On this particular occasion, I shall depart for the few moments from the role of United States Senator or the role of an advocate. I wish to appear for a little while, perhaps, in the role of what one would call a witness, a character witness in behalf of the nominee we now consider, the Honorable Joe B. Dooley, of Amarillo, Tex.

It happens that I have lived for a long number of years in the town of Clovis, N. Mex., which is close to the Texas line, and as distances go in our western country, not far from Amarillo, Tex. In that region of my own State, I practiced law for a number of years, and naturally I became acquainted with lawyers throughout that section of the country, including the western district of Texas. I came to know them intimately. With all due respect to the distinguished junior Senator from Texas [Mr. O'DANIEL], I think I am in a far better position to testify today before the Senate as to the qualifications of this nominee than is the junior Senator from Texas, for the junior Senator from Texas has said before the committee and, I think, here on the floor of the Senate that he has never had any personal acquaintance with Mr. Dooley, and never met him until he was nominated for this position.

Mr. President, I have known Mr. Dooley personally and professionally for a number of years. Not only do I have personal knowledge of Mr. Dooley, his character, his integrity, and his ability but I also know his general reputation in that section of the country. I think I speak with some authority when I say that from my own personal knowledge and from the general reputation this man bears throughout that whole region he is qualified to fill this position. He is qualified as a man, a man of honor, a man of integrity; and he is qualified as a lawyer. I challenge any man to bring forth before this body any person who knows Mr. Dooley, or knows his general reputation, who will deny what I have said.

Mr. President, I not only know Mr. Dooley but I know the members of his law firm. I know the standing of that firm, against which reflection has been cast during this debate. The firm of Underwood, Johnson, Dooley & Wilson is one of the outstanding firms of western Texas. I know the individual members of that firm as well as, or some of them better than, I know Mr. Dooley. It happens that Mr. R. C. Johnson and I have been acquainted since before either of us were lawyers. We both attended the same school. The acquaintance we made there has been kept up throughout the years. The last jury case I tried was in association with Mr. Johnson. I do not think anyone will stand here or any place else and say that Mr. Johnson is not a lawyer of integrity and ability; that he does not likewise bear a high reputation in that region of Texas and in my own State, where he is also well known.

Mr. Underwood, the senior member of the firm, has been known throughout west Texas for a long, long period of time. No man bears a higher reputation among the people generally and among the members of the bar and the judges than does Mr. Underwood.

With Mr. Wilson I am not so well acquainted. He is a younger man. But I take it that the fact that Mr. Wilson is a member of this outstanding firm, has been taken in as a partner, is sufficient testimonial as to his ability and as to his character.

Mr. President, my own experience with Mr. Dooley as a lawyer could best be illustrated by the fact that within more or less recent years, as counsel for a trust estate involving considerable property and money, it was necessary to have the services of an attorney in Amarillo, Tex., where much of the property was located. The attorney for the beneficiary of the trust—a Fort Worth attorney, by the way, who lives in this same western district of Texas—was attorney for the Masonic School for Boys Home in Fort Worth, the chief beneficiary under the trust. Before I employed counsel at Amarillo, I conferred with him—because, after all, that school for boys was the one most deeply interested in the proper administration of the estate—to determine what attorney to employ at Amarillo, Tex. After consultation with him, the firm of Underwood, Johnson & Dooley was employed, and Mr. Dooley personally attended to the legal affairs, which covered considerable time, and still persist. During that period, as well as on other occasions, I had the most intimate personal and professional contact with Mr. Dooley.

Mr. President, all I can say is this: No man can say to me that this nominee is not an honorable man, that he is not an upright citizen, that he is not a good lawyer, that he is not in every way qualified to hold this high and important position. That, Mr. President, founded as I have said upon my own personal knowledge and upon the general reputation of this man, is the reason that I glad'y stand here today without hesitation and say a word in behalf of a man whose life and character justify every good thing that can be said about a man.

Mr. President, when we consider that we are dealing with men of this type and character and are confronted with objections to them, we wonder what the proper function of the Senate of the United States is and to what extent any Senator shall be permitted to make an objection based upon the premise that the nominee is personally obnoxious to him.

Mr. CHAVEZ. Mr. President, will my colleague yield?

Mr. HATCH. I yield to my colleague.

Mr. CHAVEZ. Knowing Mr. Dooley as well as the Senator does, and knowing his reputation as it is known in New Mexico, would not the Senator say that the Senator would be doing a grave injustice to him, practically ruining the life of a man who has built up a reputation throughout the years, if it should reject his nomination?

Mr. HATCH. In answer to my colleague, who has repeatedly said that Mr. Dooley is known in our State, I say again that I think he and I know the nominee better than does either of the Senators from Texas.

Mr. CHAVEZ. The point I am trying to make is that I actually believe in my heart that the greatest characteristic of the American is fair play, and what would the Senate do to that man, who bears such a fine reputation, if it should turn him down at this moment?

Mr. HATCH. My colleague is absolutely correct in his implication. I can think of nothing more injurious to a man than to be nominated for a position of trust and responsibility, such as a Federal judgeship, and be denied confirmation, to have cast upon him and his family forever the stain of a refusal by the Senate to confirm, when not one single word has been brought against the man's reputation, or his character or ability.

O Mr. President, we have a duty to perform. There is no question of courtesy involved. Talk to me about courtesy when a man's reputation is involved? I desire to be courteous to my fellow Senators, and I will be on every occasion, but God forbid that I shall ever extend courtesy in violation of duty.

Mr. President, the junior Senator from Texas began his argument with a dissertation upon the Constitution of the United States and expressed his high admiration for the system of checks and

balances which that great document provides. Yet, to use the rule of personal obnoxiousness is to violate the very principle of checks and balances. I say that because, as we all know, in establishing a system of checks and balances and providing for separation of the powers of the different branches of the Government, as the Constitution does, the founding fathers had in mind one great objective, which was based upon bitter experiences which they themselves had had. That objective was, in providing for a check of one branch of the Government against another, to prevent the vesting of absolute, arbitrary power in any branch of Government or in any official. The founding fathers were fighting against absolute power being vested anywhere, and to prevent that they set up the system of checks and balances.

In connection with the appointment of officials of Government, the Constitution provided that the first power should rest in the President of the United States. "The President of the United States shall nominate," is the language of the Constitution. The choice, the selection in the first instances, rest in the President of the United States, and in him alone. The choice, the selection, does not rest with any Senator, or with all the Senate. Against the abuse of the power vested in the President, the wise founding fathers said that before appointment—not before nomination, but before appointment—the Senate should advise and consent to the appointment. Again avoiding arbitrary, absolute power, all the Senate had was the right to advise against or not consent to an appointment, or to confirm a nomination, as we now say.

Was the idea to vest even in the Senate of the United States an arbitrary power which could be exercised by the whole Senate? To advance that doctrine is to deny the very principles of the Constitution and the principles upon which this Government was founded.

Many quotations could I read from those I hold in my hand from the eminent founding fathers of the Republic, but the best statement of the first theory evolved was that given by a distinguished Senator from Massachusetts regarding the power of the Senate, Senator George Cabot, who served in the Senate from 1791 to 1796. He said:

> The power of the Senate was in no sense initiative or even active, but negative and censorial, and was never to be exercised but in cases where the persons proposed for office were unfit.

He continued:

> I have always rejected the idea of nonconcurrence with a nomination merely because the nominee was less suitable for the office than thousands of others. He must be positively unfit for the office, and the public duty not likely to be performed by him, to justify in my mind the nonconcurrence. A departure from this principle would soon wrest from the President altogether the essence of the nominating power, which is the power of selecting officers, and I am fully persuaded that the disposal of offices is of all things the most dangerous to a body of men. The motives to provide for the friends of each other, and to feed their dependents are so powerful, that they will always be yielded to by men who do not stand individually responsible to public opinion. I am persuaded that any body of men as numerous as the Senate, possessing such a power, however pure they may have been originally, will be corrupted by it, and will corrupt others.

Mr. President, that is the statement of the view which was entertained by men like Alexander Hamilton, James Madison, George Washington, and others most prominent in the early days of the Republic.

From that rule, unfortunately, early in the history of the country Senators soon departed, and various other rules, or so-called rules, grew up, all of which were not adhered to, but were deviated from and changed from time to time, and on particular occasion. But I submit that the true rule could never be better expressed than as it was expressed by Senator Cabot of Massachusetts. At the other extreme, there developed the rule or practice under which any Senator could rise on the floor of the Senate and, without giving his reason therefor, simply declare, "This nominee is personally obnoxious to me;" and, upon such declaration being made, the Senate would withhold confirmation. Mr. President, I say that no such rule, no such authority, not even an implication of such authority, can be found in the Constitution of the United States, neither in the system of checks and balances, nor in the separation of powers. When I said it was absolutely destructive of the thing that the Constitution sought to guard against, the vesting of absolute power in anyone, I mean that this rule does that very thing. It violates the principal objective and purpose of the Constitution, to prevent vesting of absolute and arbitrary power. It gives to one lone Senator the right to stand up in the Senate and, without any reason whatever, to say, "This man shall not be confirmed." By giving any one Senator the power to deny confirmation, it in effect gives him a power to appoint and select; for he may then go to the Executive and say, "Unless the nominee is one that I select or approve, I shall stand up and object on the ground that he is personally obnoxious to me." It gives to an individual Senator an absolute and arbitrary power which was never designed or intended by the Constitution to be bestowed upon him.

There occurs to me a quotation which I want to place in the RECORD. The former Senator from Mississippi the Honorable John Sharp Williams, standing on the floor of the Senate, speaking of the personally obnoxious rule, said:

> Before I would rise in a secret session of the Senate—

That was before we had open executive sessions—

> to vent my private spleen or to voice my private enmity, or to express my sense of another man's personal enmity to me and defeat his nomination in that way without being able and willing to give some public reason for his defeat, I would resign my seat in that august body.

That, Mr. President, is the honorable rule; it is the rule to which I shall now refer, when I say there grew up over the years a kind of middle-of-the-road rule, by which a Senator could make a personally obnoxious objection; but in order to make it effective, he must be able to sustain it by reason and by sufficient grounds. In the course of the argument here on the floor, reference has been made to the position of our former distinguished colleague the late Senator from North Carolina, Mr. Bailey, and to the fact that he at one time interposed a personally obnoxious objection. Mr. President, he did interpose such an objection; but great man that he was, great constitutional lawyer that he was, when the former Senator from Pennsylvania, Mr. Reed, became somewhat confused about the Senator's position and said, in effect or in substance, "If the Senator from North Carolina will stand here and say this nominee is personally obnoxious to him, that will be sufficient for me," the Senator from North Carolina said, "No; I shall give my reasons why he is personally obnoxious to me." He thereupon proceeded to do so. The reasons he gave were reasons which any one of us might have given. The nominee in that connection had libeled, according to Senator Bailey, his State of North Carolina and the judiciary of that State, a charge which made the nominee not only personally obnoxious to Senator Bailey, but also extended into the general question of his fitness for the office. In that one statement Senator Bailey combined what he believed to be the correct rule, and he did not depart from it later.

Again, when Senator Bailey was speaking here on the nomination, as I recollect, of a collector for internal revenue for the State of West Virginia, he expanded his view of what he said was the unwritten law of the Senate on this subject, as follows:

> It is a rule that rises above courtesies we owe to every Senator. * * * When it is invoked by a Senator, the whole question in my mind is, "Is his action arbitrary?"

In other words, according to Senator Bailey, it is not sufficient for a man to rise in the Senate and in an arbitrary manner say, "He is personally obnoxious to me."

Is it political?

Political considerations, said Senator Bailey, should never move a man in such cases. That was the effect of his statement.

> If so, I would have a right to reject it. But, if it is well founded—

If the objection that a man is personally obnoxious is well founded—

> then my respect for the Senate rule, a sense of my own self-protection under similar conditions, commands me to sustain the rule.

He sustains the rule upon two grounds: First, that the nominee was in fact personally obnoxious; and, second, that sound and sufficient reasons were given for the objection.

Mr. President, if a rule outside the Constitution is to be adopted, if Senators are to go beyond the confines of that document, if a rule is to be adopted that recognizes the right of a Senator to make the personal objection, then the rule should require, as contended by Senator Bailey, that the Senator objecting must go further and give good foundation for his objection. That is exactly what Senator Bailey did. I do not subscribe to

that rule. For myself, I subscribe to the original doctrine that our duties are confined to determining a man's fitness and qualifications for office. But I realize that Senators differ on that point. It is a matter about which Senators themselves must make up their own minds; each Senator must determine for himself. I question no man's motive and no man's right to arrive at such a conclusion as the one at which Senator Bailey arrived. Certainly no man can say that a Senator should be permitted to stand here and arbitrarily defeat the will of the nominating power, without raising any question of qualification or fitness for office, by saying, "I say 'No'; and because I say 'No,' 95 Members of this body must bow down to that single objection."

Mr. President, I yield to no man in devotion to the Constitution. I want to see the separation of powers maintained, and I am strong in my desire to see the original intent and purpose of that document carried out, that absolute power shall not rest anywhere, not in any branch of government, and certainly not in one individual Senator.

The junior Senator from Texas, in a way, dramatizes his obligation to comply with the rule laid down by Senator Bailey, and he sets forth his reasons as to why this man—a man with whom he is not acquainted, a man with whom he never had contact—is personally obnoxious to him. What does he say in that regard, Mr. President? I shall not attempt to review everything that was said in the long hours of debate. I think it was rather sharply set forth in the letter which the Senator wrote to all of us giving his reasons for his objections, in connection with which he charged that the nomination of Joe B. Dooley represented some sort of a dark and devious plot, a conspiracy of the New Deal dynasty to humiliate the junior Senator from Texas.

Mr. President, if there had been a deep and dark and devious plot conceived by the New Deal dynasty—I am not sure what that is—if anybody had conceived a plot to bring any Member of this body into humiliation and disgrace, I will say that would be sufficient reason for objecting to the nominee had he been a party to any such plot. I think the objection would go to the nominee's qualification and fitness, and not because he was personally obnoxious, and I would back up a Senator who could sustain such a position as that.

But who formed this dark and devious plot? Is there anything in the record to show it? I have not seen anything or heard anything to show it. Even if those who object, if there be any others than the junior Senator from Texas, know of any such plot, it has not been revealed. Who were the conspirators? What are their names? All through the argument I noticed that the junior Senator from Texas said, "They did so and so; they did so and so." No names were called. The details of the plot were not given. I ask, how in the world could the nomination of a man of character and ability and high qualifications for office humiliate any Senator? How could such a plot or conspiracy be formed to name a man who is qualified for public position to a high honorable office? And how could that humiliate the junior Senator from Texas?

Ah, Mr. President, the naming of such a man as that to high office, and his confirmation by the Senate, will not humiliate the junior Senator from Texas, but if a man of character and ability, a man against whose whole life there has not been brought one single word, is denied confirmation by this body, I do not hesitate to say that the entire Senate of the United States will be humiliated and disgraced by such procedure.

O Mr. President, if there is anything against this man, bring it forth. If there is anyone who can say there has been any conspiracy of any kind, let him stand forth and say it.

Mr. President, I sought to appear before the Committee on the Judiciary to tell the committee what I knew about Joe B. Dooley. True, I was late. The regular hearings had been closed. But I thought, after all, there is such a thing as courtesy among Senators, and perhaps the members of the committee would listen to me give them my own personal knowledge. Perhaps I took too much credit to myself in thinking that that great committee, of which I was at one time a member, might like to hear me in person say what I knew about Mr. Dooley. I was denied that privilege, Mr. President.

Mr. MOORE rose.

Mr. HATCH. Will the Senator permit me to finish? The junior Senator from Texas appeared before the committee and testified. Still I was denied the privilege of giving my personal testimony. The reason I was denied that privilege was no reflection on me, and I took it as no discourtesy, because I was told that there was no evidence against the character of Mr. Dooley, and therefore it was unnecessary for me to appear.

I now yield to the Senator from Oklahoma.

Mr. MOORE. Mr. President, I am glad the Senator from New Mexico completed his statement before he yielded to me. The Senator knows that the Committee on the Judiciary will never at any time deny to any Senator the privilege of appearing before it, and especially would the Senator from New Mexico not be denied by the committee the privilege of telling what he thought the committee should know. I am glad the Senator concluded his statement and said it was unnecessary for him to appear, for the reasons stated. I will say to the Senator that I would never deny the Senator the privilege of appearing before the committee.

Mr. HATCH. The Senator from Oklahoma was present that morning, and I think he will agree that I have correctly stated the situation. I did not object to what was done. In fact, when the committee told me there was no evidence against the character of Mr. Dooley, there was no necessity in my appearing, because what I wanted to tell them was what a good man Joe B. Dooley was, and how I knew him to be such.

Mr. President, I do not want to take more of the time of the senior Senator from Texas. I think I have made it clear that I have considered it a responsibility, an obligation, and a duty for me to say to the Senate what I have said in behalf of Mr. Dooley, and I have been proud and glad to do it, because the man's entire life, personal and professional, justifies it—nay, demands it.

Mr. President, because I feel so strongly on this subject, I want to say to the junior Senator from Texas that I am not standing against him personally. I am against his position in this case as vigorously and as strongly as I know how to be. I am not even standing with the senior Senator from Texas on this proposition. Whatever differences may have existed or do exist respecting patronage questions and such things are matters with which I have no concern or interest whatever. But I am glad to stand here today by the side of the nominee. I am glad to stand on the floor of the Senate and try to deal fairly with a man who has dealt fairly with his fellow men all his life. I am glad to have said what I have said honestly about a man who has been honest in all his dealings with his fellow men.

Mr. President, I am glad as a lawyer to stand here and pay tribute to the man's high reputation as a lawyer. I would take the letter written by Judge Wilson, supposed by the junior Senator from Texas to be Mr. Dooley's campaign manager, and which the Senator sent around to all of us—an honorable judge who has occupied the position of judge of the northern district of Texas for many years—and let that letter also stand as a testimonial to the fairness, honesty, integrity, character, ability, and the fitness of the nominee for office.

I should like to talk about the railroad lobby, and the attorney, Mr. H. C. Pipkin, of Amarillo, Tex., whom I also have known for many years. I challenge the junior Senator from Texas—I am sorry he has gone from the Chamber—to say one word against the character and honor of Mr. Pipkin. I will say that the enemies of the junior Senator from Texas probably will say that the worst blot upon the reputation of Mr. Pipkin is that he has always been an ardent supporter, political and otherwise, of the junior Senator from Texas. Mr. Pipkin came here and testified in behalf of the nominee.

Mr. President, I would say one more word. I would simply urge Senators to accord the nominee the degree of fairness and justice and square and honest dealing that they would expect to receive from the hands of the Senate of the United States if they were nominated to a high and responsible office. If Senators will follow that rule, this nomination will be confirmed, as it should be confirmed, without a single, solitary dissenting vote.

Mr. President, I have made reference to various statements relating to the constitutional duties of the Senate. I ask unanimous consent that they all may be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SENATOR BAILEY'S VIEWS

The committee's report, adverse to the nomination, was presented by Bailey, who expounded his own view of the unwritten law of the Senate known as the personal obnoxiousness rule.

"It is a rule that rises above the courtesies we owe to every Senator. * * * When it is invoked by a Senator, the whole question in my mind is, is his action arbitrary, is it political? If so, I would have a right to reject it. But if it is well founded, then my respect for the Senate rule, a sense of my own self-protection under similar conditions, commands me to sustain the rule. * * * I rather think that the rule should not go. It has been a rule of the Senate a long time."

MADISON'S VIEWS

Two days later the Senate passed a resolution declaring that "in the opinion of the Senate, the powers and duties of the Secretary of the Department of the Treasury, and those of an Envoy Extraordinary to a foreign power, are so incompatible, that they ought not to be, and remain united in the same person"; and the Senate instructed the committee on Gallatin's nomination to communicate this resolution to the President of the United States, and respectfully to confer with him upon the matter thereof.

Thereupon President Madison sent a message to the Senate in which he set forth his views as follows:

"The Executive and the Senate in the cases of appointments to office, and of treaties, are to be considered as independent of and coordinate with each other. If they agree, the appointments or treaties are made. If the Senate disagree, they fail. If the Senate wish information previous to their final decision, the practices * * * has been either to request the Executive to furnish it, or to refer the subject to a committee of their body, to communicate either formally or informally, with the head of the proper department. The appointment of a committee of the Senate to confer immediately with the Executive himself appears to lose sight of the co-ordinate relation between the Executive and the Senate, which the Constitution has established, and which ought therefore to be maintained."

WASHINGTON'S ATTITUDE ON APPOINTMENTS—NEITHER PERSONAL NOR POLITICAL

From the outset President Washington anticipated that the exercise of the appointing power would prove one of the most difficult parts of the duty of his office. A few months later he declared this to be "the most irksome part of the Executive trust." No President ever approached the task with greater singleness of purpose. The advances of relatives seeking office met with chilling discouragement. He declared that nothing beyond testimonials with respect to abilities, integrity, and fitness would be of any avail in his decisions. An intimate personal friend applied to him for a lucrative office. No one doubted that he would receive it. A political enemy applied for the same position, and, although everyone marveled at his presumption, he got the nomination. To a friend who remonstrated with the President at this choice Washington replied:

"My friend I receive with cordial welcome; he is welcome to my house and welcome to my heart, but, with all his good qualities, he is not a man of business. His opponent is, with all his politics so hostile to me, a man of business; my private feelings have nothing to do in this case. I am not George Washington, but President of the United States. As George Washington, I would do this man any kindness in my power; as President of the United States, I can do nothing."

WASHINGTON'S VIEWS

To the question what scope should be given to the Senate's advice and consent, President Washington gave not a little anxious thought. He sought advice, and weighed it carefully. In his diary he recorded (April 28, 1790):

"Had some conversation with Mr. Madison on the propriety of consulting the Senate on the places to which it would be necessary to send persons on the diplomatic line and consuls; and with respect to the grade of the first—His opinion coincides with Mr. Jay's and Mr. Jefferson's—to wit—that they have no Constitutional right to interfere with either, and that it might be impolitic to draw it into a precedent, their powers extending no farther than to an approbation or disapprobation of the person nominated by the President, all the rest being executive and vested in the President by the Constitution."

SENATOR BORAH'S VIEWS

Despite Holt's protest, and this defense of the rule by Bailey in presenting the Finance Committee's adverse recommendation, the nomination of Yoke was confirmed by a vote of 46 to 15.

The next day Senator Borah submitted a significant resolution. Declaring that it had been the practice (not the rule) of the Senate to refuse to confirm a nomination stated to be personally objectionable by a Senator from the State affected, and that the matter of confirmation should be determined by the qualifications and fitness of the nominee, and not by the personal feelings, likes, or dislikes of a Senator, it proceeded:

"Whereas such a practice transfers the power of rejection or confirmation from the Senate as a whole to a single Senator, in violation of the spirit, if not the letter, of the Constitution: Therefore, be it

"*Resolved*, That the Senate discontinues and disapproves of such practice and will hereafter not respect or give effect to objections based upon the fact that said nominee may be declared personally offensive or personally objectionable to a Senator."

ALEXANDER HAMILTON

It will be the office of the President to nominate, and with the advice and consent of the Senate to appoint. There will, of course, be no exertion of choice on the part of the Senators. They may defeat one choice of the Executive, and oblige him to make another; but they cannot themselves choose—they can only ratify or reject the choice of the President.

PRESIDENT TAFT

In the matters of recommendation, and, indeed, of obtaining office, it is leg-muscle and lack of modesty which win, rather than fitness and character. The appointing power is in effect in the Senators' hands, subject only to a veto by the President.

JOHN SHARP WILLIAMS, ON PERSONAL OBNOXIOUS RULE

Before I would rise in a secret session of the Senate of the United States, to vent my private spleen or to voice my private enmity, or to express my sense of another man's personal enmity to me and defeat his nomination in that way without being able and willing to give some public reason for his defeat, I would resign my seat in that august body.

Mr. REVERCOMB. Mr. President——

The PRESIDENT pro tempore. The time is at the disposal of the two Senators from Texas. The Chair can recognize other Senators only if time is granted to them.

Mr. REVERCOMB. Mr. President, I merely wish to make a brief request. Will the Senator yield for a minute?

Mr. CONNALLY. I have not the floor. The junior Senator from Texas is not in the Chamber. It is his time to proceed. Does the Senator wish to speak about the case before us?

Mr. REVERCOMB. No.

The PRESIDENT pro tempore. The Chair requests the presence of the junior Senator from Texas.

Mr. CONNALLY. I am not disposed to deny the Senator from West Virginia an opportunity to submit his request, but I do not wish to take up too much of my time. The junior Senator from Texas has had 2 days. How much time does the Senator wish?

Mr. REVERCOMB. Less than a minute.

Mr. CONNALLY. I yield.

The PRESIDENT pro tempore. Before the Senator from West Virginia proceeds, the Chair suggests that the officers of the Senate try to obtain the presence of the junior Senator from Texas?

Mr. REVERCOMB. Mr. President, I ask unanimous consent that the Committee on Public Works be permitted to meet while the Senate is in session today.

The PRESIDENT pro tempore. Without objection, permission is granted.

The Chair is at the mercy of Senators in charge of the time.

Mr. CONNALLY. Mr. President, I want to accommodate the Chair and other members of the Senate. The junior Senator from Texas occupied nearly 2 days—one entire day and nearly all of another day. Until today we have had no opportunity to address the Senate. In all fairness, I think he should proceed and finish his opening statement so that we may make reply to it. I do not know where he is.

I shall yield myself 15 minutes.

The PRESIDENT pro tempore. The senior Senator from Texas is recognized for 15 minutes.

Mr. CONNALLY. Mr. President, I very deeply regret the absence of so many Senators at this session of the Senate. This case has been pending before either the committee or the Senate since early in January. It was thoroughly investigated and examined by the Committee on the Judiciary. A number of hearings were held. After the hearings were concluded the junior Senator from Texas [Mr. O'DANIEL] received a letter from someone in Texas, and the committee reconvened and examined what was supposed to be in the letter. We are now nearing a vote on the nomination, and I very greatly regret that Senators are not present in greater number to hear the few remarks I shall make.

Mr. President, in the brief time allotted to me I wish to point out some of the vital things involved in this case. When Senators are elected to serve in this body, they are elected to serve the purposes of the Constitution of the United States. That includes legislative matters, of course. It also includes that part of the

Constitution relating to nominations made by the President of the United States. It is just as much our duty to give attention and consideration to nominations, and to abide by the rules of the Senate respecting nominations, as it is to respect the Constitution when it comes to legislation.

When it comes to a nomination, I feel that I am under constitutional compulsion, if I find the nominee to be a man of good character and a man of qualifications, with no charges against him, to vote to confirm his nomination.

Let us see about this case. The junior Senator from Texas has made a great commotion about a plot which was inspired to humiliate and discredit him. I know that there is no basis whatever for such a charge as that. The President of the United States does not even know Mr. Dooley. Mr. Dooley has never met the President of the United States. If there is a diabolical and sinister plot, as the junior Senator from Texas charges, the senior Senator from Texas is the diabolical plotter who ought to be held responsible.

Mr. President, this is simply a routine nomination, in the regular course of senatorial business. When Judge Wilson, the incumbent, notified the President and the public that he was about to retire, immediately lawyers all over this judicial district began to write me and to urge that I recommend for appointment Joe B. Dooley. I have never discussed this case with the President of the United States. The President of the United States has never consulted me, except through the Attorney General to advise me that there was to be a vacancy, and that he would be glad to have any recommendations I might see fit to make.

Mr. President, this is not even a political appointment. Mr. Dooley has been only casually known to me over the years. He is not one of my political lieutenants. He is not a part of my machine. I do not have such things. He is simply an outstanding lawyer and citizen. Outside Fort Worth, where the junior Senator resides, and where the two candidates whom he recommended reside, and outside that county, members of the bar of that district are almost unanimous in support of Mr. Dooley. I would not say that they are unanimous, of course, because I have not consulted all of them. However, lawyers from 48 counties in that district recommended Joe B. Dooley before any nomination was made by the President or any recommendation was made by me. As I recall, there was no protest from the bar. There were some endorsements, of course, from Fort Worth, of the two men whom the junior Senator had recommended for appointment, but there was no protest against the name of Joe B. Dooley.

When the committee met, not a single member of the bar of that district, with one exception, came before the committee to oppose the nomination of Mr. Dooley; and that one testified that Mr. Dooley was a man of high character. He testified that he was a man of great ability as a lawyer. His only objection was that he thought both Senators ought to agree. The witness to whom I refer was Mr. Karl Crowley, a lawyer, who was for several years in Washington under the Roosevelt administration as Solicitor for the Post Office Department. Even he testified to the character and ability of Mr. Dooley, and made no complaint in any respect.

Mr. President, who is Mr. Dooley? Mr. Dooley is not a politician. He has never held public office, except for one term on the school board, I believe. He has never been a candidate for office. He has been a lawyer. He has been a lawyer's lawyer, a man devoted to the bar, a man who has attained eminence and distinction as a member of the bar. He served as president of the State bar association. Complaint was made by the junior Senator from Texas that Mr. Dooley was nominated to that place in order to help him get this position. That is simply fantastic. He served, first, as a director of the bar association in his area. He was then elected vice president of the bar association of the entire State, and was elected president of the State bar association before the question of his nomination for judge ever came up or was ever considered.

Mr. President, the CONGRESSIONAL RECORD, if the Senators will consult it, shows that Mr. Dooley is endorsed by the Chief Justice of the Supreme Court of Texas. It shows that his candidacy is endorsed by a number of other judges of the Supreme Court of Texas before whom he practiced. It shows that he is endorsed by judges of the court of civil appeals and other judges not confined to his immediate territory.

If Senators will read the RECORD they will find that he was endorsed by 15 former presidents of the State Bar Association of Texas. He was endorsed recently in Dallas by his old law class; he was endorsed unanimously by all of those who were present at the convention of the State Bar Association, where they testified to his ability, his capacity, his character, and all the qualities which go to make an eminent and useful judge of the district court.

Mr. President, what are the objections to Mr. Dooley? When I received the recommendations from the bar of that district there accompanied them an appeal that the western part of the district should at last be recognized by the appointment of a judge.

I have a map here for the convenience of the Senate. It shows that for nearly 70 years Fort Worth has had the district judgeship. In the meantime, the tremendous area to the west of Fort Worth has grown and developed and is now being settled and populated. Amarillo is some 300 or 400 miles from Fort Worth. Dallas has two district judges. Fort Worth is only 33 or 34 miles from Dallas and has access to the judges who are in Dallas as well as those who are in Fort Worth. Within the district west of Fort Worth there are five divisions of the court, and there is only one division in Fort Worth.

I thought it was just and fair that the western part of that district be recognized by the appointment of a judge. There is more business in the district outside of Fort Worth, in those five divisions, than there is in Fort Worth. Yet the junior Senator from Texas contends that because Fort Worth has had the district judge for nearly 70 years it should continue to have him. I did not think so. On the basis of the recommendations by the bar and by the citizenship of that district, and because of considerations of geography, I recommended to the President the appointment of Mr. Dooley.

There is the heart of the plot. There is the heart of this diabolical and sinister enterprise to discredit and humiliate the junior Senator from Texas.

Frankly, the junior Senator from Texas and his political fortunes did not occur to me in making the endorsement. I was not disregarding them, and I was not regarding them. I knew he also had the right to make endorsements, as I had the right to make them. He speaks of not having been consulted. The record shows that he was consulted. The record shows that the Attorney General called him and asked him if he wanted to make an endorsement, and he responded with two endorsements of men from Fort Worth, both of them splendid gentlemen, both of them able lawyers. If the President of the United States had nominated either one of them I would vote for the confirmation of the nomination. There is no politics involved in this matter from my viewpoint; there is no spleen; there is no feeling. Some Senators have approached me and said, "Now, CONNALLY, this is simply a fight between you and the junior Senator from Texas over patronage." The junior Senator from Texas disavows that, and I likewise want to disavow it.

My colleague has as much right to make recommendations as I have. I have never taken any part in the campaigns of the junior Senator from Texas, and I have never done anything in the Senate to discredit him. What I have done was done to aid him, I thought. I have been courteous. I have tried to aid him in regard to committee assignments and matters of that kind, and I have never participated in any movement to discredit him. It is simply a case where both Senators have the right to make endorsements. The junior Senator did not seem to be able to make up his mind, because he endorsed two candidates, both from his own town, both splendid gentlemen and fine lawyers, and if either one had been nominated I would vote for confirmation.

Mr. President, I yield myself five more minutes.

What is the situation? Senators have come to me and said, "Your man is all right; his character is good, but he is personally obnoxious to your colleague." There are precedents in these matters. In the old days all a Senator had to do was to rise in his place and, on his integrity and honor as a Senator—remember that—state that the nominee was not generally obnoxious, not politically obnoxious, but personally obnoxious to him. In the old days that rule obtained. But, Mr. President, when a Senator stood on the floor and, on his honor and integrity, made that declaration it was implied that the nominee had done something or said something which gave

ground for his being personally obnoxious—obnoxious to the Senator personally, not to the entire Senate. He had said something or done something or committed some offense which gave the Senator the right to say, "He is personally obnoxious to me."

But, over the years, that rule has been changed. The late Senator Borah, of Idaho, one of the greatest men to serve in the Senate for many years, voted against that rule. He said it was outmoded; that the only test in the Senate was character, capacity, and ability. I have seen it set aside in this Chamber since I have been a Member of the Senate. The rule, if there is a rule—there is no rule; it has merely grown up here by courtesy—the practice now is that when a Senator makes the claim that a nominee is personally obnoxious to him he must state the reasons and the grounds for his statement. I remember that the Senator from Massachusetts [Mr. SALTONSTALL] asked the junior Senator from Texas if he would state what this man had done or said that made him personally obnoxious. The junior Senator from Texas made no reply except to say that under the precedents it is only necessary to say that a nominee is personally obnoxious..

Mr. President, do you not think that in fairness, in candor, and in justice to the Senate, the junior Senator from Texas should tell the Senate what offense the nominee has committed against him, what words he uttered which were disrespectful to the Senator from Texas, or what acts he may have committed which were in derogation of the Senator from Texas?

What is the proof as to that, Mr. President? The committee had that question under consideration; and the testimony before the committee is to the effect that Mr. Dooley had never met the junior Senator from Texas in his life until he met him in the committee room. The further testimony was that the junior Senator from Texas had never known Mr. Dooley, had never seen him, except he qualified it by saying that he thought perhaps he had seen him once in a crowd. On the other hand, Mr. Dooley says he never met the junior Senator from Texas. The proof shows that they had never had any communication of any kind. The proof further shows that Mr. Dooley has never handled any law business or other matters in which the junior Senator from Texas was involved.

Mr. President, with that kind of a record, no matter what a Senator says, how can there be anything on which to base personal obnoxiousness? How can there be any foundation for such a charge? Is the Senate going to adopt a doctrine that it will reject the nomination of a man who is qualified, who has character, who has been appointed by the President, and who has been approved by our own Judiciary Committee, simply because some Senator says he is personally obnoxious to him, although the record and the sworn testimony show that there is no ground whatever for an objection based upon personal obnoxiousness? How can a man be obnoxious to me unless he does something to me, unless he says something about me, unless he offends me in some way? Have I a radar mind which enables me, after looking up into the sky, to say, "This man is personally obnoxious to me, and he cannot be appointed"? Oh, no, Mr. President; when the facts are one way and the statements are another way, how can the Senate adopt the cruel, unreasonable, and ridiculous policy that it will reject the nomination of a man simply because a Senator says he is personally obnoxious, although the facts show that it would be absolutely physically impossible for him to be personally obnoxious?

If there is any obnoxiousness in this record at all, it is supposed to be political. This man Dooley is not a politician. He never held office except as school trustee. The junior Senator from Texas has said that Mr. Dooley was a New Dealer, and that any New Dealer is personally obnoxious to him. That was the final reason he gave. I have the record here, and I shall look it up in a moment. The junior Senator from Texas said that Mr. Dooley was personally obnoxious to him because all New Dealers are personally obnoxious to him.

Mr. President, as I have said, Mr. Dooley is not a politician. He rarely, if ever, has done anything more than go to the ballot box and vote. Yes, he is a Democrat. He is what might be called a good, middle-of-the-road Democrat, just as there are a number of good, middle-of-the-road Republicans in this Chamber. That political charge can have no basis here. The fact of the matter is, I feel sure, that Mr. Dooley is not what many persons would call an extreme radical as a New Dealer.

Mr. Dooley is a man of conservative habits and conservative mind. He is trained at the law; and all of us know that training at the law has a tendency to instill conservatism in the bosom of a man. He respects the precedents, he respects the facts, he is conscious of them, and he is indifferent to radical change. We all know that. That is the kind of New Dealer Judge Dooley was.

Mr. President, there is no foundation whatever for the objection. But we see that if there is any objection at all, it is not personal obnoxiousness, but is political obnoxiousness.

Now let me say a word along that line. I have been a Member of the Senate for 18 years. During that time I have never voted against a Republican nominee because he was a Republican. I do not now recall that I ever voted against one, except one nominee for membership in the Supreme Court, some years ago; and my objection to him was not personal, but was because I did not agree with what I thought were some of his views. Later on he became a member of the Court, and he made a great judge; and on one occasion I expressed to him my regret that I had misunderstood his attitude, and had voted against him.

But I have never voted against a single nominee of a Republican President because he was a Republican. Since I have been in the Senate, three Federal judges were appointed in Texas by Mr. Hoover. I voted to confirm the nominations of every one of them. Because a man is a Republican is no reason, to my mind, why his nomination should not be confirmed, if he has the requisite qualifications and character.

I can name those judges, if that is desired. One of them is Judge Kennerly, of Houston, a man of fine character and fine attainments. He was appointed district judge, and I cheerfully voted for him.

Another one was Judge Bryant, of Sherman, Tex., a Republican. His father had been a judge, years ago. He is a fine man. I endorsed him and supported him. Of course, he is a Republican, but what difference should that make? The Constitution does not say that we have to vote against a man because he is a Democrat; it does not say that we have to vote against a man because he is a Republican. A nominee is considered here as an appointee, with his qualifications and his character. Those are the tests. There are no other tests, under the Constitution, save a Senator's own conscience and his own convictions as to whether the nominee is the proper man.

The other judge was Judge McMillan, of San Antonio, Tex., a Republican. I voted for him; I supported him. As I recall, in my 18 years of Senate life I have never objected to any nominee because he was a Republican. Yet the junior Senator from Texas bases his opposition to Mr. Dooley on political grounds, saying that he is a New Dealer. Mr. President, the junior Senator from Texas is no more correct about that than he is about the so-called senatorial plot. If there is any plot, I am the plotter; if there is anything diabolical, I am the one who is diabolical; if there is anything sinister, I am the one who is sinister—simply because I made this recommendation. I never discussed it with the President in my life. I made the recommendation and sent to the Attorney General the letters which had been written to me by members of the bar. The Attorney General, I suppose, acquainted the President with the situation, and the President nominated Mr. Dooley. That is the plot, that is this dire conspiracy, concocted behind closed doors, in the dark, with all the machinations of political scheming and diabolical and sinister planning. I never talked to the President about it in my life. I talked to the Attorney General, and a good many thought he wanted another man, not the one recommended by the junior Senator or the one recommended by me, but another man, a resident of Fort Worth, but he could not overcome the present nominee.

Mr. President, I wish to refer to the map on the wall of the Senate. It is a map of the western district of Texas. I point out Fort Worth to Senators. Here is Dallas, in the next county. Dallas has now two district judges. Fort Worth has one, who has been on the bench 28 years. Senators will note all this territory to the west from Fort Worth, including the territory on the Red River, reaching all the way to Kansas on the north, New Mexico and Colorado on the

west, running south, away down, a tremendous area, to include San Angelo and Abilene.

Mr. President, in that territory there are five court divisions; one at Wichita Falls, one at Amarillo, one at Lubbock, one at Abilene, and one at San Angelo. That section has had a marvelous development, in industry, in the raising of cattle, in the production of wheat, oil, and all the modern products of Texas.

I do not know just the distance from Amarillo to Fort Worth, but it is three or four hundred miles. I thought it was fair to put a judge somewhere out in that territory, one who could serve these five divisions, and to whom the lawyers would have access for their extraordinary writs and processes.

Fort Worth, which I indicate here on the map, is only 35 miles from Dallas. Dallas has two Federal judges, and Fort Worth has one. There will be another appointment some of these days, and if the junior Senator from Texas will be patient he may get a judge out of his home town. But he bases his opposition on the fact that a plot exists to appoint a judge from a place other than his home town, Fort Worth, where there has been a judgeship for 70 years.

Mr. President, I understand I have used 30 minutes.

The PRESIDENT pro tempore. The Senator has used 31 minutes.

Mr. CONNALLY. I shall not consume more of the time of the Senate. Later I shall have something more to say, and I crave the consideration and attention of Senators when I resume the floor.

I want Senators to remember that there is no basis on earth for the "personally obnoxious" objection. The committee members will state that it was demonstrated that Mr. Dooley did not know the junior Senator from Texas, and that the junior Senator from Texas did not know Mr. Dooley. The testimony of Mr. Dooley is that he never said a word against the junior Senator from Texas, and has never done anything to him, he has never taken part in any of the campaigns in which the junior Senator has become involved. How can there be any ground for the charge of personal abnoxiousness, in the face of these hard, inexorable, and unbending facts?

I submit to the judgment of Senators, not to their prejudice. I do not want to talk to Senators who are being actuated, if any are, by prejudice. This is the Senate of the United States. This is not a corner grocery store, where people indulge in gossip, in slander, in back-door talk. This is the Senate of the United States, and its Members should be governed by high and honorable motives. They should not send Mr. Dooley away from the doors of the Senate with a stain upon him, a stain that could not be washed away by words, a stain that could not be eradicated by any sort of cleaning fluid. If the Senate does not confirm him, it sends him away with the condemnation of the Senate of the United States, when he has done nothing to deserve it, when the committee could not find a blemish on his character, when the committee could not find a single thing against his reputation as a lawyer, when the committee could not find evidence of anything he had ever done or ever said or ever uttered or ever committed against the junior Senator from Texas.

How could the objection be personal? It has to be personal; it cannot be political. It has to be personal, involving something Mr. Dooley has done to the person of the junior Senator from Texas. Such a thing does not exist, it never did exist, it cannot exist, in the face of facts.

The PRESIDENT pro tempore. The senior Senator from Texas has approximately 25 minutes remaining. The junior Senator from Texas is recognized.

Mr. O'DANIEL. Mr. President, as I have stated on the Senate floor previously, I have great admiration for men of legal talent and experience and ability. I humble myself before them when with their oratory and eloquence they seek to defend a cause. I appreciate what has been said here today by the two Senators from New Mexico [Mr. HATCH and Mr. CHAVEZ] and my colleague, the senior Senator from Texas [Mr. CONNALLY]. I appreciate the discussion of the Constitution by the able senior Senator from New Mexico [Mr. HATCH], who is an authority on it. I appreciate all these things. I appreciate the fact that the senior Senator from Texas has confirmed that this is not a patronage fight between the two Texas Senators.

I also appreciate beyond words the assurance from my colleague, the senior Senator from Texas, that if I will just be patient I may some day have something to say about the selection of Federal judges in Texas. I have been patient for almost 6 years. I do not know just exactly when patience ceases to be a virtue. I have tried to practice the virtue of patience.

At the present time I am opposing the nomination of Joe B. Dooley, of Amarillo, for various reasons. I do not put all my eggs in one basket. I object because the nomination is personally obnoxious. A nomination is not a person in being, an animate creature; the nomination before us is the whole process by which this nominee's name has been submitted to the Senate, and the whole thing is a sinister, diabolical plot, I repeat. I am glad the senior Senator from Texas has disclaimed any part in this sinister, diabolical plot, and I have never accused him of being a party to it. Nevertheless, the plot does exist, it is a living, breathing thing, and it has existed over a period of years. This is simply a continuation of it.

Mr. President, I did not know before that it was absolutely essential to be personally acquainted with a man in order for that man to be personally obnoxious. I am using a very broad comparison, but I have always considered Mr. Hitler as being personally obnoxious to me. I never met the man and do not know whether he is living or dead, but he and a few others in this world whom I have never met are personally obnoxious.

Mr. President, there are other objections to this nomination. I have stated them upon the floor of the Senate and other places. I will try to touch on these objections in this discourse. One of the principal objections is that the sinister diabolical plot is a scheme to use the Senate of the United States as a political weapon for the purpose of purging a United States Senator. It does not particularly worry me, so far as personal consequences are concerned, not any more than it may worry any other Senator, should this precedent be established or should this system be allowed to continue; but that is a point to which I object. I think it is wrong to use the Senate for such a purpose.

I may not be in position to speak so eloquently about the Constitution of the United States as my able friend, the senior Senator from New Mexico. As I said before he entered the Chamber, I always enjoy listening to him. But, in my humble station in life, I have a great admiration for the Constitution of the United States. In my humble way, I have carefully studied it and and I have read much about it. I think it is the greatest document outside the Holy Bible that was ever written by the hand of civilized and Christianized man. I think it laid down a principle of government which has endured for over 165 years. It has enabled its citizens under this Constitution to develop from a wilderness the greatest nation on the face of the earth. When our wise forefathers went about the task of setting up our American form of representative democracy, they had uppermost in their minds the firm conviction that it should be a government of the people, by the people, and for the people. That was not just an empty catch phrase. Those words, "of the people, by the people, and for the people," were not coined for the exclusive use of Fourth of July orators. These men had in their subconscious minds the great panorama of all past history, during which, except in isolated cases of short duration, the masses of the people had been slaves or subjects of those who were generally claimed to be supermen, and men of superminds. But history proves that all men are of the flesh—that all men, being human, will sooner or later make mistakes, regardless of their honesty and regardless of their good intentions. Based on this undeniable fact that the few men who did the thinking for the masses made a serious mistake, as a result of which their nation was thrown into confusion and was generally taken over by some other tribe or government, either by force of arms or by infiltration, our wise forefathers reasoned that the thinking by the masses would be a better protection for the people as a whole, because it is rarely possible for the majority of the people, through the sum total of their thinking, to be completely wrong. That is possible for some superminded individual, rarely. So, for this and for many other reasons, they set up this Government of, by, and for the people. This system has stood the test of time. By this process, as I stated before, our Nation has grown and prospered. It has grown from a wilderness to become the greatest nation on the face of God's earth.

Today, Mr. President, in the Senate of the United States, we are dealing with one of the most vital and fundamental component parts of this great system.

We are dealing with the selection of a person to fill an office for the remainder of his lifetime, unless he retire or be retired for misbehavior. That is a very important position. That position may affect the lives of all citizens in a judicial district of any one of our sovereign States—the office of district judge. The person who is finally sworn in to fill this position will have the power to determine the disposition of the material possessions of the people, the marital relations of families, the important question as to whether or not some of the citizens may live or may be put to death. That means much to the people of my State. It means a great deal to them that we get a man of judicial experience, a man trained in criminal law, a man having all the qualifications that a judge should have, to rule over them in judicial matters. Those are great responsibilities to place in the hands of one man. That is why our wise forefathers determined that the selection of that man should depend not alone upon the judgment of one man, our Chief Executive, who is elected every 4 years by the people of the sovereign States, through an intricate system of balloting; but also it should depend upon approval by the majority of the Senators, who are chosen for a period of 6 years, through an entirely different balloting system, by the people of the sovereign States. Our wise forefathers set up a very important system of selecting the Federal judge, because they realized he might pronounce the death sentence on any of our citizens.

It appears to me that our wise forefathers went a long way for the protection of the individual citizens of this great Nation when they set up the system of selecting Federal judges. But, Mr. President, they did not stop with that. They went further. I think perhaps the framers of our Constitution actually envisioned, at some distant day, there might spring up in our Nation certain cliques which would become known as political parties, and who, for the sake of manifesting power to govern the people, might place the welfare of the party above the welfare of the Nation. They naturally concluded that if such a disastrous thing as that should spring up or develop, some of the Senators might deem it personally expedient to go along with the party, and that if a sufficient number of those Senators, whom they looked upon as ambassadors of the sovereign States, representing their States in the newly established Federal Government—if enough of them should become loyal members of a political party seeking to rule the Nation, the people of such States might find themselves without due representation in the Upper Chamber of the Federal Government. So, as a partial protection against such a disastrous potential circumstance, our wise forefathers did a thing that had never been done before in any government, and that has never been done since. They provided for two United States Senators, instead of merely one. One person serves as President, as governor, as Representative from a congressional district, as president of a corporation, as mayor of a city, and so, all down the line, one man fills an individual office. But our wise forefathers placed two men in the same office with identical duties and responsibilities. It is the only public office on record in which two people are empowered to perform identical duties and to discharge identical responsibilities, both being selected by the same system. The only reason that could be assigned for such a phenomenon is a desire to safeguard the right of the people to life, liberty, and the pursuit of happiness, in case one of the Senators fails or refuses to respect the wishes of the people of his State on the selection of a Federal judge, regardless of how small that minority may be.

Mr. President, I thank God for the wisdom of our forefathers in looking down the corridor of time to envision with accuracy the situation which exists in this Chamber at this moment. While it is a distasteful duty, I am nevertheless performing it with all my might and vigor. It is my sacred duty as a duly elected United States Senator from the great State of Texas to lift my voice on the floor of the Senate for the protection of thousands of honest, God-fearing citizens of Texas. They have no other voice whatever except mine with which to register their opposition and resentment to this rotten political appointment of Joe B. Dooley, an appointment conceived in the mind of his political campaign manager, the present judge in the northern district of Texas, who desires to perpetuate his own rule through one of his faithful henchmen. It has also been fostered and developed by the attorneys and lobbyists of certain large railroad corporations. It could be possible that these railroads count on protection of this nature from suits filed against them by individual citizens and by the Federal Government for overcharge in rates during the wartime on transporting soldiers and fighting equipment which might be engineered by stooges of the most rotten and corrupt political dynasty that ever destroyed or attempted to destroy any nation—the New Deal dynasty.

Yet, Mr. President, I am simply and humbly performing the duties of my office as I see those duties. I am talking with all the vehemence at my command against the corrupt system which has been foisted upon the good people of this Nation during the last 14 years.

I have not one iota of enmity or bitterness in my heart against any person on the face of the earth. I firmly believe that it is possible to loathe the sin yet love the sinner. I am fighting for a principle. I do not agree that all those who have taken part in this sinister, diabolical plot are conscious of what they are doing or of the harm and damage they are doing to many people.

Yes, Mr. President, I am against the New Deal dynasty. I oppose and abhor every thread and fiber of it. To me it is the combination of communism, socialism, and all other dangerous foreign isms wrapped up into one bundle. By planning and blueprinting and plotting the New Deal system has created one emergency after another and piled emergencies on top of emergencies. By premeditated planning and relentless determination it has poured the accumulated billions and earnings and savings of our people during the entire lifetime of our Nation down every rat hole in every nation on earth where a permit can be obtained to start pouring. At the same time through collaboration with labor-leader racketeers it has swung the ax in every direction in an effort to kill the goose that has laid the golden egg—our free private-enterprise system.

By incessant propaganda it has tarred and feathered those thrifty folks who would own their own homes or have a bank account, and pinned the badge of honor on grafters, loafers, character assassins, do-gooders, and bums. It has educated our rising generation to the idea that milk and honey do not flow from productive cows and busy bees, the maintenance of which requires labor and skill, but comes rather from sucking the Government sugar tit and milking the United States Treasury.

Double-talking bureaucrats and their press agents have succeeded in outbabbling the babblers who attempted to build the Tower of Babel, and their last great Government project will probably be moving the Tower of Babel to New York Harbor, to replace the Statue of Liberty so that X will mark the spot where once stood the emblem of liberty representing a nation of rugged individualists, representing the end of that nation, which began March 4, 1933.

Yes, today we stand, Mr. President, with our pockets empty, nationally bankrupt, with a public debt larger than the mortgage-sale value of all the real and personal property in our Nation. This debt will not be paid off during the next 100 years. Yet we stand with our guns pointed at the heads of all bankrupt nations of the world demanding that they let us print some more paper money, and send it to them gratis by prepaid express. And if that is not fast enough, Mr. President, for some, we will send them our money printing plates by air express and let them print all of our United States money they want, such money to be redeemed at par by us when it comes back to our Treasury.

Yes, Mr. President, I am against all this tomfoolery. I want to get out of the rut. I want to get off this New Deal muddy detour and back on to the solid highway of sound prosperity and real American happiness.

Now, Mr. President, because I have consistently opposed all this skulduggery that has nearly wrecked and ruined our great Nation, I have been marked by the New Deal gang to be robbed of the right to perform my constitutional duty as a United States Senator to serve the honest citizens of my State in helping to select their Federal judges without being condemned for such action. If I had simply gone along with the crowd, Mr. President, if I had taken the easy path, Senators would not be hearing from me today on this subject. The nomination would have been made to order, painted snowy white, wrapped up in red, white, and blue colors, decorated with shining tinsel, and delivered to the most perfect New Deal stooge in Texas by Santa Claus in the White House, and some of the big New Deal newspapers in Texas would be running my picture on the front page with the title "The Great Texas Statesman."

But, Mr. President, I did not go along. I preferred to follow the Constitution. I preferred to do my own thinking—admitting, of course, that no man is infallible, that we all make mistakes. But I like the idea held by the wise framers of our Constitution, the idea that we should all think for ourselves, and not be yes-men or stooges or quislings. So I am merely plodding along in the old-fashioned, traditional American way, doing the best I can.

Now, Mr. President, after the wise framers of our Constitution got the system all worked out and written up and signed, they just kept on thinking, and they finally looked into the future and thought about me. Yes; they thought about me, Mr. President.

They may have said, "There may be some persecutions of public officials in the future, when an honest, conscientious, God-fearing Member of the United States Senate will be forced by his conscience to stand alone."

Yes; they thought about me. Mr. President, they also thought about Senator PAT MCCARRAN. They thought about Senator HARRY BYRD. They thought about the late Senator Carter Glass and the late Senator Josiah W. Bailey, those great men of the past. They thought about many other Senators who will possibly cross this great public stage in the future. They reasoned that in the future some lone Senator might have a good and valid reason for objecting to the confirmation of the nomination of someone from his State, and that the reason might be of such a nature that it should not be discussed upon the floor of the United States Senate. They reasoned that a Senator should be more familiar with persons and circumstances in his own State than Senators from other States would be, and that all Senators, being equal in power, should respect the judgment of any Senator on matters concerning his own home State. So they established what is known as the unwritten law of senatorial courtesy, one of the greatest unwritten laws ever established.

With few exceptions this unwritten law has been protected and preserved throughout all these years. The unwritten law of senatorial courtesy is just as sound when invoked and respected in the Senate as is the unwritten law which empowers a man to protect with impunity the sanctity of his wife in his own home when assailed by a powerful enemy of virtue.

Mr. President, it would be a phenomenon if two or more cases of this nature were exactly alike. Each case so far has been different, and perhaps all future cases will each be different. But if we sincerely bear in mind that it is the protection of the welfare of the people that is paramount, there is not the slightest possibility of any damage being done by the Senate through respecting the unwritten law of senatorial courtesy in each and every case.

In this particular case my colleague [Mr. CONNALLY] appears to be perfectly satisfied that the appointment of Mr. Dooley will serve the best interests of the people in the northern district of our State. I am equally certain that the appointment will not serve the best interests of the people in that part of our great State of Texas. My colleague has admitted that there are many other highly qualified men who would serve the best interests of the people. Among the hundreds of highly trained and well-qualified men in that district, there are many who could obtain the wholehearted endorsement of both Senators from Texas. In that case the people of Texas would get the benefit of the full protection of their Senators, as provided in the Constitution, instead of one-half protection.

Mr. President, Senators who vote here today can enforce justice for the people of my State if they desire to do so. They can do it within the confines of their duties and responsibilities as United States Senators. If they fail to throw their full strength toward the side of simple justice, there will be a divided situation in the northern Federal district of Texas during the life tenure of Mr. Dooley. This will cause worries, doubts, distrust, and a further loss of confidence in the purity of our courts and the justice of our whole judicial system. This can all be avoided without doing any harm except possibly some degree of disappointment in the minds of some of the ringleaders who seek to dominate our courts by riding roughshod over the rights of the people.

Mr. President, it is a terrible situation when we consider that more than 500 common citizens outside the practice of law in the northern district of Texas have taken the time to write me saying that they believe this is a bad nomination and should not be confirmed. Those farmers have had a very sad experience with a wheat-cutting transaction. They sincerely believe that Mr. Dooley's firm was part and parcel of the plot. They know this firm of attorneys, and they know that Mr. Dooley has represented large railroad corporations throughout the years, and still represents some of them. They feel that if they were to go to court with the hireling of railroad corporations sitting on the bench, and present a case involving damage by the railroad to a cow, or some other damage, they might not get justice. I admit that they might get justice; but in the minds of those honest, God-fearing people, as this confirmation is pending, there is the feeling that if this nomination is confirmed they will not get justice. They have reason for their belief.

In addition to the opposition expressed by more than 500 citizens of the northern district of Texas to this nomination, at my own expense I conducted a secret poll by mail of the entire membership of the bar in the northern district of Texas, after the nomination had been sent to the Senate and the statement had been made time after time that Mr. Dooley had practically the unanimous approval and recommendation of members of the bar of that district.

The attorneys of my State know that for the past 14 years when a nomination has been sent to the Senate by the New Deal administration, it was practically a "cinch," and that they dared not raise their voices against a nomination at that stage for fear of reprisals should they ever come before that judge.

Mr. President, I am not an attorney. Some attorneys tell me that it is impossible for an attorney to take that position; yet I have received letters from some of the best attorneys in the State of Texas to that effect asking me not to divulge the names of the writers, and I have read into the record a letter from a judge in that district giving me information relative to the unfitness of Mr. Dooley for the position of Federal judge.

In that situation, with the mouths of lawyers closed as a matter of expediency, I conducted the poll to which I refer. I sent to each and every member of the bar listed in Martindale's Guide—more than 3,000 attorneys in that district—a letter and a postal card addressed to me. I asked them merely to write "yes" if they wanted Mr. Dooley's nomination confirmed, and "no" if they did not. I told them that they need not sign their names, so that there would be no chance of identification and no danger of reprisals if they expressed their own deep convictions, their own true opinions, their own true desires.

I am reliably informed that when that letter and all those post cards reached Texas the big insurance companies in Dallas got busy with the telephone and the big insurance companies in other cities got busy on long distance and commenced calling up attorneys all through the district saying, "For goodness sake, hurry up and write 'yes' on that post card and send it back."

But even with all of that campaign, 40 percent of the attorneys responding to that secret ballot in the district voted "no," Mr. President.

Does the Senate of the United States want to force down the throats of the members of the bar of the northern district of Texas a man who is repulsive to them, a man whom 40 percent of the attorneys in that district do not want? Surely not, Mr. President. Surely the Senate would not do such a thing.

It may be that I went out of the bounds of custom in asking the citizens regarding this nomination; but I was brought up as a common citizen, and I still believe that the rights of the common citizens of the Nation should be paramount. I believe their desires should be sought. I believe they should have a voice in the selection of their public officials. Yet here the only voice that the people of the northern district of Texas have in the selection of the most important public official in their life and in their territory is the voice of their junior Senator. They cannot come here and speak before the Senate. They have no opportunity to vote in connection with this nomination. They vote for the President or for the electors who elect the President. They vote for Senators and Representatives. They vote for their constables and for all their State public officials. But according to our Constitution, they have no voice whatever in the selection of the man who might pronounce the death sentence on one of them—no voice except the voice of either or both of their United States Senators who might carry their wishes to the other Senators on the floor of this great body.

We have one of the most unique systems that was ever established. As I

said in the beginning, it seems to me that the men who wrote the Constitution must have been inspired. They could look down the corridor of time and envision such a situation as exists here today—a result of corrupt politics—and still their system would enable this situation to be handled in a democratic fashion by every Senator with a free voice in the United States Senate being able to voice their objections.

Oh, yes, Mr. President; there have been a few recommendations of this man. There were some letters of recommendation put into the RECORD. I did not count them; I do not know how many—possibly 45 or 50. They were good recommendations, and I dare say that many of them came from good people. But 45 or 50 recommendations from 8,000 attorneys in the State of Texas would seem to me to be a very small percentage. The citizens of my State and the members of the bar are capable of writing strong recommendations, which they have the right to do. I do not question their right. I should like to have those recommendations placed along side of the recommendations sent in when there was a Federal judge nominated in the State of Virginia who was opposed by the late Senator Glass and the senior Senator from Virginia [Mr. BYRD]. The RECORD is full of strong recommendations, strong editorials, regarding that Virginian. But there was something else involved in that nomination in Virginia. Although the man may have possessed all of the qualifications which were so beautifully described in the letters and in the editorials, the nomination was not confirmed by the Senate.

As Governor of the State of Texas—and any other governors know that the same thing is true, I believe—inspired petitions and letters would pour onto my desk whenever there was an appointment to be made. The men who received the most of the best letters were not always the best qualified men for the positions. We must give consideration to letters, but we must also give consideration to something of far more importance. We must give consideration to the fact of whether the Senate will sustain, preserve, and perpetuate the unwritten law of Senatorial courtesy.

There are many things which may cause a nomination to be personally obnoxious to a Senator. There are some things which, if a Senator should recite them as the actual reasons for the nomination being personally obnoxious to him, might cause untold damage to innocent people. That is the reason why it is unwritten law. Here is an organization of 96 men. During my almost 6 years here I have seen nothing except the most profound courtesy and respect shown by each Senator for all the other Senators. There is difference of opinion, yes; there are many differences of opinion; but each Senator respects the rights of the other Senators and honors his brother Senators.

There are other things to be considered. How would any Senator like to be unjustly charged with a crime, the penalty for which would be death, and a great deal of circumstantial evidence were produced and many claims made pointing to him as the perpetrator of the crime? Suppose that man came before a judge to have his innocence or guilt determined, and the judge had never had any criminal-law experience in his life; he had always had a civil practice; had never had any judicial experience in criminal law and had never served as judge in any case except a small case 25 years previously. Would that man feel safe, Mr. President? Would he not rather have a man sitting on the bench who had put in a large portion of his life in the study and practice of both civil and criminal law and had had some little experience in sitting on the bench? Would not such a man feel more secure if that were the case?

The testimony of Mr. Dooley himself, as given before the Senate Committee on the Judiciary, states that his law business has been chiefly civil practice.

Mr. President, at page 229 of the hearings before the Senate Judiciary Committee we find that Mr. Dooley said:

> My firm is Underwood, Johnson, Dooley & Wilson, at Amarillo. We have been together—that is, the majority of us—for quite some number of years—20, I would say. We have a general civil practice. We represent quite a good many individuals, relatively speaking. We have some corporate clients, including the Shamrock Oil & Gas Corp., which was mentioned here yesterday, and which, incidentally, is a relatively small concern, and independent.

All through the hearings we find there was no denial that Mr. Dooley is a civil-practice lawyer. Mr. President, I am not an attorney. There may be some Senators who have been attorneys who would think that the practice of civil law qualifies a man to administer criminal law; but it would take a great deal of argument to convince me of that fact if I were perfectly innocent and were haled before a judge and were charged with a criminal offense, if I knew that the judge had had practically no criminal experience.

At page 243 of the record we find that it is shown that Mr. Dooley said the following, when questioned by the Senator from Missouri [Mr. DONNELL]:

> Senator DONNELL. Mr. Dooley, have you ever had any judicial experience at all, either as judge or special judge or special master or master in chancery, or anything of that sort?
>
> Mr. DOOLEY. I served as a special judge in one case, Senator, a good many years ago; and that is the only direct experience of that kind.
>
> Senator DONNELL. Was it a law case or an equity case?
>
> Mr. DOOLEY. In our State it so happens that we do not have the close separation that you might have in your State between law and equity cases. We have the blended system there, and with us it was simply a lawsuit.
>
> Senator DONNELL. Is that the only judicial experience you have had?
>
> Mr. DOOLEY. Yes; that is the only experience serving as a judge.

Mr. President, I cannot help but believe, even as a layman, that a man naturally learns more and becomes more proficient in serving on the bench by sitting on the bench; and I think that a man who has never sat on the bench, except in one case, does not possess all the qualifications that are essential to the position to which Mr. Dooley has been nominated, namely, the position of judge in the northern district of Texas, where more than 3,000 attorneys reside and practice.

So, Mr. President, there are many reasons why I object to confirmation of the nomination. I object to it, as I have said, because the nomination has been a build-up over a period of more than 3 years. It was on June 21, 1944, that Judge Wilson announced his intention to retire. More than 3 years ago Judge Wilson wished to leave public office, and he had a right to do so. But before he announced his wish to retire, those who were eager to get their hireling on the bench in the northern district of Texas had begun action. They did not wait until Judge Wilson announced his wish to retire. He announced it on June 21; but on June 12 the corporation lawyers and lobbyists of the Atchison, Topeka & Santa Fe Railroad were busy in the city of Amarillo, where one of them lives, and in the neighboring towns, getting petitions. I have one of the petitions, and it is dated June 12. We also have the statement of Mr. Dooley, on the witness stand, that the petition in Amarillo was signed almost unanimously. However, according to the records, approximately one-half of the attorneys signed the petition. That is not unanimous, in my opinion.

So they got those petitions. After that, they began to find out that their candidate was not very well known, and had not had a great deal of experience to qualify him for this important position. So they started to give him a "build-up." They came before the Senate committee, nearly 3 years later, and bragged about the fact that Mr. Dooley was president of the Texas Bar Association. But, Mr. President, that argument is part of the campaign. Mr. Dooley was not president of the Texas Bar Association when those petitions were obtained on June 12, 1944; but they ran him for the presidency of the Texas Bar Association after that date, to give him a "build-up," so that they could brag about his being president of the Texas Bar Association.

Mr. President, I have a great deal of respect for the Texas Bar Association; and if a man came to the presidency of that association in the normal course of events, and was chosen by his associates in the practice of law to be president of that organization, and then later were to seek appointment as a United States judge, and were to use his presidency of the Texas Bar Association as an argument in favor of his appointment as judge, that argument might stand. But the argument in the present case falls flat as an argument for confirmation of the nomination, when we find that the position was sought and secured for the explicit purpose of using it as an argument to strengthen their case for having this man nominated.

So, Mr. President, I object to the nomination for that reason, as well as for many other reasons.

I recognize the right of all citizens to take part in petitioning their public officials regarding nominations. But when a great railroad corporation such as the Atchison, Topeka & Santa Fe does so,

that is different. That railroad has very large holdings in that district. It got not one of its lobbyists and attorneys, but at least two of them, to go out and beat the bushes. In fact, I do not know how many more of its lawyers and lobbyists it got to engage in that work, but I know that at least two of them rode to Washington on railroad passes, to appear before the Senate Judiciary Committee. As for the more than 500 common citizens in that section of the country who sent letters on this subject, it is rather difficult for some of them to dig up 3 cents for a postage stamp; and, of course, a letter might not have as much influence as the personal appearance of one of these polished, high-class attorneys and lobbyists representing the great Atchison, Topeka & Santa Fe Railroad. I believe it is totally and wholly unfair for the Senate to bow down to these corporations and do their will, in the face of the opposition by the rank and file of the citizens of the northern district of Texas who may come under this judge in any case they have which comes up in that district. So I think it is unfair.

I also think it is unfair and it is wrong for a man to be selected and picked out from a firm of attorneys that has a record of being as close to the perpetuation of fraud against the taxpayers of the United States as does the legal firm of Underwood, Johnson, Dooley & Wilson in connection with the wheat-cutting deal at Amarillo, Tex. That was a deal whereby the farmers had given up 15,000 acres of their land in order that the Government might build the Pantex ordnance plant. They gave it up without a whimper, and they moved off within 2 weeks, and their crops were almost ready to be harvested. They moved off and left their crops, thinking their Government would do right by them.

Then along comes a partner of Mr. Dooley and hires out to the Pantex Corporation. The money that is paid for his services goes into the treasury of Underwood, Johnson, Dooley & Wilson. The money goes there for services in connection with obtaining the land and seeing that the title is good.

Then the Pantex Ordnance Corporation, a Government corporation, seeking its legal advice from a member of the firm of Mr. Dooley, got another man placed in there, and by some slick method they work out a contract for cutting the wheat. There are farmers all around Amarillo. The farmers who planted the wheat had combines with which to cut the wheat. They were in the business of cutting wheat, and they wanted to cut wheat. The current price for cutting wheat was $2.50 an acre. Yet a contract was concocted by certain people so close to this firm that the farmers from around there write me that they believe the Dooley firm engineered the thing, and had a lot to do with it. This contract was concocted, which gave the contract to a certain individual, and then the son of the senior member of the law firm became one-third owner in the contract to cut this wheat at $5.65 an acre.

It was such a stinking deal that the public, in disapproval, demanded that the FBI investigate. The taxpayers of this country were cheated out of between $14,000 and $15,000, and one-third of it went to the son of the senior member of this firm of which Mr. Dooley is a partner.

An attempt has been made to whitewash this thing, to show that Mr. Dooley was sitting there in one of the offices, and that he was so inoffensive, so meek, and kind, and good, that he did not know that thing was going on. That is what he said, that he did not know anything about it.

No one ever charged that Mr. Dooley went out and got on one of those combine harvesters and drove it down the wheat field and cut the wheat, but there are many people who do believe that every partner in that firm should have some responsibility regarding that contract, which took out of the pockets of certain persons over $14,000. It is not possible to change the minds of the citizens in that district who know about the matter. They think it was a rotten deal, and they do not think a member of that firm should be rewarded with appointment to the Federal bench, and that is what they consider this appointment to be.

Mr. President, that is another reason for rejecting the nomination, a good reason, a sound reason. The railroads in Texas are not the only railroads against which suit has been brought by the Federal Government because in time of war they overcharged for hauling our soldier boys, overcharged our Government for hauling munitions and weapons of war. A suit against practically every railroad in the United States has been instituted. Those railroads knew whether they were innocent or guilty. They had an idea whether they were going to be accused. There are smart men in those railroad corporations, and they know that if they can get one of their meek, inoffensive hirelings picked out of some big law firm and boomed up to a Federal judgeship, perhaps they will get a better deal if their case ever comes before that judge. They are not asleep.

I am not condemning the railroad corporations. They have a right to do that, and I have a right to tell the United States Senate if they do it. The responsibility rests on the United States Senate. If Senators want to confirm a man in disregard of that testimony, that is certainly their prerogative, and I have no criticism whatever to make, because, thank God, every Member of the Senate has a right to vote as he chooses to vote.

These are grave charges against this firm, and it is a big firm of attorneys, and an influential firm. I have introduced into the RECORD testimony on the part of a judge stating how they influenced other appointments in their district, how they swap the appointments around and get men out of their office into the Government judgeships, and then get people out of the Government back into their office, until it has become a very powerful organization.

There is reason to object to this nomination on many, many, many different grounds. Senators may take their choice. I am giving them a variety of reasons.

Mr. President, since the beginning of our Republic our Government has been recognized as a government of law, and not a government of men. Under such form of government the judicial branch is of great importance, because it officially interprets the laws enacted by the legislative branch. Too much stress cannot be placed on the selection of members of our judiciary.

On every hand for many years we have heard able attorneys denounce the corrupt judicial system of this Nation. They say that it has come to a low level. Prominent attorneys have told me that it is no longer wise, or the expedient thing to do, to select one's attorney on the basis of his experience and what he knows, but that the thing to do is to select an attorney, in case one gets into a law suit, on the basis of whom he knows on the bench, instead of what he knows.

All the complaint in this case comes from the knowledge which citizens have of the activities of Federal judges, and every one of them has been confirmed by the United States Senate. We cannot lay all the blame on the President.

Mr. President, it is not very often that objection is made on the floor of the Senate to the nomination of a Federal judge. This is the first time I have ever made objection to one here. It is not a very pleasant thing to do, but it is duty, and I am performing my duty in response to my own conscience and in response to calls from citizens of my State who have no other way to express themselves except through the voice of their junior Senator.

Mr. President, a bad situation confronts us, and there is another bad situation in the making right here today. This is where judges are made. They must be headed off here, or they will be on the bench for life. If there is any little shadow of doubt, I think we should give the benefit of the doubt to the people who are paying the salaries of the judges, and who will be governed by their decisions, instead of paying too much attention to the heart throbs of someone who anticipates the appointment.

To my knowledge it has never proved fatal to any aspirant or to any nominee who has been rejected by the United States Senate. Mr. President, our wise forefathers in writing the wonderful Constitution I have been discussing today placed responsibility of selecting Federal judges jointly on the shoulders of the Chief Executive and the United States Senate. At that time the sovereign States comprising the Union were looked upon as important factors in the Federal Government. To protect the welfare and interests of the people in the sovereign States each State was to be represented by two ambassadors or Senators, as they are called, sitting in the upper House of the legislative branch. Each Senator possessed equal duties and responsibilities with the other Senator. It is a great system, but if everything is true that I have been told with respect to a corrupt judicial system in the United States, it seems to me it is high time that a little more attention, a little more scrutiny, and a little more serious consideration be given to nominees for the Federal bench before they become judges.

There have been a few cases in which one Senator has risen on the floor, sometimes two Senators, objecting to a nominee as being personally obnoxious. The able chairman of the Committee on the Judiciary has published a memorandum on the instances of personal objections. It has been discussed in the Senate. There is the case of a Commissioner of Immigration at the port of New Orleans, which was recommitted and not again reported. Former Senator Reed at that time made the statement that the only thing against the appointee was the personal obnoxiousness objection made by the Senator from Louisiana, the late Senator Long.

The committee took the position then * * * that if this were an office to be exercised wholly within the State of Louisiana the objection of the Senator would be conclusive, and we would report adversely on the nomination.

That has been held on down through the years, that when a Senator objects to a nomination of a person who is to serve wholly within the State from which the Senator comes, and the Senator says that the nomination is personally obnoxious, the Senate will sustain the objection. In the case cited, the duties of the office were not to be performed wholly within that jurisdiction. That is the statement made at that time by former Senator Reed.

Mr. BINGHAM. Even though the other Senator from the same State who is a personal friend of mine believes differently. The States are represented by two Senators, and if one of those two Representatives makes such a statement as was made on this floor by the junior Senator from Louisiana, no matter how much I may disagree with him on every position he takes—and I think it fair to state that probably there are no two Senators on this floor who are more divergent in their views on public questions than the junior Senator from Louisiana and I—nevertheless when he takes the position he has taken regarding this matter it seems to me that the only fair thing to do is to send the the nomination back to the committee for further consideration.

Mr. Bingham said further:

On the floor this evening, in response to a question of mine, he suggested that the nominee is personally obnoxious to him, and it has been my practice during the 7½ years I have been here always to vote in accordance with any such preference expressed by a Senator, no matter on which side of the aisle he might be.

All through these cases it will be found that many Senators took the position that no one should know any more about whether a nomination was personally obnoxious than the man making the objection. The late Senator Glass brought that out very forcefully when he was before the Senate Committee on the Judiciary. I want to review that case here for a few minutes, because it bears on the appointment that is being considered now. When the committee was talking about hearing other witnesses who had come before them to testify in favor of the nomination, they asked Senator Glass whether he preferred to testify first, or whether he preferred to let the other witnesses come first. Senator Glass, with his unusual clarity of expression, said:

I think I should prefer to hear what those favoring the nomination have to say. For if they can tell me better than I know, myself, whether this nomination is personally offensive to me, I shall be greatly obliged to them.

That is the reason underlying that unwritten law. It was to place in the hands of every Member of this august body the right to defend himself, and to receive the respect of his colleagues in doing so.

I quote from the Roberts case:

The Senators from Virginia, in reply to the request of the chairman of the Judiciary Committee for information concerning the nomination, said: "This nomination is utterly and personally offensive to the Virginia Senators, whose suggestions were invited by the Department of Justice, only to be ignored." This objection raises the question as to the custom of the Senate in the matter of senatorial courtesy when such objections are raised by a Senator as to a nominee from his State, and as to whether such objections shall be sufficient without the presentation of facts tending to justify such objections. This matter has not been in direct issue since 1913. It is evident that it should be considered by the full committee.

It is very interesting to take time to read the statements made by the Senators at that time. In the Boyle case, the Senator from Nevada [Mr. MCCARRAN] objected, in a statement before the Committee on the Judiciary, as follows:

The present nomination of William S. Boyle, now pending before the Judiciary Committee of the Senate, is personally offensive and personally obnoxious to the junior Senator from Nevada because of the foregoing and because the nominee has lent himself to a combination to take a slap at the junior Senator from Nevada and to demonstrate that whatever influence the junior Senator had in Washington had gone.

The nomination was rejected.

In the Roberts case the then junior Senator from Virginia [Mr. BYRD] stated, in part, as follows:

It is my sincere and honest conviction that this nomination was made for the purpose of being personally offensive to the Virginia Senators, and it is personally offensive to the Virginia Senators, and is personally obnoxious to me, as well as to my colleague. I am well aware of the responsibility that I take in making this statement of complaint of personal obnoxiousness, but I want to say to the committee that I make that complaint with full knowledge of that responsibility as a Senator from Virginia.

The nomination objected to by the Senator from Virginia was rejected.

The case before the Senate is almost an identical case. As I previously stated, each and every case is somewhat different from the other. But in the Roberts case an attempt was made to belittle and humiliate and embarrass both Senators from the State of Virginia. The case now before the Senate is one intended to humiliate and embarrass the junior Senator from Texas. If there is any place where a United States Senator can be most effectively embarrassed it is in his own home town. Conduct the execution on the courthouse lawn of his home town. So, Fort Worth, the city in which I have lived ever since I have been in Texas, from which we have had a United States district judge for 70 years, was picked out, and those who wish to humiliate me said, "This is where we will embarrass the junior Senator. We will show the people of his own home town that he has no influence whatever in Washington. We will simply railroad into office a man who lives 340 miles away from Fort Worth." I use that word "railroad" advisedly, because the Atchison, Topeka & Santa Fe pulled him in on a double-header.

Mr. President, I want to make it absolutely clear that if the Senate permits the use of this body as a political weapon, the present case may sooner or later have an effect on every Senator. The United States Senate is being used as a political weapon in this case. The White House has been used, the judiciary has been used, the House of Representatives has been used, and now attempt is being made to use the United States Senate as a political weapon. If it can be used as such in my State it can be used in the State of every Senator.

Mr. President, the Senate is to vote on the nomination at 4 o'clock this afternoon. I have a great deal of information on my desk which I have not had time to place in the RECORD. It is highly important. But it appears to me that I have given ample reasons for the rejection of the nomination. Since the nomination came before the Committee on the Judiciary I have been informed that some new and vital evidence bearing on the nomination of which I believe the Committee on the Judiciary should have the benefit, exists.

I have been informed that the retiring judge, Judge Wilson, who is known by many people in Texas as the campaign manager for Mr. Dooley, has been striving in every way possible to name his own successor. There are many who do not believe in a judge naming his own successor. I have not had time to go into all the charges which have been made, but I have been informed that some advantage lies in a judge naming his own successor, the advantage accruing by reason of appointments in receiverships being given to members of his own family, or to firms of attorneys who employ his own son, and that such appointments are very lucrative; that a retiring judge would hate to see all his friends kicked out or all his friends, whom he hopes to have appointed in the future, have no chance to be appointed in the case of receiverships. So it might be that Judge Wilson wants to name his successor. The charge has been made by many attorneys that he has sought from the very beginning to name his successor, and that he would like to see that successor be Joe B. Dooley, of Amarillo.

I read a long letter from the judge which he wrote me on the 10th day of January of this year, which indicated that he was not entirely unfriendly to Joe Dooley. He had about as many nice things to say about Mr. Dooley as any of the other attorneys that have written in. Several of them have said some pretty nice things about him, and many of those who wrote and said the nice things about him are respected citizens of our State. But of all the letters that have come to my attention not as many

have been in favor of Mr. Dooley as have been opposed to him.

Judge Wilson, who has been on the bench about 27 years, I believe, proceeded to give me a little political advice, and, goodness knows, I need it. I am no politician. I am simply a common citizen who accidentally fell into the position he now occupies, and is trying to do the best he can. Many people in Texas were responsible for placing me here, because we still secure our Governors and United States Senators in Texas by election. The reason I happened to be elected to office four times was because more people voted for me than for my opponent.

Mr. President, if Judge Wilson has any desire or intention to name his successor I do not believe it is a good thing. I do not believe he should have anything to do with naming his successor.

As I previously stated, the letter he wrote to me gave me some political advice. I shall not take time to read the letter again. It is already in the RECORD. Judge Wilson began his letter by saying that he noticed in the newspapers that I was thinking about running for reelection next year. Possibly such a statement was contained in the newspaper, but I have not announced as yet whether I will run for reelection. I will announce my intention in due time, and in plenty of time.

The judge proceeded to tell me what a terrible thing it would be for me to get all the attorneys against me by opposing the Dooley nomination. Each of those attorneys is going to have a vote, and they have a great deal of influence. I think the advice the judge gave me was good advice. But what am I to do? Should I take the advice of that able jurist, Judge Wilson, and crawl back into my hole and pull my hole in after me, and not say anything about this abominable nomination, merely so that I shall have less resistance, less opposition individually if and when I run for reelection? I could have taken such a course very easily. I could simply have ignored the nomination and not said anything against Mr. Dooley. Then the attorneys the judge was speaking of might have thought, "O'DANIEL is all right. He is a good fellow. He did not interfere with our putting this thing over."

But there are some other people in Texas. They commenced to ask me. "What are we going to do? It would be terrible to have Joe Dooley on the bench. We do not want him. What shall we do? There was nothing they could do except tell me. The nomination had already been made. So it was for me to choose between duty and expediency. I chose duty, and decided to oppose the nomination on the floor of the Senate.

It may be that all the attorneys in the northern district of Texas and their connections in the other districts of Texas will be angry at me. If I choose to run for reelection they may persuade their wives and families to go along with them, and build up a great deal of opposition to me in case I should run again. But I cannot help that. I have never given consideration to such things when I ran. I simply got my name on the ticket and started to run.

However, I do know that 40 percent of the attorneys who responded to my poll do not want Mr. Dooley. I do not believe that they would fight me. I did not know at that time that there were so many opposing his nomination. From all that I had heard, it was difficult for me to believe that there was a single solitary attorney who could possibly be against Mr. Dooley.

The big railroad attorney, Mr. Pipkin, attorney for the Atchison, Topeka & Sante Fe at Amarillo, testified on the stand that he knew practically every attorney in Amarillo. He had been there for a great many years. He said that he did not know of another man in the entire city of Amarillo who had the qualifications that Mr. Dooley had. He almost indicated that there was no other attorney in Amarillo capable of handling this job. He did not say exactly that, but the way he said it, it sounded that way.

I have a great deal of respect for Amarillo and for the attorneys of Amarillo. Amarillo is in my State. But the judge was trying to persuade me, if not to threaten me with reprisals if I dared to oppose the nomination of his candidate, Mr. Dooley. Now look at me. Here I am opposing it.

The judge proceeded to tell me that he himself was not entirely dumb about politics. He pointed out that he knew something about politics. Naturally I think a great deal of the opinions of some of our judges. But the judge had been trying to get out of this job down there since June 21, 1944.

We must get a picture of this thing to show him it all happened. It is often difficult to paint a picture for Senators so that they will all understand the situation. However, I am plodding along and doing the best I can to present a picture.

The New Deal political gang in Texas wanted to time this nomination so that it would come out exactly right in connection with certain primary elections in Texas. They had to figure these things out, and take into consideration a great many factors. They do not have very much else to do, so they work day and night to figure out how to get rid of those who are fighting the New Deal.

This was in June 1944. I did not come up for reelection until the following year. At that time the New Dealers in Texas were not trying to execute me politically on the town square of my home town of Fort Worth. Such an effort would not have had much effect. They wanted to get as close as they could to the time when I would be due to run for reelection, in case I decided to run, so they kept postponing the nomination.

The judge told me that the powers in Washington said to him, "Please stay on the bench until we whip Germany." When I heard that I obtained the record of nominations, and learned that the nominating machinery of our great Government never slipped a cog. It continued to function during the war like a well-oiled piece of machinery. There was not a hitch anywhere. Nominations were submitted and considered, and confirmed or rejected. There were thousands of them. But the judge was told, "Stay on, because we are at war with Germany. Just wait until Germany goes down."

He waited patiently. He wanted to get out. Finally Germany went down.

It is not General Wilson that I am talking about. It is Judge Wilson. He was not a general. He was not fighting the war. He was a judge in the northern district of Texas. I have never been able to find out what he had to do with the war so far as his official position was concerned.

Mr. Dooley could have taken this job at that time, I presume. However, the New Dealers were not through grooming him, dressing him up, and getting him ready for the race. They had to run him through as president of the Texas Bar Association, and do a few other things to dress him up so that he would look like a judge, before they brought him out too far. So they commenced to tell Judge Wilson from Washington, "Now that Germany has gone down, please stay on until Japan goes down. We must fight another war, Judge. We must whip Japan. So you stay on the bench until Japan goes down, and then perhaps we will let you out."

The 1948 election was drawing closer and closer. Mr. Dooley's sponsors were continually putting off the nomination, for reasons which seem very weak to me.

After Japan went down, we had no one else to whip. Our enemies had all surrendered. The war was over. Then Mr. Dooley's friends tried to lelay a little longer, until August 9, 1946. August 9, 1946, is a very significant date, because of its proximity to another significant date. On August 9 the senior Senator from Texas, who had been carrying Judge Wilson's resignation around in his pocket undated, dated it August 9 and sent it to the President, all the time bearing in mind that the elections in Texas were drawing nearer and nearer.

Finally the nomination was started on its way. It did not reach the Senate until the 8th of January, 1947. That was about 6 months ago. Since that time the nomination has been under consideration.

There was another reason for Judge Wilson writing me that three-page letter. There was a great deal contained in the letter which was very significant. When he wrote that letter he did not want me to do anything that was wrong; he did not want me to oppose this man. He was a "good man." He thought that if it came up just before my election—that is, if I should run—my opposition to Mr. Dooley would do me a lot of harm. So he sent the letter to me and in it he pointed out something that would be a terrible catastrophe, something that was not anticipated by some of the people who were in on the plot of which I am speaking. They did not realize that the people of this Nation would get fed up on the New Deal and change in the election. That election threw the fear of God into many of the New Dealers in Texas. They woke up and said, "My goodness gra-

cious! The Senate will be dominated by Republicans and we have not yet got Mr. Dooley confirmed. Maybe we will get a little justice out of the Senate. Maybe nominations will not just slip through. Maybe there will be a little hesitancy—if for no other reason, a political reason. Maybe the Republicans in power will scrutinize Democratic nominations a little more closely."

They became worried about it. I did not know how badly they were worried until after the committee had finished consideration of the nomination and sent it to the Senate, and then I was informed Judge Wilson had written another letter. He was worried about the situation here, and he got to thinking that if he could get the President to appoint Mr. Dooley as an interim appointment during the recess of Congress, Mr. Dooley would be sitting right on the bench when the Senate came back, and therefore he would have a distinct advantage.

I never saw the letter which he wrote, but I am told that he wrote a letter to President Truman urging something along that line. I have been told by someone who claims to know exactly what was in the letter. Whatever was in it I think should have a good deal of bearing on this nomination; and it appears to me that the nomination should be recommitted to the Senate Judiciary Committee so that the committee can get the letter, or a copy of it, and see exactly what it contains. As I have said, I never saw it, but I have good reason to believe that the letter exists or that it did exist. It may not exist at this time, but it did exist, according to my informant. If it did exist, there should be some copies of it, so that we may know what was in it. I can see no harm, inasmuch as this nomination has been put off since June 21, 1944, in sending it back to the committee for a few days so that the committee can get the rest of the evidence, if it is able to get it.

I referred the matter to the chairman of the Senate Judiciary Committee as soon as I heard about it. I wrote him under date of July 25, 1947, as follows:

DEAR SENATOR WILEY: Judge James C. Wilson, both before and since his retirement, has campaigned for the appointment of Joe Dooley as his successor. I doubt seriously if the Dooley appointment would have been made had it not been for the campaign waged by Judge Wilson in his behalf. I recently learned from a reliable source in Texas that Judge Wilson has had considerable correspondence with the President and probably the Attorney General urging and demanding the appointment of Dooley.

After the November elections, Judge Wilson wrote the President and insisted upon Dooley's appointment being made immediately as he was afraid the Senate, composed of a majority of Republican Members, would delay or refuse to confirm Dooley unless he was already on the bench. It is my information that this letter contained remarks which were derogatory to me, and coming from Dooley's campaign manager, Judge Wilson, would probably reflect the attitude of Dooley himself. Since I have repeatedly stated that this nomination was personally obnoxious to me, I think this letter is material, not only on that subject, but also on the subject of whether or not a lifetime judge should be permitted to choose his successor.

Since I have no means of securing the correspondence between Judge Wilson and the President and the Attorney General, I respectfully urge your honorable committee to secure copies of all the correspondence bearing upon this nomination for your use as well as mine.

Sincerely yours.

That letter was signed by me.

I understand that when the chairman of the Senate Judiciary Committee received that letter he laid it before the committee. I know that he called me immediately and said the committee would like me to make an effort to get the letter, and if I was unable to get it, I understood that he or the committee would make an effort to get it. So, immediately upon receipt of that information, I wrote a letter to the President, which was as follows:

JUNE 30, 1947.

The PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I am informed Judge James C. Wilson, of Fort Worth, Tex., wrote a letter to you on or about November 22, 1946, urging that you make an interim appointment of Joe B. Dooley, of Amarillo, Tex., to succeed him and giving some of his reasons and opinions. I have asked Attorney General Tom Clark for a copy of this letter, and have also asked Chairman A. J. WILEY, of the Senate Judiciary Committee, to secure a copy of same for me. Mr. WILEY took up the matter of my request with his committee today, and he now says that I should ask you for copy of the letter so I can give same to him.

I believe this letter should be considered by the committee and the Senate in connection with Mr. Dooley's appointment, and respectfully ask that you furnish same to me.

With kindest personal regards, I am,

Sincerely yours,

W. LEE O'DANIEL,
United States Senator.

I wrote a letter on the same date to the Attorney General, as follows:

UNITED STATES SENATE,
June 30, 1947.

DEAR MR. ATTORNEY GENERAL: I have been requested by Chairman WILEY, of the Senate Judiciary Committee, to ask the President and you for a copy of a letter written by Judge James C. Wilson, of Fort Worth, on or about November 22, 1946, to the President requesting an interim appointment for Mr. Joe B. Dooley.

I have already asked you to secure a copy for me, and I am enclosing letter I have addressed to the President. I will appreciate any help you can give me in securing this letter because I feel it should be rightly considered by the Judiciary Committee and the Senate.

With best personal regards, I am,

Sincerely yours.

That letter was signed by me.

I have a reply dated July 7, 1947, from the Attorney General, which reads as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., July 7, 1947.

Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'DANIEL: I have for reply your letter of June 30, addressed to the President, as well as the copy thereof forwarded to me, requesting a copy of a letter written by Judge James C. Wilson, of Fort Worth, Tex., on or about November 22 to the President of the United States, with reference to an interim appointment in the office of United States district judge for the northern district of Texas.

The correspondence of the President of the United States has always been considered, of necessity, confidential. This precedent must be followed in this instance.

I regret very much my inability to comply with your request.

Yours very sincerely,

TOM C. CLARK,
Attorney General.

Thereupon I wrote, under date of July 7, 1947, to the Senator from Wisconsin [Mr. WILEY], as follows:

JULY 7, 1947.

The Honorable A. J. WILEY,
Chairman, Senate Judiciary Committee,
Washington, D. C.

MY DEAR SENATOR: In response to your suggestion I wrote the President, and the Attorney General, asking for a copy of the letter written by retiring judge, James C. Wilson, of the northern judicial district of Texas to the President 11-22-46 bearing on the appointment of Joe B. Dooley as his successor.

I now attach hereto copy of letter I have just received from the Attorney General, refusing to give me a copy.

It now appears that if the Judiciary Committee is to have the benefit of this important letter bearing on the appointment of Joe B. Dooley, it must obtain same through some other source than me.

From information given to me, this letter has an important bearing on the nomination, and certainly the Senate Judiciary Committee should not be denied the right to review such important evidence. I trust you will make an effort to obtain the letter under discussion.

Sincerely yours.

Mr. President, I should now like to read an Associated Press article from Amarillo, Tex., dated July 3:

JUDGE WILSON DENIES WRITING TRUMAN TO GIVE JOB TO DOOLEY AS O'DANIEL DECLARES IN SENATE

AMARILLO, July 3.—Judge James C. Wilson, of the Federal court for the northern district of Texas, denied here Thursday he had ever written President Truman urging the appointment of Joe B. Dooley as his successor.

(During the Senate debate Wednesday on Dooley's nomination to be judge for north Texas, Senator O'DANIEL said he had heard that Wilson had written a letter November 22 to the President suggesting Dooley be given an interim apointment before Congress convened last January 3.)

"I never," Wilson said, "urged the President to appoint any man to this position. After Dooley was nominated for the judgeship I did urge his quick confirmation. I didn't do that because I was for Dooley, but because I wanted a judge to succeed me so I could retire."

Wilson sent Senator CONNALLY a telegram Thursday giving him permission, with approval of the President, to let CONNALLY have all of his correspondence with President Truman.

The telegram said:

"O'DANIEL insisting Dooley matter be referred to Senate committee; to get my correspondence with President Truman. This was while this Congress was in session, I think possibly in March. This is my consent for you to have all this correspondence.

"It does not deal with Dooley, but about changing terms of my retirement, which I approve, if President wanted it that way. After first two letters were passed between us (Wilson and the President) our further correspondence at that time was purely personal; had no relation to this matter whatsoever, but if President sees fit to turn it over it is entirely agreeable with me. This is only correspondence I have had with the President."

O'DANIEL said Thursday he had asked Truman if it is true he received a letter from Wilson, a resident of Fort Worth, suggesting the nomination of Dooley.

The Senator said he had written letters to the President and Attorney General Tom Clark asking if they knew of such a letter, and to make it available if it exists.

The purpose of an appointment, O'DANIEL said, would be to give Dooley a better chance for confirmation by a Republican-controlled Senate.

The Senate will vote on the Dooley nomination Tuesday.

So, Mr. President, according to that Associated Press dispatch, Mr. Wilson disclaims having written such a letter, for he is quoted as saying, "This is only correspondence I have had with the President."

In my opinion, such a statement constitutes a claim that he did not write the letter which I have been informed he did write on or about November 22. Under such circumstances, when Mr. Wilson states, according to the Associated Press dispatch, that he did not write the letter, and when I have it on good authority that the letter was written and was received by the President, I think it is the duty of the Senate to find out whether such a letter was written and, if it was, what was in it. That is one reason why I have moved that the nomination be recommitted.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from Texas yield to the Senator from Wisconsin?

Mr. O'DANIEL. I yield.

Mr. WILEY. In order that the RECORD may show the action taken by the Judiciary Committee, let me state that pursuant to the direction given yesterday telegrams were sent to the President, to the Attorney General, and to Judge Wilson. In reply, the following letter has been received from the President:

THE WHITE HOUSE,
Washington, July 8, 1947.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I have your telegram of July 7 in which you ask me to deliver to you a letter written to me by Federal District Judge James C. Wilson, of Texas, in November 1946. The letter you refer to was a personal letter, so I am unable to comply with your request.

Very sincerely yours,
HARRY TRUMAN.

I have also received the following letter from the Attorney General:

THE ATTORNEY GENERAL,
Washington, July 8, 1947.

Hon. ALEXANDER WILEY,
Chairman, Judiciary Committee,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: With reference to your telegram of July 7, concerning a letter written by Judge James C. Wilson, on or about November 22, 1946, I beg to advise that no such letter was written to me.

I am advised that the letter referred to was a personal one written to the President and I am informed is now in the files at the White House.

I have previously furnished this information to Senator O'DANIEL.

Regretting my inability to serve you, I am,

Sincerely yours,
TOM CLARK,
Attorney General.

A telegram went out to Judge Wilson at the same tme. In reply, I have received the following telegram, dated at Fort Worth, Tex. on July 7:

Senator ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
Washington, D. C.:

Your wire just now read to me by my secretary at Amarillo, Tex. We are 350 miles apart. She keeps the files. Of course I might find them if I had time, but, dear Senator, I want to say to you and your committee that I wrote no letter to either Senators O'Daniel or Connally or Attorney General Clark or the President favoring the appointment of Mr. Joe B. Dooley or any other candidate prior to his making the appointment. I decided to stay out of it because of so many friends of the bar who were prospective applicants. I had only one correspondence with the President. I think it was in March this year. The first two letters had only to do with my retirement. It occurred to me he had made a slight change in the conditions of my retirement and I was writing to let him know if he wanted it that way it was all right with me. The balance of the correspondence with him was purely personal, not pertaining to this matter in any way whatsoever. If the President is willing, this is my consent for you to see all of that correspondence now. As to Attorney General Clark, I think it was in September last year Senator CONNALLY wrote me in Montana disclosing a controversy was on as to whether there should be a vacation appointment by the President of his nominee. I do not recall whether he had made his nomination or not at that time. In any event, CONNALLY was for and Clark against a vacation appointment. I not only agreed with Senator CONNALLY, but was rather critical of Mr. Clark as to his mistreatment of me in asking me to wait until after Germany went out and in later asking me not to retire until Japan went out, all of which I had agreed to. I thought he ought not to ask me to enter into another waiting period. I did not know, considering the program that had been planned by the Republicans, when such a trivial matter as the confirmation of a judge would ever be reached. In the meantime I could not retire unless I did so arbitrarily, which Senator CONNALLY advised me not to do. If any question you and your committee want to ask me about this matter, please call me up in the morning.

Sincerely yours,
JAMES C. WILSON.

Mr. O'DANIEL. Mr. President, the letter the Senator from Wisconsin has received from the White House admits the existence of a letter of November 22, does it not?

Mr. WILEY. I shall read the letter again. I do not have before me the telegram which I sent. It was rather lengthy, and recited the action taken by the Judiciary Committee. The President's letter to me, which was delivered at this desk just this afternoon, reads as follows:

THE WHITE HOUSE,
Washington, July 8, 1947.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I have your telegram of July 7th in which you ask me to deliver to you a letter written to me by Federal District Judge James C. Wilson, of Texas, in November 1946. The letter you refer to was a personal letter so I am unable to comply with your request.

Very sincerely yours,
HARRY TRUMAN.

Mr. O'DANIEL. I think that letter is important because it confirms the existence of a letter of November 1946. It is further confirmed by the letter from Attorney General Clark, and it has been reported to me. Yet in the Associated Press report from Amarillo the judge denied he ever wrote any letter on the subject at that time. It appears to me that it would have a great bearing, and by all means be given consideration by the Senate Committee on the Judiciary. It could be obtained by different means, including a subpena upon Judge Wilson, who in spite of the President's words to the contrary, denies having written the letter. The only way it can be given consideration by that committee is for the Senate to recommit the nomination to the Senate Committee on the Judiciary, and the motion I have made is that it be so recommitted, and I trust the motion will be carried.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Twenty minutes.

Mr. McCLELLAN. Mr. President, will the Senator from Texas yield?

Mr. O'DANIEL. I yield the floor, and will take my 20 minutes later.

Mr. CONNALLY. Mr. President, I think I am entitled to close the argument. I cannot keep the junior Senator from Texas from taking his seat, although the Senator from Arkansas wanted him to yield.

Mr. McCLELLAN. Mr. President, will the Senator yield to me? I want to ask the junior Senator from Texas a question or two.

Mr. CONNALLY. Does the Senator want to ask me a question, or the junior Senator from Texas?

Mr. McCLELLAN. The junior Senator from Texas.

Mr O'DANIEL. Mr. President, if the Senator from Arkansas desires to ask me a question I yield to him for that purpose, and it may be taken off my time.

Mr. McCLELLAN. I wish to get something clear in my mind about the issue before the Senate. I certainly have no personal interest in it. This is one of the most difficult votes I have had to cast since I have been a Member of the Senate. It is not because of any political significance, because the matter has absolutely none in my State.

I wish to observe and respect the traditional practice of not confirming anyone who has been appointed to a State position, or to a Federal position within a State, who is personally obnoxious to one of the Senators. I wish to adhere to that rule and that custom. I can appreciate that it serves a good purpose

in many instances. I also appreciate that it can be and is sometimes abused.

As I understand, the junior Senator from Texas has interposed that sort of objection, using the term "personally obnoxious." If the nominee is personally obnoxious to the Senator, for some strictly personal reason, then I shall not vote to confirm him. But I want to know and be assured that the "obnoxious" is associated with the "personally," and I want it to be the individual who is personally obnoxious. If the nominee is said to be personally obnoxious because of any relationships, or associations, or any action on his part which actually, directly or indirectly, affected the junior Senator from Texas, then I want to respect the rule. But if the obnoxiousness stems from the Senator's disagreement with the present administration as to its policies—and I have not always agreed with the administration, and do not always vote as the administration wants me to vote—if that is the basis of what is now termed "personal obnoxiousness," and not the individual who is the nominee, then I think I can determine how I should vote. I should like to have the Senator clarify that.

Mr. O'DANIEL. Mr. President, I have spoken for some time on this subject. I appreciate the question from the Senator from Arkansas, and I realize the importance of the question.

I have said that all through the previous cases which I have reviewed it has been the outstanding consensus of opinion throughout the years of prominent Senators that if a Senator states that a nomination is personally obnoxious to him, that is as far as the Senator should go. Then the other Senators based their act of supporting or not supporting the senatorial courtesy rule on the fact that the Senator stated that the nomination was personally obnoxious. It was brought out that if a Senator throws the responsibility on the other Senators to decide whether or not a certain act or acts constituted sufficient grounds for personal obnoxiousness, there is no need for the rule whatever.

Mr. McCLELLAN. Will the Senator further yield?

Mr. O'DANIEL. I am glad to yield.

Mr. McCLELLAN. I am not caring at the moment about what some other Senators have done, and what may have been done in this or that particular case. The personnel of this body changes, and I do not feel rigidly bound by all the precedents of the Senate. What I want clarified is this—and the Senator is the only one who can answer the question—is the appointment of this nominee, because of his character or lack of character, because of his lack of professional qualifications to fill the position to which he has been appointed, or because of any act he has ever done which directly affected the Senator from Texas, personally obnoxious to him?

The Senator can answer that question. I am asking for no details, but if the nominee has committed any act toward the Senator which affected him so that it has made the nominee obnoxious, I shall know what to do. I do not care about what other Senators have done in respect to other issues, but if the obnoxiousness stems from a disagreement with the President, or the present administration, or the New Deal, or whatever we may care to term it, if that is the reason why the nominee is obnoxious, I think I know what I shall do.

Mr. O'DANIEL. Does the Senator want to place himself in the position of being the judge as to whether or not the thing I have in mind makes the nomination personally obnoxious?

Mr. McCLELLAN. I do not understand there is any obligation on the part of the President necessarily to consult me before he makes an appointment in my State; I try to maintain that relationship, but I know of no law that compels him to do it. But what I am trying my best to ask the Senator is, whether, because the Senator is in disagreement with the President of the United States and his policy of making appointments, if the Senator's position stems from that, then I might disagree with the Senator as to what the term "personal obnoxiousness" means, and I am entitled to place my interpretation on that. If that is the basis, then I think I might exercise my discretion, and not ask the Senator to tell me what is in his mind.

I am only asking the Senator whether he will state on the floor of the Senate that this man—not a system, not the New Deal, not an administration, not the President of the United States, not his policies, but this man, this individual—is personally obnoxious because of some act of his.

Mr. O'DANIEL. I am certainly glad to restate the fact that the nominee, Joe B. Dooley, is personally obnoxious to me, and the nomination is personally obnoxious to me.

Mr. MOORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Oklahoma?

Mr. O'DANIEL. I am glad to yield.

Mr. MOORE. Has the Senator some time remaining in which I might make a statement?

Mr. O'DANIEL. I shall be glad to yield the Senator whatever time he desires, if I have that much time left.

The PRESIDENT pro tempore. The Senator has 10 minutes remaining. The Senator from Oklahoma is recognized.

Mr. MOORE. I feel, because of my participation in this matter, that I should make a statement, in justice to all parties concerned, including the Senate, including the two Senators from Texas, and including Mr. Dooley.

I was chairman of the subcommittee which first took testimony with respect to the nomination, and a great many witnesses appeared from Texas, prominent lawyers and other prominent citizens of Texas. The senior Senator from Texas, having served a long time on the Committee on the Judiciary, and having served on other committees to which appointments have been sent for consideration prior to confirmation, knows that witnesses who come forward to testify on behalf of the appointment are usually witnesses who paint the capacities and capabilities of the appointee in very glowing colors. In this case no witness who appeared before either the subcommittee or the full committee questioned the qualifications—I want to make that plain, because I want to be fair about it—who questioned the qualifications or the character of the nominee. I have said that before, and I repeat it. Certain witnesses appeared, even from my own State. Many witnesses from the State of Texas, who are friends of mine, have told me, by letter, by telegram, by telephone conversation, and in person, that, in their judgment, the junior Senator from Texas [Mr. O'DANIEL] has not been treated right in the State of Texas.

Mr. CONNALLY. Mr. President, will the Senator yield? I dislike to interrupt him.

Mr. MOORE. The Senator can answer me in his time. I have only 10 minutes, and I think I should like to make this statement.

Mr. CONNALLY. I thank the Senator.

Mr. MOORE. I know the power of the senior Senator from Texas. I know the power of the present administration, and I think I know something about the standing the junior Senator from Texas has with reference to the administration. I would be very dumb if I had not observed it. The senior Senator from Texas has power that I am not envying at all or questioning. He has the power to nominate whomever he pleases for appointment in Texas, because he has been strictly an administration man, as I look upon it. That is not said in criticism. He is responsible for the appointment of the Attorney General, Tom Clark; I know that. Of course, it is a common understanding that the junior Senator from Texas has not been regarded or considered in the matter of nominations. The junior Senator from Oklahoma occupies the same position, but probably for different reasons. I happen to know, and it is a great good fortune to me to know, a great many people in the State of Texas, business firms and professional firms. I have every confidence that whatever is done by the Senate will not operate as an effective purge of the junior Senator from the State of Texas, because that purge has been attempted, as we all know—it is common knowledge—by the executive department of the Federal administration, by the House of Representatives, and by the judiciary; and now, as the Senator says, this is in effect an attempted purge by the Senate. I do not agree with that. I do not think the Senate can purge the Senator from Texas. I know the people of Texas are an independent sort—they would have to be rather broadminded to have elected, time and again, the senior Senator from Texas and the junior Senator from Texas. They are men of diametrically opposite political views. But the people of Texas can do things of that kind.

I merely want to say that, so far as the junior Senator from Oklahoma is concerned, I believe I can safely make it a rule, while I have the privilege of serving on the Judiciary Committee, that if the two Senators from the State in which an appointment is made approve the nominee, I shall go no further, unless serious charges be made; because I think

it is a safe rule, and I believe that that is the rule I shall continue to follow.

I have no quarrel with the distinguished senior Senator from Texas. I have a great, a high regard for him, as well as I have for the junior Senator from the State of Texas. I do not want to get into a fuss or quarrel with any Member of the United States Senate. I think it was the Senator from Wisconsin [Mr. WILEY], chairman of the Committee on the Judiciary, who read the precedents on the question of personal obnoxiousness. It lies, in my judgment, in the personal conscience of each Senator as to how he shall vote upon it. As for myself, I know that anything I am saying now could not change the views of any other Senator. I am not speaking for that purpose. I am speaking only in order that the RECORD may show the view that I have taken. I hope the RECORD will disclose the fact that I have attempted to be fair in every particular and have not been influenced by political considerations.

The PRESIDENT pro tempore. The remaining time is at the disposal of the senior and junior Senators from Texas.

Mr. CONNALLY. Mr. President, I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I do not want to take too much time on this matter. I served with the distinguished Senator from Oklahoma on the original subcommittee that considered the Dooley nomination. I listened with great interest, part of the time, to the junior Senator from Texas. I did not have the opportunity to listen to him all the time, because there were other things I had to do. The subcommittee of the Committee on the Judiciary took time on this matter to hear witnesses. There has been a suggestion made by the junior Senator from Texas that the matter was delayed. It may have been delayed in clearing the appointment through the office of the Attorney General. It may have been delayed from the time the name was suggested, insofar as the White House was concerned, in sending the name to the Senate. But if there was any delay in the Committee on the Judiciary or in the subcommittee, it was only because the committee wanted to hear all the witnesses possible from Texas, because we knew that there was a difference of opinion existing between the two Senators from Texas.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. O'DANIEL. I merely want to make it clear that evidently the Senator from Washington was not present all the time, as he admitted, because I have endeavored to make it perfectly clear and plain, at least twice in my statement that I have no criticism whatever but only words of praise for the Committee on the Judiciary. I attribute no delay whatever to their methods.

Mr. MAGNUSON. I appreciate what the Senator says. I merely wanted to make it clear that we had this nomination for 2 or 3 weeks. It required time for witnesses to come from Texas. I know that on one or two occasions the junior Senator from Texas requested further time because of certain documentary evidence and witnesses he wanted to present to the committee.

We can go only by the official records of the Committee on the Judiciary and of its subcommittee, regarding the nominee. I listened to every witness. So far as I could find, here was a man nominated to be a Federal judge, who had been a lawyer for many years in Texas. Naturally he belonged to a law firm. It was a prominent law firm, and as the junior Senator has pointed out, the firm probably had a variety of clients. I suppose they represented some little fellows and some big ones. All lawyers who practice law for any period of time, particularly if they are connected with a successful law firm, have that experience. Mr. Dooley was a prominent member of that law firm. He was honored by the lawyers of Texas, themselves, by being elected president of the Texas Bar Association. Insofar as I could ascertain from the record, and knowing something of law practice myself, Mr. Dooley was the average, substantial, Texas lawyer, representing many types of clients. The firm also, I suppose, represented many types of clients.

Nothing at all was said in the subcommittee against Mr. Dooley's personal character. As a matter of fact one lawyer testified the only thing bad he knew about Mr. Dooley was that he was such a good lawyer and so devoted to the interest of his clients that he did not attend church on Sunday because often he was working in his law office. But insofar as he was personally concerned, as a citizen in his community, there was not one single word said against Mr. Dooley.

In the history of every law firm—I believe there are three or four members of Mr. Dooley's law firm—there can be found, no doubt, lists of cases which have been tried over a period of years in connection with which the litigants have become angry with one another, one side thinking it is right and the other side thinking it is right. In such circumstance by means of innuendo and the casting of suspicion the idea can easily be spread that perhaps such-and-such a lawyer did not do quite the right kind of a job, or that the clients he represented were not the right kind of clients. It is difference of opinion that brings about lawsuits. I do not care who the individual is, if he practices law in his community and represents his clients adequately, vigorously, and earnestly, he is going to make enemies. Oftentimes the lawyer on the other side of a case may become angry as a result of losing the case. I suspect Mr. Dooley was successful in his appearances before the trial courts of Texas.

The chairman of the Committee on the Judiciary, the distinguished Senator from Wisconsin [Mr. WILEY] read to the Senate a considerable number of precedents respecting personal objection of United States Senators to nominees to high posts such as the post of a Federal judge. I am not thoroughly familiar with the practice in this respect. The Senator from Oklahoma [Mr. MOORE] and I, as members of the subcommittee looked up the precedents as well as we knew how, and it seemed to me that we ended by reaching the same conclusion as that reached by our distinguished chairman, that it became a matter for each individual Senator to decide for himself.

It also seemed to me that in most cases, when a United States Senator says that a nomination is personally obnoxious to him, at some place, somewhere, either in executive session in the Committee on the Judiciary, or whatever committee of the Senate is considering the nomination, or on the floor of the Senate, in writing, or orally, or both, the Senator objecting should suggest in what way the individual was personally obnoxious. It may be something he would not want to make public. As the distinguished junior Senator from Texas well said, it may be something about the man which, if made public, might cause harm to many innocent persons, including members of his own family or someone near him. But somewhere, at some place, those who are to pass on the nomination should be given some inkling respecting the cause of the individual being personally obnoxious, before the Senate, in my opinion, should invoke the rule.

I am a member of both the subcommittee handling the nomination and the full Committee on the Judiciary, and I yet have no inkling, either in writing or orally, from anything said or communicated to the full committee or on the floor of the Senate, as to just why Mr. Dooley is personally obnoxious. I deem the word "personally" to mean exactly that in connection with the expression "personally obnoxious."

Mr. President, we have heard a great deal about Texas politics, and I strongly suspect that the nominee is somewhat politically obnoxious to the junior Senator from Texas. Probably he is politically obnoxious to some of the residents of the judicial district in which he lives, because it is my understanding—and I received considerable education along that line in the hearings—that the intensity of politics in Texas almost makes it inevitable that one becomes personally obnoxious to someone when taking sides politically in that great State. But I have heard no reason assigned for Mr. Dooley being personally obnoxious to the junior Senator from Texas.

It has been said on the floor of the Senate that many lawyers in his own district opposed Mr. Dooley. I do not know how many lawyers there are in that district, but the number is probably in excess of 3,000. Anyone who has practiced law will realize that there are always members of the bar who, for various reasons, do not particularly like to see another member of the bar go on the Federal bench. But no one who had such objections appeared before the committee. No one appeared before the committee and said anything against Mr. Dooley personally.

I think the Senate can well take the real proof of the pudding to be that only in the past 2 years, I believe, or 3 years, Mr. Dooley was honored by all the lawyers in Texas, including the 3,000 living in his own Federal judicial district, by being elected president of the State Bar Association of Texas. He has been long active in the State Bar Association, and

that association put its stamp of approval on him.

In the committee the nomination was not considered as a partisan matter. The distinguished chairman also heard many of the witnesses, examined the record very carefully, and voted for the confirmation of Mr. Dooley after the hearings were concluded.

The very expert constitutional lawyer, member of the committee, the Senator from Missouri [Mr. DONNELL], whom everyone in the Senate knows is very meticulous and thorough respecting every dot and dash and every crossing of a "t" in the evidence and in the testimony, also spent considerable time examining the nomination. He came to the conclusion that Mr. Dooley was not only a fit and proper person for the judgeship, but that he probably was one of the outstanding lawyers in that section of the country.

The PRESIDENT pro tempore. Did the Chair correctly understand the senior Senator from Texas yielded 10 minutes to the Senator from Washington?

Mr. CONNALLY. Yes. I yield one additional minute to the Senator.

The PRESIDENT pro tempore. The Senator from Washington is recognized for one more minute.

Mr. MAGNUSON. Mr. President, the junior Senator from Kentucky [Mr. COOPER], himself a very distinguished judge in Kentucky before he came to this body, a man who knows the duties and who must have some idea of what the qualifications of a Federal judge should be, also, after listening to all the testimony and examining the record carefully, came to the conclusion that Mr. Dooley was a proper and fit nominee for the position. Other Members, after examining the record and hearing the witnesses, came to the same conclusion.

Mr President, it seems to me there probably may be some other lawyers in that judicial district who might serve as ably in the position as Mr. Dooley, but surely the nomination which has been made, whether it was suggested by the senior Senator or the junior Senator from Texas, in the absence of any proof of unfitness or disqualification, should be confirmed.

Mr. President, I may say that several Representatives in Congress from the northern district of Texas testified before the committee. My old friend, Representative EUGENE WORLEY, who comes from the district in which Mr. Dooley lives, and with whom I served in the House, and in whom I have the highest confidence, appeared before the committee and testified in Mr. Dooley's favor.

Mr. President, after this very thorough examination by the members of the committee on both sides of the aisle, coupled with the fact that the evidence does not show anything concrete as to why Mr. Dooley might be personally obnoxious to any Member of this body, and coupled with the further fact that Mr. Dooley himself did nothing out of the way during the hearing, and did not attempt to suggest to any Senator how he should vote on his nomination, it seems to me the Senate should not invoke the rule strictly, but after considering all the facts in the case and in light of all the precedents, should decide that Mr. Dooley is a very able and fit nominee for the position. I hope the Senate will confirm his nomination.

Mr. CONNALLY. Mr. President, I yield 10 minutes to the senior Senator from Kentucky.

Mr. BARKLEY. Mr. President, in the 10 minutes which I shall have at my disposal I can only briefly express my views with regard to the nomination. I am not a member of the Committee on the Judiciary. I never have been. I was judge in a modest way when I first came to Congress 34 years ago. I do not regard the pending nomination or any similar nomination as involving any constitutional right on the part of a Senator. The Constitution gives the President the power to nominate and, by and with the advice and consent of the Senate, to appoint officers, among whom are the judges of our courts.

Because Senators are supposed to know the people of their respective States better than do others, it has become customary to consult Senators with respect to the appointment of judicial or other officers within the State. As a rule that practice has been justified by the results. But the President of the United States is not required by the Constitution to do so. Only recently he exercised the right of appointment in the State of Texas without consulting either Senator, when he sent to the Senate the nomination of Mr. R. EWING THOMASON, a Member of the House of Representatives for many years, without consulting either Senator with reference to the appointment. Neither Senator objected to it, and the nomination was confirmed.

I mention that because it illustrates what I am undertaking to say, that there is no constitutional right residing in any individual Senator with respect to confirmation of the nomination of a man appointed from his State, although the custom has grown up over the years to consult Senators from the State with reference to appointments within the State. So I do not think there is any constitutional right involved on the part of either Senator from Texas or any other Senator under similar circumstances, that the Senate is required either by the Constitution or by precedent or pactice to observe.

It has always been a matter for each Senator to determine whether, under the circumstances, any Senator who advances a personal objection to an appointee should be required to show some ground for such personal objection. I have never believed, and I do not now believe, that any Senator has the right to object merely from caprice or from a whimsical desire to defeat the nomination of someone for an office.

Soon after coming to the Senate I had a little experience which probably has colored my view on the subject. I believe that each Senator is under an obligation to the Senate to have a bona fide reason for an objection on the ground of character, misconduct, or mistreatment of a personal nature which might be regarded as creating an obnoxious and embarrassing situation growing out of an appointment.

Many years ago when I first came to the Senate the Republican Party was in power. I think Mr. Hoover was President. It was either in the early days of Mr. Hoover's administration or the closing days of Mr. Coolidge's administration. The nomination for reappointment of a district attorney was sent to the Senate. I had been a candidate for the Senate in an election only a short time prior to the nomination. The district attorney who was involved had campaigned against me offensively. The things which he said were offensive. They were unnecessary to be said in a political campaign.

I gathered up all the newspapers containing such offensive declarations and brought them to Washington with me, with a view of possibly objecting to the confirmation of his nomination on the ground that he was personally obnoxious to me.

The late Senator Norris, of Nebraska, was chairman of the Judiciary Committee. I gathered up all the documents and all the charges and everything that this man had said about me in a political campaign and took them one night to Senator Norris' home to consult him as to whether he thought I would be justified in making an objection on the ground of personal obnoxiousness.

Senator Norris read over the clippings from the newspapers. Finally he said:

> This was a political campaign. While it used to be the rule in the Senate that any Senator might make an objection on personal grounds, and would not be asked about it, but his objection would be accepted and observed, yet of late years the Senate has been more inclined to expect at least that a Senator who gives such ground for opposition to an appointee shall give some reason so that the Senate may have an opportunity to judge whether the rule of personal obnoxiousness ought to apply when there is no other ground against the appointment.

After I had discussed the matter with Senator Norris, the chairman of the committee, I decided not to interpose an objection to the reappointment of my Republican friend from Kentucky. His nomination was considered and confirmed, and he was appointed, and, I believe, served out his term.

I was always glad after that—and I am now—that I did not take advantage of what I might have done at the time by raising the question of personal obnoxiousness. This man had been very vigorous and rather denunciatory in a political campaign in his effort to keep me from coming to the United States Senate. I think I acted wisely in the decision which I reached. I have no way of knowing what the result might have been if I had interposed a personal objection. Perhaps if I had read to the Senate some of the things which this man said about me, the Senate might have concluded that I had a pretty good ground for looking upon him as personally objectionable.

I mention that circumstance for whatever it may be worth in confirmation of what Senator Norris said to me at that time, namely, that in recent years the Senate has come to a rather different viewpoint in regard to objections based upon personal obnoxiousness with respect to a candidate whose nomination

comes before the Senate for confirmation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LUCAS. The Senator makes out a very strong case for himself. Probably he would have been justified had he interposed an objection at that time. However, as I understand from the evidence in this case, the junior Senator from Texas is not even acquainted with Mr. Dooley. There has never been any proof of misconduct upon his part, or mistreatment of the junior Senator from Texas. There is not a single fact in the record anywhere which would justify an objection on the ground of personal obnoxiousness.

Mr. BARKLEY. I appreciate the observation of the Senator. I was coming to that point. It presents a contrast between the situation which I have described, involving an appointment from my State, and the present case. I do not cite that example because of any virtue which attaches to me, or because of any merit on my part in not raising the objection, but only in confirmation of the statement that in recent years the Senate has come to expect a United States Senator who raises such an objection to give some ground for the objection. I could have done so in the case to which I referred. However, after discussing the matter with the chairman of the Committee on the Judiciary, I felt that under the circumstances I would not be justified in raising that objection.

Mr. President, no similar situation has been presented here. I dislike to become involved in a controversy between Senators from the same State over an appointment. But, after all, I am charged with a constitutional duty. I am charged with the duty of passing upon the question whether this man is qualified to be a judge. No one has said that he is not qualified—not even the Senator who objected to his appointment. No one has attacked his character. No one has in any way sought to undermine his standing at the bar or among the people of Texas. I am asked to vote against the confirmation of his nomination on the basis of a whimsical or capricious objection on the part of a Senator who never saw him in his life until he appeared before the committee in his own defense. So far as anyone knows, or so far as the committee has been informed, the nominee never uttered a sentence against the junior Senator from Texas, either politically, personally, or otherwise.

The other day the junior Senator from Texas sent all of us a copy of a letter which Judge Wilson, of Texas, had written him. In his covering letter the Senator stated that he was sending us a significant letter from the judge.

I know Judge Wilson. He was a Member of the House of Representatives when I was elected to Congress in 1913, and served in the House for 6 years after I came to Congress. He was appointed a judge by Woodrow Wilson. He has been on the bench for 28 years. He is over 70 years of age, and is entitled to retirement. He wrote the letter to the junior Senator from Texas urging that the appointment be made and confirmed so that he could exercise the right he enjoys under the law to retire.

Is there anything wrong with that? Is there anything significant about it? The only thing was that he would like to retire but could not do so until there was a new judge appointed.

He went on in that letter to say that so far as he was concerned he would be glad if any one of three men were nominated; that any one of them would be a good judge. He was not consulted about them. He mentioned Mr. Dooley and two others whose names I do not now recall. He said that inasmuch as Judge Dooley had been nominated, and not either of the other two whom he had in mind, he hoped that the Senator from Texas might assist in bringing about the confirmation of Judge Dooley. I presume he would have written the same sort of letter about any of the others if the same circumstances justified it. He hoped that he could bring about confirmation so that he might exercise his right to retire, under the law, having served for 28 years and reached beyond the age of 70 years.

I appreciate the Senator's courtesy in extending me this time. I cannot find in my heart, under all the circumstances, how I can do otherwise than to vote for the confirmation of this nomination.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, like many of my colleagues, I dislike having to make a choice which involves the personal feelings of two of my colleagues, but, as a member of the Senate Committee on the Judiciary, I feel it is my duty to state as briefly as I can my own views about this particular case.

I was not a member of the subcommittee and did not hear all the evidence, but as many of the Senators know, this matter was taken up by the full committee and much of the evidence was rehashed before that committee, so that I did have the advantage of hearing most of the testimony relating to it.

The first point I think may be said to involve the qualifications of Mr. Dooley as a lawyer and as a man fitted to discharge the duties of a Federal judge. I do not think there is any serious question about that feature of the case. There was no real evidence brought before the committee which would cast any doubt, in my opinion, on the legal ability, the integrity, or the character of Mr. Dooley. So that the real subject in controversy involves the question centering around the concept known as personal obnoxiousness involving a Senator. My own feeling about it is that it is a valuable concept, one which has served a good purpose, and one which I think should be protected in this body, but I think that it is based upon the idea that there must be reasonable grounds for it, some grounds relating to the person involved, in this case Judge Dooley, and also involving in this instance the junior Senator from Texas. I was unable, in listening to the evidence before the committee, to find anything that could tie the idea of personal obnoxiousness to the junior Senator from Texas. Much of the evidence which was adduced and which, in the Senator's view, made the nominee, Mr. Dooley, subject to the charge of personal obnoxiousness, did not relate to their personal relations at all, but, if they had any significance, went to the qualifications of the nominee. I am unable to see in any evidence that was brought before the committee the elements of personal obnoxiousness in the sense that I understand that term has significance before the Senate. So far as I can see, nothing had taken place between the junior Senator from Texas and the nominee; in fact, if I recall correctly, they were not acquainted; no expressions by the nominee had ever taken place involving the junior Senator from Texas. The only thing I could see that was brought out, aside from the political situation which may exist in Texas and in the National Administration, was the fact that the nominee is not from Fort Worth. Most of the judges heretofore appointed have been from Fort Worth. It does not seem to me that the residence of the nominee should be a basis for the charge of being personally obnoxious.

I admit that the distinction in the precedents which were developed by the chairman of the Committee on the Judiciary in a very exhaustive memorandum on the subject was difficult to follow. I believe that in practically every instance with which the Senate has dealt there has been some kind of personal relationship, which, even though it might not appear very significant to those who were not involved, yet could reasonably be of great significance to the Senator who was involved in the particular case. Practically every one of them undertook to state reasons for the individual's being personally obnoxious. I do not think any of them were entirely capricious, although they might strain our reason in some instances. But in this case I am unable to find anything in the record—and I certainly did not hear anything before the committee—which would indicate any kind of personal relations between the junior Senator from Texas and the nominee, Mr. Dooley. Therefore, I am compelled, much as I dislike making a choice, to vote to confirm the nominee on the floor as I did in the committee. I believe that in so doing I am not destroying the idea of personal obnoxiousness in the Senate. On the contrary, I think that by making proper distinctions where they should be made we will strengthen for the future the idea sought to be advanced here in those cases in which I believe it should be applied and in which I think the facts would justify its application.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Missouri [Mr. DONNELL].

Mr. DONNELL. Mr. President, as a member of the Judiciary Committee of the Senate it was my privilege to study much of the record and much of the testimony with respect to Mr. Dooley.

There were various circumstances which, in my judgment, required rather a careful investigation and study. The investigation and study were made by a member of the staff of the Judiciary Committee, but it was likewise my privilege to look into the facts with respect to various portions of the subject matter.

In addition to the study of the record and the hearing of the testimony to which I have referred, it was my privilege to meet and converse with Mr. Dooley, whom I had previously never seen, so far as I know, and also to observe his demeanor during the progress of the hearings. I observed him to be a modest, calm, collected gentleman. While there were various questions to which he might very well have taken some exception or which might have aroused some excitement or temper on his part, I observed that he was able to contain himself and did so very admirably.

In my judgment, from my observation of him, Mr. Dooley is a man of high standing, of excellent judgment and capacity, and I believe that he would serve with distinction upon the Federal bench.

I have considered, Mr. President, in addition to my observation of Mr. Dooley personally and a study of that portion of the record, at any rate, to which I have referred, and that portion of the testimony to which I have referred, various letters with respect to Mr. Dooley. One of those letters contains a paragraph which I think is particularly significant and important. I refer to a letter from Mr. James L. Shepherd, Jr., whom I have known for some years and who was formerly president of the Texas Bar Association. I have known him personally in the American Bar Association. He is with the firm of Baker, Botts, Andrews & Walne, of Houston, Tex., which is one of the great law firms of the Southwest. I quote this from Mr. Shepherd's letter to me:

> There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of Government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

Mr. President, I close by stating that I was greatly impressed by a testimonial which was placed in yesterday's RECORD by the senior Senator from Texas [Mr. CONNALLY]. That testimonial was a telegram signed by approximately 15 former presidents of the Bar Association of the State of Texas. I observe that the first name on the list is that of an old friend of mine, a former president of the American Bar Association, David A. Simmons, of Houston. The sentence which contains their expression reads as follows:

> As former presidents of the State Bar Association of Texas we unanimously certify to the character and ability of Joe Dooley, and endorse him for United States district judge.

Mr. President, I shall vote for confirmation of the nomination of Mr. Dooley.

Mr. CONNALLY. Mr. President, how much time remains?

The PRESIDENT pro tempore. Each side has 4 minutes remaining.

Mr. CONNALLY. Perhaps the junior Senator from Texas wishes to speak at this time.

Mr. O'DANIEL. Mr. President, this matter has been fully discussed within the time we have had to discuss it. At 4 o'clock we shall vote first on the question whether the nomination shall be recommitted to the Judiciary Committee for its further consideration. There is some new evidence which should be considered by the committee. I think we would be wise to consider that evidence before we vote on the question of confirmation. That evidence is important; because if the letter, as reported to me by a reliable source, was written, it certainly should receive consideration. That letter was supposed to have been written by the retiring judge, James C. Wilson, last November 22 to the President of the United States; and in writing that letter Mr. Wilson was, as a great many people in Texas realize, acting in the capacity of campaign manager for Mr. Dooley, and was trying to name his successor. Judge Wilson is reported to have written to the President urging him to make an interim appointment so that the new appointee would be on the bench and would be in a better position to obtain confirmation than otherwise. In that letter some very derogatory statements are also made against the junior Senator from Texas, and I should like to have the Senate Judiciary Committee see them.

The existence of that letter has been verified this afternoon by the President in his letter which comes from the White House. In that letter he acknowledges that the letter to which we have referred is in existence, but he refuses to send it, because he states that he considers it to be confidential. In contrast to that we have an Associated Press report quoting Judge Wilson as saying that he never wrote the letter. So we see there is a conflict; and it seems to me that, in justice to the nomination, the conflict should be inquired into and given consideration by the Judiciary Committee. I do not believe any harm will be done in trying to iron out this inconsistency. If the letter is in existence, the Judiciary Committee and the entire Senate have a perfect right to find out what is in it, and that can be ascertained by various methods.

Therefore, I wish to suggest that we do not vote blindly on this matter, but that we obtain all the information before we vote.

So I ask that the Senate vote to recommit the nomination to the Judiciary Committee. The nomination has already been under consideration since June 21, 1944, and I do not think any harm will be done by delaying it a few days longer, so that we may know what are the facts with reference to whether the judge was campaigning with the President and was trying to appoint his own successor to the judgeship of the northern district of Texas.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. CONNALLY. Mr. President, I appeal to the Senate to pay attention to what I shall say in the next few minutes, because I have only 4 minutes remaining.

In regard to the motion to recommit, let me say that today we have heard it said that the President received a letter from Judge Wilson. The President has written a letter stating that he regards the letter from Judge Wilson as personal, and that he will not disclose it. Judge Wilson has sent a telegram in which he states that the letter refers to his retirement, and does not have any relationship to the appointment of a new judge.

I know personally that Judge Wilson has been anxious for some time to retire. So his letter was merely a letter to the President asking that he be allowed to retire.

Mr. President, this nomination has been before the Judiciary Committee since last January. We know the distinguished Senator from Missouri [Mr. DONNELL] who spoke a moment ago. He knows all about this case; he has thoroughly examined it. The committee was called back several times at the request of the junior Senator from Texas, who wanted to have a further examination made by the committee. That was done three or four times. Even if we stay here 6 months, we shall not be able to make the President divulge his private correspondence.

Mr. President, the undisputed testimony in this case is that Mr. Dooley is a distinguished lawyer of the highest character, and has been president of the State of Texas Bar Association, and has been a distinguished lawyer for many years. Nevertheless, the junior Senator from Texas says Mr. Dooley is personally obnoxious to him. However, the junior Senator from Texas refuses to tell the Senate why Mr. Dooley is personally obnoxious to him.

The other day the Senator from Massachusetts [Mr. SALTONSTALL] asked the junior Senator from Texas the direct question, "Tell us why Mr. Dooley is personally obnoxious." The junior Senator from Texas replied, "Under the precedents, I do not have to do anything except say he is personally obnoxious."

Mr. President, I have before me the printed record of the committee hearings, and it shows that the junior Senator from Texas did not know Mr. Dooley until he met him in the room of the Judiciary Committee. The testimony is that Mr. Dooley did not know the junior Senator from Texas until they walked into that committee room. The testimony further is that Mr. Dooley has never said anything against the junior Senator from Texas, never has done anything against him, never has taken any part in any of his campaigns.

So, Mr. President, how can Mr. Dooley be personally obnoxious to the junior Senator from Texas, when neither one is known to the other, when Dooley is innocent of all harm and all wrong, and has never done or said anything against the junior Senator from Texas? How can he be personally obnoxious under those circumstances? The obnoxiousness must not be political; he must be personally obnoxious.

Mr. President, under this testimony it is physically impossible for Mr. Dooley to have been personally obnoxious to the junior Senator from Texas. He may be politically obnoxious; but the junior Senator from Texas has no right to make such a claim, because Mr. Dooley is not a politician. He is a lawyer, and only a lawyer, and has never done anything against the junior Senator from Texas.

Yet the junior Senator from Texas says this is a diabolical, sinister plot. Evidently, Mr. President, I am the plot, for I recommended Mr. Dooley. I never talked to the President about the case in my life. Mr. Dooley does not know the President, and neither does the President know Mr. Dooley. I submitted his name, and sent testimonials from his district, from the lawyers and judges and the people generally; and the President subsequently nominated Mr. Dooley.

It has been stated here that the junior Senator from Texas was never consulted about appointments. However, Mr. President, the record shows that he was consulted about this appointment, and that he made two recommendations. The record shows that on the executive calendar as of today, there are the names of two district attorneys whom the President has appointed on the recommendation of the junior Senator from Texas. Yet it has been stated that the junior Senator from Texas has never been consulted, but has been ignored. Nevertheless, two district attorneys, whose nominations are on the calendar at this time, have been nominated by the President. Despite the abuse which the junior Senator from Texas has heaped upon him from time to time, the President has appointed two district attorneys on the recommendation of the junior Senator from Texas, and their names are now on the calendar, for confirmation. Those are facts. I ask the Senate to take my word for it that those are facts.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. CONNALLY. I am sorry, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the junior Senator from Texas [Mr. O'DANIEL] to recommit to the Committee on the Judiciary the nomination of Joe L. Dooley to be United States district judge for the northern district of Texas.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Brewster	Buck
Baldwin	Bricker	Bushfield
Ball	Bridges	Butler
Barkley	Brooks	Byrd
Cain	Johnson, Colo.	O'Mahoney
Capehart	Johnston, S. C.	Overton
Capper	Kem	Pepper
Chavez	Kilgore	Revercomb
Connally	Knowland	Robertson, Va.
Cooper	Langer	Robertson, Wyo.
Cordon	Lodge	Russell
Donnell	Lucas	Saltonstall
Dworshak	McCarran	Smith
Ecton	McCarthy	Sparkman
Ellender	McClellan	Stewart
Ferguson	McFarland	Taft
Flanders	McGrath	Taylor
Fulbright	McKellar	Thomas, Okla.
George	McMahon	Thye
Green	Magnuson	Tydings
Gurney	Malone	Umstead
Hatch	Martin	Vandenberg
Hawkes	Millikin	Watkins
Hayden	Moore	Wherry
Hickenlooper	Morse	White
Hill	Murray	Wiley
Hoey	Myers	Williams
Holland	O'Conor	Young
Jenner	O'Daniel	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the junior Senator from Texas [Mr. O'DANIEL] to recommit the nomination to the committee.

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. KNOWLAND (when his name was called). On this vote I have a pair with my colleague the senior Senator from California [Mr. DOWNEY], who is absent by leave of the Senate. I am informed that if he were present, he would vote "nay." If permitted to vote, I would vote "yea." In his absence, I withhold my vote.

The roll call was concluded.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], who is absent on public business, is paired on this vote with the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Utah would vote "nay."

The Senator from South Carolina [Mr. MAYBANK] is unavoidably detained, the airplane on which he was to return to Washington today having been grounded because of adverse weather conditions. If present and voting, the Senator from South Carolina would vote "nay."

The Senator from New York [Mr. WAGNER], who is necessarily absent, and who would vote "nay" if present, has a general pair with the Senator from Kansas [Mr. REED].

Mr. WHERRY. I announce that the Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER]. The Senator from Kansas is unavoidably detained on committee business of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting, he would vote "nay."

The Senator from Iowa [Mr. WILSON] is unavoidably detained on official business.

The result was announced—yeas 39, nays 46, as follows:

YEAS—39

Baldwin	Ecton	Martin
Ball	Ferguson	Moore
Brewster	Flanders	O'Daniel
Bricker	Gurney	Revercomb
Bridges	Hawkes	Robertson, Wyo.
Brooks	Hickenlooper	Saltonstall
Buck	Jenner	Smith
Bushfield	Kem	Stewart
Butler	Langer	Taft
Byrd	Lodge	Thye
Cain	McCarthy	Watkins
Capehart	McKellar	Wherry
Dworshak	Malone	Williams

NAYS—46

Aiken	Holland	O'Mahoney
Barkley	Johnson, Colo.	Overton
Capper	Johnston, S. C.	Pepper
Chavez	Kilgore	Robertson, Va.
Connally	Lucas	Russell
Cooper	McCarran	Sparkman
Cordon	McClellan	Taylor
Donnell	McFarland	Thomas, Okla.
Ellender	McGrath	Tydings
Fulbright	McMahon	Umstead
George	Magnuson	Vandenberg
Green	Millikin	White
Hatch	Morse	Wiley
Hayden	Murray	Young
Hill	Myers	
Hoey	O'Conor	

NOT VOTING—10

Downey	Maybank	Wagner
Eastland	Reed	Wilson
Ives	Thomas, Utah	
Knowland	Tobey	

So Mr. O'DANIEL's motion to recommit was rejected.

The PRESIDENT pro tempore. The question now is, Will the Senate advise and consent to the nomination of Joe B. Dooley to be United States judge for the northern district of Texas?

Mr. O'DANIEL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. KNOWLAND (when his name was called). On this vote I have a pair with my colleague the senior Senator from California [Mr. DOWNEY], who is absent by leave of the Senate. I am informed that if he were present he would vote "yea." If permitted to vote, I would vote "nay." In his absence, I withhold my vote.

The roll call was concluded.

Mr. STEWART. Mr. President, on this vote I have a pair with the Senator from South Carolina [Mr. MAYBANK], who is unavoidably absent as announced by the Senator from Illinois on the previous vote. If present the Senator from South Carolina would vote "yea." If I were permitted to vote I would vote "nay." In his absence, I withhold my vote.

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER]. The Senator from Kansas is unavoidably detained on committee business of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting, he would vote "yea."

The Senator from Iowa [Mr. WILSON] is unavoidably detained on official business.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], who is absent on public business, is paired on this vote with the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Utah would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, and who would vote "yea" if present, has a general pair with the Senator from Kansas [Mr. REED].

The result was announced—yeas 48, nays 36, as follows:

YEAS—48

Aiken	Hill	Myers
Baldwin	Hoey	O'Conor
Barkley	Holland	O'Mahoney
Capper	Johnson, Colo.	Overton
Chavez	Johnston, S. C.	Pepper
Connally	Kilgore	Robertson, Va.
Cooper	Lucas	Russell
Cordon	McCarran	Smith
Donnell	McClellan	Sparkman
Ellender	McFarland	Taylor
Fulbright	McGrath	Thomas, Okla.
George	McMahon	Tydings
Green	Magnuson	Umstead
Hatch	Millikin	Vandenberg
Hayden	Morse	White
Hickenlooper	Murray	Wiley

NAYS—36

Ball	Ecton	Martin
Brewster	Ferguson	Moore
Bricker	Flanders	O'Daniel
Bridges	Gurney	Revercomb
Brooks	Hawkes	Robertson, Wyo.
Buck	Jenner	Saltonstall
Bushfield	Kem	Taft
Butler	Langer	Thye
Byrd	Lodge	Watkins
Cain	McCarthy	Wherry
Capehart	McKellar	Williams
Dworshak	Malone	Young

NOT VOTING—11

Downey	Maybank	Tobey
Eastland	Reed	Wagner
Ives	Stewart	Wilson
Knowland	Thomas, Utah	

So the nomination was confirmed.

Mr. BARKLEY. Mr. President, I ask that the President be notified immediately of the confirmation.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had severally agreed to the amendments of the Senate to the following bill and joint resolution of the House:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.); asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'HARA, Mr. ALLEN of California, and Mr. ABERNETHY were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Ohio, Mr. JENSEN, Mr. FENTON, Mr. STOCKMAN, Mr. CASE of South Dakota, Mr. KIRWAN, Mr. ROONEY, Mr. GORE, and Mr. NORRELL were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes.

The message further announced that the House had passed a bill (H. R. 3950) to reduce individual income-tax payments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 58) authorizing and directing the Clerk of the House in the enrollment of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, to make a change clarifying the effective date of the motor-fuel tax, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 666. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes;

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—AMENDMENT

Mr. LUCAS. Mr. President, I ask unanimous consent to submit an amendment in the nature of a substitute intended to be proposed by me to House bill 3950, to reduce individual income-tax payments, just received in a message from the House of Representatives, and I request that it be referred to the Committee on Finance, be printed, and printed in the RECORD.

There being no objection, the amendment was received, referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

Amendment (in the nature of a substitute) intended to be proposed by Mr. LUCAS to the bill (H. R. 3950) to reduce individual income-tax payments: Strike out all after the enacting clause and insert the following:

"That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

"SEC. 2. Increase in personal exemptions.

"Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out '$500', wherever appearing therein, and by inserting in lieu thereof '$650', and by striking '$1,000' and by inserting in lieu thereof '$1,300.'

"SEC. 3. Reduction in surtax on individuals.

"Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking everything after the colon and inserting in lieu thereafter the following:

"If the surtax net income is:	The tentative surtax shall be:
Not over $2,000-----	13 percent of the surtax net income.
Over $2,000 but not over $4,000.	$260, plus 15 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$560, plus 19 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$940, plus 23 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,400, plus 27 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$1,940, plus 31 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,560, plus 36 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,280, plus 40 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,080, plus 43 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$4,940, plus 46 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$5,860, plus 49 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$6,840, plus 52 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$8,920, plus 55 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$12,220, plus 58 percent of excess over $32,000.

"If the surtax net income is:	The tentative surtax shall be:
Over $38,000 but not over $44,000.	$15,700, plus 62 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$19,420, plus 65 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$23,320, plus 68 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$30,120, plus 71 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$37,220, plus 74 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$44,620, plus 77 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$52,320, plus 80 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$60,320, plus 82 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$101,320, plus 83 percent of excess over $150,000.
Over $200,000 ------	$142,820, plus 84 percent of excess over $200,000.

"SEC. 4. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax table) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this act.

"SEC. 5. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 107. An act for the acquisition and maintenance of wildlife management and control areas in the State of California; and for other purposes;

H. R. 859. An act to provide for the exploration, investigation, development, and maintenance of the fishing resources and development of the high seas fishing industry of the Territories and island possessions of the United States in the tropical and subtropical Pacific Ocean and intervening seas, and for other purposes;

H. R. 1036. An act to provide for the licensing of marine radiotelegraph operators as ship radio officers, and for other purposes;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3350. An act relating to the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers, and for other purposes;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes;

H. R. 3505. An act authorizing an appropriation for investigating and rehabilitating the oyster beds damaged or destroyed by the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., and by the opening of the Bonnet Carre spillway, and for other purposes;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3541. An act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes;

H. R. 3569. An act to authorize the construction of a chapel and a library at the United States Merchant Marine Academy at Kings Point, N. Y., and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; and

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy; and

H. R. 3767. A bill to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 2361. An act to authorize the filing of actions in State courts to quiet title to lands described in a treaty between the United States and the Delaware Indians, dated October 3, 1818;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2938. An act to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior;

H. R. 3153. An act to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota;

H. R. 3173. An act relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes;

H. R. 3322. An act to facilitate rights-of-way through restricted Osage Indian land, and for other purposes;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3376. An act to ratify and confirm act 10 of the Session Laws of Hawaii, 1947, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3395. An act to add certain lands to the Modoc National Forest, California; and

H. R. 3679. An act to enable the legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; to the Committee on Public Lands.

H. R. 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the admission of Wisconsin into the Union as a State; to the Committee on Banking and Currency.

H. R. 1260. An act to amend section 107 of title 2 of the Canal Zone Code, approved June 19, 1934;

H. R. 3051. An act to amend the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a), and to amend section 2 and to repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934 (48 Stat. 503; 34 U. S. C. 495), as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes;

H. R. 3127. An act to provide for the loan or gift of obsolete ordnance to State homes for former members of the armed forces:

H. R. 3501. An act to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes; and

H. R. 4017. An act to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes; to the Committee on Armed Services.

H. R. 1810. An act to amend the Criminal Code and certain other legislation to permit part-time referees in bankruptcy to act as agents or attorneys for claimants against the United States;

H. R. 3214. An act to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary";

H. R. 3555. An act to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended;

H. R. 3566. An act to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes;

H. R. 3690. An act to amend the Federal Tort Claims Act; and

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; to the Committee on the Judiciary.

H. R. 1938. An act to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940; to the Committee on Foreign Relations.

H. R. 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement; to the Committee on Expenditures in the Executive Departments.

H. R. 1995. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing 10 years of service; and

H. R. 3638. An act to amend section 10 of the act establishing a National Archives of the United States Government; to the Committee on Civil Service.

H. R. 3146. An act to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes;

H. R. 3219. An act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes; and

H. R. 3759. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Public Works.

H. R. 3950. An act to reduce individual income-tax payments; to the Committee on Finance.

H. R. 2956. An act to amend the Natural Gas Act approved June 21, 1938, as amended; and

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; ordered to be placed on the calendar.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM—APPEAL FROM THE DECISION OF THE CHAIR RELATING TO REFERENCE OF A JOINT RESOLUTION

The PRESIDENT pro tempore. Under the order of the 3d instant, the Senate at this time, in legislative session, will resume the consideration of the appeal by the Senator from Arizona [Mr. HAYDEN] from the decision of the Chair referring to the Committee on the Judiciary the joint resolution (S. J. Res. 145) to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, under a limitation of debate of 2 hours, one-half of such time to be controlled by the Senator from Nevada [Mr. MCCARRAN] and one-half by the Senator from Arizona [Mr. HAYDEN].

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. HAYDEN. Mr. President, I should like to submit a unanimous-consent request that the time limitation be reduced from 2 hours to 1 hour, and that thereupon the Senate shall vote upon the appeal.

The PRESIDENT pro tempore. With the same time division as previously agreed to?

Mr. HAYDEN. Yes.

Mr. McCARRAN. Mr. President, there is no objection on my part to the reduction in the limitation of time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and the order is made.

The Senator from Arizona is recognized for 30 minutes.

Mr. HAYDEN. Mr. President, I have sent to Senators a memorandum in regard to this matter, but for fear they have been busy, as I have, and that all Senators have not read it, I should like to read it to the Senate at this time. It is less than a page in length and is as follows:

In announcing his decision the President pro tempore began by stating:

"This is one of those situations in which the color of argument very easily can be made for reference either to the Senate Committee on the Judiciary or to the Senate Committee on Public Lands. The question, therefore, becomes one of where the preponderance of interest would seem to lie."

And in conclusion he said:

"The ruling is open to an appeal, and the Chair certainly will take no offense if an appeal is made, since this is one of those things which ought to be fully liquidated and ventilated, because we are making precedents all the time in the present Congress in respect to a brand-new chapter in the parliamentary life of the Senate."

The appeal from the decision of the Chair is based upon the practical question as to which of the two committees is capable of giving the best advice to the Senate regarding the necessity for the proposed law suit. Paragraph 8 and 9 of section (m) of the Congressional Reorganization Act of August 2, 1946, grant jurisdiction to the Committee on Public Lands over:

"8. Irrigation and reclamation, including water supply for irrigation projects.

"9. Interstate compacts relating to apportionment of waters for irrigation purposes."

When the President pro tempore ruled, he did not know that such a law suit had been proposed in opposition to a bill now under active consideration by the Committee on Public Lands and that the need for it must be decided by that committee. If the joint resolution is referred to the Committee on the Judiciary, two Senate committees will be considering the same question at the same time.

Committees are servants of the Senate. It is obvious that, because of its greater knowledge of the inherent problems of water rights, the Committee on Public Lands is best qualified to recommend to the Senate whether or not it is now necessary for the Department of Justice to take the time and trouble and go to the expense of a suit in the Supreme Court to determine the claims and rights of five States to the use of water in the lower Colorado River Basin.

Reference of the joint resolution to the Committee on the Judiciary because it has jurisdiction over "judicial proceedings, civil and criminal generally" would make the procedure more important than the merits of the law suit itself. By such reasoning, granting the Attorney General authority to file such a suit rates higher than the need for it and to that, the Senate should not agree.

Mr. President, I yield 5 minutes to the Senator from Nebraska [Mr. BUTLER], chairman of the Senate Committee on Public Lands.

Mr. BUTLER. Mr. President, I do not know that I shall use the full 5 minutes. I wish to speak in the capacity of chairman of the committee which has had under consideration now for several weeks proposed legislation affecting the division of waters in the area under consideration. In that connection I wish to say that I agree very thoroughly with the statement made by the distinguished Senator from Arizona in connection with what he read from Public Law 601 respecting the reference of legislative proposals which are made on the floor of the Senate. Senators who were listening caught the point very definitely. There is an apparent conflict between the Committee on the Judiciary and the Committee on Public Lands with respect to interstate compacts. Under the heading of matters to be referred to the Committee on the Judiciary, interstate compacts generally are very definitely set out. Under the clause sending certain measures to the Committee on Public Lands are listed interstate compacts relating to apportionment of waters for irrigation purposes.

Normally one might conclude that a measure involving legal questions should go to the Committee on the Judiciary. However, there are many able members of the bar who are not members of the Committee on the Judiciary. Eight of the thirteen members of the Committee on Public Lands are distinguished members of the bar. All of those eight lawyers are familiar with laws affecting the distribution and apportionment of waters in areas where disputes arise. In other words, they are good attorneys on questions relating to irrigation. Therefore I am certain that any legal questions involved could be just as well handled before the Committee on Public Lands as before the Committee on the Judiciary.

In connection with the pending proposal, I wish to submit a further statement with reference to interstate compacts generally. I had an investigation hurriedly made to determine what that phrase might refer to. A short time ago I received a statement from the Library of Congress. It lists a number of acts of Congress authorizing or ratifying agreements between States.

Under the act of August 27, 1935 (49 Stat. 932–938), I find a compact between New York, New Jersey, and Connecticut relating to the creation of an interstate sanitation district and commission.

Under the act of August 27, 1935 (49 Stat. 939–941), there is a compact between New Mexico, Kansas, Oklahoma, Illinois, Colorado, Texas, and other States relative to the conservation of oil and gas.

Under the act of August 30, 1935 (49 Stat. 1058–1064), there was a compact between Pennsylvania and New Jersey creating the Delaware River Joint Toll Bridge Commission.

Under the act of April 25, 1936 (49 Stat. 1239, ch. 249), there is a compact between Virginia and other States relating to tobacco control.

Under the act of June 23, 1936 (49 Stat. 1895, ch. 735, par. 3), I find a compact relating to the negotiation of public park, parkway, and recreational area compacts.

Under the act of July 28, 1937 (50 Stat. 538–542), I find a compact between Maine and New Hampshire for a bridge between the States.

Under the act of August 12, 1937 (50 Stat. 633–637), there is listed a compact between Massachusetts, New Hampshire, Rhode Island, and other States, relating to minimum wages.

Under the act of August 19, 1937 (50 Stat. 719–723), there is a compact between New York and New Jersey relating to the Palisades Interstate Park Commission.

Under the act of April 5, 1938 (52 Stat. 200, ch. 74), compacts concerning fishing on the Great Lakes were authorized.

Under the act of June 25, 1938 (52 Stat. 1163, ch. 683), there is a compact between New Jersey and Pennsylvania with respect to the construction, maintenance, and operation of a vehicular tunnel under the Delaware River.

Under the act of August 10, 1939 (53 Stat. 1346, ch. 645), a boundary agreement between Iowa and Missouri was approved.

Under the act of June 8, 1940 (54 Stat. 261, ch. 295), there was a negotiation of compacts for regulation of fishing in the territorial waters and bays of the Atlantic Ocean.

Under the act of August 4, 1942—56 Statutes 736, chapter 545—I find a compact between Colorado, Kansas, and Nebraska relating to the apportionment of waters of the Republican River. That act was passed since I became a Member of the Senate. The compact to which I refer related to division of waters between Colorado, Kansas, and Nebraska in connection with the conservation district which was established. The President did not sign the bill granting consent for the compact. He vetoed it because it was not admitted in the compact that the river was navigable. It is a river which sometimes is perfectly dry. In drafting the compact we did not feel the necessity of admitting the navigability of the river. However, after being returned to the Senate the bill was reenacted under date of May 26, 1943, and in the new bill the navigability of the stream was admitted. That measure was not handled by the Committee on the Judiciary.

Mr. President, in view of the confusion which might be caused by referring the pending measure to the Committee on the Judiciary, I believe that it should go to the Committee on Public Lands.

Mr. HAYDEN. Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, there is pending before the Subcommittee on Irrigation and Reclamation of the Committee on Public Lands Senate bill 1175, which is a bill to authorize the construction, operation, and maintenance of a dam and incidental works on the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes. Hearings commenced on the bill on Monday, June 23, and the first phase of the hearings ended on Thursday, July 3, 1947. The committee heard 33 witnesses, and numerous statements were entered in the record. The hearings will be continued when certain official reports and information have been received.

There are two main questions before the committee. The first is, Is Arizona entitled to sufficient water out of the Colorado River system to support the project? The second question is, If Arizona is entitled to enough of such water to support the project, should it be authorized under all the other facts of the case?

Arizona and California are in sharp conflict as to whether Arizona is entitled to the water out of the Colorado River system necessary to support the project. Eminent engineers and lawyers representing those States have already urged their conflicting views before the Subcommittee on Irrigation and Reclamation of the Committee on Public Lands. This is the vital threshold question of the hearing. The committee will have to decide this question. In deciding it, the committee may conclude that the question should be submitted to the courts for a decision; and if it so concludes, it will report accordingly.

The Committee on the Judiciary would have to operate on the basis of the same kind of facts already before the Subcommittee on Irrigation and Reclamation of the Public Lands Committee.

In a word, the Public Lands Committee, through its Subcommittee on Irrigation and Reclamation, through a prior referral to it by the Chair of Senate bill 1175, has acquired jurisdiction of the subject, has proceeded diligently under that jurisdiction, and will pass on the precise question here presented, and will make appropriate recommendations. Therefore there is no justification for referring the same matter to another committee for decision. I therefore urge most respectfully that the appeal from the decision of the Chair be sustained.

Mr. HAYDEN. Mr. President, may I inquire how much time I have yielded?

The PRESIDENT pro tempore. The Senator has 18 minutes remaining.

Mr. HAYDEN. I suggest that the Senator from Nevada [Mr. McCARRAN] proceed.

Mr. McCARRAN. I yield to the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, I invite the attention of Members of the Senate to the fact that the joint resolution is primarily a measure directing the Attorney General of the United States to file an action in the Supreme Court of the United States against the lower basin States in order to reach a judicial determination. If Senators will examine the joint resolution, they will see that that is the meat of it.

I also invite the attention of Members of the Senate to the fact that in the House of Representatives two identical resolutions were introduced. Both of them have been referred to the House Committee on the Judiciary. I call attention to the fact that under the Reorganization Act it is provided that legislation relating to judicial proceedings, civil and criminal, generally shall be referred to the Committee on the Judiciary. I call attention to the further fact that it is also provided that interstate compacts generally shall be referred to the Committee on the Judiciary.

For those reasons, Mr. President, I believe the decision of the Chair should be upheld and that the resolution should go to the Committee on the Judiciary, to which it has been properly referred.

The issue here under discussion is whether committee jurisdiction as defined by the Legislative Reorganization Act of 1946 should be enforced in practice or whether, for underlying reasons not clearly disclosed, the act should be made a dead letter. I state it this way because, in my judgment, it is highly important to carry out the remedial purposes of the act.

Under the old rule XXV, the standing committees of the Senate were named, but there was no specification of the duties assigned to them, other than that which might be inferred from the name of the committee. Of course, during a century and a half of practice under the rule, a body of precedents developed. Where precedents were consistent, the assignment of the duty could be ascertained. Where they were not consistent, which was often the case, decisions were necessarily somewhat the product of the discretion of the Presiding Officer of the Senate.

It was one of the objectives of the Reorganization Act to facilitate the work of the Senate and House by specifying the subjects which the duties of each committee covered. So far as the act is clear and definite in stating these subjects and in avoiding overlapping of subjects, its objective has been reached. It then becomes the duty of the Presiding Officer and of the Senate to abide by the Reorganization Act.

A major purpose of the act is to facilitate the business of the Senate by providing for the orderly and, above all, prompt reference of bills and resolutions to committees. On principle, this purpose of the act is one that should be carried out. Any other course throws the Senate back to the condition of confusion, controversy, and delay, which occurred from time to time before the act.

By section 102 of the act, paragraph 1 (k) of rule XXV assigns to the Committee on the Judiciary as I have already indicated:

1. Judicial proceedings, civil and criminal, generally.

* * * * * *

17. Measures relating to claims against the United States.

18. Interstate compacts generally.

The Committee on Public Lands, which has been mentioned by a Senator, has assigned to it under paragraph 1 (m):

8. Irrigation and reclamation, including water supply for reclamation projects, and easements of public lands for irrigation projects.

9. Interstate compacts relating to apportionment of waters for irrigation purposes.

Mr. President, I respectfully call the attention of the Members of the Senate to the fact that in my opinion that would refer to a situation in which the Congress of the United States was authorizing an interstate compact, or in which, if the authorization had been granted, the States came back to have their action ratified. No one would dispute that under such conditions interstate compacts for irrigation purposes should go to the Committee on Public Lands. But such is not the case in regard to the resolution which we have before us.

Looking at the resolution under discussion, it appears from the preamble that controversies exist among the States in the Lower Colorado River Basin as to their rights in the waters of the river and that these controversies relate to the interpretation of the Colorado River Compact, other statutes, contracts, and engineering and economic facts. If this

preamble were the legislation, it might be thought that the subject matter was one for the Committee on Public Lands. But that is not the case.

The legislative part of the resolution directs the Attorney General to commence an action; names the court in which it is to be brought; names the parties who are to be joined and states the subject matter of the action, namely, to require the parties to interplead for the determination of their water rights.

I might say it applies equally to the State represented by my distinguished colleague from Arizona as it does to the State of California which I in part represent. Water is the very life-blood of the Western States.

Thus the primary subject of the legislation, as distinguished from the preamble, is a judicial proceeding, nothing else. The fact that the judicial proceeding is, when brought, to relate to water rights, and incidentally, among a variety of other questions, to the interpretation of an interstate compact, is wholly subordinate and secondary. What the Congress is called on to determine is: Shall there be a lawsuit? This is the field, and as I shall show next, the exclusive field, of the Committee on the Judiciary.

To the Committee on the Judiciary is assigned the field of "Interstate compacts generally." Out of this field is carved a part, "Interstate compacts relating to apportionment of waters for irrigation purposes." This one special part of the general field is assigned to the Committee on Public Lands.

There is, however, no similarity between this situation and the subject of "Judicial proceedings." To the Committee on the Judiciary is assigned the field of "Judicial proceedings, civil and criminal, generally." No part of this field is assigned by the Reorganization Act to any other committee. The jurisdiction of the Committee on the Judiciary over judicial proceedings would therefore appear to be exclusive. Any other view would lead to this result: If legislation relating to judicial proceedings is assigned to committees, not because it relates to judicial proceedings, but because the proposed proceeding relates to a particular subject, then all such legislation would be assigned to the committee having jurisdiction of the field of the subject of the proposed action, and the jurisdiction of the Committee on the Judiciary is, by this process, regularly and completely whittled away. The intent of the Reorganization Act is, then, set at naught.

The guiding principle which should determine the issue before the Senate is plainly set out in section 137 of the Reorganization Act:

> In any case in which a controversy arises as to the jurisdiction of a standing committee of the Senate with respect to any proposed legislation, the question of jurisdiction shall be decided by the presiding officer of the Senate, without debate, in favor of that committee which has jurisdiction over the subject matter which predominates in such proposed legislation; but such decision shall be subject to an appeal.

Under that section of the Reorganization Act the Presiding Officer of the Senate and the Parliamentarian have indicated that this legislation belongs in the Committee on the Judiciary.

In my judgment, this principle requires that legislation, in which the predominating and primary subject matter is a judicial proceeding, should be assigned to the Committee on the Judiciary. In the resolution under consideration, the predominating and primary subject matter is a judicial proceeding. The reference to an interstate compact and to water rights are purely incidental and subordinate to the main issue, which is: Shall a lawsuit be brought?

In my judgment, the Senate will do well to abide by the law which the Congress has enacted. It will definitely do well to facilitate the prompt reference of legislation to committees by adhering to the terms of the law and avoid the somewhat circuitous arguments which this type of debate seems to engender.

I wish to say that I regret very much that this situation has arisen, but it is a fundamental issue, and it is, in my opinion, an irreconcilable issue until it is determined by the courts of the land. It is normal practice, when there is a difference of opinion between individuals that cannot be settled by arbitration, to go to the courts of the land and there have an adjudication or settlement. California is willing to abide by the settlement which the Supreme Court might make in an issue of this kind. In that connection, I want to call attention to a letter which was written by the Governor of California to the Governor of Arizona under date of May 16, 1947, from which I quote, as follows:

> I gather from these two letters that you believe it is unnecessary to try to write a compact between the lower basin States or to have our respective claims arbitrated, because you consider the existing statutes, contracts, etc, have so settled the rights of Arizona, California, and Nevada in the Colorado River that there are no substantial differences between the States. It may well be that the suggestions of a compact and arbitration are not feasible at this late date, but I am of the opinion that there are such basic divergencies of interpretation of the statutes and documents mentioned above, particularly between Arizona and California, that without an authoritative determination as to which State is right, it is impossible for anyone to know what quantity of water either State is entitled to. If our States are to plan for their futures, they must know with certainty how much water is eventually to be made available to them, because everyone recognizes that there is not enough water in the river to fully serve the legitimate aspirations of both our States.
>
> It seems to me that a suit in the Supreme Court of the United States, to which the lower basin States and the United States are parties, is essential to supply the necessary answer. This would of course require a jurisdictional act of Congress, authorizing the United States to be made a party to such suit. Governor Pittman of Nevada has expressed a similar opinion in a letter to me dated March 6, a copy of which is enclosed. I am sure that such a procedure will eventually redound to the benefit of both of our States.

In conclusion, Mr. President, I merely wish to say that legislation similar to this, introduced in the House of Representatives on two separate occasions, was referred to the House Committee on the Judiciary. I wish to call attention to the fact that the Reorganization Act itself clearly indicates that matters of this kind should be referred to the Committee on the Judiciary. I also point out that in my opinion the spirit of the Reorganization Act would seem to indicate that similar measures in the two Houses should be referred to like committees in the two Houses.

For the reasons stated, Mr. President, I earnestly urge that the Members of the Senate uphold the decision of the Chair in regard to the reference of the joint resolution to the Senate Committee on the Judiciary.

The PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, I think the Senator from Arizona has about the same amount of time available that I have.

Mr. HAYDEN. Mr. President, I know of two Senators who are to speak. Does the Senator from Nevada know of one Senator who is to speak?

Mr. McCARRAN. Yes; I know of one.

Mr. HAYDEN. I can yield to my colleague the junior Senator from Arizona [Mr. McFARLAND]. I should like to know who has the most time remaining.

The PRESIDENT pro tempore. The Senator from Nevada has 15 minutes remaining.

Mr. McCARRAN. And the Senator from Arizona has 18 minutes remaining, as I recall.

The PRESIDENT pro tempore. That is correct.

Mr. McFARLAND. Mr. President, I can add but little to what has been said by the distinguished Senator from Nebraska [Mr. BUTLER] and the distinguished Senator from Colorado [Mr. MILLIKIN] in regard to the jurisdiction of the joint resolution which has been introduced by the Senators from California and the Senators from Nevada.

The junior Senator from California [Mr. KNOWLAND] has just stated that he bases his claim for jurisdiction of this resolution by the Judiciary Committee upon the fact that the Judiciary Committee is given jurisdiction over judicial proceedings, civil and criminal, generally. I should like to emphasize the word "generally." Then I should like to refer to subparagraph 18 of the rule giving jurisdiction to that committee, where we find the words "Interstate compacts generally."

I submit that when the authors of the Reorganization Act used the word "generally," it had a meaning; and I submit that it had this meaning—that when legislation touching upon specific topics was referred to another committee having explicit jurisdiction of such specific topics, the Judiciary Committee should not have jurisdiction of that legislation. That is exactly the situation in this particular case.

Mr. President, in the Reorganization Act itself we find the following:

> (m) Committee on Public Lands, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:
>
> * * * * *

8. Irrigation and reclamation, including water supply for reclamation projects, and easements of public lands for irrigation projects.

9. Interstate compacts relating to apportionment of waters for irrigation purposes.

So, Mr. President, subparagraph 9, which I have just read, coupled with the other provisions which I have already cited, prove that the Congress of the United States intended that the word "generally" should have a meaning, and that a general grant of jurisdiction to one committee would be limited by a specific bestowel of particularized jurisdiction to another committee.

It has been pointed out here that this subject matter is already under consideration by the Public Lands Committee, in connection with its consideration of Senate bill 1175. I wish to call attention to the fact that the joint resolution itself shows that it comes within the jurisdiction of the Public Lands Committee, because in the preamble we find the following statement:

The meaning and effect of the Colorado River compact, the Boulder Canyon Project Act, the Boulder Canyon Adjustment Act, the California Limitation Act (Stats. Cal. 1929, ch. 16), various contracts executed by the Secretary of the Interior with States, public agencies, and others in the Lower Basin of the Colorado River and other documents and as to various engineering, economic, and other facts.

Mr. President, in view of all those matters, as set forth in subparagraphs 8 and 9 of paragraph (m) of rule XXV of the Standing Rules of the Senate, promulgated in the Reorganization Act, which I have just read, I submit that the specific jurisdiction conferred upon the Public Lands Committee should prevail, and because of the further fact that in this particular instance, as I have previously stated, the jurisdiction of this subject matter has already been conferred upon the Public Lands Committee by the reference to it of Senate bill 1175.

Two weeks of testimony have been taken before the subcommittee of the Public Lands Committee, and in the course of that testimony the necessity for the development of a central project in Arizona, of great importance to our State, has been stressed. It has been pointed out that many people will have to leave their farms and their homes and their businesses if additional water is not secured for central Arizona.

In opposition to that measure, various witnesses from California have stated and alleged that it would be necessary to have litigation before the passage of the bill. The Public Lands Committee will have to decide that question in connection with its determination of what should be done in regard to Senate bill 1175.

Mr. President, I have prepared extracts from the testimony upon behalf of California. I shall not now read all of them into the RECORD, because time will not permit; but I ask unanimous consent that they may be printed in the RECORD following my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. McFARLAND. Mr. President, I wish to call particular attention to a statement of the distinguished Senator from Nevada [Mr. McCARRAN], who appeared before our committee and filed a statement in opposition to the enactment of Senate bill 1175. One of the grounds which he stated at that time was that there should be a judicial determination of issues prior to passage of legislation. I quote from the concluding portion of his statement:

To put this matter at rest, the Senators from Nevada and California are joining in introducing a bill to authorize suit. This jurisdictional bill should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive-use projects in the lower basin.

In other words, Mr. President, those who oppose the enactment of Senate bill 1175 have made this an issue before the Public Lands Committee, and that issue will have to be decided by that committee. It may well be that the Public Lands Committee will decide that there should be some form of litigation. I regret that because of the parliamentary situation the Chair did not have the benefit of knowing that the issue was pending before that committee at the time when the Chair made the ruling.

But if the committee decides that legislation is necessary, it might further decide that legislation different from that provided by the joint resolution is necessary, and the committee might report its own recommendations for authorizing or requiring litigation. In other words, if the resolution is referred to the Judiciary Committee, we might well have two committees making different decisions upon the same subject. I am sure it was not the intent of the Reorganization Act that two different committees should be considering the same subject matter at the same time.

For that reason, if for no other, Mr. President—namely, that the Committee on Public Lands already has jurisdiction of the subject matter of the joint resolution under consideration, as pointed out by the junior Senator from Colorado—I submit that Joint Resolution 145 should be referred to the Committee on Public Lands.

EXHIBIT A

EXTRACTS FROM STATEMENTS MADE DURING HEARINGS ON S. 1175 AS TO NECESSITY FOR JUDICIAL DETERMINATION

I. WITNESSES UPON BEHALF OF CALIFORNIA

A. Mr. Arvin B. Shaw, Jr., assistant attorney general of California:

1. "It is not possible for any man to predict, with fair certainty, how the Supreme Court would resolve the interdependent and therefore interacting uncertainties of the situation. Yet they should be resolved" (p. 527, vol. 6, typed transcript).

* * * * *

"Without a determination, neither State has a sound foundation upon which to erect its future irrigation development. Nor has the Congress either the jurisdiction to solve the problem nor the equipment with which to solve it" (pp. 527–528, vol. 6, typed transcript).

B. Mr. William S. Peterson, assistant chief electrical engineer, department of water and power, city of Los Angeles, Calif.:

1. (Reading into record a letter from Mr. Samuel B. Morris, general manager and chief engineer of the department above noted.)

"These claims are vigorously disputed by Arizona and must some day be settled by agreement or judicial decision" (p. 723, vol. 8, typed transcript).

2. "I will oppose it until the water features of the dam are settled by any one of the three methods provided for in the compact, that is, interstate agreement, arbitration, or by a Supreme Court decision" (p. 736, vol. 8, typed transcript).

"On the contrary we are only pleading that the controversy be settled before we try to draft things of this nature and make Congress make the decision instead of relying on interstate agreement, arbitration, or the Supreme Court" (p. 738, vol. 8, typed transcript).

II. STATEMENT OF SENATOR M'CARRAN

"To put this matter at rest, the Senators from Nevada and California are joining in introducing a bill to authorize suit. This jurisdictional bill should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive use projects in the lower basin" (note, p. 933, vol. 10, typed transcript).

III. STATEMENT OF SENATOR DOWNEY

"But I do not believe any decision by Congress on this matter by which it would authorize a project allocating that amount of water to Arizona would ever become final until the Supreme Court of the United States has spoken on it or until there has been an arbitration" (p. 739, vol. 8, typed transcript).

"Of course, we would continue to object to this bill until the Supreme Court of the United States or arbitration or interstate compact settles this issue between California and Arizona" (p. 772, vol. 9, typed transcript).

The PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, the matter pending before the Senate today, shorn of all extraneous considerations, is one that is definitely and emphatically decided by a law in the passage of which the Senate of the United States participated, namely the law known as the Reorganization Act. There is no use talking about water, or reclamation, or a division of water. The only question before the Senate is, will we live up to the law as Congress enacted it? Will we say that when we place jurisdiction of a certain subject matter in the Committee on the Judiciary we will live up to our declaration in that respect?

Mr. President, what is the jurisdiction of the Committee on the Judiciary? I read from the Reorganization Act:

(k) Committee on the Judiciary, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subject:

1. Judicial proceedings, civil and criminal, generally.

What is the joint resolution under consideration, a ruling as to the reference of which has been made? The joint resolution provides:

That for the purpose of avoiding a multiplicity of actions and expediting the development of the Colorado River Basin, the Attorney General—

The law arm of the Government—

is hereby directed to commence in the Supreme Court of the United States—

The court which has jurisdiction, and the only court which has jurisdiction—

against the States of Arizona, California, Nevada, New Mexico, and Utah—

Naming the parties defendant—

and such other parties as may be necessary or proper to a determination, a suit or action in the nature of interpleader.

There, by the joint resolution, the law arm of the Government is called upon to exercise its proper functions, the parties defendant are named, the nature of the action is fixed.

What committee has any color of jurisdiction to take hold of or try or determine those matters? The whole joint resolution rests upon the language I have read. Everything else is only subordinate to the main and principal object, namely, that the Congress of the United States calls on the law arm of the United States to institue an action, naming the nature of the action, naming the tribunal in which the action must be instituted, and naming the parties defendant. Everything else falls by the wayside, so far as fixing jurisdiction for committee assignment is concerned.

Mr. President, when Congress enacted the law reorganizing the Congress it set up new regulations and new rules for this body. There is no question involved of which side one might favor in this controversy. One of the sides may be more popular than the other. That is not the question. The question is, will we live up to the law which Congress enacted, and assign the joint resolution to the committee to which the Congress provided it should be assigned, when we call by legislation on the law arm of the Government to institute an action, naming the action, naming the forum in which it shall be tried? Shall we assign such a measure to the very committee to which the law said it should be assigned?

Mr. BARKLEY. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am concerned about the decision of the Senate in this matter because it will set a pattern for rulings in similar cases in the future. I do not wish to become involved in any controversy over the interpretation of the law we enacted some years ago for the distribution of the water of the Colorado River, but the thought which has been worrying me about the ruling of the Chair is that if we overrule his decision, and decide that the joint resolution instructing the Attorney General to bring a lawsuit should go to the Committee on Public Lands, because that committee may have originated legislation which needs interpretation, hereafter, if we should order the Attorney General to bring a suit to interpret some phases of the AAA legislation, that would have to go to the Committee on Agriculture and Forestry, because out of that committee came the original law. Or, if we should have before us a joint resolution instructing the Attorney General to institute a lawsuit interpreting some law with reference to the War Department, the joint resolution would have to go to the Committee on the Armed Services, instead of to the Committee on the Judiciary.

I am wondering whether, by overruling the Chair in this matter, we would set a precedent whereby the Committee on the Judiciary could never get jurisdiction of a bill directing the Attorney General and the Department of Justice to institute legal proceedings in the Federal courts to interpret any law. It is the effect of the ruling on our future proceedings that worries me, and not any controversy growing out of the law we enacted some years ago for the distribution of the water of the Colorado River. What is the Senator's reaction to my statement?

Mr. McCARRAN. Apropos of the expression the leader of the minority has made, I would quote from the language of the President pro tempore. He said:

We are making precedents all the time in the present Congress in respect to a brand new chapter in the parliamentary life of the Senate.

In answer to the suggestion brought forward by the Senator from Kentucky, if we overrule the decision of the Chair in this matter, no one will be able to say from now on to what committee a bill may be assigned, notwithstanding the nature of the bill as shown on its face.

Let me say, further, that the question raised by the able leader of the minority is a serious one. It is serious if this body is to be governed by rules and by the law which it, the Senate of the United States, participated in enacting. If it is to be so governed, then the ruling of the Chair will stand. If not, and if we overrule the Chair now, no one will be able to say in the future to what committee any bill may be assigned. We are making precedents, as the President pro tempore stated, and we are making precedents under a law which we ourselves enacted.

Mr. WHITE. Mr. President, will the Senator from Nevada yield for a question?

Mr. McCARRAN. I yield.

Mr. WHITE. The Senator is speaking of precedents, and I am wondering if there is a precedent in the language of the joint resolution which is attached to a statement by the Senator from Arizona. I notice that the Attorney General, who is the law officer of the Government, is directed to commence suit. I do not know whether there are precedents for congressional direction to the law officer of the Government or not, but it strikes me as going far to take from a law officer of the Government the obligation which he may have, and provide that he must be guided by a direction of the Congress of the United States in bringing a suit.

Mr. McCARRAN. That is a matter which would properly be considered by the Committee on the Judiciary because it is a part of the sum and substance of the joint resolution, and it would be considered by the committee. The Committee on the Judiciary, being the law committee of the Senate, is the only committee which would properly have jurisdiction of the very question which the Senator from Maine raises.

In conclusion, there is only one issue to be determined here, and that is the question of jurisdiction. Everything else falls by the wayside. Is this a subject matter for the Committee on the Judiciary? If so, then it should go to that committee. Is the Committee on the Judiciary the law committee of the Senate? If so, it should have jurisdiction of this resolution; because the only thing that the resolution does is to invoke the law arm of the Government and request it to act in a court of competent and proper jurisdiction.

Mr. HATCH. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I had yielded to the Senator from Nevada.

Mr. HATCH. I wanted a little time in my own right.

Mr. HAYDEN. I am glad to yield 5 minutes to the Senator from New Mexico.

The PRESIDENT pro tempore. The Senator from Arizona yields 5 minutes to the Senator from New Mexico.

Mr. HATCH. Mr. President, I hope it may be understood so far as I am concerned that there is no challenge to the integrity or the patriotism of any committee of the Senate. That remark is prompted by a question propounded to me by the Senator from Nevada the other day. The simple fact is, and I want Senators to understand it, that this issue has been submitted to the Committee on Public Lands. It was submitted by the distinguished Senator from Nevada himself. He invited and invoked the jurisdiction of the Committee on Public Lands. Every lawyer knows that, having once submitted oneself to the jurisdiction of the court and invited that jurisdiction, he invites it to the end. He cannot suddenly change his tactics in the manner that it is now being attempted to be done. What is actually happening, Mr. President, is that the Committee on Public Lands has jurisdiction of the question. It has spent weeks investigating it. The question of whether or not a suit should be filed was submitted to the committee by the Senator from Nevada, and the committee has the whole matter under consideration at the present time. To deprive that committee of its jurisdiction, a resolution is offered, and it is asked that the resolution go to another committee, which has no jurisdiction at all of the problem. Those are the simple facts. The Committee on Public Lands has jurisdiction. It had it in the beginning. Its jurisdiction was invited, it was invoked; and now, at this late hour, it is sought to transfer the jurisdiction to another committee. Mr. President, that simply is not in keeping with any idea I have ever had of either the fundamental, substantive law, or of parliamentary procedure.

The Committee on Public Lands, Mr. President, is amply able to determine the question as to whether or not litigation should be instituted. That committee has primary responsibility for all matters concerning the distribution of waters and projects of that kind.

I am very sure, had the President pro tempore realized that the Committee on Public Lands had already acquired jurisdiction and was considering not only the basic problem but also the question of whether or not it was proper or necessary to institute litigation, he would have ruled contrary to his present ruling. In saying that, I am not criticizing the President pro tempore in any respect.

Mr. OVERTON. Mr. President may I inquire of the Senator from New Mexico what was submitted to the Committee on Public Lands? Was it a proposal to amend the law?

Mr. HATCH. No. It was a bill involving distribution of the waters of the Colorado River.

Mr. OVERTON. I understand, but was that simply confined to determining whether the courts should pass upon the question?

Mr. HATCH. No. It involved the whole question of the proper distribution of those waters. I may be wrong in that; if I am, I ask the Senators from Arizona to correct me.

Mr. OVERTON. It seems to me, referring to a suggestion made by the Senator from Kentucky, that if it were desired to deprive any committee of jurisdiction over a bill, which was vested in the committee, all that would be necessary would be to submit a resolution that the whole matter be referred to a court for decision, and then the Committee on the Judiciary would have to pass upon it.

Mr. HATCH. I would probably agree with the Senator from Lousiana.

Mr. OVERTON. Any committee could be deprived of jurisdiction of a bill by a simple proposal to refer the matter to a court.

Mr. HATCH. That is exactly what we have now.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. RUSSELL. That is the consideration that has disturbed me so much about this matter. I looked into the Legislative Reorganization Act, because I happened to be a member of the committee that drafted the bill, and I endeavored to determine whether or not the resolution relates essentially to compacts already in existence, or whether it relates to a lawsuit that may come into existence at a later date. Undoubtedly, legislation affecting compacts should go to the Committee on Public Lands.

Mr. HATCH. That is correct.

Mr. RUSSELL. I say that, because that committee has jurisdiction of the compacts. We already have the compacts; they are in esse; they are in existence at the present time. I know nothing about them, except that I know they are in existence. Any legislation affecting those compacts must go to the Public Lands Committee.

Mr. HATCH. That has been the thought, rather reasonably, I may say.

Mr. RUSSELL. It occurs to me that that would be a device that could be used to deny jurisdiction.

The PRESIDENT pro tempore. The time of the Senator from New Mexico has expired.

Mr. HATCH. If I may have 1 minute more, I want to agree wholeheartedly with what the Senator has said, because this device could be used to deprive any committee of jurisdiction on any subject.

Mr. HAYDEN. How much of the time remains, Mr. President?

The PRESIDENT pro tempore. The Senator has between 4 and 5 minutes available.

Mr. HAYDEN. The Senator from Nevada has how many minutes remaining?

Mr. McCARRAN. I think I have 6 minutes.

The PRESIDENT pro tempore. The Senator from Nevada has 5 or 6 minutes.

Mr. HAYDEN. I suggest the Senator use his time; then we will consume ours.

Mr. McCARRAN. I want to dwell upon the colloquy between the Senator from Georgia and the Senator from New Mexico, which occurred just a moment ago, in which the Senator from Georgia evidently, through inadvertence, made a misleading remark, because the jurisdiction of the Committee on the Judiciary among other things includes the subject of interstate compacts, generally. That subject is within the jurisdiction of the committee, as are judicial proceedings, civil and criminal. I refer now to numbers 1, 17, and 18 of the assignments of jurisdiction to the Committee on the Judiciary. The Senator from Arizona will have an opportunity to answer me. The pending resolution would interfere in no way with the matter that is pending before the Committee on Public Lands. The Committee on Public Lands, within its jurisdiction, may go anywhere it desires, in considering the bill S. 1175.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. RUSSELL. I am well aware of that, and I agree with the Senator; but the difficulty is that the Committee on Public Lands no doubt has jurisdiction over water compacts.

Mr. McCARRAN. They both have jurisdiction, in a way, because I read from the law, "interstate compacts generally"; so the same matter is before the Committee on Public Lands.

Mr. RUSSELL. I do not have the act before me, but I looked at it and it specifically delegated to the Public Lands Committee jurisdiction over interstate water compacts.

Mr. McCARRAN. That may be true, but I am reading from the law, from which the Senator also quoted.

I have a minute or so left. I return to this proposition. None of the side issues should be brought in to becloud the real issue. The entire jurisdiction is set out in the act, and it is set out in language so plain that no one can question it.

The resolution provides:

The Attorney General—

That is, the law arm of the Government, which certainly is under the jurisdiction of the Committee on the Judiciary—

is hereby directed to commence in the Supreme Court of the United States of America—

That certainly is within the jurisdiction of the Committee on the Judiciary—

against the States of Arizona, California, Nevada, New Mexico, and Utah—

The defendants are named, the nature of the action is named, the forum is named. What more is needed to determine jurisdiction, beyond the language of the resolution itself? Everything else falls by the wayside.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. KNOWLAND. I ask unanimous consent to have placed in the RECORD at this point the statement of the Senator from Nevada before the Committee on Public Lands relative to the bill (S. 1175) pending before that committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR PAT MCCARRAN, OF NEVADA, RE S. 1175, EIGHTIETH CONGRESS

The Senate Committee on Public Lands has under consideration S. 1175, a bill to authorize the construction of the central Arizona project.

THE PROJECT

The project would consist primarily of the Bridge Canyon Dam on the Colorado River above Boulder Dam, and an aqueduct to transport Colorado River water to central Arizona, through tunnels over 80 miles long, bypassing Boulder Dam. Initially, however, instead of building these tunnels, a branch or alternate aqueduct would be built from Parker Dam, lifting the water by pumping nearly a thousand feet, to join the ultimate Bridge Canyon aqueduct route at a junction point part way to the Phoenix area, and using about a third of the Bridge Canyon power. The remaining two-thirds would be sold. The potential customers are supposed to be in California, Nevada, and Arizona.

COST

The ultimate project will cost over $1,000,000,000. The initial part of it, involving the Parker pumping route, will cost over $600,000,000. This latter figure is about the same as the estimated cost of the St. Lawrence seaway, and five times the cost of the Boulder Canyon project.

FINANCING PLAN

Under the plan set up by the bill, no part of the capital cost will be repaid by the Arizona irrigators. Either the Federal Treasury, or the power users, are expected to pay for all of it. The water will be sold to the irrigators at $4.50 per acre-foot, which, according to the Reclamation Bureau, is less than the cost of operation and maintenance alone.

SUBSIDIES REQUIRED

The power users or the Federal taxpayers will have to provide not only the six hundred million to one billion of capital costs, but also over $3,000,000 per year in operating expense.

The scheme does not contemplate that the Treasury will get any interest on its power investment. The amortization period is estimated at over 80 years. The lost interest alone, for 80 years at 2 percent, is over a billion dollars, even if the capital is recovered; and during the same period the Federal taxpayers or the power users would have to carry the burden of over a quarter billion dollars of operating expense that the water users cannot pay.

IMPORTANCE OF POWER TO NEVADA

Abundant cheap power is essential to Nevada. Bridge Canyon power site, properly developed, can be an asset to Nevada and the other intermountain areas within transmission distance. But as proposed in this bill, a million and a quarter acre-feet would ultimately bypass Boulder and Davis Dams, reducing the power Nevda is entitled to at such projects. More important, Bridge Canyon power itself would be loaded with over $300,000,000 of subsidy to an Arizona irrigation project. When the Boulder Canyon Project Act was debated, Nevada insisted that

power at Boulder Dam should not have to pay for any part of the All-American Canal. The power users of Nevada are entitled to have the same principle apply to Bridge Canyon.

RELATION TO NATIONAL DEBT

Coming on the heels of an effort to reduce Federal income taxes four billions, and to reduce the current budget by a comparable figure, any project that adds over a billion to the interest burden on the taxpayer deserves mature consideration.

EFFORTS AT HASTE

The bill has not been reported upon by the Interior Department. The Reclamation Bureau has not completed its investigations and hence is not yet ready to submit its proposed plans to the seven affected States for their comment, as is required by the O'Mahoney-Millikin amendments to the Flood Control Act of 1944; furthermore, it will not be ready to do so for another year. The procedure used here would make a dead letter of the O'Mahoney-Millikin amendments. The project has not cleared the Bureau of the Budget. The Boulder Canyon Project Act involved only a fifth as much money, but Arizona opposed it and kept it before Congress for many years. In spite of all this, the project's sponsors are pressing the Arizona delegation to get it reported out and passed. The Congress is being deluged with publicity and propaganda in its favor.

WATER

The enormous investment proposed in S. 1175 is a gamble on an uncertain water supply. As the direct result of the Mexican Water Treaty, which was opposed by two of the three lower basin States, and by most of the water users in Arizona, but which was supported by the sponsors of S. 1175, the lower basin is confronted with a catastrophic water shortage. Commissioner Bashore furnished the Senate, at my request, figures published in Senate Document 39, Seventy-ninth Congress, showing that the face amount of the Government's commitments in the low basin would exceed the supply available in a dry decade like 1931–40, after the upper basin is fully developed, by well over 2,000,000 acre-feet per year, and that even after drawing down Boulder Dam storage 1,500,000 acre-feet a year, there would be a deficit of over three-quarters of a million acre-feet annually. In the hearings on S. 1175, Arizona's expert, Mr. Debler, has admitted that Boulder cannot safely be drawn down more than 900,000 acre-feet per year, and that in order to make good on the Mexican treaty, the upper basin must be called upon to increase its deliveries at Lee Ferry and reduce its own uses for periods as long as 20 years at a time.

NECESSITY FOR ADJUDICATION

Obviously, the Government should not risk a billion dollars nor any part of it on a project dependent on an uncertain water supply. This project's supply is uncertain. It has a supply, at all, only if the Colorado River compact is construed as Arizona wants it construed. Nevada and California are not in agreement with Arizona's interpretations. Governor Warren, of California, and Governor Pittman, of Nevada, have offered to Governor Osborn, of Arizona, to either negotiate, arbitrate, or join in obtaining authorization by Congress for a suit in the Supreme Court. The permission of Congress is necessary to the latter course, because the United States is a necessary party. Arizona has replied, refusing to negotiate, or arbitrate, or litigate. She wants a political settlement in Congress. The water rights involved here are States' rights, not subject to disposition by Congress.

To put this matter at rest, the Senators from Nevada and California are joining in introducing a bill to authorize suit. This jurisdictional bill should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive-use projects in the lower basin.

Mr. HAYDEN. I yield 1 minute to the Senator from Georgia.

Mr. RUSSELL. I merely wish to read the provisions of the act to which I referred yesterday, at which time the act was not before me. Under the jurisdiction of the Committee on Public Lands, there is specifically spelled out in subparagraph 8 the following:

Irrigation and reclamation, including water supply for reclamation projects, and easements of public lands for irrigation projects.

Subparagraph 9 reads as follows:

Interstate compacts relating to apportionment of waters for irrigation purposes.

What is the basis of this resolution? Is it the lawsuit or the compacts? It would be impossible to have a lawsuit without the compacts, and the Public Lands Committee had jurisdiction of the compacts. That committee should not be denied jurisdiction by submitting a resolution authorizing a lawsuit.

Mr. McCARRAN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. If the Senator from Arizona is agreeable, I yield.

Mr. McCARRAN. I respectfully suggest that Arizona has not approved the compact.

Mr. HAYDEN. Since when?

Mr. McCARRAN. Since when did Arizona join the compact?

Mr. HAYDEN. The compact has been ratified by the Legislature of the State of Arizona and approved by our Governor, so Arizona is completely a member of the compact.

Mr. McCARRAN. I may be in error in that statement. If so, I retract it.

Mr. HAYDEN. The Senator from Nevada is in error.

The PRESIDENT pro tempore. The time of the Senator from Georgia has expired.

Mr. HAYDEN. Mr. President, how much time remains?

The PRESIDENT pro tempore. Two minutes.

Mr. HAYDEN. That time is under my control, is it not?

The PRESIDENT pro tempore. Yes; that time remains to the Senator from Arizona.

Mr. HAYDEN. I invite the attention of the Senate to the joint resolution introduced by the Senator from Nevada [Mr. McCARRAN] on behalf of himself and three of his colleagues in which he specifically refers to the meaning and effect of the Colorado River compact. The act authorizing that compact was favorably reported by the Senate Committee on Irrigation and Reclamation, which was the predecessor of the Public Lands Committee. The joint resolution refers to the Boulder Canyon Project Act, which was also reported out of the Committee on Irrigation and Reclamation. The Public Lands Committee is now the successor of that committee and has all the jurisdiction over the same subject matter. Every one of the acts set forth in the joint resolution came out of committees whose jurisdiction has been transferred to the Senate Committee on Public Lands, and that committee is competent to determine whether or not there should be a lawsuit in regard to the compact and all the acts of Congress cited in the joint resolution. For that reason I am convinced that the Chair was in error. That is the reason why I have made the appeal, and I ask the Senate, when the matter is submitted, to vote not to sustain the decision of the Chair.

The PRESIDENT pro tempore. All time has expired.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Morse
Baldwin	Hickenlooper	Murray
Ball	Hill	O'Mahoney
Barkley	Hoey	Overton
Brewster	Holland	Pepper
Bricker	Jenner	Reed
Brooks	Johnson, Colo.	Revercomb
Buck	Johnston, S. C.	Robertson, Va.
Butler	Kem	Russell
Cain	Kilgore	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thye
Ecton	McFarland	Umstead
Ellender	McGrath	Vandenberg
Ferguson	McKellar	Watkins
Flanders	McMahon	Wherry
George	Magnuson	White
Green	Malone	Wiley
Gurney	Martin	Williams
Hatch	Millikin	Young
Hawkes	Moore	

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, I desire to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. O'MAHONEY. The Chair has said that the question is whether or not the decision of the Chair shall stand as the judgment of the Senate. A vote "yea," as I understand, will mean that the pending joint resolution will be referred to the Committee on the Judiciary, and a vote "nay" is a vote to retain the jurisdiction of the joint resolution in the Committee on Public Lands?

The PRESIDENT pro tempore. The Senator is only partially correct. A vote "yea" sustains the decision of the Chair, and the joint resolution will go to the Committee on the Judiciary. A vote "nay" overrules the Chair's decision to send the joint resolution to the Committee on the Judiciary, but leaves the Chair entirely free and independent to send it wherever he pleases, at which point, however, for the information of the Senate, the Chair will, under such circumstances, refer the joint resolution to the Committee on Public Lands.

Mr. O'MAHONEY. I assumed that that would be the action taken.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from New Hampshire [Mr. TOBEY], and will vote. I vote "nay."

Mr. VANDENBERG (when his name was called) voted "present."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire is necessarily absent because of illness in his family.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from Indiana [Mr. CAPEHART], who is necessarily absent, is paired with the Senator from California [Mr. DOWNEY]. The Senator from Indiana, if present and voting, would vote "nay," and the Senator from California, if present and voting, would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Pennsylvania [Mr. MYERS], the Senators from Maryland [Mr. TYDINGS and Mr. O'CONOR], and the Senator from Texas [Mr. O'DANIEL] are unavoidably detained.

The Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is unavoidably detained, the airplane on which he was to return to Washington today having been grounded because of weather conditions.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. TOBEY] has been previously announced by the Senator from Kansas.

The Senator from California [Mr. DOWNEY], who is absent by leave of the Senate, is paired with the Senator from Indiana [Mr. CAPEHART], who is necessarily absent. If the Senator from California were present he would vote "yea," and if the Senator from Indiana were present, he would vote "nay."

The result was announced—yeas 35, nays 41, as follows:

YEAS—35

Baldwin	Cooper	Kem
Ball	Cordon	Knowland
Barkley	Donnell	Lodge
Bricker	Dworshak	McCarran
Brooks	Ferguson	McCarthy
Buck	Hawkes	McKellar
Cain	Hickenlooper	Malone
Capper	Hill	Martin
Moore	Smith	White
Pepper	Taft	Wiley
Revercomb	Thye	Williams
Saltonstall	Wherry	

NAYS—41

Aiken	Holland	Murray
Brewster	Jenner	O'Mahoney
Butler	Johnson, Colo.	Overton
Chavez	Johnston, S. C.	Reed
Connally	Kilgore	Robertson, Va.
Ecton	Langer	Russell
Ellender	Lucas	Sparkman
Flanders	McClellan	Stewart
George	McFarland	Taylor
Green	McGrath	Thomas, Okla.
Gurney	McMahon	Umstead
Hatch	Magnuson	Watkins
Hayden	Millikin	Young
Hoey	Morse	

VOTING PRESENT—1

Vandenberg

NOT VOTING—18

Bridges	Fulbright	Robertson, Wyo.
Bushfield	Ives	Thomas, Utah
Byrd	Maybank	Tobey
Capehart	Myers	Tydings
Downey	O'Conor	Wagner
Eastland	O'Daniel	Wilson

So the decision of the Chair was not sustained.

The PRESIDENT pro tempore. In view of the vote just announced, the Chair now refers the joint resolution to the Committee on Public Lands.

FINAL REPORT OF UNITED STATES COMMISSIONER TO PHILIPPINE ISLANDS (H. DOC. NO. 389)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Public Lands.

(For President's message, see today's proceedings of the House of Representatives on p. 8435.)

REPORT OF JOINT PHILIPPINE-AMERICAN FINANCE COMMISSION, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Banking and Currency:

THE WHITE HOUSE,
Washington, July 8, 1947.

Hon. ARTHUR H. VANDENBERG,
President of the Senate pro tempore,
Washington, D. C.

MY DEAR MR. PRESIDENT: I am presenting herewith the Report and Recommendations of the Joint Philippine-American Finance Commission, dated June 7, 1947, and a technical memorandum entitled "Philippine Economic Development" which was prepared for the use of the Joint Commission. I also enclose the letter of the Chairman of the National Advisory Council transmitting this report to me.

Very sincerely yours,

HARRY S. TRUMAN.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Senate Committee on Finance be permitted to hold hearings tomorrow and remain in session during the session of the Senate.

The PRESIDENT pro tempore. Without objection, permission is granted.

LEAVE OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may be absent from the Senate tomorrow, Wednesday.

The PRESIDENT pro tempore. Without objection, the leave is granted.

SALE BY GOVERNMENT AGENCIES TO FOREIGN PURCHASERS OF GRAIN FOR EXPORT

Mr. BUTLER. Mr. President, in connection with the bill which I am introducing, I wish to invite the attention of the Senate to the debate which occurred a few days ago on Senate bill 1465, covering pages 8195 to 8202 of the CONGRESSIONAL RECORD, at which time I brought out as best I could the point that a Government agency was assuming a business which should be returned to private enterprise. I am introducing a bill covering that subject alone. I wish to quote what the Committee on Banking and Currency of the House said in reporting on the Reconstruction Finance Corporation bill, when it had under consideration the new USCC.

The committee, in making its report on the United States Commercial Company, had this to say:

The committee is strongly of the opinion that USCC should not engage in international trade operations whenever and wherever it is practicable to return these operations to private channels.

Again, in the report on Senate bill 1461, which was voted on last Thursday, I want to quote the words of the distinguished Senator from Kentucky [Mr. COOPER], as follows:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, Coordinator, Emergency Export Programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

Mr. President, I am introducing this bill in order that Members of the Senate may have an opportunity to go into a little further detail and study the question which was before us for decision several days ago.

There being no objection, the bill (S. 1536) to prohibit the sale of grain and grain products by Government agencies to foreign purchasers for export, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

DISTRICT OF COLUMBIA REVENUE ACT OF 1947—CONFERENCE REPORT

Mr. CAIN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than seven months of the taxable year, whether domiciled in the District or not. In the case of any resident who is an elective or appointive officer or an employee of the Government of the United States, and who is domiciled outside the District during the whole of the taxable year, there shall be excluded from the gross income of such resident salaries or wages received from the Government of the United States for services rendered as such officer or employee, and income derived from sources without the District. For the purposes of this Act the domicile of such officer or employee for any taxable year shall be in the State which he expressly declares to be the State of his domicile: *Provided*, That he shall have had a domicile in such State under the laws of such State immediately prior to the beginning of the taxable year for which the tax is claimed. Such declaration must be made in writing, under oath, to the Assessor and the time for filing such declaration shall expire sixty days after written demand to file an income-tax return shall have been received by such officer or employee. As used in this subsection the term 'State' means the several States, Territories, and possessions of the United States, and the term 'Government of the United States' includes any agency or instrumentality thereof, but does not include the Government of the District of Columbia."

And the Senate agree to the same.

HARRY P. CAIN,
RALPH E. FLANDERS
(Per H. C.),
J. HOWARD MCGRATH
(Per H. C.),
Managers on the Part of the Senate.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. MCMILLAN,
HOWARD W. SMITH,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution (H. Con. Res. 58), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, the Clerk of the House is authorized and directed, in section 2 of article III, to insert after the word "repealed" the following: ", effective on the first day of the first month following the approval of this act."

Mr. CAIN. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

SALE OF PROPERTY OCCUPIED BY WEATHER BUREAU AT EAST LANSING, MICH.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 640) to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan, which was, on page 2, to strike out lines 10 to 13, inclusive.

Mr. WHITE. Mr. President, Senate bill 640 passed the Senate some time ago. The amendment of the House I think is satisfactory to the Senator from Michigan [Mr. FERGUSON], who was especially interested in the legislation when it was before the Senate; and with his complete approval I move that the Senate concur in the House amendment.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

EXECUTIVE SESSION

Mr. WHITE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Abbot Low Moffat, of New York, and sundry other persons for appointment as Foreign Service officers and secretaries in the diplomatic service.

By Mr. GURNEY, from the Committee on Armed Services:

Maj. Gen. Kenneth Frank Cramer, National Guard of the United States, Army of the United States, to be Chief of the National Guard Bureau, with the rank of major general, for a period of 4 years from date of acceptance, under the provisions of law, vice Maj. Gen. Butler Buchanan Miltonberger, to be retired;

Ralph H. Blaylock and Michael M. Spark, to be second lieutenants in the Marine Corps;

Amedee J. Beaudoin and sundry other officers, for appointment in the Navy; and

David M. Arter and sundry other members of the Naval Reserve Officers' Training Corps and civilian college graduates, to be ensigns in the Navy.

By Mr. LANGER, from the Committee on Civil Service:

Sundry postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the remaining nominations on the Executive Calendar.

UNITED STATES ATTORNEYS—NOMINATIONS PASSED OVER

The legislative clerk read the nomination of Frank B. Potter, of Texas, to be United States attorney for the northern district of Texas.

Mr. CONNALLY. Mr. President, I do not expect to object to the nomination just read and the one which follows it on the calendar, but I do not desire to have them considered tonight.

The PRESIDENT pro tempore. Without objection, the nominations will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of James Bruce to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Mr. LANGER. I ask that the nomination go over.

Mr. BARKLEY. Mr. President, this is an important post. It awaits the confirmation of Mr. Bruce's nomination. I hope the Senator from North Dakota will not insist upon his request.

The PRESIDENT pro tempore. The nomination having been passed over once, the Chair will state that it cannot go over again except by unanimous consent or on motion.

Mr. WHITE. Mr. President, I join with the Senator from Kentucky in the hope that the Senator from North Dakota will not insist upon this nomination going over. The nomination was before the Committee on Foreign Relations. The nominee was heard, as I understand, by the full committee, and I believe there was a unanimous report from the committee in behalf of the nominee. I join my appeal with that of the Senator from Kentucky.

Mr. LANGER. It will be perfectly agreeable to take it up tomorrow. There will not be much delay.

Mr. BARKLEY. The question arises, in view of the pending legislation on the calendar for the rest of this week, whether tomorrow or any other day this week there will be time for an executive session. If the Senator only wants to make a speech about this appointee, which I understand is what he wants to do, and not really to oppose his confirmation——

Mr. LANGER. I am the only one voting against him, and I want to make a speech. I should like to do it tomorrow.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What is the unfinished business for tomorrow?

The PRESIDENT pro tempore. The unfinished business is Senate bill 758, the armed services unification bill.

At the present moment, the parliamentary situation is that inasmuch as the nomination has once been passed over, it cannot be passed over again except upon unanimous consent or on motion.

Is there objection to having the nomination passed over again?

Mr. BARKLEY. Mr. President, I do not like to have it passed over, and I do not like to agree to have it passed over. But I do not like to have the Senate detained this afternoon for any great length of time, if we can agree to have the nomination taken up tomorrow.

Let me inquire how long the Senator from North Dakota thinks he will take?

Mr. LANGER. About an hour.

Mr. BARKLEY. That is a great deal of time at this stage of the session of Congress.

The PRESIDENT pro tempore. Is there objection to having the nomination passed over again?

Mr. BARKLEY. Mr. President, I shall not object to having it go over, with the understanding that we have an

executive session tomorrow and that this nomination be taken up.

Mr. GURNEY. Mr. President, reserving the right to object, let me say that if the unification bill is displaced for 1 hour tomorrow, that may necessitate having it go over for another day, whereas we might have a chance to complete action on that bill tomorrow if we have the full day available for it.

Therefore I do not wish to agree to have the nomination take 1 hour from the time otherwise available tomorrow for the unification bill.

Mr. CHAVEZ. Mr. President, in order to allow for that hour, why could not the Senate meet at 11 o'clock tomorrow morning?

Mr. GURNEY. I think many committee meetings are scheduled for tomorrow, and we are trying to get them out of the way.

The PRESIDENT pro tempore. The Chair again puts to the Senate the question: Is there objection to passing over the nomination? The Chair hears none. Without objection, the nomination is passed over.

The clerk will proceed to state the remaining nominations on the calendar.

UNITED STATES COURT OF CLAIMS

The legislative clerk read the nomination of Hon. Marvin Jones, of Texas, to be Chief Justice of the United States Court of Claims.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES CIRCUIT COURT OF APPEALS

The legislative clerk read the nomination of Hon. John Caskie Collet, of Missouri, to be judge for the Eighth Circuit, United States Circuit Court of Appeals.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. LUCAS. What is the status of the motions which the Senator from Illinois and the Senator from Maryland [Mr. TYDINGS] filed a number of weeks ago, to discharge the Civil Service Committee from the further consideration of a number of postmaster nominations?

The PRESIDENT pro tempore. The motions to which the Senator from Illinois refers are on the calendar, although not printed as such, and they have not been called simply because the Senate has never formally gone into executive session since the motions have been filed.

Mr. LUCAS. What are we in now?

The PRESIDENT pro tempore. The Chair states that the Senate has never formally gone into executive session, under the full call of the calendar, since the motions have been filed.

Mr. BARKLEY. We are in executive session now, are we not?

The PRESIDENT pro tempore. The Senate is now in executive session; and the Senator from Illinois can call up his motions, if he desires to do so.

Mr. CHAVEZ. Mr. President, in order to save time, let me say, in regard to those motions, that the Civil Service Committee has been reporting postmaster nominations practically daily, and I do not think the motions would have any practical effect if they were adopted.

Mr. LUCAS. Mr. President, let me inquire how many postmaster nominations have been reported.

Mr. LANGER. Approximately 260.

Mr. LUCAS. In other words, approximately 260 out of nearly 900?

Mr. BARKLEY. That still leaves approximately 700 to be reported.

Mr. LANGER. We are reporting them as fast as we can obtain reports on them from the Civil Service Commission. We reported 60 today.

Mr. CHAVEZ. I know that quite a number of them were reported today.

Mr. President, if the Senator from Illinois will bear with us, we shall report the postmaster nominations, and there will be no necessity to put into effect the motions made by the Senator from Illinois and the Senator from Maryland. Incidentally, let me say that I am in sympathy with those motions.

Mr. LUCAS. Mr. President, I am very happy to obtain that assurance from the Senator from New Mexico. With that understanding, I shall not press the motions today.

Mr. LANGER. Mr. President, I also give the same assurance to the Senator from Illinois. We have been reporting the nominations as fast as we can receive reports on them from the Civil Service Commission.

The PRESIDENT pro tempore. The clerk will resume stating the nominations on the calendar.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Lewis V. Evans III to be lieutenant in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of James Earl Wells, Jr., of South Dakota to be Cooperative Bank Commissioner of the Farm Credit Administration.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. WHITE. Mr. President, I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc.

Mr. GURNEY. Mr. President, a week or so ago the Senate confirmed certain Army nominations en bloc. I call attention to the fact that there are appointments in the Army Nurse Corps, and they might not be included in the original en bloc order.

The PRESIDENT pro tempore. By reference to the statement of the Senator from South Dakota, they are included.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy are confirmed en bloc.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDENT pro tempore. Without objection, the nominations in the Marine Corps are confirmed en bloc.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of David Chavez, Jr., of New Mexico, to be United States district judge for the district of Puerto Rico.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Henry Otis Camp to be United States marshal for the northern district of Georgia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Loomis E. Cranor to be United States marshal for the western district of Kentucky.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed, and without objection, the President will be notified forthwith.

That completes the Executive Calendar.

RECESS

Mr. WHITE. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, July 9, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of July 7), 1947:

DIPLOMATIC AND FOREIGN SERVICE

Julian F. Harrington, of Massachusetts, for promotion in the Foreign Service of the United States of America, from Foreign Service officer of class 1 to Foreign Service officer of the class of career minister.

UNITED STATES MARSHAL

Carl J. Werner, of Illinois, to be United States marshal for the eastern district of Illinois. (Mr. Werner is now serving in this office under an appointment which expired February 18, 1947.)

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Kathleen E. Rollo, Bremen, Ala. Office became Presidential July 1, 1944.

ALASKA

B. Jean Jensen, Craig, Alaska, in place of Beatrice Starkweather, resigned.

Lena G. Alderson, Flat, Alaska. Office became Presidential July 1, 1947.

Orrin S. Felmley, McGrath, Alaska. Office became Presidential July 1, 1947.

Martha Monsen, Naknek, Alaska. Office became Presidential July 1, 1947.

John J. Heueisen, Pelican, Alaska. Office became Presidential July 1, 1947.

ARIZONA

Don S. LeBaron, Whiteriver, Ariz., in place of J. I. McEwen, declined.

CALIFORNIA

Amelia B. Clifton, Altaville, Calif. Office became Presidential July 1, 1947.

Phillip L. Anthony, Applegate, Calif. Office became Presidential July 1, 1947.

Esther J. Ewoldsen, Big Sur, Calif. Office became Presidential July 1, 1947.

Mary Ferrari, Blairsden, Calif. Office became Presidential July 1, 1947.

Ruth H. Branson, Branscomb, Calif. Office became Presidential July 1, 1947.

William P. Athearn, Clements, Calif. Office became Presidential July 1, 1947.

Albert A. Cedros, Gazelle, Calif. Office became Presidential July 1, 1947.

Lola C. Bedoy, Irwindale, Calif. Office became Presidential July 1, 1947.

Sybil M. Summers, Mammoth Lakes, Calif. Office became Presidential July 1, 1947.

Helen B. Bayne, Nice, Calif. Office became Presidential July 1, 1947.

Charles C. Kirk, Piercy, Calif. Office became Presidential July 1, 1947.

Arthur R. Martin, Pinecrest, Calif. Office became Presidential July 1, 1947.

Pearl M. Davenport, Rosewood, Calif. Office became Presidential July 1, 1947.

Martha Waldron, Seeley, Calif. Office became Presidential July 1, 1947.

John P. MacPherson, Trona, Calif., in place of M. J. Kavanagh, resigned.

Raymond W. Eproson, Twain Harte, Calif. Office became Presidential July 1, 1947.

CONNECTICUT

Robert H. Bossen, South Windsor, Conn., in place of P. E. Bossen, retired.

FLORIDA

Reid A. Williams, Cassadaga, Fla. Office became Presidential July 1, 1947.

Florence H. Porter, Hypoluxo, Fla. Office became Presidential July 1, 1947.

Martha R. Brush, Interlachen, Fla. Office became Presidential July 1, 1947.

Agnes G. Jones, Mandarin, Fla. Office became Presidential July 1, 1947.

Rena F. Harman, Oldsmar, Fla. Office became Presidential July 1, 1947.

Francis Sadlier, St. Leo, Fla. Office became Presidential July 1, 1947.

Flole Torbert, Sorrento, Fla. Office became Presidential July 1, 1947.

Naomi E. Clyatt, Terra Ceia, Fla. Office became Presidential July 1, 1947.

HAWAII

Chiyoki Tanaka, Kapoho, T. H. Office became Presidential, July 1, 1947.

Celestine T. Aguiar, Ninole, T. H. Office became Presidential July 1, 1947.

IDAHO

Marie C. Van Stone, Hope, Idaho. Office became Presidential July 1, 1947.

Nettie M. Wade, Irwin, Idaho. Office became Presidential July 1, 1947.

ILLINOIS

Eugene Elliott, Lake Zurich, Ill., in place of H. L. Lohman, resigned.

INDIANA

Henry T. Cain, Remington, Ind., in place of H. T. Cain, transferred.

KENTUCKY

Sister Mary Sophronia Soller, Nerinx, Ky. Office became Presidential July 1, 1947.

Sister Margaret E. Walsh, St. Catharine, Ky. Office became Presidential July 1, 1947.

LOUISIANA

McEnry Jones, Baskin, La., in place of H. R. Mock, transferred.

Elbert Matthews, Cullen, La. Office became Presidential July 1, 1940.

MAINE

James E. Herrick, Bailey Island, Maine, in place of A. G. Sabine, resigned.

MARYLAND

Shirley I. Bawden, Gibson Island, Md. Office became Presidential, July 1, 1947.

Golda S. Himburg, Mayo, Md. Office became Presidential July 1, 1947.

MASSACHUSETTS

Myrtle S. Nickerson, Cotuit, Mass., in place of Isabelle Crocker, deceased.

Dominic J. Kenney, West Medway, Mass., in place of H. L. Lyons, deceased.

MICHIGAN

Lionel R. Haight, Mount Pleasant, Mich., in place of A. S. Warner, resigned.

MINNESOTA

Alfred C. Howe, Aitkin, Minn., in place of C. C. Young, deceased.

MONTANA

Philetus C. Lapham, Malta, Mont., in place of M. D. Laramy, removed.

NEBRASKA

Mary L. Wunderlich, Martell, Nebr. Office became Presidential July 1, 1945.

NEVADA

Wilberta G. Silveira, Searchlight, Nev. Office became Presidential July 1, 1947.

Carolyn W. Parshall, Stewart, Nev., in place of D. E. Larson, transferred.

Alice I. Strieby, Wellington, Nev. Office became Presidential July 1, 1947.

NEW HAMPSHIRE

Percy M. Thurston, Elkins, N. H. Office became Presidential July 1, 1947.

Lawrence W. Marden, Holderness, N. H. Office became Presidential July 1, 1947.

Mary B. Hallinan, Newfields, N. H. Office became Presidential July 1, 1947.

Constance M. McCauley, Twin Mountain, N. H. Office became Presidential July 1, 1947.

NEW JERSEY

Luther Headley, Green Village, N. J. Office became Presidential July 1, 1947.

Hanna C. Cochran, Jobstown, N. J. Office became Presidential July 1, 1947.

Alvin E. Mott, Vernon, N. J. Office became Presidential July 1, 1947.

NEW MEXICO

Medardo A. Herrera, Ojo Caliente, N. Mex., in place of E. L. Galvez, resigned.

NEW YORK

Alice M. Maloney, Ausable Chasm, N. Y. Office became Presidential July 1, 1947.

Evelyn B. Dailey, Prospect, N. Y. Office became Presidential July 1, 1947.

William G. Britton, Rensselaerville, N. Y. Office became Presidential July 1, 1947.

Julia E. Ernst, Schuylerville, N. Y., in place of D. J. Falvey, deceased.

Catherine G. Rieger, Shenorock, N. Y. Office became Presidential July 1, 1947.

David L. Hoy, Sidney Center, N. Y., in place of J. H. Ashley, resigned.

Margaret Zimmons, Somers, N. Y. Office became Presidential July 1, 1947.

Constant L. Proskine, South Kortright, N. Y. Office became Presidential July 1, 1947.

Jennie M. James, Tomkins Cove, N. Y., in place of A. V. D. Laskoski, resigned.

Raymond F. Pafunda, Voorheesville, N. Y., in place of Joseph Hilton, resigned.

Henry W. Haynes, Whiteface, N. Y. Office became Presidential July 1, 1947.

NORTH CAROLINA

DeWitt T. Freeman, Bat Cave, N. C. Office became Presidential July 1, 1947.

OHIO

Harry F. Schiewetz, Dayton, Ohio, in place of C. N. Greer, deceased.

OREGON

Mabel W. Moore, Detroit, Oreg. Office became Presidential July 1, 1947.

Sheldon E. Hyde, Island City, Oreg. Office became Presidential July 1, 1947.

Edna B. McLean, Kerby, Oreg. Office became Presidential July 1, 1947.

Willis Brewster, McKenzie Bridge, Oreg. Office became Presidential July 1, 1947.

Arthur M. Hyatt, Maplewood, Oreg. Office became Presidential July 1, 1947.

Jack Ryland, Mehama, Oreg. Office became Presidential July 1, 1947.

Edward J. Lumijarvi, Quincy, Oreg. Office became Presidential July 1, 1947.

Margaret Ray Heimken, Sixes, Oreg. Office became Presidential July 1, 1947.

PENNSYLVANIA

Mary J. Krohn, Andalusia, Pa., in place of H. R. Tomlinson, resigned.

Louis Joseph DePaul, Mount Pocono, Pa., in place of W. S. Mervine, resigned.

Abram Miller Kurtz, Scotland, Pa., in place of A. M. Kurtz resigned.

Charles W. Hess, Three Springs, Pa., in place of J. L. Gracey, resigned.

Lee E. Roeder, Zionsville, Pa., in place of E. P. Yeakel, retired.

PUERTO RICO

Julia Morales Maldonado, Castaner, P. R. Office became Presidential July 1, 1947.

Huldah M. Murphy, Puerto Real, P. R., Office became Presidential July 1, 1947.

SOUTH DAKOTA

Wenzel G. Huebl, White Lake, S. Dak., in place of H. L. Kieffer, transferred.

TEXAS

George M. Patrick, Kinwood, Tex. Office became Presidential July 1, 1947.

George R. Jones, Roanoke, Tex., in place of I. L. Cowan, retired.

Jack K. Wisener, Wells, Tex., in place of J. R. Oliver, retired.

UTAH

Elsie L. Price, Junction, Utah. Office became Presidential July 1, 1947.

WASHINGTON

Verl E. Barnes, Dixie, Wash. Office became Presidential July 1, 1947.

Esther L. Coleman, Harper, Wash. Office became Presidential, July 1, 1947.

Lewis E. Willey, Thornton, Wash. Office became Presidential July 1, 1947.

WYOMING

Fred V. Skinner, Big Horn, Wyo. Office became Presidential July 1, 1947.

Ruth A. Davis, Deaver, Wyo. Office became Presidential July 1, 1947.

Charlie E. Fesler, Moran, Wyo. Office became Presidential July 1, 1947.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 8 (legislative day of July 7), 1947:

UNITED STATES DISTRICT JUDGE

Joe B. Dooley to be United States district judge for the northern district of Texas.

UNITED STATES COURT OF CLAIMS

Hon. Marvin Jones to be Chief Justice of the United States Court of Claims.

UNITED STATES CIRCUIT COURT OF APPEALS

Hon. John Caskie Collet to be judge of the United States Circuit Court of Appeals for the Eighth Circuit.

COAST AND GEODETIC SURVEY

Lewis V. Evans III to be lieutenant (junior grade), from May 1, 1947.

FARM CREDIT ADMINISTRATION

James Earl Wells, Jr., to be Cooperative Bank Commissioner of the Farm Credit Administration.

DEPARTMENT OF THE NAVY

Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years.

IN THE ARMY

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Lt. Col. Cranford Coleman Bryan Warden
Maj. Robert Loomis Anderson
Maj. Thomas Edward Pickett Barbour

To Ordnance Department

Maj. Nelson Marquis Lynde, Jr.

To Air Corps

Lt. Col. Gilbert Hayden
Maj. George Harold Graham
Maj. Harold Elworthy Todd
Capt. Henry James Heuer
Capt. Robert Muirhead Reed
First Lt. Earl Morse Bradford
First Lt. William Kneedler Cummins
First Lt. Frederick Charles Engelman
First Lt. Edgar Max McGinnis
First Lt. Edward Blakslee Reed
First Lt. Milton Frederick Ritterbush
First Lt. Joe Neal Swanger
First Lt. Robert Andrew Wys

APPOINTMENTS IN THE ARMY NURSE CORPS IN THE REGULAR ARMY OF THE UNITED STATES

To be lieutenant colonels

Florence A. Blanchfield, [redacted]
Jessie M. Braden, [redacted]
Ida W. Danielson, [redacted]
Mary F. Galli, [redacted]
Alida J. Garrison, [redacted]
Ida L. Langenheder, [redacted]
Elizabeth V. Messner, [redacted]
Joanna Peters, [redacted]
Agnes A. Resch, [redacted]
Elsie E. Schneider, [redacted]
Burdette B. Sherer, [redacted]
Lillian G. Thompson, [redacted]
Maidie E. Tilley, [redacted]
Edna D. Umbach, [redacted]
Rozene Wentz, [redacted]

To be majors

Lucile B. Bacchieri, [redacted]
Bernice W. Chambers, [redacted]
Rosalie D. Colhoun, [redacted]
Helen A. Dugan, [redacted]
Pearl T. Ellis, N700355
Elizabeth Fitch, [redacted]
Anna M. Grassmyer, [redacted]
Abigail B. Graves, [redacted]
Frances C. Henchey, [redacted]
Helen V. Johnson, [redacted]
Pauline Kirby, [redacted]
Dorothy M. Kurtz, [redacted]
Mary Miller, [redacted]
Mary J. Miller, [redacted]
Dora A. Noble, [redacted]
Amy R. Pendergraft, [redacted]
Mary C. Scherer, [redacted]
Sara M. Schoenberger, [redacted]
Augusta L. Short, [redacted]
Alice C. Wickward, [redacted]

To be captains

Helen Adams, [redacted]
Vivian L. Allmendinger, [redacted]
Eleanor R. Asleson, [redacted]
Mary S. Barry, [redacted]
Estella Baylor, [redacted]
Jaynie E. Belcher, [redacted]
Monta R. Boswell, [redacted]
Althea V. Buckins, [redacted]
Burnett C. Drumm, [redacted]
Blanche H. Eager, [redacted]
Martha Fulwood, [redacted]
Mabel E. Hause, [redacted]
Myrtle C. Huhner, [redacted]
Cecilia F. Kehoe, [redacted]
Virginia K. Kilroy, [redacted]
Ethel A. Lamansky, [redacted]
Blenda M. Laverick, [redacted]
Margaret M. Moss, [redacted]
Julia I. Mullen, [redacted]
Clemmie L. Reynolds, [redacted]
Alvine L. Schmidt, [redacted]
Catherine M. Underdown, [redacted]
Lena Vanderwood, [redacted]

To be first lieutenants

Irene C. Blochberger, [redacted]
Aller M. Crowell, [redacted]
Thelma Crowell, [redacted]
Anna M. Hackett, [redacted]
Emilie K. Jensen, [redacted]
Marguerite M. Klein, [redacted]
Blanche M. McAndrews, [redacted]
Avis O. Meeks, [redacted]
Mollie A. Petersen, [redacted]
Helen A. Stack, [redacted]
Mary M. Steppan, [redacted]
Ruth M. Stoltz, [redacted]
Frances P. Thorp, [redacted]
Madeline M. Ullom, [redacted]
Marguerite A. Yerger, [redacted]

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Edward Courtney Bullock Danforth, Jr.
Ralph Gates Boyd
Robert Wesley Colglazier, Jr.
George Harris Cosby, Jr.
James Bell Cress
James Alexander Crothers
Lloyd William Elliott
John David Higgins
Russell Archibald Ramsey

IN THE NAVY

APPOINTMENTS IN THE CORPS, GRADES, AND RANKS INDICATED, IN THE LINE OF THE NAVY

(NOTE.—*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment.)

To be lieutenants (junior grade)

*Stearns, George F., Jr.

To be ensigns

*Barahal, George D.
*Burnett, Collins W.
*Fisher, Guin M.
Graham, Horace E.
Hartley, Cecil M.
Hedges, William D.
*Kenner, Jack L.
*Maloney, John M.
McKenzie, Lawrence H.
Nutter, Paul "M"
*O'Malley, George F.
*Potter, James A., 3d
Stansell, Herman J., Jr.
*Thornton, William H., Jr.
*Vranicar, Raymond N.
Ward, John F.
Willett, Charles F.

To be assistant surgeons, Medical Corps, with the rank of lieutenant (junior grade)

Basilicato, Gennaro
Faaland, Halvdan G. K.
King, Robert L.
Mayer, William E.
Orr, William S.
Quilter, Thomas N.

To be assistant paymasters, Supply Corps, with the rank of ensign

Batterson, Robert E.
Davis, Albert S.
Ferris, Robert H.
Fink, William W.
Shepard, John C.
Tucker, Oscar G.
Becker, Charles
Chance, Carl
Cherryman, Rexford R.
Depew, Robert W.
Desanto, James V.
Forlenza, Vincent A.
Fowler, George O.
Moon, Ralph E.
Oller, William M.
Rehberg, Jerome A.
Shenk, Eugene M.
Woody, Ellis A.

To be assistant civil engineers, Civil Engineer Corps, with the rank of ensign

Kwinn, Edward S.
Lee, James J.

To be assistant dental surgeons, Dental Corps, with the rank of lieutenant (junior grade)

Grossman, Frank D.
McCrory, John J.
Rupp, Nelson W.
Staples, William R.

To be commissioned warrant officer, chief radio electrician

Holt, Robert L.

To be commissioned warrant officer, chief pay clerk

Day, Donald J.
Harter, August J.
Hiatt, Donald A.
Kroger, Raymond M.
McKenney, Charles V.

To be ensigns in the Navy from June 6, 1947

Bernard N. Bloom
Billy A. Dodge
Maurice A. Person
Donald R. Williams
Charles R. Hannum
Donald J. Weintraut
George T. Younggren

To be assistant civil engineer in the Navy with the rank of ensign from June 6, 1947

Joseph W. Neudecker, Jr.

To be assistant paymaster in the Navy with the rank of ensign

Francis Roche

IN THE MARINE CORPS

To be second lieutenants from June 6, 1947

John W. Drury
George C. Fox
Jack E. Harlan
John D. Krohn
Eugene R. Puckett

UNITED STATES DISTRICT JUDGE

David Chavez, Jr., to be United States district judge for the district of Puerto Rico.

UNITED STATES MARSHALS

Henry Otis Camp to be United States marshal for the northern district of Georgia.

Loomis E. Cranor to be United States marshal for the western district of Kentucky.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 8, 1947

The House met at 11 o'clock a. m.

Rev. Paul V. Galloway, LL. D., pastor of the Central Methodist Church, Fayetteville, Ark., offered the following prayer:

Eternal God, in whose presence we gain strength and righteousness, help us to draw near unto Thee that this day may be lived in doing Thy will and in hallowing Thy name.

Bless these men and women as they think and work together. Be with those whom they love and those for whom they labor.

If there are heavy hearts, help them to share with Thee that their burdens may be lessened. If there are crosses to be borne, give them Thy power. If there are motives that are impure and hearts that are unclean, let Thy forgiving love cleanse and purify.

Grant unto all the servants and leaders of our Nation Thy goodness, Thy wisdom, and Thy courage.

Make us receptive to Thy truth that we may walk in Thy paths and be led by Thy light—for Thine is the kingdom, and the power, and the glory, forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a joint resolution of the following titles, in

which the concurrence of the House is requested:

S. 1515. An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe; and

S. J. Res. 98. Joint resolution providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 395. An act authorizing the issuance of a patent in fee to Richard Jay Doyle.

FEDERAL RESERVE BRANCH BANK BUILDINGS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 274, Rept. No. 803), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3952) to amend section 10 of the Federal Reserve Act, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TERMINATION OF CONSUMER CREDIT CONTROLS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 275, Rept. No. 804), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 222) terminating consumer credit controls. That after general debate, which shall be confined to the joint resolution and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. HERTER asked and was given permission to extend his remarks in the RECORD and to include a letter from the Maritime Commission, together with certain accompanying tables.

Mr. CAMP asked and was given permission to extend his remarks in the RECORD and include a short address by Mr. Ivan Allen, chairman of the Franklin D. Roosevelt Warm Springs Memorial Commission.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include a telegram and a letter.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address which I made in the House on January 15, 1926, in opposition to canceling the Italian loan. I think it is very much in order at this time.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PHILIPPINE INDEPENDENCE — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 389)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

As required by section 7 (4) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith, for the information of the Congress, the seventh and final report of the United States High Commissioner to the Philippine Islands covering the period from September 14, 1945, to July 4, 1946.

I recommend that this report be printed as a congressional document.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 8, 1947.*

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. GROSS. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the House passed by a vote of 388 to 0 the bill to permit cashing of terminal-leave bonds by our veterans. I was in my district on business and could not return in time to be present for the vote. Had I been present, I would have voted for passage of the bill.

REDUCING INDIVIDUAL INCOME TAX

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 272 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3950) to reduce individual income tax payments, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to the said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 101]

Barden	Dorn	Meade, Ky.
Bland	Flannagan	Nixon
Bolton	Fletcher	Pace
Boykin	Fuller	Powell
Cole, Mo.	Gifford	Robsion
Cole, N. Y.	Hart	Scoblick
Coudert	Hartley	Short
Courtney	Hendricks	Smith, Ohio
Cravens	Johnson, Okla.	Taylor
Davis, Tenn.	Kearns	Thomas, Tex.
Dawson, Ill.	Kelley	Vinson
Dingell	Lanham	Vorys
Domengeaux	Mansfield, Tex.	

The SPEAKER. On this roll call, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances and to include newspaper articles and other items.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. FISHER asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include an article.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in five instances and to include articles from Mr. Donaldson.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD on the subject of competition between the railroads and airlines.

Mr. HESS asked and was given permission to extend his remarks in the RECORD and to include an article from the Cincinnati Inquirer.

THE SUGAR BILL

Mr. HOPE. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill H. R. 4075.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of New Jersey asked and was given permission to extend his remarks in the RECORD and to include a Gallup poll.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. HARLESS of Arizona, Mr. NORBLAD, and Mr. ROBERTSON asked and were given permission to extend their remarks in the RECORD.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

I yield myself such time as I may desire.

Mr. Speaker, this resolution provides consideration of H. R. 3950, a bill to reduce individual income-tax payments. This rule also waives points of order against the bill and prohibits amendments, except those offered by direction of the Committee on Ways and Means. The type of closed rule embodied in this resolution is customary in tax legislation, and the procedure of bringing tax legislation to the floor under a closed rule has been long established in practice by both parties.

A bill of this nature offers a wonderful opportunity for Members to express their views on a number of subjects, but, unfortunately, time is now an important factor. This bill must be passed by the House quickly, so that the Senate will be able to act on it and get it to the President by the end of the week. Allowing 10 days for the President to consider the bill, the Congress will still have time to override in case of a veto.

This bill does not necessitate any discussion on my part. We all understand it. We passed a similar bill earlier this session, and we were enlightened by 6 hours of debate at that time. This is the same bill, except that the provisions of this bill become effective January 1, 1948. In view of this fact and in consideration of the pressure of other business, this resolution limits debate to 2 hours.

I had planned to discuss the need for this legislation and to make some observations on the advisability of reducing taxes at this time. But as time is an important factor, I will limit myself to a brief observation as to the importance of drafting tax legislation that will encourage incentive.

One of the finest instincts of a normal man is his desire to provide for the future security of himself and his family. Now, the present tax laws, which strike at the very roots of personal incentive, should rightly be a matter of deep concern to every thoughtful American. People generally do not realize what has been done to them in the past 10 years. With income and estate taxes and interest rates at their present levels, it is virtually impossible for a young man to accumulate a competency for his old age. The present personal income taxes make the development of small business a well-nigh insurmountable task. Even an exceptionally able man cannot look forward to self-provided financial security in his old age under our present tax law. This situation must be remedied. We should never forget that, while the welfare of the so-called common man is of vital importance, it is only through the initiative and ingenuity of the uncommonly gifted individual that the general well-being of all of our people can be advanced.

Political freedom will not long endure in the absence of a financially independent, self-reliant citizenry. The dynamic character of the American economy will also wither away unless ambitious, enterprising individuals are enabled to plow back into their business an adequate portion of the fruits of their efforts. A steady flow of new and successful enterprises into the economic bloodstream of the Nation is essential to the continued operation of our private competitive business system. Furthermore, the inner fiber of our people will be insidiously weakened if the prospect of a self-respecting, independent old age is virtually destroyed. The quality of our business leadership will also suffer in the years ahead if some means is not devised by which adequate financial incentives can be provided for those of the rising generation who must shortly assume the grave responsibility of directing the existing business enterprises of this country. Incentive is important. Without it, this Nation would deteriorate and pass from existence. Our tax laws should be an incentive for our citizens to provide themselves a better standard of living.

Mr. Speaker, I hope the rule is rapidly passed, that both the House and the Senate will pass the bill and that the President will sign it. In the event he does not, I feel the Congress will be justified in overriding his veto.

I now yield to the gentleman from Illinois [Mr. SABATH].

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] has consumed 6 minutes.

The gentleman from Illinois [Mr. SABATH] is recognized for 30 minutes.

REPUBLICAN REVENUE BILL

Mr. SABATH. Mr. Speaker, if the chairman of the Committee on Rules were as candid in explaining the provisions of the bill and the need for the bill as he is in describing the rule, I would, of course, congratulate him. His description of the rule makes it clear that it is a gag rule of the worst form. Naturally we have passed rules like this before on tariff and complicated tax bills which deprived the Members of the opportunity to offer amendments. Only the holier-than-thou Committee on Ways and Means has the privilege to offer any amendment under this rule. The Members, of course, will have the right to vote on them.

You know, Mr. Speaker, I was amazed this morning when the Pastor offered his prayer to observe only four Republicans on the floor, and that at a time when they were especially in need of the Chaplain's prayer for guidance.

Mr. Speaker, my colleague, the chairman of the Committee on Rules, stated that the bill is for the protection of future generations. This, of course, saying the least, is a very lame justification for the bill. It would be in the interest of future generations if we were to start now, while the country is prosperous, to reduce our great public indebtedness to avoid saddling upon the future generations this tremendous burden. The fact is that this bill is in the interest of a few thousand of the wealthiest people of the Nation by reducing their income taxes by nearly $4,000,000,000.

BUSINESS NEEDS NO FURTHER STIMULATION

Another reason that is given to urge the enactment of this legislation is that the bill will aid and stimulate business and will serve as an incentive to increase business. This plea is made as though business needed additional funds in order to exist or continue; yet I read in the New York Times just a few days ago, as well as in other reputable financial papers, that some 228 outstanding corporations during the first 3 months of this year made a profit 305 percent above the great profits they enjoyed in 1946; and notwithstanding the fact that all the corporations have a great back-log of orders, and have more business on hand, that will assure them of greater production and, naturally, greater profits, and that they have more cash, greater bank balances, reserves and surpluses than ever in their history. Therefore, it is ridiculous for anyone to claim that they need this reduction in taxes to stimulate and increase their business.

REPUBLICAN MISRULE BEGOT STAGGERING DEBT

The President vetoed the first tax bill, and his main reason was that if there was ever a time to start to reduce the great public debt this is the time, when the country is as prosperous as it is. We will not be able to reduce the debt if we reach such prosperous years as the country suffered from under 12 years of Republican misrule, especially during the 4 years of Hoover prosperity; and, by the way, much of the debt that has been in-

curred was because of the Republican administration under President Hoover which made it necessary for President Roosevelt and the Democratic Congress to put the country back on its feet, feed the hungry, save the municipalities, the States, the banks, insurance companies, railroads, and the business of the Nation. Naturally, a great deal of money had to be expended to restore America, to make it the country of prosperity that we have enjoyed under a Democratic administration. I hope we will continue to be prosperous, that people will continue to be employed at a high wage, and that business will make fair and reasonable profits on their investments.

HAMILTON'S POLICIES ABANDONED

I regret that the Republicans have failed to follow the founder of the Republican Party, Alexander Hamilton, who advised and recommended that it would be for the best interests of the country to reduce its indebtedness. It was Hamilton's belief and practice that no debt should be incurred until the means of retiring it had been established. I have a report from Dun & Bradstreet and from outstanding businessmen as well as financiers who plead and insist that our duty now is to begin the reduction of the tremendous debt brought about by Republican misrule and the unfortunate war, which also, by the way, was brought about because the Republicans failed to approve the League of Nations. If the League of Nations had been approved and we had been members of the League of Nations, Germany and Japan never could have prepared for war and we would not have been saddled with the great debt for the war.

Mr. Speaker, it is our solemn duty to begin to reduce the country's indebtedness in order to protect the value of billions of dollars of our outstanding bonds held by patriotic Americans; to keep the country and dollar sound; to safeguard the solvency of our Government; and to hold down the interest rates on our outstanding indebtedness. I make this assertion because only this morning I observed that the interest rates have been increased by the banks to 3.1 percent which will force us to pay additional millions to the bankers on our refinancing.

TAX REDUCTIONS BENEFIT THE RICH

I concede that this bill provides for the reduction of individual income taxes and it will be the hue and cry of the Republicans that the bill will reduce taxes. Yes, it will reduce taxes as I have stated by about $4,000,000,000, but for whom? Nearly all of this great sum will inure to the benefit of the prosperous, money-making, high-salaried, and bonus-drawing officers and officials, and the wealthy groups. I feel it is my duty to show in plain figures whose taxes will be reduced. I have here a correct and official table giving the spendable income after tax in various income brackets and it shows a man earning $1,200 will have a tax reduction of 21 cents weekly while the millionaire will enjoy an additional spendable income of $8,695.69 weekly. The table which I insert at this point shows more fully the spendable income inuring to various income groups, as follows:

Married person—no dependents

Net income before personal exemption	Spendable income after tax (amount)			
	Present law	H. R. 1 as amended	Difference	Difference on weekly basis
$1,200	$1,162	$1,173	$11	$0.21
$1,500	1,405	1,433	28	.54
$2,000	1,810	1,867	57	1.09
$4,000	3,411	3,529	118	2.27
$6,000	4,955	5,164	209	4.02
$10,000	7,815	8,252	437	8.40
$25,000	15,918	17,734	1,816	34.92
$50,000	25,205	30,164	4,959	95.37
$100,000	36,873	49,498	12,625	242.79
$500,000	92,536	157,926	65,390	1,257.50
$1,000,000	160,286	271,176	110,890	2,132.50
$5,000,000	[1] 725,000	1,177,176	452,176	8,695.69

[1] Taking into account maximum effective rate limitation of 85.5 percent.

Mr. Speaker, from an examination of this table every one must realize that this bill reduces the income taxes of the low-earning groups by a few pennies and of the wealthy by thousands of dollars.

The National Association of Manufacturers and the financial lobby who urge this legislation will endeavor to make the people believe that the Democrats are opposed to a reduction of taxes, satisfied that very few people are overjoyed by paying taxes. If I did not believe that in the interest of our Nation, as I said before, it is our solemn duty to reduce our great indebtedness, and could bring myself to vote for income-tax reduction, still I could not play into the hands of these selfish gentlemen who urge upon us a bill which reduces the taxes of the lowest income groups by pennies and at the same time increases by tenfold their cost of living. In other words, the people of small incomes are taxed indirectly through the increased cost of necessities produced and controlled by the same interests which support this measure.

CANNOT FOOL THE PEOPLE

It is my firm belief that no amount of big business propaganda, nor hypocritical explanations, will ram down the throats of the small taxpayers of this country the false claims that this bill is designed to reduce their taxes.

You are paying no heed to history when you rush this unfair bill through without pause, in an autocratic disregard of measured thought and debate which is equal to the dictatorial methods of Uncle Joe Cannon, czar of the House, when he was Speaker.

You are disregarding the counsels of Alexander Hamilton and of Andrew Mellon.

And you fail to appreciate the sage advice of Abraham Lincoln when he said:

You can fool some of the people all of the time and all of the people some of the time, but you cannot fool all of the people all of the time.

Mr. Speaker, I have a few more observations to make, but many members of the Rules Committee and others desire to give expression on this rule, and in the hope they will bring about a realization to the Republicans and the membership that the rule should be defeated and that this bill ought to be buried, that we follow the advice of President Truman and all outstanding and fair-minded financiers and businessmen of the Nation, I reserve the balance of my time.

Mr. Speaker, under leave granted I insert at this point a portion of a news story from the New York Times of June 22 which refutes the theory that business needs the stimulation of personal income-tax reductions in the highest and most privileged brackets:

PLANT EARNINGS UP 305 PERCENT IN LAST YEAR—228 INDUSTRIAL MANUFACTURERS SHOW TOTAL OF $597,553,217 FOR FIRST 1947 QUARTER—DECLINE IN STRIKES HELPS—DIP IN TAXES ALSO CONTRIBUTES TO IMPROVEMENT AS OUTPUT TOPS AUGUST 1945 MARK

(By C. M. Reckert)

Consolidated net income of 228 industrial manufacturers in the first quarter of this year rose 305 percent to $597,553,217 from the $147,665,103 return of the same companies in the initial 3 months of last year, according to our survey of official earnings statements.

The improvement in income for the quarter resulted not only from an increased return due to higher prices and lower taxes, but primarily from a larger volume of operations. This was borne out by industrial production throughout the March quarter, which was maintained at the highest monthly rate since August 1945, when it was 186 percent of capacity. Industrial activity, as measured by the Federal Reserve Board's adjusted index of the 1935–39 average, reached 189 percent of capacity in each of the first 3 months.

While the earnings increase seems to be remarkable, it must be realized that many abnormal conditions affected business in the comparable period of 1946. Industrial output during the initial quarter a year ago was the lowest since the war's end, because of major industrial strikes. Consequently, transition to peacetime manufacture was impeded and unfilled orders continued to accumulate. This year many companies enjoyed the benefit of sizeable refunds from tax credits; a year ago contracts were still being canceled and settlements effected.

THE TAX IMPOSED BY BUSINESS ON THE PEOPLE

In yesterday morning's Washington Post, Mr. Speaker, I noticed a headline, "Bank earnings gain largest in 19 years," followed by a story showing an increase of 25.5 percent in bank earnings in the members of the Richmond Reserve Bank, followed by an exposition of the big increase in railroad earnings and a new record in retail sales by Sears, Roebuck & Co. The same thing is true of every efficient commercial and industrial enterprise in the country.

But in the Chicago Times of June 29, a little over a week ago, there was another kind of a news story—a sort of "in memorium" for the Office of Price Administration. This shows how, to gain those inordinate and extortionate profits, the business community has laid their own private tax on the earnings of every man and woman in the United States, and this bill does not hold a candle to this unauthorized and unofficial business tax.

PRICES STILL UP YEAR AFTER OPA

Prices are higher, goods more plentiful, 1 year after OPA came to its riotous death June 30, 1946.

(The Federal price fixing agency, you'll recall, showed faint stirrings of life for a time when a new measure was substituted for the one vetoed by President Truman. But it went to final rest in December, with its remaining powers transferred to other agencies.)

DEBATE RAGES ON

The nylon lines are gone now. Under-the-counter deals for scarce items are going. Butchers have lost their glamor for housewives. But this last may be only momentary. Stocks of meat, poultry, and dairy products are on a hand-to-mouth basis, according to the Department of Agriculture.

A cross-country survey showed advocates and opponents of OPA no nearer agreement than ever on the value of the agency. Those for OPA argue that prices have risen spectacularly, that supply increases in the few items that have shown signs of declining would have developed just as quickly under OPA. Those "agin" argue that goods are more easily available, that the black market has been eliminated and that OPA was unenforceable unless backed by wartime patriotism.

The cost-of-living index of the Bureau of Labor Statistics on May 15, released this week was 155.8. Last June it was 133.3. Since that time, fats and oils have risen 58.6 percent, meat 52.2 percent, beverages 60.6 percent, sugar and sweets 31.6 percent.

Hogs which had a ceiling of $14.85 a year ago are bringing $25.25 per 100 pounds in the Chicago market today. Butter which sold at 56½ cents a pound wholesale is bringing 66¼ cents. (Last year, producers were receiving a Government subsidy of 15 cents a pound on butter.)

CORN UP TO $2.15

Most spectacular grain at the moment is corn, selling in Chicago this week end at $2.12½ to $2.15 a bushel, against an OPA ceiling of $1.46½.

A sharp rise in hide and finished leather is given as a reason for higher shoe costs.

"The fall line of men's suits and overcoats will be higher in price, mainly as a result of a 15 percent wage increase in the clothing industry in December," Mayer Kestnbaum, president, Hart Schaffner & Marx, said.

One year ago a popular brand of soap sold at three bars for 18 cents, but advertisements carried the words "when available." Today the soap is 10 cents a bar, with no remarks about availability.

A year ago men's white shirts were one to a customer. Today they are being sold without limit.

PRESIDENT POINTED OUT FAULTS

This tax bill suffers from every fault pointed out by the President in his veto message of H. R. 1 except for the single and not too important matter of the effective date.

It is a patchwork bill hastily thrown together by the unofficial and unauthorized tax advisers of the Committee on Ways and Means merely to fulfill some of the unthinking campaign pledges of some Republican candidates last fall.

As the President pointed out, if this bill becomes law its inequities become frozen into the crazy-quilt pattern of Federal taxation law.

What is needed is a long-term revision of all revenue laws.

During the war years we had to improvise.

The imposition of taxes was an important and valuable part of the war effort, not only to raise revenues for the prosecution of the war but also to fight democracy's battles.

The May 1947 issue of Dun's Review contains an illuminating article on debt retirement versus tax reduction by Roy A. Foulke, vice president of Dun & Bradstreet, which quotes both Hamilton and Albert Gallatin, and reviews the history of the public debt.

No one will accuse Dun & Bradstreet of being a democratic or liberal organization, so I am going to quote just a few paragraphs of advice from Mr. Foulke's article.

He says:

In the light of the variety of conflicting opinions, the following four basic objectives, listed in the order of their importance, would seem to be the elements of sound business policy for consideration in determining taxation legislation at this time:

1. That Federal personal income-tax legislation be made to apply from June 30 to June 30 to coincide with the fiscal year of the Federal Government. * * *

2. That every possible cent be saved in the operations of the manifold departments, divisions, bureaus, agencies, and corporations of the Federal Government. * * *

3. That the Federal debt be reduced at the rate of at least $5,000,000,000 yearly.

4. That the over-all average reductions in personal income-tax rates for the fiscal year 1947–48 range between 5 and 10 percent, and that the reduction in 1948–49 be based on the size of the surplus in 1947–48 with an anticipated surplus of $5,000,000,000 for continued debt reduction. In any such legislation, consideration should be given to the equalization of taxes to be paid individuals with the same exemptions and the same incomes throughout the country, by enacting provisions which would be uniform with those of the existing nine community-property States.

(Mr. SABATH asked and was given permission to revise and extend his remarks and include a few articles from outstanding men, and some letters.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I hope to see the time come when people in political life will cease to direct their barbs at ex-President Hoover. I never have found it pleasing to join in the criticism to which he has been subjected. I think he is one of the great world influences, and I would like to see his wisdom more often brought to bear upon our domestic and world problems.

Mr. Speaker, the Committee on Rules felt justified in bringing this bill back to the House because of sustained public interest in tax reduction. Of course, the history of the bill is fresh in the minds of Members, and the conviction of this House and of the Senate as heretofore expressed is to the effect that something ought to be done to give hope and encouragement to people who are producing.

Mr. Speaker, private enterprise cannot survive under a system of taxation that is confiscatory. I am not unmindful of the fact in making this statement that the public debt is enormous, and that any country's system of taxation must follow the public debt. We should, and I think we must, however, consider the question as to how much of the citizen's earnings can government afford to take without destroying maximum effort. People labor and strive in the hope and in the expectation of enjoying in the main the fruits of their efforts. Government has been laying an enormous burden upon the taxpayers, and to indicate an intention of easing up on the load would, in my opinion, be a tremendous stimulus to business. I think the psychological effect of adopting this bill would be good, and I think evidence of its influence upon the citizens would become immediately apparent. To continue the levying of a tax to take the major part of the citizen's earnings and do it from year to year and make it a permament policy of government could, and would, in my opinion, change the very nature of our people; in other words, if the Government is to take all that the worker earns except enough to support the individual living in a very modest sort of a way, then the man with one talent is just as well off as the man with 10.

Mr. Speaker, I hope the House will adopt the pending resolution and that the Congress will pass the bill overwhelmingly.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I agree with the words just said by the gentleman from Georgia in reference to President Hoover.

Mr. Speaker, in 1930 the outgo of this Government was $3,440,000,000 and the income was $4,178,000,000, and we had a surplus of $738,000,000 in 1930. Seventeen years later, last year, 1946–47 the outgo was $42,505,000,000 and the income was $43,259,000,000. We had a surplus this year, for the first time in 17 years, of $754,000,000. That was due to the election last fall, for it resulted in a cutting down of Government expenses. Thanks to the Republican Party.

In 1930 the national debt was about $18,000,000,000. The national debt at the present time is $258,000,000,000. In those 17 New Deal years the national debt increased 1,700 percent, the outgo increased 1,400 percent, and the income increased 1,000 percent.

What are we trying to do here in cutting down the load on the taxpayers? We are not trying to do it with the idea of endangering our solvency, but we want to give the people of this country the opportunity to display the vigor they have always had under the private enterprise system in getting out and doing things, creating jobs, improving equipment. Too many people today are handicapped and do not want to work because they say, "What is the use? The Government takes everything I earn." We want to give the worker an opportunity to be thrifty, he can improve his property, and his position. He can feel as if his Government can help him by cutting his taxes, but above all, he wants the expense of Government cut and cut to the bone. He wants this extravagance terminated, in the operation of his government. That is what the Republicans stand for. Now, what do we want to do as good American citizens? We want to put this tax bill into

effect, and then we want to start chopping down these Government expenses. We want to cut out every dollar in the operation of Government that we possibly can. And we can cut it many, many hundreds of millions of dollars.

I take my hat off to the gentleman from New York [Mr. TABER] and the members of the Committee on Appropriations for the duties they have performed during this session of Congress. I want to tell you it is a marvelous thing the way they work. It is marvelous the way the Committee on Appropriations has cut down these expenses. They deserve the support of all Members and the thanks of the general public. But the American people will never see the results fully attained until we have somebody in the executive branch of the Government who is going to work the same as they do in the legislative branch of the Government. We need cooperation and we get nothing but veto.

If we want to get this country on its feet, that is the duty which you must perform and which I must perform. By encouraging thrift, creating jobs and opening up opportunity.

Here is another thing we must be careful about, and that is in our spending for relief in foreign countries. We cannot take the burdens of every nation in the world upon our shoulders and expect this country to survive.

Here is an article I saw in the paper yesterday:

LADY ASTOR OFFERS TO STAY IN UNITED STATES TO CANCEL BRITISH DEBT

CHARLOTTESVILLE, VA., July 5.—Lady Nancy Astor, peppery Virginia-born socialite who won a seat in the British House of Commons by virtue of her wits and a wise marriage, kindly offered to stay in the United States for good today if we would cancel Britain's debts to this country—only $5,000,000,000 or so.

I say to Lady Astor, if she is more interested in Britain than she is in America, then she ought to go back to Britain where she found her last love because we want people in America who are going to protect America. We want people in America who are going to be for America and save America. That is the duty you have to perform and that is the duty I have to perform. I am going to do my duty to the best of my ability. Lady Astor gave up America for Britain; now she wants to get America for the Empire. I am against it.

Now, what we can do to encourage the people of this country is to pass this tax bill. I hope the Senate will do likewise and that the President will see the error of his vetoes and sign this bill, because it is going to be essential if we are going to keep our country solvent, if we are going to pay off our national debt, and if we are going to do the things for the people of America that we ought to do. We want to pay our debts. After World War I they reduced the tax bill four times and cut our national debt from twenty-seven and one-half billions to sixteen billions. We today can cut the taxes and cut expenses of Government and reduce our national debt by ten billions a year if we do the right thing and put more business into Government and less Government into business. Less taxes, less expenses, less Government in business.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I agree with the sentiments expressed by the gentleman from Georgia as to former President Hoover. Some time ago I found pleasure in voting to change the name of one of our great dams in his honor. But it must not be forgotten that Mr. Hoover in the minds of the American people represents an era. I think that was all my distinguished friend from Illinois had in mind in making the reference that he did. Mr. Hoover happened to be President at the end of something like a dozen years of Republican rule, and it was unfortunate for him to be the one holding the hen-house door open when the chickens came home to roost at the end of that 12 years. And the Hoover era will not soon be forgotten by the American people.

I voted against the tax bill and to sustain the recent veto of the President. I know of no reason why I should now change that position. Certainly, changing the date of the bill 6 months does not constitute such a reason. I voted against the tax bill because this Nation is in debt a great deal more than anybody conceived to be possible a dozen or 15 years ago. If we were to pay $25,000,000,000 on our national debt in the next fiscal year, it would not be too much. It would not be 10 percent of what the Government owes.

Our policy as a Nation, foreign and domestic, must be based upon the financial stability of our Government. Bonds that have been bought by millions of people throughout the country must be kept absolutely sound, as we face a rather uncertain future. If we cannot substantially reduce the debt of this Nation when people are prosperous and the Nation is prosperous, when in the name of Heaven are we going to do it. Oh, it is all right to talk about the psychological effect, but the American people are making money right now. We are in the best position we will probably be in for 20 or 25 years to make a substantial reduction of this debt. Drastic reduction of the national debt would make sound the program which the gentleman from Pennsylvania [Mr. RICH], referred to. But as matters now stand it is proposed to make a reduction of only 1 percent on the largest debt the world has ever known. Yesterday the Congress authorized the payment of terminal leave bonds in cash. Circumstances were such that I could not be here, but had I been I would have voted for that measure, because it was but an act of justice to the rank and file who bore the heat and burden of the day in the recent war. But all the same it is taking $2,000,000,000 out of the United States Treasury. The passage of this tax bill will shut off $4,000,000,000 more from the Treasury. So that in 2 days the record of this House is to take $6,000,000,000 out of the Government Treasury and put it into spending channels. I do not base my opinion upon statistics or the theory of some economists, but you go out and ask the average housewife and she will tell you mighty quick and very willingly whether or not we have inflation. We are playing with fire. To reduce taxes at this time of uncertainty by $4,000,000,000, in the face of obligations that necessarily confront us in our foreign and domestic policy, seems to me wholly unjustified.

Of course everybody wants tax relief, but debt reduction should come before tax reduction and in good spirits I must express my deliberate judgment that if all politics were stricken out of this bill there would be nothing left but the enacting clause.

The SPEAKER. The time of the gentleman from North Carolina [Mr. CLARK] has expired.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, the question of whether this Nation at this time can afford to reduce taxes and thereby reduce the income of the Government is a question so grave that it transcends all political, all party, and all personal considerations. It is a question of whether this Congress proposes to maintain, or restore if you please, the solvency of this Government. We are confronted with the greatest debt ever known in the history of any country—over $250,000,000,000. We were burdened with a proportionately large debt after the First World War. When the Republican Party came into power at that time they proceeded to pay that debt—and I think it is a compliment that should be paid to them—and put this Nation upon a financially sound and solid basis. Now, in this hour, when the income of the Nation is greater than ever, when the ability to pay this debt will never be equaled again in our time, it is proposed to reduce taxes, reduce the revenues of the Government, and place ourselves in a position where we will never pay this debt in our time, or any substantial portion of it. Is it fair or is it honest to bequeath this huge burden to future generations, who had no part in creating it?

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SMITH of Virginia. Mr. Speaker, I do not care to yield.

I have searched my conscience in the effort to find an excuse and a reason to go along with some of my friends who felt that we could afford to make this change in our tax policy the first of next year. I cannot do it. I cannot find that we are in any different position than we were when I voted against this bill just a few weeks ago.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I decline to yield and I regret to do so, but I merely want to express to the House my own individual views on this matter without attempting to influence the views of anyone else. I am sure the gentleman from Pennsylvania, as all Members in this House, are acting upon their conscience

in this matter; but it is a grave matter. If you do not pay this debt now you are never going to pay it. It is said that we are going to have a surplus and going to pay a substantial part of this debt. What are you going to pay? Your own figures in the report show that we would pay $2,600,000,000, I believe it is. That is 1 percent of this great debt created in our generation. By that policy you propose to continue the payment of that debt for 100 years.

In this time of inflation when every pressure is toward further inflation let us get down to solid, sound finance and pay as much as we can upon this debt, because when you return to normalcy, you gentlemen on both sides of the aisle know that you are not going to make these large payments on the debt. It is estimated in the committee report on this bill that we are going to raise so much revenue next year—estimated. What is an estimate? After all is said and done an estimate is nothing more than a polite name for a wild guess, because nobody knows what the revenue is going to be next year, and nobody in this room knows what the expenditures are going to be for the next fiscal year. This House made a great gesture for economy. It passed bills cutting the President's budget and yet they go to another body, pressure groups are on them every moment of the day, and you are going to see those bills come back here this year as you have in past years, come back here greatly increased. In addition to the appropriation bills what about the expenditures you are authorizing here every day? I happen to be a member of the Rules Committee and every day before that committee now are coming bills asking for authorizations that are going to increase the payments you have got to make out of the Treasury. Your budget does not tell you what you are going to spend. Oh, no; these authorizations that Congress passes are the things that tell you what you are going to spend. And what is happening about them now upstairs in the Rules Committee where they are presented before they come to the floor? Let us see. Just a week or so ago you passed a wool-subsidy bill. A lot of the Members say they do not like subsidies, that they do not believe in subsidies, and they protest against subsidies, but in wartime subsidies are necessary. I never believed in subsidies. I do not like them in war and I certainly do not like subsidies in peacetime. But what has happened about subsidies and what is happening every day about subsidies? Just the other day you voted up a bill for $100,000,000 for a subsidy on wool. Then a few days later comes along another subsidy and great pressure from certain groups for this subsidy because it is going to happen to help some individuals who may be Members of this House who come from certain parts of the country. We pass out a bill that is going to pay $80,000,000 subsidy on the production of certain metals. Do you think that bill is going to pass?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes. I wonder whether the gentleman has been informed that the rate of interest today has increased three points due to existing conditions.

Mr. SMITH of Virginia. Oh, yes; all our expenses are going to increase. While we have the money, while everybody has plenty of money, we ought to reduce the debt. I know it is a hard duty to perform. It is hard for me to stand up here and vote against giving my constituents and myself a tax reduction, but somebody has got to do it if we are going to put this Nation on a sound basis. That is the problem after all that is presented to you today. Never mind all this talk that you ought to relieve this group from taxes or you ought to relieve that group from taxes. That is all politics. Let us get down to sound stuff. The dollar in your pocket is only as sound as the Government behind it. What we ought to do is relieve our Government of the insolvency with which it is threatened today after 18 years of unbalanced budgets. Let us think about this seriously.

Now, getting back to subsidies, we are paying a subsidy of nearly $450,000,000 for the mail of this country, for the benefit of certain groups—friends of yours, friends of mine—but we are paying that subsidy out of the Treasury of the United States just the same as if we handed them the money to the extent of $450,000,000. What has happened? Your Committee on Post Office and Civil Service has brought in a bill asking that this subsidy be done away with and we save $400,000,000. Is this Congress going to do it?

Not on your life. You are not going to get a chance to vote on it even if you wanted to.

What about our merchant marine? We have reached the point where conditions in the merchant marine are such that it costs three times as much to operate a vessel of the United States as any of our competitors. Do you think we are going to let the merchant marine die? No. You are going to pay a subsidy. You tell me about your estimates of what money you are going to have left over. You cannot tell anything about estimates until you get through voting on bills for these authorizations.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I want to call attention to observations made by some outstanding Secretaries of the Treasury in the history of our country on the question of tax reduction versus debt reduction. One hundred and fifty years ago Alexander Hamilton had this very question presented to him as Secretary of the Treasury after the Revolutionary War where there was a demand for a tax reduction at a time when the debt of our country was abnormally high, just the same as it is now.

Alexander Hamilton made a historic report to the Congress at that time, coming out absolutely in favor of debt reduction as against tax reduction, and in part he said:

> Some men declaim against the public debt and for the reduction of it as an abstract thesis yet are vehement against every plan of taxation which is proposed to discharge old debts or avoid new ones.

Secretary Gallatin remarked in his report for 1805 that—

> A persevering application of the resources afforded by seasons of peace and prosperity, to the discharge of the principal * * * is the only effectual mode by which the United States can ultimately obtain the full command of their revenue, and the free disposal of all their resources.

He further said:

> A diminution of that interest—
>
> On the debt—
>
> is, with respect to the ability of defraying the other annual expenses, a positive increase of revenue, to the same amount.

In 1924, Secretary Mellon pointed out that once governmental expenditures were consistent with efficiency, and he said:

> Debt reduction is the best method of bringing about tax reduction. Aside from gradually refunding at lower rates of interest it is the only method of reducing the heavy annual interest charge.

Now, we have a national debt of $258,000,000,000, roughly speaking, with our income at the high level it is, and now we are going to reduce our taxes together with other inflationary influences. We are taking the dangerous journey of tax reduction as against debt reduction. The sound thing to do, the course to take for sound money, the course to take for good business, the course to take to make our Government bonds more protective for those who have invested in them, such as insurance companies, banks, and individuals, is to reduce the national debt rather than at this time, in the life of our Nation's history, take the dangerous course of reducing our income taxes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of the fact that the proposal before us is to initiate tax reduction next year, do I understand from the gentleman's statement that he is opposed to all tax reduction next year?

Mr. MCCORMACK. I am opposed to tax reduction until the national debt has been substantially reduced, and I take that position in the interest of sound government, sound money, sound business, and in the interest of our people. I cannot understand how it is that the majority party, the Republican Party, contrary to the history of the great leaders of its party in the past, is taking a journey directly in the opposite direction to that which is consistent with the best interest of our country.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HALLECK. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield.

Mr. HALLECK. Then do I properly interpret the gentleman's statement and answer as meaning, on his part, that he is against tax reduction next year?

Mr. McCORMACK. The position of the gentleman from Massachusetts is that he is against tax reduction until there has been a very substantial debt reduction.

Mr. HALLECK. This bill, as I pointed out, and as the gentleman knows, seeks to give tax reduction next year.

Mr. McCORMACK. I understand that.

Mr. HALLECK. Therefore, it seems to me clear that what the gentleman is saying is that he would be against any tax bill that would reduce taxes next year, because certainly there could be no determination as to money to be applied on the payment of the public debt next year until the year is concluded.

Mr. McCORMACK. So far as I am concerned, I take the same position that the gentleman from Virginia [Mr. SMITH] took; that as between tax reduction and debt reduction at this time, having in mind our national debt, I think that it is imperative and I consider it in the best interest of our country, much as we might like to give reduction in our taxes, to take the course that will bring about as quickly as possible as substantial a reduction of our national debt as we can while the national income is high and revenue is coming into our Government.

Mr. HALLECK. Will the gentleman yield further?

Mr. McCORMACK. Of course I yield.

Mr. HALLECK. It appears very clear to me by what the gentleman is saying that he would oppose any kind of tax reduction for the taxpayers of this country next year, and hence maintain in effect the extremely high level of wartime taxes during that year so far removed from the war itself.

Mr. McCORMACK. As far as I am concerned, I would regret very much seeing any tax-reduction bill. One equalizing and applying more fairly without a diminution of the revenue would be a different proposition. However, I would regret seeing any tax bill passed now or next year that would sharply reduce the revenue of the Government. I prefer that any surplus be used for debt reduction. I consider that as quick a debt reduction as we possibly can make is the best kind of a tax reduction we can make, and at the same time it is the best assurance of protection of business, bonds, bank deposits, and everything else. It is also an insurance against inflationary tendencies. It is my position that as between tax reduction and debt reduction at this time, I favor debt reduction.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Speaker, I am obliged to remind the two distinguished gentlemen who just addressed the House, the gentleman from Virginia [Mr. SMITH] and the gentleman from Massachusetts [Mr. McCORMACK], of a grave omission in their remarks. I am glad they grant proper recognition to the fact that Republican administrations made substantial reductions of the national debt in the 1920's. They should have mentioned the equally significant fact, however, that the Republicans during that same period reduced Federal taxes four different times. My party reduced the national debt not by clinging to excessive and burdensome wartime tax rates but by promptly terminating all emergency agencies, by cutting out nonessential activities, and by practicing real economy and efficiency in government. My party demonstrated 25 years ago exactly what we are urging here today, namely, that a reduction in tax rates does not necessarily mean a reduction in revenue; but that a reduction, intelligently formulated and timed, offers added incentives to all economic groups which can actually increase the flow of revenue into the Treasury.

I recognize the sincerity of the gentlemen, and feel as they do that we must promptly undertake an orderly program of debt retirement. But I believe we can best insure surplus revenues for debt payment by trimming costs of government to the bone and at the same time by offering our tax-stifled economy some relief and some real added incentive.

Let me call to the attention of the House a type of expenditures by the departments and agencies which I believe every Member on both sides of the aisle will agree are largely waste and extravagance. It is just such unwarranted and improper activities as these I shall describe for you that deprive the American taxpayers of the relief they deserve and should have today. The Democratic members of my committee join me in this criticism of unwarranted Federal expenditures.

Mr. Speaker, the highest-priced publicity staff in the world, employed by the Federal Government, is swamping newspaper offices with an unprecedented flood of news releases. Some of this material, of course, contains useful information. But a lot of it, also, is sheer propaganda designed to influence public thinking and to bring pressure on Congress. And much of it is just pure "hog wash."

The House on April 28, 1947, authorized the Subcommittee on Publicity and Propaganda of the Committee on Expenditures in the Executive Departments to investigate publicity and propaganda activities of the Federal Government.

In an attempt to get some idea of the amount of publicity and propaganda being issued by the Federal agencies in the form of official press releases, the subcommittee—of which I am chairman—recently wrote to a group of outstanding newspapers requesting that they save all such material received from the Federal agencies during a single week. I would like at this time to call attention to the material forwarded to the committee office by one newspaper, the New York Times, as a result of that request.

I would also like to call attention to the reply from Mr. A. Kirchofer, of the Buffalo Evening News. He said:

> The enclosed material is all that came to our office this week. This is certainly not a typical week. Someone must have been tipped off that you were conducting a survey.

Be that as it may, here is the material received from the New York Times. As the Members can see, it is a stack nearly a foot high. Considering the thousands of newspapers there are in the country, even the hundreds that have their own representatives in Washington—and even making allowance for the obvious assumption that all did not receive all the material the Times received—still, it is apparent from this package received by this one newspaper during a single week that the publicity output of the Federal agencies is tremendous.

Perhaps hard-pressed newspaper publishers might receive from this some slight indication of what causes the chronic paper shortage. This may also give our hard-pressed taxpayers some idea why Federal expenditures continue so high the President felt it necessary to veto a bill which would have granted some income-tax relief. It took some money to gather and prepare this material, and it took money to hire the stenographers and typists, and the people who ran the mimeograph machines that ground out this material.

Yes, it took money to prepare this material—a surprising amount of money. The latest available estimate placed Federal expenditures for publicity purposes at about $75,000,000 a year. And it was estimated that around 45,000 Federal employees were engaged either part time or full time in the preparation of publicity material; and, I might say here, this is typical of a lot of New Deal spending.

In order to get some idea of what is involved in this material, I requested the Public Printer to estimate roughly how many columns of newsprint would have been consumed had all this material been used. He estimated that it would have required 800 columns or 100 pages of the New York Times, making no allowance for advertising or feature material.

Put this in terms of your own home town newspaper, and you will see that most papers could not possibly have printed all this publicity material from the Federal agencies had they thrown out all other news. Take the case of a newspaper averaging 30 pages a day, 7 days a week, and allow 40 percent for advertising. They would have had exactly 26 pages left for the entire week, for comics, features, and all other news.

And please understand that the material considered here does not include the numerous pamphlets on every item under the sun the agencies are constantly pouring out.

Let me repeat that this material contained some worth-while information that was of real value to the press and to the public. I do not contend that all of it should be shut off. I do contend that much of it could be dispensed with, that

the public press simply cannot absorb all of it.

I shall not take the time of the House to analyze any substantial portion of this material, but I would like to call attention to some of the items, to show the Members what they are getting for this $75,000,000 a year.

There were, for instance, 64 sheets of material dealing with the State Department's foreign broadcasts. Could there have been any coincidence between the release of this flood of material, and the fact the issue of those broadcasts was under consideration by Congress at the time? I believe the Members know the answers to that one.

And here is another item, this one from the Office of the Housing Expediter. Let me quote from it:

At least 1,000,000 dwelling units of all types, of which about 750,000 will be new permanent homes, will be completed this year if controls on residential construction are continued for a few more months, Housing Expediter Frank R. Creedon said today. It will be the best year on housing completions since the middle twenties, he added.

I will not take time to read the whole release, but let me just pick up one more paragraph:

It must be emphasized, however—

This release continues—

that such a record home-building achievement will be possible only if controls are continued a few months longer on nonresidential construction. Right now there is a backlog of more than 2,000,000,000 in deferrable nonresidential projects being held up because of material shortages. If this pent-up demand were suddenly turned loose on the building-materials market, the resulting scramble for materials would leave the little fellow trying to build a home out in the cold, both literally and figuratively. It would be the lifting of L–41 all over again—only worse, because without price control, the sky would be the limit on the scarce building items.

If that is not propaganda, designed to influence Congress, I do not know what would be.

It was interesting to note that the War Department devoted a five-page 2,000-word release giving details on the President's private plane—including attention to such incidentals as "a large swivel and reclining chair, upholstered in two-tone blue barkweave cloth," which "may be rotated 360°," and has behind it "a bleached mahogany filing cabinet and a transparent plastic magazine rack"—but it dismisses its announcement of a "new, most powerful jet engine" in less than 200 words.

Then we have one from the Labor Department, titled "Home Building in Washington Area Well Above Last Year." This material might well be of interest to Washington readers, but was it not a waste of time and materials to have it mimeographed and distributed generally?

There is a 67-page single-spaced Daily Report on Foreign Broadcasts by the Foreign Broadcast Information Branch, Central Intelligence Group.

Then there is a nice little bit from the Coast Guard, which tells of the sighting of the first iceberg of the season by the cutter *Mendota*, and goes on to say that—

For those on board who had never seen a berg, and perhaps for the old-timers, too, it was a thrilling experience. The terrible majesty and strange beauty of an iceberg—

This little gem continues—

made an unforgettable impression on all of us who gazed in awe and wonder on this monstrous oddity of the sea. As the cutter approached closer, the delicate blues and greens of the hard glacial ice were discernible. Our first berg resembled, roughly, an aircraft carrier in shape and size, being tabular or flat-topped with vertical cliff-like sides rising 30 feet above the surface and having a length estimated at 750 feet and beam of 200 feet.

I will not read any further, but there is much more of the same.

The Coast Guard was so anxious not to keep the public press waiting for this material that it had the item radioed back to Coast Guard headquarters here for release.

The War Department has a 400-word release from Paris, France, telling of a New York City girl celebrating a WAC birthday reunion in the French capital. One paragraph from this release tells us that—

Today's dinner was climaxed by cutting a large, beautifully decorated birthday cake bearing five candles to mark the anniversary. Following dinner, the Wacs and ex-Wacs topped off their day with a party at the officers' club at the St. Germain depot, American Graves Registration Command—located on the Seine River in the suburbs of Paris.

Vital information for the public press. Can you not just picture the excitement in the Times city room when that delicious morsel of copy was received?

Mr. Speaker, supplying necessary information to the public on the activities of its Federal Government is one thing. Flooding news offices with propaganda to influence congressional action, and meaningless blurbs designed purely to keep the name of a particular agency or department in the public eye is another. That sort of thing must stop. The Subcommittee on Publicity and Propaganda, although it was created but a short time ago, has already made considerable headway in that direction. As chairman of that committee, I confidently predict we will be able to report greater progress as time goes on.

My subcommittee is engaged in a relatively small action of the over-all battle against an entrenched bureaucracy which is bitterly resisting every effort to eliminate nonessential activities and to force real economy in Government.

But despite the bitter and powerful resistance, Congress is winning this battle because public sentiment is overwhelmingly supporting us. We can and should, therefore, enact these proposed tax reductions with confidence that they will in no way hinder regular payments against the national debt hereafter.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN, from the Committee on Appropriations, reported the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1948, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. FOGARTY reserved all points of order against the bill.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947

Mr. KNUTSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3950, with Mr. HERTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. KNUTSON] is recognized for 1 hour and the gentleman from North Carolina [Mr. DOUGHTON] is entitled to 1 hour.

Mr. DOUGHTON. Mr. Chairman, I yield the time allotted to me, under the rule, 1 hour, to the gentleman from Tennessee [Mr. COOPER].

Mr. KNUTSON. Mr. Chairman, I yield myself such time as I may require.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. KNUTSON. Mr. Chairman, as I listened to the gentlemen from North Carolina, from Virginia, and from Massachusetts—and I name them in the order in which they spoke, CLARK, SMITH, and MCCORMACK—deplore this legislation and hope it would not pass because of its untimeliness, because of the big national debt and other reasons too numerous to mention, I wonder why those gentlemen who now say we must not give tax relief to 49,500,000 harassed taxpayers did not get up and talk about the national debt in 1945 when the Ways and Means Committee brought in a tax bill that gave approximately $6,000,000,000 relief to the corporations of America. And I will yield briefly to the gentleman from Massachusetts to explain.

Mr. McCORMACK. Did the gentleman support the bill himself?

Mr. KNUTSON. Yes, sir; it was a good bill.

Mr. McCORMACK. What was that bill? That bill was merely to wipe out a lot of wartime taxes.

Mr. KNUTSON. What have we before us now but wartime taxes?

Mr. McCORMACK. But that was for the purpose——

Mr. KNUTSON. Ah, now——

Mr. McCORMACK. The gentleman said he would yield to me; he volunteered to yield.

Mr. KNUTSON. I yield.

Mr. McCORMACK. Yes; they were excise taxes, a double tax placed upon corporations during wartime. The gentleman knows that tax bill was entirely different than the one now before the House. The question of tax reduction and debt reduction present entirely different situations.

Mr. DINGELL. Mr. Chairman, will the gentleman yield to me?

Mr. KNUTSON. I yield.

Mr. DINGELL. Who threw us overboard in conference and deserted the House on that very issue of giving to corporations one-half of the relief on excess-profits taxes?

Mr. KNUTSON. The Democratic Congress.

Mr. DINGELL. The gentleman from Minnesota and his Republican colleague from New York.

Mr. KNUTSON. Well, we must have been pretty powerful to outvote the majority. The cold fact remains that, notwithstanding a deficit of nearly twenty billions a Democratic Congress voted to give nearly $6,000,000,000 in tax relief to the corporations of America in 1945; and now, when it is proposed to give approximately $4,000,000,000 to 49,500,000 harassed individual income-tax payers they hold up their hands in holy horror and say: "Look at the debt. We cannot do it with the size of the debt as it is at the present time." It just goes to show the world moves forward. It is the first time I have heard these same gentlemen talk about our debt for 15 years. They voted for every appropriation bill, they voted time after time to pile up the debt on the American people, and it is only now, when we are trying to give relief to the harassed taxpayers of the country, that they suddenly remember that there is a public debt which is of their doing.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I cannot yield further. I am giving the gentleman from North Carolina [Mr. DOUGHTON] 10 minutes of my time.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I cannot yield now.

Let us take a look at this bill. What does it propose to do? It is going to give tax relief to forty-nine and a half million people. Who of all of the speakers who have spoken against the bill mentioned the fact that the taxpayers of the United Kingdom have already had one tax reduction and that the people of Canada have had two tax reductions, the last of which went into effect on July 1 and granted relief of 29 percent? Oh, yes, it is all right for the people of the United Kingdom to get a tax reduction, it is all right for the people of Canada to get a tax reduction, but when the American people ask for tax reduction they say "No. You have to pay taxes in order to rehabilitate the world."

The President in effect says we cannot have a tax reduction because we cannot give the people too much money of their own earnings to spend. That would be inflationary, he says, but not a peep from the White House when wage increases are given time after time and time after time. Did the President say anything about the recent increase in wages to the miners? Did he say anything about all the other wage increases, all of which gave the people more money to spend and consequently must be inflationary? Wage increases are inflationary because they add to the price of the things we must buy. On the other hand, a tax reduction is not inflationary. It does not add to prices.

Now, let us examine this bill. You are going to hear a lot of demagogy this afternoon about this being a tax bill for the rich as against the poor; but when you hear that statement bear in mind that 63 percent of the total reduction or $2,571,000,000 goes to taxpayers with net incomes under $5,000. This class represents over 96 percent of all taxpayers and under present law they only pay 56 percent of the total tax burden. Forty-four and one-tenth percent of the total reduction, or $1,800,000,000, goes to taxpayers with net incomes of $3,000 or less. Only 19 percent of the total reduction goes to taxpayers with incomes above $25,000. These taxpayers pay 24 percent of the total tax under the present law.

You are going to hear a lot of pious talk—we have already heard some—about a motion to recommit. I am wondering how they are going to square their motion to recommit with what they say on the floor? According to the morning papers the motion to recommit will provide for increasing the exemptions of the individuals by either $100 or $200.

Let us see what this would do to the revenues. If you increase the exemption from $500 to $600 per capita the loss of revenue will be $1,800,000,000 and the number of taxpayers removed from the rolls would be 4,200,000.

I am going to watch the roll call to see how consistent the preceding speakers will be. If you increase the exemption from $500 to $700 per capita the loss in revenue will be $3,500,000,000 or almost enough to wipe out the increase proposed in the bill H. R. 3950. The number of taxpayers that will be removed from the rolls will be 9,700,000.

Now, if you give $2,000 to married persons and $1,000 to a single person, with a $500 exemption for dependents, the number of taxpayers removed from the rolls will be 20,000,000 and the cost would be $6,000,000,000.

Yes, I am going to watch that roll call. I am going to find out if you folks are sincere or whether you are just politicking. Income payments are now running at an annual rate of $178,000,000,000. The revenue estimated for fiscal 1948 is based on income payments of only $170,000,000,000; therefore our total receipt figures are conservative.

If we wait for a comprehensive tax study to be completed before we give individuals income tax relief, it would be difficult to give such individuals tax relief at least until 1949. It is my guess that by 1949 we will have given so much money away to other countries that it might be out of the question to have tax reduction then. Let me say right here, my friends, that this may be the last opportunity in a long time that the American people will have for individual tax relief. There is no doubt about it at all, and I want you to remember that you have been warned.

Total receipts for fiscal year ending June 30, 1948, are estimated at $41,400,000,000. With reductions proposed under H. R. 3950 the receipts will amount to about $39,900,000,000, which is $1,500,000,000 off for fiscal 1948.

H. R. 3950 is effective January 1 next instead of July 1 last. The effect of H. R. 1 on the receipts for the fiscal year 1948 was to reduce the revenue by approximately $3,300,000,000. This bill will reduce the revenues for fiscal year 1948 by only $1,500,000,000. Bear that in mind. Yet, some raise their hands to high heaven in protest over giving the American people tax relief to the extent of $1,500,000,000 during the last 6 months of this fiscal year. These same gentlemen voted to give the American corporations a $5,238,000,000 lift in 1945.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Not now.

Mr. FORAND. The gentleman is all wrong in his figures.

Mr. KNUTSON. The gentleman is not wrong in his figures.

Mr. FORAND. He is wrong in his figures.

Mr. KNUTSON. The gentleman is not wrong.

Mr. HOFFMAN. Regular order, Mr. Chairman.

Mr. KNUTSON. Sit down; sit down. I do not propose to be diverted.

Mr. FORAND. Just tell the truth.

Mr. KNUTSON. I call the gentleman's attention to page 57 of the printed hearings on H. R. 1. Those are Secretary Snyder's figures.

The crying need is to give individual income-tax relief now. That is what the country is demanding. As I have already told you, the United Kingdom has had one tax reduction; Canada has had two. Yet we have not had any except the measly 5-percent reduction that was given in the Revenue Act of 1945, when we had a deficit of $21,000,000,000. We gave the American taxpayers a reduction in the face of a $21,000,000,000 deficit and gave the corporations almost $6,000,000,000 relief in the face of a $21,000,000,000 deficit. We are not going to let you forget it next year, either.

The minority speaks in one breath about inflation and in the other breath about recession. It takes more than a year for a tax bill to become fully operative, according to testimony given by Secretary Snyder before our committee. Therefore, if there is any danger of recession, it is important that we act now before the wolf is at the door.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I am sorry, I have so little time I cannot yield.

Mr. ELLIOTT. A few Democratic votes on this side might help you a little later.

Mr. KNUTSON. If the gentleman wants to put it on that basis, I will yield to him. I have always supported the gentleman regardless of the aisle, because he is usually right. I do not want him to run out on me today.

Here are some of the objections they are going to raise to this bill. They are going to tell you that a comprehensive tax study is now under way before the Committee on Ways and Means and should not be prejudiced by hasty income-tax action. The answer to that is, unless action is taken now, there will probably be no effective tax reduction until fiscal 1949, if then. The burdensomeness of the present income-tax rates and their stultifying effects on initiative and investment will not permit such delay.

Another objection that they will raise is that the expenditure requirements for the fiscal year 1948 are still very uncertain. The answer is, two appropriation bills which have already passed Congress embody substantial cuts. The Treasury-Post Office bill and the Labor Department-Federal Security Agency bill represent a cut of $986,000,000 below the budget estimates. Savings resulting from the House action on the other bills total $1,729,000,000. Therefore, at the present time it appears that the total savings on 1948 appropriations will be about two billion seven hundred millions. The reduction in expenditures will be substantially larger. In the President's budget it was indicated that 1948 appropriations would be about 86 percent of expenditures in that fiscal year. This percentage relationship means that a reduction of two billion seven hundred millions in appropriations is the equivalent of a cut of three billion one hundred millions in expenditures. A reduction of three billion one hundred millions in expenditures will leave a surplus in 1948 of seven billions. Since the collection loss resulting from the passage of H. R. 3950 is only one billion five hundred millions, a balance of $5,500,000,000 will remain. This provides amply for debt retirement and any contingencies that may arise.

Another objection they are going to raise is that tax reduction now is inappropriate because the economic picture is not clear. The answer is, while there is no real evidence that a general business recession has begun, it is clear that the economy has leveled off. For the last 2 months there has been little change in either an upward or downward direction. Therefore, there is relatively little basis now for the fear of an inflationary spiral, which is basic to this objection to a tax reduction at the present time. Moreover, the great majority of business forecasters still expect that there will be some downward readjustment before the end of the calendar year 1947. The purchasing power which H. R. 3950 will begin to release on January 1, 1948, will be a good thing for the economy of the country, assuming that those who are forecasting a recession know what they are talking about.

It is high time that we reduced the penalties against investment and managerial incentive imposed by the marginal rates under the individual income tax.

Here is another objection that they will probably raise. They will say that H. R. 3950 is not the right kind of a reduction because it gives the greatest relief to those who need it the least. The answer to that is that of the total reductions in tax liabilities of $4,100,000,000 resulting from the passage of H. R. 3950, $2,600,000,000, or 63 percent, goes to incomes of less than $5,000, and $1,800,000,000, or 44 percent, to incomes below $3,000.

The greatest percentage of reduction in H. R. 3950 is 30 percent, which is received by persons with a surtax net income below $1,000. Only those whose incomes are below $1,040 receive more than 20 percent reduction. On the other hand, the tax on incomes between $136,700 and $302,400 is reduced by only 15 percent, and on incomes in excess of $302,400 by only 10½ percent.

They will probably tell us that H. R. 3950 does not reduce taxes in the same proportion as they were increased during the period of 1939 to 1945. The answer to that is that this argument assumes that the rate structure in 1939 was ideal whereas it represented the end result of a determined share-the-wealth policy sponsored by the Roosevelt administration during the thirties.

Another objection that they will probably raise, and which would have no more substance than the others I have mentioned, is that the special exemption of $500 for persons over 65 years of age is unwise. The answer to that is that this exemption recognizes the heavy concentration of small incomes in this age group and the inability of these people to adjust themselves to wartime changes in prices and taxes by accepting employment at the prevailing high rates of wages. This exemption will provide a logical basis for removing the exclusions now enjoyed by particular types of retirement income under existing law. A general exemption of this sort is preferable to a piecemeal extension of this system of special exclusions for the benefit of particular types of retirement income.

Now, I come to another objection which will probably be raised. A sound public policy requires the reduction of the public debt as rapidly as possible. Well, of course, we are all in agreement with that. We can have both debt and tax reduction under H. R. 3950. The application of the full amount of the surplus realized in the fiscal year 1948 to the debt retirement would be a dangerous practice. When the economy has leveled off and a downward turn is possible, a very large debt retirement concentrated in a short period of time may actually be the factor which precipitates the downward turn. In the short run, debt retirement reduces consumer income and is a deflationary factor.

Another objection that I can foresee is that the expenditure estimates now used involve an understatement because they fail to take into account additional outlays arising out of our international responsibility. I believe the gentleman from Virginia raised that point. The answer to that is, even after the enactment of H. R. 3950 at least $5,400,000,000 will be available for debt retirement and contingencies in the fiscal year 1948 to meet all future drafts on the Treasury, foreign and domestic, it is necessary to maintain our economy on a sound basis through a sound tax system. I can conceive of no better way to maintain our country on a sound basis than to give the American taxpayers some relief from the tax load they are now carrying, which was imposed during the war.

When I was interrogated by the gentleman from Massachusetts he referred to the fact that the $6,000,000,000 tax reduction that we gave corporations in 1945 was a war tax. Well, what would you call the present taxes which individuals are paying if they are not war taxes. If it was desirable to give relief to the corporations of America to the tune of nearly $6,000,000,000 when we had a deficit of $21,000,000,000, it stands to reason we should at least be willing to give the individual taxpayers of America tax relief to the tune of $1,500,000,000 during the last 6 months of the present fiscal year when we will have a surplus in the Treasury that will amount to as much as $5,400,000,000.

I have here a very interesting comparison of tax reductions provided by H. R. 3950 by net income classes, showing the percentage distribution of returns, the tax under the present law and tax reduction. I will insert this table and inasmuch as I do not have much time remaining I will reserve the balance of my time.

Comparison of the tax reduction provided by H. R. 3950 by net income classes—percentage distribution of returns, tax under present law, and tax reduction

[Income payments of $170,000,000,000]

Net income class	Taxable returns		Tax under present law		Reduction provided by H. R. 3950	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
Zero to $3,000	39,710,430	79.9	$6,479,000,000	36.5	$1,800,000,000	44.1
$3,000 to $5,000	8,012,673	16.2	3,520,000,000	19.8	772,000,000	18.9
Total under $5,000	47,723,103	96.1	9,999,000,000	56.3	2,572,000,000	63.0
$5,000 to $10,000	1,265,839	2.5	1,453,000,000	8.2	307,000,000	7.5
$10,000 to $25,000	530,578	1.1	2,125,000,000	12.0	428,000,000	10.5
$25,000 and over	151,643	.3	4,178,000,000	23.5	774,000,000	19.0
Total over $5,000	1,948,060	3.9	7,756,000,000	43.7	1,509,000,000	37.0
Grand total	49,671,163	100.0	17,755,000,000	100.0	4,081,000,000	100.0

Source: Staff of the Joint Committee on Internal Revenue Taxation.

CHART 3.—*Numbers of days in 1947 that various classes of taxpayers must work for the Federal Government to pay their income taxes*[1]

Income of taxpayer (thousands):	Working days in year
$0 to $3	17
$3 to $5	36
$5 to $10	52
$10 to $25	81
$25 to $50	126
$50 to $250	176
$250 and over	230

[1] Based upon 300 working days in the year and upon the percent of the taxpayer's income going for Federal income taxes according to the estimates of the U. S. Treasury Department presented to the House Ways and Means Committee on Mar. 18, 1947.

The CHAIRMAN. The gentleman from Minnesota has consumed 28 minutes.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. KNUTSON. Mr. Chairman, I yield 10 additional minutes to the distinguished gentleman from North Carolina.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 20 minutes.

Mr. DOUGHTON. Mr. Chairman, the subject of taxation has given me much concern since this Congress convened on January 1; not only much concern, but considerable study and some loss of sleep. It is a matter concerning which I know there is an honest difference of opinion, and to those who differ with me I accord perfect honesty of purpose and motive.

In the discussion of this important matter I feel we should approach it coolly, dispassionately, and keep our temperature and our blood pressure normal.

As a result of the study that has been given to the estimated Federal receipts and expenditures since the Eightieth Congress convened, I believe the time has now arrived when we can safely give the taxpayers of the United States some relief from the heavy burden of Federal taxation made necessary by World War II. I believe the time has arrived when we can do that in safety. To support that statement, I call as a witness and submit the testimony of the distinguished Secretary of the Treasury, Hon. John Snyder, in whose judgment and integrity, of course, we have confidence. I shall submit his statement before the Committee on Ways and Means on May 19, 1947, when we began the comprehensive study of the subject of taxation.

There has been considerable discussion here as to whether or not this is the time, or even whether the time is approaching when we should consider tax relief measures. If we are going to enact any tax relief measure for the calendar year 1948, I maintain this is not too early to begin. If we wait until January 1948 to take up the subject, it will take us weeks and probably months to get a bill out of our committee and through the House. Then it would have to go to the other body, then to conference, and then to the President. As a result, any tax bill enacted at the next session of Congress after January 1, if it applied to the calendar year 1948, would have to be retroactive. So I repeat that if we are going to have tax relief for 1948, now is the time to begin. In substantiation of my belief that now is the time to approach the subject, I quote Secretary Snyder:

> We are nearing lower peacetime levels of Government expenditures and continuing high levels of national income and production.
>
> Both of which we know are true.
>
> And he said:
>
> A period of tax reduction is approaching.

What does that mean? Does that mean that we should not begin to consider the subject? It is approaching. A period of tax reduction is approaching. That is what the Secretary of the Treasury said. Surely he did not mean 1949. He must have meant not later than 1948. I assume that is a reasonable construction to place on his remarks. I do not believe the argument can be sustained that this is not the opportune time to begin to reduce the tax burden in view of the Secretary's statement. I believe the time has arrived, provided we do not make the effective date of this tax bill before January 1, 1948, and that is what is provided in this bill.

For reasons that I will summarize a little later I shall support the pending bill unless a more equitable bill is adopted by the House on a motion to recommit, which I understand will be offered. If it provides a better solution to the tax problem, if it is a more feasible bill, I shall support it; otherwise, if the motion to recommit is not adopted, then I shall support the pending bill; but I do not see how those who believe the time has not arrived for any tax reduction at all can support a motion to recommit providing for tax reduction. So it boils down to three things, whether we shall adopt the motion to recommit, pass the pending bill, or have no tax reduction at all. That is the issue before the House.

It should be borne in mind that this is not the first tax-reduction bill, and if enacted it will not be the first tax-reduction law since VJ-day in 1945. That should be kept in mind. Just a few weeks after VJ-day, our Committee on Ways and Means sat down with the Secretary of the Treasury, the Honorable Fred Vinson, and the members of the staff of the Joint Committee on Internal Revenue Taxation, and devoted careful study in working out a tax-reduction bill. On October 9, 1945, as chairman of the Committee on Ways and Means, by unanimous direction of that committee, I reported a bill that was passed overwhelmingly by the Congress and approved by the President on November 8, 1945.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I had no intention of criticizing the passage of the 1945 act. As a matter of fact, I supported it.

Mr. DOUGHTON. Yes; the gentleman supported that.

Mr. KNUTSON. I supported it.

Mr. DOUGHTON. Yes. The minority Members, led by the distinguished gentleman who is now chairman of the Ways and Means Committee, cooperated fully in supporting the act unanimously.

Mr. KNUTSON. In the face of a $21,000,000,000 deficit I supported it.

Mr. DOUGHTON. I have not the exact figures, but those are the facts.

I should like to point out that the preparation of the Revenue Act of 1945 was the result of the nonpartisan efforts of the members of the Committee on Ways and Means, for in my opinion politics and tax legislation should not be mixed. Politics never writes good law of any kind.

Secretary Vinson recommended that we reduce taxes in the amount of $5,000,000,000, or as near that figures as practical. As finally enacted, the Revenue Act of 1945 provided for a reduction for the calendar year 1946 of $5,925,000,000. In this law substantial reductions were made in corporate taxes and individual income taxes, and some in excise taxes.

The reduction in corporate taxes for calendar year 1946 was estimated at $3,140,000,000; individual income taxes were cut $2,645,000,000, removing 12,000,000 taxpayers from the rolls; and excise taxes were reduced by $140,000,000 by the repeal of the auto use tax. At the current levels of national income it is estimated that the annual revenue loss from the changes made by the Revenue Act of 1945 would total approximately $9,000,000,000. So it is clear that our Republican friends, now in control of the Congress, do not have a monopoly on the willingness and desire to reduce taxes when it can be reasonably and safely done.

As is well known, I opposed H. R. 1 when it was originally before the House in March of this year. I did this for several reasons. First, for the reason that it was to become effective on January 1, 1947, and I do not believe in retroactive tax laws. Moreover, we did not know enough at that time about the fiscal picture for 1948 to safely enact a tax-reduction law. The President's budget message estimate the revenues for 1948 at $38,900,000,000 and expenditures at $37,500,000,000. So there was little margin of safety to insure even a balanced budget, not to mention debt retirement. I am happy to say that our fiscal prospects seem to be much brighter now. The net receipts under existing law are estimated by the staff of the Joint Committee on Internal Revenue Taxation for the fiscal year 1948 at approximately $41,500,000,000. Even after enactment of the pending bill the 1948 receipts are estimated at nearly $40,000,000,000, which will provide a surplus of $5,000,000,000 for debt retirement, if the President's budget is reduced by only $2,000,000,000. Even if the budget is not cut at

all, there is an estimated surplus of nearly $2,500,000,000 for debt reduction.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman mean that if this bill becomes law that the estimated revenue for fiscal 1948 will be approximately $40,000,000,000?

Mr. DOUGHTON. That is correct. Then, if you do not trim the President's budget at all, that gives you $2,500,000,000. If we trim the budget by $2,500,000,000, you have four or five billion dollars as a conservative estimate to apply on the public debt. I believe that is an estimate on which we can rely, because the figures we have had for several months have been underestimated, and if the economic conditions are as the economists predict they will be, I would not be surprised if our revenue receipts were above $40,000,000,000. All estimates are at best a guess. We do not know absolutely and definitely what our revenue receipts will be, but we do have a much better insight on the 1948 fiscal picture now than we had when H. R. 1 was before the House.

Mr. PACE. Mr. Chairman, if the gentleman will yield further, does the gentleman consider the payment of two or two and one-half billion as adequate for the national debt on an annual basis?

Mr. DOUGHTON. Well, I would not consider it a negligible amount to be paid on the national debt, of course, but I do not consider that that is all that we can pay on it, because we certainly have reason to believe that the President's budget will be trimmed some. I do not think it will be reduced to amount to any four and one-half or six billion, as was estimated to begin with. But, from the evidence we have on the matter and from the most thorough and careful study I can make, it is safe to estimate that, if H. R. 3950 is enacted into law and becomes effective January 1, 1948, for the fiscal year 1948 we will be able to pay somewhere between three and five billion dollars on the national debt. I think that is a conservative estimate.

I made the statement, when the President's veto message was before the House, that I did not feel that I could support another general tax bill that did not provide for removing the inequity or injustice among taxpayers similarly situated in the community-property States and the non-community-property States. I introduced a bill to remove that inequity, and brought that matter up when this bill was reported out. It was stated that it was a very difficult proposition to draft. I called on the legislative counsel, Mr. Beaman, the highest authority we have in drafting tax legislation, to learn whether or not it would be practicable to try to embody that provision in this tax bill. He said he thought not, that it would take more time. Then our committee discussed the matter and we voted unanimously to begin now the consideration of this tax inequity that exists among married people in community-property States and non-community-property States, with a view toward working out and perfecting legislation to equalize that injustice. The members of the committee pledged themselves that in the next tax-reduction bill we would include a provision removing that inequity.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. It is also true that the committee has had before it many very intelligent witnesses dealing with that same subject.

Mr. DOUGHTON. That is true. Of course, we do not want to bring out and have enacted into law a tax bill that is not workable. On the advice of the head of the legislative counsel, Mr. Beaman, on whom we all rely in drafting tax bills to make them legal and workable, we deferred consideration of the matter, with the unanimous understanding that the subject would be taken care of in the next tax bill.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Colorado.

Mr. CARROLL. What would the community-property-tax legislation to which the gentleman refers entail in loss of revenue?

Mr. DOUGHTON. It is estimated to be something less than a billion dollars. I do not know how much it would be. But even if tax rates have to be adjusted elsewhere, whatever it takes to remove that inequity and that injustice and place married people on a basis of equality, I shall favor.

Mr. CARROLL. The gentleman has had great experience in these matters. I should like to have him inform me what it would mean in loss of revenue if we removed excise taxes.

Mr. DOUGHTON. The gentleman refers to wartime excise taxes?

Mr. CARROLL. Yes.

Mr. DOUGHTON. I do not know exactly, but that is a matter for a general tax-revision bill.

Mr. COOPER. If the gentleman will yield, my recollection is that if we remove the wartime increases of excise taxes it means not quite $1,300,000,000.

Mr. KNUTSON. One and one-tenth billions, I understand.

Mr. CARROLL. On that basis, if we remove the wartime increases in excise-tax rates, coupled with the community-property-tax adjustment, we would have a loss of revenue of aproximately $3,000,000,000?

Mr. KNUTSON. That would be aside from the liquor and tobacco taxes.

Mr. DOUGHTON. Mr. Chairman, in conclusion, I should like to see some tax reduction effective January 1, 1948. If Federal taxes were all the American citizen had to pay, the load would not be so very heavy. But the total of State, county, and municipal taxes of various kinds, when added to present Federal-tax burdens, justifies the enactment of Federal income-tax reduction at this time. If the House rejects the motion to recommit that bill, the choice is between the tax reduction provided for in H. R. 3950 and no tax reduction at all. After careful consideration of the fiscal outlook for 1948, it is my opinion that some tax reduction, although it may not be exactly the kind of reduction I should like, is justifiable, and can safely be made at this time. Then, in the comprehensive tax revision now under way in the Committee on Ways and Means, we can consider what adjustments should be made in corporate taxes, estate and gift taxes, excise taxes, and any further changes in individual income taxes that may at that time seem advisable. Since I believe that we can balance the budget and make a substantial payment on the public debt, I shall vote for tax reduction at this time.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is with regret that I am unable to agree with the majority of the members of the Committee on Ways and Means in their support of the pending bill, H. R. 3950.

The provisions of this bill are identical with those of H. R. 1 as it finally passed both Houses of Congress and which was vetoed by the President, except that H. R. 3950 is effective as of January 1, 1948, instead of July 1, 1947, as was provided in H. R. 1.

I spoke at some length while the bill, H. R. 1, was under consideration in the House on March 26, 1947, as appears at pages 2656 to 2658 of the CONGRESSIONAL RECORD of that date, and my views with respect to the pending bill are substantially the same as those expressed on that occasion.

I expressed the conviction then, just as I do now, that it is not yet time to reduce taxes, and that when the time does come it should be done on a much fairer and more equitable basis than is provided in this measure. As I pointed out on the previous occasion to which I have referred, it should be borne in mind that we have already given very important tax relief since the close of the recent war. The Revenue Act of 1945 reduced wartime taxes about $9,000,000,000. It made major reductions in corporation taxes and reduced individual income taxes and made some minor reductions in excise taxes Its main purpose was to ease the transition from wartime to a peacetime economy. This transition was made with far less decline in business activity than had been anticipated.

Any further tax reduction at this time to stimulate business activity cannot be justified. Business conditions are the best that we have ever known in the history of this Nation. In 1946, production reached the highest point in peacetime in our history, being 50 percent greater than the last peacetime year of 1939 and only 15 percent less than the highest point during the war.

Our national income amounted to about $165,000,000,000 in 1946, and the estimates now are that it will run about $10,000,000,000 more than that in 1947.

With these favorable conditions existing, it is certainly the proper time to give attention to our national debt.

The cost of World War II was an enormous sum. To hear some of the remarks made about the size of the na-

tional debt, one would think that some gentlemen had already forgotten that we had the most destructive and expensive war in all human history. This $258,000,000,000 national debt was the price invested for the preservation of freedom and liberty in this country of ours, and you cannot estimate the value of freedom and liberty in dollars and cents.

From 1939 to 1946, our Federal expenditures amounted to more than $400,000,000,000. We now have about 85,000,000 individual bondholders in this country. These people have the right to look to the Congress for the preservation of the soundness of the financial system of this country and to know that these bonds will continue to be sound and worth their face value to them. We are unable to know yet just what our fiscal situation will be. Only two of our annual appropriation bills have gone to the President. Considerably more than half of our annual appropriation bills are still pending in the Congress. Nobody knows at this point what they are going to finally amount to. I hope the reduction can be great—even greater than that regarding which some have expressed themselves before; but my guess is that when the final books are balanced, when the Secretary of the Treasury, the responsible official of this Government charged with the fiscal affairs of the Government, makes his report we will find very little actual reduction in the President's budget of $37,500,000,000. You need only to look to yesterday when we passed legislation providing for the payment of the terminal-leave bonds for our men of the armed forces, estimated to cost from $1,800,000,000 to $2,000,000,000. Those are situations we must face. We know that these things are happening day after day. So it is time for us to try to be certain that we can afford a tax reduction before we rush in here for political expediency and provide a tax reduction before we know exactly what our budget situation will be.

With the disturbed and unsettled conditions of the world, we are still unable to know what our international requirements will be. Right now we know that attention is being focused upon the so-called Marshall plan, a plan presented by our great Secretary of State, which he thinks, and many of the leading thinkers of this Nation agree with him in the view, is necessary for the preservation of our system and our form of government to afford relief to other nations of the world, to help them prevent the spread of communism. Now, we know the figures have been given in the press that this program may amount to $5,000,000,000 a year for a number of years in the future.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. VORYS. The gentleman will find the report of the subcommittee of the Committee on Foreign Affairs giving the most accurate figures to date, which reveals no such estimate at all. The estimates given there are from official sources, and will show that we could meet the obligations involved in the Marshall plan under a budget with this reduction, and that no such stratospheric figure of $6,000,000,000 a year is in contemplation.

Mr. COOPER. How much do you figure it is going to cost?

Mr. VORYS. Our studies showed that throughout this year it might run as high as $1,500,000,000, but with accepted credits it would be down to $800,000,000. For the next year, 1949, our studies showed that the total not already covered or expected to be covered would be $7,000,000,000 for the 3 years.

Mr. COOPER. Are you going to be able to effectively prevent the spread of communism throughout the world on less than a billion dollars a year? My friend, I am afraid you are just not realistic.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. CARROLL. I think the gentleman has made one of the most pertinent points that has been made so far. Where are we going with the Marshall plan? How can the Committee on Foreign Affairs know where they are going when the European countries themselves have not submitted their economic plan?

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

Mr. COOPER. Mr. Chairman, I yield myself two additional minutes.

I am sorry I will not have time to go further into the points I had expected to discuss, but I would like to refer in the 2 minutes I have to the motion to recommit, which I understand the distinguished gentleman from Rhode Island [Mr. FORAND] will offer. It is similar to a plan that he offered in the committee; similar to a bill that was introduced by him, or at least a part of it in some respects.

While I take the position that now is not the time to reduce taxes until we know more definitely what our actual budget situation will be and what our foreign requirements will amount to, I hope if you are going to reduce taxes and you think that now is the time to do it, certainly a fairer and more equitable plan should be provided than that presented by the pending bill. This motion to recommit will cover just two points: One is an increase of the present exemption from $500 to $600, and the second is to reduce by 3 percentage points the present income-tax brackets. That will be estimated to lose about $3,379,000,000 in revenue, but under this plan 80 percent of the relief would go to people with incomes of less than $5,000, whereas under the pending bill only 62 percent will go to the people with less than $5,000. So if tax reduction is to be provided I respectfully submit that the plan suggested in the motion to recommit to be offered by the gentleman from Rhode Island is much fairer and more equitable than that provided in the pending bill.

Bear in mind that under the pending bill you reduce in the high income-tax brackets the burden of taxes practically to the 1939 level, before the war. You do not do that for the small-income taxpayers. So this plan to be presented in the motion to recommit would be much fairer if it is desirable to pass a tax-reduction bill at this time.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. COOPER. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, before proceeding with my prepared statement I do want to say to the chairman of our committee, the gentleman from Minnesota [Mr. KNUTSON] that in the tax bill of 1945, which he criticized and to which he contributed so much toward its delinquency, that at the time of its passage we at least did strike from the tax rolls 12,000,000 of those who were most deserving in the lowest income-tax brackets.

Furthermore it was the gentleman himself and his Republican colleague who deserted my fellow conferee, the gentleman from Tennessee [Mr. COOPER] and myself and brought about the retention of the high wartime excise taxes so vital to the consumers in order to give big wartime corporations bloated with war profits total and immediate relief from excess-profits taxes, about which he now complains.

Mr. Chairman, this is the wrong bill and the wrong time.

It is the same sickening mess containing all the favoritism toward the high-income groups and all of the discrimination against the millions of needy taxpayers in the low-income class. The rich taxpayers who constitute 1,948 000, or approximately 4 percent of the total, are to obtain 37 percent, or over one and one-half billions in tax relief. While the millions of small, needy taxpayers, numbering 47,723,000 and representing 96 percent of the whole, are to receive 63 percent of the relief, or roughly two and one-half billions. The reduction for the downtrodden rich, with incomes above $300,000, will be about fifty-four millions, or relief per capita of $57,000, while the well-to-do poor, with incomes under $5,000, will receive an average of $54 relief per capita, a difference of a mere $56,946 per capita in favor of the rich.

To illustrate the inequity of this bill, Mr. Chairman, let me point out that the take-home pay of the average American family of four with an income of $2,500 would be increased by $28.50. A similar family with an income of $15,000—a Congressman's salary—will receive a take-home pay increase of $727.70. The $100,000 family of four will benefit by $12,460.20. A family of four receiving a net income of $500,000 will have $58,175 more to spend, while the million-dollar family of four will have over $100,000 to spend each year, from tax savings alone, on a new yacht and a new country home.

I am certain the President will again courageously veto this brazen attempt to betray the needy in favor of the greedy and his action, I predict, will again be sustained by the other body should we fail in our responsibility and our sense of fairness and good judgment. It is a strange phenomena how this legislative cadaver could ever be revived after a veto which for the first time in the history of the Congress, I believe, was sustained in connection with a tax bill. Yet, it is not strange at all if you make even a

superficial analysis of the benefits and ascertain who are to be the recipients of the lion's share of Republican generosity. The cohesive force of the plunderbund is determined to get theirs now. They fear that further study and delay till next January may alert the people and that this may be detrimental to their unjustified and selfish grab.

There are more important and pressing phases of Federal taxation than are here presented to you. The reduction of the public debt and of the attendant interest charges should be the first and most important move of the Congress. Mark you, for every billion dollars of debt unpaid this year, the taxpayer will be called upon to pay out roughly an additional $20,000,000 in interest annually during the added or delayed redemption period. Putting it another way: For every hundred dollars paid on the public debt this year the taxpayer will save $2 thereafter; in other words, he will reap deferred dividends by the prompt paying off of our obligation. Important, too, you will not be passing on to posterity a war debt which was not of their making. There is another facet to look at and, having called your attention to the fact, you will have a hard time justifying your desertion of the President and the great mass of needy taxpayers for the rich unless first you provide relief for married couples and for dependents. With the higher prices paid for food, clothing, and rents since the killing of price controls by the Republicans, immediate liberalization of exemptions assumes prime importance. It truly touches all taxpayers from the highest to the lowest bracket.

In any consideration of the tax problem we cannot overlook the importance of continued excessive excise taxes; they are repressive and burdensome. The wartime excises, highest in history, I believe, have served their purpose of providing added revenues needed in the defense of our country. They were effective in the control of inflation and of competitive buying of consumers goods, made scarce by wartime restrictions and conversion. To continue these indefinitely would violate a congressional pledge, inserted at my insistence and upon my motion in the committee report at the time of their enactment, that they would be repealed by Congress at the termination of hostilities or by proclamation of the President. The committee and the House acted in good faith to carry out the pledge when the tax reduction bill of 1945 was considered in this chamber. The abject submission to the Senate of the House conferees, excluding my colleague the gentleman from Tennessee [Mr. COOPER] and myself, inexcusable as it was, continued the levy until abolished by Presidential proclamation terminating hostilities, following which they were quickly and indefinitely reimposed by Congress to handicap business and to burden the consumer. If these discriminatory wartime super sales taxes levied upon a limited few items are not repealed soon, the Congress will be charged with violating its word and, moreover, for a possible recession brought about by a buyers strike of indignant consumers.

As a taxpayer, my stake in this iniquitous Knutson tax plan is perhaps greater than that of the average citizen in my district, because I stand to benefit more and immediately. But my interest and responsibility as a legislator are clearly on the side of the average taxpayer who is neediest and represents the great bulk of our deserving people.

What deal is the Republican majority offering some of you Democrats for anticipated desertion of principle, party, and President? According to press reports you are being blackmailed to vote in reversal of your previous action, the failure of which will bring reprisal in the matter of presenting legislation on the FEPC, antilynching, and the poll tax. Particularly you men of the South are asked to stultify yourselves, to submit peacefully or stand the consequences. I resent these tactics as I know you do. No member of the House worthy of membership has ever shrunk from combat. Let us consider each bill and fight it out on the merits. Resist this attempt of blackmail which reflects adversely and particularly upon the Members from the South.

The Republican leadership has staked all on the repassage of the tax grab and every trick in the bag will be used to succeed. Important and pressing legislation bearing upon the Nation's security and the peoples' welfare will be jettisoned. Housing for veterans, desperately short and delayed by Republican opposition, will be junked. The demands of education as voiced by the leading educators of the country will be ignored, as will the pressing problems of health and welfare. No time for the consideration of any of these and a score more legislative problems, not even once; but for the tax grab, all the tactics, time and energy possible will be employed and repeated until success, they hope, will crown their efforts.

A well-known columnist, heretofore trustworthy, refers to the Knutson bill, H. R. 3950, as a Republican-Democratic move or action. Do not let anybody fool you. We, the members of the minority, had nothing to do with it. Not in the beginning or at the end, nor did the Republican members of the committee, for that matter. We were not treated as members of the Committee on Ways and Means, nor even as Democrats. We, the elected Representatives, were on the outside while unofficial outsiders functioning as the voice of organized wealth wrote the bill which, bearing the name of the present chairman, was presented to the committee and the Congress.

It was when first presented lopsided, premeditatedly, unfair, and unjust, doing violence to millions of small taxpayers but that is in accord with the philosophy of the Republicans who believe that, "Those who has gets and those who has not shall have it taken away from them."

Do not let the press releases of the chairman fool you; no concession has been made to the people, the President, or in committee. It is the same old tripe recipe with a new number and another date. It will be dumped by President Truman as it has been once before provided, however, that the other body is inclined to pass it again.

Mr. Chairman, the Republican controlled Committee on Ways and Means, and I mean, controlled, presents to you for your consumption the same old tax mess which you could not stomach when once before it was returned from the White House. Sample it and see for yourself. It is the same rank recipe concocted by Chairman KNUTSON, as an untested election dish. The only difference is the change in the number assigned to the bill and its effective date. Instead of being known as H. R. 1, it is now known as H. R. 3950. Its effective date for the relief of the rich is by force of administration, opposition, and your previous action, postponed until January 1, 1948, instead as was originally intended, July 1, 1947. But it is the same old tax swill, less wholesome for the ageing. It is warmed over and relabeled to fool the Members of this House but it is no more palatable, no more wholesome than when you turned it down when it was returned to you cold by the President from the White House.

Mr. COOPER. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, except for the change of the effective date, there is no difference between this bill which we are now considering and H. R. 1, which I heretofore opposed. The mere change of the effective date does not, in my opinion, render the bill more acceptable. As a matter of fact, during the intervening weeks since the passage of H. R. 1 circumstances have developed that, to my mind, make it even more apparent that this present bill, differing only from H. R. 1 in its effective date, should not pass.

I regret this move for a tax-reduction bill of this character at this time for I feel that this is a time when all of us, Republicans and Democrats alike, should work together to place the country on a firm financial foundation, so that we might build for the future—whatever that future might hold. A few weeks ago I opposed H. R. 1 because at that time I stated that we were passing a tax bill reducing government revenues when we did not know what the expenses of operation of government for the fiscal year were going to be. There has been no change in the situation since that date, except for the fact that one appropriation bill has thus far reached the President's desk. When the House passed H. R. 1 it did so with the expectation that the promises that were made—I should not say "promises"—I should rather say "boasts"—that the President's budget would be cut by $6,000,000,000 would be fulfilled. We have seen that these boasts have fallen short by at least 50 percent, even before the other body has undertaken to restore many of the cuts which the House Appropriations Committee felt were necessary. Not only that, but yesterday we passed the bill to cash the terminal-leave bonds, which involves an additional $1,800,000,000 not even budgeted.

I understand it is estimated that $100,000,000 will be necessary for the hoof-and-mouth-disease investigation and treatment, and that there is also a reported subsidy of $85,000,000 for lead.

So today we stand in the same position insofar as our domestic appropriations are concerned as formerly, while insofar as our foreign commitments are

concerned our position is decidedly less favorable from a tax viewpoint. The situation overseas has developed to the extent that it must be apparent to all that the commitments of the United States must be far greater than originally anticipated when we thought that Russia would, in a straightforward way, aid in the reconstruction of Europe. We now know that the burden of reconstruction of Europe will not be shared by Russia; we now know that the obligations that the United States must assume will be greater than heretofore anticipated, because we relied, in good faith, upon Russia's cooperation in the rehabilitation of Europe.

I realize that the American people are most desirous of tax reduction. I know full well the pressure that has been brought by the business interests of the country to reduce taxes. Practically every industry has come before our committee urging that tax relief be given to their particular industry. With business at its highest peak; with the national income at its highest level and with unemployment at the minimum, we still hear the plaints of business that tax relief is needed in order to overcome the sales resistance of the public. There is no talk of a reduction of manufacturers' prices and in the face of the testimony, the conclusion is inescapable that the business interests of the country have come before our committee, not because taxes are so oppressive that they are killing the goose that laid the golden egg, but, rather, because they want to increase their corporate dividends over and above the record-making dividends of 1946 and the first quarter of 1947. I do not intend to go into a long discourse on taxes, except to point out this very salient feature, which should be borne in the minds of us who are passing on this tax legislation and that is, we do not know what our future commitments will be.

We are now fairly convinced that the economy drive, insofar as Government operation is concerned, cannot be reduced more than one or two billion dollars below the President's budget, and if we reduce the normal source of supply of money to operate the Government through income-tax reductions we must, if we are going to reduce the national debt, obtain the money from other sources. We are heading, under the present fiscal program of this Congress, toward a national excise or sales tax and that is just as certain as I am standing here. More than one of the present members of the Advisory Tax Council has already intimated that. If my recollection serves me correctly, our distinguished chairman has indicated the possibility of a broader base for excise taxes, or, in other words, sales taxes, as a sinking fund for the reduction of the national debt. Now what does that mean? It means that the stenographer, the laborer, the white-collar worker will pay by sales tax the same amount as those in the higher brackets pay in taxes for the ordinary necessities and comforts of daily life. That is a complete reversion and abandonment of the democratic principle that taxes should be levied against those who are best able to carry the burden.

Mr. Chairman, I shall not speak further, but I warn the Members of the House that this 20 percent tax reduction across the board is a forerunner of increased excise taxes or sales taxes, which must be borne by those in the lower brackets, so that even if you give them a 20 percent cut in their income taxes, they will more than make it up in the sales or excise taxes that they must pay. If we are to have a tax reduction effective January 1, 1948, then it is my firm conviction that that tax reduction should take the form of an increase in the personal exemption. I believe that relief should first be given to those in the lower brackets, so that they might more readily meet the increased cost of living that has resulted from the removal of food and rent controls. I am in accord with the motion that will be made to recommit for the reason that under the proposal that will be advanced by the gentleman from Rhode Island [Mr. FORAND] to increase the exemption from $500 to $600 per person and to reduce the tax by three points in each bracket, 80 percent of the benefit will go to those taxpayers having a taxable income of $5,000 or less per annum, as against 62 percent of this class who will benefit under the Knutson bill. The proposal of the gentleman from Rhode Island [Mr. FORAND] gives relief where relief is most needed.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, my position today is the same as it was when the original Knutson bill, H. R. 1, came before the House. I question seriously the wisdom of reducing taxes at this time. However, I feel that if this Congress is to reduce taxes, then the bill before us today, H. R. 3950, does not provide the proper distribution of the relief to be afforded.

Before I go into that phase of it, I want to take the time to make the correction that I sought to make for the benefit of the chairman of our committee. May I have the attention of the chairman of the commitee, who refused to yield to me before?

The gentleman has repeatedly made the statement that the 1945 tax bill reduced corporation taxes $6,000,000,000. Yet, when I tried to help him keep the record straight, he was kind enough to tell me to sit down. Well, I will not go that far with him, I will simply quote the figures for the record to show that the Revenue Act of 1945 reduced estimated tax liabilities for the calendar year 1946 by a total of $5,925,000,000. Corporate tax liabilities were reduced by an estimated $3,140,000,000; individual income taxes by $2,645,000,000, and miscellaneous taxes by $140,000,000.

These figures are taken from the annual report of the Secretary of the Treasury next following the date of enactment of the Revenue Act of 1945.

This report covered the fiscal year ended June 30, 1946, was submitted on January 10, 1947.

Now the $6,000,000,000 figure to which the gentleman from Minnesota refers is something else entirely. He is talking about the amount by which corporate tax receipts would have exceeded receipts under present law, assuming a $165,600,000,000 level of income payment to individuals, if the Revenue Act of 1945 had not been enacted.

Even under this assumption the gentleman from Minnesota is incorrect, for the exact figure in the case of corporations is $5,238,000,000 according to Treasury estimates and not the $6,000,000,000 to which the gentleman has referred.

The figures quoted from the hearings by the gentleman from Minnesota are based on a hypothetical case.

The 1945 bill also removed from the tax rolls 12,000,000 taxpayers in the lower income brackets.

I am opposed to H. R. 3950, Mr. Chairman, because I do not think it is fair that a married man who has an income of only $1,200 a year should get relief of only 22 cents a week, while the man with a $50,000 income would get relief to the tune of $95.36 a week, and that the fortunate fellow with an income of $200,000 gets relief to the tune of $242.80 a week, as compared to the 22 cents a week for the $1,200 individual.

Mr. Chairman, as was said before, I am going to offer a motion to recommit. It is a very simple motion, although when reduced to writing it may seem to be rather complicated. But reduced to plain, every-day English, all it will do will be to increase the exemptions on a per capita basis $100, that is, from $500 as under present law to $600. Point number 2 is that it will reduce the surtax 3 percentage points in each bracket: That is all that it would do, but its effect would be altogether different from the effect of H. R. 3950. Under this proposal 80 percent of the relief would go to those in the income brackets of $5,000 and under whereas under the Knutson proposal, namely, the bill H. R. 3950, only 62 percent would go to that group, which, to my mind, is the group that should get relief if relief is to be given.

In addition to that, a 3 percentage point reduction in the surtax brackets means that everybody, particularly those in the higher income brackets, will get fair and equitable treatment. In fact, it amounts to $1,734,000,000 of relief for that group which is only 4 percent of the taxpayers. Bear in mind that in this country you have 96 percent of your taxpayers whose income is $5,000 or less and only 4 percent whose income is above $5,000. Yet, to that 4 percent will go $1,734,000,000 under my proposal.

I think we are treating them mighty fair, and I sincerely hope those of you who are a little in doubt as to what you are going to do, those of you who want to be fair, will vote for the motion to recommit. If you do not do it, then you are just simply offering a sop to the low income taxpayer and giving the big taxpayer a windfall.

The following memorandum and tables set forth clearly the effect my proposal would have if enacted into law:

PROPOSAL TO INCREASE INDIVIDUAL INCOME-TAX EXEMPTIONS TO $600 PER CAPITA AND TO REDUCE PRESENT LAW TENTATIVE SURTAX RATES BY 3 PERCENTAGE POINTS IN EACH BRACKET

This memorandum compares a proposal to increase individual income-tax exemptions

to $600 per capita and to reduce present law tentative surtax rates by 3 percentage points in each bracket with H. R. 3950, a bill introduced on June 24, 1947. H. R. 3950 is the same as H. R. 1, except that the effective date of the reductions is changed to January 1, 1948. The reductions under my proposal would also become effective January 1, 1948.

A. REVENUE LOSS

The increase in exemptions and reduction in surtax rates under my proposal would reduce individual income-tax liabilities by an estimated total of $3,379,000,000, assuming income payments of $166,000,000,000. This is $425,000,000 less than the $3,804,000,000 reduction under H. R. 3950 at the same level of income payments. (See tables 1 and 2.)

As compared with H. R. 3950, my proposal would distribute to low-income taxpayers both a larger dollar reduction and a larger proportion of the total tax reduction. Under H. R. 3950, $2,372,000,000, or about 62 percent of the total tax reduction, would go to taxpayers with net incomes of less than $5,000. Under my proposal, 80 percent of the total reduction, or $2,689,000,000, would go to taxpayers with net incomes of less than $5,000, of whom 4,700,000 would be removed from the tax rolls.

The tax reduction in the net income classes over $5,000 under H. R. 3950 would amount to $1,433,000,000, or about 38 percent of the total reduction. Under my proposal, these taxpayers would receive $690,000,000, or 20 percent of the total.

B. ANALYSIS OF PROVISIONS

1. Increase in exemption

The present per capita exemption of $500 was adopted in 1944. The amount to which a $500 exemption would have to be increased to offset the effect of the price increases since 1944 has risen to over $600. Thus, the $100 increase would approximately adjust the level of exemptions for this price change.

Low exemptions are frequently urged to obtain a broad base in order to achieve wider tax consciousness and to preserve the revenue potentialities of the individual income-tax system. The four and seven-tenth million reduction in the number of taxpayers under my proposal is not necessarily in conflict with the objectives of a broad base income tax, since forty-three and eight-tenths million taxpayers would remain on the rolls. Moreover, many low-income taxpayers are now on the tax rolls primarily because of inflationary conditions, even though the purchasing power of their incomes is no greater than in 1944.

The available family budget information and estimates of the relative amounts of income needed by single persons and families of different sizes to obtain the same general standard of living suggest that the per capita system of exemptions allows somewhat too much to dependents in comparison with the amount allowed single persons and married couples. The proposal would maintain the per capita exemption system and would not alter the exemption ratios as between single persons and families of different sizes. If the exemption increase is viewed merely as an adjustment for price changes, per capita exemptions may be preferred because they permit a greater simplification of the income tax than would other exemption ratios.

The increase in the per capita exemption from $500 to $600 would reduce individual income tax liabilities by an estimated $1,646,000,000, assuming income payments of $166,000,000,000. Of this amount, $1,507,000,000, or 92 percent, would go to taxpayers with net incomes under $5,000. (See table 2.)

2. Reduction in surtax rates

This provision gives each taxpayer a reduction amounting to 2.85 percent of surtax net income.[1] The tax rate on the first $2,000 of net income after personal exemptions would be reduced from 19 percent to 16.15 percent and the tax rate on net incomes after personal exemptions in excess of $200,000 would be reduced from 86.45 percent to 83.6 percent. (See table 3.) The provision would also reduce the rates of tax proportionately more at the lower income levels than at the higher levels. For example, it amounts to a 15-percent reduction of the 19-percent bracket rate and a 3.3-percent reduction of the 86.45 percent bracket rate.

The estimated reduction in individual income-tax liabilities from this provision, after taking into account the effect of the exemption increase, would be $1,734,000,000, assuming income payments of $166,000,000. Of this amount $1,183,000,000, or 68 percent, would go to taxpayers with less than $5,000 of net income. (See table 2.)

C. COMPARISON OF THE TAX REDUCTIONS UNDER THE PROPOSAL AND UNDER H. R. 3950 BY MARITAL AND DEPENDENCY STATUS

For single persons with no dependents, the proposal would give more tax reduction than H. R. 3950 below about $1,070 of net income and less reduction above $2,200. Between these levels, single persons would receive about the same reduction under the two plans.

Married persons with no dependents would benefit more from the proposal than from H. R. 3950 below $4,290 of net income, although the reduction is only slightly higher under the proposal in the area between $2,000 and $4,290. Above $4,290 they would receive a larger tax reduction under H. R. 3950.

The tax benefit from an increase in the per capita exemption becomes greater as the number of exemptions increases. Consequently, the proposal would give more tax reduction than H. R. 3950 over a greater portion of the income scale to persons with dependents than to those without dependents. For example, married persons with two dependents would benefit more from the proposal than from H. R. 3950 up to a net income of $8,530, as compared with the corresponding levels of $1,070 for single persons and $4,290 for married persons without dependents.

A detailed comparison of the tax liabilities at specified levels of net income under the proposal and H. R. 3950 is given for married persons with two dependents in the attached tables 4 and 4a. The tax reductions under the proposal range from 100 percent at the lowest end of the income scale to 3.3 percent at the highest; under H. R. 3950, the tax reductions range from 30 percent to 10.5 percent. The changes in effective rates under the two plans are also substantially different. The decrease in present law effective rates under the proposal is approximately 3 percentage points for all levels of income; under H. R. 3950, the decrease ranges from 1 to over 11 percentage points.

TABLE 1.—*Estimated number of taxable income recipients and their individual income tax liability, distributed by net income classes, under present law,[1] H. R. 3950[2] and proposal to increase the per capita exemption to $600 and reduce present law tentative rates by 3 percentage points in each bracket*

[Assuming 1947 income payments of $166,000,000,000]

Net income classes (thousands)	Number of taxable income recipients			Total tax liability [3]		
	Present law	H. R. 3950	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	Present law	H. R. 3950	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates
	Thousands	*Thousands*	*Thousands*	*Millions*	*Millions*	*Millions*
$0 to $1	6,352.3	5,882.3	5,752.3	$299.5	$204.3	$152.5
$1 to $2	20,138.9	19,718.9	17,549.8	2,839.6	2,021.4	1,982.6
$2 to $3	14,322.0	14,217.0	12,930.2	3,692.3	2,834.2	2,664.6
$3 to $4	4,655.5	4,655.5	4,520.3	1,827.7	1,398.2	1,351.0
$4 to $5	1,333.2	1,333.2	1,321.3	775.9	605.1	595.1
Under $5	46,801.8	45,806.9	42,074.0	9,435.0	7,063.2	6,745.8
$5 to $10	1,126.9	1,126.9	1,126.9	1,318.0	1,038.4	1,078.9
$10 to $25	470.2	470.2	470.2	1,874.4	1,493.8	1,652.3
$25 to $50	101.2	101.2	101.2	1,435.5	1,157.1	1,332.2
$50 to $100	32.7	32.7	32.7	1,183.6	959.4	1,121.1
$100 to $250	9.8	9.8	9.8	915.2	752.2	878.7
$250 to $500	1.3	1.3	1.3	328.9	280.5	318.1
$500 to $1,000	.4	.4	.4	234.5	205.5	227.2
$1,000 and over	.2	.2	.2	276.2	246.8	267.7
Over $5	1,742.8	1,742.8	1,742.8	7,566.3	6,133.7	6,876.1
Grand total	48,544.6	47,549.7	43,816.7	17,001.3	13,196.9	13,621.9

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] A bill introduced on June 24, 1947 which is the same as H. R. 1, except that the effective date of the reductions is changed to Jan. 1, 1948.
[3] Includes normal tax, surtax, and alternative tax on net long-term capital gains.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, July 7, 1947.

[1] The reduction in surtax rates under the proposal is made before the 5-percent reduction. Thus, while tentative tax rates are reduced by 3 percentage points the final reduction is 95 percent of 3 percentage points or 2.85 percent.

TABLE 2.—*Comparison of the decrease in individual income tax liability under H. R. 3950 and proposal to increase the per capita exemption to $600 and reduce present law tentative surtax rates by 3 percentage points in each bracket, by net income classes*

[Assuming 1947 income payments of $166,000,000,000]

Net income classes (thousands)	Decrease in tax from present law under—				Decrease from present law resulting from the—			
	H. R. 3950		$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates		Increase in the per capita exemption to $600		Deduction of tentative surtax rates by 3 percentage points [1]	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution
	Millions		*Millions*		*Millions*		*Millions*	
0 to $1	$95.2	2.5	$147.0	4.3	$120.0	7.3	$27.0	1.5
$1 to $2	818.2	21.5	857.0	25.4	507.1	30.8	349.9	20.2
$2 to $3	858.1	22.5	1,027.7	30.4	558.2	33.9	469.5	27.1
$3 to $4	429.5	11.3	476.7	14.1	241.9	14.7	234.8	13.6
$4 to $5	170.8	4.5	180.8	5.4	79.4	4.8	101.4	5.8
Under $5	2,371.8	62.3	2,689.2	79.6	1,506.6	91.5	1,182.6	68.2
$5 to $10	279.6	7.3	239.1	7.1	73.7	4.5	165.4	9.5
$10 to $25	380.6	10.0	222.1	6.6	45.1	2.7	177.0	10.2
$25 to $50	278.4	7.3	103.3	3.1	13.4	.8	89.9	5.2
$50 to $100	224.3	5.9	62.5	1.8	5.1	.3	57.4	3.3
$100 to $250	163.0	4.3	36.5	1.1	1.7	.1	34.8	2.0
$250 to $500	48.4	1.3	10.8	.3	.2	[2]	10.6	.6
$500 to $1,000	29.0	.8	7.3	.2	[2]	[2]	7.3	.4
$1,000 and over	29.4	.8	8.5	.3	[2]	[2]	8.5	.5
Over $5	1,432.7	37.7	690.2	20.4	139.3	8.5	550.9	31.8
Grand total	3,804.5	100.0	3,379.4	100.0	1,645.9	100.0	1,733.5	100.0

[1] After taking into account the increase in the per capita exemption to $600.
[2] Less than 0.05 percent.
[3] Less than $50,000.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, July 7, 1947.

TABLE 3.—*Comparison of combined normal tax and surtax rates under present law,[1] H. R. 3950, and proposal to increase the per capita exemption to $600 and reduce present law tentative surtax rates by 3 percentage points in each bracket*

Surtax net income		Combined normal tax and surtax rates					Percentage point decrease (−) or increase (+) in rates compared with present law	
		Present law		Rates after reductions under H. R. 3950	$600-per-capita exemption and 3-percentage-point reduction in tentative surtax rates		H. R. 3950	$600-per-capita exemption and 3-percentage-point reduction in tentative surtax rates
Exceeding—	Not exceeding—	Tentative rates	Rates after 5-percent reduction		Tentative rates	Rates after 5-percent reduction		
		Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
0	$1,000			13.30			−5.70	
$1,000	$1,400 [2]	20	19.00	20.00	17	16.15	+1.00	−2.85
$1,400	$2,000			15.20			−3.80	
$2,000	$4,000	22	20.90	16.72	19	18.05	−4.18	−2.85
$4,000	$6,000	26	24.70	19.76	23	21.85	−4.94	−2.85
$6,000	$8,000	30	28.50	22.80	27	25.65	−5.70	−2.85
$8,000	$10,000	34	32.30	25.84	31	29.45	−6.46	−2.85
$10,000	$12,000	38	36.10	28.88	35	33.25	−7.22	−2.85
$12,000	$14,000	43	40.85	32.68	40	38.00	−8.17	−2.85
$14,000	$16,000	47	44.65	35.72	44	41.80	−8.93	−2.85
$16,000	$18,000	50	47.50	38.00	47	44.65	−9.50	−2.85
$18,000	$20,000	53	50.35	40.28	50	47.50	−10.07	−2.85
$20,000	$22,000	56	53.20	42.56	53	50.35	−10.64	−2.85
$22,000	$26,000	59	56.05	44.84	56	53.20	−11.21	−2.85
$26,000	$32,000	62	58.90	47.12	59	56.05	−11.78	−2.85
$32,000	$38,000	65	61.75	49.40	62	58.90	−12.35	−2.85
$38,000	$44,000	69	65.55	52.44	66	62.70	−13.11	−2.85
$44,000	$50,000	72	68.40	54.72	69	65.55	−13.68	−2.85
$50,000	$60,000	75	71.25	57.00	72	68.40	−14.25	−2.85
$60,000	$70,000	78	74.10	59.28	75	71.25	−14.82	−2.85
$70,000	$80,000	81	76.95	61.56	78	74.10	−15.39	−2.85
$80,000	$90,000	84	79.80	63.84	81	76.95	−15.96	−2.85
$90,000	$100,000	87	82.65	66.12	84	79.80	−16.53	−2.85
$100,000	$136,700 [3]	89	84.55	67.64	86	81.70	−16.91	−2.85
$136,700	$150,000			71.87			−12.68	
$150,000	$200,000	90	85.50	72.68	87	82.65	−12.83	−2.85
$200,000	$302,400 [4]	91	[5] 86.45	73.48	88	[7] 83.60	−12.97	−2.85
$302,400 and over				[6] 77.35			−9.10	

[1] Internal Revenue Code, as amended by Revenue Act of 1945.
[2] Upper limit of the notch area under H. R. 3950. The exact point is $1,395.83.
[3] Point at which 19.25-percent reduction of present law tentative tax takes effect under H. R. 3950. The exact point is $136,719.10.
[4] Point at which 15-percent reduction of present law tentative tax takes effect under H. R. 3950. The exact point is $302,395.60.
[5] Subject to a maximum effective rate limitation of 85.5 percent.
[6] Subject to a maximum effective rate limitation of 76.5 percent.
[7] Subject to a maximum effective rate limitation of 82.65 percent.

Source: Treasury Department, July 7, 1947.

TABLE 4.—*Comparison of amounts and effective rates of individual income tax under present law,[1] H. R. 3950, and proposals to increase the per capita exemption to $600 and reduce present law tentative surtax rates by 3 percentage points in each bracket, for specified amounts of net income*

[Married person [2]—2 dependents]

Net income before personal exemption	Amounts of tax			Effective rates		
	Present law	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	Present law	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates
				Percent	*Percent*	*Percent*
$2,400	$76	$53		3.2	2.2	
$3,000	190	133	$97	6.3	4.4	3.2
$4,000	380	304	258	9.5	7.6	6.5
$5,000	589	471	431	11.8	9.4	8.6
$6,000	798	638	612	13.3	10.6	10.2
$8,000	1,292	1,034	1,034	16.2	12.9	12.9
$10,000	1,862	1,490	1,531	18.6	14.9	15.3
$15,000	3,639	2,911	3,116	24.3	19.4	20.8
$20,000	5,890	4,712	5,198	29.5	23.6	26.0
$25,000	8,522	6,818	7,653	34.1	27.3	30.6
$50,000	24,111	19,289	22,481	48.2	38.6	45.0
$75,000	42,323	33,858	39,946	56.4	45.1	53.3
$100,000	62,301	49,841	59,189	62.3	49.8	59.2
$250,000	190,475	157,154	183,073	76.2	62.9	73.2
$500,000	406,600	348,425	392,073	81.3	69.7	78.4
$750,000	622,725	541,800	601,073	83.0	72.2	80.1
$1,000,000	838,850	735,175	810,073	83.9	73.5	81.0
$5,000,000	[4] 4,275,000	[5] 3,825,000	[6] 4,132,500	85.5	76.5	82.7

[1] Internal Revenue Code, as amended by Revenue Act of 1945.
[2] Assumes 1 spouse has all the income.
[3] Assumes taxpayer is under 65 years of age.
[4] Taking into account maximum effective rate limitation of 85.5 percent.
[5] Taking into account maximum effective rate limitation of 76.5 percent.
[6] Taking into account maximum effective rate limitation of 82.65 percent.

Source: Treasury Department, July 7, 1947.
NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

TABLE 4a.—*Decrease in amounts and effective rates of individual income tax compared with present law,[1] under H. R. 3950, and proposal to increase the per capita exemption to $600 and reduce the present law tentative surtax rates by 3 percentage points in each bracket, for specified amounts of net income*

[Married person [2]—2 dependents]

Net income before personal exemption	Decrease in amounts of tax compared with present law		Percentage point decrease in effective rates compared with present law		Tax decrease as a percentage of present tax liability		Tax decrease as a percentage of net income after present tax liability	
	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	H. R. 3950 [3]	$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates
			Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$2,400	$23	$76	1.0	3.2	30.0	100.0	1.0	3.3
$3,000	57	93	1.9	3.1	30.0	49.0	2.0	3.3
$4,000	76	122	1.9	3.0	20.0	32.0	2.1	3.4
$5,000	118	158	2.4	3.2	20.0	26.8	2.7	3.6
$6,000	160	186	2.7	3.1	20.0	23.3	3.1	3.6
$8,000	258	258	3.2	3.2	20.0	20.0	3.9	3.9
$10,000	372	331	3.7	3.3	20.0	17.8	4.6	4.1
$15,000	728	523	4.9	3.5	20.0	14.4	6.4	4.6
$20,000	1,178	692	5.9	3.5	20.0	11.7	8.3	4.9
$25,000	1,704	868	6.8	3.5	20.0	10.2	10.3	5.3
$50,000	4,822	1,630	9.6	3.3	20.0	6.8	18.6	6.3
$75,000	8,465	2,377	11.3	3.2	20.0	5.6	25.9	7.3
$100,000	12,460	3,112	12.5	3.1	20.0	5.0	33.1	8.3
$250,000	33,321	7,402	13.3	3.0	17.5	3.9	56.0	12.4
$500,000	58,175	14,527	11.6	2.9	14.3	3.6	62.3	15.6
$750,000	80,925	21,652	10.8	2.9	13.0	3.5	63.6	17.0
$1,000,000	103,675	28,777	10.4	2.9	12.4	3.4	64.3	17.9
$5,000,000	450,000	142,500	9.0	2.9	10.5	3.3	62.1	19.7

[1] Internal Revenue Code, as amended by Revenue Act of 1945.
[2] Assumes 1 spouse has all the income.
[3] Assumes taxpayer is under 65 years of age.

Source: Treasury Department, July 7, 1947.
NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

Mr. KNUTSON. Mr. Chairman, I yield myself 1 minute.

In order to keep the record straight, the gentleman from Rhode Island said the 1945 Revenue Act gave the corporation only three billion and something. I call his attention to page 57 of the hearings had on H. R. 1 on March 13, when Mr. Snyder came before the committee. The gentleman from Tennessee [Mr. COOPER] asked him:

Now, for the benefit of the record, if you do not have the figures immediately before you, will you please break that down so as to show the amount of reduction to corporations, individuals, and in excise taxes?

Mr. Snyder did, and it showed a benefit to corporations of $5,238,000,000. Those are Treasury Department figures.

Mr. FORAND. That included the excise taxes.

Mr. KNUTSON. No. That was the corporation tax reduction only.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. KNUTSON] has expired.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GRANT].

Mr. GRANT of Indiana. Mr. Chairman, during the debate this afternoon on the pending bill for reduction in individual income taxes we have heard hashed and rehashed many of the same arguments that were before us when H. R. 1 was under consideration. They have been debated back and forth in the public press since that time. So perhaps not much can be accomplished by

way of persuasion to those who are getting ready to vote on this measure, by a continuance of this debate. However, I would like to comment briefly on some of the statements that have been made, and then to read to you from a very interesting table which I have, a table that has been prepared by the staff of the Joint Committee on Internal Revenue Taxation.

In the first place, we have heard several Members rise in opposition to this bill, to say that the only distinction between this bill and H. R. 1 is the effective date, next January 1. It should be pointed out that there is another differential. It will become very obvious to the gentlemen who oppose this measure when the final roll is called, and when those additional Members, who voted against H. R. 1, cast their votes for the pending measure, as they have announced they are about to do.

I think that is a distinction between H. R. 1 and the bill before us today that should not be overlooked. In fact, if it were not true, this bill would not be before us today.

We hear much said about the inequity of this bill or about the fact that it is the wrong kind of a bill. We hear talk about a fairer type of tax reduction. Those arguments are coming from the very same Members who 2 years ago on this floor supported a reduction of 5 percent straight across the board. We hear much about applying our savings on the Federal debt, and this, Mr. Chairman, coming from Members who have consistently failed to support us in our efforts to cut the Federal budget of $37,500,000,000 so that there would be money to apply on the Federal debt. Member after Member comes to the well of the House and says, "We hope the reduction can be great," but still we get no support from them when an effort is made to cut these astounding figures that go to make up the Federal budget. Therein lies the inconsistency of those who oppose this bill. They say that now is not the time for tax reduction; it ought not to be done, but if you are going to do it we have a better idea of how to do it. Theirs is but an ill-concealed attempt to scuttle all hope for tax relief. I trust that no Member of this House is being misled by this plan.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. KNUTSON. Not only have we received no help from some of these spenders but they have done everything possible to thwart our efforts.

Mr. GRANT of Indiana. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. DINGELL. Now, I want to protest that as being absolutely not in accord with the truth. We were never called upon to have anything to do with the writing of this bill.

We disavow it now. We had nothing to do with it to begin with and nothing to do with it in the end.

Mr. KNUTSON. We were talking about appropriations. Of course we did not call the gentleman in because we knew he could not be helpful.

Mr. GRANT of Indiana. And the gentleman from Michigan missed the point. We were talking about cutting the Federal budget and the cost of the Federal Government.

The gentleman from Tennessee [Mr. COOPER] said that we must be absolutely certain that we can afford tax reduction. But no such arguments were made by those who sponsored the tax-reduction bill of 1945 when, in the face of a deficit for the previous year of $50,000,000,000 and in the face of an estimated deficit of $20,000,000,000 for that year, they passed a tax-reduction bill that took $6,000,000,000 from the revenues of Uncle Sam.

Those who oppose this bill say now is not the time to cut taxes. But 2 years ago in the face of an even greater national debt, and with huge annual deficits staring us in the face they, the Democratic Congress, supported the tax-reduction program of 1945 and it was signed by a Democratic President, a program to cut $6,000,000,000 from the Federal revenues. The majority of this tax reduction at that time went to the corporations of this country.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KNUTSON. Mr. Chairman, I yield two additional minutes to the gentleman from Indiana.

Mr. GRANT of Indiana. Mr. Chairman, I have here some tables prepared by the joint committee which will give to each of you the savings in individual income-tax payments that will be realized by the residents of your respective States when this bill, H. R. 3950, becomes the law of the land:

Estimated reduction in individual income taxes for 1948, under H. R. 3950, by States

[In thousands]

Alabama	$30,190
Arizona	11,459
Arkansas	14,235
California	415,959
Colorado	28,667
Connecticut	76,538
Delaware	25,276
Florida	54,942
Georgia	43,032
Hawaii	18,716
Idaho	9,161
Illinois	335,902
Indiana	72,298
Iowa	40,876
Kansas	35,621
Kentucky	31,045
Louisiana	36,834
Maine	14,541
Maryland	140,839
Massachusetts	167,327
Michigan	197,042
Minnesota	62,362
Mississippi	12,529
Missouri	94,432
Montana	8,928
Nebraska	30,724
Nevada	6,363
New Hampshire	9,783
New Jersey	139,887
New Mexico	7,135
New York	800,608
North Carolina	41,381
North Dakota	7,549
Ohio	227,513
Oklahoma	31,474
Oregon	38,991
Pennsylvania	307,627
Rhode Island	$25,086
South Carolina	17,381
South Dakota	7,159
Tennessee	39,382
Texas	133,098
Utah	10,658
Vermont	5,177
Virginia	46,555
Washington	73,412
West Virginia	21,690
Wisconsin	69,495
Wyoming	4,776
Total	4,081,492

NOTE.—Figures are rounded and will not necessarily add to total.

Source: Staff of Joint Committee on Internal Revenue Taxation.

In addition, Mr. Chairman, I have a table showing, by counties, the savings that will be forthcoming to the residents of my own State of Indiana, under this bill. That table follows:

Estimated distribution by counties in the State of Indiana of 1 year's tax reduction provided for in H. R. 3950

[In thousands]

Counties:	*Tax reduction*
Adams	$251
Allen	4,488
Bartholomew	437
Benton	184
Blackford	269
Boone	336
Brown	55
Carroll	202
Cass	638
Clark	381
Clay	327
Clinton	567
Crawford	94
Daviess	311
Dearborn	336
Decatur	259
De Kalb	409
Delaware	1,685
Dubois	252
Elkhart	1,534
Fayette	336
Floyd	566
Fountain	278
Franklin	144
Fulton	261
Gibson	369
Grant	1,114
Greene	382
Hamilton	382
Hancock	299
Harrison	161
Hendricks	256
Henry	701
Howard	951
Huntington	563
Jackson	386
Jasper	195
Jay	306
Jefferson	270
Jennings	136
Johnson	323
Knox	765
Kosciusko	453
Lagrange	171
Lake	7,384
La Porte	1,209
Lawrence	466
Madison	1,803
Marion	15,879
Marshall	460
Martin	96
Miami	505
Monroe	585
Montgomery	549
Morgan	287
Newton	161
Noble	396
Ohio	41
Orange	195
Owen	129

Estimated distribution by counties in the State of Indiana of 1 year's tax reduction provided for in H. R. 3950—Continued

[In thousands]	*Tax reduction*
Counties:	
Parke	$189
Perry	153
Pike	174
Porter	504
Posey	217
Pulaski	161
Putnam	308
Randolph	440
Ripley	253
Rush	302
St. Joseph	4,178
Scott	111
Shelby	501
Spencer	162
Starke	170
Steuben	261
Sullivan	298
Switzerland	82
Tippecanoe	1,399
Tipton	218
Union	96
Vanderburgh	4,230
Vermillion	287
Vigo	2,306
Wabash	507
Warren	95
Warrick	195
Washington	147
Wayne	1,292
Wells	241
White	254
Whitley	283
Cities:	
Elkhart	785
Goshen	341
La Porte	421
Michigan City	594
Mishawaka	542
South Bend	2,938

NOTE.—Figures are rounded and will not necessarily add to total.

Source: Staff of Joint Committee on Internal Revenue Taxation.

That means, in each case, just that many more million dollars to be retained in your home communities, to be added to the family savings, or that will be spent with the merchants up and down your main street.

Comparatively speaking, Mr. Chairman, tax reduction is not inflationary, because it does not add to the selling price of commodities. On the other hand, however, these inflated governmental expenditures, these huge foreign loans and gifts about which we heard so much a few moments ago, all of which the President is constantly advocating and defending, do add to the cost of living and are definitely inflationary. It is not inflationary to let your fellow citizen in your home community have these added savings. He will handle them better and more wisely, I promise you, than will a swollen Federal bureaucracy.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. POTTS. Under the bill under discussion, H. R. 3950, will not the small taxpayer pay a smaller proportion of the national tax than he is now required to pay under the present tax law?

Mr. GRANT of Indiana. The answer is definitely "Yes."

Mr. POTTS. Does it not mean, therefore, that those who vote against the bill want the small taxpayer to pay a larger portion of the tax?

Mr. GRANT of Indiana. The gentleman is definitely correct.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, a few minutes ago the gentleman from Michigan [Mr. DINGELL], speaking on the minority side, in his remarks said to the gentleman from Minnesota [Mr. KNUTSON], chairman of the committee, that we did not have anything to do with the writing of this bill; and the answer of the gentleman from Minnesota was to the effect "We did not call you in because we knew you would not be helpful." I submit, Mr. Chairman, that is not a democratic process to be used in the framing of an important measure of this sort. It only indicates the attitude of the chairman of the Ways and Means Committee in attempting to force down the throats of the people an inequitable tax bill.

This bill is slightly soiled, slightly shopworn. It has been debated and debated. No sound reason has been advanced why it should be passed at this time.

Mr. Chairman, I do not find the people in my particular congressional district excited about getting a tax reduction. They do not ask too many questions about it. But there is one question in the public mind these days about which I receive many inquiries and which is worrying more than any other subject all of the people of this country. I am sure it is worrying all of the Members of Congress. I refer to the fight that is going on today between the two ideologies of communism and socialism on the one side and freedom-loving democracies on the other. The onward march of the totalitarian states, Mr. Chairman, can only be stopped in one of two ways. First, it can be stopped by war. It can be stopped by the democracies again going through the terrible years of suffering and agony we just went through in order to save us from totalitarian Nazi Germany. Or it can be stopped by a Government of the United States which is financially sound and economically strong, cooperating and working with other freedom-loving peoples and nations. Collapse of our prosperous economy would undoubtedly be a boon to communism. We must remain financially strong, for that is the only way we can defeat the march of totalitarianism, Mr. Chairman, and if we do not have a sound economy in America and a sound financial Government then we have not much hope for the future. So I say, Mr. Chairman, this is not the time to reduce taxes. This is the time to pay up on our national debt, thus making our Government economically stronger and financially sounder.

What are we doing now? We are helping those people and those nations who want to remain free and independent.

To give the small tax relief to the people of this country provided in this bill, which will not do them much good, and thus weaken our Government, will endanger our freedom and our liberty for the future. It is certainly not the proper thing to do.

Mr. Chairman, I hope the Members of the Republican Party will follow the policy that they have always followed of preaching and practicing a sound, strong, financial economy; and that they will not, for purely partisan purposes, pass this little tax relief bill which is inequitable in the mind of any man who approaches it with a fair, open viewpoint to see where it gives the most tax relief. This is important. I hope when the final vote comes that those who want a sound economy, those who are so much afraid of communism, anarchy, confusion, and chaos will vote on final passage against this iniquitous, inequitable, unfair measure of tax relief.

There are other reasons for not enacting H. R. 3950, Mr. Chairman. The prospect for a substantial cut in appropriations, if anything, is worse than when H. R. 1 was originally considered by the House. The failure to make substantial cuts in the President's budget, combined with necessary appropriations not included in our budget, and with prospective international commitments which will materialize in fiscal year 1948, have greatly dimmed my hopes for any substantial surplus in the current fiscal year. If there is any doubt that the budgetary picture will not permit both tax reduction and substantial debt retirement in 1948, the people have indicated that they do not want tax reduction at the expense of debt retirement. According to the most recent Gallup poll, only 38 percent of the people would give priority to tax reduction over debt retirement. I again repeat my charge that the Republican plan is to substitute sales taxes to replace the revenue lost by H. R. 3950. On more than a dozen occasions since the Knutson tax bill was passed by the House, the majority members of the Committee on Ways and Means have raised the prospect of finding new sources of revenue—new excise or sales taxes—through shifting much of the burden that is now being carried by the income-tax group to the excises. Now, if the Republicans wish to run on a program of a Federal sales tax in 1948, I shall be delighted, for that will insure a healthy Democratic majority in the Congress. And last, even if the Republican plan were not to replace the income-tax reduction provided by this bill with sales taxes falling most heavily upon the low-income group, H. R. 3950 discriminates against taxpayers in the lower brackets. Mr. Chairman, I think the working people of my district and my State will know what the Republican Party stands for when they learn that the $300,000 man is given an increase in take-home pay, after taxes, of more than 60 percent, while the man under $5,000 receives less than a 5-percent increase in take-home pay. Or to put it another way, the increase in take-home pay of the individuals under $5,000 averages around 4 cents an hour, while the $300,000 man would receive a windfall of $19 an hour increase in take-home pay. I think even those Members of

the House who have already decided to vote for this bill should realize that this $19 an hour increase in take-home pay is voted by them to less than 1,500 taxpayers in the country, while the other 49,000,000 taxpayers must assume their burden of eventual retirement of the war debt if H. R. 1 should become law.

Mr. Chairman, I insert at this point in the RECORD a table showing the number of taxpayers, by State and size of net income:

Number of taxpayers, by State and by size of net income

[Estimates for 1947 based on 1943 distribution, by State and classes]

States and Territories	Total	Under $5,000	$5,000, under $10,000	$10,000, under $25,000	$25,000, under $50,000	$50,000, under $100,000	$100,000, under $300,000	$300,000 and over
1. Alabama	585, 959	570, 982	9, 128	4, 420	992	347	84	6
2. Alaska	183, 021	177, 847	3, 043	1, 693	304	111	19	4
3. Arizona	284, 386	276, 131	4, 958	2, 586	516	147	48	
4. Arkansas	993, 181	833, 067	99, 843	46, 127	9, 918	201	937	88
5. California	375, 413	360. 374	9, 691	4, 279	759	216	78	16
6. Colorado	899, 863	856, 473	29, 525	10, 438	2, 317	814	250	46
7. Connecticut	108, 715	102, 964	3, 493	1, 599	364	167	90	38
8. Delaware	392, 731	374, 414	12, 283	4, 514	1, 083	327	102	8
9. District of Columbia	612, 074	585, 023	16, 115	8, 229	1, 892	582	191	42
10. Florida	686, 480	664, 586	12, 959	6, 771	1, 538	464	152	10
11. Georgia	173, 100	163, 806	6, 536	2, 022	506	186	40	4
12. Hawaii	173, 059	168, 486	3, 155	1, 223	152	33	10	
13. Idaho	3, 448, 219	3, 308, 887	89, 250	37, 992	8, 400	2, 757	809	124
14. Illinois	1, 323, 532	1, 287, 050	24, 792	9, 216	1, 771	520	163	20
15. Indiana	831, 683	800, 311	23, 890	6, 301	891	239	41	10
16. Iowa	586, 981	566, 302	14, 199	5, 360	830	213	71	6
17. Kansas	603, 559	589, 703	8, 564	4, 138	810	249	75	20
18. Kentucky	611, 760	594, 383	10, 593	5, 266	1, 032	363	115	8
19. Louisiana	293, 967	285, 491	5, 635	2, 304	405	101	29	2
20. Maine	937, 258	898, 595	26, 595	9, 216	1, 953	667	206	26
21. Maryland	1, 921, 114	1, 853, 351	42, 710	19, 090	4, 271	1, 308	358	26
22. Massachusetts	2, 275, 038	2, 166, 923	78, 432	22, 570	4, 777	1, 691	583	62
23. Michigan	972, 421	945, 396	18, 481	6, 677	1, 346	402	119	
24. Minnesota	247, 988	238, 089	5, 409	3, 150	597	108	35	
25. Mississippi	1, 234, 644	1, 198, 126	22, 200	10, 956	2, 429	716	193	24
26. Missouri	180, 120	173, 167	5, 071	1, 646	192	29	11	4
27. Montana	437, 206	421, 216	11, 156	3, 997	658	150	25	4
28. Nebraska	77, 132	74, 883	1, 352	658	152	59	22	6
29. Nevada	186, 615	182, 527	2, 705	1, 081	213	69	20	
30. New Hampshire	1, 925, 792	1, 848, 671	51, 950	19, 795	3, 755	1, 210	377	34
31. New Jersey	115, 764	112, 324	2, 141	1, 081	152	52	12	2
32. New Mexico	5, 867, 636	5, 611, 536	155, 963	73, 257	18, 095	6, 269	2, 183	333
33. New York	747, 443	730, 108	10, 255	5, 360	1, 194	379	119	28
34. North Carolina	174, 318	168, 486	4, 508	1, 176	132	13	3	
35. North Dakota	2, 999, 262	2, 892, 351	72, 685	26, 237	5, 576	1, 763	564	86
36. Ohio	510, 408	496, 099	9, 353	3, 903	708	268	71	6
37. Oklahoma	513, 446	491, 419	14, 312	5, 925	1, 245	402	131	12
38. Oregon	3, 684, 045	3, 570, 977	71, 445	30, 563	7, 448	2, 636	840	136
39. Pennsylvania	318, 807	308, 892	5, 973	2, 858	729	239	102	4
40. Rhode Island	373, 120	365, 054	5, 071	2, 358	425	134	38	
41. South Carolina	149, 450	145, 086	3, 268	940	121	29	6	
42. South Dakota	687, 849	669, 266	11, 269	5, 501	1, 235	435	125	18
43. Tennessee	1, 919, 647	1, 862, 712	33, 356	18, 009	3, 886	1, 167	413	104
44. Texas	211, 434	205, 928	3, 606	1, 505	304	72	19	
45. Utah	100, 780	98, 284	1, 690	658	101	29	18	
46. Vermont	792, 588	767, 550	16, 565	6, 771	1, 225	350	115	12
47. Virginia	1, 046, 793	1, 015, 599	20, 397	8, 511	1, 639	491,	144	12
48. Washington (includes Alaska)	497, 180	486, 739	6, 874	2, 868	546	121	32	
49. West Virginia	1, 183, 854	1, 151, 324	22, 087	8, 464	1, 488	483	100	8
50. Wisconsin	87, 669	84, 243	2, 366	893	132	23	10	2
51. Wyoming								
Total	48, 544, 504	46, 801, 801	1, 126, 897	470, 202	101, 204	32, 701	10, 298	1, 401
	48, 544. 6	46, 801. 8	1, 126. 9	470. 2	101. 2	32. 7	10. 3	1. 4

This table shows that in the State of Pennsylvania only 136 taxpayers would receive this maximum increase in take-home pay of 60 percent or more, while 3,000,684 residents of the Keystone State would receive an increase in take-home pay of less than 5 percent. In Michigan 62 taxpayers would receive the $19 an hour increase in take-home pay, while 2,275,000 taxpayers would receive 4 cents an hour increase in take-home pay. The same disproportionate benefits are provided for all residents of all the States, and enactment of this bill amounts to a vote of special privilege for these few 1,500 taxpayers at the expense of the other 49,000,000. In this connection I need not point out that most of the millions of young people who fought the war are largely in the bracket under $5,000 where the tax reduction is so small and where the increase in wartime tax rates fell so heavily.

My final question, Mr. Chairman, is whether these veterans who fought the war now must come home to pay, not only their share of the financial cut in this $257,000,000,000 national debt but the share of the upper-bracket taxpayers as well. That is precisely what will happen if H. R. 3950 becomes law.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

TAX BILL WILL BE AN ADDITIONAL EXPENSE—NOT A SAVING

Mr. PATMAN. Mr. Chairman, this bill if enacted into law will cost about $4,000,000,000, and that has been pictured as a saving. Let us see if it will be a saving.

During the history of this Nation, on long-term bonds, we have paid as much in interest as we have paid on the principal. In other words, for every $1 of principal we have paid $1 of interest or $2 for every $1. With the national debt as large as it is, it is reasonable to assume that in the future we will pay $2 or possibly $3 in interest for every $1 of principal; therefore, the $4,000,000,000 which has been pictured as a saving may turn out to be an expense of $8,000,000,000 or $12,000,000,000 before it is paid. For every dollar we pay on the national debt today we save the taxpayers from $3 to $4.

So, why do you say it is a saving? It is a tremendous and an enormous expense in the long run. Now, while we are reducing taxes we are increasing the interest rate. May I invite your attention to the fact that 1 year ago the going rate of interest on Government obligations was 1.996 percent. Today the going rate of interest is 2.10 percent. The difference is that today the cost of servicing our national debt, paying the interest on it, is $138,000,000 more this year than it was 1 year ago. That means an increase of $375,000 a day just in interest alone.

The Federal Reserve Board has recently issued an order which will be effective day after tomorrow, July 10, and the effect of it is to unpeg the three-eighths percent bills, which means that instead of the Government getting money for three-eighths of 1 percent the Government will pay up to maybe three-fourths of 1 percent on those bills. That will also enormously increase the interest charges on the national debt. It does not hardly make sense to me, just talking for myself. I am not attempting to speak for any other person, but it hardly makes sense to me to be causing the interest rates to go up and the cost of carrying the national debt higher and higher and higher all the time, and yet reduce taxes.

How much should we pay on this national debt? Certainly we should pay six or seven billion dollars a year, if we can. We should amortize it possibly over

a period of 40 years and pay six or seven billion dollars a year. As long as we have this tremendous debt, which it held largely by commercial banks which created the money by a bookkeeping transaction to buy the bonds, we are in danger of ruinous inflation, so the quicker we get rid of this debt the better off we will be.

NATIONAL DEBT REPRESENTS LIVES OF 3,000,000 MEN

Now, this debt is approximately $258,000,000,000. Why do we owe that much money? I will tell you why we owe it. It represents the lives of millions of American boys who are back here safely now, who probably would not be back here were it not for this national debt. Our Government adopted the policy, and it was adopted by Members on both sides of the aisle, when this war started that manpower was worth more than money; that we would not send a man into a place of danger against an enemy if a machine could be sent there instead, regardless of the cost of that machine. We used money instead of men. We used money to buy food and ammunition and equipment and supplies and arms for the purpose of placing these vital essentials of war into the hands of our allies, and our allies took our ammunition and destroyed our common enemy, thereby saving the lives of American boys. Considering the heavy casualty list of the different countries of the world, it is reasonable to assume that our policy in creating this debt and using money instead of men has saved the lives of 3,000,000, at least, American boys, and we should be glad to pay it, and pay it off as quickly as possible.

[From the Wall Street Journal of July 2, 1947]

TREASURY CONSIDERING INCREASE IN INTEREST RATE ON 90-DAY BILLS FROM PRESENT THREE-EIGHTHS PERCENT—MAY BE FIRST STEP TOWARD HIGHER LEVEL OF INTEREST RATES GENERALLY

WASHINGTON.—There are growing indications in Washington that the Treasury soon may be willing to pay higher interest on its shortest term borrowings.

At the moment the Treasury has about $16,000,000,000 of 90-day bills outstanding. These carry interest at an annual rate of three-eighths percent. The rate on these 3-months' bills has been pegged at this level since the beginning of the war. The pegging is done by the Federal Reserve System which stands ready to buy all such bills at a price to maintain the three-eighths percent rate; it now owns more than $14,000,000,000 of them. It also will resell these bills so that the buyer gets three-eighths percent. The bills are sold by the Treasury with that understanding.

That's contrary to normal free money market practice, in which bill rates would be allowed to fluctuate in accordance with the supply and demand for money. Now it appears likely that a free market in the case of Treasury bills will be restored.

There has also been some talk in Washington that the pegging of Treasury certificates, which have a maturity of 1 year and carry a seven-eighths percent interest rate, might be abandoned. But this, it is believed, would happen some time after the bill rate was freed. Although there is no formal arrangement covering the pegging of the certificates at this rate, the Federal Reserve System has since the beginning of the war bought and sold these certificates in a way to support the seven-eighths percent rate. About $26,000,000,000 of certificates are outstanding.

High Treasury and Federal Reserve officials have had the subject of unpegging the bill rate under discussion this week. It has been talked about many times before, but previously the Treasury has been hostile to any change. Now, however, the Treasury seems more receptive to the idea that interest rates on short-term securities should be permitted to rise.

In some quarters it is suggested that freedom of the Treasury bill rate might be the first step toward a higher level of interest rates generally.

One group of Federal financiers, the Board of Governors of the Federal Reserve System, has favored a rise in interest rates for some time. Their theory: If a borrower has to pay more for his money, he will tend to borrow less. That, they suggest, will help curb inflation.

The Treasury, on the other hand, has argued that the Government is paying out about $5,000,000,000 yearly in interest on the national debt and that any rise in interest rates would just add to the cost of servicing that debt. Lately, however, with a GOP-sponsored trend toward economy in fiscal affairs Treasury officials have come to the conclusion that interest rates perhaps can be permitted to firm somewhat.

If short-term rates were unleashed, nobody knows how high they'd go, but experts say bills might jump five-eighths percent or three-fourths percent and certificates to 1 percent or even 1¼ percent.

What will happen if and when the interest rate peg is pulled? Probably nothing the workingman can point to. Maybe nothing that will affect him for some time. If higher interest rates on some Treasury securities should bring about a tightening of credit available to business and individuals, it would be a gradual process.

MEANS SOMETHING, TOO

Unpegged rates would mean something tangible, however, to institutional investors such as banks, universities and insurance companies. The great bulk of the Treasury bills not in the hands of the Federal Reserve System are held by commercial banks and insurance companies. Occasionally some big corporations with funds available for short-term investment buy these bills.

In normal times when money markets are free Treasury bills are sometimes subject to wide fluctuations depending on how much or how little banks have available to invest in these short-term obligations.

Since the war ended and the Government's urgent need to borrow subsided, insurance companies have been insisting the Treasury unpeg rates. Actually, all Federal interest rates are pegged now. These pegs were inserted as the war got under way to keep down the cost of financing the war.

Insurance executives argue the Government doesn't need this protection any more, and it is injuring the insurance business. They say many kinds of life insurance policies commit the insurance company to pay a fixed interest rate, frequently 3 percent, on premiums left to accumulate with the company. Obviously, to break even on this deal, the company must invest this money to make at least 3 percent.

INVESTMENTS LIMITED

Nowadays, insurance executives complain, that is impossible. In the first place, they say, most States limit insurance company investments to only the highest grade securities, such as Government and municipal bonds and a few industrial preferred stocks. These "blue chips" seldom pay as high returns as riskier investments. Even the long-term "Governments" designed for institutional investors yield less than 2.5 percent. Few industrial preferred stocks pay more than 4 percent to make matters still worse for the insurance firms, there aren't enough long-term Government securities to go around.

Insurance companies want the Government to issue more long-term (5 to 20 years) securities at higher than present rates. But until then, they'll be happy if it will raise interest rates on short-term securities. When that happens, they think banks may be willing to buy and hold more of these short-term securities which suit their investment requirements and reduce their holdings of long-term Governments, which fit insurance company requirements.

WHAT INSURANCE FIRMS SAY

The insurance firms bewail the fact that banks have been buying all long-term securities they could lay their hands on and letting the Federal Reserve banks sweep up the short-term stuff they don't want.

Banks and insurance companies share their complaints with other institutional investors, like universities and hospitals which rely largely on endowment income to keep operations going.

These long-term investors argue that when the Treasury pays little for the use of borrowed money, other people do the same thing. If the Treasury only offers, say 2½ percent, a business corporation doesn't have to offer 5 percent to attract investors. It can attract them at 4 percent or even less. That policy in part explains the wave of corporate refinancing at low rates which has been evident during and just after the war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have listened with a great deal of interest, as I always do, to my colleagues who are speaking on either side of the question. I know this, from rather long experience in this House, that down deep in the heart of every man who casts his vote there is the thought that he wants to do that which he thinks is best for his country. That is the feeling that I am sure possesses every man on the floor of this House.

The only way I can judge the future as far as I am concerned is from experiences I have had in the past. I recall very vividly, because I was here, the debates when it was sought to reduce taxes after the first World War. I recall very well what the $26,000,000,000 debt then meant to the people of this country. They questioned very seriously whether they could pay that debt in the course of many, many years.

Our party came into power after the first World War, and we had all of the problems that follow wars such as the last one and the recent one. I recall conditions at that time. About 7,000,000 people were idle. There was not a stream of smoke coming from the smokestack of an industry in this country. Even in a town as small as the one I live in the citizens organized soup kitchens to take care of people who ordinarily had jobs in our factories. It seemed like a very unusual thing under those conditions to talk about reducing taxes, but it was the judgment of the best minds of

the time that it ought to be done. It was the judgment of the best minds of that day in the Government, and I think I can truthfully say that it was true of the leading minds in both parties, that there would have to be retrenchment, and very severe retrenchment. So we started in exactly as we are doing now to cut the expenses of government.

We did lower the taxes, and what was the result? It gave an impetus to industry. Money was released for venture capital, new industries sprang up, men were employed. Inside of a year 7,000,000 men were employed at good wages. Smoke was belching from every chimney of every factory in this country. Farmers were prosperous. Things were just going fine and continued to do so for more than 10 years.

What about the payment on the national debt? One billion dollars was paid on the national debt, even though we reduced taxes. It was not long before we reduced taxes again. Prosperity was still greater. We paid another billion on the national debt, and we paid $1,000,000,000 on the national debt each year for 10 years.

They say our people are employed. Yes, factories are busy in this country, but what we need is this. The GI's who are in our colleges are crowded into temporary huts, they are living in trailers, they do not have houses to live in, but they are there determined to get an education. They have dreams that are going to make this country great, if you give them the opportunity. But you are strangling future industry with the taxes we are carrying now. The high rate was 50 percent after the First World War, but here we are exacting 90 percent, almost confiscation.

I have here a report from the Treasury. A person earning up to $3,000 has to work 17 days to pay his Federal income tax. That does not include the State taxes. From $3,000 to $5,000 he has to work 36 days. From $5,000 to $10,000 he works 52 days, $10,000 to $25,000 81 days, $25,000 to $50,000 126 days, and so on down until some work as high as 230 days to pay their Federal taxes. These figures are based on 300 working days in 1947. This bill provides for an additional exemption of $500 for each person who attains the age of 65 before the end of the taxable year 1948. The exemption will benefit 3,700,000 taxpayers and will remove 1,400,000 persons from the rolls. Unlike younger persons, the greater number of those who have attained the age of 65 are unable to compete for full-time jobs at the present high-wage level. I trust that upon reflection President Truman will sign H. R. 3950 and thus redeem in part at least his promise of cooperation.

It will be recalled that President Truman, just after the election last November 1946, publicly promised cooperation with the Republican majority. He said:

> The people have elected a Republican majority to the Senate and to the House of Representatives. Under our Constitution the Congress is the lawmaking body. The people have chosen to entrust the controlling voice in this branch of our Government to the Republican Party. I accept this verdict in the spirit in which all good citizens accept the result of any fair election.

I wish to call attention to the fact that the Republican Party accepted this admirable gesture of good will and offer of cooperation on the part of President Truman as genuine and forthright in all respects.

An opportunity soon presented itself to the Republican majority in the House and in the Senate to cooperate with the President which was done without hesitation. It will be recalled in this connection that many war excise taxes were about to expire; there was a popular clamor in favor of letting them expire. President Truman recommended and even urged the extension of the war excise taxes rather than let them expire automatically. It will be recalled that the Republicans in the House and in the Senate in response to President Truman's request to continue the excise taxes did extend them.

Most of these excise taxes are now upon the statute books as the result of a sincere attempt on the part of the Republicans to cooperate with President Truman in accordance with the gesture which he made following the election.

It came as a surprise, not only to the Republican Party in both the House and the Senate, but to the entire country when President Truman vetoed H. R. 1 and launched an attack against the proposal of tax reduction.

Mr. JENKINS of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Chairman, it is true as a number of my colleagues have said that this bill that we are now considering is the same as H. R. 1, except that this bill H. R. 3950 is applicable from January 1, 1948, instead of from January 1, 1947. In other words, by this difference in time the taxpayers failed to get a tax reduction of about $3,500,000,000 in this year of 1947. But if the present bill is passed the taxpayers will get a reduction of $3,500,000,000 next year.

When the President in his veto message rejected H. R. 1, he stated that his reason for the veto was that that was not the time to reduce taxes. He further said that he would prefer to pay something on the enormous national debt.

Now we have postponed the date for one full year. It may be that this 1-year extension is not enough, but it seems to me that now is surely the time. The President has never said when the time will be right.

According to figures furnished by the tax experts attached to the Ways and Means Committee we can safely pass this bill and then have about $5,000,000,000 to apply on the national debt. If we can do this there is no reason for any postponement of tax-reduction legislation. And no person, especially no New Dealer, should frown at paying as much as $5,000,000,000 on the national debt.

Mr. Chairman, I cannot agree with those who might wish to vote to send this bill back to the committee on a motion to recommit. For if this is done and the exemptions are raised from $500 to $700 that will mean an additional reduction of over $3,000,000,000 in tax receipts for the coming year. That would mean that we would have that much less to apply on the national debt.

I cannot see how anyone can ask for this additional reduction in taxes and then say that he is against the pending bill because it makes it impossible to make a payment on the national debt. The passage of the bill under consideration would permit a greater payment on the national debt than a bill which would lower the amount of taxes collected by $3,000,000,000 more than the bill under consideration.

Likewise I cannot see how a Member can stand up and declare that he is opposed to the pending bill because this is not the proper time, for surely no time will be the proper time if this is not the proper time. What more could any person want than a situation that will result if this pending bill is passed. If it is passed we will reduce the taxes of forty-nine and one-half million people in the total amount of $4,000,000,000 and still have $5,000,000,000 to apply on the national debt. This is a more favorable position than the country has enjoyed since the New Dealers took over the Government 15 years ago.

When we were considering H. R. 1 some weeks ago I said that it was evident that the President was determined to prevent the passage of any tax-reduction law until after he shall have had the opportunity to recommend such a reduction when he addresses the House and Senate in joint session next January when the Congress again comes into session.

Mr. Chairman, there is no just reason why this tax-reduction program should not be passed today by a vote large enough to guarantee its passage over the veto of the President should he decide to veto it.

Now is the accepted time and the passage of H. R. 3950 is the proper way.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I am going to vote against this tax bill. I am going to do so, first, because I believe the distribution of tax relief in this present bill is unsound, with an insufficient amount of relief being given to the lower-income groups, those hardest hit by inflation of prices and by indirect taxation.

Secondly, I am opposed to this bill because it provides tax relief in 1948 at a time—July 1947—when we have no definite knowledge of our tax receipts or our future expenditures, both at home and abroad.

Thirdly, the statistical evidence for the first half of 1947 demonstrates that in both our employment and production

we have reached our highest level in the history of this country, with profits after taxes in the first half of this year at their highest, and with the number of employed at 58,000,000, a record figure.

All of these factors, and other related factors, have caused me to decide to vote against this tax bill. I believe tax relief must be given in peacetime, but it should not be given until the abnormalities of the present have been leveled and we are once again in a peacetime economy.

Mr. COOPER. Mr. Chairman, I yield the time remaining on this side to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I have listened to a great many of the remarks made on both sides of the aisle today. I am glad to note that no bitter statements have crept into this debate nor any unjustified criticism of anybody from the President down; at least, if they have been made, I have not heard them. When we have debate like that in the Congress of the United States I am always proud of this body, and usually I am very proud of it.

I did, however, hear all of the remarks of the gentleman from Virginia [Mr. SMITH]. If I had time enough to make only one statement I would say that I would adopt the remarks of the gentleman from Virginia [Mr. SMITH] as my own.

The issue before us today is not a contest as between people who want to reduce taxes and people who do not want to reduce taxes. We know that everybody in the House wants to reduce the tax burden which now lies so heavily upon the people of the country. The question we must confront and the question that we will confront is: how and when? I do not believe this is the time. I do not believe our economy is in such a condition that anyone can say with reasonable certainty even to himself that taxes should be reduced a certain amount.

Furthermore, even if I did think now was the time to reduce taxes I would not do it in this way. If the Federal Treasury were in such a condition that it could fulfill its obligations and if I were reducing the taxes of the people of the country, I would allow more of the reduction to go to the low-income people than is provided by this so-called Knutson bill.

I do not know whether anybody else is alarmed or not about our financial and fiscal structure, but I am. I am tremendously interested in what my dollar is going to be worth 2 years from now—5 years from now—10 years from now. I know that if there is any recession whatsoever, and there must be one sometime because prices cannot keep on going up, it will be that much more difficult for people to feed and clothe and house themselves. I know the greatest thing that I can do to safeguard the value of my dollar in the future is to reduce this tremendous and crushing national debt which we have upon us at this time. I know that $258,000,000,000 is almost an inconceivable amount of money.

Every dollar that we pay on that, every dollar that we reduce it, makes my dollar more stable, makes my dollar sounder. Our friends on the left have since long before 1896 talked about the soundness of the money that the people are to have in their pockets to spend. Nobody knows yet, even though this $6,000,000,000 gesture was made several weeks ago, how much money we are going to spend, even on the regular appropriation bills, much less the extraordinary appropriation bills, in the fiscal year 1948. So it would appear to me to be the sound, the wise, the sane thing to do to wait until the first of the year or maybe until the 15th of March 1948 and have a look around and see how much money is going to be produced in the way of taxes in this calendar year of 1948 before we begin reducing taxes. It seems to me that that is so sound, that it is so unanswerable, that it should take hold, even upon one who is most anxious, politically or otherwise, to reduce taxes at an early date.

There is going to be a motion to recommit. I want it understood that I am not for any tax reduction at this time, for the reasons I have given, but those who desire some tax reduction now, and want it fairer to the man with the average income than the pending bill, can vote for the motion to recommit, which will provide that 80 percent of the relief provided will go to people of $5,000 or less income, while the pending bill gives only 62 percent of relief to that group. It would appear to me that the low-income man, the salaried man, the white-collared man, who is having a terrific time getting along now, with stabilized wages and still-mounting prices, should be the men and women who are to have first consideration in a tax-reduction bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, if it were possible for the Members of Congress to offer amendments to the tax bill we now have under debate, I would like to offer as amendments two provisions which were included in my tax bill, H. R. 4087. These are, first, that the effective date of the tax reduction be made July 1, 1947, instead of January 1, 1948; second, a 40-percent reduction in income taxes for that great mass of people in the lower income brackets, particularly that class commonly referred to as the white-collar workers. However, inasmuch as I will not be able to offer these amendments under the rule that governs the consideration of the tax bill before us, and appreciating that the people of this country in all walks of life are clamoring for relief from the oppressive wartime taxes, I will support the measure. If this bill is not passed today our people will not obtain relief from the heavy burden because, in my opinion, no other tax bill will be passed in this session of Congress.

Mr. ROBSION. Mr. Chairman, a few moments ago the roll call on H. R. 3950 the new tax-reduction bill, was completed; 302 voted in favor of the bill and 112 voted against the bill. It now goes to the Senate to be considered by that body. H. R. 3950 is identical with H. R. 1, which was passed by the House and Senate a few weeks ago and vetoed by the President with one single exception. That is the tax-reduction bill vetoed by the President would have been operative as of July 1, 1947. The tax reductions provided in H. R. 3950 become operative January 1, 1948.

On June 30, 1947, this Nation closed its business in the black with a sizable surplus in the Treasury. For 17 consecutive years this Nation has been closing with a heavy deficit. We were able to end up with a balanced budget and a surplus by reason of the wise action of the Republican-controlled Eightieth Congress in effecting savings by cutting out hundreds of thousands of useless Federal officeholders, cutting out waste and unnecessary expenditures. Because of this action we find a balanced budget and a surplus that clearly justifies a tax reduction. This is the first genuine tax reduction in 17 years. The war has been over now approximately 2 years with the same high wartime taxes still in force on individual incomes and excise taxes.

This bill will give relief to nearly 50,000,000 individual income-tax payers and will save them approximately $4,000,000,000. This bill gives 30 percent reduction of taxes to the workers on the railroads, farms, in the shops, mines, mills, stores, restaurants, to the teachers and to all of those in the low-income-tax brackets. It gives an additional $500 exemption to approximately 1,500,000 persons 65 years of age and over. It gives 20 percent reduction in taxes to the next or middle group of individual income-tax payers, numbering 15 to 18 million persons. It gives only 10½ percent reduction to the top group of individual income-tax payers. However, in this top income-tax group, they can be taxed as much as 76½ percent. At the present time, they are paying approximately 87 percent of their taxable income. I think all of us must agree that it is hitting a man's income pretty hard when you take 76½ percent out of every dollar for taxes.

This talk about giving the relief to the rich and little consideration to the persons of medium or low incomes is not supported by the facts. In the low incomes, they have 30 percent relief and in the high incomes, only 10½, while those of incomes in the medium brackets have 20 percent reduction.

TAX REDUCTION FOR BIG CORPORATIONS IN SEVENTY-NINTH CONGRESS

There should be no tax reduction unless there is a surplus. However, our Democratic friends, in the last Congress, passed a bill giving a 10 percent across the board tax reduction to corporations and others. This afforded billions of dollars of tax reduction to the corporations of the Nation, and thousands of these corporations made very high profits during the war. We heard no talk about helping the low and medium group of income taxpayers. At the time they put through this phony income-tax reduction in which the big corporations shared heavily, we were facing a deficit for that particular year of tens of billions of dollars. There was no surplus in the Treasury, we were then

going in the red heavily and had been for many years, yet our Democratic friends, for what I believe was purely political purposes to aid in the election of a Democratic Congress in 1946, put through this phony tax-reduction bill.

At the very time that tax-reduction bill was being considered we had the stars from Hollywood and the high-pressure salesmen going over the country in a drive to sell billions of dollars of new bonds and increase our public debt. No one could justify that tax reduction when we were faced with a tremendous deficit and at the same time selling new bonds and creating new debts, yet the administration urged that sort of a tax reduction bill under those circumstances. If a bank should declare a dividend in any year it was facing a deficit, they could and really should be prosecuted, but our Democratic friends were willing to declare a dividend in taxes and sell new bonds to replace the revenues that were taken away by tax reduction, but now we, for the first time in 17 years, have a balanced budget and a surplus in the Treasury and such reduction in the expenditures of the Government that we can legally, justly and properly give to the American people this tax relief and we give the greater amount of relief to those who need relief most, but President Truman is opposing it.

REPUBLICAN CONGRESS HAS MADE IT POSSIBLE

Early in the Eightieth Congress the President submitted his budget requesting the Congress to appropriate and make available for him and his administration for the fiscal year beginning July 1, 1947, the enormous sum of $37,500,000,000. This is an enormous sum to be expended for the third peacetime year since the war closed. President Franklin D. Roosevelt, as I recall, never asked for more than about one-third of that sum in any peacetime year. The Republicans have and will effect savings in the Eightieth Congress of approximately $5,000,000,000, and but for these savings no tax reduction bill could be possible at all this year.

The only way to cut down taxes is to cut expenditures. Our Democratic friends have developed a high technique in increasing taxes and in increasing the expenditures of the Government, and the President and his leaders have been fighting vigorously and they continue to fight vigorously reduction in expenditures and reduction in taxes.

I wish here to commend the scores of Democrats who have joined with the Republicans in the House in reducing expenditures and in the reduction of taxes. The demand of the American people for a reduction in expenditures and taxes has been growing day by day. When the President's veto was up for consideration in the House some weeks ago 273 voted to override the President's veto and 137 voted to sustain his veto. Today 302 voted in favor of the tax bill and only 112 voted against it. This indicates to me that if the President should veto this bill the House will pass it over his veto—26 votes more than the necessary two-thirds. I am very hopeful that the President will sign this bill and give this long-deserved relief to the nearly 50,000,000 taxpayers of this country. It will put into the pockets of the working people additional money to spend for themselves and their families, and it will encourage those who have funds to invest them in job-producing enterprises. It will make for general prosperity in the Nation. People who have money to invest will not long continue to take all the risks of loss in going into new enterprises, and then when they do make money have to give approximately 87 percent of their taxable income to the Government.

We must constantly work for economy, honesty and efficiency in the Government and keep in mind other taxes that are paid by the American people to their districts, cities, counties and States. At present the working people and others of low incomes are paying at least one-third of their income for taxes. This bill may not go as far as many of us would like to see it go but the relief provided in this bill is certainly much better than no relief at all.

A general tax reduction bill is now being prepared by the Ways and Means Committee dealing with all Federal taxes including excise taxes to be introduced and considered early in 1948. Many high excise taxes must be cut out or reduced.

Mr. KNUTSON. Mr. Chairman, I yield the balance of the time on this side to our distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I rise to speak for the tax-reduction bill not as a partisan, but because I believe it is an essential part of our readjustment to peace. I am also convinced the Congress must retain and protect its rightful prerogative of determining when and how much taxes shall be levied upon the people.

When this Congress convened, it was obvious, if we were to put America back on the right track, we must drastically reduce Government spending. It was essential we achieve a balanced budget; begin paying off the national debt; and give some tax relief to the 49,000,000 of people who bore uncomplainingly enormous tax burdens for victory in the war.

It is an unusual procedure which we are proposing in this House today, as we attempt, in the same session of the Congress, to reenact a major piece of legislation which has been in disagreement between the executive and the legislative branches.

Oppressive taxes have toppled many a government to destruction, and many a monarch from his throne. I urge you to remember three vital facts:

First. The tendency of all governments is to continue endless expansion of spending to the point of ruin.

Second. Taxes come from the labor, the sweat, the privations, and the thrift of all the people.

Third. The people finally tire of intolerable tax burdens; business withers; production slows down; initiative is discouraged; frustration replaces confidence and hope—and the Government falls before the onslaughts of demagogues who find in chaos their opportunity for temporary power and loot.

The people last November demanded government costs be cut and the tax burden lightened.

We have balanced the budget; we have curtailed spending; we shall make a substantial payment on the debt. All now needed to complete this well-coordinated program is to give the 49,000,000 of American people a tax break.

This House has performed a magnificent job of cutting out wasteful, extravagant, "don't-count-the-cost" practices of bureaucratic spending, as the people demanded.

This tax bill is a straightforward, honest, open program. No trick economics and no false promises are to be found in it.

There is no use of trying to confuse the issue by substitute proposals. Everyone knows it is this bill reported out of the Ways and Means Committee, or no bill. And let no one forget; the American people do want tax reductions.

The appropriation reductions have been made on a sound basis, against terrific pressures of hostile propaganda. Our task was to preserve the solvency of the Government and insure the safety of the people's assets in bonds, savings, and insurance policies.

This Congress is succeeding in this vital mission. It merits the gratitude and the support of everyone who loves America and our way of life.

The taxicab driver, the cook, the housemaid, the millions of school teachers, policemen, firemen, factory and office workers, people in the lower salary brackets everywhere, all will welcome the extra take-home pay which will be theirs with the passage of this bill.

Our people should not be required to support an inflated wartime tax structure. There is no valid reason for refusing them this relief from excessively burdensome wartime taxes.

Certainly we ought to do half as well by our taxpayers as Canada and Great Britain have. Great Britain has reduced her tax rates twice in the postwar years. Canada has reduced hers twice.

The pending measure gives the greatest relief to those least able to pay.

The people won't believe you wanted to get them greater tax reduction if the final result is no bill at all. They will not accept excuses.

This bill would relieve of all taxes nearly a million of our poorest people—people over 65, whose individual income is under $1,000. That advantage may well be the means of them getting really sufficient food.

I cannot agree with the doctrine advanced by some that it is unwise to give the American people tax reduction because they already have too much money. More money in the hands of the people will bring a higher standard of living.

We all know if we permit the Government to pursue a policy of ever-increasing spending, it will do so. It is much easier for bureaus and commissions and departments to find reasons for increasing expenditures than for cutting them.

We all know high taxes mean high prices and inflation.

Venture capital must be encouraged. High taxes retard business expansion. They reduce job opportunities for men and women who must work. They help to maintain high costs, because taxes are involved in all costs.

Tax-rate cuts do not necessarily mean corresponding losses to the Treasury. The history of this Nation abounds in evidence that lower tax rates stimulate commerce and trade, which in turn yield greater Federal revenues.

Action now will reassure the American people this Congress serves the best interests of the Nation. I hope the Congress passes the pending measure by such a decisive vote as to persuade the President the people should have this delayed justice.

If we do not achieve these tax reductions by next January we will dishearten our people. Let us make it possible for Americans to enjoy a fairer share of the fruits of their labor.

Colleagues, we must end loose fiscal policies and excessive taxation and begin to practice real economy. We must give progress a boost; we must give prosperity a pat on the back; we must hand a torch of hope to our overburdened people; we must give the younger citizens a break; we must think about the welfare of our own people while we are pondering the problems of all the rest of the world. Pass this bill and give America an impetus toward new horizons of hope and peace.

The necessity for this tax bill is great. But an even greater issue is involved in this proposition. It is the fundamental question of whether or not the Congress shall retain its right to perform its constitutional function of determining what taxes shall be levied on the people.

In all our history there has been but one other Executive who ever attempted to invade the tax-making power of the Congress. That effort was turned back. Shall the Members of the Eightieth Congress be less vigilant to preserve the rights of the people's representatives than the Congress which foiled the first attempt?

We must set our faces sternly against any attempt to whittle away the functions and the prerogatives of the Congress. Unless Congress protects its right to determine the taxes which shall be levied upon the people, and the right to direct the spending of the public funds, the foundations of our American system of government will be destroyed. Then we would no longer have a government of the people.

Colleagues, let us pass this tax bill now.

Let us vote down the motion to recommit if offered as it would simply mean no tax legislation.

The CHAIRMAN. All time has expired. Under the rule, the bill is considered as having been read.

The bill H. R. 3950 follows:

Be it enacted, etc., That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

SEC. 2. Reduction in Normal Tax and Surtax on Individuals

(a) Reduction in normal tax on individuals: Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended to read as follows:

"SEC. 11. Normal Tax on Individuals

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax as provided in section 12 (g). For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T."

(b) Reduction in surtax on individuals: Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out "by 5 percent thereof" and inserting in lieu thereof "as provided in subsection (g) of this section."

(c) Reduction of tentative normal tax and tentative surtax: Section 12 (g) of the Internal Revenue Code is hereby amended to read as follows:

"(g) Reduction of tentative normal tax and tentative surtax:

"(1) The combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	33⅓ percent of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24 percent of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼ percent of excess over $100,000.
Over $250,000	$52,875, plus 15 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year.

"(2) Whenever it is necessary to ascertain the normal tax and the surtax separately, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggregate of the tentative normal tax and tentative surtax; and the normal tax shall be the remainder of such combined normal tax and surtax.

"(3) In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(d) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6.

SEC. 3. Individuals With Adjusted Gross Incomes of Less Than $5,000

(a) In general: Section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

"SEC. 400. Imposition of Tax

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, a tax as follows:

"If adjusted gross income is—		And the number of exemptions is—					If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4	5 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—							The tax shall be—								
$0	$550	$0	$0	$0	$0	$0	$2,275	$2,300	$237	$145	$74	$8	$0	$0	$0	$0	$0
550	575	1	0	0	0	0	2,300	2,325	240	149	77	11	0	0	0	0	0
575	600	4	0	0	0	0	2,325	2,350	244	154	80	14	0	0	0	0	0
600	625	7	0	0	0	0	2,350	2,375	247	158	83	17	0	0	0	0	0
625	650	10	0	0	0	0	2,375	2,400	251	163	86	20	0	0	0	0	0
650	675	13	0	0	0	0	2,400	2,425	254	167	89	23	0	0	0	0	0
675	700	16	0	0	0	0	2,425	2,450	257	172	92	26	0	0	0	0	0
700	725	19	0	0	0	0	2,450	2,475	261	176	95	29	0	0	0	0	0
725	750	22	0	0	0	0	2,475	2,500	264	181	98	32	0	0	0	0	0
750	775	25	0	0	0	0	2,500	2,525	268	185	101	35	0	0	0	0	0
775	800	28	0	0	0	0	2,525	2,550	271	190	104	38	0	0	0	0	0
800	825	31	0	0	0	0	2,550	2,575	275	194	107	41	0	0	0	0	0
825	850	34	0	0	0	0	2,575	2,600	278	199	110	44	0	0	0	0	0
850	875	37	0	0	0	0	2,600	2,625	281	203	113	47	0	0	0	0	0
875	900	40	0	0	0	0	2,625	2,650	285	208	116	50	0	0	0	0	0
900	925	43	0	0	0	0	2,650	2,675	288	212	119	53	0	0	0	0	0
925	950	46	0	0	0	0	2,675	2,700	292	216	122	56	0	0	0	0	0
950	975	49	0	0	0	0	2,700	2,725	295	219	125	59	0	0	0	0	0
975	1,000	52	0	0	0	0	2,725	2,750	298	222	128	62	0	0	0	0	0
1,000	1,025	55	0	0	0	0	2,750	2,775	302	226	131	65	0	0	0	0	0
1,025	1,050	58	0	0	0	0	2,775	2,800	305	229	135	68	1	0	0	0	0
1,050	1,075	61	0	0	0	0	2,800	2,825	309	233	139	71	4	0	0	0	0
1,075	1,100	64	0	0	0	0	2,825	2,850	313	236	144	74	7	0	0	0	0
1,100	1,125	67	0	0	0	0	2,850	2,875	317	240	148	77	10	0	0	0	0
1,125	1,150	70	3	0	0	0	2,875	2,900	321	243	153	80	13	0	0	0	0
1,150	1,175	73	6	0	0	0	2,900	2,925	324	246	157	83	16	0	0	0	0
1,175	1,200	76	9	0	0	0	2,925	2,950	328	250	162	86	19	0	0	0	0
1,200	1,225	79	12	0	0	0	2,950	2,975	332	253	166	89	22	0	0	0	0
1,225	1,250	82	15	0	0	0	2,975	3,000	336	257	171	92	25	0	0	0	0
1,250	1,275	85	18	0	0	0	3,000	3,050	341	262	178	96	30	0	0	0	0

"If adjusted gross income is—		And the number of exemptions is—					If adjusted gross income is—		And the number of exemptions is								
At least	But less than	1	2	3	4	5 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—							The tax shall be—								
$1,275	$1,300	$88	$21	$0	$0	$0	$3,050	$3,100	$349	$269	$187	$102	$36	$0	$0	$0	$0
1,300	1,325	91	24	0	0	0	3,100	3,150	356	276	196	108	42	0	0	0	0
1,325	1,350	94	27	0	0	0	3,150	3,200	364	282	205	114	48	0	0	0	0
1,350	1,375	97	30	0	0	0	3,200	3,250	371	289	213	120	54	0	0	0	0
1,375	1,400	100	33	0	0	0	3,250	3,300	379	296	220	126	60	0	0	0	0
1,400	1,425	103	36	0	0	0	3,300	3,350	386	303	227	132	66	0	0	0	0
1,425	1,450	106	39	0	0	0	3,350	3,400	394	310	234	141	71	5	0	0	0
1,450	1,475	109	42	0	0	0	3,400	3,450	401	318	241	150	77	11	0	0	0
1,475	1,500	112	45	0	0	0	3,450	3,500	409	325	247	159	83	17	0	0	0
1,500	1,525	115	48	0	0	0	3,500	3,550	416	333	254	168	89	23	0	0	0
1,525	1,550	118	51	0	0	0	3,550	3,600	424	340	261	177	95	29	0	0	0
1,550	1,575	121	54	0	0	0	3,600	3,650	431	348	268	186	101	35	0	0	0
1,575	1,600	124	57	0	0	0	3,650	3,700	439	355	275	195	107	41	0	0	0
1,600	1,625	127	60	0	0	0	3,700	3,750	447	363	282	204	113	47	0	0	0
1,625	1,650	130	63	0	0	0	3,750	3,800	454	370	288	212	119	53	0	0	0
1,650	1,675	133	66	0	0	0	3,800	3,850	462	378	295	219	125	59	0	0	0
1,675	1,700	137	69	2	0	0	3,850	3,900	469	386	302	226	131	65	0	0	0
1,700	1,725	141	72	5	0	0	3,900	3,950	477	393	309	233	140	71	4	0	0
1,725	1,750	146	75	8	0	0	3,950	4,000	484	401	317	240	149	77	10	0	0
1,750	1,775	150	78	11	0	0	4,000	4,050	492	408	324	247	158	83	16	0	0
1,775	1,800	155	81	14	0	0	4,050	4,100	499	416	332	253	167	89	22	0	0
1,800	1,825	159	84	17	0	0	4,100	4,150	507	423	340	260	176	95	28	0	0
1,825	1,850	164	87	20	0	0	4,150	4,200	514	431	347	267	185	101	34	0	0
1,850	1,875	168	90	23	0	0	4,200	4,250	522	438	355	274	194	107	40	0	0
1,875	1,900	173	93	26	0	0	4,250	4,300	529	446	362	281	203	113	46	0	0
1,900	1,925	177	96	29	0	0	4,300	4,350	537	453	370	288	212	119	52	0	0
1,925	1,950	182	99	32	0	0	4,350	4,400	544	461	377	295	219	125	58	0	0
1,950	1,975	186	102	35	0	0	4,400	4,450	552	468	385	301	225	131	64	0	0
1,975	2,000	191	105	38	0	0	4,450	4,500	559	476	392	309	232	139	70	4	0
2,000	2,025	195	108	41	0	0	4,500	4,550	567	483	400	316	239	148	76	10	0
2,025	2,050	200	111	44	0	0	4,550	4,600	574	491	407	324	246	157	82	16	0
2,050	2,075	204	114	47	0	0	4,600	4,650	582	498	415	331	253	166	88	22	0
2,075	2,100	209	117	50	0	0	4,650	4,700	589	506	422	339	260	175	94	28	0
2,100	2,125	213	120	53	0	0	4,700	4,750	597	513	430	346	266	184	100	34	0
2,125	2,150	216	123	56	0	0	4,750	4,800	605	521	437	354	273	193	106	40	0
2,150	2,175	220	126	59	0	0	4,800	4,850	612	528	445	361	280	202	112	46	0
2,175	2,200	223	129	62	0	0	4,850	4,900	620	536	452	369	287	211	118	52	0
2,200	2,225	227	132	65	0	0	4,900	4,950	627	544	460	376	294	218	124	58	0
2,225	2,250	230	136	68	2	0	4,950	5,000	635	551	467	384	301	225	130	64	0"
2,250	2,275	234	140	71	5	0											

(b) Taxable years to which applicable: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6.

SEC. 4. Additional Credit Against Net Income for Normal Tax and Surtax

(a) Exemption for age: Section 25 (b) (1) of the Internal Revenue Code (relating to credits against net income for normal tax and surtax) is hereby amended by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and by adding after subparagraph (C) the following:

"(D) an additional exemption of $500 for the taxpayer if he has attained the age of 65 on or before the last day of his taxable year;

"(E) an additional exemption of $500 for the spouse of the taxpayer if—

"(i) a joint return is made by the taxpayer and his spouse under section 51 and the spouse has attained the age of 65 on or before such last day in which case the aggregate exemption of the spouses under subparagraph (D) and this subparagraph shall not exceed $500 with respect to each spouse who has attained the age of 65 on or before such last day; or

"(ii) a separate return is made by the taxpayer, and his spouse has attained the age of 65 on or before such last day and has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer."

(b) Technical amendments:

(1) Section 58 (a) (1) of the Internal Revenue Code (relating to requirement of declaration of estimated tax) is hereby amended to read as follows:

"(1) his gross income from wages (as defined in section 1621) can reasonably be expected to exceed the sum of $4,500 plus $500 with respect to each exemption provided in section 25 (b); or."

(2) Section 1622 (h) (1) of the Internal Revenue Code (relating to withholding exemptions) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) An exemption for himself, and an additional exemption for himself if he has attained the age of 65 or will attain such age before the expiration of the taxable year under chapter 1 in respect of which amounts deducted and withheld under this subchapter in the calendar year in which such day falls are allowed as a credit.

"(B) If the employee is married, any exemption to which his spouse is entitled, or would be entitled if she were an employee receiving wages, under subparagraph (A), but only if such spouse does not have in effect a withholding exemption certificate claiming such exemption."

(3) Section 23 (x) of the Internal Revenue Code (relating to deduction of medical, etc., expenses) is hereby amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "The maximum deduction for the taxable year shall be $1,250, except that if more than one exemption is allowed under section 25 (b) for the taxable year (exclusive of an exemption under section 25 (b) (1) (D)) the maximum deduction for the taxable year shall be $2,500."

(c) Taxable years to which applicable. The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6.

SEC. 5. Reduction in Withholding of Tax at Source on Wages

(a) Percentage method. Section 1622 (a) and section 1622 (b) (1) of the Internal Revenue Code (relating to percentage method of withholding) are hereby amended to read as follows:

"(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the sum of the following:

"(1) 12 per centum of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); or

"(B) the amount shown in the second column in the table in subsection (b) (1);

"(2) 18 per centum of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the sum of—

"(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(ii) the amount shown in the second column in the table in subsection (b) (1); or

"(B) the amount shown in the third column in the table in subsection (b) (1);

"(3) 14 per centum of the amount by which the wages exceed the sum of—

"(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(B) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1).

"(b) (1) The table referred to in subsection (a) is as follows:

"Percentage method withholding table

"Pay-roll period	1 Amount of one withholding exemption	2 Maximum amount subject to 12 percent rate	3 Maximum amount subject to 18 percent rate
Weekly	$11.00	$21.00	$9.00
Biweekly	22.00	43.00	17.00
Semimonthly	23.00	46.00	19.00
Monthly	46.00	93.00	36.00
Quarterly	139.00	278.00	110.00
Semiannual	278.00	556.00	219.00
Annual	556.00	1,111.00	440.00
Daily or miscellaneous (per day of such period)	1.50	3.00	1.00"

(b) Wage-bracket withholding: The tables contained in section 1622 (c) (1) of the Internal Revenue Code (relating to wage-bracket withholding) are hereby amended to read as follows:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	.10	0	0	0	0	0	0	0	0	0
$12	$13	1.50	.20	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.30	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.50	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.60	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.80	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.30	1.10	0	0	0	0	0	0	0	0	0
$20	$21	2.50	1.20	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.30	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.40	.10	0	0	0	0	0	0	0	0
$23	$24	2.90	1.50	.30	0	0	0	0	0	0	0	0
$24	$25	3.10	1.70	.40	0	0	0	0	0	0	0	0
$25	$26	3.30	1.80	.50	0	0	0	0	0	0	0	0
$26	$27	3.50	1.90	.60	0	0	0	0	0	0	0	0
$27	$28	3.70	2.00	.70	0	0	0	0	0	0	0	0
$28	$29	3.80	2.10	.90	0	0	0	0	0	0	0	0
$29	$30	4.00	2.30	1.00	0	0	0	0	0	0	0	0
$30	$31	4.20	2.40	1.10	0	0	0	0	0	0	0	0
$31	$32	4.30	2.50	1.20	0	0	0	0	0	0	0	0
$32	$33	4.40	2.60	1.30	.10	0	0	0	0	0	0	0
$33	$34	4.60	2.80	1.50	.20	0	0	0	0	0	0	0
$34	$35	4.70	3.00	1.60	.30	0	0	0	0	0	0	0
$35	$36	4.90	3.20	1.70	.40	0	0	0	0	0	0	0
$36	$37	5.00	3.40	1.80	.50	0	0	0	0	0	0	0
$37	$38	5.10	3.50	1.90	.70	0	0	0	0	0	0	0
$38	$39	5.30	3.70	2.10	.80	0	0	0	0	0	0	0
$39	$40	5.40	3.90	2.20	.90	0	0	0	0	0	0	0
$40	$41	5.50	4.10	2.30	1.00	0	0	0	0	0	0	0
$41	$42	5.70	4.20	2.40	1.10	0	0	0	0	0	0	0
$42	$43	5.80	4.40	2.50	1.30	0	0	0	0	0	0	0
$43	$44	6.00	4.50	2.70	1.40	.10	0	0	0	0	0	0
$44	$45	6.10	4.60	2.90	1.50	.20	0	0	0	0	0	0
$45	$46	6.20	4.80	3.10	1.60	.30	0	0	0	0	0	0
$46	$47	6.40	4.90	3.20	1.70	.50	0	0	0	0	0	0
$47	$48	6.50	5.00	3.40	1.80	.60	0	0	0	0	0	0
$48	$49	6.60	5.20	3.60	2.00	.70	0	0	0	0	0	0
$49	$50	6.80	5.30	3.80	2.10	.80	0	0	0	0	0	0
$50	$51	6.90	5.40	4.00	2.20	.90	0	0	0	0	0	0
$51	$52	7.00	5.60	4.10	2.30	1.00	0	0	0	0	0	0
$52	$53	7.20	5.70	4.30	2.40	1.20	0	0	0	0	0	0
$53	$54	7.30	5.90	4.40	2.60	1.30	0	0	0	0	0	0
$54	$55	7.50	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
$55	$56	7.60	6.10	4.70	2.90	1.50	.20	0	0	0	0	0
$56	$57	7.70	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
$57	$58	7.90	6.40	4.90	3.30	1.80	.50	0	0	0	0	0
$58	$59	8.00	6.50	5.10	3.50	1.90	.60	0	0	0	0	0
$59	$60	8.10	6.70	5.20	3.70	2.00	.70	0	0	0	0	0
$60	$62	8.30	6.90	5.40	3.90	2.20	.90	0	0	0	0	0
$62	$64	8.60	7.20	5.70	4.20	2.40	1.10	0	0	0	0	0
$64	$66	8.90	7.40	6.00	4.50	2.70	1.40	.10	0	0	0	0
$66	$68	9.20	7.70	6.20	4.80	3.10	1.60	.30	0	0	0	0
$68	$70	9.40	8.00	6.50	5.10	3.40	1.90	.60	0	0	0	0
$70	$72	9.70	8.30	6.80	5.30	3.80	2.10	.80	0	0	0	0
$72	$74	10.00	8.50	7.10	5.60	4.10	2.30	1.10	0	0	0	0
$74	$76	10.30	8.80	7.30	5.90	4.40	2.60	1.30	0	0	0	0
$76	$78	10.50	9.10	7.60	6.10	4.70	3.00	1.50	.30	0	0	0
$78	$80	10.80	9.30	7.90	6.40	5.00	3.30	1.80	.50	0	0	0
$80	$82	11.10	9.60	8.20	6.70	5.20	3.70	2.00	.70	0	0	0
$82	$84	11.40	9.90	8.40	7.00	5.50	4.00	2.30	1.00	0	0	0
$84	$86	11.60	10.20	8.70	7.20	5.80	4.30	2.50	1.20	0	0	0
$86	$88	11.90	10.40	9.00	7.50	6.10	4.60	2.80	1.50	.20	0	0
$88	$90	12.20	10.70	9.30	7.80	6.30	4.90	3.20	1.70	.40	0	0
$90	$92	12.40	11.00	9.50	8.10	6.60	5.10	3.60	1.90	.70	0	0
$92	$94	12.70	11.30	9.80	8.30	6.90	5.40	3.90	2.20	.90	0	0
$94	$96	13.00	11.50	10.10	8.60	7.10	5.70	4.20	2.40	1.10	0	0
$96	$98	13.30	11.80	10.30	8.90	7.40	6.00	4.50	2.70	1.40	.10	0
$98	$100	13.50	12.10	10.60	9.20	7.70	6.20	4.80	3.10	1.60	.30	0
$100	$105	14.00	12.60	11.10	9.60	8.20	6.70	5.30	3.70	2.00	.80	0
$105	$110	14.70	13.20	11.80	10.30	8.90	7.40	5.90	4.50	2.70	1.40	.10
$110	$115	15.40	13.90	12.50	11.00	9.50	8.10	6.60	5.20	3.60	2.00	.70
$115	$120	16.10	14.60	13.20	11.70	10.20	8.80	7.30	5.80	4.40	2.60	1.30
$120	$125	16.80	15.30	13.80	12.40	10.90	9.50	8.00	6.50	5.10	3.50	1.90
$125	$130	17.40	16.00	14.50	13.10	11.60	10.10	8.70	7.20	5.70	4.30	2.50
$130	$135	18.10	16.70	15.20	13.70	12.30	10.80	9.40	7.90	6.40	5.00	3.30
$135	$140	18.80	17.30	15.90	14.40	13.00	11.50	10.00	8.60	7.10	5.70	4.20
$140	$145	19.50	18.00	16.60	15.10	13.60	12.20	10.70	9.30	7.80	6.30	4.90
$145	$150	20.20	18.70	17.30	15.80	14.30	12.90	11.40	9.90	8.50	7.00	5.60
$150	$160	21.20	19.70	18.30	16.80	15.40	13.90	12.40	11.00	9.50	8.10	6.60
$160	$170	22.60	21.10	19.60	18.20	16.70	15.30	13.80	12.30	10.90	9.40	8.00
$170	$180	23.90	22.50	21.00	19.60	18.10	16.60	15.20	13.70	12.20	10.80	9.30
$180	$190	25.30	23.80	22.40	20.90	19.50	18.00	16.50	15.10	13.60	12.20	10.70
$190	$200	26.70	25.20	23.80	22.30	20.80	19.40	17.90	16.40	15.00	13.50	12.10
		14 percent of the excess over $200 plus										
$200 and over		27.40	25.90	24.40	23.00	21.50	20.10	18.60	17.10	15.70	14.20	12.70"

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	.20	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.40	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.70	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.90	0	0	0	0	0	0	0	0	0
$30	$32	3.70	1.20	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.40	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.60	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.90	0	0	0	0	0	0	0	0	0
$38	$40	4.70	2.10	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.40	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.60	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.80	.30	0	0	0	0	0	0	0	0
$46	$48	5.90	3.10	.50	0	0	0	0	0	0	0	0
$48	$50	6.20	3.30	.70	0	0	0	0	0	0	0	0
$50	$52	6.60	3.50	1.00	0	0	0	0	0	0	0	0
$52	$54	7.00	3.80	1.20	0	0	0	0	0	0	0	0
$54	$56	7.30	4.00	1.50	0	0	0	0	0	0	0	0
$56	$58	7.70	4.30	1.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.50	1.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.70	2.20	0	0	0	0	0	0	0	0
$62	$64	8.60	5.00	2.40	0	0	0	0	0	0	0	0
$64	$66	8.90	5.30	2.70	.10	0	0	0	0	0	0	0
$66	$68	9.20	5.60	2.90	.30	0	0	0	0	0	0	0
$68	$70	9.40	6.00	3.10	.60	0	0	0	0	0	0	0
$70	$72	9.70	6.40	3.40	.80	0	0	0	0	0	0	0
$72	$74	10.00	6.70	3.60	1.10	0	0	0	0	0	0	0
$74	$76	10.30	7.10	3.90	1.30	0	0	0	0	0	0	0
$76	$78	10.50	7.40	4.10	1.50	0	0	0	0	0	0	0
$78	$80	10.80	7.80	4.30	1.80	0	0	0	0	0	0	0
$80	$82	11.10	8.20	4.60	2.00	0	0	0	0	0	0	0
$82	$84	11.40	8.40	4.80	2.30	0	0	0	0	0	0	0
$84	$86	11.60	8.70	5.10	2.50	0	0	0	0	0	0	0
$86	$88	11.90	9.00	5.40	2.70	.20	0	0	0	0	0	0
$88	$90	12.20	9.30	5.80	3.00	.40	0	0	0	0	0	0
$90	$92	12.40	9.50	6.10	3.20	.70	0	0	0	0	0	0
$92	$94	12.70	9.80	6.50	3.50	.90	0	0	0	0	0	0
$94	$96	13.00	10.10	6.80	3.70	1.10	0	0	0	0	0	0
$96	$98	13.30	10.30	7.20	3.90	1.40	0	0	0	0	0	0
$98	$100	13.50	10.60	7.60	4.20	1.60	0	0	0	0	0	0
$100	$102	13.80	10.90	7.90	4.40	1.90	0	0	0	0	0	0
$102	$104	14.10	11.20	8.20	4.70	2.10	0	0	0	0	0	0
$104	$106	14.40	11.40	8.50	4.90	2.30	0	0	0	0	0	0
$106	$108	14.60	11.70	8.80	5.10	2.60	0	0	0	0	0	0
$108	$110	14.90	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
$110	$112	15.20	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
$112	$114	15.50	12.50	9.60	6.20	3.30	.70	0	0	0	0	0
$114	$116	15.70	12.80	9.90	6.60	3.50	1.00	0	0	0	0	0
$116	$118	16.00	13.10	10.20	6.90	3.80	1.20	0	0	0	0	0
$118	$120	16.30	13.40	10.40	7.30	4.00	1.50	0	0	0	0	0
$120	$124	16.70	13.80	10.80	7.80	4.40	1.80	0	0	0	0	0
$124	$128	17.20	14.30	11.40	8.50	4.90	2.30	0	0	0	0	0
$128	$132	17.80	14.90	11.90	9.00	5.40	2.80	.20	0	0	0	0
$132	$136	18.30	15.40	12.50	9.60	6.20	3.30	.70	0	0	0	0
$136	$140	18.90	16.00	13.00	10.10	6.90	3.70	1.20	0	0	0	0
$140	$144	19.40	16.50	13.60	10.70	7.60	4.20	1.70	0	0	0	0
$144	$148	20.00	17.00	14.10	11.20	8.30	4.70	2.10	0	0	0	0
$148	$152	20.50	17.60	14.70	11.80	8.80	5.20	2.60	.10	0	0	0
$152	$156	21.10	18.10	15.20	12.30	9.40	5.90	3.10	.50	0	0	0
$156	$160	21.60	18.70	15.80	12.80	9.90	6.60	3.60	1.00	0	0	0
$160	$164	22.20	19.20	16.30	13.40	10.50	7.40	4.00	1.50	0	0	0
$164	$168	22.70	19.80	16.90	13.90	11.00	8.10	4.50	2.00	0	0	0
$168	$172	23.30	20.30	17.40	14.50	11.60	8.60	5.00	2.40	0	0	0
$172	$176	23.80	20.90	18.00	15.00	12.10	9.20	5.70	2.90	.40	0	0
$176	$180	24.40	21.40	18.50	15.60	12.70	9.70	6.40	3.40	.80	0	0
$180	$184	24.90	22.00	19.10	16.10	13.20	10.30	7.10	3.90	1.30	0	0
$184	$188	25.40	22.50	19.60	16.70	13.80	10.80	7.80	4.40	1.80	0	0
$188	$192	26.00	23.10	20.10	17.20	14.30	11.40	8.50	4.80	2.30	0	0
$192	$196	26.50	23.60	20.70	17.80	14.80	11.90	9.00	5.40	2.80	.20	0
$196	$200	27.10	24.20	21.20	18.30	15.40	12.50	9.50	6.10	3.20	.70	0
$200	$210	28.00	25.10	22.20	19.30	16.40	13.40	10.50	7.40	4.10	1.50	0
$210	$220	29.40	26.50	23.60	20.60	17.70	14.80	11.90	9.00	5.40	2.70	.20
$220	$230	30.80	27.90	24.90	22.00	19.10	16.20	13.20	10.30	7.20	3.90	1.40
$230	$240	32.10	29.20	26.30	23.40	20.50	17.50	14.60	11.70	8.80	5.10	2.60
$240	$250	33.50	30.60	27.70	24.70	21.80	18.90	16.00	13.10	10.10	6.90	3.70
$250	$260	34.90	32.00	29.00	26.10	23.20	20.30	17.30	14.40	11.50	8.60	4.90
$260	$270	36.30	33.30	30.40	27.50	24.60	21.60	18.70	15.80	12.90	9.90	6.70
$270	$280	37.60	34.70	31.80	28.90	25.90	23.00	20.10	17.20	14.20	11.30	8.40
$280	$290	39.00	36.10	33.10	30.20	27.30	24.40	21.40	18.50	15.60	12.70	9.80
$290	$300	40.40	37.40	34.50	31.60	28.70	25.70	22.80	19.90	17.00	14.00	11.10
$300	$320	42.40	39.50	36.60	33.60	30.70	27.80	24.90	21.90	19.00	16.10	13.20
$320	$340	45.10	42.20	39.30	36.40	33.50	30.50	27.60	24.70	21.80	18.80	15.90
$340	$360	47.90	45.00	42.00	39.10	36.20	33.30	30.30	27.40	24.50	21.60	18.60
$360	$380	50.60	47.70	44.80	41.80	38.90	36.00	33.10	30.20	27.20	24.30	21.40
$380	$400	53.40	50.40	47.50	44.60	41.70	38.70	35.80	32.90	30.00	27.00	24.10
		14 percent of the excess over $400 plus—										
$400 and over		54.70	51.80	48.90	46.00	43.00	40.10	37.20	34.30	31.30	28.40	25.50"

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.20	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.50	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.70	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.90	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.20	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.70	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.90	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.10	0	0	0	0	0	0	0	0	0
$42	$44	5.10	2.40	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.60	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.90	.10	0	0	0	0	0	0	0	0
$48	$50	6.00	3.10	.30	0	0	0	0	0	0	0	0
$50	$52	6.40	3.30	.60	0	0	0	0	0	0	0	0
$52	$54	6.70	3.60	.80	0	0	0	0	0	0	0	0
$54	$56	7.10	3.80	1.00	0	0	0	0	0	0	0	0
$56	$58	7.50	4.10	1.30	0	0	0	0	0	0	0	0
$58	$60	7.80	4.30	1.50	0	0	0	0	0	0	0	0
$60	$62	8.20	4.50	1.80	0	0	0	0	0	0	0	0
$62	$64	8.50	4.80	2.00	0	0	0	0	0	0	0	0
$64	$66	8.90	5.00	2.20	0	0	0	0	0	0	0	0
$66	$68	9.20	5.20	2.50	0	0	0	0	0	0	0	0
$68	$70	9.40	5.50	2.70	0.	0	0	0	0	0	0	0
$70	$72	9.70	5.80	3.00	.20	0	0	0	0	0	0	0
$72	$74	10.00	6.20	3.20	.40	0	0	0	0	0	0	0
$74	$76	10.30	6.50	3.40	.70	0	0	0	0	0	0	0
$76	$78	10.50	6.90	3.70	.90	0	0	0	0	0	0	0
$78	$80	10.80	7.30	3.90	1.10	0	0	0	0	0	0	0
$80	$82	11.10	7.60	4.20	1.40	0	0	0	0	0	0	0
$82	$84	11.40	8.00	4.40	1.60	0	0	0	0	0	0	0
$84	$86	11.60	8.30	4.60	1.90	0	0	0	0	0	0	0
$86	$88	11.90	8.70	4.90	2.10	0	0	0	0	0	0	0
$88	$90	12.20	9.00	5.10	2.30	0	0	0	0	0	0	0
$90	$92	12.40	9.30	5.40	2.60	0	0	0	0	0	0	0
$92	$94	12.70	9.60	5.60	2.80	0	0	0	0	0	0	0
$94	$96	13.00	9.80	6.00	3.10	.30	0	0	0	0	0	0
$96	$98	13.30	10.10	6.30	3.30	.50	0	0	0	0	0	0
$98	$100	13.50	10.40	6.70	3.50	.80	0	0	0	0	0	0
$100	$102	13.80	10.70	7.10	3.80	1.00	0	0	0	0	0	0
$102	$104	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0	0
$104	$106	14.40	11.20	7.80	4.30	1.50	0	0	0	0	0	0
$106	$108	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0	0
$108	$110	14.90	11.70	8.50	4.70	2.00	0	0	0	0	0	0
$110	$112	15.20	12.00	8.90	5.00	2.20	0	0	0	0	0	0
$112	$114	15.50	12.30	9.10	5.20	2.40	0	0	0	0	0	0
$114	$116	15.70	12.60	9.40	5.50	2.70	0	0	0	0	0	0
$116	$118	16.00	12.80	9.70	5.80	2.90	.20	0	0	0	0	0
$118	$120	16.30	13.10	9.90	6.10	3.20	.40	0	0	0	0	0
$120	$124	16.70	13.50	10.40	6.70	3.50	.70	0	0	0	0	0
$124	$128	17.20	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0
$128	$132	17.80	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0
$132	$136	18.30	15.20	12.00	8.80	5.00	2.20	0	0	0	0	0
$136	$140	18.90	15.70	12.50	9.40	5.40	2.70	0	0	0	0	0
$140	$144	19.40	16.30	13.10	9.90	6.10	3.10	.40	0	0	0	0
$144	$148	20.00	16.80	13.60	10.50	6.80	3.60	.90	0	0	0	0
$148	$152	20.50	17.40	14.20	11.00	7.50	4.10	1.30	0	0	0	0
$152	$156	21.10	17.90	14.70	11.60	8.20	4.60	1.80	0	0	0	0
$156	$160	21.60	18.40	15.30	12.10	8.90	5.10	2.30	0	0	0	0
$160	$164	22.20	19.00	15.80	12.70	9.50	5.50	2.80	0	0	0	0
$164	$168	22.70	19.50	16.40	13.20	10.00	6.30	3.20	.50	0	0	0
$168	$172	23.30	20.10	16.90	13.80	10.60	7.00	3.70	1.00	0	0	0
$172	$176	23.80	20.60	17.50	14.30	11.10	7.70	4.20	1.40	0	0	0
$176	$180	24.40	21.20	18.00	14.90	11.70	8.40	4.70	1.90	0	0	0
$180	$184	24.90	21.70	18.60	15.40	12.20	9.10	5.20	2.40	0	0	0
$184	$188	25.40	22.30	19.10	15.90	12.80	9.60	5.70	2.90	.10	0	0
$188	$192	26.00	22.80	19.70	16.50	13.30	10.20	6.40	3.30	.60	0	0
$192	$196	26.50	23.40	20.20	17.00	13.90	10.70	7.10	3.80	1.10	0	0
$196	$200	27.10	23.90	20.80	17.60	14.40	11.30	7.80	4.30	1.50	0	0
$200	$210	28.00	24.90	21.70	18.50	15.40	12.20	9.00	5.10	2.40	0	0
$210	$220	29.40	26.20	23.10	19.90	16.70	13.60	10.40	6.70	3.60	.80	0
$220	$230	30.80	27.60	24.40	21.30	18.10	14.90	11.80	8.50	4.80	2.00	0
$230	$240	32.10	29.00	25.80	22.60	19.50	16.30	13.10	10.00	6.20	3.20	0
$240	$250	33.50	30.30	27.20	24.00	20.80	17.70	14.50	11.30	8.00	4.40	1.60
$250	$260	34.90	31.70	28.60	25.40	22.20	19.10	15.90	12.70	9.60	5.60	2.80
$260	$270	36.30	33.10	29.90	26.80	23.60	20.40	17.30	14.10	10.90	7.40	4.00
$270	$280	37.60	34.50	31.30	28.10	25.00	21.80	18.60	15.50	12.30	9.10	5.20
$280	$290	39.00	35.80	32.70	29.50	26.30	23.20	20.00	16.80	13.70	10.50	6.80
$290	$300	40.40	37.20	34.00	30.90	27.70	24.50	21.40	18.20	15.00	11.90	8.60
$300	$320	42.40	39.20	36.10	32.90	29.70	26.60	23.40	20.20	17.10	13.90	10.70
$320	$340	45.10	42.00	38.80	35.60	32.50	29.30	26.10	23.00	19.80	16.60	13.50
$340	$360	47.90	44.70	41.50	38.40	35.20	32.00	28.90	25.70	22.50	19.40	16.20
$360	$380	50.60	47.40	44.30	41.10	37.90	34.80	31.60	28.40	25.30	22.10	18.90
$380	$400	53.40	50.20	47.00	43.90	40.70	37.50	34.40	31.20	28.00	24.90	21.70
$400	$420	56.10	52.90	49.80	46.60	43.40	40.30	37.10	33.90	30.80	27.60	24.40
$420	$440	58.80	55.70	52.50	49.30	46.20	43.00	39.80	36.70	33.50	30.30	27.20
$440	$460	61.60	58.40	55.20	52.10	48.90	45.70	42.60	39.40	36.20	33.10	29.90
$460	$480	64.30	61.10	58.00	54.80	51.60	48.50	45.30	42.10	39.00	35.80	32.60
$480	$500	67.00	63.90	60.70	57.50	54.40	51.20	48.00	44.90	41.70	38.50	35.40
		14 percent of the excess over $500 plus										
$500 and over		68.40	65.20	62.10	58.90	55.70	52.60	49.40	46.20	43.10	39.90	36.70 "

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	.40	0	0	0	0	0	0	0	0	0
$52	$56	6.50	.90	0	0	0	0	0	0	0	0	0
$56	$60	6.90	1.40	0	0	0	0	0	0	0	0	0
$60	$64	7.40	1.90	0	0	0	0	0	0	0	0	0
$64	$68	7.90	2.40	0	0	0	0	0	0	0	0	0
$68	$72	8.40	2.80	0	0	0	0	0	0	0	0	0
$72	$76	8.90	3.30	0	0	0	0	0	0	0	0	0
$76	$80	9.30	3.80	0	0	0	0	0	0	0	0	0
$80	$84	9.80	4.30	0	0	0	0	0	0	0	0	0
$84	$88	10.30	4.80	0	0	0	0	0	0	0	0	0
$88	$92	10.80	5.20	0	0	0	0	0	0	0	0	0
$92	$96	11.30	5.70	.20	0	0	0	0	0	0	0	0
$96	$100	12.10	6.20	.60	0	0	0	0	0	0	0	0
$100	$104	12.80	6.70	1.10	0	0	0	0	0	0	0	0
$104	$108	13.50	7.10	1.60	0	0	0	0	0	0	0	0
$108	$112	14.20	7.60	2.10	0	0	0	0	0	0	0	0
$112	$116	14.90	8.10	2.60	0	0	0	0	0	0	0	0
$116	$120	15.70	8.60	3.00	0	0	0	0	0	0	0	0
$120	$124	16.40	9.10	3.50	0	0	0	0	0	0	0	0
$124	$128	17.10	9.50	4.00	0	0	0	0	0	0	0	0
$128	$132	17.80	10.00	4.50	0	0	0	0	0	0	0	0
$132	$136	18.30	10.50	5.00	0	0	0	0	0	0	0	0
$136	$140	18.90	11.00	5.40	0	0	0	0	0	0	0	0
$140	$144	19.40	11.60	5.90	.40	0	0	0	0	0	0	0
$144	$148	20.00	12.40	6.40	.90	0	0	0	0	0	0	0
$148	$152	20.50	13.10	6.90	1.30	0	0	0	0	0	0	0
$152	$156	21.10	13.80	7.40	1.80	0	0	0	0	0	0	0
$156	$160	21.60	14.50	7.80	2.30	0	0	0	0	0	0	0
$160	$164	22.20	15.20	8.30	2.80	0	0	0	0	0	0	0
$164	$168	22.70	16.00	8.80	3.20	0	0	0	0	0	0	0
$168	$172	23.30	16.70	9.30	3.70	0	0	0	0	0	0	0
$172	$176	23.80	17.40	9.70	4.20	0	0	0	0	0	0	0
$176	$180	24.40	18.00	10.20	4.70	0	0	0	0	0	0	0
$180	$184	24.90	18.60	10.70	5.20	0	0	0	0	0	0	0
$184	$188	25.40	19.10	11.20	5.60	.10	0	0	0	0	0	0
$188	$192	26.00	19.70	12.00	6.10	.60	0	0	0	0	0	0
$192	$196	26.50	20.20	12.70	6.60	1.10	0	0	0	0	0	0
$196	$200	27.10	20.80	13.40	7.10	1.50	0	0	0	0	0	0
$200	$204	27.60	21.30	14.10	7.60	2.00	0	0	0	0	0	0
$204	$208	28.20	21.80	14.80	8.00	2.50	0	0	0	0	0	0
$208	$212	28.70	22.40	15.60	8.50	3.00	0	0	0	0	0	0
$212	$216	29.30	22.90	16.30	9.00	3.40	0	0	0	0	0	0
$216	$220	29.80	23.50	17.00	9.50	3.90	0	0	0	0	0	0
$220	$224	30.40	24.00	17.70	9.90	4.40	0	0	0	0	0	0
$224	$228	30.90	24.60	18.30	10.40	4.90	0	0	0	0	0	0
$228	$232	31.50	25.10	18.80	10.90	5.40	0	0	0	0	0	0
$232	$236	32.00	25.70	19.30	11.50	5.80	.30	0	0	0	0	0
$236	$240	32.60	26.20	19.90	12.30	6.30	.80	0	0	0	0	0
$240	$248	33.40	27.00	20.70	13.30	7.00	1.50	0	0	0	0	0
$248	$256	34.50	28.10	21.80	14.80	8.00	2.50	0	0	0	0	0
$256	$264	35.60	29.20	22.90	16.20	9.00	3.40	0	0	0	0	0
$264	$272	36.70	30.30	24.00	17.70	9.90	4.40	0	0	0	0	0
$272	$280	37.80	31.40	25.10	18.80	10.90	5.30	0	0	0	0	0
$280	$288	38.90	32.50	26.20	19.90	12.20	6.30	.70	0	0	0	0
$288	$296	39.90	33.60	27.30	20.90	13.60	7.20	1.70	0	0	0	0
$296	$304	41.00	34.70	28.40	22.00	15.10	8.20	2.70	0	0	0	0
$304	$312	42.10	35.80	29.50	23.10	16.50	9.20	3.60	0	0	0	0
$312	$320	43.20	36.90	30.60	24.20	17.90	10.10	4.60	0	0	0	0
$320	$328	44.30	38.00	31.70	25.30	19.00	11.10	5.50	0	0	0	0
$328	$336	45.40	39.10	32.80	26.40	20.10	12.50	6.50	.90	0	0	0
$336	$344	46.50	40.20	33.80	27.50	21.20	14.00	7.40	1.90	0	0	0
$344	$352	47.60	41.30	34.90	28.60	22.30	15.40	8.40	2.90	0	0	0
$352	$360	48.70	42.40	36.00	29.70	23.40	16.80	9.40	3.80	0	0	0
$360	$368	49.80	43.50	37.10	30.80	24.50	18.10	10.30	4.80	0	0	0
$368	$376	50.90	44.60	38.20	31.90	25.60	19.20	11.40	5.70	.20	0	0
$376	$384	52.00	45.70	39.30	33.00	26.70	20.30	12.80	6.70	1.20	0	0
$384	$392	53.10	46.70	40.40	34.10	27.70	21.40	14.30	7.70	2.10	0	0
$392	$400	54.20	47.80	41.50	35.20	28.80	22.50	15.70	8.60	3.10	0	0
$400	$420	56.10	49.80	43.40	37.10	30.80	24.40	18.10	10.30	4.70	0	0
$420	$440	58.80	52.50	46.20	39.80	33.50	27.20	20.80	13.50	7.10	1.60	0
$440	$460	61.60	55.20	48.90	42.60	36.20	29.90	23.60	17.10	9.50	4.00	0
$460	$480	64.30	58.00	51.60	45.30	39.00	32.60	26.30	20.00	12.40	6.40	.80
$480	$500	67.00	60.70	54.40	48.00	41.70	35.40	29.00	22.70	16.00	8.80	3.20
$500	$520	69.80	63.40	57.10	50.80	44.40	38.10	31.80	25.40	19.10	11.20	5.60
$520	$540	72.50	66.20	59.80	53.50	47.20	40.80	34.50	28.20	21.80	14.80	8.00
$540	$560	75.20	68.90	62.60	56.20	49.90	43.60	37.20	30.90	24.60	18.20	10.40
$560	$580	78.00	71.60	65.30	59.00	52.60	46.30	40.00	33.60	27.30	21.00	13.70
$580	$600	80.70	74.40	68.00	61.70	55.40	49.00	42.70	36.40	30.00	23.70	17.30
$600	$640	84.80	78.50	72.10	65.80	59.50	53.10	46.80	40.50	34.10	27.80	21.50
$640	$680	90.30	84.00	77.60	71.30	65.00	58.60	52.30	46.00	39.60	33.30	27.00
$680	$720	95.80	89.40	83.10	76.80	70.40	64.10	57.80	51.40	45.10	38.80	32.40
$720	$760	101.20	94.90	88.60	82.20	75.90	69.60	63.20	56.90	50.60	44.20	37.90
$760	$800	106.70	100.40	94.00	87.70	81.40	75.00	68.70	62.40	56.00	49.70	43.40
$800	$840	112.20	105.80	99.50	93.20	86.80	80.50	74.20	67.80	61.50	55.20	48.80
$840	$880	117.60	111.30	105.00	98.60	92.30	86.00	79.60	73.30	67.00	60.60	54.30
$880	$920	123.10	116.80	110.50	104.10	97.80	91.50	85.10	78.80	72.50	66.10	59.80
$920	$960	128.60	122.30	115.90	109.60	103.30	96.90	90.60	84.30	77.90	71.60	65.30
$960	$1,000	134.10	127.70	121.40	115.10	108.70	102.40	96.10	89.70	83.40	77.10	70.70
		14 percent of the excess over $1,000 plus										
$1,000 and over		136.80	130.50	124.10	117.80	111.50	105.10	98.80	92.50	86.10	79.80	73.50"

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least	But less than	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	.05	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	20	.05	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.25	.05	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	30	.10	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.15	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.35	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.20	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.40	.20	.05	0	0	0	0	0	0	0
$5.00	$5.25	.70	.45	.25	.05	0	0	0	0	0	0	0
$5.25	$5.50	.75	.50	.30	.10	0	0	0	0	0	0	0
$5.50	$5.75	.75	.55	.30	.15	0	0	0	0	0	0	0
$5.75	$6.00	.80	.60	.35	.15	0	0	0	0	0	0	0
$6.00	$6.25	.85	.65	.35	.20	0	0	0	0	0	0	0
$6.25	$6.50	.85	.65	.40	.20	.05	0	0	0	0	0	0
$6.50	$6.75	.90	.70	.45	.25	.05	0	0	0	0	0	0
$6.75	$7.00	.95	.75	.50	.30	.10	0	0	0	0	0	0
$7.00	$7.25	.95	.75	.55	.30	.10	0	0	0	0	0	0
$7.25	$7.50	1.00	.80	.60	.35	.15	0	0	0	0	0	0
$7.50	$7.75	1.05	.85	.65	.35	.20	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.65	.40	.20	.05	0	0	0	0	0
$8.00	$8.25	1.10	.90	.70	.45	.25	.05	0	0	0	0	0
$8.25	$8.50	1.15	.95	.75	.50	.25	.10	0	0	0	0	0
$8.50	$8.75	1.20	.95	.75	.55	.30	.10	0	0	0	0	0
$8.75	$9.00	1.20	1.00	.80	.60	.35	.15	0	0	0	0	0
$9.00	$9.25	1.25	1.05	.85	.60	.35	.20	0	0	0	0	0
$9.25	$9.50	1.30	1.05	.85	.65	.40	.20	.05	0	0	0	0
$9.50	$9.75	1.30	1.10	.90	.70	.45	.25	.05	0	0	0	0
$9.75	$10.00	1.35	1.15	.95	.75	.50	.25	.10	0	0	0	0
$10.00	$10.50	1.40	1.20	1.00	.80	.55	.30	.15	0	0	0	0
$10.50	$11.00	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0	0
$11.00	$11.50	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0	0
$11.50	$12.00	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0	0
$12.00	$12.50	1.70	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0
$12.50	$13.00	1.75	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0
$13.00	$13.50	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0
$13.50	$14.00	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0	0
$14.00	$14.50	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05	0
$14.50	$15.00	2.00	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0
$15.00	$15.50	2.10	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0
$15.50	$16.00	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05
$16.00	$16.50	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30	.10
$16.50	$17.00	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.65	.35	.20
$17.00	$17.50	2.35	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25
$17.50	$18.00	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30
$18.00	$18.50	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60	.35
$18.50	$19.00	2.55	2.35	2.15	1.95	1.75	1.50	1.30	1.10	.90	.70	.45
$19.00	$19.50	2.65	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55
$19.50	$20.00	2.70	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60
$20.00	$21.00	2.80	2.60	2.40	2.20	1.95	1.75	1.55	1.35	1.15	.95	.70
$21.00	$22.00	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.05	.85
$22.00	$23.00	3.10	2.85	2.65	2.45	2.25	2.05	1.85	1.60	1.40	1.20	1.00
$23.00	$24.00	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55	1.35	1.15
$24.00	$25.00	3.35	3.15	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.25
$25.00	$26.00	3.50	3.30	3.05	2.85	2.65	2.45	2.25	2.05	1.80	1.60	1.40
$26.00	$27.00	3.65	3.40	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55
$27.00	$28.00	3.75	3.55	3.35	3.15	2.95	2.70	2.50	2.30	2.10	1.90	1.70
$28.00	$29.00	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00	1.80
$29.00	$30.00	4.05	3.85	3.60	3.40	3.20	3.00	2.80	2.60	2.35	2.15	1.95
		14 percent of the excess over $30 plus										
$30.00 and over		4.10	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00"

(c) Effective date: The amendments made by this section shall be applicable only with respect to wages paid on or after January 1, 1948.

SEC. 6. Fiscal-Year Taxpayers.

Section 108 of the Internal Revenue Code is hereby amended by striking out "(d)" at the beginning of subsection (d) and inserting in lieu thereof "(e)," and by inserting after subsection (c) the following:

"(d) Taxable years of individuals beginning in 1947 and ending in 1948: In the case of a taxable year of an individual beginning in 1947 and ending in 1948, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1947, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1948, bears to the total number of days in such taxable year, plus

"(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1948, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1947, bears to the total number of days in such taxable year."

The CHAIRMAN. Are there any committee amendments. If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3950) to reduce individual income tax payments, pursuant to House Resolution 272, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FORAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FORAND. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORAND moves to recommit the bill, H. R. 3950, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'

"SEC. 2. Increase in Personal Exemptions.

"Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out '$500,' wherever appearing therein, and by inserting in lieu thereof '$600,' and by striking '$1,000' and by inserting in lieu thereof '$1,200.'

"SEC. 3. Reduction in Surtax on Individuals.

"Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking out the tax table contained therein and by inserting in lieu thereof the following:

"If the surtax net income is:	The tentative surtax shall be:
Not over $2,000	14 percent of the surtax net income.
Over $2,000 but not over $4,000.	$280, plus 16 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$600, plus 20 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,000, plus 24 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,480, plus 28 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,040, plus 32 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,680, plus 37 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,420, plus 41 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,240, plus 44 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,120, plus 47 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,060, plus 50 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$7,060, plus 53 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$9,180, plus 56 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$12,540, plus 59 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$16,080, plus 63 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$19,860, plus 66 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$23,820, plus 69 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$30,720, plus 72 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$37,920, plus 75 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$45,420, plus 78 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$53,220, plus 81 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$61,320, plus 83 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$102,820, plus 84 percent of excess over $150,000.
Over $200,000	$144,820, plus 85 percent of excess over $200,000."

"SEC. 3. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax table) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this act.

"SEC. 4. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. FORAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 151, nays 261, not voting 18, as follows:

[Roll No. 102]

YEAS—151

Abernethy	Folger	Marcantonio
Albert	Forand	Miller, Calif.
Allen, La.	Gary	Mills
Andrews, Ala.	Gordon	Morgan
Barden	Gore	Morris
Bates, Ky.	Gorski	Morrison
Battle	Gossett	Murdock
Beckworth	Granger	Murray, Tenn.
Blatnik	Grant, Ala.	Norrell
Bloom	Gregory	Norton
Boggs, La.	Hardy	O'Brien
Bonner	Harless, Ariz.	O'Konski
Brooks	Harris	Peden
Brown, Ga.	Harrison	Peterson
Bryson	Hart	Pfeifer
Buchanan	Havenner	Price, Fla.
Buckley	Hébert	Price, Ill.
Bulwinkle	Hedrick	Priest
Burleson	Heffernan	Rabin
Byrne, N. Y.	Hendricks	Rains
Camp	Hobbs	Rankin
Cannon	Huber	Rayburn
Carroll	Jackson, Wash.	Rayfiel
Celler	Jarman	Redden
Chapman	Johnson, Okla.	Richards
Chelf	Jones, Ala.	Riley
Clements	Jones, N. C.	Rogers, Fla.
Colmer	Karsten, Mo.	Rooney
Cooper	Kee	Sabath
Courtney	Kefauver	Sadowski
Cox	Kennedy	Sasscer
Cravens	Keogh	Sheppard
Crosser	Kerr	Sikes
Davis, Ga.	King	Smathers
Dawson, Ill.	Kirwan	Somers
Dawson, Utah	Klein	Spence
Deane	Lane	Stigler
Delaney	Lanham	Teague
Dingell	Larcade	Thomason
Domengeaux	Lea	Walter
Donohue	Lesinski	West
Doughton	Lucas	Wheeler
Drewry	Lusk	Whitten
Durham	Lyle	Whittington
Eberharter	Lynch	Williams
Elliott	McCormack	Wilson, Tex.
Engle, Calif.	McMillan, S. C.	Winstead
Evins	Madden	Wood
Feighan	Manasco	Worley
Fisher	Mansfield, Mont.	Zimmerman
Fogarty		

NAYS—261

Allen, Calif.	Graham	Morton
Allen, Ill.	Grant, Ind.	Muhlenberg
Almond	Griffiths	Mundt
Andersen, H. Carl	Gross	Murray, Wis.
Anderson, Calif.	Gwinn, N. Y.	Nixon
Andresen, August H.	Gwynne, Iowa	Nodar
Andrews, N. Y.	Hagen	Norblad
Angell	Hale	O'Hara
Arends	Hall, Edwin Arthur	O'Toole
Arnold	Hall, Leonard W.	Owens
Auchincloss	Halleck	Pace
Bakewell	Hand	Passman
Banta	Harness, Ind.	Patman
Barrett	Hartley	Patterson
Bates, Mass.	Hays	Philbin
Beall	Herter	Phillips, Calif.
Bell	Heselton	Phillips, Tenn.
Bender	Hess	Pickett
Bennett, Mich.	Hill	Ploeser
Bennett, Mo.	Hinshaw	Plumley
Bishop	Hoeven	Poage
Blackney	Hoffman	Potts
Boggs, Del.	Holifield	Preston
Boykin	Holmes	Ramey
Bradley	Hope	Reed, Ill.
Bramblett	Horan	Reed, N. Y.
Brehm	Howell	Rees
Brophy	Hull	Reeves
Brown, Ohio	Jackson, Calif.	Rich
Buck	Javits	Richlman
Buffett	Jenison	Rivers
Burke	Jenkins, Ohio	Rizley
Busbey	Jenkins, Pa.	Robertson
Butler	Jennings	Robsion
Byrnes, Wis.	Jensen	Rockwell
Canfield	Johnson, Calif.	Rogers, Mass.
Carson	Johnson, Ill.	Rohrbough
Case, N. J.	Johnson, Ind.	Ross
Case, S. Dak.	Johnson, Tex.	Russell
Chadwick	Jones, Ohio	Sadlak
Chenoweth	Jones, Wash.	St. George
Chiperfield	Jonkman	Sanborn
Church	Judd	Sarbacher
Clark	Kean	Schwabe, Mo.
Clason	Kearney	Schwabe, Okla.
Clevenger	Kearns	Scoblick
Clippinger	Keating	Scott, Hardie
Coffin	Keefe	Scott, Hugh D., Jr.
Cole, Kans.	Kersten, Wis.	Scrivner
Combs	Kilburn	Seely-Brown
Cooley	Kilday	Shafer
Corbett	Knutson	Simpson, Ill.
Cotton	Kunkel	Simpson, Pa.
Crawford	Landis	Smith, Kans.
Crow	Latham	Smith, Maine
Cunningham	LeCompte	Smith, Va.
Curtis	LeFevre	Smith, Wis.
Dague	Lemke	Snyder
Davis, Wis.	Lewis	Springer
Devitt	Lodge	Stanley
D'Ewart	Love	Stefan
Dirksen	McConnell	Stevenson
Dolliver	McCowen	Stockman
Dondero	McDonough	Stratton
Douglas	McDowell	Sundstrom
Eaton	McGarvey	Taber
Ellis	McGregor	Talle
Ellsworth	McMahon	Taylor
Elsaesser	McMillen, Ill.	Thomas, N. J.
Elston	Mack	Tibbott
Engel, Mich.	MacKinnon	Tollefson
Fallon	Macy	Towe
Fellows	Mahon	Trimble
Fenton	Maloney	Twyman
Flannagan	Martin, Iowa	Vail
Fletcher	Mason	Van Zandt
Foote	Mathews	Vorys
Fulton	Meade, Ky.	Vursell
Gallagher	Meade, Md.	Wadsworth
Gamble	Merrow	Weichel
Gathings	Meyer	Welch
Gavin	Michener	Wigglesworth
Gearhart	Miller, Conn.	Wilson, Ind.
Gillette	Miller, Md.	Wolcott
Gillie	Miller, Nebr.	Wolverton
Goff	Mitchell	Woodruff
Goodwin	Monroney	Youngblood

NOT VOTING—18

Bland	Dorn	Poulson
Bolton	Fernandez	Powell
Cole, Mo.	Fuller	Short
Cole, N. Y.	Gifford	Smith, Ohio
Coudert	Kelley	Thomas, Tex.
Davis, Tenn.	Mansfield, Tex.	Vinson

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Powell for, with Mrs. Bolton against.

Mr. Kelley for, with Mr. Cole of New York against.

Mr. Vinson for, with Mr. Bland against.

Mr. Mansfield of Texas for, with Mr. Short against.

Mr. Davis of Tennessee for, with Mr. Cole of Missouri against.

Mr. Dorn for, with Mr. Coudert against.

Mr. Fernandez for, with Mr. Gifford against.

General pairs until further notice:

Mr. Smith of Ohio with Mr. Thomas of Texas.

Messrs. COOLEY and BELL changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KNUTSON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 302, nays 112, not voting 16, as follows:

[Roll No. 103]

YEAS—302

Allen, Calif.	Cravens	Harness, Ind.
Allen, Ill.	Crawford	Harris
Allen, La.	Crow	Harrison
Almond	Cunningham	Hart
Anderson, Calif.	Curtis	Hartley
Andresen, August H.	Dague	Hébert
Andrews, N. Y.	Davis, Ga.	Hedrick
Angell	Davis, Wis.	Hendricks
Arends	Dawson, Utah	Herter
Arnold	Devitt	Heselton
Auchincloss	D'Ewart	Hess
Bakewell	Dirksen	Hill
Banta	Dolliver	Hinshaw
Barden	Domengeaux	Hoeven
Barrett	Dondero	Hoffman
Bates, Mass.	Donohue	Holmes
Battle	Doughton	Hope
Beall	Durham	Horan
Bender	Eaton	Howell
Bennett, Mich.	Elliott	Jackson, Calif.
Bennett, Mo.	Ellis	Javits
Bishop	Ellsworth	Jenison
Blackney	Elsaesser	Jenkins, Ohio
Boggs, Del.	Elston	Jenkins, Pa.
Bonner	Engel, Mich.	Jennings
Boykin	Engle, Calif.	Jensen
Bradley	Fallon	Johnson, Calif.
Bramblett	Fellows	Johnson, Ill.
Brehm	Fenton	Johnson, Ind.
Brooks	Fisher	Jones, N. C.
Brophy	Fletcher	Jones, Ohio
Brown, Ga.	Fogarty	Jones, Wash.
Brown, Ohio	Foote	Jonkman
Buck	Fulton	Judd
Buffett	Gallagher	Kean
Bulwinkle	Gamble	Kearney
Burke	Gary	Kearns
Busbey	Gathings	Keating
Butler	Gavin	Keefe
Byrnes, Wis.	Gearhart	Kefauver
Canfield	Gillette	Keogh
Carson	Gillie	Kerr
Case, N. J.	Goff	Kersten, Wis.
Case, S. Dak.	Goodwin	Kilburn
Chadwick	Gossett	Kilday
Chapman	Graham	Knutson
Chelf	Grant, Ind.	Kunkel
Chenoweth	Griffiths	Landis
Chiperfield	Gross	Lane
Church	Gwinn, N. Y.	Larcade
Clason	Gwynne, Iowa	Latham
Clements	Hagen	Lea
Clevenger	Hale	LeCompte
Clippinger	Hall, Edwin Arthur	LeFevre
Coffin	Hall, Leonard W.	Lemke
Cole, Kans.	Halleck	Lewis
Corbett	Hand	Lodge
Cotton	Harless, Ariz.	Love
Cox		Lucas
McCowen	Peterson	McConnell
McDonough	Philbin	Seely-Brown
McDowell	Phillips, Calif.	Shafer
McGarvey	Phillips, Tenn.	Sikes
McGregor	Ploeser	Simpson, Ill.
McMahon	Plumley	Simpson, Pa.
McMillan, S. C.	Potts	Smith, Kans.
McMillen, Ill.	Poulson	Smith, Maine
Mack	Preston	Smith, Wis.
MacKinnon	Price, Fla.	Snyder
Macy	Ramey	Springer
Maloney	Rankin	Stanley
Martin, Iowa	Redden	Stefan
Mason	Reed, Ill.	Stevenson
Mathews	Reed, N. Y.	Stockman
Meade, Ky.	Rees	Stratton
Meade, Md.	Reeves	Sundstrom
Merrow	Rich	Taber
Meyer	Richlman	Talle
Michener	Riley	Taylor
Miller, Conn	Rivers	Thomas, N. J.
Miller, Md.	Rizley	Tibbott
Miller, Nebr	Robertson	Tollefson
Mills	Robsion	Towe
Mitchell	Rockwell	Twyman
Morrison	Rogers, Fla.	Vail
Morton	Rogers, Mass.	Van Zandt
Muhlenberg	Rohrbough	Vorys
Mundt	Ross	Vursell
Murray, Tenn.	Russell	Wadsworth
Murray, Wis.	Sadlak	Weichel
Nixon	St. George	Welch
Nodar	Sanborn	West
Norblad	Sarbacher	Wheeler
Norrell	Sasscer	Whittington
O'Brien	Schwabe, Mo.	Wigglesworth
O'Hara	Schwabe, Okla.	Wilson, Ind.
O'Konski	Scoblick	Wilson, Tex.
O'Toole	Scott, Hardie	Wolcott
Owens	Scott, Hugh D., Jr.	Wolverton
Passman	Scrivner	Wood
Patterson		Woodruff
		Youngblood

NAYS—112

Abernethy	Folger	Marcantonio
Albert	Forand	Miller, Calif.
Andersen, H. Carl	Gordon	Monroney
Andrews, Ala.	Gore	Morgan
Bates, Ky.	Gorski	Morris
Beckworth	Granger	Murdock
Bell	Grant, Ala.	Norton
Blatnik	Gregory	Pace
Bloom	Hardy	Patman
Boggs, La.	Havenner	Peden
Bryson	Hays	Pfeifer
Buchanan	Heffernan	Pickett
Buckley	Hobbs	Poage
Burleson	Holifield	Price, Ill.
Byrne, N. Y.	Huber	Priest
Camp	Hull	Rabin
Cannon	Jackson, Wash.	Rains
Carroll	Jarman	Rayburn
Celler	Johnson, Okla.	Rayfiel
Clark	Johnson, Tex.	Richards
Colmer	Jones, Ala.	Rooney
Combs	Karsten, Mo.	Sabath
Cooley	Kee	Sadowski
Cooper	Kennedy	Sheppard
Courtney	King	Smathers
Crosser	Kirwan	Smith, Va
Dawson, Ill.	Klein	Somers
Deane	Lanham	Spence
Delaney	Lesinski	Stigler
Dingell	Lusk	Teague
Douglas	Lyle	Thomason
Drewry	Lynch	Trimble
Eberharter	McCormack	Walter
Evins	Madden	Whitten
Feighan	Mahon	Williams
Fernandez	Manasco	Winstead
Flannagan	Mansfield, Mont.	Worley
		Zimmerman

NOT VOTING—16

Bland	Dorn	Short
Bolton	Fuller	Smith, Ohio
Cole, Mo.	Gifford	Thomas, Tex.
Cole, N. Y.	Kelley	Vinson
Coudert	Mansfield, Tex.	
Davis, Tenn.	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Tennessee for, with Mr. Powell against.

Mr. Thomas of Texas for, with Mr. Kelley against.

Mr. Bland for, with Mr. Mansfield of Texas against.

Additional general pairs:

Mr. Cole of New York with Mr. Vinson.

Mr. Short with Mr. Dorn.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed, H. R. 3950.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to revise and extend the remarks he previously made and include a certain table.

Mr. KNUTSON asked and was given permission to revise and extend his remarks and include a graph.

Mr. GRANT of Indiana asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include certain tables.

Mr. PATMAN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include an article appearing in the Wall Street Journal.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an address he made last Sunday.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. JARMAN asked and was given permission to include in his extension of remarks, pursuant to the request of the gentleman from Minnesota [Mr. KNUTSON], several newspaper excerpts and an excerpt from a letter.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include two separate and distinct articles.

Mr. LEA asked and was given permission to extend his remarks in the RECORD on two different subjects.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a radio statement.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include excerpts from articles.

Mr. PLOESER (at the request of Mr. ARENDS) asked and was given permission

to extend his remarks in the RECORD on the subject Government Corporation Bill.

CONSIDERATION OF DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to take up for consideration the District of Columbia appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. CANNON. Mr. Speaker, reserving the right to object, has the gentleman consulted the ranking minority member of the subcommittee?

Mr. HALLECK. I spoke to the gentleman from Rhode Island [Mr. FOGARTY] and he said it was satisfactory to him. I also spoke to the minority leader.

Mr. CANNON. All points of order have been reserved?

Mr. HALLECK. That has been taken care of already.

Mr. PATMAN. Mr. Speaker, further reserving the right to object, and I have no intention of objecting, but I would like to know whether this will interfere with the report of the Committee on House Administration.

The SPEAKER. We expect to call that up today.

Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include a statement appearing in the Manufacturer.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1948

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3123, an act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JONES of Ohio, JENSEN, FENTON, STOCKMAN, CASE of South Dakota, KIRWAN, ROONEY, GORE, and NORRELL.

Mr. CANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON. I note that the name of the gentleman from South Dakota [Mr. CASE] is included as one of the conferees. In view of the fact that the gentleman from South Dakota is not a member of the subcommittee and has never attended any of the hearings, and was not present when the bill was marked up, I am at a loss to know on what grounds he has been appointed a member of the conference committee. To include the gentleman from South Dakota, under the circumstances, is in contravention of the long-established custom of the House. I have never known it to be done, without approval of the minority, in the last quarter of a century. Why the departure from precedent on this particular occasion?

The SPEAKER. Because it is in the discretion of the Chair to make the appointments of the members of the committee.

ANDREW W. MELLON MEMORIAL

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 170) authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "at", and insert "in the vicinity of."

Page 1, line 8, after "design", insert "and location."

Page 1, line 10, after "Arts", insert "and the National Capital Park and Planning Commission."

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may we have an explanation of the joint resolution?

Mr. FULTON. Mr. Speaker, if the gentleman will yield, as the resolution passed the House, the location of the memorial was at the intersection of Pennsylvania Avenue and Constitution Avenue in front of the Mellon Art Gallery. As it is now amended by the Senate the location is stated to be "in the vicinity of," so that in case it is planned to build a traffic underpass there, it can be constructed without interference. In addition, the National Capital Park and Planning Commission have been added so that the design will meet with their approval, as well as the approval of the National Commission on Fine Arts.

Mr. McCORMACK. I reserve the reservation of objection for the purpose of having a proper statement made for the RECORD.

Mr. LECOMPTE. And this is without expense to the Government.

Mr. FULTON. The construction of the proposed memorial is purely by public subscription and without expense to the Government.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA REVENUE ACT OF 1947

Mr. DIRKSEN. Mr. Speaker, I call up the conference report on the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than seven months of the taxable year, whether domiciled in the District or not. In the case of any resident who is an elective or appointive officer or an employee of the Government of the United States, and who is domiciled outside the District during the whole of the taxable year, there shall be excluded from the gross income of such resident salaries or wages received from the Government of the United States for services rendered as such officer or employee, and income derived from sources without the District. For the purposes of this Act the domicile of such officer or employee for any taxable year shall be in the State which he expressly declares to be the State of his domicile: *Provided*, That he shall have had a domicile in such State under the laws of such State immediately prior to the beginning of the taxable year for which the tax is claimed. Such declaration must be made in writing, under oath, to the Assessor and the time for filing such declaration shall expire sixty days after written demand to file an income-tax return shall have been received by such officer or employee. As used in this subsection the term 'State' means the several States, Territories, and possessions of the United States, and the term 'Government of the United States' includes any

agency or instrumentality thereof, but does not include the Government of the District of Columbia."

And the Senate agree to the same.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. MCMILLAN,
HOWARD W. SMITH,
Managers on the Part of the House.

HARRY P. CAIN,
RALPH E. FLANDERS
(Per H. C.),
J. HOWARD MCGRATH
(Per H. C.),
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill defined the word "resident", for the purpose of the income tax, to mean every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The House bill also provided that the word "resident" shall not include any elective officer of the Government of the United States or employees of the United States Government, nor shall it include any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States. The House bill also provided that for the purposes of the act the domicile of such officer or employee shall be in the State in which he expressly declares to be the State of his domicile, with the proviso that he shall have acquired a domicile in such State under the laws of such State prior to the beginning of the annual period for which the tax is claimed. The declaration must be made in writing, under oath, to the assessor, and the time for filing such declaration shall not expire until 60 days after written demand shall have been received by such officer or employee.

The Senate amendment provides that the word "resident" means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The Senate amendment further provides that the word "resident" shall not include any elective officer of the Government of the United States or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year. Under the Senate amendment a Federal employee is not exempt from the District income tax if such employee maintains a place of abode within the District for more than 7 months of the taxable year whether or not he is domiciled within the District.

The House has instructed its managers to insist on the provisions of the House bill containing the so-called O'Hara amendment. The House managers were therefore bound to bring back the substance of that amendment. However, it was agreed at the conference that some clarification of the language of the House provision was desirable. Therefore, the House recedes with an amendment which makes clear that in the case of any officer or employee of the Government of the United States (including any agency or instrumentality thereof but not including the government of the District of Columbia), who is domiciled outside the District during the whole of the taxable year, there shall be excluded from his gross income (1) salaries or wages received from the Government for services rendered as such officer or employee and (2) income derived from sources without the District. In other words, it will carry out the intent of the House that income derived by such officers or employees from within the District, for example, income from operating a taxicab, an apartment house, or business or professional activity, shall be taxable if their place of abode has been within the District for more than 7 months of the taxable year. It is also made clear that the declaration of any such officer or employee that his domicile for any taxable year is in a State shall be conclusive, but only if he had a domicile in that State under the laws of that State immediately prior to the beginning of the taxable year for which the tax is claimed; and of course the latter issue may be litigated.

Amendment No. 2: The House bill provided that the words "gross income" shall not include all amounts up to and including $2,000 paid during the taxable year to veterans under any law of the United States, or under any law of any State, Territory, or political subdivision thereof as benefits or pensions for disability arising out of injuries received during any period of war.

The Senate amendment provides that the words "gross income" shall not include payments of benefits made to or on account of a beneficiary under any of the laws relating to veterans. The Senate amendment restates existing law. The House recedes.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. MCMILLAN,
HOWARD W. SMITH,
Managers on the Part of the House.

Mr. DIRKSEN. Mr. Speaker, there is no controversy about the report. The Members will appreciate that we had this conference report on the floor a week or 10 days ago. At that time the conferees were mandated to take the bill back to conference with instructions to restore the language that has popularly become known as the O'Hara amendment. With only suitable and clarifying amendments that mandate has been observed, so we now include that language in the conference report under the mandate of the House.

Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, the amendment, known as the O'Hara amendment, which was adopted in the House, has been preserved in the conference report with some two or three additional clarifications which do not change the spirit of the amendment. I make this statement merely so that there will be no concern on the part of Members of the House who supported the amendment as to the principle involved.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

PAROLE SYSTEM IN DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, after "compensation" insert ", one of whom shall be elected Chairman of the said Board."

Page 4, line 11, strike out all after "may" down to and including "promulgate," in line 12.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONTROLLING DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.), with Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. O'HARA, ALLEN of California, and ABERNETHY.

FASCISM IN ACTION

Mr. CORBETT. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 83 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the manuscript of a documented study and analyses of Fascism in Action, prepared by the Legislative Reference Service of the Library of Congress, be printed as a House document.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, about a year ago the Library of Congress, at the request of the gentleman from Illinois [Mr. DIRKSEN], prepared a very fine booklet on Communism in Action. More than 400,000 or 500,000 copies of this excellent booklet have been distributed. I think it is not only a worth-while document and a constructive document, but I think it is essential for the people of our country to have the knowledge and information contained in that booklet. That booklet was prepared under the direction of Dr. Griffith, Director of the Legislative Reference Service. It was prepared under the provisions of the new reorganization of Congress act which gave the Legislative Reference Service in the Library of Congress the privilege of preparing the booklet upon the request of any Member of the House or Senate. When this booklet was printed I wrote to Dr. Griffith and told him that he had done a wonderful job on it and asked him if he would undertake a similar study on fascism. Although I am opposed to communism in any shape, form, or fashion, I am also opposed to fascism in any shape, form, or fashion, and while it is necessary and highly desirable that the people of our country know the evils of communism it is likewise essential that they know about the evils of fascism. Dr. Griffith advised me that in compliance with the law he had the right to prepare such a book and that if I requested it he would be very glad to undertake it. So I made my request in writing, a copy of which I will insert in my statement today.

Dr. Griffith undertook the study. We set a dead line of February 3. The only reason we had a deadline was because we wanted to work to a certain date because when the book was finished I expected to offer a resolution such as has been presented here today for the printing of it as a House document in the same way that the booklet Communism in Action was printed.

This book on fascism has been prepared under the direction of the same man, Dr. Ernest Griffith. It has been prepared by the same staff, so it cannot be said that people who were partisans or biased in the case of communism or fascism prepared this report. They were both prepared by the same people.

The Committee on House Administration held hearings for 3 days. The chairman of that committee, the gentleman from Iowa [Mr. LECOMPTE], and the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing, have been very patient with those of us who have been sponsoring this resolution. I want to personally thank them today for the consideration they have given, and also the members of that committee. I, too, want to express my appreciation to the gentleman from Pennsylvania [Mr. CORBETT] for his extreme fairness demonstrated today by permitting me, as the author of the resolution, not only to open the discussion but to close it. I think that shows extreme fairness, and I appreciate it very much.

This booklet on fascism in action, which was prepared by the Legislative Reference Service, has not been made public. Only 26 copies have been mimeographed. This is one for my own personal use, and there was a copy furnished to each of the 25 members of the Committee on House Administration. It has been gone over by the members of that committee. It has been criticized, and suggestions have been made as to changes. Dr. Griffith and other members of his staff have appeared before the committee and answered questions. I was there 3 days attempting to answer every question I could answer, that was asked by members of that committee.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. PATMAN. Personally, I cannot see why there should be any objection to it. We want to know about communism. We dislike communism. We hate socialism, too, as well as communism. That is an enemy that is approaching us from the left. We must watch that enemy and be on the alert against that enemy. At the same time there is an equally vicious enemy, that is equally devastating and destructive, approaching us from the right, in the form of fascism. Let us give to our people and inform ourselves the same with reference to one deadly enemy as to another. We do not want either. So any information or knowledge that can be disseminated that would be helpful to the American people in detecting and preventing either one of these destructive isms, is in the public interest to have that information disseminated.

Mr. MEADE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MEADE of Maryland. Will the gentleman tell us how many copies he expects to have made of this document and how much it will cost?

Mr. PATMAN. I expect to ask for a hundred thousand at first. If there is a demand for more we will ask for more. It may not be as popular as the book on communism. There were 500,000 of that booklet printed. But the cost is not the important thing. We have just gone through a war against fascism, which cost us three or four hundred billion dollars, so it would not be too much expense to pay a few dollars more to inform the public.

Mr. MEADE of Maryland. We are still in the stage that we would like to know how much these things are going to cost.

Mr. PATMAN. The gentleman is a member of the committee and we had evidence.

Mr. MEADE of Maryland. But would you mind telling the House?

Mr. PATMAN. The gentleman is a member of the committee and he can tell the House.

Mr. LECOMPTE. The matter of copies is not involved in this resolution. This simply makes it a House document, and there will perhaps be 1,500 copies printed. Then, when people want them they can get them at the Government Printing Office.

Mr. PATMAN. And pay the Public Printer for them.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. CORBETT. Mr. Speaker, I yield the gentleman one additional minute.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FULTON. If this manuscript is made a House document, what will it cost to print 1,500 copies?

Mr. PATMAN. I do not know what the cost would be. I do not know but what it would be about the same amount as Communism in Action, probably a little more because one chapter was left out of Communism in Action which was printed as a Senate document; but the two put together would be just about the size of Fascism in Action.

Mr. FULTON. What did Communism in Action cost?

Mr. PATMAN. I do not know. The cost is not really the important part about it.

Mr. LECOMPTE. The cost under this resolution for the printing of Fascism in Action as a House document is $1,625. I believe that is the Government estimate.

Mr. FULTON. There are copies available for anyone to see in the Library, are there not?

Mr. LECOMPTE. There are only a very few copies available at the present time.

Mr. FULTON. But there are some available.

Mr. PATMAN. There are none available.

Mr. LECOMPTE. I do not know whether the Library has any available or not.

Mr. PATMAN. There is not one copy available.

Mr. FULTON. How many copies have been available so far?

I am inserting herewith the letter I wrote to Dr. Griffith concerning the preparation of this booklet.

It is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., September 24, 1946.

Dr. ERNEST S. GRIFFITH,
Legislative Reference Service, Library of Congress, Washington, D. C.

DEAR DR. GRIFFITH: I have received and read with interest the booklet which you prepared at the request of Representative EVERETT M. DIRKSEN on Communism in Action. It is House Document No. 754, Seventy-ninth Congress, second session. This booklet is very fine and I have enjoyed reading it. If it does nothing more than arouse a lot of people about the evils of communism, it will certainly be worth while. It is my belief that the book will serve a very fine useful purpose and you are to be commended for the contribution you have made in its compilation.

I am opposed to communism in any form. It should be fought with every means at our command. It is obnoxious to our American democratic system of free enterprise based upon initiative, intelligence, ability, and hard work. Our system is the best in the world and, although it is so much better than communism, I just can't believe that communism can get any hold in America, yet we must be on the alert and make sure that there is no formidable start toward communism.

At the same time I dislike fascism. I think fascism is just as bad as communism. They are both equally bad. I would not attempt to say which is worse. To my mind fascism has a stronger hold in our country today than communism because its roots have become so firmly planted by so much abler and stronger hands and minds. Fascism in our country today is backed by plenty of wealth and a day never passes that the people of our country are not flooded with literature which would lead them down the road to fascism.

Therefore, this letter, in addition to commending you on the book on Communism in Action, is to request you, as Director of the Legislative Reference Service, to prepare a book on fascism to show how fascism operates and to cover generally the same line of approach that you covered in the book on communism.

If you will prepare such a booklet, I expect to offer a resolution in Congress, January 3 next, asking that it be made a public document in order that it may receive wide distribution.

I hope the time will never come in this country when our people will fear only communism or only fascism. They should fear both. Since the book has been prepared on communism, I hope that people will not get the idea that fascism is not feared just as much by Congress and the Legislative Reference Service as communism.

Please advise me at your earliest convenience if you will undertake the preparation of the booklet on fascism in action.

Sincerely yours,

WRIGHT PATMAN.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I want to say at the outset that I certainly have no love for fascism, nor do I have any love for communism. But a certain radio commentator and newspaperman, by the name of Drew Pearson, said the other day that I was willing to fight fascism overseas but apparently I did not care about fighting it here in the United States because I opposed the printing of this document in my committee. He was talking about something that he did not know a thing in the world about.

In the first place, the document Fascism in Action has been played up by the left-wing press, by George Seldes and his publication, In Fact, by PM, by the Communist Daily Worker, and by other left-wing publications as being an exposé of fascism in the United States. I challenge any man, including the authors of this document, to show me where any Fascist organization is even so much as mentioned in this book with the possible exception of the foreword by the gentleman from Texas [Mr. PATMAN]. It is just not in here. As a matter of fact the title of the thing is "A Documented Study and Analysis of Fascism in Europe," and does not even mention a single Fascist organization in the United States.

If there were any such thing as a Fascist movement in the United States I might say let us print this book, but I asked the gentleman from Texas [Mr. PATMAN] when he appeared before the committee, to show us some evidence that there was a Fascist movement in the United States and that this book would help expose it. The gentleman from Texas could not show me—or refused to show me and the committee any evidence that there was any Fascist movement in the United States. The only thing we will be doing in printing this book, in my opinion, will be to draw a red herring across the trail of the Communists in America. In other words, I think we will confuse the issue on the Communists which do constitute a threat to our American form of government and really enter on a witch hunt after some fictitious Fascists who proponents of this measure would have you believe are abroad in our country. As a matter of fact I think that before we expend the people's money in printing this book we should be shown some reason for printing the book. I do not think that it is encumbent upon us to show any reason why it should not be printed until some reason has first been shown why it should be printed.

As I understand it this book will cost about twice as much to print as "Communism in Action." The first 1,400 copies of this book I understand will cost around $1,600. The first 1,400 copies of Communism in Action cost in the vicinity of $890.

There was a strong demand for Communism in Action because it has been shown that there is a definite Communist threat in the United States.

The only demand that has come for Fascism in Action has come from certain left-wing groups in this country, such as the previously mentioned radical publications. According to the information that I have, there were a great many letters written protesting the printing of Communism in Action, but to date I am advised by the chairman of the full committee and the chairman of the subcommittee that not a single letter has been received from any Fascist or Fascist organization in the United States protesting the printing of this book. So this Fascist threat to our form of government is all in the imagination and is beyond my scope of comprehension. Certainly if there were Fascist organizations in this country plotting the overthrow of our Government, they would have cried to high heaven.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to my colleague the gentleman from Mississippi.

Mr. RANKIN. The gentleman may not be aware of it but the Communist Daily Worker, PM, and In Fact, the George Seldes Communist publication call southern Democrats and northern Republicans Fascists.

Mr. WILLIAMS. I thank the gentleman. I may say further that I have found certain passages in this book that would tend, by inference and comparison, to brand northern Republicans and southern Democrats as Fascists, if you want to use this book as an authority. I think that it is a cleverly worded, indirect indictment of certain parts of our country—particularly the South.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I do not think the question here is whether you are for communism or fascism. The question is whether or not the expense shall be paid by this Government to print another Government document.

When you get a Government document that has been prepared by the Legislative Reference Service you have a document that has been prepared by impartial people. That is not the question either. The question is whether you wish to start the practice of having everything that is made up by these people printed and that the taxpayers shall pay for it. At first I asked what the cost was and the sponsor of the resolution did not know the cost. I then asked the committee how much the cost would be and I was informed it would be $1,680 for the first thousand copies. Then the sponsor of the resolution said he wants 100,000 printed. That is too much for me.

If you get into the printing of these documents by the hundreds of thousands because the Legislative Reference Service is working on them all the time, it will become a never-ending proposition. They are also working for the Committee on Foreign Affairs as well as many other committees. If you start printing such items there is no end to it.

If there are documents that there is a great public demand for, about which you can say your demand will be so-and-so and can prove it, I am in favor of printing them and printing them at the people's expense. However, I am not in favor of turning out a 5-foot shelf of books for every committee that wants these things printed. If we start doing this for one person we are going to have to do it for everybody.

May I ask the sponsor of the resolution how many specific people have asked for copies and how many copies they have asked for?

Mr. PATMAN. I do not know. I think probably the chairman of the committee could answer that because the requests would be made to him.

Mr. FULTON. Let me ask the chairman of the committee: How many people have asked for this and how many copies do they want?

Mr. PATMAN. Let me finish the answer. I have received, I believe, a few hundred requests from people who heard about it.

Mr. FULTON. Are they willing to pay $1 and something for each copy?

Mr. PATMAN. Yes; some of them are. The gentleman I think is a little bit misleading. He does not intend to be. The fact is your expense is in connection with the first thousand. After that there is not much expense to it. The Government Printing Office will print them and get its money back.

Mr. FULTON. If there is not enough to pay for the first thousand in requests, the Government is already at a deficit when it prints the first thousand, and I have not heard anything more from the sponsor of the resolution himself except the request for a couple of hundred. So on his own statement there is a deficit of $800.

Mrs. DOUGLAS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I have had a great many requests for this pamphlet.

Mr. FULTON. For how many?

Mrs. DOUGLAS. I do not know.

Mr. FULTON. Would the gentlewoman say 100 or 200?

Mrs. DOUGLAS. I would say something like that. It is something that there has been a certain amount of publicity carried on in the newspapers and there have been letters coming in from universities, college women's clubs around the country, and so forth, hoping it will be printed.

Mr. FULTON. That would still leave a deficit of $600 on the first thousand, even taking the gentlewoman's own statement.

Mrs. DOUGLAS. I will say to the gentleman from Pennsylvania that there is definitely an interest in the mail. It is one of the subjects about which people seem to be interested.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the able gentleman from Texas.

Mr. RAYBURN. The gentleman of course knows, as I am sure he does, that these books will not cost $1 a copy. It will probably cost as much to print the first one, after all the type has been set up, as it will several thousand. The $1 cost of the first thousand does not mean that the next thousand will cost that much, or the next 10,000 will cost as much as the first thousand. I doubt it.

Mr. FULTON. No, but I believe the gentleman from Texas will agree with me that it will be a substantial cost.

Mr. RAYBURN. That is true of any of these documents, of course.

Mr. FULTON. If it will cost that amount of $1,680 to print the first thousand, the successive printings will be a substantial amount also, although not in the same amount.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. CELLER. As to the matter of mail, I come from Brooklyn where we have quite a number of colleges and schools and a library system, and I have received requests of the librarians of a dozen different libraries and from hundreds of students in the colleges and schools in Brooklyn asking for copies.

Mr. FULTON. May I ask the gentleman from New York, whom I respect very much, how many requests he has received?

Mr. CELLER. I would say I received about 75 requests.

Mr. FULTON. Then, add the gentleman's 75 to the gentlewoman from California's 200 and the sponsor's request for 200, you have 475, so there is still a deficit there on the first thousand.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from New York, my good friend on the Foreign Affairs Committee.

Mr. JAVITS. Is it not a fact that you cannot possibly decide this thing on any such narrow basis as the $1,600 cost, or whether there is a demand for 750 or 1,000 copies? What you are really doing is this: There has been much consideration given to Communism in Action, and it is justified. Every American should know about Communism in Action. But is it not true that our greatest American tradition is even-handedness, and as it is conscientiously believed that there is a situation requiring the publication of Fascism in Action, that history ought to be told, too. It ought to be made available on an even basis and in the same way. The $1,600 expense really cannot be considered to be important compared with the matter of treating on an even-handed basis with both of the totalitarian extremes of communism and fascism.

Mr. FULTON. Let me say to the gentleman that certainly American democracy has had 6 or 7 years of intensive practice and indoctrination on the evils of fascism. The gentleman and I were participants in the last war to stop fascism. I thought that when we had finished this war we were through with fascism. Now, my point is, I do not want to go into ancient history and further expense to publish ancient history books here. I understood from one of the gentlemen who spoke here previously that this was simply a documentation of fascism in Europe, that is, Italy and Germany, and that it had almost nothing to do with America.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, is not the same thing true of Communism in Action, that it dealt with Russia and Europe?

Mr. FULTON. That is where we disagree. I think there is little fascism in the United States.

Mr. CORBETT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I would like to yield to the gentleman from Pennsylvania. I am strictly in a neutral corner on this matter. I want to find out about the merits of the book. We are talking about costs and we are talking about various other things, and I know there are some of us on the floor here that would like to know a little about the merits of the book. Is the principal object to give publicity to the gentleman from Texas [Mr. PATMAN] or is this a book that has sufficient merit to be put into published form along with the other book on communism, and are they both about situations in the United States, or is one about communism in the United States and the other about fascism in Europe? As one Member on this floor, I would like to have the answers to the questions concerning the actual requirements and necessities and the merits of the book and not entirely about whether it is going to cost $1,600 or $800.

Mr. FULTON. There have been inferences made at times, but I do not think the gentleman from Texas has put the book out for that purpose.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I am a member of the Committee on House Administration and have heard the arguments made both pro and con regarding this matter. It seems to me that since Communism in Action has been published, if we should fail to publish Fascism in Action, it could very well be effectively urged by some people who would not care to do our country any good that we were winking at one extreme.

Personally I am very much opposed to communism and I am also very much opposed to fascism. I am opposed to anything that is subversive of good Americanism. I believe you will agree with me that both communism and fascism are opposed to Americanism. I believe you will also agree with me that we must be always alert in this country and anxious and active in supporting our American way of life.

I do not believe in going on witch hunts and I definitely do not believe in becoming hysterical. Personally, I do not agree with a great many very fine people in this House in their views about imminent danger. I do not see it as some do. Honestly I cannot. But I do recognize the fact that there is always some danger that we might actually lose our way of life. We can lose it by the Fascist route just as well as we can by the Communist route. Sometimes I am constrained to think that we could lose it more easily that way.

I think we would do an unwise thing if we should publish Communism in Action, which we have done, and then refuse to publish Fascism in Action. I believe it could be effectively said by a great many people that we were winking at one and fighting only the other.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to my distinguished friend from Mississippi.

Mr. WILLIAMS. Will the gentleman agree with me that there is more need for the application of the principles of the Holy Bible today than there would be for Fascism in Action?

Mr. MORRIS. Of course we always need the Bible. All of us need it.

Mr. WILLIAMS. I am wondering if the gentleman would also support the printing of the Holy Bible as a House document? What does the gentleman think about that?

Mr. MORRIS. I think that might be going just a little bit far. I think I should oppose that. I believe I should be compelled to do that.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman knows that we had other enemies than just Germany and Italy. He knows that we were fighting Japan. Some of us who were in the Pacific feel that if you publish Fascism In Action you then should publish Shintoism In Action, because we were also fighting that aggressive "ism." If you leave Shintoism out and publish Communism In Action and Fascism In Action, you then must go on to Shintoism, because otherwise you would be agreeing with Shintoism. Then when

you get a little further, unless you take what the gentleman from Mississippi says as to the Bible, and publish the Bible, you are in favor of Buddhism and Mohammedanism.

Mr. MORRIS. It is rather trite to put it that way, but I believe that is hardly logical and accurate. If a person has a headache, it is a very good idea sometimes, I think, not to get in the habit of it, but to take an aspirin, but I believe it would be a very bad thing for a man to take a whole box of aspirins at one time. It may be a very good idea for us to publish some of these things occasionally, but if we start to publish everything on any and every subject or ideology that we might disagree with, of course, it would be carrying the matter to an absurd point.

Sometimes I doubt that Congress should have ever gotten into this publishing business. Perhaps that is not the best way to do this. But since we have started it, certainly it would be unwise in my judgment if we did not publish both booklets.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Speaker, I subscribe to the remarks made by distinguished colleague the gentleman from Oklahoma [Mr. MORRIS]. Like him, I dislike communism and fascism both. We discussed this at some length in the committee, and it was finally concluded that while we did not like either fascism or communism, inasmuch as we had printed the book Communism in Action it was only fair and proper that we should also print something about fascism if some Member wanted it printed.

Some people do not like whisky and some people do not like gambling. It is all sinful. Of course, we are all against sin. So if we are going to waste time talking about the evils of gambling, we might as well waste time talking about the evils of drinking. That is just about what this discussion of fascism and communism amounts to.

It has been charged here that this book would give aid and comfort to the Communists if it were put out. That might be. But we all know that people who believe in a totalitarian form of government will use anything they can for aid and comfort. They frequently quote the Bible in order to get aid and comfort for themselves. They are bound, of course, to quote this booklet if it is printed. But, nevertheless, if it is fair for one side to print its case, it is fair for the other to have its printed. I think, just as the gentleman from Oklahoma [Mr. MORRIS] stated, that we would be making a grievous error to print one side of the picture and then not agree to print the other side.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield.

Mr. McCORMACK. As a matter of fact, I sat on the committee when we voted to print 500,000 copies of Communism in Action. Fascism is a totalitarian form of government, and the reason I voted for this book, which I hope will be published, is that it will enable us to appreciate more what our own country stands for. I am not afraid of communism or fascism when we have leadership which will put into vital action the great ideals that we stand for. From reading the book which the gentleman from Illinois [Mr. DIRKSEN] had compiled, I think that what we learn is to have a greater appreciation and love of the fundamental truths of mankind which our country stands for.

Mr. SMATHERS. I thank the gentleman very much.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield.

Mr. CELLER. I just thumbed through the study called Fascism in Action which is a documented study and analysis of fascism in Europe. If you read this I take it that you will have danger signals planted in this country so that we can avoid the pitfalls and dangers that befell the people of Italy, Germany, the Argentine, and Spain, so that we can profit from their experiences. Does not the gentleman think that is the case?

Mr. SMATHERS. Absolutely, and I thank the gentleman very much for his remarks.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I can appreciate the remarks made by our distinguished minority leader regarding the effect of this book and that possibly we would have more love for our country if we had a better understanding of the way fascism worked in Europe. But I want to ask the gentleman if he does not think that we do have a greater love for our American form of government just because of the blood that was shed over there during the last 7 years and that we do not need this book to make us love America as compared to fascism.

Mr. SMATHERS. I thank the gentleman very much for his observation, but I do not agree with him at all. It is not a case of whether or not we love America. Let us assume that we all do and that we love democracy. The point is that we are trying to show up the evils to this government. We as a group may fall into the evils of communism on the one hand or fascism on the other hand if we are not made aware of the evils of both.

This book, as I understand it, was not designed to indict any particular group in the United States. I understand that the book Communism in Action did not point out any particular groups but merely showed how communism worked and how a country could easily fall into a Fascist dictatorship or a Communist dictatorship without realizing it. It was also brought out at the committee hearings that as far as this book is concerned, you could take the word "Fascism" and substitute it for the word "Communism," because those ideologies are so similar that you can work from one to the other without hardly knowing it. That should be brought out so that the people would know that.

The SPEAKER. The time of the gentleman from Florida [Mr. SMATHERS] has expired.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have been amazed today as I have witnessed the opposition mount on the floor of the House, to printing as a House document the Legislative Reference analysis of Fascism in Action.

The two main points of criticism have been as follows:

(a) The cost of $1,600 is an unnecessary expenditure for printing the first 1,000 copies.

(b) There is no need for such a study as there are no Fascist groups or Fascist philosophy in the United States.

Regarding the cost objection I have only this to say: It is a hypocritically falacious excuse. We have engaged in the greatest war in the world's history against fascism and its twin nazism. We spent over $300,000,000 and incurred a million casualties to defeat these twin totalitarian philosophies. To hesitate now to spend $1,600 for an impartial analysis of the methods and procedures used by the Fascist dictators to enslave their people is parsimony beyond measure.

Can it be that those who oppose the printing of this exposure of Fascist methods are fearful that the yardstick may be used to measure some of our own native Fascist organizations and fascistically inclined people?

I voted for the analysis made by the Legislative Reference which was labeled Communism in Action. I have distributed hundreds of these booklets in my district. I would like to follow the same procedure with the Fascism in Action analysis.

I am one of those people who fervently believe that in our constitutional democracy there are methods and procedures which can obtain by peaceable means the reforms and improvements we need. I do not believe that we have to turn to any totalitarian method of government for advice or aid.

I fervently believe that our people should know from an authoritative source the fallacies contained in totalitarian beliefs, methods, and procedures. I believe so sincerely in the principles of true democracy that I am willing to place them in competition with any other form of government known to man. I have no doubts as to the outcome of such competition and comparison.

Now as to the second objection raised, that there is no Fascist philosophy groups or individuals in the United States, I brand this contention as false and shocking in the ignorance it betrays.

One has only to recite a few of the groups that have been active in the last decade, many of whom avowedly followed the Nazi-Fascist line to realize the danger of this objection. I give here the names of only a few, the German-American Bund, the Ku Klux Klan, the Black Legion, the Silver Shirts, the Society of

Sentinels, and many others can be gleaned from the La Follette Committee's report on the investigation of civil liberties.

The recent seditionist trial revealed the names of many professional, racist, labor hating, Fascist leaders, such as Gerald L. K. Smith, Lawrence Dennis, George Sylvester Viereck, Joseph P. Kamp, Elizabeth Dilling, and scores of others who have been indicted for pro-Fascist leadership. To say then that there is no cause to expose such Fascist groups and leaders as cited above, or to state that no such Fascist danger exists is to either expose a dangerous ignorance or to become a willing or unwilling tool of sinister forces.

These forces are not dead, either in Europe or America. They are dangerous to the liberty of free men in our democracy.

No expense or trouble is too great, to expose to the pitiless glare of publicity the methods, procedures, aims, and purposes of totalitarian philosophies, regardless of whether they be Fascist, Nazi, Shinto, or Communist. I have faith in the superiority of democracy. I believe it can function to solve the problem of economic security, while maintaining the dignity and liberty of the individual.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker, I am a little surprised at the debate on this resolution. It seems to me it is a very simple question to decide. I cannot understand why the debate should hinge on the small amount of money involved. I recall several resolutions that were voted out of our committee, which came before this House, many of them carrying provisions which would necessitate very large appropriations, and they were brought up and passed by unanimous consent.

This resolution, it seems to me, should require very little debate if we want to be fair. We voted for Communism in Action, and we were very glad to do so. I think probably that manuscript has done a great deal of good in this country. Perhaps it has taught many people, who knew very little about communism, the dangers of it. I think if this resolution is adopted and we have the manuscript printed, it will have the same effect.

I heard one of the speakers say that this had to do with fascism in Europe. I think the manuscript on Communism in Action had to do with Russia. Is that not right?

Mr. PATMAN. I think that is correct. It is a technical analysis of communism in action in the Soviet Union.

Mrs. NORTON. That is correct; and this is fascism in Europe, where there is and has been much fascism with tragic results. Probably we have quite a bit of fascism in this country also. I think we ought to be warned of its dangers. We must realize that both communism and fascism are very great dangers to our democracy. Because of that I think we ought to know wherein the danger lies.

I would also like to see a companion piece to both of these manuscripts prepared on "Democracy in Action." Of course, we should know all about democracy. But do we? We are living under a democracy, but I am very much afraid there are many people in this country who do not seem to know very much about what democracy means. We have plenty of fascism in this country. Certainly we have plenty of antidemocracy. So perhaps we should have another manuscript prepared on "Democracy in Action." I believe that if "Democracy in Action" were to become a textbook, let us say, in all of the schools of this country, we would have neither fascism nor communism. People would know exactly how lucky we are and how very fortunate this country is. A fact many seem to forget.

So let us not talk about a few thousand dollars in connection with this resolution. We have voted so many thousands of dollars for so many things that have been so much less important that we should not quibble about a thousand dollars more or less. The manuscript is carefully prepared under the direction of Dr. Ernest Griffith and his staff. The same director and practically the same staff as the one that prepared "Communism in Action." I believe both communism and fascism are threats against the future peace of the world. Any good information about either is necessary and should be available notwithstanding the small cost to the Government. I do not believe that the small cost involved is the reason anybody really is objecting to this resolution; I think it probably goes much deeper and I sincerely hope that the Members will feel as I do, that we should have all the knowledge possible on communism and on fascism and on democracy, too. An informed public can be depended on to make a comparison and then we need have no fear as to the verdict.

Mr. CORBETT. Mr. Speaker, I yield 15 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Speaker, I would appreciate it if the Clerk would read the report of the Committee on House Administration.

CALL OF THE HOUSE

Mr. BONNER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-eight Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 104]

Andrews, N. Y.	Cox	Harness, Ind.
Bell	Cravens	Hartley
Bennett, Mich.	Crawford	Hébert
Bland	Davis, Tenn.	Heffernan
Bloom	Dawson, Ill.	Hendricks
Boggs, La.	Dawson, Utah	Hinshaw
Bolton	Delaney	Jenkins, Ohio
Buckley	Domengeaux	Jennings
Bulwinkle	Dorn	Johnson, Okla.
Byrne, N. Y.	Eaton	Jones, N. C.
Camp	Elliott	Jones, Wash.
Case, S. Dak.	Flannagan	Kearns
Chadwick	Gallagher	Keating
Cole, Mo.	Gifford	Kee
Cole, N. Y.	Granger	Kelley
Coudert	Hagen	Kennedy
Kerr	Nixon	Short
Kilburn	Norrell	Simpson, Pa.
King	O'Toole	Smith, Ohio
Lea	Pfeifer	Thomas, Tex.
Love	Powell	Vail
Lynch	Priest	Vinson
Mansfield, Tex.	Rayfiel	Vursell
Mason	Redden	Wadsworth
Meade, Ky.	Rich	Welch
Michener	St. George	West
Mills	Sanborn	

The SPEAKER. On this roll call, 350 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

REVENUE BILL, DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 58.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, the Clerk of the House is authorized and directed, in section 2 of article III, to insert after the word "repealed" the following: ", effective on the first day of the first month following the approval of this act."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRESIDENTIAL SUCCESSION LEGISLATION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time to take up for consideration the bill, S. 564, the Presidential succession bill; that general debate continue not to exceed 2 hours, one-half the time to be controlled by the chairman of the Committee on the Judiciary and one-half by the ranking member of the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

Mr. SABATH. Mr. Speaker, reserving the right to object, if this bill becomes law and if unfortunately anything should happen to the President, the bill provides that the Speaker of the House would succeed?

Mr. HALLECK. That is right.

Mr. SABATH. If unfortunately it had to be a Republican, I do not know of any man I would rather see President than the present Speaker of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FASCISM IN ACTION

The SPEAKER. The gentleman from Illinois is recognized.

Mr. BUSBEY. Mr. Speaker, we have under consideration House Resolution 83, which reads as follows:

Resolved, That the manuscript of a documented study and analyses of Fascism in Action, prepared by the Legislative Reference Service of the Library of Congress, be printed as a House document.

This resolution was voted out of the subcommittee of the House Administration Committee without recommendation. It was also voted out of the House Administration Committee without recommendation. It is therefore up to the House itself to decide what action is to be taken on the resolution.

No person who has been through the sacrifices of the last world war can offer any objections to a constructive pamphlet on fascism. The first chapters of the draft presented in the proposed document constitute a very able analysis of fascism in Germany and Italy. One can offer no valid objection to these sections.

Mr. Speaker, there has been so much misrepresentation about this document entitled "Fascism in Action" that I think a review of its history would be in order. I must admit that I did not know such a document existed, or was even in the subcommittee, until one Sunday night I turned on the radio and heard Mr. Drew Pearson accuse the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing, of bottling up the document Fascism in Action. From the remarks of Mr. Pearson on the radio I thought it might be interesting to look into the document Fascism in Action. I therefore cannot claim a great deal of credit for my analysis of the document because I probably would never have given it a second thought if Mr. Pearson had not called it to my attention.

Unfortunately, the document was not available in its final form then, but was available about a week later. I read it very carefully and found there were inaccuracies in it. At the hearing of the full Committee on House Administration, Dr. Griffith and Dr. Kalijarvi agreed to correct these inaccuracies. I pointed out several other portions that should be revised, and they agreed to make those revisions.

It is unfortunate that printed hearings are not available to the Members of Congress so that they might study them and know exactly what has been under consideration by the committee. However, the hearings have not been returned from the Government Printing Office so we do not have them available in order to make a real evaluation in this debate. It is also unfortunate, the final revised copy of the document is not available to all Members of Congress so they could read its contents in final form.

Someone mentioned there is a demand for this document. I want to explain what created this so-called demand. In the March 17, 1947, issue of In Fact, published by George Seldes, there appeared an article entitled "GOP Blocks New United States Book on Fascism." In this article Mr. Seldes makes a great many unfounded charges against the committee and the majority party, together with an appeal to his subscribers to write the chairman of the House Administration Committee, the gentleman from Iowa [Mr. LECOMPTE], and the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing for copies of the document. That is what created the so-called demand.

I checked every post card and letter the committee received. I think it was the gentleman from Pennsylvania [Mr. FULTON], who asked for this information. I wish to advise him that there were 669 post cards and letters sent in to the gentleman from Iowa [Mr. LECOMPTE], chairman of the committee, and 152 to the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing. Eighty percent of those sent to the gentleman from Pennsylvania [Mr. CORBETT] were duplicates. I analyzed the dates on those post cards and letters and practically every one of them was sent in within a period of 3 weeks after the article appeared in In Fact.

I regret the hearings are not available because all this information is brought out in them.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Is it not a fact that the same staff prepared this manuscript that prepared the Communist manuscript?

Mr. BUSBEY. The gentlewoman from New Jersey is in error because many people worked on this document who did not work on Communism in Action; but it was prepared by the staff of the Legislative Reference Service of the Library of Congress.

Mrs. NORTON. Dr. Griffith was the chairman of that staff or, rather, the director of the staff; is that correct?

Mr. BUSBEY. That is true.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If we were to print this, why should we not have a study by the Library of Congress, the FBI, and the House Un-American Activities Committee made on communism right here in America?

Mr. BUSBEY. Some of the previous speakers brought up the question of getting acquainted with fascism in America, its dangers, and why we should become acquainted with that subject. I agree with the statement. We should be advised of any Fascists or Fascist organizations in America. But there is not one single word in the document Fascism in Action regarding any Fascist organization or any Fascist individual in America.

Mr. HOFFMAN. What is it all about then?

Mr. BUSBEY. It is a study and analysis of fascism in Europe. I wish to advise the Members that 60 percent of the document is on nazism in Germany and the pamphlet, to be correct, should be called Nazism in Action because the part devoted to fascism is much smaller than that devoted to nazism in Germany.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. If the gentleman will indulge me just a moment, I want to say that I think this is a venture in education, and while I know nothing about the contents of the document, I am going to vote for it. Now, Communism In Action has had a subscription of about 700,000 copies, and I think it is very useful. I want to concur in the statement made by the gentleman from Michigan that there is a growing need for a companion piece called Communism In America that should be documented and it should be printed by the millions of copies so that every citizen and every American will know what this ism really is within the boundaries of our own country.

Mr. BUSBEY. I agree with the gentleman that the people of the United States should be warned about the menace of communism in the United States.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. Not at the present time, please. I think the gentleman from Illinois has time of his own, if I am not mistaken.

The House Administration Committee, on my motion, agreed to write to Secretary of State General Marshall, and request him to make available for this document the agreement between Ribbentrop and Litvinov, or the famous German-Russian Treaty before Hitler attacked Russia, because it would be a valuable addition to this document. Unfortunately, we have not received a reply from Secretary of State Marshall, and I hope the information will be available before the document is printed.

Mr. Speaker, the Daily Worker of June 18, 1947, says:

> Congressional attempts being made to suppress or censor part of its report, Fascism in Action, are caused by big business stooges in and out of the House.

I defy anybody to name any big business stooges or any businessmen that have been trying to keep this document from being published. I have to admit that I was the member of the committee that raised the objection to the inaccuracies and suggested the changes that should be made in the document. I will take oath that no one in or out of business has approached me at any time to try to keep me from having this document printed.

It is generally agreed among the members of the House Administration Committee that the document, Fascism in Action, is a better one in its revised form. However, I do think it can still be improved. Please understand, I am not opposed to the printing of a document on fascism, whether it deals with Europe or America, but I am sure every Member of this body must agree with me in wanting any document on this subject printed as a public document by the House of Representatives to be as actual and factual as possible.

I yield to no one in my firm belief that all doctrines that are un-American and inimical to our form of government should be exposed in order that the people of our country might easily recognize them and thereby be in a position to stamp them out. Certainly fascism comes within this field as well as nazism and communism. Any document or book which presents any proof of any Fascist organizations or individuals in the United States should be made available to the people in order that they may know who our enemies are, especially here at home.

Mr. Speaker, I believe that all of us are firmly indoctrinated in the principles outlined in the Constitution of the United States and its Bill of Rights. That living document protects the individual from the excesses of the state, and it might well be the hallmark of any political movement really trying to bring democracy to a chaotic world. It is natural that we abhor any system purporting to bring democracy to this world which in reality is a system to glorify the state at the expense of the individual, especially during a period when such state power culminates in a single dictator. Regardless of the label, the test is a simple one. Any state subordinating the rights of the individual to the whims and caprices of a dictator cannot be a democratic state according to our conception. Regardless of our political divergencies, we all have been trained since childhood to a recognition of certain legal and ethical concepts.

Instinctively I recoil from any political system which has as a fundamental tenet the antithesis of what we regard as these legal and ethical concepts. I know it is as repugnant to you as it is to me. Let me refresh your recollection by the following illuminating quotations from authoritative Communist and Nazi sources.

The Thesis and Statutes of the Communist International, adopted in 1920, and a fundamental document for all Communist parties, states that—

> The task of the proletariat consists of blowing up the whole machinery of the bourgeoisie—in destroying it, and all the parliamentary institutions with it. * * *
>
> Every Communist member (of Parliament) must remember that he is not a legislator who is bound to seek agreements with the other legislators, but an agitator of the party detailed into the enemy's camp in order to carry out the orders of the party there.

On April 30, 1928, Dr. Goebbels, the Nazi propagandist, wrote in his paper Der Angriff:

> We enter Parliament in order to supply ouselves, in the arsenal of democracy, with its own weapons. We become members of the Reichstag in order to paralyze the Weimar sentiment with its own assistance. If democracy is so stupid as to give us free tickets and salaries for this bear's work, that is its affair.

I note with deep regret that the document prepared by the Legislative Reference Service of the Library of Congress does not mention a single Fascist organization or individual in the United States; in fact, it ignores the subject entirely.

The origial document did not bring to the attention of the reader the striking similarity between fascism, communism, and nazism. I, therefore, suggested the inclusion in the preface of my 16 points of similarity of these systems of dictatorship. These will appear in the revised document.

Unfortunately, the foreword by the sponsor, the gentleman from Texas [Mr. PATMAN], deals with a subject far removed from the contents of the document. He makes many charges and accusations that he not only does not back up with proof of fact but was unwilling to do so when he was a witness before the House Administration Committee. He makes no analysis of concrete manifestations of Fascist attitudes, such as Gerald L. K. Smith, the Columbians, and the Ku Klux Klan.

Dr. Louis Domeratzky, one of the leading economists of our country, was employed at considerable expense in the middle of October 1946 to act as editor-in-chief of the document. His biography, from Who's Who in America, reveals his special qualifications for the task.

Four of the chapters were written by Dr. Domeratzky and submitted to Dr. Griffith in their finished form by February 1, 1947. These chapters were Finance and Fiscal Policy, Foreign Policy, Foreign Trade, and Organization of the Economy.

Sometime during the latter part of April changes were made in the four chapters written by Dr. Domeratzky by the Legislative Reference Service. Due to an almost overnight deadline demand of the gentleman from Texas [Mr. PATMAN], it was impossible to even discuss the rewritten chapters with Dr. Domeratzky.

It is my personal opinion that the four chapters prepared by Dr. Domeratzky are far superior to those prepared by the Legislative Reference Service and the document would be of far greater value if the chapters had not been rewritten.

In fairness to Dr. Griffith I wish to bring to the attention of the Members of Congress what, in my judgment, is a serious defect in the Reorganization Act of 1946. At present, if any Member of Congress requests Dr. Griffith to prepare a document such as Fascism in Action, or any other book, he has no choice but to comply with the request. There are hundreds of subjects that Members of Congress might ask the Legislative Reference to prepare which they would like to sponsor. I ask you, in all fairness, is it right to use the time of these highly paid specialists to write books because one individual requests it, when their time should be used in preparing data for the various committees and for Members desiring data on important legislation pending before the Congress?

Throughout the manuscript, there was a tendency to generalize and to slant the writing in such a way as to provide the basis, after its appearance as a public document, for using the authority and judgment of the United States Government itself to prove that some present United States policies are similar to the Fascist and expansionist policies of Nazi Germany.

While the document, Communism in Action, will never serve the interests of the Soviet Union, the original proposed document, Fascism in Action, might have been a valuable propaganda vehicle for the Soviet Union and Communists all over the world.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, I take a moment of this time to congratulate the gentleman from Illinois [Mr. BUSBEY] upon his interest in this document to the end that any inaccuracies that might be found would be discovered and corrected, and that seems to have been done.

I concur largely in and am moved in a large measure by the observation made by the gentleman from Illinois [Mr. DIRKSEN] to the effect that although I am not particularly familiar with the entire document I think it is one that deserves favorable action by the House in printing it as a public document.

I do not know who can define the word "fascism." There is such a thing as Nazi-fascism, which has been prevalent particularly in Germany, and it is not at all dead. It is alive and working today, and has been since very shortly after the cessation of hostilities.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. FOLGER. I am sorry, I have only 3 minutes.

Mr. WILLIAMS. Can the gentleman prove that statement?

Mr. FOLGER. Commissions of very estimable men have investigated the activities of nazism, a form of fascism, in Germany since the war was over, and find that it is growing day by day, week by week, month by month, and now year by year.

As I understand communism, it is another form of totalitarianism. Neither fascism nor communism regards the individual. In this democracy of ours we believe that God created man in His own image, that He breathed into his nostrils the breath of life, and that man became a living soul. There is, therefore, attached to every man that lives a dignity that is unsurpassed by position or power. A man is a man in a democracy. That is the form of government in which we believe. You and I as Members of this House today regard ourselves as the servants of the people of this country, and that is democracy, as opposed to totalitarianism, whether it be fascism or communism, in the world.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, there are two extremes of ideology in the world. One is fascism and nazism, and the other is communism. We abhor both. We published Communism in Action as a House document, and we must, to be just and even-handed, publish Fascism in Action. I am for this resolution and shall vote for it.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I have already stated my views in opposition to the printing of this document. I want to use the time I now have for the purpose of telling the House that a motion to recommit this resolution will be made. I want to state the reasons.

In the first place, copies of this document have not been made available to every Member of the House, but have only been made available to members of the Committee on House Administration. Aside from the members of the Committee on House Administration, I dare say there is not a Member of the House who will know what he is voting for when he votes on this.

In the second place, the thing is still being revised, as I understand, and I do

not believe the House would be in a position to vote on it until it had seen the revised and final edition.

There are no hearings available for the use of the House now. They are in process of being printed, and I certainly think they should be available to the Members before they could vote intelligently on this document.

This came out of the subcommittee without recommendation to the full committee. It came from the full committee to the House without any recommendation. I think the House is entitled to have a little further knowledge of the contents and nature of this document before it votes on it. For that reason, a motion to recommit will be made, and I urgently ask the Members to vote to recommit this resolution to the Committee on House Administration.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I understand the expense of this is $1,680 for the first thousand that would be printed. If you start printing a series of this sort of booklet, first comes Fascism in Action, and then you will have Democracy in Action, and then you are going to have Free Enterprise in Action, and you will go from there on. So the question is, Are you going to start a series of such "action" booklets and do you want to run into the expense of printing 100,000 copies of this? I am for economy.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I cannot escape the conviction that those who oppose this resolution fear the truth.

The American people are entitled to have the truth and the facts. For the sake of our democracy we must be prepared to defend ourselves from all dangers, from the left and from the right.

I am opposed to all isms—unless it be Americanism.

Our Government has stood us well for 170 years. We must preserve it; and to preserve our Government and our way of life we must make the American people as familiar with the dangers from fascism—which, I repeat, is a far greater menace than communism—as they are with the dangers of communism. I am sure that the defenders and advocates of fascism or of nazism do not fully realize the dangers.

FASCISM IS SUBVERSIVE AND UN-AMERICAN

Can anyone contend that fascism is not subversive and un-American?

There are certain shrewd gentlemen who, to serve dangerous interests of their own, wave the red herring of communism across the fascist trail to try to throw us off the scent; we must not be misled or turned aside.

If Members will but familiarize themselves with the authentic reports of our own committees, and of Senate committees, and read for themselves what the Nazis and the Fascists have done and are doing and are still planning; or if they will study such books as Darel McConkey's Out of Your Pocket and Howard Armbruster's Treason's Peace or the study of cartels by the Twentieth Century Fund, they could not and would not be stopped from exposing the hidden scourge of fascism and its accompanying evils of monopoly and cartel.

EVEN IN OUR OWN COUNTRY

They should learn for themselves what is even now transpiring in Germany and in all European countries where the twin criminal ideologies of nazism and fascism are being nurtured by fanatics for future renascence, and of how, under cover of base ideological propaganda, there is an international conspiracy to revive and reestablish the world-wide cartels, even here in our own country.

They would not then oppose, but would welcome, the printing of this slim pamphlet by the millions.

Working under cover all over the world, the Nazi-Fascists cannot even wait until the peace treaties are signed to show their hands.

Look at the newspaper headlines of the last month or two.

I select just a few at random to illustrate what I mean. A United Press story from Paris, dated July 1, is headed: "Details of French Rightist plot for march on Paris revealed."

The Washington Post put this headline on another United Press story from Rome dated June 22: "Sudden raids on Fascist lairs net hundreds in Italy, Sicily."

Over a June 14 United Press story from Paris summarizing the report of the International Committee for Study of European Questions the same paper carried this headline: "Sabotage in occupied zones—Argentina is called center of three-continent Nazi ring."

The Chicago Daily News of June 26 had this headline over a byline story by Wallace R. Deuel, the widely known reporter and correspondent: "Germans organize to win sympathy."

Fascism is in action nearer home. The Chicago Sun had this headline on a story from Buenos Aires by Virginia Prewett on June 14: "Argentina takes control of stock market dealings."

AMERICAN FASCISM IN ACTION

Now I am going to quote at length from an editorial column by Peter Edson, an ardent young Republican, who is chief of the Washington bureau of Roy Howard's Newspaper Enterprise Association. This column appeared June 10. I omit only those paragraphs which are no longer timely.

AMERICAN FASCISM IN ACTION

(By Peter Edson)

Six months ago if anyone had said that the United States was leaning toward fascism you could have called him crazy.

On the surface of American life today, however, there are a few events which may be worth a second look in the microscope, to see if they contain the germs of growing fascism. They are in no way related. But, taken together, perhaps they indicate a trend in thinking.

The recent Supreme Court decision approving the FBI search without warrant of the home of an Oklahoma forger is perfectly good Fascist doctrine. Hitler did it—searching and seizing the homes, property, and persons of suspect anti-Nazis without due process of law.

LABOR BILL, TOO

Some portions of the Taft-Hartley labor bill which may later be interpreted as a denial of constitutional rights show Fascist inclinations.

Under certain conditions, employees may be denied their right to reemployment. Supervisory and professional employees are denied the right to be represented by labor organizations of their own choosing.

Sections of the law making new definitions of unfair labor practices are open to a number of interpretations which may be considered unnecessarily repressive.

IT'S A STEP

This new labor law is in no sense comparable to the Hitler and Mussolini labor codes, which virtually enslaved German and Italian workers and broke their unions. Nevertheless, to the degree this law makes a beginning toward such action, it bears watching. The tests will come in how the courts rule on its meaning.

Similarly many other measures now waiting final action in Congress have totalitarian leanings. The bill to wipe out free enterprise competition and create one "chosen instrument" air line to have a monopoly on United States international air commerce is an example.

MORE ATTACKS

In any number of bills proposed this year there is a tendency to take away protection of the consumer and the little man, giving special interests and opportunity for exploitation. So the housing and price controls went off. Thus the regulatory functions of the Federal Power Commission over natural gas, of the Bureau of Reclamation over public power, of the Federal Communications Commission over radio in the public interest, are all under attack.

In business itself the trend toward concentration of productive capacity in the hands of big companies represents a threat to small business, a shift toward the Nazi-type monopoly.

MONOPOLY HUNGER

The desire of the insurance, railroad, and other elements of business to be freed from the antitrust laws is significantly Fascist in its plea for special privilege.

In its foreign policy the United States is suspect. What are the implications of this new recognition of Peron's definitely Fascist regime in the Argentine? Does aid to Turkey and Greece mean bolstering up the dictatorial governments of Athens and Ankara? There seems to be too much Hitlerian belief in the inevitability of another war. What's needed is more preparedness for peace.

THE STUDY

Viewing all these and other events like them, Democratic Congressman WRIGHT PATMAN, of Texas, asked the Legislative Reference Service in the Library of Congress to make a study on fascism in action in the United States today. A short time ago it was finished. PATMAN asked that 100,000 copies be printed for the public.

There was precedent for this in the publication last year of Communism in Action, prepared by the Legislative Reference Service at the request of Representative EVERETT M. DIRKSEN (Republican, Illinois).

* * * The fact that censorship of this document is being considered sounds bad. Political censorship of this kind is fascism in itself. PATMAN'S full text should be made available, to let the public decide what censorship is needed.

* * * Representative PATMAN asked for an investigation of fascism last March. Nothing has been done in that direction. * * *

When Gov. Harold Stassen interviewed Stalin in Moscow, the Russian dictator declared that he could see no difference be-

tween a Republican and a Democrat. He may be right.

But the answer to that one is that in the United States it's hard to tell the difference between a Communist and a Fascist. One is just as dangerous to the American form of government as the other.

HITLER IDEAS STILL LIVE

Mr. Speaker, wherever there are newspaper and magazine reporters they are writing about fascism in action.

Hitler lives.

The mere fact that Adolf Hitler, the man, died in the flaming ruins of Berlin did not mean the end of the Nazi ideologies.

The undignified execution of Benito Mussolini did not automatically do away with statism. The death of Goebbels and Goering did not bring about an end to the vicious principles and practices of propaganda which they raised to the level of an exact science.

FEW TO FIGHT FASCISM

The voices raised against the dictatorship and invisible government of big business, against the Fascist concepts of statism, of race and religious hatreds, of police rule, are few and small and weak.

Some gentlemen have asked the names of Fascist organizations here. I gave them some on June 13. I shall provide more soon. But not all Fascists are banded together in clubs or organizations.

Fascism is a state of mind, a series of oppressive ideas. I hope this Congress will not refuse to print 1,425 copies of this neutral and scholarly treatise on Fascism in Action. It is inconceivable to me that we should have hesitated so long, after having printed 375,000 copies of Communism in Action with no hesitancy whatever.

I think some members of that committee merely have been blinded by their almost psychopathic fear of communism to the fact that American democracy, as a way of life, is unique in the world today.

WE FOUGHT THE AXIS

Perhaps the gentlemen have forgotten that we are still technically in a state of war with the Fascist Axis. No peace treaty has been signed with Japan; no peace treaty has or can be signed with Germany because there is no responsible German Government. Hitler preferred to destroy his nation and himself rather than to give up his dream of world conquest.

Is Hitler to be victorious in death? Are his ideas to be allowed to race rampant throughout the length and breadth of our Nation without exposure, without criticism, without comment?

DICTIONARIES DEFINE FASCISM

I call upon the Members of this House to consult their dictionaries. In Webster's Collegiate Dictionary, fifth edition, published in 1947, I find this definition of fascism:

> Any strongly centralized autocratic national regime with severely nationalistic policies, exercising regimentation of industry, commerce, and finance, rigid censorship, and forcible suppression of opposition.

The very same dictionary defines the Falange as a Spanish Fascist organization. Yet we are told with pride that the most prominent American apologist of the Franco Falangist government has appeared before the committee on resolutions of the Republican Party to state his views. Is that the reason that the resolution to print Fascism in Action has been so long delayed? Is there fear that Fascism in Action will offend Merwyn K. Hart and the big business sympathizers of Hitler, Mussolini, Franco, Hirohito?

CORPORATIVE STATE IS FASCIST

Let me quote again from Webster's Collegiate Dictionary the definition of the corporative state:

> Centering supreme authority in one corporate body made up of representatives of key corporations (employer-employee bodies) exercising regimentation severally in industry, business, banking, labor, and all other entities of the body politic; as, the Italian corporative state.

The Spanish state might also have been mentioned.

Have we not advanced already too far on the dangerous road toward a corporative state? The National Association of Manufacturers, through its lobbyists and lawyers, is writing the labor laws passed by this Republican Congress. The publications of the United States Chamber of Commerce, prejudiced and distorted as they are, are purchased by the Navy Department as official textbooks.

Mr. Speaker, we must turn back. We must find again the straight and narrow road of democratic faith and democratic action. We must act in the interest of all the people. We must not lose the peace.

Mr. CORBETT. Mr. Speaker, I yield the remaining time to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the charge is made that the left-wing newspapers are for this resolution. Newspapers like the Washington Post, and the St. Louis Star-Times, and papers published all over the Nation support this. They are not left-wing newspapers. The CONGRESSIONAL RECORD has had a lot about it.

It has been said that the only information contained in it is about fascism in Europe. It is exactly the same as the booklet Communism in Europe. One offsets the other. It was prepared by the same staff. It is said that the cost would be $1,680 for the first thousand. It is charged that it would cost too much. While the first thousand would be printed, then thousands of other copies would be printed and be sold by the Government Printing Office at a good profit just like other documents have been sold.

I have been opposed to both communism and fascism for 25 years. It is not new with me. I have never denounced one without denouncing the other. One is approaching us from the left and the other is approaching us from the right. We should have full information about both ideologies. This document has not been censored to the extent that anything essential has been taken out of it. The committee did not insist on censorship notwithstanding reports to the contrary. Everything that is essential is in this document. Everything that was essential to it in the beginning is in it now and will be in it when it is printed. This document has been well prepared by well-qualified, reputable people under the direction of one of the greatest men of this country, Dr. Ernest Griffith, Director of the Legislative Reference Service. It sets out the truth. It states the truth insofar as the Legislative Reference Service has been able to compile the truth. We should not be afraid of the truth. We should want to know about the earmarks of fascism in order that we may identify Fascist organizations in this country. It is necessary that we fight both communism and fascism. We have printed the book on communism. Now let us vote "Yea" on the question that is now coming up to print this document as a House document. Then a request will be made for extra copies. You will have the printed copies. If you do not want extra copies made they will not be printed. You will see the printed copy first, in advance. So I ask you to vote against the motion to recommit and vote "Yes" on the passage of this resolution.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. WILLIAMS. Mr. Speaker, I have a motion to recommit at the Speaker's desk.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. WILLIAMS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Mississippi.

The Clerk read as follows:

> Mr. WILLIAMS moves to recommit the resolution to the Committee on House Administration.

The SPEAKER. The question is on the motion of the gentleman from Mississippi to recommit the resolution.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 116, noes 117.

Mr. FULTON. Mr. Speaker, I ask for tellers.

Mr. RANKIN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

Mr. FULTON. Mr. Speaker, I ask for tellers.

Tellers were ordered; and the Speaker appointed Mr. CORBETT and Mr. WILLIAMS to act as tellers.

The House again divided; and the tellers reported that there were—ayes 115, noes 124.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and the Speaker anounced that the "ayes" had it.

Mr. MARCANTONIO. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CORBETT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent that on Friday next and on Monday next after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes on both days.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. HAND asked and was given permission to extend his remarks in the Appendix of the RECORD.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H. R. 4102.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Alaska [Mr. BARTLETT] is recognized for 15 minutes.

THE ALASKA SHIPPING SITUATION

Mr. BARTLETT. Mr. Speaker, on behalf of the people of Alaska I desire to thank the gentleman from Ohio [Mr. WEICHEL], distinguished chairman of the Merchant Marine and Fisheries Committee, for appointing a special committee to inquire into the relations of the United States Maritime Commission with the Alaska shipping situation and, generally, to review that situation. The members of this special committee are Mr. ALLEN of California, Mr. BRADLEY of California, Mr. TOLLEFSON of Washington, Mr. JACKSON of Washington, and Mr. HAVENNER of California. I welcome their official entry into a field which fairly cries for investigation.

Most of us are so constituted that we would rather praise than condemn. Perhaps that is especially so when the criticism has to do with the operations of an executive agency of our Government. But the time has come—probably it is overdue—when this House should learn some of the facts relating to the Maritime Commission and Alaska shipping.

I observe that the gentleman from Ohio, Chairman WEICHEL, is unconvinced that the operations of the Maritime Commission are all they should be. Similarly, I note that the gentleman from New York [Mr. TABER], the chairman of the Appropriations Committee, has called the attention of the House to the practices of that Commission. It is time the House heard about them and for my part I intend here and now to give the House some facts regarding the Maritime Commission and its mismanagement and lack of vision in the Alaska shipping service.

Alaskans have a great pride of place. They are proud of the fact that they live in the northernmost land under the American flag and that they are pioneers in the development of our last great frontier. They are of sturdy stock, assembled from each of our 48 States, and well equipped by reason of mental and physical capacity to surmount the difficulties which are always encountered in a new country.

They are used to meeting emergencies, battling them, and overcoming them. They have created typical American communities, overcoming every obstacle that nature set up against them. They have conquered nature, but now they are confronted by a new and more urgent emergency which is the handiwork of man. They have been assailed by fellow Americans and they have desperate need to draw upon all their reserves.

Living in an area where the maritime rates have always been higher than elsewhere, Alaskans had pretty well adjusted themselves to a condition of legalized plunder; since man is always hopeful and optimistic, they had hoped and expected that which was bad would eventually become better as population increased and as Alaskans became more able to raise their voices effectively. In this hope and in this expectation they simply did not comprehend the strength and the ruthlessness of their masters, the Seattle operators of the steamship lines which serve the Territory.

Alaska has always been a country of high prices. A high price is historically to be expected in a pioneer community. And Alaska, while on the mainland of North America, is with respect to transportation practically in the same position as an island. All its goods that are not produced locally—and such production is only a fraction of 1 percent—must be transported by steamship to Alaska ports. In this transportation Alaskans have always been used to paying terrifically high rates. In the spring of 1947 they found themselves compelled to pay more—much more—than they ever have before and they find this unjust increase made legal by an edict of a United States Government agency.

When the people of a Territory fail even to be heard by an agency because of the arbitrary and capricious exercise of power vested in an agency, they have no recourse but to plead their case before Congress. Today there is little effective redress in the courts against the tyranny, the whimsicality, the bias, and the fears of a quasi-judicial agency. It is to be regretted that appeal from administrative law is a virtual myth, but it is so. Only the most outrageous exercise of discretion, only the most transparent prejudice, only the self-confessed bias of such agencies can be corrected by the courts.

I do not have any expectation that in this instance the plight of 90,000 Alaskans can or will become the concern of the chastened and restricted courts or a busy Congress. The Congress has already attended, as far as has seemed proper, to the legacy the war left to the peacetime shipping problems of Alaska. But I do want every Congressman, particularly every Congressman who has been baffled in bringing congressional attention to bear on his local problem, to note and to long remember what I say here. It has no bearing on his immediate frustrations, but it is replete with significance for a Congress too busy to pay attention to the arbitrary and capricious doings of governmental agencies in behalf of special interests, and it is overfull with significance that no Delegate can effectively shout down, give pause to, or strike fear into the hearts of Commission officers unless Congress can disengage itself from concerns of national and world-wide moment to rebuke and reprimand an agency for its whimsicality, its ruthlessness, and its utter disregard of the public interest. It is for reasons such as the one I would like to relate, that all Territories and possessions feel themselves like political zombies, of the living political world but politically without soul and without status to render their opinions in a forceful and vital and compelling manner.

The facts of this specific complaint are quite beyond dispute. After making incredible wartime profits—incredible compared with their prewar earnings and incredible compared with their insignificant investments in ships afloat, three Alaska carriers decided to try to perpetuate those earning levels by crying to the high heavens and to all the world that would gullibly listen in a hearing before the United States Maritime Commission at Seattle in November 1945 that they needed the stupendous increase of 118 percent over and above their prewar rates for their postwar carrying between Seattle and Alaska. The 118 percent on top of their prewar rates, then and now, mile for mile, the highest of any shipping trade in the United States coastal, intercoastal, and offshore areas. The carriers attributed the need for this fantastic increase to the new wage-and-price levels emerging from the war, factors the assessment of which everyone was open-minded about, but also to extremely costly and irresponsible labor practices growing up during the war—some of which could incontestably be established but others of which were open to question.

The hearings in Seattle were so suddenly scheduled and so unbelievably onesided that a delay in establishing a rebuttal was wrung from the United States Maritime Commission. Moreover, the special examiner appointed for this proceeding was removed. Government economists, accountants, and lawyers from the Territory and from Washington were put to work to reason why such astronomical increases on top of already astronomical rates were required. They soon found that the Seattle hearings had revealed only an excited estimate of nonsense respecting both revenues and costs. Some of the most corrosive and scathing criticism ever offered by the Government in a public hearing sent the carriers into Coventry. The Government's

findings were so compelling that the United States Maritime Commission quashed the carrier's arguments in toto as literally out of the world of reality and probability.

Probably no proceeding before the United States Maritime Commission had ever been laughed down and ridiculed down to proper proportions so thoroughly and devastatingly as was the case in United States Maritime Commission Docket 641. Even Washington, the most sophisticated of all cities in appreciating good though ineffectual raids on the purse of the public, chuckled. Even the Maritime Commission chuckled. And, chuckling, it dismissed the lugubrious plea of the carriers and bade them try again. Not only was the special examiner removed but also the principal witness for the principal carrier was discharged. The $8,000,000 increase that was declared in Seattle to be necessary was a clearly unsupportable figure. Nobody believed it was necessary. Nobody could show that it was necessary. It was the wolf cry of enterprisers all of a sudden frightened by the prospect of peacetime shrinkage of their wartime profits. And I repeat: Their cry begot merely ridicule in Washington, ridicule from the United States Maritime Commission, ridicule from the Department of Commerce, ridicule from OPA, and ridicule and scorn from the Territory of Alaska. All were willing to concede a need for other maritime carriers for increases 25 to 50 percent over prewar rates for an unsubsidized operation—but no more. Other carriers faced labor problems. Other carriers faced a new price level. But Alaska carriers faced no competition. And they were content to cry wolf. They were content to wear down Washington and to wear down the Territory of Alaska by protracted negotiations, in the hope that weariness of the entire problem would eventually, by default if not by merit, win them what they wanted.

After the United States Maritime Commission was compelled by sheer force of logic to clinch their pleadings as unworthy of entertainment, the carriers pleaded the need for relief from Congress. There were groups for believing that they needed relief from Congress. The economic consequences of the War Shipping Administration's operation of offshore fleets seemed to be bad. Moreover, the war had, by reason of requiring shipping in unaccustomed routes and under adverse weather and enemy-action conditions, led to a severe depletion of the fleets customarily assigned to the Alaska trade. Alaska needed ships which the carriers did not have. Alaska also needed ships to operate at a rate something less than 218 percent of prewar rates. The Congress therefore provided that Alaska residents need not pay the full apparent costs of shipping for the year 1947–48, by providing that the capital costs of the fleet necessary for the 1947–48 operation would in large part be absorbed by the Federal Government as a proper Federal expense for the costs directly attributable to the exigencies of war, costs which were not shipping costs proper, but rather war-engendered costs. None of the carriers had the requisite capacity for meeting the needs of the Alaska trade. One operator had no ships; one had a hopelessly inadequate vessel, inadequate by prewar and postwar standards, and one operator had a fleet down from a prewar score of ships to five vessels for postwar—as sorry a fleet of "cattle boats" as ever put to sea under the American flag. One of their ships was 77 years old, built when our grandfathers were young—indeed when Ulysses Grant was President.

The carriers had no claim upon Alaska. Theirs was, at most, a vested interest in the past, a well-rewarded interest. They could not supply the needs of Alaska if they would—not without Government ships.

These were gladly supplied in 1942, 1943, 1944, 1945, 1946, and 1947 by the Federal Government. War and the habits of wartime supplied the tonnage needed in Alaska. The Territory was a bastion of defense and a vast loading field for aviational movement. It was the military support of the west coast. It was the lend-lease life line to Russia.

Its civil population increased between 1942 and 1943 by over 20 percent. Its military population much more. Congress properly recognized the growth of the Territory and its increasing importance as to military area by granting in effect a subsidy on Alaska shipping for 1946 when the other Territories reverted to private operating and for 1947–48 when Alaska should find its bearings for the postwar period. This congressional policy was established by joint resolution in February 1947.

Between 1945 and that date the Territorial Government and the carriers had been in formal communication, in the hope, on the part of the former at least, that protracted and expensive hearing might be avoided and yet that a satisfactory meeting of minds might be effected.

The Territory in these meetings protested that the gross discriminations between the prewar rates payable by the canned fish industry and the year round residents of Alaska should be abolished. The Congress should know that the fish industry in Alaska is a 4 months' industry, but it requires ships on hand the year around for its needs these few months a year; yet it paid before the war about half the rates for freight which residents of Alaska paid. What could be fair about this? The Territory conceded that the welfare of the canned fish industry was important to the Territory's welfare, but it could not in reason or conscience concede that rates which bore so heavily upon its year round business and consumers in order to offset preferential rates for the industry were either fair or in the public interest.

The Territory's plea fell on the deafest of deaf ears. The carriers proceeded to file tariffs in excess of prewar tariffs, which not only preserved but enhanced the degree of discrimination which existed before the war. This filing took place shortly after passing of the joint resolution authorizing a temporary subsidy for the Alaska shipping service. The carriers consulted no single person in the Territorial government about either the general increase involved or about specific rate increases for freight or passengers. They merely dumped into the laps of the Commission a proposal to increase 1941 freight rates by 66 percent—a 66 percent increase even though there are no capital costs to be reckoned for Government-owned ships. If capital costs were to be covered, the general increase would, by comparison with the 66 percent increase, have to be in the neighborhood of the absurd increase proposed at Seattle in November 1945. Thus it is as if the Government had never rejected the first proposal, as if it had never spent any time and money pointing up the invalidity of it, as if it had never been laughed down.

The 66-percent increase was, as I say, dumped into the lap of the Maritime Commission to be effective 30 days thereafter. The Territory immediately began to prepare a protest, not the usual perfunctory protest and not the merely rhetorical and emotional type of protest, but a thoughtful analysis based on recent cost revenue and tariff experience in the Alaska trade. The analysis showed that the rates proposed were more discriminatory than ever, that the trade was wastefully overserviced, that some ships would be making Alaska voyages only one-fifth filled, that the proposed rates would yield $4,000,000 in excess of legitimate costs and profits.

The Territory presented a carefully weighed brief to the Maritime Commission. It showed that in some instances rates for north-bound goods to residents of Alaska were twice the rates for identical goods south-bound. Between ports it showed the clearest kind of discrimination. The proposed rates would permit a carrier to send out a vessel virtually empty just to compete with another carrier. Why not? The public will pay for it out of excessive rates. The Territory could no more imagine the necessity for such extremely wasteful competition than residents of Washington could imagine the need for running three busses loaded and the next seven empty. The Territory could no more imagine the necessity for such scheduling than the Congress could imagine the need for running three planes out of Washington filled and the next seven planes empty.

But these findings were old stuff. For a year and a half the Maritime Commission has been told about them. The Territory merely brought the statistics on them up to date and prepared its brief with all possible speed.

In the halls of the Maritime Commission, when it was learned that the Territory would protest, there was heard the conjecture, "What would the Territory do for service if the rates were suspended and the carriers refused, as they had threatened if suspension were ordered, to operate?" It became obvious that the Commission entertained threats. In fact, the Territory learned very shortly that threats make rates. Textbooks should be brought up to date.

The Territory's petition for suspension was summarily denied. No reason for the

decision was given. The Territory's petition for oral argument was not even acknowledged. Clearly it was up against a stone wall. The carriers who had assembled here for argument of the proposal smugly zipped their brief cases closed and sauntered off. While we in blind innocence awaited a decision, the carriers had already announced to the Seattle papers that the petition of the Territory had been denied. Not until we got this news did the Maritime Commission inform us that we were not to have a day in court.

Now, with the zealous protection of the Maritime Commission, the carriers have one hand in the Federal Treasury for their capital costs and their other hand in the pockets of Alaska for $4,000,000 more than they justly deserve—$4,000,000 on top of $12,000,000 of cost-covering revenue, that is, rates 33⅓ percent too high. Four million dollars—twice the cost of statehood some people assert Alaska cannot afford—for 90,000 people to pay. And Alaska is now paying it because administrative caprice and arbitrariness upset all the rules of rate making.

Where is the public interest in this case? It was not even heard, let alone considered. If the Commission seeks to excuse its conduct because of the carriers' threat to suspend operations, then it acknowledges that threats make rates. The Territory was prepared to endure a cessation of service rather than stand for the legalized plunder involved in these new rates. It had only recently endured a 105-day strike, and the Maritime Commission sat on its hands waiting for carriers and union leaders to exhaust each other and the public. The Territory was prepared to withstand threats and attempted blackmail. It knew that it had to.

Of course, the Commission holds out the consolation cup, a little cup or an empty cup, depending upon how you see it. It offers us the opportunity to participate in a general investigation to see whether the new rates are lawful. This is like permitting crime to go on while the courts are hearing why it should not go on. It is a small consolation for the bitter pill the Commission has prescribed for the Territory. For a year and a half the assertions of the carriers have been shown up as gross exaggeration and fantasy. Then, all of a sudden, those assertions are acted upon as true and are to be swallowed up as part of a pretended emergency. Speed of action becomes necessary, so necessary that the carriers can name the rate level they want, the impact of the rates on users and ports, the scheduling they want, and the number of ships they will take from the Government. In effect, they, and not the Commission, have abrogated to themselves the right to decide what is fair, what is equitable, and what the public interest is. All, of course, on an ex parte basis. And the carriers return to Seattle to resume their wasteful ways at rates they had not expected to get and had not shown any need for.

It will be alleged that the Territory will have its day in court; in other words, it will be able to participate in a general rate investigation. But what does this mean? Substantially it means that for the next 6 to 12 months the present rates will be in effect while the need for them is being explored. Prices in Alaska meanwhile are going up because freight rates have gone up. The people of Alaska will pay and pay and pay while judgment is taken.

But the principal owner of the two important fleets of Alaska is a large-scale canner. He has seen to it that he and his fellow canners will pay only a small part of the increases, and he has seen to it without any embarrassment. The unnecessary $4,000,000 will be a buffer against all conceivable kinds of loss, but they will not come in any substantial measure from him or the cannery industry. He does not have to justify a rate for canned fish south-bound from Kodiak to Seattle, one-half the rate for dry groceries north-bound to Kodiak. He makes up his own mind what the public interest is, files the rates he wants, and in effect gets those rates for this year's operation—all that without a hearing. If this is rate making in the public interest, then why bother with the deceptive trappings of a regulatory body? Private determinations make public rates. Why pretend otherwise? Why mislead the public that Alaska's ship rates are this year the results of regulation? No argument, however clever, can make it seem so. No metaphysic can show it to be so.

Moreover, lest any stone be left unturned in behalf of the carriers, the Commission has gone to the incredible length of providing, over the protest of the Territory, that the subsidy approved by Congress may be awarded only to the carriers who pretend to have a first claim on the Alaska trade. No examination of their efficiency is made. No exploration of the waste of having three or four carriers, instead of one, overlapping one another's voyages is conducted. No limit is put upon the number of sailings they may wastefully indulge. The charm of their vested interests overrides such practical considerations. Whether other carriers could do a better job or secure a better balance of traffic—as the Territory knows to be so—is no matter to disturb the Commission.

Congress did not pass an exclusive subsidy for the benefit of the Alaska carriers or for the benefit of the Alaska canneries, but for the benefit of the Alaska public. The Commission, however, believes that what it says a resolution means is what Congress meant. And the Commission says that the subsidy is exclusively not for one carrier, not for efficient carriers, but for the Alaska carriers. It wraps itself up in the pious garb of economy and says that any other decision would result in wasteful use of Government property. It does not dare, however, seriously to examine the fact that in the past 2 years ship after ship at public and Federal expense left for Alaska using only 20 to 30 percent of voyage capacity. Ask any seagoing carrier how typical this scheduling is. Of course, it will occur now and then, but if it became typical the American merchant marine would quickly disappear from the high seas. Foreign competition would quickly see to that. But in Alaska we are helpless against this inefficiency. The Alaska carriers say that this intolerable loading factor is now necessary because they have been accustomed to it. They do not know how to increase it and they do not want to learn. Paper, pulp, and limestone cannot leave Alaska and British Columbia because their rates are too high. And their rates are too high because paper, pulp, and limestone are not part of their southbound load. They never were! Therefore, they never should be!

So much for this complaint. What can be done about it? Not much in this instance, I fear. The process of government, good and bad government, work too slow for immediate correction. But sooner or later the Congress must come to realize that regulatory powers over rates must be divested from agencies given the responsibility of promoting railroading, trucking, aviation, and merchant marine. Agencies cannot promote these activities with one hand and protect the general public interest with the other hand. It cannot be done. These regulatory powers were once delegated to agencies as public defenders. That concept was soon supplanted by the assumption that the agencies had a quasi judicial function. But even this concept goes by the board in an instance such as I have related, and the responsible agency becomes an abettor and a devil's advocate for private interests. Sooner or later this must be corrected. The sooner it is the better for the public interest.

Any hearings held in the future will be long drawn out, and even the most optimistic of us would scarcely hope that a decision will be reached before the provisions of the joint resolution expire in June 1948. In the meantime, Alaskans will be assessed these terrifically high rates. Some will simply be unable to meet the high cost of living and will return to the States.

And this at a time when the National Government is demanding settlement of Alaska. Again it is the case of the left hand undoing that which has been accomplished by the right. And, curiously enough, the Federal Government, which has furnished ships at practically no cost and exclusively to the Seattle operators, will, as the chief shipper to the Territory, have to pay the lion's share of the new rates. It does not make sense. It cannot make sense, because there is no logic behind it.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint resolutions, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 8. An act to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; to the Committee on the District of Columbia.

S. 136. An act for the relief of Ioannis Stephanes; to the Committee on the Judiciary.

S. 186. An act for the relief of Santiago Naveran; to the Committee on the Judiciary.

S. 187. An act for the relief of Antonio Arguinzonis; to the Committee on the Judiciary.

S. 189. An act for the relief of Simon Fermin Ibarra; to the Committee on the Judiciary.

S. 190. An act for the relief of Pedro Ugalde; to the Committee on the Judiciary.

S. 298. An act for the relief of certain Basque aliens; to the Committee on the Judiciary.

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment, and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 409. An act for the relief of Milan Jandrich; to the Committee on the Judiciary.

S. 714. An act authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken; to the Committee on Public Lands.

S. 1043. An act for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y.; to the Committee on the Judiciary.

S. 1087. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; to the Committee on Agriculture.

S. 1180. An act to authorize the issuance of a special series of commemorative stamps in honor of Gold Star Mothers; to the Committee on Post Office and Civil Service.

S. 1249. An act authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes; to the Committee on Agriculture.

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents; to the Committee on Public Lands.

S. 1350. An act to authorize relief of accountable officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; to the Committee on the District of Columbia.

S. 1442. An act to amend sections 235 and 327 of the Code of Laws for the District of Columbia; to the Committee on the District of Columbia.

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; to the Committee on the District of Columbia.

S. 1508. An act to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33); to the Committee on the Judiciary.

S. 1515. An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe; to the Committee on Expenditures in the Executive Departments.

S. J. Res. 98. Joint resolution providing for membership by the United States in the World Health Organization and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

S. J. Res. 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to the Committee on House Administration.

S. J. Res. 133. Joint resolution to provide for returns of Italian property in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 14. Concurrent resolution favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 18. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of William E. Borah; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 811. An act for the relief of J. F. Powers;

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1420. An act to authorize the issuance of certain public improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval bills of the House of the following titles:

On July 3, 1947:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

On July 7, 1947:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code;

H. R. 1946. An act to amend sections 2801 (e) of the Internal Revenue Code;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

ADJOURNMENT

Mr. FULTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 9, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

899. A letter from the Chairman, Federal Reserve System, transmitting the Thirty-third Annual Report, covering operations of the Federal Reserve System during the calendar year 1946; to the Committee on Banking and Currency.

900. A letter from the Chairman, United States Maritime Commission, transmitting

a report pursuant to the provisions of section 2, Public Law 12, Eightieth Congress; to the Committee on Merchant Marine and Fisheries.

901. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

902. A communication from the President of the United States, transmitting the report and recommendations of the Joint Philippine-American Finance Commission, dated June 7, 1947, and a technical memorandum entitled "Philippine Economic Development" (H. Doc. No. 390); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 274. Resolution providing for the consideration of H. R. 3952, a bill to amend section 10 of the Federal Reserve Act, as amended, and for other purposes; without amendment (Rept. No. 803). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 275. Resolution providing for the consideration of House Joint Resolution 222, joint resolution terminating consumer credit controls; without amendment (Rept. No. 804). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 1809. A bill to facilitate the use and occupancy of national forest lands, and for other purposes; with an amendment (Rept. No. 805). Referred to the Committee of the Whole House on the State of the Union.

Mr. HORAN: Committee on Appropriations. H. R. 4106. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 806). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALE: Committee on Interstate and Foreign Commerce. H. R. 4071. A bill to amend sections 301 (k) and 304 (a) of the Federal Food, Drug, and Cosmetic Act, as amended; without amendment (Rept. No. 807). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3889. A bill to amend Veterans' Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; with amendments (Rept. No. 808). Referred to the Committee of the Whole House on the State of the Union.

Mr. CORBETT: Committee on House Administration. House Resolution 83. Resolution to provide for the printing of a documented study and analyses of Fascism in Action as a House document; without amendment (Rept. No. 809). Referred to the House Calendar.

Mr. DONDERO: Committee on Public Works. H. R. 3862. A bill to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse; without amendment (Rept. No. 810). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HORAN:

H. R. 4106. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. GILLIE:

H. R. 4107. A bill to amend section 5 of the Federal-Aid Highway Act of 1944, approved December 20, 1944; to the Committee on Public Works.

By Mr. BATES of Massachusetts:

H. R. 4108. A bill to reduce in area the Parker River National Wildlife Refuge in Essex County, Mass., and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HESS:

H. R. 4109. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; to the Committee on Post Office and Civil Service.

By Mr. HOPE:

H. R. 4110. A bill to amend title 1 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); to the Committee on Agriculture.

By Mr. JENSEN:

H. R. 4111. A bill authorizing the construction of flood-control works on the Little Sioux River and its tributaries in Iowa; to the Committee on Public Works.

By Mr. WOLVERTON:

H. R. 4112. A bill to provide for the acceptance and use of funds for support of the national weather service supplementing the funds appropriated for the operation of the Weather Bureau of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

H. R. 4113. A bill to redefine the units and establish the standards of electrical and photometric measurements; to the Committee on Interstate and Foreign Commerce.

H. R. 4114. A bill to amend the Public Health Service Act to permit certain expenditures, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Wisconsin:

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific islands; to the Committee on Foreign Affairs.

By Mr. LARCADE:

H. Res. 276. Resolution to request the Secretary of Agriculture to take immediate action to prevent further damage to crops as a result of the use of the weed killer known as 2,4–D; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to take steps necessary to authorize immediate development of the Great Lakes-St. Lawrence waterway; to the Committee on Public Works.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact appropriate legislation to enable the several States and Territories to finance the administration of their unemployment-insurance systems; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 4115. A bill to quiet title and possession with respect to certain land in the town of Cheverly, Prince Georges County, Md.; to the Committee on Public Works.

By Mr. MONRONEY:

H. R. 4116. A bill for the relief of W. S. Burleson; to the Committee on the Judiciary.

By Mr. STIGLER:

H. R. 4117. A bill for the relief of Devi Dja; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 4118. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain lands in Rankin County, Miss.; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

729. By Mr. HART: Petition of the Hudson County Bar Association, expressing opposition to passage of H. R. 1639, the Jennings bill; to the Committee on the Judiciary.

730. By the SPEAKER: Petition of Miss Martha Moffitt, Sanford, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

731. Also, petition of Mrs. Alice R. Praster and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

732. Also, petition of A. M. Keller, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

733. Also, petition of James R. Allen, Wilmington, Del., petitioning consideration of his resolution with reference to requesting the removal of the Attorney General of the United States from office for failure to take action on complaints filed with the Department of Justice over a period of several months; to the Committee on the Judiciary.

734. Also, petition of Mrs. C. Cody, Jacksonville, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

735. Also, petition of Henry C. Curtis and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

736. Also, petition of Orville Bright and others, petitioning consideration of their res-

olution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

737. Also, petition of Mrs. Jean Head and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JULY 9, 1947

(Legislative day of Monday, July 7, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

Once more, our Father, we would begin the legislative day with Thee. As we pause for this reverential moment, may we be still and know that Thou art God. We invoke Thy blessing upon the Members of the Senate, whether present or absent. Give us strength for our burdens, wisdom for our responsibilities, insight for our times, charity for our speech, courage for our convictions, and unfaltering faith in Thy divine leadership. So may the safety, honor, and general welfare of our Nation be advanced that happiness, peace, and prosperity may be established upon the sure foundation of truth and justice, virtue and piety.

In the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 8, 1947, was dispensed with, and the Journal was approved.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

DONATIONS BY NAVY DEPARTMENT TO NONPROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Secretary of the Navy, reporting, pursuant to law, a list of institutions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

REPORT ON ALASKA OCEAN TRANSPORTATION SERVICE

A letter from the Chairman of the United States Maritime Commission, transmitting, pursuant to law, a report relative to certain ocean transportation service to and from Alaska (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Nu Beta Epsilon National Legal Fraternity in convention assembled on March 28, 1947, at Chicago, Ill., endorsing the efforts of Congress and the President toward the immediate immigration of displaced Jews into Palestine, which was referred to the Committee on the Judiciary.

FELICITATIONS FROM ARGENTINE SENATE ON ONE HUNDRED AND SEVENTY-FIRST ANNIVERSARY OF DECLARATION OF AMERICAN INDEPENDENCE

The PRESIDENT pro tempore laid before the Senate a radiogram from J. H. Quijano, president, and Alberto H. Reales, secretary, of the Argentine Senate, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

JULY 5, 1947.

PRESIDENT OF THE ILLUSTRIOUS SENATE, WASHINGTON:

I have the honor to transmit to you, Mr. President, and through you to that illustrious Senate the feelings of friendship and solidarity which I express in the name of the Argentine Senate and in my own name on the occasion of the one hundred and seventy-first anniversary of the Declaration of Independence of that great Nation.

J. H. QUIJANO,
President of the Senate.
ALBERTO H. REALES,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

H. R. 3055. A bill to permit the Secretary of the Navy and the Secretary of War to supply utilities and related services to welfare activities, and persons whose business or residences are in the immediate vicinity of naval or military activities and require utilities or related services not otherwise obtainable locally, and for other purposes; with an amendment (Rept. No. 463)

By Mr. HILL, from the Committee on Armed Services:

H. R. 3215. A bill to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes; with amendments (Rept. No. 464).

By Mr. GURNEY, from the Committee on Appropriations:

H. R. 3678. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 465).

By Mr. YOUNG, from the Committee on Appropriations:

H. R. 3993. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 467).

By Mr. BUCK, from the Committee on the District of Columbia:

H. R. 3131. A bill to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; without amendment; and

H. R. 3744. A bill to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia; without amendment.

By Mr. MCGRATH, from the Committee on the District of Columbia:

S. 1481. A bill to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District; without amendment; and

H. R. 1448. A bill to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902; with an amendment (Rept. No. 466).

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON AGRICULTURE AND FORESTRY

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
July 8, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

James M. Kendall, clerk; salary, $7,075.06; Joycette K. Jones, clerk; salary, $6,026.72.

Funds appropriated, $10,000; funds expended, $1,780.38.

ARTHUR CAPPER, *Chairman.*

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 9, 1947, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes;

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. JOHNSTON of South Carolina introduced Senate bill 1587, to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944, which was referred to the

Committee on Banking and Currency, and appears under a separate heading.)

By Mr. HILL:

S. 1588. A bill for the relief of E. W. Strong; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1589. A bill for the relief of Mr. and Mrs. Jacques Kurickis, and Brigitte Kurickis; to the Committee on the Judiciary.

By Mr. KEM:

S. 1590. A bill to amend the District of Columbia rent-control law so as to provide that schools and universities may recover possession of housing accommodations in certain cases; to the Committee on the District of Columbia.

By Mr. BUTLER (by request):

S. 1591. A bill to transfer certain transmission lines, substations, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes; to the Committee on Public Lands.

By Mr. PEPPER:

S. 1592. A bill to provide that transfers of obsolete and condemned vessels by the Secretary of the Navy shall become effective 30 days after having been reported to the Congress if not disapproved by the Congress within such 30-day period; to the Committee on Armed Services.

By Mr. WHERRY:

S. 1593. A bill to amend paragraph 20 of section 24 of the Judicial Code, as amended, so as to increase the limit of the Federal district courts' jurisdiction over claims against the United States from $10,000 to $25,000; to the Committee on the Judiciary.

PURCHASE BY RFC OF HOME LOANS MADE UNDER SERVICEMEN'S READJUSTMENT ACT

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Reconstruction Finance Corporation Act so as to authorize the RFC to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944.

The Reconstruction Finance Corporation Extension Act, which was passed recently by the Congress, eliminated the authority of this agency to establish a secondary market for GI home loans made under authority of title III of the Servicemen's Readjustment Act of 1944, thereby in effect nullifying the home-loan benefits to veterans. It is readily apparent that the small home-town banks are not in a position to tie up large amounts of their limited capital reserve in such loans. So long as they were assured by the RFC that it would take them over the banks had a way to dispose of their loans, but now, having no way to dispose of them, I fear the banks will refuse to make such loans any longer.

This subject is one of particular interest to me in view of the fact that in April of last year the RFC undertook to establish such a secondary market upon my recommendation to the Honorable George E. Allen, at that time a director of the RFC. In this connection I ask permission to have printed in the RECORD as a part of my remarks certain correspondence between the RFC and me, which gives the history of the establishment of the secondary market previously in operation.

I believe that, when the Congress comes to understand the full force and effect of its action in eliminating this market for the discount of veterans' home loans, it will desire to immediately rectify its mistake.

There being no objection, the correspondence referred to was ordered to be printed in the RECORD, as follows:

MARCH 22, 1946.

Hon. GEORGE E. ALLEN,
Administrator, Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. ALLEN: I fully realize that the Reconstruction Finance Corporation was largely responsible for the immediate success of the Federal Housing Administration program at its inception by establishing a secondary market for FHA insured mortgages. I, therefore, am now appealing to you in behalf of the veterans to establish a similar secondary market for all mortgages originating under title III of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended by Public Law 268, Seventy-ninth Congress—the so-called GI bill of rights for the benefit of veterans of World War II.

As you know, the Veterans' Administration guarantees mortgage loans to veterans for the purchase of homes, farms, and financing of business ventures. In the case of the purchase of existing homes or the construction of new homes, the Veterans' Administration is willing to guarantee a full 100-percent mortgage on the purchase price established by a reasonable value appraisal to the extent of the top 50 percent of any possible loss to the lender, not to exceed $4,000. This is a liberal guaranty and one that should be helpful to many veterans in building or purchasing homes. So far, however, a majority of the smaller banks and mortgagees are unable to process and finance the required number of loans because of the unavailability of a suitable secondary market.

By your agency establishing a secondary market for veterans' loans under the Veterans' Administration's sponsorship the benefit to our veterans would be tremendous. It would permit our small banks and/or mortgagees in the small communities throughout the Nation to assist the veterans. I believe you can readily see the advantages to the veteran of being able to do business with his home-town banker whom he knows and is known by. This secondary market established by you for these Veterans' Administration sponsored mortgages under time limits and conditions as your agency established for Federal Housing Administration mortgages would open a large market and enable veterans to secure a home with minimum delay in financing and would undoubtedly speed up and facilitate the home-building program sponsored by the President and Mr. Wilson Wyatt and so much desired by us all.

I have the advice of experts in the fields of construction and financing that such action on your part would facilitate the building of approximately 200,000 additional homes under the President's home-building program. I realize the desire of your agency to cooperate in all matters for the public good that are financially sound. Since all mortgages financed by the Veterans' Administration are guaranteed to the top 50 percent of any possible loss to the lender, not to exceed $4,000, it seems to me that they are as sound an investment as any Federal Housing Administration insured mortgage.

I, therefore, urge your agency to take immediate steps to afford a secondary market for Veterans' Administration sponsored mortgages thereby providing for veterans to receive the benefits to which they are now entitled under the Servicemen's Readjustment Act of 1944.

I shall appreciate your early consideration of this matter.

With kindest regards, I am,

Sincerely yours,

OLIN D. JOHNSTON,
United States Senator.

RECONSTRUCTION FINANCE CORPORATION,
Washington, D. C., March 26, 1946.

Hon. OLIN D. JOHNSTON,
United States Senate,
Washington 25, D. C.

DEAR SENATOR JOHNSTON: Your letter dated March 22, 1946, recommending that the Reconstruction Finance Corporation, or one of its subsidiaries, establish a secondary market for all mortgages originating under title III of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended by Public Law 268, Seventy-ninth Congress, is being given careful consideration.

I have checked into the matter and found that neither the Reconstruction Finance Corporation nor any of its subsidiaries is providing a market for these mortgages at this time. I am very sympathetic towards this program and have instructed some of the mortgage experts of this Corporation to make a detailed study immediately of this program.

As soon as the above-mentioned study is completed I will advise you of the action taken by the Reconstruction Finance Corporation or one of its subsidiaries. You may rest assured that I will do everything within my power to assist the veterans in solving their housing problems.

Best regards.

Sincerely,

GEORGE E. ALLEN,
Director.

APRIL 12, 1946.

Hon. GEORGE E. ALLEN,
Director, Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. ALLEN: I refer to your letter of March 26 informing me you had instructed some of the mortgage experts of the RFC to make a detailed study of the proposal advanced by me to have RFC provide a secondary market for veterans home loans guaranteed by the Veterans' Administration. I am forwarding herewith for your information a letter from Mr. Willard A. Hawkins, president, Canton State Bank, Canton, Mo.

This letter is typical of the response I have had from bankers throughout the country who are interested in this plan. I believe you will find it interesting and worthy of your consideration in connection with the foregoing matter.

When you have had sufficient time to investigate this matter and reach a decision, I shall appreciate your informing me whether or not you consider it practicable at this time.

With best regards, I am,

Sincerely yours,

OLIN D. JOHNSTON,
United States Senator.

CANTON STATE BANK,
Canton, Mo., April 9, 1946.

The Honorable OLIN D. JOHNSTON,
United States Senate,
Washington, D. C.

DEAR MR. JOHNSTON: I have read in the March 29 issue of the American Banker an article which indicates that you have become interested in creating a secondary market for GI loans similar to that provided by the Reconstruction Finance Corporation for insured title II Federal Housing loans.

I am president of a $2,000,000 bank in northeast Missouri. We are making a sincere effort to serve the returning servicemen of this community with every advantage of the GI bill. We are, however, very much concerned about the freezing of funds in a GI loan for a period of 25 to 40 years. Obviously, if a commercial bank must rely on the deposited funds for loanable balances, it could not be said to be a safe procedure to tie up a considerable percentage of deposited funds for a period of 25 to 40 years. The shift of deposits can be very substantial

over that period of time. We are, and I find other banks, reluctant to tie up depositors funds for a period of more than 10 years without a definite provision for relief in the event deposits should decline materially.

Because of the conditions above reviewed, many banks are not attempting to make GI loans available. This is not because they do not wish to serve the returning veterans, but because they feel an obligation to their depositors to maintain a liquid position.

We have made considerable volume of title II FHA loans, which we regard as the most liquid asset in our institution because of the provision for RFC to purchase these loans at par at any time. You would make a major contribution to the welfare of the returning veteran, as well as the commercial banks of the Nation, if you will continue to push this matter and interest your colleagues in supporting you to the extent that the liquidity provision provided for title II Federal housing, be duplicated in the case of the GI loans.

If I can render you any service in this or any other connection, I would be happy to do so, and thank you for your consideration in this connection.

Very truly yours,

WILLARD A. HAWKINS,
President.

RECONSTRUCTION FINANCE CORPORATION,
Washington, April 15, 1946.

Hon. OLIN D. JOHNSTON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSTON: Reference is made to my letter, dated March 26, 1946, in reply to your letter of March 22, in which you recommended that the Reconstruction Finance Corporation or one of its subsidiaries establish a secondary market for mortgages originating under title III of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended.

I am pleased to advise you that the Reconstruction Finance Corporation today addressed the following letter to Gen. Omar N. Bradley, United States Army, Administrator of Veterans' Affairs, Washington, D. C., in which this Corporation agrees, subject to certain conditions, to establish a secondary market for the above-mentioned mortgages:

"Reference is made to your letter dated March 30, 1946, in which you indicate your desire to have the Reconstruction Finance Corporation establish a secondary market for mortgages guaranteed or insured under title III of the Servicemen's Readjustment Act of 1944, as amended.

"We understand from representatives of your Administration, who met with our representatives on Monday, April 1, 1946, that a considerable number of private financial institutions have indicated to the Veterans' Administration that they must have a dependable market in which to sell some of those mortgages from time to time in order to be able to make further loans to veterans and that they want the Reconstruction Finance Corporation or one of its affiliates to purchase the mortgages under an arrangement whereby the lending institution will continue to service the mortgages.

"We have considered the matter carefully and feel that we should give such assistance, within certain limitations, as may be required by private financial institutions in obtaining a market for veterans' home loans.

"With this object in view, the RFC Mortgage Company, a wholly owned affiliate of the Reconstruction Finance Corporation, will purchase veterans' home loans guaranteed or insured under title III of the Servicemen's Readjustment Act of 1944, as amended, subject to the following tentative conditions, requirements, and limitations:

"1. Loans will be purchased only from original lenders.

"2. The loan, to be eligible for purchase, shall have been made for the purchase or construction of the borrowing veteran's home, or made for the purpose of refinancing indebtedness of the veteran secured by a lien of record on the veteran's home. Farm mortgages will not be purchased by RFC Mortgage Company, since we believe such should be handled by the Farm Security Administration or other governmental farm lending agency.

"3. The loan shall be secured by a first lien, except secondary loans fully guaranteed under the provisions of section 505 (a) of the Servicemen's Readjustment Act of 1944, as amended.

"4. The original principal amount of the loan shall not exceed $10,000.

"5. The interest rate of the obligation is to be not less than 4 percent.

"6. The loan is to be guaranteed to the extent of $4,000, or 50 percent of the face amount of the loan, or to be insured to the extent of 15 percent under the provisions of section 508 (a) of the act.

"7. Sellers which are financial institutions acceptable to RFC Mortgage Company as servicing agents must agree to service the loans purchased from them. Other sellers must have a financial institution acceptable to RFC Mortgage Company agree to service the loans. A service charge of one-half of 1 percent per annum, computed on the unpaid balance, will be paid by RFC Mortgage Company out of the interest portion of installment payments collected by the servicing agent.

"8. The loan must be current with respect to matured installments and seller must certify that the loan is not being offered to RFC Mortgage Company because of any existing or expected conditions affecting the mortgagor or his affairs which, in the opinion of the seller, will cause the mortgage indebtedness to become delinquent.

"9. The mortgaged property must be located within a radius of 200 miles from the principal home office of the servicing agent.

"10. The Veterans' Administration shall agree that, except as to good and merchantable title to the property securing the mortgage, the Veterans' Administration's endorsement or certificate with respect to the guarantee or insurance shall be incontestable, as against RFC Mortgage Company or its assignees, because of any error, defect, etc.

"11. Mortgages shall be in standardized forms, approved by Veterans' Administration and RFC Mortgage Company. In this connection, we feel that there should be only one standardized mortgage form for use in any one State.

"12. Such loans shall be repaid in equal monthly installments, which shall be applied to interest and principal.

"13. The loans shall be for terms of 5, 8, 10, 12, 15, 17, 20, or 25 years. This suggestion is made with a view to limiting the loan patterns to a reasonable number.

"14. With respect to cases in which there are two loans—the primary loan to be insured by FHA and the secondary loan to be guaranteed by the Veterans' Administration—RFC Mortgage Company will require that both loans be sold to it if the seller desires to sell the secondary loan.

"15. RFC Mortgage Company reserves the right to discontinue purchases whenever such action is deemed proper.

"We shall be pleased to consider any views you may have with regard to the foregoing and to have our representatives meet with representatives of the Veterans' Administration with the view to agreeing upon the various policies and procedures that will be involved."

With kindest personal regards,

Very truly yours,

GEORGE E. ALLEN,
Director.

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE COMMERCE,
April 29, 1946.

Hon. GEORGE E. ALLEN,
Director, Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. ALLEN: I have received your letter of April 15 in which you inform me that RFC has agreed to provide a secondary market for mortgages originating under title III of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended.

Your action in this matter is gratifying; however, I feel that to fully accomplish the results we desire that paragraph 14 of your proposal should be amended. I, therefore, suggest that the following be substituted for said paragraph: "14. With respect to cases in which there are two loans (the primary loan to be insured by FHA and the secondary loan to be guaranteed by the Veterans' Administration) RFC Mortgage Company will prefer that both loans be sold to it if the seller desires to sell the secondary loan. However, in refinanced cases where the FHA insured first mortgage would have to be paid off, thereby requiring the veteran to pay the FHA prepayment penalty of 1 percent of the original amount of the loan and extra expenses of title search recording fees, etc., the RFC Mortgage Company will accept the secondary loan provided the first loan is in good standing."

I offer the above suggestion for change in the honest belief that it will better aid us in our efforts to make more homes available for more veterans in the near future.

Sincerely yours,

OLIN D. JOHNSTON,
United States Senator.

There being no objection, the bill (S. 1587) to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Banking and Currency.

PREVENTION OF WAR AND MAINTENANCE OF WORLD PEACE

Mr. FERGUSON (for himself, Mr. TOBEY, Mr. BALDWIN, Mr. FLANDERS, Mr. CAIN, Mr. BYRD, Mr. O'MAHONEY, Mr. MCMAHON, Mr. SPARKMAN, and Mr. TAYLOR) submitted the following concurrent resolution (S. Con. Res. 23), which was referred to the Committee on Foreign Relations:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that permanent world peace can and will be achieved through the United Nations and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions that will strengthen the United Nations as an instrument to prevent war and maintain world peace.

FURTHER INCREASE IN EXPENDITURES OF COMMITTEE ON RULES AND ADMINISTRATION

Mr. JENNER submitted the following resolution (S. Res. 142), which was referred to the Committee on Rules and Administration:

Resolved, That the limit of expenditures authorized under Senate Resolution 54, Eightieth Congress, agreed to January 17, 1947 (authorizing the expenditure of funds

and the employment of assistants by the Committee on Rules and Administration in carrying out the duties imposed upon it by subsec. (o) (1) (D) of rule XXV of the Standing Rules of the Senate), as increased by Senate Resolution 114, Eightieth Congress, agreed to May 21, 1947, is hereby further increased by $95,000.

OFFICIAL PHOTOGRAPHER OF THE SENATE

Mr. CHAVEZ (for himself, Mr. CAPPER, Mr. KILGORE, Mr. O'MAHONEY, Mr. GURNEY, Mr. BUTLER, Mr. CAPEHART, Mr. BREWSTER, Mr. JOHNSON of Colorado, and Mr. HATCH) submitted the following resolution (S. Res. 143), which was referred to the Committee on Rules and Administration:

Resolved, That the President pro tempore of the Senate is authorized to appoint an official photographer of the Senate who shall perform such duties as may be assigned by the President pro tempore and who shall be paid compensation at a rate not to exceed $5,600 per annum, until otherwise provided by law. Said compensation and all expenses incurred in the purchase of such photographic equipment, including cameras, film, and developing supplies necessary to enable said photographer to perform his duties, shall be paid out of the contingent fund of the Senate.

INVESTIGATION OF LAW ENFORCEMENT AND POLICE ADMINISTRATIONS IN THE DISTRICT OF COLUMBIA

Mr. McGRATH (for himself, Mr. BALL, and Mr. COOPER) submitted the following resolution (S. Res. 144), which was referred to the Committee on the District of Columbia:

Resolved, That the Senate Committee on the District of Columbia, or any duly authorized subcommittee thereof, is hereby authorized and directed (1) to conduct a full and complete study and investigation with respect to law enforcement and police administrations in the District of Columbia; and (2) to report to the Senate at the earliest practicable date the results of such study and investigation, together with such recommendations as to necessary legislation as it may deem desirable.

SEC. 2. For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, and is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government of the United States. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

UNIFICATION OF ARMED SERVICES—AMENDMENT

Mr. McCARTHY submitted an amendment intended to be proposed by him to the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security, which was ordered to lie on the table and to be printed.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—AMENDMENT

Mr. McCLELLAN. Mr. President, on behalf of myself, and my colleague, the junior Senator from Arkansas [Mr. FULBRIGHT], the junior Senator from West Virginia [Mr. REVERCOMB], the Senator from Florida [Mr. HOLLAND], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. MAYBANK], the Senator from Connecticut [Mr. McMAHON], the junior Senator from Maryland [Mr. O'CONOR], the Senator from Rhode Island [Mr. McGRATH], the senior Senator from Maryland [Mr. TYDINGS], the senior Senator from West Virginia [Mr. KILGORE], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. HOEY], I ask unanimous consent to submit an amendment intended to be proposed to the bill (H. R. 3950) to reduce individual income-tax payments, and I request that it be referred to the Committee on Finance, be printed, and printed in the RECORD.

There being no objection, the amendment was received, referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. McCLELLAN (for himself, Mr. FULBRIGHT, Mr. REVERCOMB, Mr. HOLLAND, Mr. HILL, Mr. MAYBANK, Mr. McMAHON, Mr. O'CONOR, Mr. McGRATH, Mr. TYDINGS, Mr. KILGORE, Mr. MORSE, and Mr. HOEY) to the bill (H. R. 3950) to reduce individual income-tax payments, viz: At the end of the bill, add the following new section:

"SEC. 7. Splitting of income by husband and wife.

"(a) Joint returns: Section 51 (b) of the Internal Revenue Code (relating to joint returns by husband and wife) is hereby amended to read as follows:

"'(b) Husband and wife.

"'(1) A husband and wife may make a single return jointly. Such a return may be made even though one of the spouses has neither gross income nor deductions. No joint return may be made if either the husband or wife is a nonresident alien or if the husband and wife have different taxable years. The status of individuals as husband and wife shall be determined as of the last day of the taxable year.

"'(2) If a joint return is filed under this subsection, the taxes imposed by sections 11 and 12 shall be determined—

"'(A) by computing a tentative normal tax under section 11 upon an amount equal to one-half of the aggregate net income of the husband and wife in excess of the credits against net income provided in section 25;

"'(B) by computing a tenative surtax under the table set forth in section 12 (b) upon an amount equal to one-half of the aggregate surtax net income of the husband and wife;

"'(C) by reducing, in accordance with the table set forth in section 12 (g), the aggregate of the tentative normal tax and tentative surtax ascertained under subparagraphs (A) and (B) of this paragraph; and

"'(D) by multiplying the amount ascertained under subparagraph (C) by two.

"'(3) If a joint return is made under this subsection, and the aggregate adjusted gross income of the husband and wife is less than $10,000 and the taxpayers elect to pay the tax imposed by Supplement T, the tax imposed by section 400 shall be determined—

"'(A) by computing for each spouse a tax under section 400 upon an amount equal to one-half of the aggregate adjusted gross income of the husband and wife, with each spouse taking the number of exemptions to which he is entitled; and

"'(B) by adding the amounts of tax ascertained under subparagraph (A) of this paragraph.

"'(4) If a joint return is made, the liability with respect to the tax shall be joint and several.'

"(b) Standard deductions: Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"'(1) Allowance: In the case of an individual at his election, a standard deduction as follows:

"'(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"'(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"'(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400.'

"(c) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6."

NOTICE OF MOTION TO SUSPEND THE RULE — AMENDMENT TO MILITARY ESTABLISHMENT APPROPRIATION BILL

Mr. GURNEY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, the following amendment, namely:

On page 59, after section 17, insert a new section reading as follows:

"SEC. 18. The limitation imposed by section 14 of the act of May 24, 1946 (60 Stat. 219), shall not apply during the fiscal year 1948 to such personnel as the Secretary of War may determine to be necessary in lieu of military personnel authorized and appropriated for to carry out the purposes of this act: *Provided*, That not to exceed 25,000 civilian employees may be employed under the authority of this section."

Mr. GURNEY also submitted an amendment intended to be proposed by him to House bill 3678, making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

RETURN OF THE REMAINS OF MEMBERS OF ARMED FORCES KILLED IN WAR

Mr. LODGE. Mr. President, at the last call of the calendar I objected to the

unanimous consent consideration of order No. 364, House bill 3394 to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who died and are buried outside the continental limits of the United States," approved May 16, 1946, in order to provide for the shipment of the remains of World War II dead to the homeland of the deceased or of next of kin, to provide for the disposition of group and mass burials, to provide for the burial of unknown American World War II dead in United States military cemeteries to be established overseas, to authorize the Secretary of War to acquire land overseas and to establish United States military cemeteries thereon, and for other purposes.

Since making that objection I have conferred with officers in the Department in charge of this function, and I find that all the doubts I had entertained are resolved. I therefore withdraw the objection.

The PRESIDENT pro tempore. Does the Senator desire the present consideration of the bill?

Mr LODGE. No; I do not desire that. I merely want the RECORD to show that I have withdrawn my objection.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Health of the Committee on Labor and Public Welfare be permitted to hold a hearing during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, the order is made.

MORALS OF SELLING LIQUOR—ARTICLE FROM KIPLINGER MAGAZINE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an article entitled "Morals of Selling Liquor," published in the July 1947 issue of Kiplinger magazine, which appears in the Appendix.]

FUTILE SOVIET AGREEMENTS — EDITORIAL FROM THE WASHINGTON DAILY NEWS

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Futile Soviet Agreements," published in the Washington Daily News of July 9, 1947, which appears in the Appendix.]

BETTER GOVERNMENT—EDITORIAL FROM THE WASHINGTON DAILY NEWS

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Better Government," published in the Washington Daily News, July 9, 1947, which appears in the Appendix.]

A CAPITALIST LOOKS AT LABOR—ARTICLE BY CYRUS EATON

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "A Capitalist Looks at Labor," by Cyrus Eaton, published in the University of Chicago Law Review for April 1947, which appears in the Appendix.]

REFUSAL TO ACCEPT GOVERNMENT SUBSIDY—LETTER FROM JOE M. BAKER

[Mr. WILEY asked and obtained leave to have printed in the RECORD a letter from Joe M. Baker, district fireproof sales manager of the Milcor Steel Co., of Washington, D. C., together with an article by Edwin A. Lahey, which appear in the Appendix.]

WALTER CHANDLER—ADDRESS BY WALTER P. ARMSTRONG

[Mr. STEWART asked and obtained leave to have printed in the RECORD an address entitled "Walter Chandler—Citizen, Lawyer, Soldier, Public Servant," delivered by Walter P. Armstrong, of the Memphis bar, at a testimonial dinner given to Walter Chandler in Memphis on September 30, 1946, which appears in the Appendix.]

AUTHORIZATION FOR REPORT FROM FINANCE COMMITTEE

Mr. MILLIKIN. Mr. President, the Committee on Finance has favorably reported House bill 3950, a bill for the reduction of taxes. I ask unanimous consent to be permitted to submit a report by midnight tonight.

The PRESIDING OFFICER. Without objection, permission is granted.

MRS. MILDRED WELLS MARTIN

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 116) for the relief of Mrs. Mildred Wells Martin, which were, on page 1, line 7, after "$4,000" insert "; to pay the sum of $2,500 to Mrs. Mabel Jones, of Camden, S. C."; on page 1, line 10, strike out "the said Mrs. Mildred Wells Martin" and insert "them"; on page 1, line 11, strike out "she was" and insert "they were"; on page 1, line 11, strike out "a passenger" and insert "passengers"; and to amend the title so as to read: "An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin."

Mr. MAYBANK. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 9, 1947, the President had approved and signed the following acts:

S. 394. An act authorizing the issuance of a patent in fee to Raymond Wesley Doyle;

S. 396. An act authorizing the issuance of a patent in fee to Thurlow Grey Doyle;

S. 397. An act authorizing the issuance of a patent in fee to Lawrence Stanley Doyle;

S. 398. An act authorizing the issuance of a patent in fee to Spencer Burgess Doyle; and

S. 399. An act authorizing the issuance of a patent in fee to Gladys May Doyle.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan;

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes;

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

UNIFICATION OF THE ARMED SERVICES

The Senate resumed the consideration of the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security.

Mr. ROBERTSON of Wyoming obtained the floor.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Overton
Brewster	Holland	Pepper
Bricker	Jenner	Reed
Bridges	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Robertson, Va.
Buck	Kem	Robertson, Wyo
Bushfield	Kilgore	Russell
Butler	Knowland	Saltonstall
Byrd	Langer	Smith
Cain	Lodge	Sparkman
Capper	Lucas	Stewart
Chavez	McCarran	Taft
Connally	McCarthy	Taylor
Cooper	McClellan	Thomas, Okla.
Cordon	McFarland	Thye
Donnell	McGrath	Tydings
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. ROBERTSON of Wyoming. Mr. President, when consideration of Senate bill 758 was temporarily suspended on Monday I had, up to that time, endeavored to show that the bill provided for a complete merger of the armed forces in every aspect. I had also endeavored to point out that the savings which were estimated to result from the passage of the bill would not in fact result; that on the contrary the set-up as envisioned under S. 758 would vastly increase the cost of the operation of our armed services.

I had also pointed out many, many instances of coordination between the Army and Navy which had taken place without the benefit of any merger, and which were increasing day by day until there was almost complete coordination in practically every function of the Army, the Navy, and the Air Force which it was possible to coordinate.

I had also endeavored to point out to the Senate the dangers of the military dominance of not only the military system of the country but of our whole economic system.

Now, Mr. President, I desire to discuss for a short time the different concepts of the Army, Navy, and Air Force with regard to the basic set-up of our armed services.

The Army General Staff is completely sold on the theory that everything that flies through the air should be put in the Air Force, everything that walks or rolls on land should go to the Army, while everything that sails on or in the water belongs to the Navy. The Army calls this the "ideal" philosophy for the organization of the armed forces.

This philosophy of the Army is known as the "trielemental" philosophy, since it segregates the components of military power according to the natural elements in which they operate. It might also be called the "authoritarian" philosophy, since it was the accepted philosophy of Napoleonic France, of Von Moltke's and Hitler's Germany, and of Mussolini's Italy. It is the Russian military philosophy today.

The paper simplicity of trielemental concept is its leading attraction for those who are unfamiliar with military problems. There is something very alluring about a concept which puts the various military components into such neat compartments. It looks obvious and economical to have all aircraft under a single management—the same with ships and ground troops. But those who are familiar with all the ramifications and problems involved know that the simplicity and the economy are not realized in a practical application of the concept.

The truth of the matter is that the conduct of warfare becomes more rather than less complicated under the trielemental philosophy. The reason for this lies in the fact that the trielemental concept makes every major military operation a joint operation. Even amateur students of warfare know that ground operations require close air support as well as aerial observation, reconnaissance, and spotting of artillery fire. They know that naval operations rely heavily upon aviation for attack on surface targets, and for reconnaissance, gunfire spotting, and aerial defense. They know also that amphibious operations require the highly coordinated use of ground, sea, and air forces. Every major operation thus demands the participation of at least two of the military components which are completely segregated by the trielemental concept.

Since the trielemental philosophy makes every important operation a joint operation it forces on us the necessity of habitually maintaining joint commands, joint administrative echelons, joint logistic structures, all of these in addition to the completely developed structures set up separately to administer the ground forces, the sea forces, and the air forces. Instead of the simple and economical structure hoped for, the trielemental concept in its practical application requires us to maintain an exceedingly complex and costly overhead structure replete with duplications.

The objections of complexity and cost are secondary, of course, to the primary question of military effectiveness, and here the objections to the trielemental concept are even more cogent. The coordination of ground, sea, and air elements in a modern campaign is a most difficult problem. Split second timing, rapid shifting of forces, and intimate familitarity of one element with the problems of the others are of paramount importance. These are not easily achieved, if they can be achieved at all, in a trielemental system where mixed forces must be assembled for each job, under a temporary joint command.

The question may well be asked, Why, in the face of these objections which are obvious to any military dilettante, would the Army and the Air Force support such a philosophy? The answer lies in a corollary of the trielemental concept—a corollary which says that one element of the armed services should dominate the others. In the past, when the trielemental concept has held sway, the dominant element has been the Army—hence the attractiveness of this philosophy for the Army. In the future the Air Force hopes to become the dominant element—hence the attractiveness of the trielemental philosophy for the Air Force.

The corollary of armed services combination by a single element springs largely from the premise that an element which is common to all operations should occupy the key position. The Army points to the fact that all warfare reaches its final conclusion on land, hence they argue that the land element is the common element and should dominate. They fortify this argument by reciting the relative strengths of the various elements and by pointing out that even navies and air forces require land bases and are to that extent always dependent on the land forces for a place from which to operate. The German Army used this same argument effectively in establishing its own dominance of the German armed forces.

The Air Force does not go along all the way with this line of reasoning, of course. They are willing to agree to the general premise that if there is a common element to all operations it should dominate the armed services. They think, however, that aviation will eventually become the common element. The matter of relative service size does not bother them particularly, as they hope the present size relationship will shift in their favor before very long. They brush aside as inconsequential the Army's contention that wars are fought from land bases for land objectives.

There are other reasons why the Army and the Air Force are intrigued with the trielemental philosophy. Its rigid compartmentalization would put naval and Marine Corps aviation out of business or into the Air Force, and would put the fleet marine force out of business or in the Army. The Army and Air Force have itched for years to take over these elements of the Navy. Such desires of the Army and Air Force are really side issues, however. Their real aim is the domination of the armed services as a whole. If the United States accepts the trielemental concept, along with its corollary of single-service domination, the stage will be set for the most spectacular interservice battle this country has ever seen—the battle between the Army and the Air Force to determine which one will be top dog in the United States defense establishment.

It may be that the trielemental philosophy, with its corollary of single-service domination, is the correct philosophy for a country which is forced by geography or by other influences to concentrate the major portion of its strength in a single element of its armed forces—for a country which can safely relegate its other military components to a subordinate role.

We have the word of General von Brauchitsch that it was the proper thing for the Germans to do. It may also be that it is the proper philosophy for a totalitarian state. No less an expert than General Keitel, Hitler's chief of staff, wrote that the organization of the German armed forces command, the ultimate embodiment of the trielemental philosophy, represented "the most logical and most efficient solution for an authoritarian state."

Before we accept these opinions, however, we should not overlook the misuse of the German Air Force and Navy which resulted from the German acceptance of the trielemental philosophy, nor should we overlook the historical misuse of navies and air forces by other countries which made the same decision. Without exception, those nations which have embraced the trielemental philosophy in the past have gone down to military defeat. Let us not follow their example.

Opposite the trielemental philosophy is the task force or functional philosophy espoused by the Navy. This might also be called the democratic philosophy, inasmuch as it is the traditional military

philosophy of the democratic nations of the world. In this concept, land power, sea power, and air power are recognized as the basic elements of over-all military power, rather than ground troops, ships, and aircraft. One component of the armed services, the Army, is made responsible for the exercise of land power and is given the necessary forces—primarily land forces, but including necessary air and sea auxiliaries—to do the job. By the same token the Navy is given the requisite sea, air, and amphibious ground forces to wield effective sea power, while the air force is equipped with appropriate air, land, and sea forces to exert strategic air power. Each service thus constitutes a balanced arm to exercise one particular aspect of over-all military power.

The chief advantage of the task-force philosophy, as contrasted with the trielemental philosophy, is that it provides a far more effective application of the several elements of military strength.

It is well known that the exercise of land power involves a great deal more than the efforts of ground troops. In particular, it involves the closely coordinated use of aviation to provide observation of the battlefield, to report developments behind the immediate field of operations, to spot and adjust artillery fire, and to bomb and strafe enemy troops and positions which are holding up the ground advance. These supporting missions can be carried out effectively only by aviation which is organic to the ground troops, which has trained habitually with ground troops, and which is under the immediate control of the ground commander. Effective land power thus demands that the ground force be constituted as a balance force comprising not only ground elements, but aviation elements as well. By similar reasoning, organic water-borne elements are also a necessity for a balanced ground force. The ground commander should not be forced to call upon a naval commander for the boats required to effect a river crossing.

Air power, on the other hand, seeks to destroy the enemy's will and ability to fight, not by attacking his troops on the field of battle, but by direct attack on his seat of government and the main elements of his war economy. It also bears the primary responsibility for defending the Nation against aerial attack. It cannot discharge these responsibilities with aircraft alone. It, too, demands a balanced force. It must have the means to defend its ground installations against surprise attacks from the ground. It must have the antiaircraft troops to complete its aerial defense of the Nation, and it must have the boats and other naval appurtenances necessary to operate strategic bombers from seaplane bases.

The Navy has always been constituted as a balanced force for the exercise of sea power. It has maintained a substantial aviation component for aerial defense of the fleet, for aerial attack of naval targets, for antisubmarine warfare, for sea reconnaissance, and for observation and control of naval gunfire. It has maintained a fleet marine force for the seizure and defense of the bases required for fleet operations.

Much of the success of the recent naval campaign in the Pacific was directly due to the fact that naval aviation had been maintained for years as an organic part of the Navy, was subject to Navy command, and was thoroughly familiar with naval operations. Similarly the fleet marine force was an effective force in amphibious operations because it had been maintained as an arm of the fleet, had developed amphibious techniques in conjunction with the fleet, understood fleet operations, and contained a marine aviation component which was expert in the support of amphibious forces.

The task-force philosophy leads to economy as well as military effectiveness. Most warfare is capable of division into well-defined areas where land power, sea power, and air power are applied individually and independently, except for the over-all coordination at the very top level.

In Europe, after the Normandy landings, the combined armies of the United States, Great Britain, and France engaged in a tremendous land campaign which embraced all the elements of land power and which was entirely apart from the strategic air offensive against the heart of Germany. The latter was a manifestation of air power. At the same time that land power and air power were being exerted in Europe, sea power was keeping open the Atlantic lanes for the transport of supplies and manpower. In the Central Pacific, meanwhile, sea power was being pushed to the very doorstep of Japan, setting the stage for the exercise of air power against the Japanese war potential and the eventual exercise of land power on the home soil of Japan.

It is only in the marginal areas that land power, sea power, and air power are exercised in conjunction with each other, and there only for relatively short periods. Under the task force philosophy, such joint undertakings are of a transitory nature, marking the shift in emphasis in a particular area from sea power to air power, from sea power to land power, or from air power to land power. Under the task force concept, joint operations are therefore of comparatively rare occurrence and are short-lived. We are not faced with the continual necessity of maintaining joint commands. The task force philosophy thus insures a simple command, administrative, and logistic structure, one which is immeasurably more effective and economical than the dual structure required by the trielemental concept.

Inasmuch as the task force philosophy renders joint operations the exception rather than the rule, no single service appears as a common element in every major operation, and there is no resulting corollary that a single service should dominate the others. There is, in fact, no place whatsoever in the task force concept for the combination of the armed services by a single element, since the task force philosophy is the characteristic philosophy of nations which must place equal or nearly equal reliance on air power, sea power, and land power for survival. Such nations dare not permit the subordination of any of these elements to another.

The task force philosophy has been the traditional American philosophy, just as it has been the traditional military philosophy of all major democratic nations. It is the philosophy which has enabled these nations to build incomparable military machines without surrendering to them the power of government. It is also the philosophy which has emerged victorious in every modern war.

It is obvious that these two philosophies are implacably opposed to each other. In view of the manifest impossibility of compromising these concepts, and in view of the unwillingness of the Army and the Navy to surrender their conscientious convictions, it is not surprising to find that the merger bill now being considered glosses over this all-important matter, leaving it as a subject for continuing interservice controversy and ultimately for Executive decision.

I am opposed, Mr. President, to such a procedure, for I believe that it is essential to national security that the issue be settled now and by action of Congress. If it is true that one philosophy is particularly appropriate to a democratic nation whose first line of defense lies in its sea power and its air power, then I believe that Congress should make its choice in favor of that philosophy and write that philosophy into law.

I should like to make particular mention of naval aviation and the Marine Corps, two components of our armed forces, the maintenance of which is indispensable to the task-force philosophy, two components which will not long exist if the Army succeeds, by the device of Executive order, in foisting upon us its trielemental concept.

Whenever these two branches of the service, namely, naval aviation and the Marine Corps, have been mentioned in committee, my colleagues have united to express their admiration and esteem. My colleagues have never failed to utter their objections to any suggestion which would deprive these gallant services of the continuing opportunity to serve the Nation in the future as they have in the past. In the face of these utterances, I find it difficult to understand their reluctance to provide adequate protection in the proposed legislation. I cannot reconcile their outspoken solicitude for the welfare of naval aviation and the Marine Corps with their repeated refusals to set at rest the minds of the thousands of officers and enlisted personnel in those services. On numerous occasions there has been evidence presented to us that naval aviators and marines are with good reason apprehensive of what the future has in store for them.. We cannot make a sounder contribution to national security than to give these fine officers and men the assurance they are waiting for. If we must write a little more detail into the law than some of my colleagues think necessary—and I for one do not regard the necessary provisions as details—then let us do so, for the reward is overwhelmingly great. It is the peace of mind of those who should be able to devote their

uninterrupted attention to the dangers which threaten from without.

Aware as I am of the bitter struggle which exists between the two opposing concepts of military organization, I personally find much of substance to the fears expressed by the marines and the naval aviators. One need only look to the 1478 series of papers of the joint Chiefs of Staff for evidence that within the past few years there have been repeated and strong attempts to restrict the combat functions of naval aviation and the Marine Corps. The very functions which have made these services great, the functions in which they have rendered incalculable service to the Nation.

Many of my colleagues will be startled to learn that the leaders of the Army and the Army Air Force proposed, almost at the outset of this controversy, that the Marine Corps should no longer be accorded an opportunity to continue its leadership in the development of amphibious warfare, which is the primary peacetime occupation of the corps. It is difficult to comprehend how such a proposal could be seriously advanced in the face of historical facts. The Marines brought this highly specialized form of warfare to perfection almost single-handed, starting at a time when the Army was content to accept the lesson of Gallipoli as indisputable evidence that the job could not be done.

The Pacific campaign of the war just ended is a tribute to the foresight of the Marines, and to the skill and perseverance with which they pursued their objective. It is no less to their credit that they cheerfully taught the art of amphibous warfare to the Army when the latter service belatedly recognized its importance on the very eve of war. The amphibious doctrines and equipment perfected by the Marines contributed no small share to the success of the Army landings in north Africa and Normandy.

It is no less startling to learn that behind public utterances of affection and esteem for the Marine Corps, the Chief of Staff of the Army and the commanding general of the Army Air Forces proposed variously during the past 2 years or so that the Marines should be transformed into boat crews, that in time of war their combatant operations should be limited to feints or demonstrations, or that their units should be lightly armed and limited to regimental size. This is the fate, carefully veiled in military secrecy, that the leaders of the Army and the Army Air Force have in store for the Marines. What a fate, Mr. President, for the intrepid corps which stormed the beaches of Guadalcanal, Bougainville, Tarawa, Saipan, Tinian, Guam, Peleliu, Iwo Jima, and Okinawa! What bitter irony that the commanding general of the Army Air Forces should propose such a fate for the gallant corps which fought the bitterest battle of its illustrious history at Iwo Jima in order that the B–29's of the Air Force might find a welcome haven when they returned crippled from the bombardment of Japan, in order that the same B–29's might have fighter protection on their hazardous trip to Japan! What a mockery if that glorious symbol of American bravery and self-sacrifice—the raising of the flag on Mount Suribachi—is to become the symbol of the passing of the Marines as a combatant corps! I ask my colleagues if they are prepared to became a party to such a descration?

The Army knows that the respect of the Nation for naval aviation and the Marine Corps is too high to permit a summary destruction or emasculation of those services. It is for this reason that the War Department has consented to their nominal continuation under Senate bill 758. But at the same time they have insisted that the basic functions of these services should not be written into law, but should be reserved for determination by Executive order. The method in this is all too plain. Executive orders are written with one stroke of the pen, and can be changed or canceled with another. Under Executive order the functions of the Marine Corps and of naval aviation can slowly be whittled away, bit by bit, until nothing but the name remains.

The probable course of events which would follow the passage of Senate bill 758 is obvious from examination of the proposed Executive order which accompanied it when it left the White House. In this order the functions of the armed services are set forth in detail. It is an order replete with duplications, just the sort of duplications which this bill purports to avoid. These duplications are purposeful, duplication is to be established in every controversial field. Then at some later date, under the guise of eliminating duplication, the Marine Corps and naval aviation will be forced to vacate the field in which they have attained original primacy and operated so gallantly and effectively in the past.

I do not anticipate immediate and drastic reductions in functions. Drastic reductions, particularly in the immediate future, would invite the attention of Congress and the public to the duplicity of the scheme. The reductions will be postponed, and when they occur they will be in the nature of nibblings, each bite of insufficient size to attract notice, but in the aggregate and in the end the result would be the same—destruction or emasculation.

I stated that the proposed Executive order was detailed. I think it was made so purposely, in order to convey to Congress and to the members of your committee the impression that a statutory delineation of functions would be correspondingly detailed, and therefore inappropriate to legislation. Such is not the case. The basic functions of the Army, the waterborne Navy, and the Air Force are simple of statement and relatively immutable. Because they border on the functions of the other services, although they do not duplicate them, the functions of naval aviation and the Marine Corps require slightly greater specification, but they are still capable of statement with a breadth and brevity appropriate to legislation.

It is most fitting and proper that Congress should legislate the functions of every service. In the well-chosen words of General Vandegrift:

> To do so is no more than to state the reasons for its existence. When Congress calls the several armed services into being, it recognizes a specific need for each of the several components of Nation security. The very existence of each component is predicated upon a conclusion by Congress that a mission actually exists—that a role must be filled. As specifically relates to the Marine Corps, Congress should ask itself whether the traditional need for an amphibious fighting force in being still exists—whether the need for a Marine Corps is in fact justified by the events of the past and the forecasts of the future. If it determines the Marine Corps' function is still to exist, then it should be set forth in law—otherwise the implicit will of Congress can be utterly and legally ignored.

I agreed wholeheartedly, Mr. President, with General Vandegrift when he said that.

Frankly, I think the position of those who advocate leaving the delineation of functions to Executive order is untenable. Are we so awed or panic stricken by our fears of the future that we must write a blank check for those to whom we look for military security? Would it be any more absurd if our fears of an economic depression led us to create a huge Government reconstruction corporation, financed with billions of dollars, and if we left it to the President or an appointed head to decide what the functions of the corporation should be? I am certain that we would write the functions of such an organization with the greatest of care; and I doubt if anyone would have much success in avoiding a careful delineation of functions by talking about the evils of freezing organization and making it too rigid. Yet that is exactly what the Army and its friends have told us. They have asked for a blank check, and have thrown up their hands in horror when we have talked of how it should be spent.

All this talk of freezing things in the pattern of the present leaves me singularly unimpressed, particularly when it comes from military officials whom Congress has repeatedly had to spur into progress in the past. Numerous complaints have been made that past statutory delineation of functions has impeded progress in the services. I challenge the truth of such statements. The fact is that there was little impetus for change within the services, and it was rare indeed for a military spokesman to come to Congress and ask that changes be made. The opposite was frequently the case; Congress had to force progress on the military service. If my memory serves me correctly, we would have entered World War II with an equestrian Army if it had not been for the efforts of Congress to separate the Army from its idolatry of the horse. I think Congress may still have to step in to divorce the Army from the pigeon.

Those who protest the statutory delineation of service functions on the ground of undue rigidity or legislative draftsmanship are seeking to beguile us. So long as there was a possibility that a delineation of functions could be legislated which would further the Army objectives with respect to naval aviation

and the Marine Corps, there was no objection on the part of the Army's friends to so doing. The President, when he thought a year ago that he had arrived at an acceptable compromise on the subject of functions, recommended that his compromise be written into the law. The Army, however, was not willing to compromise on this point, and seeing that they could not accomplish their objective in the law, determined that it would be settled outside the law and to their satisfaction.

Mr. President, I cannot speak too strongly on behalf of naval aviation and the Marine Corps, not because of my personal admiration and esteem for members of those branches of the service, but because to my way of thinking those progressive branches of the service have a most significant contribution to make to the security of the Nation in the years ahead. That contribution will not and cannot be made if these organizations are deprived of the combatant functions they now perform. I want to see those functions written into law. I the future demands a change in those functions, I am confident that the Navy will have no hesitation in coming to us and asking us to change the law. And I am confident that the Congress will meet the demands of the future with vigor and dispatch.

I should like to say, Mr. President, while I am speaking of writing functions into law, that I have observed a marked tendency throughout this bill to leave to determination by Executive order many matters which in my opinion are matters for determination by the legislative branch of the Government.

I have just discussed at length the manner in which the functions of the armed services are to be left to the discretion of the executive branch of the Government. Earlier I pointed out that in place of a statutory statement of the functions of the Central Intelligence Agency there is simply an affirmation of functions assigned by Executive order. I might also point out that much of the decision as to what is to be transferred from the Department of the Army to the Department of the Air Force is likewise left to the executive branch. Going still further, I might call attention to the fact that for a period of 2 years from the date of enactment of the pending bill, ostensibly a transition period during which permanent legislation is to be written, the secretary of national security is to be permited to determine which of the organizational features of the War and Navy Departments, born of Executive orders issued under war powers acts, are to remain effective. It is not without interest to recall that in the original version of the bill there was no 2-year limitation on the exercise of such power. I commend my committee colleagues for inserting the 2-year limitation, but I shall be greatly surprised if in the course of the next 2 years there are no further attempts to restore the power of the executive branch to determine the organizational structure of the military departments.

It is apparent, when one considers the features of the bill which I have just mentioned, that the bill provides no more than a framework for our national security structure, and leaves to the executive branch the task of filling in the details.

Some of my colleagues have in fact stated that all this bill should attempt is the setting up of such a framework. If this is my colleague's goal, then I cannot but admit my admiration for the way in which they have succeeded. This is indeed a bill which cannot stand alone; it is a bill which rests upon existing Executive orders, and will require countless additional ones to make it effective.

I for one do not subscribe to this sort of legislation, if it can in fact be called legislation. However much we may have been obliged by circumstances during the past decade or so to confer broad grants of authority to the executive branch of the Government, I do not believe that I misgage the sentiments of the majority of this body when I say that the tendency today is for Congress to regain its traditional role as the sole legislative agency of the Government. This wholly admirable tendency will receive a drastic set-back if we revert now—in connection with this bill—to the practice of drafting only in broad outline, leaving to the executive branch the authority to interpret our intent and to fill in the vacuum we create.

I regret, Mr. President, that I am obliged to take so much of my colleagues' time in presenting my objections to S. 758—time on which there are so many other heavy demands. The necessity arises, however, from the difficult position in which a critic of the proposed legislation finds himself. The other side of this controversy is the side which has enjoyed the advantage of superficial plausibility. It is the other side of the argument which has at its disposal the slogans, the catch phrases, and the glib generalities which can be such an effective facade for an unsound structure. The critics of this legislation, on the other hand, are faced with the necessity of making and presenting a patient analysis, of searching for the thought behind the word, of throwing light where light was not intended to fall. If I fail to convince my colleagues, it will be because I have not devoted sufficient time to the exposition of my position, not because I have devoted too much time to it.

When Senate bill 758 was first introduced into the Senate and referred to the Armed Services Committee, I had made a most careful analysis of its provisions. I found in it so much that cried for correction that I despaired of remedying its defects and deficiencies, one by one, and decided that the preferable course would be to take the avowed objectives of the bill, with which I am in complete agreement, as well as many of its detailed provisions, to which I could and do heartily subscribe, and draft a new bill—one which I thought would meet the full approval of all those to whom the avowed objectives of Senate bill 758 are a goal and not a subterfuge. The bill (S. 1282) was the result of my endeavors and was referred to the Armed Services Committee.

I was greatly disappointed. As time went on, it became apparent to me that many of my committee friends were disposed to accept what I regard as considerably less than full attainment of our common goal. There emerged from committee a bill which by no stretch of the imagination can be considered a bill to promote the national security.

I would be less than just to my colleagues if I failed to observe that important changes have been made in Senate bill 758 in committee. Senate bill 758, as reported by the committee, is distinctly a better bill than it was in its original form. Much still remains to be done, however, if we are yet to enact a law which can be a source of subsequent security to the Nation and of pride to ourselves.

The first step which needs to be taken is to recognize that the "national security organization" created by title II is, in reality, nothing more than a national military establishment, and should be so designated throughout title II.

The next step is to give some foundation in fact to the statement in the declaration of policy that it is not the intent of Congress to merge the military departments and the armed services. This we can do only by discarding the concept of the national military establishment as a super department with a secretary at its head, and employing the term "national military establishment" simply as a collective term embracing the military departments, the armed services, and the various agencies created under title II of the bill.

By revising our concept of the national military establishment and eliminating the need for a head thereof, we make it possible to place the Secretary of National Security in his proper position as an assistant to the President in all matters relating to national security. Once we have established the Secretary of National Security in a position where he reflects an over-all viewpoint, as the President's chief assistant in all matters relating to national security, there need be no objection to his performing, in addition to his broader duties, the specific duties set forth in section 202 with respect to the departments and agencies collectively comprising the national military establishment, for these departments and agencies will loom no larger in his perspective than any of the other Government departments and agencies concerned with national security.

By way of illustrating the proper position of the Secretary of National Security, I call to mind the position of Mr. Byrnes when he was acting as top coordinator of the war agencies. The term "Assistant President" was frequently applied to Mr. Byrnes at that time, and I think it was an appropriate title. The Secretary of National Security should occupy a similar position—one from which he would supervise and coordinate all agencies of National Security. Top men of the Nation must be sought for this job. Mr. Byrnes, Mr. Hoover, and Mr. Charles Wilson, of General Electric, come to my mind as men of the type needed.

Once we have placed the Secretary of National Securty in his proper perspective, it remains only to transfer those sections relating to him to title I of the

bill, the title relating to coordination for National Security.

With respect to the Central Intelligence Agency, I shall leave to other critics of the bill the problem of writing into law a proper set of functions to replace the bland reference to present duties under executive order. As a minimum step in the protection of civil liberties it should be made mandatory, however, that the director of Central Intelligence should at all times be a civilian who can make such a position a career.

The measure which I have already outlined, namely, the establishment of proper status and perspective for the Secretary of National Security, and the curtailment of military influence on the National Security Resources Board, will do much to give a proper balance to the National Security Council. I would go even further than this, however, and broaden the membership of the council to bring into it, at the very least, the chairmen of those congressional committees most intimately concerned with the broad aspects of national security.

Finally, Mr. President, we should give to naval aviation and the Marine Corps the assurances of continued usefulness which they have repeatedly asked, and which so far have been denied them. We need not go into details of reorganization and technique in so doing, but we must mark out for them a clear-cut field of endeavor in which they can function with a full and lasting consciousness of security and freedom from interruption or interservice vendetta.

All these changes, Mr. President, are embodied in the amendments which I will propose. It is my fervent hope that my colleagues will not fail to give them their full support and thereby cast a vote for real national security.

ALLEGED THEFT OF SECRET FILES AT OAK RIDGE, TENN.

Mr. BALDWIN obtained the floor.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I will say to the Senator from Connecticut that I should like to take about 10 or 12 minutes to make a statement on a very vital matter which I think is of great interest to the Senate and the country.

The PRESIDENT pro tempore. The Senator from Connecticut yields to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, as chairman of the Joint Committee on Atomic Energy, I should like to make a statement concerning a very disturbing article which appeared in the New York Sun this morning. The article relates to the security situation at Oak Ridge, Tenn., in connection with the operation of the atomic-energy project there. It is particularly alarming to note there is a statement that certain highly classified files have been stolen from that institution.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed the teletype story as it came over the wire a little while ago. The matter has not yet appeared in the editions of the newspapers which have been received here in Washington, but I am informed that the teletype copy I hold in my hand is the story upon which the news reports are based.

There being no objection, the teletype story was ordered to be printed in the RECORD, as follows:

Unknown agents, working from within the atomic-energy plant at Oak Ridge, Tenn., have stolen several files of highly secret data on the atomic bomb, an investigation by the New York Sun revealed today.

Disclosure of this startling laxity on the part of American security agents who permitted the loss of such top secret information is expected to blast the Nation's atomic-energy set-up into a total reorganization. Full details, when revealed, will rival the Canadian atom-bomb spy story, the alarmed informants of the Sun predict.

Congressmen serving on the Joint Committee on Atomic Energy are frightened, baffled, and thoroughly disgusted. FBI agents and security police who replaced the highly trained military counteragents guarding Oak Ridge during the war are at this moment combing vast grounds and the labyrinth that comprises the electro-magnetic or gaseous diffusion plants of the inner nuclear fission works.

Guards and workers, clerks and scientists are being interrogated repeatedly as the G-men and civilian intelligence officers seek to repair the damaging security leak by recovering the missing data. The exact nature of the documents is being withheld.

Individuals known to be of questionable loyalty, and even those with close kin who are Communist Party members, are working at Oak Ridge. The wife of one employee is on the staff of the Soviet Embassy here in Washington. Another atomic-energy scientist spent his vacation in Canada, visiting with Dr. Alan Nunn May, since jailed by the Canadians for betraying atom-bomb secrets during the war. Others on the suspect list work daytime in the atom-bomb plants and then hang around evenings, apparently out of sheer curiosity.

It would be a fairly simple matter to climb over the fence at Oak Ridge. Guards no longer patrol the perimeter of the grounds as they did in wartime, although this fact came as a surprise to the deputy general counsel of the Atomic Energy Commission, who also was the acting director of security. It would be a simple matter also to sabotage Oak Ridge, since it is unlikely that anyone would be halted in approaching within 75 yards of the plants. A hand grenade would do the job.

Representative J. PARNELL THOMAS, Republican, of New Jersey, said when informed of the Sun's investigation that "This comes as no surprise to me." THOMAS recently visited Oak Ridge to check on Communist infiltration in the plant and returned to submit a secret report to the committee that was critical of the security procedures and revealed the presence of known Reds and numerous fellow travelers.

The Congressman declared that security patrols are lax and virtually useless. He stated further that the FBI has its hands tied, because under the law agents can only report their suspicions concerning disloyal individuals. They lack the power to act.

Another prominent Congressman, alarmed over the laxity of security, is JAMES VAN ZANDT, Republican, of Pennsylvania, a former naval intelligence officer, who is baffled by the Sun's disclosures. VAN ZANDT is on record as approving military security control at Oak Ridge and at other atomic-energy plants.

Although the congressional committee will go slow in putting the finger on Russian agents as responsible for the missing documents because of international implications, there are no such inhibitions connected with the FBI revelations. Four Soviet agents during the past 2 years have made an effort to wean atom bomb information from Americans. One or two may have returned to Russia.

Two of these agents attempted to secure information from scientists at Columbia University in New York. The other two operated in the field near the big atom plants. None was successful in his efforts, although the FBI remains mum concerning the previous attempts of additional persons who may have been cooperating with the agents. The four were not arrested or jailed, principally because of the weakness of United States laws and because they led the G-men to other Kremlin agents.

Mr. HICKENLOOPER. Mr. President, the joint committee, in carrying out the duties charged to it by law, has been exceedingly zealous to observe the security standards not only at Oak Ridge but in fact at all installations of the Atomic Energy Commission. Our findings at these installations, whatever they may be, have always been brought to the attention of the Atomic Energy Commission. Correspondingly the Atomic Energy Commission has been exceedingly cooperative in reporting its views and findings and problems to the joint committee. Whenever corrective steps, regardless of their importance or vitality, are considered necessary, they are taken with promptness and dispatch.

So far as the loss of files at Oak Ridge is concerned, my committee has no information on the subject, and presently no reason to believe that important, highly classified, secret documents have been surreptitiously removed or stolen from that institution. However—and I say this, Mr. President, because, while it has been considered vital and important secret information, yet perhaps in the light of this news story, specific facts should be given to the Congress and the country—the Atomic Energy Commission did appear and report to the joint committee that there were certain missing atomic energy files at the Los Alamos plant in New Mexico. This information has been known to the joint committee for some time. The occurrence took place in March 1946 when two Army sergeants, who had been detailed to the project, then under the War Department, took certain documents and information with them when they were demobilized.

The fact that the documents were missing was discovered by the present Atomic Energy Commission in the early part of this year, shortly after it took charge. Those facts were brought to the attention of the FBI and to the attention of the joint committee. The FBI, with immediate vigor and in full cooperation with the Commission, promptly located the two men; and the documents were, as we believe, completely and fully recovered. The FBI investigation indicates, at least up to now, and I believe that the indications are presently sound, that the individuals were souvenir hunters, and that they did not allow unauthorized persons to have any access to these documents. We have no present information that any unauthorized persons did in fact see the documents other than the two Army sergeants. The mat-

ter, however, is under present consideration by the Department of Justice.

Mr. President, I can say that, so far as I know, the members of the joint committee are convinced that no effective breach of security in those instances was accomplished, and that the security was in fact maintained, even though there was a surreptitious removal of certain important documents and information at that time.

The documents apparently were kept locked up with the private papers in the files of these individuals. The evidence does not disclose that they were displayed, as I have said, to anyone.

I wish further to report to the Senate, to the Congress, and to the public that the joint committee, the Federal Bureau of Investigation, the military and naval establishments of the Government, all are keenly aware of the transcendental importance of the security of the facilities of the Atomic Energy Commission. I wish to state at this time that all possible effort is now being concentrated and will be continued to be devoted to the protection of these installations and the information kept therein.

Mr. President, I may say that there are a number of apparent conjectures in the teletype story, perhaps based on suspicion, perhaps based upon guess, some of which might be classified as "dope" paragraphs, if you please, and I feel that the story probably may arouse a wrong connotation insofar as concerns the security and the vital protection that are being provided and thrown around the installations in our atomic energy plants and their operations.

I may say, Mr. President, that I presume no enterprise, regardless what its size may be, can always be 100-percent secure in all its details against any possible invasion by individuals or any possible access by unwarranted persons.

I may also say that our committee is convinced that while there are always problems of security in connection with these plants, we are convinced that a vigorous and an intelligent effort is being made and an effective program provided to safeguard these plants. I should like to give the Senate that assurance as the overwhelming opinion and belief of the Joint Committee on Atomic Energy.

Mr. McMAHON. Mr. President, will my colleague from Connecticut yield to me for a very brief observation?

Mr. BALDWIN. I am glad to yield to my colleague.

Mr. McMAHON. I wish to commend the Chairman of the Joint Committee on Atomic Energy for the clear and lucid statement he has made as to the apparently indisputable facts of the situation. I wish to congratulate the Atomic Energy Commission for their vigilance in discovering the incident to which the chairman of the joint committee has referred so soon after they took over control of the organization.

I wish further to pay high tribute to the Federal Bureau of Investigation for their truly magnificent work in this case so soon after the Commission discovered the loss in going to work, bringing the culprits to book, and restoring the material to a place of security.

I think it is somewhat regrettable that the story which has appeared has so far deviated from what are the facts in the case, and I am delighted that the Senate and the country may be assured that the Commission to which we have entrusted this great and overwhelming responsibility, has not been derelict in its trust.

UNIFICATION OF THE ARMED FORCES

The Senate resumed the consideration of the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security.

Mr. BALDWIN. Mr. President, I rise to speak briefly on Senate bill 758, which has been misnamed by some as the merger bill, but which is really and truly correctly called the unification bill.

I may say that it is with some regret that I find myself differing with my distinguished, able and learned colleague from Wyoming [Mr. ROBERTSON]. He said that Senate bill 758, as it came out of the committee, is a much better bill than the bill which was originally submitted to the committee. In that I feel he is absolutely correct. I want to say that one reason why it is a better bill is because our distinguished and able colleague from Wyoming, who has this matter very close to his heart, and who has made a deep study and examination of the whole subject, was able to make some very able and worth-while contributions to the work of the committee, and the bill bears the imprint, in some very important features, of the contribution which he made.

I might say also, Mr. President, that when I first considered the bill I was against it. I was against it perhaps almost entirely for nostalgic reasons. It was my privilege and opportunity to serve on a destroyer overseas in World War I, and in World War II my two older boys served in the United States Navy, one on a destroyer. So I have a deep and abiding interest, indeed an affection, for the naval service, because it was my privilege and opportunity to serve in the Navy at a very impressionable time in my life, and because since I have continued that interest. I was somewhat doubtful as to whether, in a plan of merger or unification, the Navy would eventually get its full share of what it needed in the way of direction, funds, equipment, and all the other things which are necessary for the establishment and maintenance of an adequate and effective naval service. I am confident that there are in the bill guarantees which will enable the Navy to grow and develop in the future as it has in the past; that it will be able to attract able leadership and able seamen, and that we shall continue to have an increasingly better Navy. I believe that there are safeguards in the bill which do the same thing for the other branches of the service.

At the outset there was a great deal of discussion as to what would happen to the Marine Corps. I yield to no man in my admiration for the Marine Corps. There is not now, and probably there has never been a more effective fighting unit than the American Marine Corps. Its history is a glorious one, and in it we all take tremendous pride. Since it was a part of the Navy, I, too, was extremely anxious to see to it that every guarantee was placed in the bill to assure the continuance of the Marine Corps, enable it to continue to draw to its ranks able leadership and good men, and make certain that it should have funds sufficient for its maintenance and development, and for the equipment which an armed service needs.

At this point I invite attention to a provision in the bill which deals specifically with the protection and continuation of the Marine Corps as a separate unit. On page 41 of the bill, in section 206, subsection (b), there is this language:

> (b) The provisions of this act shall not authorize the alteration or diminution of the existing relative status of the Marine Corps (including the Fleet Marine Forces) or of naval aviation.

It seems to me that that language throws as strong a safeguard around these two services, preserving them as independent services, and as a part of the Navy, as language is capable of doing.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I am very much impressed with the provision of the bill which the Senator has just read. Is it not a fact that before that provision was finally written Admiral Sherman and General Vandegrift agreed to it, and believed that with that amendment the bill was satisfactory to the Marine Corps and to the Navy?

Mr. BALDWIN. The Senator is correct. I thank him for bringing that fact to my attention. Both Admiral Sherman and General Vandegrift were present, and they were in agreement with respect to the language of the provision.

Mr. MAYBANK. Is it not also a fact that in executive session we had several conferences with General Vandegrift and Marine Corps groups, in which he specifically answered the question on behalf of the Marine Corps, to the effect that the provision was satisfactory to the Marine Corps?

Mr. BALDWIN. The Senator is correct, to the best of my recollection. I thank him for his contribution.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. ROBERTSON of Wyoming. I ask the Senator if the language to which General Vandegrift agreed was not the particular language in regard to the Marine Corps.

Mr. BALDWIN. That is correct.

Mr. ROBERTSON of Wyoming. He was not agreeing to the over-all bill, but

simply to the specification of the functions of the Marine Corps.

Mr. BALDWIN. That is correct. As I remember, General Vandegrift was present at several of our sessions. My recollection is that it was his specific purpose in appearing before the committee to see to it that the Marine Corps was preserved. It was our specific intention, not only as a result of our own feelings, but as a result of what he had to say and our admiration and respect for him and his character, to place in the bill language as strong as language could be made. I do not intend to imply that General Vandegrift approved of the bill as a whole. I do not recollect that he was asked that question, or that he gave an opinion on the bill as a whole.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. BALDWIN. I yield.

Mr. SALTONSTALL. I remind the Senator from Connecticut that General Vandegrift specifically approved the language with relation to the Marine Corps, which language was drafted in his presence, after several meetings, and after several hours in the last meeting. It is my recollection that he specifically and affirmatatively approved the language as it now is.

Mr. BALDWIN. That is my recollection, too. I thank the Senator from Massachusetts for his contribution.

Mr. President, there is another phase of the bill which has been discussed at length, and upon which I should like to comment at this point. In all the discussion concerning this proposed legislation the position, function, and authority of the Secretary of National Security have probably aroused the greatest interest. There were some who felt that in providing for a Secretary of National Security we would be creating a superofficial who would have wide and broad powers over the administration of all the armed forces, including the Army, the Navy, the Marine Corps, and the Air Forces. So a great deal of time was taken in the committee in discussing the place which the Secretary of National Security should have.

At one time it was felt that it would be wise to make the Secretary of National Security the chairman or vice chairman of the Security Council, to serve in that position as a designee of the President. I am frank to say that I shared that view, because I felt that in accomplishing the unification of the armed forces it might be well to center authority in the National Security Council and have the organization branch out from there. However, I must admit that the change which was made was a better suggestion.

So when we examine the section which deals with the National Security Council we find that the Council is to be composed of the President, the Secretary of State, the Secretary of National Security appointed under the act, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, and the Chairman of the National Resources Board, together with such other members as the President may designate from time to time.

I think it was forcefully demonstrated that to make the Secretary of National Security vice chairman of the National Security Council would be to place him in a position of too much power and authority. It would place him ahead of the Secretary of State, for example. It was finally decided by a majority of the committee that it would be wise to have him on the National Security Council, but that he should not serve as the vice chairman; that he should have no different status than that of any of the other Secretaries, including the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, any one of whom may, for a meeting or for a period of time, be designated by the president as the acting chairman of the National Security Council. So it seems to me that in making the change which was made, by not providing that he should be the vice chairman of the Council, to serve in the absence of the president, we have somewhat curtailed the possibility of power which many were fearful he might exercise in such a position.

Mr. President, it is very important that all the armed forces should have adequate appropriations. In the bill it is provided that the Secretary of National Security should be the one to submit the budget. Of course, the Departments of the Army, the Navy, and the Air Force, in turn would submit their budgets to the Secretary of National Security. It would be within the range of possibility and, perhaps, of probability that the Secretary of National Security might feel that more money should be spent on one particular branch of the armed services than on another and that he might want to curtail the amount of money available for a particular branch or division of a branch of the armed services. So, Mr. President, we specifically provided in the bill that when the budget is submitted to the Congress, which, after all, is the agency which has the final authority of passing upon the amount of the appropriation, it must show what was recommended by the Secretary of National Security and must also, in turn, show what was recommended by the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Forces, and also what was recommended by the Budget Bureau itself. So that Congress, which is the final arbiter as to the amount of money available for our armed forces, will have before it in the appropriation bill for the armed forces a detailed estimate of what the Secretaries of National Security, the Army, Navy, and Air Forces recommended.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is there not one additional step? Cannot the Secretaries of the Navy, Army, and Air Forces, prior to the budget's actually reaching Congress, object to what the Secretary of National Security recommends and make a report directly to the President before he submits his budget?

Mr. BALDWIN. That is correct. That is a point I shall now cover. It is also possible for any of the Secretaries to go around the Secretary of National Security to the President himself on any matter.

So it seems to me, Mr. President, that we have safeguarded one very important point, namely, the opportunity of the Secretaries of the several branches of the services themselves to appear before the Congress and make their own recommendations as to appropriations, and thus make it a public issue in the Congress of the United States. It seemed that that was an adequate provision to safeguard against the possibility of any Secretary of National Security arbitrarily reducing appropriations beyond what the Secretary of a particular branch of the service felt was needed.

In speeches in the Senate with reference to subjects which we discuss from day to day there is often reference to the history of the past. I think that is most desirable, Mr. President, because, in my judgment, we cannot too often review the things that have happened in this country in the past and the activities of the great men who have made them happen. So I was interested in looking up the question of how the Cabinet office of Secretary of the Navy came about.

In the original organization of the Federal Government under President Washington there was no Secretary of the Navy. There was simply provision for a Secretary of War. It apparently was the assumption at that time that the Secretary of War would deal with all matters relating to war, but apparently later it was believed that there should be a Secretary of the Navy, because it was felt, perhaps, that too much attention was given to the Army by the Congress and that Army officers were too powerful and influential in the Government. Therefore the Cabinet position of Secretary of the Navy was created. The office of Secretary of the Navy came into being under the administration of President Adams, in 1798. It was apparently the intention of those who organized the Federal Government that the armed forces should be unified under one Secretary, and no doubt it was the exigencies of the particular situation, when we had no navy whatsoever, that made it appear advisable that there should be a separate Department of the Navy. But, Mr. President, while the fact that now we may be carrying out what were the original intentions of the founders of our Government, or those who set it upon its successful course, does not necessarily imply that we must follow them, there is afforded, it seems to me, an interesting precedent.

Briefly, what does this unification accomplish? First, it provides a National Security Council to advise with the President and the Congress on the integration of our domestic, foreign, and military policies. That is a very important consideration. It is something which we did not achieve in World War II until we had had a long and bitter experience with a different situation. We tried to establish it in Washington in

a way that would provide the greatest coordination, but we found from experience that there was much delay, much uncertainty, and a lack of a sound integration of policy and program, and it was not until along toward the end of the war that we approached in our organization an establishment which is similar to that provided for in this bill—the National Security Council. True, the personnel are different, but our experience demonstrated conclusively that we needed something of that kind. So this bill creates a National Security Council.

I might point out, Mr. President, that the National Security Council is entirely, as I recall it, a civilian organization. It is made up of the President, the Secretaries, and such other persons as the President may designate. Of course, that Council could bring to its service any officer it might desire. Consequently, it is the main coordinating factor, I think, in all our preparations for national security and for our defense. God grant that we shall not have to prepare for war, but merely for the possibility that it may come, and thus be prepared to defend ourselves.

Under the Council there is established a central intelligence agency to provide coordinated, adequate intelligence for all Government agencies concerned with national security. When one reads the record of the past war in regard to that field it is found that there was much to be desired in the way intelligence was covered, and there was great conflict about it. I say nothing here in depreciation of the men who were engaged in the intelligence service, because some remarkable and extremely courageous things were done. Nevertheless, we demonstrated from our experience the need of a central intelligence agency; and this bill provides such an agency. Neither a National Security Council nor an intelligence agency now exists.

The bill provides for a National Security Resources Board to advise the President and the Congress on the coordination of the military, industrial, and civilian requirements of all national resources for war. It gears the capacity of our national economy to the requirements of national security and works closely with the National Security Council. That Board does not now exist. We had its counterpart in several different boards during the war, but it took a long time to coordinate them and have them work together. Provision is made for that by this bill.

The bill creates a National Security Organization consisting of the armed forces proper, together with certain additional agencies whose need has been shown by experience. Such an organization does not now exist, and its absence constitutes a serious lack of coordination in the armed forces.

Let me say here that I thank the learned and able Senator from Wyoming for his contribution in regard to that particular phase of the bill, because I think he brought home to the committee very forcefully that, after all, we are dealing with two different sets of functions, namely, the civilian ones, which we want to provide with coordinating agencies, and also the armed forces as such. It has been through the recommendations of the distinguished Senator from Wyoming that the bill in large part has taken its form.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me once more?

Mr. BALDWIN. I yield.

Mr. SALTONSTALL. The Senator was discussing the National Security Council and its importance. Does the Senator agree with me when I say that the purpose of creating the National Security Council is not to set up a new function of government with extraordinary powers, but solely to provide an organization to give advice to the President, not on general affairs of state, but through civilian groups, on affairs of state affecting the national security and tending to make the military forces more efficient? Is not that correct?

Mr. BALDWIN. I agree wholeheartedly, Mr. President. In other words, it is not essentially an administrative agency. It is an advisory council.

Mr. SALTONSTALL. And it is advisory on security matters alone.

Mr. BALDWIN. That is correct.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. ROBERTSON of Wyoming. Is it not also somewhat of an enlargement upon the existing committee, the State, War, and Navy Coordinating Committee, which reconciles and coordinates the action to be taken by the State, War, and Navy Departments on matters of common interest, and then establishes its policies on political-military considerations?

Mr. BALDWIN. I believe that is correct.

Mr. ROBERTSON of Wyoming. That committee is in existence, and it now meets every week.

Mr. BALDWIN. That committee is not identical with the National Security Council. The Council will take over the functions of that committee. So I think I am correct when I say that we now have no National Security Council; but today in the Government most of the functions covered by this bill are, in large part, and at least as to the great majority of them, being performed. The purpose of this bill is to coordinate and unify the performance of those functions. It seems to me that is the only purpose of the bill.

Mr. President, this bill provides for a Secretary of National Security as head of the National Security Organization. In effect, that official will, in a sense, be an assistant to the President, just as the Senator from Wyoming has indicated. But he will exercise general direction and control over, and will resolve differences between, the military departments, except when such differences are of a nature to be resolved by the President as Commander in Chief. The Secretary of National Security in no way will diminish the responsibility and authority of the President, but he will merely provide the President with an impartial assistant to view national security problems from the over-all standpoint, rather than from that of any one element of the armed services.

Of course, Mr. President, as I have previously pointed out, and I should like to emphasize this point again, the mere fact that the Secretary of National Security is the man dealing with the armed services and is the one who is closest to the President, and the fact that it may be said that he rather insulates the other Secretaries from the President, should be considered in the light of the provision contained in this bill that any one of the Secretaries—the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force—can go to the President. So it seems to me that when that specific provision is made, the Secretary of National Security could not well find fault, as it has been claimed that he might, with a Secretary who, when finding himself in disagreement with the Secretary of National Security, goes to the President, who, of course, as Commander in Chief is the final arbiter of disputes of that kind.

The Secretary of National Security is charged with preparing an over-all budget for the national security, and this for the first time in the history of our country. That will give the Congress some basis for granting appropriations in proportion to the realistic requirements, it seems to me, rather than on the impractical basis upon which the Congress must act today in many cases. The Secretary of National Security will also be in a position to eliminate certain duplications, inefficiencies, inequities, overlapping, and wastage which result from the present system of two independent departments, each one pursuing objectives of national security, but with no one, short of the President, to coordinate their efforts.

Of course, certain military and civilian assistants are provided for the Secretary of National Security; but it is my recollection that he is not to have a military staff as such.

Mr. President, it seems to me that with the experience all of us have been through, now is the most appropriate time in all our history to take this proposed step. Now there is great interest in it. Now the recollections of all of us are freshest about our past experience in these matters. Now the records of the past war are available to us and are before us. So now is the time to take this step.

We cannot help but be impressed with the recommendations of the men who have led our armed forces. Many of them recommend the passage of this bill. Among them are General Eisenhower and Admiral Nimitz. It seems to me that these men, who so recently have demonstrated their abilities, capabilities, courage, foresight, and judgment, are men whose opinions and recommendations should be given great weight, indeed. I do not mean that the Congress should defer to the military in any sense of the word, but I think we are getting advice at this time from men who have established, perhaps if not the finest, at least

one of the finest records that have ever been established for military and naval and air leadership in the history of these United States.

Mr. President, this bill establishes the Departments of the Army, the Navy, and the Air Force—three, whereas formerly there were two. In effect, the present Army Air Force is redesignated as the United States Air Forces, and a new Executive department is established for its administration, thus recognizing the compelling lesson of World War II that air power is on a parity with land and sea power. These three departments are to be administered by their respective Secretaries, and will be under the general supervision of the Secretary of National Security.

It has been ably demonstrated in the recent war, on many a front, Mr. President, in spite of the great pride of the Air Force in its effectiveness, that the Air Force without the Army and Navy cannot win a war. It has also been amply demonstrated that the Army cannot do so without the Navy and the Air Force, nor can the Navy do so without the Army and the Air Force. Consequently, when we give the Air Force a status equal to that of the other two main branches of the armed services, I think we are not completely throwing overboard the recognition that these three forces must continue to be integrated. As was stated several times in the course of the hearings, whatever the Air Force may do in the way of bombardment or whatever the Navy may do in the way of bombardment or in the way of bringing material and equipment to the spot and keeping the lines of supply open and beating off attacks on the lines of supply, both under the sea, on the sea, and in the air, it is the man with the gun and the hand grenade, who slogs up the beaches and along the roads and through the fields and gullies and mountains, who, in the last analysis, takes the land and holds it and makes the victory complete. I think the mere fact that the Air Force has been so all-powerful means that probably it will be used in the future as it has been used in the past, namely, to carry that most devastating of all weapons, the atomic bomb. Nevertheless, I think that from the testimony of various witnesses at the hearings it is apparent that they recognize the great importance of the other two branches of the armed services, and recognize that time and time and time again they were entirely dependent upon the other two branches for their support and help and success.

Mr. President, specific safeguards for the continued existence of the Marine Corps and naval aviation are provided in the pending bill. I have already discussed that point.

In the bill the National Guard Bureau is perpetuated, and under the bill it will perform the same functions for the new Air Force, Army, that it now performs for the War Department.

The bill provides for a War Council as an advisory body to the Secretary of National Security on the over-all problems of the armed forces. Presently no such identical agency is in existence.

The Joint Chiefs of Staff are continued as the principal military advisers to the President. The effectiveness of the Joint Chiefs of Staff is approved by giving to the Secretary of National Security the power of decision in certain matters upon which the Joint Chiefs of Staff cannot agree, and which the President delegates to the Secretary.

Mr. President, I doubt if we would ever have in our history a Secretary of National Security who, knowing that his decision would commit the administration, would not be extremely careful to see that any matter of policy of a momentous or extremely important nature was put up to the President of the United States for his final decision; and that is as it should be, as I see it, under our Constitution.

At present the requirement for unanimous consent before the Joint Chiefs of Staff can reach a decision is generally considered a serious deficiency. I think we were all impressed at the hearings by the testimony of General Eisenhower on that point. He went so far as to say that oftentimes, or sometimes, perhaps even a poor decision was much better than none at all; that is, things had to be decided, they had to be decided so that other things could be done which depended upon that decision; and the proposal before us makes that more readily possible.

A research and development board is established to continue the existing Joint Research and Development Board. The important functions of this Board will be charged ultimately to the Secretary of National Security.

Each one of these development boards, Mr. President, can be called in by the Security Council, and the knowledge and information it has will be available to the National Security Council and to the President at any time. It seems to me that the set-up under the bill makes a much better working organization than we have had heretofore.

Many times, when the subject of reorganization of our armed forces has come before the Congress, it has been opposed by some on the basis that it would pave the way to military control of our Government, and to its ultimate overthrow, and military dictatorship. It is very well that Americans should be fearful of that possibility. This suspicion of the military is traditional to our people, although throughout the history of the United States there has never been any justification for it.

The framers of the Constitution, mindful of the military tyranny abroad in the world at that time, provided adequate safeguards against military domination in a newly founded government. In the first place, they provided that the civilian head of the State, the President, should be the Commander in Chief of the armed forces, as he still would be under the bill. Congress cannot change the Constitution of the United States.

Furthermore, all the executive departments which administer the armed forces are controlled by civilian Secretaries. Of course, the Secretary of National Security will be a civilian. Most important, the constitutional clause limiting military appropriations to a period of two years absolutely retains ultimate control in the hands of the legislature, in the hands of of the Congress, and consequently, being retained in the hands of the Congress, it is retained in the hands of the American people. This power of the purse-strings is, in the last analysis, the real guarantee against any military threat.

There is another safeguard against military domination, namely, the very character and nature of our professional soldiers and sailors. The nucleus of the American officer corps comes from West Point and Annapolis. Every Member of Congress is certainly conscious of the democratic method by which appointments to these great institutions are made.

The graduates of the two academies represent a cross section of American intelligence and leadership in American ideals. They are in no way regimented or molded into militaristic form. They are a part of our national life. There is no caste system which separates them from the people whom they serve. Furthermore, the officers who enter our armed forces directly from civilian life certainly represent a non-military, unbiased viewpoint.

Of course, presently we have found that our military and naval leadership, as produced by the academies, is not going to be adequate. The last war demonstrated that that was so, and it probably is going to be so in the future. As a result, provision is made whereby boys graduating from our regular colleges may seek and find careers in the armed forces.

I am happy to say that in my experience, with the Navy, particularly, I find a very keen desire on the part of naval officers of the higher ranks to take in on an even basis men who come from colleges and are not graduates of the Military and Naval Academies. Facilities and programs are now under way to make it possible for these men to attain, technically, as good an education in the armed forces, and in the use of weapons and tactics, and all that goes with military preparedness and operations, as is available to the men who graduate from the Academies. There is a keen, earnest desire to take them in and make them part of the great body of the officer personnel of the armed forces of the United States.

Returning to the question of military domination, some of our foremost soldiers have become the most ardent civilians once they have laid down their arms. Men like Washington, Andrew Jackson, Zachary Taylor, Robert E. Lee, Ulysses S. Grant, J. J. Pershing, certainly cannot be cited as menaces to the American system. Neither can such great citizens as Secretary of State Marshall, Gen. George Patton, General Eisenhower, or General MacArthur, or any of the other great generals of the war lately concluded, be cited as men who would favor military domination. Of course, the important consideration is that the example they have set, both as leaders and as citizens, soldiers and sailors and civilians, is one which has made an impression

upon the youth of the country that will last for ages to come.

The question of civilian control, as I have said, has been raised repeatedly in the discussions. Although the armed forces of the United States are at present under stringent civilian control, and although there has never been any legitimate fear that such control might be lessened or was becoming undermined, the unification bill, it seems to me, greatly increases civilian control over the Army, Navy, and Air Force.

Let us examine into that for a moment. In the first place, the traditional and constitutional control of the President as Commander in Chief of the armed services remains unchanged. Secondly, the Congress, with its constitutional responsibility for the raising and supporting of armies and navies, will, as in the past, continue to control appropriations and statutory authority for the armed forces.

Mr. President, it seems to me those are two very vital matters. First, the President of the United States is bound to be, as he should be, responsive to the will of the people, and certainly the Congress is, as it should be, responsive to the will of the people.

Next, the Secretary of National Security is a civilian official who acts as a delegate of the President. The Secretary is expressly forbidden in the bill to establish a military staff. In fact, emphasis is placed on the civilian aspect of his office by the spelling out of four principal civilian assistants to aid him. He is to have no military assistants.

The Secretary of each of the Departments which administers the Army, the Navy, and the Air Force is also to be a civilian, as are his Assistants and Under Secretaries. These Departments are entirely controlled by civilian heads, and the military personnel therein are subordinate to civilian direction.

Certainly these provisions in the bill in no way lessen this civilian control. In fact, if anything, they increase that control by one echelon; that is, by the addition of a Secretary of National Security.

Not only is there increased civilian control in the direction and maintenance of the armed forces, as just stated, but there are several new agencies which will have considerable influence over the military forces, but they are to be predominantly civilian in nature and composition.

I think one great thing the bill accomplishes is that it brings into closer contact with the armed forces themselves a larger number of civilians than ever. That was true during the war, and one thing the bill does is that it continues and preserves those relationships with these new agencies, several of which are controlled in large part by civilians.

For example, the National Security Council is composed of a civilian Secretary of State, a civilian Secretary of National Security, the civilian Secretaries of the Army, Navy, and Air Force, the Chairman of the National Security Resources Board, a civilian executive secretary, and such other members as the civilian President may designate. Military domination of that body hardly seems likely.

Next, we find nothing but civilians in the National Security Resources Board, which is composed of a civilian Chairman and such civilian heads or representatives of the various executive departments and other agencies as may be designated by the civilian President.

Furthermore, the Research and Development Board and Munitions Board are headed by civilians. Also the Central Intelligence Agency may be a civilian, as decided by the President. In addition, the War Council is headed by the civilian Secretary of National Security.

The only military agency in the entire bill is the Joint Chiefs of Staff, and the reason that is a military agency is that it is set up to do a purely military job.

Actually, the insistency on civilian control of the armed forces tends to become somewhat academic in view of the nature of modern war. The great portion of the able-bodied men of this country were in uniform in World War II, but civilian control of our Government was not diminished. It was not necessary to take steps to increase civilian control to offset any imagined threat that the military, total over 10,000,000 at the peak of the war, might get out of hand. Lack of civilian control over the military in the United States has not, through 172 years of history, become acute. There has never been a menace to our civilian form of government. I pray God that there never will be. Most certainly, Mr. President, the pending bill makes adequate and complete provision against it.

In fact, in a modern war it does not make too much difference whether a citizen is in uniform or not because the entire country goes to war in this day and age. To quote General Eisenhower:

> War is no longer the concern of the sold'er alone; in its commencement, its waging, and its settlement, he is only one of many. Although the outcome of battle is depending upon his action, the strength for a victory is the product of the entire nation behind him. The economist, industrialist, scientist, the farmer, worker, and teacher are all necessary to the waging of war. Similarly they are likely targets of enemy action. Security against war is a function that belongs to all citizenship.

In a word, there has always been adequate civilian control over the armed forces. Now that we have found a need for wider civilian participation in the national security, we are proposing in this bill an increase in the civilian control to be exercised what might be termed the national, not merely the military, mobilization of the United States in the interests of its own existence.

In closing, Mr. President, I should like to say simply that the pending legislation, like all legislation enacted by the Congress, is not perfect. Many of us still can find fault with some of its provisions; many of us, as individuals, can pick out things that we think might be better, things that might be done more effectively the other way; and it is well that that is so. Let us continue that interest, because it is an evolution through which we are passing. This has not been done before, in time of peace, but the lessons that have been learned both in time of peace and in time of war dictate that we should now take advantage of our great experience, and that now, when our recollections are strong and the men who have had these experiences in a most bitter war are here to advise us, now is the time when we should take a step for unification of the armed forces. I submit, Mr. President, that the pending bill does that as effectively as any legislation which I believe it is possible for us to evolve and write at the present time.

Mr. HILL obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I want to thank the Senator from Alabama for yielding to me, so that I may make merely a short statement in connection with the pending bill. The subcommittee of the Committee on Armed Services, consisting of the Senator from Connecticut [Mr. BALDWIN], the Senator from Iowa [Mr. WILSON], and I have a most important meeting at 2:30 o'clock, to consider the GI terminal-leave bill. It is for that reason that I shall limit my remarks, and shall make but a very brief statement.

I should like to say first that, last year and year before last, as a member of the Committee on Military Affairs, I attended the hearings, day after day and month after month. This year, as a member of the Armed Services Committee, I likewise attended, whenever possible. I believe that the bill which has been finally drawn and reported to the Senate by the able and distinguished chairman of the Armed Services Committee is far superior to the bill which was discussed and agreed upon last year in the Military Affairs Committee.

I am in thorough accord with what has been said by many of the distinguished Senators who have preceded me. Endorsing the able argument of the Senator from Connecticut [Mr. BALDWIN], I should like to add that before I finally voted for the bill, I was perfectly satisfied from the testimony of Admiral Nimitz and Admiral Sherman that the Navy was properly protected. I might say that in the hearings, at page 114, I asked Admiral Nimitz the direct question, whether he was perfectly satisfied with the bill as written. He replied that he was perfectly satisfied with it.

I am not one to put my judgment above that of the able war leaders of this country. Last year, before the committee, General Marshall, then Chief of Staff, and others testified on the subject. This year, General Eisenhower, Admiral Nimitz, General Spaatz, and other distinguished leaders appeared and testified. After hearing from all of them, who were satisfied and approved the bill, there was objection from a man for whom we all have great respect and admiration, General Vandegrift, the leader of the Marine Corps. It was at the suggestion of members of the committee that the General was recalled.

He appeared twice, later, in executive session, and finally agreed thoroughly with the amendment, insofar as the Marine Corps was concerned, which was read a few moments ago by the Senator from Connecticut. I supported this amendment because of my respect for General Vandegrift. Hence all war leaders agreed.

One of the great benefits of the bill, as I see it, Mr. President—and I feel very keenly about it, and always have—is the raising of the Army Air Force to a higher position in the armed services of the country. The Army Air Force performed a magnificent service in the war. I am very glad to say that in this bill the status of the Army Air Force, in my judgment, will be raised to that of the Ground Forces and of the Navy, and, above all, the status of the Naval Air Force, which performed so gallantly and contributed so much to our victory in the Pacific, will not be interfered with. I am convinced the amendment protects the Naval Air Force and also protects the Marine Corps.

There is little else that I may say. Much has been said on the subject of the Security Council. Much has been said about the powers of the Secretary of National Security, and about other things. But I believe the committee has submitted to the Senate a bill that is worthy of the consideration and vote of every Senator.

I take this opportunity to commend the committee for its untiring work, and to thank the chairman for the many courtesies he showed to all members of the committee during the lengthy hearings. I thank the Senator from Alabama again for yielding to me. My only regret is that, since I must attend another meeting, I shall not be here to listen to the address by the distinguished Senator from Alabama, as he discusses the bill in greater detail.

Mr. GURNEY. Mr. President, will the Senator from Alabama yield for the purpose of suggesting the absence of a quorum?

Mr. HILL. I hope the Senator will not insist on that. I prefer to proceed. I thank the Senator very much. I deeply appreciate his offer.

Mr. President, we won the greatest war in history—at a cost of over a million casualties; a quarter of a million lives and over $300,000,000,000. We won with our industrial capacity, our natural resources and the genius of our people. We won by the heroism and sacrifice of everyone—our men and women in uniform and those out of uniform. But regardless of wealth, industry, and resources, we would have lost World War II but for two powerful allies: Time and space.

Time was bought for us by the blood of those peoples who were attacked first, time to prepare; time to mobilize; time to plan; time to forge our winning war machine. Time saved us. But it was given to us by others. We will not have this gift again.

Our other indispensable ally was space. There was a barrier of thousands of miles between us and our enemies. The weapons of 1941 could not cross this barrier. But—like our ally of time—space will not save us again. The weapons of today can cross that barrier. The weapons of tomorrow will laugh at it.

By VJ-day we had entered a new age of science, of warfare, and of world relations. The United States has attained an unprecedented ascendancy among nations. Willing or not, we have acquired new and awful obligations. A large part of the responsibility for the future peace of the world rests with us. The world looks to us for our cooperation, but even more it depends upon our willingness and ability to back cooperation with the military power to preserve the peace. The peaceful nations of the world know that they can cooperate to preserve the peace only if they are backed by a strong United States, strong not only in moral values and material resources but strong in military potential.

The nations that are not peaceful or cooperative look to us also. Our resources make us world enemy No. 1 of any envious or aggressive power. Have no doubt about it, we would be first on the list for any sneak attack. The United States will be tomorrow, if it is not today, within range of immediate assault from any portion of the globe.

We must quickly adapt our defenses to our new position. To delay is to jeopardize our own future safety and the peace of the whole world. Our present organization for defense is geared to the past. Early and favorable action on the pending bill is a necessary first step to reorganize for the future. No effective modern military war plan can possibly be evolved by our present disjointed, compartmentalized, jealous bureaus of War and Navy Departments. We cannot complacently continue an organization proved imperfect by the past war, and which the logic of the present so obviously proves obsolete.

The idea of the unification of the Armed Services is not new. In May, 1944, 1 year before VE-day, I introduced S. 84, a bill for the unification of our Armed Services. This was before the shortcomings of our system were as well known as they are now; before the radically new weapons and means of war revealed at the war's end were known to the public.

The Senate Military Affairs Committee bill, S. 2044, which was reported out of committee in the closing days of the last Congress, was an improvement and development of the earlier bill. It was the result of careful, protracted, and exhaustive hearings and studies, but no action was taken because of the smoke screen of false issues which was thrown around this simple, logical, urgent proposition. What is now proposed has been the subject of thorough thought and long investigations over the years by many authorities. It is not by any means, as some misinformed opponents would have us believe, a new or radical measure. But until World War II there was no working proof of the merits of the idea in modern warfare. Until recent world-shaking scientific developments, there was no compelling urgency to change. The proof of the idea's effectiveness and the need for its adoption are upon us, demanding action now.

The urgent recommendation of the wartime Joint Chiefs of Staff Committee has been followed in this bill, in the creation of a National Security Organization. The Joint Chiefs of Staff established the committee in 1944—at the height of the war—to study and recommend the best and most efficient form of peace-and-wartime military organization. The committee was composed of two ranking generals and two ranking admirals. It had the advantage of being able, during the war, to visit and obtain the opinions of senior military experts both in Washington staff positions and in the top positions of command overseas. Every theater of operations was visited. The views of 40 generals and a like number of admirals were obtained. The basic recommendation of the committee, supported by the views of over 90 percent of all Army commanders and exactly half of the Navy commanders overseas, was to establish a single organization of national defense. The bill in its present form, however, creates no single military commander of all armed forces; an office which the Joint Chiefs Committee included. But the basic idea of the bill, the single Security Organization, was the basic idea of the wartime Joint Chiefs of Staff Committee.

Great benefit was derived, likewise, from the evidence taken during the lengthy hearings conducted by the Woodrum Committee of the House of Representatives on the same basic issue of a single organization. In 1944—also at the height of the war—that committee took over 320 printed pages of valuable testimony. It took no action, deferring to the comprehensive study then being conducted by the Joint Chiefs of Staff Special Committee to which I have just referred. Of particular interest was the evidence taken by the Woodrum Committee on the subjects of supply and procurement, which emphasized the absolute necessity of a single Security Organization to prevent the appalling waste and staggering cost to the taxpayer of competing separate supply systems.

The bill before us is not an Army plan or a Navy plan. It is a legislative plan evolved through a typical example of the working of our legislative process as provided by the Constitution. It comes closest to the plan of the Committee of the Wartime Joint Chiefs of Staff on the military side, and closest to the Eberstadt plan, devised by Mr. Ferdinand Eberstadt at the request of the Secretary of the Navy on the civil-economic-industrial side.

It would provide adequate security measures at all times, rather than only when hostilities threaten. It creates the National Security Council, the National Security Resources Board, the Central Intelligence Agency, the Munitions Board, and the Research and Development Board, in order that we may make certain that our foreign and military policies are coordinated and mutually supporting; that a central intelligence agency may collect and analyze the mass of information which is so essential for

the Government to maintain peace and without which the Government cannot wage war successfully; that scientific research and development may be coordinated, not only within the military services, but between the military services and other Government agencies and with industrial and educational activities; that intelligent planning may guarantee coordination of our military program with the Nation's resources in manpower, materials, and facilities; and that all these objectives may be accomplished with the greatest possible economy consistent with a strong and effective national security.

The result is a balanced, workable composite of the sound, constructive proposals advanced through the long history of this vital measure. In that regard it is significant that the Army-Navy agreement evolved by Admiral Sherman and General Norstad and transmitted by the President to the Congress with the full approval of Secretaries Patterson and Forrestal and of Admiral Nimitz and General Eisenhower is in important particulars identical with S. 2044 of last year, which was evolved by the Senate Military Committee. Thus the pending bill, S. 758, can find its genesis in proposals which the Congress commenced to study over 3 years ago and which have through mature and deliberate consideration been embodied in the wise and constructive measure now before the Senate.

The bill is simple. In essence it does two things: First, it creates a single Secretary at the head of a National Security Organization for general supervision and control of an autonomous Army, Navy, and Air Force; and, second, it creates machinery for coordinating military and foreign policy on the one hand and military and industrial mobilization of resources on the other. That is all. But if these things are not done, I fear for our future security.

In order that the record may be clear, let me briefly state some things that the bill does not do. First, it does not provide for a merger of the services. We still have an Army and a Navy with an Air Force. They are virtually untouched by this bill or by any of its predecessors.

I should like once and for all to blow away the biggest smoke screen that has so skillfully been laid around this bill by its artful opponents. The bill does not affect the Marine Corps or naval aviation, or even the Navy. Except for setting up a separate Air Department, it does not affect the Army or Air Force. It is not an armed service bill at all. It is an organization of the constitutional Commander in Chief for his own official family for supervising these services. It is an arrangement of offices in the executive branch of the Government—not of navies and armies—certainly not of interior subcommands of the Navy such as the Marine Corps and naval aviation. The United States Marine Corps is no more affected by the bill than is the United States Infantry. The bill deals with civil organizations, not military organizations.

The three major services, Army, Navy, and Air Force, will be separate autonomous entities—not a single merged service of all arms. But they will form a single team which they do not form today. Each of the three coordinate arms is administered by its own civilian secretary, and commanded by its own military commander. Each has its own staff and personnel. Each continues its own distinctive uniform, perpetuates its traditions, maintains its own esprit de corps. Each arm is left free to develop itself in its own special sphere of activity. Each arm alone conducts its own individual operations and all those activities in which it alone is expert. But the authority to compel teamwork, to provide for over-all planning, to eliminate waste and duplication, to advise the President responsibly and intelligently on interservice differences, is established in the person of the civilian Secretary of National Security. In those fields where spheres of activity and specialty overlap and conflict, the Secretary has the full authority to direct unified, integrated action; to require planning, training, and operations as a team. That is all. There is clearly no submergence of any service.

Furthermore, as I have previously stated, the bill does not set up a supreme military commander. No military authority exists above the commanding officers of the three coequal components. The Joint Chiefs of Staff is a balanced body drawn from all the services, and it is only advisory. But unification of general direction, supervision, and administration resides in the single secretary as the direct delegate, agent, servant, or lieutenant of the constitutional Commander in Chief, and no longer is left to desultory committee action in which unanimity must be reached before decisive action can be taken.

With an understanding of what the bill does and does not do, let us look at its basic idea—unified direction and control of the military departments of the executive branch of the Government.

On the 7th of December 1941, the defense of the country was entrusted to the hands of two separate and independent organizations. One was the War Department; the other, the Navy Department. These two organizations were, legally, as distinct and as unconnected as were the State Department and the Treasury or the Post Office Departments. Practically, they had in some ways become even more distinct than these civil agencies are from each other. But their responsibility was single and indivisible. This single responsibility was to defend against and overcome the military forces of our enemies. Their responsibility was single, but their authority was divided. This was almost fatal. Pearl Harbor proved that. We looked to the Army for the defeat of the foe on land, and to the Navy for his defeat at sea. Twenty years after Billy Mitchell we still had the same basic framework under which the Navy fought the pirates of Tripoli while the Army fought the Indians. Yet, above both land and sea there now lay a new battleground—the all-covering third element of the air. A smooth path extended across the historic domains of the older services. Shore lines meant nothing to this new air power. Yet the Army and Navy had their whole machinery geared to a line of demarkation at high-water mark. The Japs saw this flaw in our machine and took advantage of it. Pear Harbor was the result.

The lesson is still recorded at Pearl Harbor for all to read. It is to be found there in the burned-out hulls of a great part of our Pacific Fleet. It is perpetuated there by 3,000 American graves. But the lesson of waste and defeat is proved by a much longer record than that of December 7, 1941. It extended all through the dark days of 1942. Hundreds of thousands of tons of shipping and supplies lie rotting on the bottom of the North Atlantic. The watery graves of thousands of merchant seamen; the shattered armies, air forces, and navies of England and Russia, Australia and Holland must be reckoned in the cost.

The hulks of the *Prince of Wales* and the *Repulse* at the bottom of the South China Sea are further tokens of the blunders that beset the traditionalists of our sister navy in the British service.

The lesson that we learned is teamwork—coordination, integration, and unity. We learned it the hard way. It was taught us by the enemy in our defeats. This basic truth was forced on us constantly and daily throughout the war, in every aspect of our mighty effort: The armed services can no longer stand separate and apart one from the other. The proof was costly indeed. Improvised temporary measures and hastily rigged expedients were powerless to stop the awful waste. With cessation of hostilities, still other considerations have arisen which compel us to stem service separatism. I shall speak more about these shortly. But first let me review the major reasons why a single national security organization is so necessary at this time. For this is not something we can safely lay aside again. We cannot just let it slide. To reject unification now might be to risk our survival as a free people.

First, modern military operations require the coordinated action of all arms and all services. In the course of the lengthy hearings of the Committee on Military Affairs or the Committee on Armed Services not a single witness who appeared, whether of the Army or Navy, military or civilian, for unification or against it, this year or last year, denied what has now come to be accepted doctrine: The necessary coordination of action in theaters of operation, out where the actual fighting is taking place, can be insured only if some one individual has single authority to direct all land, sea, and air forces within that theater. The truth of this doctrine, now accepted by all, was forced on our separate military departments only by the urgent necessities of conflict. It was slow in obtaining acceptance. It was resisted by those who were jealous of the power and prerogatives of their department or bureau or service. It was resisted by the very same considerations that now oppose a single organization. But neither America nor the armed forces

themselves could then afford delay. We cannot afford it now.

Thus, in every theater of war, no matter how diverse the conditions, there emerged one supreme commander: Eisenhower in Europe, MacArthur in the southwest Pacific, and Nimitz in the central Pacific. They were supreme not only in operations but in all of the manifold administrative and supply functions in their theaters. These theaters were virtually single governmental departments of the three fighting arms together with all their support, operating successfully in the field. No suggestion was then long entertained that equally satisfactory results might be had by relying on voluntary cooperation and agreement among the various arms, or that interservice committees should be tried instead of a single commander. The chips were down; the peril was too apparent to debate the obvious action. Departmental prerogatives were suspended to win the common victory.

What was proved to be necessary yesterday in the hemispherical theaters of war is today even more imperative in global defense.

What was the D-day landing on the beaches of Normandy? Was it an Army show? The Army came through the surf and fought their way inland in one of the greatest military achievements in history. Was it a Navy show? The Navy landed the men and supplies in perhaps the most complex naval operation the world had ever seen. Was it an air show? Air power cleared the enemy from the skies, stopped his reinforcements from reaching the battlefield, dropped airborne troops behind him and bombed and strafed away his resistance. Never before were so many sorties flown in a single day.

Again, what effected the final surrender of Japan? Was it air power, which, operating from bases won by sea and land power, left over 40 percent of the urban areas of the Jap's 60 major cities in ashes, gutted his war industries, killed over 250,000, left 10,000,000 homeless, and held the potentiality for complete annihilation by repeated atomic attacks? Was it sea power, which with air power, had swept the Jap's fleet from the oceans and blockaded his homeland? Was it land power, which with both sea and air power, had won the air, sea and ground bases from which the final assault on his homeland could be launched?

There is no answer to these questions except this: All these operations were won by triphibious teams of land, sea, and air. The nineteenth century reasons for two departments are gone with the horse and buggy. We must streamline for a streamlined age.

The need for unity in the last war will be multiplied many times in the next. Pilotless aircraft, homing rockets, supersonic planes, and atomic explosives will finish the demonstration that the Japanese Zero of 1941 so dramatically began. Any future battle may extend anywhere in the world with forces of land, sea and air. To divide our defense against such warfare along lines that no longer exist is sheer folly.

There is even less reason for departmental separation in Washington today than there was for separation of the Army and Navy at Pearl Harbor in 1941. Five long years of positive proof has hammered home the compelling need for unity. It simply cannot be seriously or rationally maintained that, although we must have unity of military command in the field, we should not have unity of civilian authority in Washington. There is not one consideration which forced us to adopt unified command in combat that does not, with even greater logic, compel the acceptance of over-all administration of our armed forces here at home. We cannot have effective unity of effort down the line if we lack unity of purpose and direction at the top. We cannot fight as a unit unless we are directed as a unit. Neither a man nor a fighting team can serve two masters. We cannot prepare our forces for unified action unless we train them together. We cannot hope for true common action in the battle when there is no single common plan of battle. All this means unification of planning, training, research, intelligence, and supply, as well as unified operations. In other words, all departmental functions, as well as field command, must be unified.

There is another cogent reason why unification is needed in Washington, in addition to the ones I have just stated, and that is that our own country may be a battlefield of the future. Any enemy strong enough to be a threat to world peace, will have weapons of range and power sufficient to attack our homeland, the United States itself. If the enemy is going to launch a world war, he will launch those weapons against us. Our clear duty is to admit this fact, and to plan now for our security. If the United States should become a true theater of operations, no one would argue that we should have divided command in this, the most vital theater of all, while admitting the necessity of unity elsewhere.

If we are to be prepared at all to meet the speed of future attack, we must prepare in peacetime. We cannot wait for the distant red glow of another and far more disastrous Pearl Harbor to give us the danger signal. This unification proposal lies at the very base of all this country's postwar military planning.

We know that this over-all planning function cannot be satisfactorily discharged by the President alone in his constitutional role of Commander in Chief. Military planning is a problem of tremendous and growing scientific complexity. It is a problem which requires the broadest possible knowledge of the several arms' missions, potentialities and status; it requires a broad vista of foreign intelligence, and of current and future scientific developments. This demands not only the full-time individual attention of a single over-all civilian authority, but also the integrated effort of a large staff of specialized and capable military and scientific advisors and professional planners. The President, with the multitude of other demands on his time and effort, cannot be humanly expected to personally make sound initial rulings on the partisan plans brought to him by the separate services. He should be able to rely for such coordination on a single member of his Cabinet, on the head of an organization responsible to him for the national security. The President has made it quite clear, in his successive messages to the Congress, that he needs this assistance. The President is in the best position in the world to know whether he, as Commander in Chief, needs this assistance. This vital national function clearly requires the facilities of a specialized organization. It could not possibly be achieved either by a single deputy at the White House level or by any committee or board between the White House and several separate department heads. All these devices have been tried before, and they have never worked. The Joint Chiefs of Staff are not working now—just as General Marshall predicted in 1945. This bill provides a real remedy to the problem of adequately supervising comprehensive security planning in this new age of scientific warfare. This bill is the first necessary step in solving that problem.

Another serious consideration, in addition to the urgent need for unified planning, is the problem of joint training. Officers cannot be indoctrinated in the tactics of unified command under a system of separation. Officers and men of each force must absolutely be required to learn the techniques, weapons, capabilities, limitations, and functions of their sister services. This is no job for boards or committees for voluntary coordination. This is a vital operating job. It requires direction, not debate. All agree that training of each service for its own specialty must not be neglected. Also, men must be indoctrinated in the customs and traditions of their own service. Everybody wants all the services to retain the splendid esprit de corps which each has developed throughout the years, but the hand of tradition should go no further. Insofar as it inspires morale, it is good. Insofar as it is allowed to divide our defense force, it is bad.

I come now to the question of cost. Here is our big chance to really do something about economy, instead of just talking about it.

When the peril was great, we waged war without counting the cost. In peace, this is impossible. We enter the postwar era with obligations, resulting from the last war, which we know now will last for many years. These obligations require us to be much stronger than our traditional military policy has ever before demanded. The price of adequate security has increased greatly with the advance of scientific warfare. Our national security is bound to be a drastic drain on the Treasury. It will strain our reserves of manpower as well as our pocketbooks. Our limited reservoir of technicians and scientists will be drained for years to come. We can never again afford to be as profligate with our assets as we were in World War II—in war or peace. We have learned that our resources in men and materials are far from inexhaustible in modern war. We must plan now to hoard and ration them. All our plans must call for their most

economical and efficient use. This requires a single security organization under a single responsible civilian secretary.

There is an even more vital aspect of this problem. I speak of scientific research. This will require vast sums of money in addition to all other expenditures. In the end, if properly directed and coordinated, it may save us much of the cost of war. In any case, our armed forces must continue to move forward into ever new fields of development if we are to plan adequately for our security. War has become increasingly a struggle of technicians. It is more and more a struggle between men of science. It requires no great foresight to see that this trend will be progressive. But though research is costly in money, it is more costly in scientific manpower. We may beg, borrow, or steal money, but we cannot conjure up scientists. Yet, between the War and Navy Departments, there has been little or no coordination in research activities.

What of the budget? What is the remedy? Mr. President, we now have two separate agencies coming before separate committees of the Congress to compete for separate shares of the national budget for the same purpose—the national security. So long as we continue this practice, we shall continue to be advised, not by judicious counselors, but rather by jealous partisans, special pleaders, each clamoring for as much money as the traffic will bear. A single plan and a coordinated budget must be evolved by a single professional agency. Only by means of a single organization under the direction of a single secretary can we hope to obtain a single-balanced plan or a coordinated budget providing for a reasoned distribution of available funds according to military value. In the absence of such an agency, Congress cannot possibly weed out continuing waste, duplication and parallel activities, nor stop needless spending. There is no other way out.

The wartime Joint Chiefs of Staff served us well. It was the best substitute for unification which could be improvised at the time. It produced sufficient integration of effort to win the war. This country will remain eternally in the debt of those great military leaders who devoted their efforts to making this body work. Although under the pressure of war they were able to give us enough coordination to bring victory in World War II, they did not and could not give us the efficient integrated team we will need for a war of the future. While these top military leaders have undoubtedly done their best to get together on questions of grand strategy, the competing departments have kept up their rivalry and their duplications and inherent waste.

Mr. President, the final major consideration which I wish to urge in support of the single organization proposed by this bill is air power.

World War II demonstrated beyond all argument, speculation, or doubt the terrific and overwhelming force of air power. Regardless of handicaps imposed upon it by antiquated military and naval organizations acting sometimes as unsympathetic stepfathers, air power, by its inherent might, was able to overcome all these. It clearly established itself in battle as a complete and basic arm which must be employed side by side in an integrated effort with the land and sea arms. Air power has achieved its emancipation in fact. At this tardy date, we cannot do less than to legalize the emancipation it has already won by its magnificent performance. This bill does that.

The question of unification, as I have said, has long been made the subject of the fullest and most comprehensive debate that is possible under a free democracy. The entire problem has been subjected to the most thorough study and restudy. We have had the benefit of reports and recommendations originating in civil, in military, and in legislative sources. We have examined all witnesses, we know the positions of all parties, we have heard all sides. We have heard them at great length. We have heard them to the total exhaustion of the subject. There is no aspect of the problem that has not already been presented, re-presented, and presented again. Mr. President, there has been no argument on any side of any phase of this subject that was not presented several times. The evidence has long been completely before us and is completely before the Nation. I know of no similar question that has been the subject of more widespread public debate. The country is clearly for unification.

Our military departments are for it. Secretary Forrestal has taken the lead in evolving the Army-Navy agreement which gave the immediate impetus to the bill in its present form. Secretary Patterson has been urging unification for years. Admiral Nimitz and Generals Eisenhower, Spaatz, and Vandegrift have all agreed to this bill in its present form. General Norstad and Admiral Sherman, who drafted the agreement, represent the Army Air Forces and naval aviation, respectively. The public and press demand for prompt action is overwhelming.

In the meantime, our Military Establishment, awaiting our action, stands today deprived of the fundamental premises upon which all its planning must be based. It has stood thus for two long years while we have delayed. The state of unrest and uneasiness which the continued pendency of this matter has occasioned is being daily aggravated. Further delay and inaction can serve no wholesome purpose. Our duty to America is clear—the urgency is great—the time is now.

Senators who support the cause of unification today will be called the statesmen of the future, for the cause is sound, and the national security requires action. Those who oppose unification now may well weigh the consequences of their decision.

I speak earnestly because I feel deeply that unification is right, that it is necessary, and that it must precede any orderly and sane solution of our security problem.

With this expression of my own conviction, I commend the issue to the Senate. I believe we should act at once.

Mr. MORSE. Mr. President, at the outset of my discussion of the unification bill, I want to pay very deserved tribute and commendation to one of the opponents of the bill. I refer to that very distinguished Senator from Wyoming [Mr. ROBERTSON]. As a member of the Armed Services Committee, serving over many weeks with the Senator from Wyoming, also a member of that committee, I developed a great respect for the sincerity of purpose and the intelligent approach which the Senator made to this bill, and which he evidenced in offering opposition to certain features of it. As a result of the work of the Senator from Wyoming on the Armed Services Committee in opposition to the bill, it is a much better bill than it was when the hearings were started and when the executive sessions on the bill were begun. Time after time the Armed Services Committee, in a good-faith attempt to adjust differences in points of view with the Senator from Wyoming, accepted a great many of his suggestions. Although the adjustments did not satisfy him in their entirety, I may say that I think the Senator from Wyoming, in turn, appreciates the approach which those who are opposed to his point of view in the committee took in our discussion of the bill. In my opinion, the country owes much to the Senator from Wyoming for the fine contribution he made in Committee in presenting his differences in points of view to the rest of us, for we now have a bill which I think avoids the pitfalls which the Senator from Wyoming called to our attention at the beginning of the discussions.

Furthermore, as a member of the Armed Services Committee, I want to commend the chairman of the committee, the Senator from South Dakota [Mr. GURNEY], for his patience, his fairness, his absolute impartiality in seeing to it that all had their full say and that due consideration was given to every suggestion made by each member of the committee. There was no attempt in the consideration of the bill, Mr. President, to hasten action in the committee. In fact, at times the members of the committee were criticized because they did not proceed more rapidly in reporting the bill; but each one of us recognized the vital importance of the bill to the future security of the Nation. Hence, we felt that whatever time it took to make a full disclosure of our points of view and to iron out, to the extent we could, our differences, was time well spent.

After those careful deliberations, I reached the final conclusion that the bill in its present form should be passed by the Senate of the United States.

A CHALLENGE TO ACTION

Mr. President, the unification legislation pending before the Senate and known as Senate bill 758 is of as great importance to the United States as any measure awaiting action by this body. It is a subject upon which the Congress must come to a decision without delay or be guilty of dilatory and negligent performance of its duty to the American people.

WHAT KIND OF UNIFICATION?

This matter of unification has been the subject of a continuing controversy for

nearly 3 years. We of the Congress, along with many of our fellow citizens both in and out of the armed services, have been very much perplexed about this issue as we have tried to enter a fair judgment on it. It has not been so much that we have doubted the need for some kind of unification—that has hardly even been suggested. It has been rather that fears and confusion have arisen as to just what the form and substance of the unification measure we might adopt should be.

The general reasons for some kind of unification have been all too obvious to most of us. We have seen two great but independent organizations, the War and Navy Departments, each going its separate way toward the single end of providing security to the United States. Common sense alone would be enough to convince any reasonable man that something should be done to bring these services together. And as reinforcement to the common-sense reasons for unification, there are many specific examples and conditions, as portrayed to us by expert testimony as well as in actuality, which attest that it is both uneconomical and inefficient for two independent agencies to be seeking to accomplish the same ultimate mission.

No, Mr. President, it has seldom been doubted that unification as a sound and vital measure in the interest of national security, should be brought about. The controversies which have delayed a decision on this subject have always developed around the specific details of unification. Indeed, there have been raised in the past numerous doubts—most of which have been sincere and legitimate—as to how far toward unifying the armed services any unification bill should go. And although nearly everybody has said he favors unification, events have revealed measurably different definitions of the term "unification." It finally became apparent that resolution of the issue boiled down to a removal of the specific objections that have arisen.

OLD OBJECTIONS REPEATEDLY RAISED

In certain of the bills which were introduced in previous years, there was proposed a single military Chief of Staff, who was feared by many to be a potential "man on horseback"—a military threat to the civilian control of our Government.

Even with the elimination of the single military Chief of Staff there have been voiced objections that the proposed single Secretary of National Security, albeit a civilian, would have too much power to be safe, would abrogate the powers of the President, and would become a czarlike authority unto himself—a dire menace to our form of government.

It has been further contended that to put any man short of the President, whether he be civilian or military, over the armed forces would cause our security establishment to become unbalanced because the top man might neglect one of the forces through favoritism toward another one. This fear of even civilian control of the armed forces has been perhaps unreasonable since, after all, what kind of control do we want if not civilian?

ADEQUATE PROTECTION FOR MARINES, NAVAL AVIATION

Throughout the consideration of this bill I have been of particular concern that nothing should hurt or serve to reduce the effectiveness of the various elements of our great fighting forces. When fear was expressed from certain quarters over the future of the marines and naval aviation, I was moved to join, and did join, with the Senator from Wyoming to do what could be done in seeing that nothing should detract from the usefulness to the United States of these services. I wanted to be certain that under the bill they would not lose their identity or their value as members of our fighting team. With the other members of the Committee on Armed Services, I made it my business to see that guaranties were made to safeguard the marines and naval aviation. Such guaranties have now been written, in my opinion, into the bill and are satisfactory to the commanding general of the Marine Corps and to the top naval aviators. Further, the assurances of Generals Eisenhower and Spaatz, of Admiral Nimitz, and of the Secretaries of War and Navy—in whom I share the unbounded confidence of my colleagues—are safeguards which we can all assume to be as reassuring as any which could be written into the statutes.

OBJECTIONS PROGRESSIVELY ELIMINATED

Progressively and with considerable patience on the part of all concerned, these and all other doubts and fears over the authority and control to be granted this top Secretary have been removed or allayed. Finally, today there is almost unanimous accord that the threats which have been inherent or imagined in previously proposed legislation to unify the armed forces have been erased. This accord has been reached through the democratic processes of our Government. All parties concerned have been heard and the conflicting views have been blended by compromise—the American way of reaching peaceful conclusions. The legislation before the Senate represents a series of carefully drawn compromises which reflect a meeting of the minds among those who were once in disagreement. From all the negotiations which preceded the final bill there has evolved a workable, sound proposal. The fact that the legislation is practical and beneficial, and at the same time satisfactory to the major interested factions, is, indeed, a high tribute to the American system.

OBJECTIONS TO TOP MAN ELIMINATED

The traditional civilian control of our armed forces is guaranteed. The civilian Secretary of National Security is superior to the three military commanders—Army, Navy, and Air Force. There is no single military chief of staff. The top Secretary views the over-all problem of national security impartially and on a broad basis, and is a principal assistant to the President and adviser to the Congress on the general subject.

Mr. President, I do not think we should overlook the fact that he will function under the bill as the adviser to the Congress.

The Army, Navy, and Air Force retain their identities as integral members of the security team. They are administered by three departments of the Government, the civilian secretary of each of which has access to the President. These three secretaries and the senior military officers of each service will be the principal assistants to the President and advisers to the Congress in their own particular fields. Thus, in addition to having the viewpoint of the several services, the country will have the benefit of an official whose sole job is to study and advise on what should comprise a balanced program of all the services. Lack of such an official constitutes a striking deficiency in our Government today.

CIVILIAN CONTROL INCREASED

Every precaution has been taken by the Army and Navy representatives who drafted the original bill, and by your committee in amending it to its present form, to insure adequate civilian control. The President, of course, retains the paramount civilian control of the armed forces, as Commander in Chief. The bill actually makes it easier for the President effectively to carry out his duties as civilian commander because it gives him much needed assistance in this tremendous task.

It seems to me, Mr. President, that we should not overlook the fact that the President does remain the top civilian controller of our armed services. Under our democratic system we do not have to fear that any military official, be he civilian top secretary under the unification bill, or a man in uniform, will attempt to take unto himself too much power, which some seem to fear might still be possible under the bill. Why do I say that? I say it because the President of the United States would soon be apprised of any such attempt on the part of any official under the unification bill. A President of the United States usually likes to be reelected, and if he discovers that there is opposition in the country to an attempt on the part of the Secretary of National Security to take more power unto himself that he should have under the spirit and intent of the bill, the Secretary is going to hear from the President. If the situation were such that the particular President did not want to be reelected, we could be sure that his party would want to elect someone in his place. So we have under the bill, as we have under all legislation, the ultimate political control resting in the people of the country which will manifest itself if anyone under this bill should attempt to engage in arbitrary or abusive power. I am not at all fearful so long as the President of the United States remains the civilian controller of our Military Establishment, or of any man in uniform, or of any civilian who is a top Secretary, abusing the power granted to him under the terms of the bill.

Of course the constitutional power of the Congress to raise and support armies and navies comprises the real civilian control over the military, and this fundamental safeguard can never be abridged

by the establishment of new agencies. We are the ones who vote the funds. The Congress, incidentally, will be aided greatly in obtaining a balanced picture of the problem of security, for at any time it can call for advice from any representative of the different services or the several impartial agencies and offices established to deal with the broad phases of the entire matter of security. Under existing circumstances, the Congress is denied such valuable information and counsel as it will be afforded under unification, and is constantly harried by pressures from all sides for this or that phase of national security, without ever getting an appreciation of the over-all picture.

Mr. President, I served for a time on the old Naval Affairs Committee. It seemed to me our common practice was to move somewhat in the dark as we took up naval affairs matters, which related also to military matters but which fell within the jurisdiction of the then Military Affairs Committee. I feel that the same problem exists within the Appropriations Committee under our present system. One subcommittee deals with naval appropriations, another subcommittee with Army appropriations, and seldom do the twain ever meet in a common understanding of their mutual problems.

One of the great procedural and administrative strengths of the bill, as I see it, is that for the first time, through the top Secretary provided for in the bill, there will be submitted to Congress an over-all budget report, and over-all advice as to what a balanced program should be for the Army, the Navy, and the Air Force.

I now want to say, because the pending bill is not perfect in many respects, that I think one point the Senator from Wyoming makes is a very telling point. I do not think the record on the bill shows that any great economy will flow from it, certainly in the early years of its administration. I may say to the Senator from Wyoming that, as a lawyer, I would have to say that I think the preponderance of evidence in the record supports his contention that the bill will not produce great economies at first. If one wants to vote for the bill solely on the ground of economy he will find that the evidence does not support such a vote. However, it is not a wasteful bill, it is not a costly bill in the sense that it increases costs for the same functions as now rendered. It had within it, in my judgment, the procedure which makes it possible for the top Secretary and the Secretaries of Air, Navy, and Army to bring about great economies as they learn to work together in closer cooperation, as I am sure they will, once the terms and provisions of the bill are put into operation. I happen to be one who feels that once the law is on the statute books and the Secretary of National Security and his Assistant Secretaries proceed in conference after conference, they will see a multitude of ways to bring about economy. I have always been, and still am, critical of wastes within the administration of the War and Navy Departments. They go back to roots which have grown for decades. I think we have before us a bill which would make it possible to tear up some of those roots.

I do not believe that the bill goes nearly far enough with regard to the whole question of greater unification for procurement. Further, I would that it provided for greater unification, for example, in such specific instances as medical services; but it does not make it impossible for that type of economy to develop. In fact, I think that type of economy will be possible only under the terms of this bill. It certainly will not come about if we continue the status quo.

Let me say frankly that I admit that in my judgment I cannot show from the record any great economies which will immediately flow from the passage of the bill. I am satisfied that economies will develop as the officials given responsibility under the bill come to administer it and come to see that the spirit and intent of Congress in passing the bill is to place upon them the responsibility for effecting economies. Then, too, with this bill and the powers given to the top Secretary, it seems to me that we shall be in a much better position when he sits down to advise with Congress when he makes his annual reports to us, to require him to show specific cause why certain economies, if they are not in his report, are not made or cannot be made.

I suppose that my economic argument could be summarized in this way: Although the bill in its present form does not immediately effectuate great economies, it does provide the procedure and the administrative machinery for effecting such economies if the top Secretary and the three Assistant Secretaries keep faith with the spirit and intent of the act.

This bill represents a careful step in the gradual, deliberate chain of evolution which is typical of arriving at change in our governmental structure. No radical departure is entailed. S. 758 does not seriously alter the present scheme of things, but does take advantage of certain obvious lessons of World War II and gives the country a means to see where other improvements may possibly and appropriately be made.

If experience gathered from functioning under the bill so dictates, further revisions in our national security structure may be proposed and judged by the Congress and the people. That is certainly not violent, but is the American way of progress.

The bill has been so revised from the versions of previous years that some say that it is now too weak to be effective. It has been accused of having no teeth to make the improvements that must be made. I have heard it said that so much power is reserved to the Army, Navy, and Air Force and that there will not be the flexibility necessary to make indicated changes. This may be, although I doubt it very much. In any case, the actual operation of the bill is the only true test of its effectiveness. Therefore, if after a few years too much authority seems to be vested in the three military departments and unnecessary duplications cannot be eliminated because of restrictions in the bill, the Secretary of National Security and the President may make further recommendations to the Congress for such alterations as seem desirable. To this end, the bill makes specific provision for further studies and recommendations.

In any case, the legislation does not go too far. It is a good first step. It not only retains civilian control over the military, but it increases that control. Actually, there has never been a serious threat by the military in the history of the United States. Our professional soldiers and sailors have never manifested a desire to run the country. They have always taken pride in their role of public servant. In fact, during the deliberations on this unification bill, military leaders have been the foremost in insisting that maximum civilian control be provided in all parts of the legislation.

It is a favorite form of cynicism on the part of some critics constantly to throw in the direction of the military very unfair and below-the-belt criticisms. I think that has frequently been costly to the prestige of our military, particularly in the minds of the youth of the land. During the war I had an opportunity on the home front to pass judgment upon the faith in our democratic processes of the high military authorities. Frequently I saw them in a position where materials of war were being held up because of domestic difficulties on the home front, but not once did I hear a high authority in the military take the position that we should adopt undemocratic procedures for the handling of those problems. I want to say to the credit of the military that it has been my observation that they usually demonstrate a greater faith in our democratic processes and in the right of our people to be protected from military abuses than do many of our civilian officials. I was pleased with my observations of our military government in Germany last fall—to note that in the operation of that military government first attention was always given the question as to whether any rule, regulation, or administrative order was in accordance with democratic rights. So I am not one of those who take the position that there is any basis in fact—certainly no basis in fact was developed during the hearings and the consideration of this bill—for fear of usurpation of power on the part of the military to the detriment of American domestic processes.

Now that the objections against unification have been met and the fears calmed, this moderate, temperate, and yet progressive bill stands before the Senate for decision. Where unanimity once was lacking, the agreements which have been reached and from which this bill results must surely remove all former obstacles. Where controversy and confusion once clouded the issues, there is now, for the most part, satisfaction on all sides. Not even the obstacle of political partisanship attends this measure. It has shared the same impartial treatment that has been so wisely afforded our foreign policy.

One immediate need for the bill lies in the fact that the Army and Navy are in urgent need of some permanent basis for their future organization. Except for

certain emergency authority under which the armed forces were drastically reorganized for their successful prosecution of World War II, there is nothing on the statute books under which these forces can shape their postwar organizations except the antiquated laws which governed their organization between the two world wars.

It is the lessons of World War II which we must now apply. We must look forward so that we shall not be caught unprepared and outmoded if another war must come. If it comes, it will come fast.

I believe that that is what the bill would do. It applies those lessons in an intelligent, gradual fashion and provides a means for a further study of the complex problems of national security.

One of the most compelling lessons of the recent war is that there are imperfections and gaps in the relationships between the military and foreign policies of this country. This bill corrects that situation by the establishment of the National Security Council, wherein the complex and now uncoordinated problems of bringing foreign policy into harmony with the military means to enforce that policy may be brought to light and resolved.

A corollary lesson is that the people, the Congress, and the President have no single individual or agency charged with the over-all problem of national security to whom they can look for impartial recommendations and coordination. This bill provides the Secretary of National Security, a sort of Deputy President, to assist the Chief Executive in the carrying out of his great responsibility as Commander in Chief.

Unification will also apply another clear lesson of World War II, and World War I for that matter, and that is that there must be an agency to plan and administer the proper allocation of the economic and human resources of the country so that both civilian and military needs are adequately met in time of war. The National Security Resources Board is proposed for just that purpose. Under a National Security Establishment wherein the efforts of all the armed services are brought into harmony—and there is no such establishment today—unnecessary duplications of money and effort can be eliminated. And through the recommendations of the Secretary of National Security to the President and the Congress, continuing improvements in efficiency and economy can be made which will carry out the obvious intent of the Congress.

The various civilian agencies and the key civilian officials provided in the bill assure the traditional—and essential, if our system of government is to concontinue—civilian control of the Military Establishment. Together with the Joint Chiefs of Staff, these civilian agencies comprise an organ which can plan and prepare for the United States to meet the threat of a total war. Mark you, Mr. President, no one longer doubts that the next world war, if it should come, will be a total war. Much of this planning has not even been started, and without passage of this bill it will continue to be delayed.

The issues of unification are now clear. Controversy no longer exists. All interested persons and parties have had their doubts satisfied, and there is hardly a responsible individual in or out of Congress who has cause to oppose this present bill. There is opposition to details, yes; but not to the great objective of the bill. Even those vigilant guardians of our American way of life, the Daughters of the American Revolution, in their recent national convention here in Washington, adopted a strong resolution in favor of this legislation.

The United States must not be forced to depend upon an outmoded military establishment to fight or avert another world war—and may a strong America prevent it from ever coming.

The Congress must act now—this session—in order to give the country and the people the best security for the money spent. The lessons of World War II, only recently so vivid to us all, are dimming as time passes. We cannot ignore them. It would be a shocking incrimination of the Congress, and a welcome scandal for those at home and abroad who decry our form of government, if that which the country and its responsible leaders so clearly want is ignored or delayed by the representatives of the people in the Congress. I entreat my colleagues in the Senate, Mr. President, to take immediate and favorable action to accomplish the translation of the unification bill, S. 758, into enacted legislation so that it may become a law of the land to provide a suitable structure for our postwar national security in a world where lack of security may well spell a nation's death warning.

STRENGTHENING THE UNITED NATIONS

Mr. TAYLOR. Mr. President, earlier in the day the junior Senator from Michigan [Mr. FERGUSON] submitted a resolution expressing the desire and the need for strengthening the United Nations. I was one of the sponsors of the resolution. However, a number of my colleagues and I feel that the previously presented resolution is not sufficiently specific and not sufficiently strong. Therefore we are presenting another resolution. This action is not to be construed as a condemnation of the previous resolution, but rather as a more accurate expression of the thinking of some of us on this all-important subject. I might say, Mr. President, that the concurrent resolution which I shall send to the desk is one which was approved by a large group of Members of the Senate and of the House of Representatives. The concurrent resolution, as I send it to the desk, is as it has come from the House of Representatives where it is being or has been offered by Representative JUDD and Representative HAYS, together with a large number of cosponsors.

I send the concurrent resolution to the desk and ask that the clerk read it, Mr. President.

The PRESIDING OFFICER. The clerk will read the concurrent resolution.

The concurrent resolution (S. Con. Res. 24) submitted by Mr. TAYLOR (for himself, Mr. CHAVEZ, Mr. JOHNSTON of South Carolina, Mr. TOBEY, Mr. PEPPER, and Mr. MURRAY) was read and referred to the Committee on Foreign Relations, as follows:

Whereas all the world deeply desires durable peace; and

Whereas the United Nations was created as an instrument to preserve the peace of the world; and

Whereas experience increasingly indicates that the United Nations in its present structure is not fully adequate for this task; and

Whereas the United Nations Charter in its article 109 provides a procedure whereby the Charter of the United Nations may be revised and amended: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President of the United States should immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following the printing of the concurrent resolution, article 109 of the United Nations Charter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTICLE 109

1. A general conference of the Members of the United Nations for the purpose of reviewing the present Charter may be held at a date and place to be fixed by a two-thirds vote of the members of the General Assembly and by a vote of any seven members of the Security Council. Each member of the United Nations shall have one vote in the conference.

2. Any alteration of the present Charter recommended by a two-thirds vote of the conference shall take effect when ratified in accordance with their respective constitutional processes by two-thirds of the members of the United Nations including all the permanent members of the Security Council.

3. If such a conference has not been held before the tenth annual session of the General Assembly following the coming into force of the present Charter, the proposal to call such a conference shall be placed on the agenda of that session of the General Assembly, and the conference shall be held if so decided by a majority vote of the members of the General Assembly and by a vote of any seven members of the Security Council.

Mr. TAYLOR. Mr. President, as I stated previously, I am one of the sponsors of Senate Concurrent Resolution 24 whose purpose is the strengthening of the United Nations. I am very happy because of that resolution. The list of sponsors is very impressive, both from the standpoint of the two parties being substantially represented and in the range of political beliefs represented therein, extending from what some persons might consider conservative members to liberal members. I think it is a very fine thing, a token of hope to the American people.

However, Mr. President, as I also stated previously, a number of my colleagues and I feel that the proposition should be stated a little more clearly. So we have submitted this concurrent resolution which, as I have stated, is similar to one offered in the House of Representatives by a large group.

Mr. President, at the time the framers of our Government decided to write a

Federal Constitution they were convinced that they as leaders were far in advance of the people of the Thirteen Colonies on the American Continent.

Nevertheless, they felt it their duty to create a real federation of those Colonies, or at least to urge such a federation.

I fear we in the Senate of the United States have thus far failed to show that same courage in the parallel situation which is facing us today.

The sovereign legislatures of 15 States of this Union have memorialized Congress and the President to initiate a call of the nations to form a real international organization with powers to enact, administer, interpret, and enforce laws. The legislatures of five more States have passed somewhat similar, if less forceful, resolutions.

Hundreds of our most honored citizens who have distinguished themselves in all walks of life have urged the formation of such an organization, preferably based on the present United Nations organization.

The adoption of this concurrent resolution will announce to a despairing world the dawn of a new era of hope. It may mark the turning point in human history where men decided that it was better to live at peace with one another than to destroy civilized society in the holocaust of atomic and biological war.

That is why I have joined with a distinguished group of my colleagues today in submitting this concurrent resolution. We believe the Senate of the United States will realize the gravity of the world situation and the necessity for immediate, affirmative action.

The evidences of public interest through the enactments of 20 State legislative bodies give positive assurance of national concern.

Mr. President, at this point I should like to place in the RECORD a digest of several public-opinion polls which have been taken on the question of strengthening the United Nations.

The Elmo Roper poll was reported in the New York Herald Tribune on August 1, 1946. There were three questions. The first question was as follows:

If every other country in the world would elect representatives to a world congress and let all problems between countries be decided by this congress, with a strict provision that all countries have to abide by the decision whether they like them or not, would you be willing to have the United States go along on this?

	Percent
Yes	62.8
No	19.8
Don't know	17.8

So the result was overwhelmingly in favor of the establishment of a world legislative body.

The second question was as follows:

If every other country in the world would turn over to a world organization all their military information and secrets, and allow continuous inspection, would you be willing for the United States to go along on this?

	Percent
Yes	47.3
No	37.7
Don't know	15.0

It is quite evident, Mr. President, that if the number of those who answered "don't know" is equally divided and assigned to the groups answering "yes" and "no," a majority are in favor of the idea of scrapping all armaments all over the world.

The third question was as follows:

If every other country in the world would give up its armies and navies and instead just contribute its share of men and materials to an international police force, would you be willing for the United States to go along on this?

	Percent
Yes	52.5
No	32.7
Don't know	15.1

So the people want an international police force with teeth.

The Gallup poll reported in August 1946, as follows, on the question:

Do you think the United Nations organization should be strengthened to make it a world government with power to control the armed forces of all nations, including the United States?

	Percent
Yes	54
No	24
No opinion	22

Mr. President, in the question on which the Gallup poll was based, the strong phrase "world government" was used. That phrase seems to frighten some persons, but nevertheless it was used in that poll. So those who conducted that poll did not go about it with gloves on, but they used their bare knuckles.

So, Mr. President, we can see that the people of the United States want a strong international organization, regardless of what it is called—whether it is designated a world government or a super state. Some persons like to use the latter term; perhaps the more violent opponents of the idea like to use that term because it is a scare term. Or we may refer to it as strengthening the United Nations, which means about the same thing, and that is the expression we use in our concurrent resolution, because that is what we wish to have done.

Mr. President, these considerations, as well as the evident overwhelming gravity of the problem to this Nation and to all of mankind, should insure early consideration of this concurrent resolution by the Senate. We have been letting time run out. But little time remains.

In this age of atomic bombs, biological agents, and long-range bombers, the cost of this armament competition is incalculable. As the President's Advisory Commission on Universal Military Training indicated in its report, we shall be forced to disperse and locate underground our vital industries.

I may also say that the Senator from Wisconsin has advocated that the Senate itself be dispersed and placed underground. Probably that will happen before very long, unless we do something about stabilizing world conditions.

We shall be compelled to conscript men, not only for service in the armed forces but for labor in the subterranean factories. Authoritarian control of the entire national economy will be necessary to put such a program of industrial decentralization into effect. The liberties and democracy which we seek to defend will have to be sacrificed on the altar of military preparedness. The necessity for secrecy will remove far-reaching policy decisions from the arena of public debate. Antisabotage and antiespionage precautions will drain the lifeblood from the first 10 amendments to the Constitution.

Even if we submit to all these sacrifices, we shall not win peace. The Emergency Committee of Atomic Scientists has recently warned that when a number of nations have accumulated stock piles of atomic bombs, war will be inevitable. Who can disagree, Mr. President? In from 2 to 7 years, planes loaded with atomic bombs will stand poised on the runways of the major nations. The city dwellers will then live continuously on the brink of extinction. Life under these conditions will be intolerable. Fear will provoke one government or another to attack in order to defend itself. Any incident will be the spark to light the world.

Mr. President, the so-called flying disks or saucers which have been so extensively reported during the past fortnight should serve as a warning of what is in store for the peoples, not only of our own Nation but of every country on this little globe we call Earth. If these contrivances, flying at the terrific speeds which have been reported, are proven a reality, they will simply demonstrate once again how small this world has become, how open it is to attack by as yet unknown and undemonstrated weapons.

On the other hand, if it should be decided, after careful investigation, that this whole fantastic episode is the result of overwrought nerves, it will be a warning of future and more frequently occurring demonstrations of mass hysteria. As the tension increases in this age of uncertainty, life will become a nightmare haunted by fears and dangers—real and imaginary.

No amount or degree of military preparedness will avail us against such psychological fears and anxieties.

I do not mean to imply that military preparedness is not a necessity so long as the United Nations lacks the power to provide effective international security. I am no believer in well-meant but dangerous gestures of unilateral disarmament. But I do mean to state unequivocally that, while we prepare for the worst, every effort must be made to secure general agreement to strengthening changes in the structure of the United Nations. It is indispensable to the survival of our country and of civilization itself that the United Nations be given such legal authority and material power as will make national preparations for war not only unnecessary but impossible. That is the solution this resolution offers.

I solemnly lay before each and every Member of this great body, Mr. President, this question:

Do we, individually, and as Members of the greatest deliberative body in the world, wish to insure the demolition of our great cities by atomic warfare? Do we want to make certain that whatever progress this noble experiment we call civilization has made in the last few thousand years shall be annihilated in a series of atomic-mushroom clouds?

If that is the course we want the world to pursue, we should continue to ignore

the need for world cooperation. And we should shut our eyes to the fact that the only way world cooperation can be a fact is for us to strengthen into a true government by law and order the present United Nations.

There are but two remaining paths in the conduct of our foreign relations. Either we must find security by keeping our armaments and our Army and Navy forever ahead of any combination of countries which might oppose us, or we must strengthen the United Nations so that it can build and enforce world law and world peace.

The first choice means that other nations, too, will engage in a race to outstrip us in arms and men. The world desperately needs food and homes and security. But the world would have to remain underfed, ill-housed, and insecure to maintain the huge armies and navies which this path to national security requires. And in the end the big armies and navies would be used as they always have been used in the history of mankind. They would become so big as practically to dominate the governments of the nations of the world.

I reject that path. Instead, I would choose the path to world cooperation.

The alternative to this horrifying picture of an America no longer free is for us to strengthen the United Nations. This resolution calls for our country to do that.

During our consideration of the crisis in Greece the statement was made many times on the floor of the Senate, Mr. President, that the United Nations was too weak to do the job. I was not convinced that it was too weak for that particular assignment, but I frankly admit that the United Nations must be strengthened if it is effectively to maintain world peace.

Mr. President, I believe I have here a list of statements made during the debate on the Greek-Turkish loan by various Members of Congress, setting forth the weaknesses of the United Nations, stating that it was too week to handle the situation.

The senior Senator from Michigan [Mr. VANDENBERG] said:

> There can be no question on earth that the fact is that the United Nations cannot accept this responsibility.

Then let us make it possible for the United Nations to be strong enough to accept any responsibility that is our responsibility.

Representative RAYBURN said:

> The United Nations is impotent to handle this matter. The UN has not the money, it has not the power, it has not the organization to do the job.

Mr. President, let us see if we cannot get the money for them in some way, if we cannot give them the power to do the job.

There are a great many more quotations, and I ask that they all be incorporated at this point as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the quotations were ordered to be printed in the RECORD, as follows:

Senator VANDENBERG: "There can be no question on earth that the fact is that the United Nations cannot accept this responsibility."

Representative RAYBURN: "The United Nations is impotent to handle this matter. The UN has not the money, it has not the power, it has not the organization to do this job."

Representative MCCORMACK: "The United Nations does not have the money, it does not have the equipment, and it does not have an international police force. It is doubtful whether it has the authority to go into the internal affairs of a country, as such, for the purpose of trying to stabilize it."

Representative BUSBEY: "The Congress should either agree that situations of this kind should be handled through the UNO, or be willing to admit that the UNO is a failure and is not capable of doing those things we were told it would do when it was organized."

Representative JENKINS: "Why is it that the UNO has not been called upon to lend its good offices in an effort to compose and resolve these differences?"

Representative FOOTE: "It must be conceded that the UN is not as strong as some people wish it were, or as some feel that it actually is."

Representative GRANGER: "It (the UN) will never be any stronger than the United States will make it."

Representative MORRIS, of Oklahoma: "I believe we are about to junk the UN as we did the League of Nations; and I am opposed to it unless I can see further light."

Many Members of Congress felt that the thing to do was to strengthen the United Nations:

Senator WILEY: "To be adequate, UN must be reborn. This is the opportunity for its rebirth. It certainly is a moment for men to become truly great. I pray God that the representatives of the lands in the UN will seize this dynamic moment and make the UN what it should be and what the hope of the world is that it will be."

Representative VURSELL: "I think that the United States should take the leadership asking other nations to join with her, first, to immediately amend the UN Charter."

Senator LODGE: "I want to build up the UN and I want to make it do the things it can do just as fast as it can do them."

Representative BURKE: "The UN can never act as an executive force until it has a police force."

Representative MANSFIELD: "I believe that it is possible for the UN to achieve sufficient strength in the future to take over this task I shall welcome the day when we may resign this responsibility to that organization, because I believe wholeheartedly that only in the UN can we eventually find the peace all mankind craves."

Senator CAIN: "To be truly effective the UN must create and develop an international police force with sufficient authority and means to defeat any aggressor nation."

Representative MURDOCK: "The very fact that America is taking this momentous step alone, and not through the United Nations, makes it all the more logical and necessary that we increase our efforts to strengthen the new international organization, to increase its powers, and use our influence to ripen its maturity."

Representative JAVITS: "I urge coupling this action with simultaneous action to strengthen the only agency which promises to give us a century of peace in our time, the United Nations."

Senator WATKINS: "In my campaign last year for election * * * I pledged my full support of the UN to give it every opportunity to succeed in its purposes. This I should like to do now."

Representative JUDD: "Let us * * * develop and strengthen the UN until, please God, it can be improved so as to make it capable of enacting, interpreting, and enforcing world laws for relations between nations."

Representative MUNDT: "A * * * step which I think America should take * * * is to turn our attention to equipping the UN with authorities and means so that hereafter that great international organization can meet effectively all threats to national solvency and all acts of aggression."

Senator PEPPER: "On Saturday last I was one of a group privileged to listen to a young man speak the sentiments of his heart and mind. His name is Cord Meyer. * * * He spoke, Mr. President, of the necessity of preventing war by strengthening the UNO, of building toward a world government which might effectively promote the welfare and preserve the peace of the nations and peoples of the world. I became convinced in my heart, Mr. President, that that young man was pointing to the future."

Representative MILLER of Connecticut: "If, as the proponents of this legislation say, the UN is not prepared or strong enough to take over this task, that organization could be strengthened."

Senator BREWSTER: "It seems necessary to decide if the nations of the world must go forward, either within the framework of the UN or in a supplemental organization along similar lines, awaiting patiently the day when Russia will recognize the desirability of cooperation."

Representative CARROLL: "I believe the UN can work if we have the will to make it work and will give it the opportunity. How can you stand before the people of your districts when you return home and say, 'The UN is too weak to be used at this time.' I say to you, if it is weak let us make it strong."

Senator BYRD: "If the UN is not strong enough for the task, then let us take steps to make it strong."

Representative BLATNIK: "If the UN is weak, we have the duty of helping make it strong. If the UN does not work effectively, we have the duty of helping streamline it and making it function properly."

Senator MORSE: "We must work in every way we can to strengthen the UN. But the UN today simply does not have the troops, the money, or the legal power to deal with the (Greek and Turkish) crisis."

Representative CROSSER: "For the regulation of international relations, I contend, therefore, that there should be established a formal government consisting of representatives from all of the nations of the world."

Representative BARRETT: "Some people contend the UN is not strong enough to assume this responsibility. But if that be true, let us take the steps to make it strong."

Senator HATCH: "Frank recognition of the present defects of the UN should only strengthen our resolve to make it the strong organization which we have envisioned, able to cope with every situation, such as that which we now confront. We must build the Organization so strong that when any question shall arise * * * the procedure and machinery of the UNO will be ample and able to assume and carry the full responsibility. That is my concept of the World Organization. That is our job."

Representative PATTERSON: "The people * * * know the meaning of the UN. They want the UN. They say that if the UN is not strong enough to help Greece, let us strengthen it until it is able to work."

Senator BUCK: "I say give it (the UN) a fair chance or forthrightly abandon our membership in it. I want it to work, I feel it can work, and I do not wish to be guilty of not giving it every opportunity to do so."

Representative SABATH: "We owe it to ourselves and we owe it to the world not to weaken the UN but to strengthen it."

Senator HAWKES: "Unless the UN is so reorganized that it has the power * * * to keep the peace, then we had better buckle on our armor and prepare to protect ourselves against aggression and attack until ultimately, under God, we and the world see the wisdom of peace versus war."

Representative MORTON: "I deplore the fact that the UNO does not yet have the stature to deal with this problem. I know that most of my constituents in Kentucky agree with me that the peace of the world depends upon a strong and effective UN."

Representative HAYS: "The hope of a long reign of peace is indeed the UN, but that hope will never be realized until an adequate force is at the disposal of that great agency."

Representative KEATING: "It is exceedingly important, however, that we do nothing to undermine and everything to strengthen the UN. Such an organization is our only hope for a permanent and enduring peace."

Senator AIKEN: "Let us * * * exert all our power to make the UN a united nations in fact."

Representative SMITH of Ohio: "I am for a strong international organization for peace and will support such an organization as long as I remain a Member of this body."

Senator BALL: "The UN is in no position and is not organized today to do the job which we are trying to do. I believe that sooner or later we and the other democratic peoples will have to face squarely the issue which has arisen with respect to the UN and determine whether we want to go on with an organization designed to maintain peace in the world but which is virtually impotent to enforce peace against aggression."

Senator BUTLER: "If the UN is not strong enough to work we had better change it to make it work."

Senator FULBRIGHT: "The adoption of the UN Charter was but the first tentative step toward the creation of rules of conduct for all nations. Until the various nations are willing to subject themselves to definite rules of law, positive action involving the power relationships of the great powers is difficult if not impossible."

Senator BALDWIN: "If the UN is to work, it must become a part of our daily living. It must become more important to us than any other matter we might discuss on the floor of the Senate. If we will take upon ourselves the responsibility of making the peace by enforcing the strength of the UN, other countries will follow the example set by us. I am far more concerned about the failure of the UN to act in the preservation of peace than I am about the failure of most bills to pass in this body."

Mr. TAYLOR. Mr. President, the United Nations as now constituted is an association of sovereign states. It is only as strong—it only exercises such authority—as its member sovereign states entrust to it.

It will disintegrate if it does not grow. And unless its members, led by the United States, agree to strengthen it, it will not grow.

And by strengthening it, I do not mean another high-sounding declaration of policy without authority.

The resolution proposes that the President take the initiative in calling a review conference to correct the fatal weaknesses in the present structure of the UN that have been made so evident by the events of the past year.

It proposes that the UN be made capable of enacting, interpreting, and enforcing world law to prevent war. This means that the UN must be given the right to administer laws strictly regulating national armament of all types and prohibiting the use of force in the settlement of international disputes. United Nations courts must be set up with compulsory jurisdiction in which those who violate the world security code can be tried as individual criminals, whether they be private citizens or Government officials. If we are to survive, the next Nuremburg trial must be held according to established rules of law before, rather than after, criminal aggressors have built a war machine. In order to insure prompt and certain punishment of those who attempt to violate the security code, an international system of inspection must be kept in continuous operation in all countries and a preponderantly powerful world police armed with modern weapons must be recruited on an international basis. In the area in which the world laws apply, there can be no veto, but the nations will remain free to conduct their trade and internal affairs as each sees fit. This is the minimum price of peace. It must be paid.

There are some who will object that the Soviet Government will never accept these changes. Perhaps it will not, but the only way to find out is for the United States to make known its own readiness to accept the restrictions on its sovereign independence essential to peace. If Russia then refuses to cooperate in building a common security, we will know where we stand and we will know also that we have done all within our power to prevent the impending catastrophe. Certainly we cannot refuse to support the one hope of peace because there is a chance some other nation may not be willing to accept it.

In fact, I should like to digress to point out that our own American commonwealth was set up on the principle that the separate colonies could join if they so desired. When a certain number had joined, the Government came into being and began functioning, whether the others had joined or not, and they were still at liberty to join any time they saw fit. So that if Russia should refuse to come along at first, we could proceed on that same principle, the same idea, and not close the doors to her irrevocably. Let it be made clear to the world that the United States is ready and willing to join with others in submitting to the restraint of law and to abandon its reliance on naked force.

There are some who will agree that world law is ultimately necessary but that it is premature to propose its formation now. They are wrong. The armament race daily increases the danger of war. As the stock piles of devastating weapons accumulate in national arsenals, fear feeds on fear. Soon, very soon, mutual suspicion will be so great that it will be too late to turn back. What is possible today may be impossible tomorrow. Now, while there is still time, let us lift the weight of approaching disaster from men's minds. Let us offer to the American people and to all the peoples of the world the right to hope.

Let me read the closing lines of this resolution. The resolution calls for a general conference of the United Nations pursuant to article 109:

For the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

That, Mr. President, would mean that this Nation and every other nation would surrender that portion of its sovereignty which gives it the right and the power to make war. War would not be outlawed by a pious international agreement easily broken. It would be outlawed by world law—law made by an agency with the actual police power to enforce peace against all comers, and particularly against individuals, before any plot against the peace of the world had grown to great dimensions. It should be done as we do nowadays in America; we do not wait for some man or a little group of men to plot and conspire to overthrow our Government. We nip the conspiracy in the bud and arrest the individuals. That is the kind of world law we must have.

The resolution envisages a United Nations with a legislative branch to enact law, an executive branch with all power necessary to enforce law, and a judicial branch to interpret law.

Anything less than that is not sufficient. Anything less than that invites the disintegration of decent living, freedom of action, and civilization.

Mr. President, I have a number of supplementary exhibits which I should like to include as part of my remarks in the body of the RECORD. Here are a number of statements by prominent Americans on the subject of strengthening the United Nations. I should like these included in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPINIONS ON STRENGTHENING UNITED NATIONS

Nicholas Murray Butler, Vital Speeches, 5: 714–715, September 15, 1939: "The doctrine of national sovereignty is both unsound and dangerous."

Norman Angell, Design for Peace, Living Age, 357: 254, November 1939: "Totalitarianism is supposed to have grown, in part, out of a sense of economic disadvantage, a sense of the unfair apportionment of the earth's resources; from the thrust of the have-nots against the haves, under federalism there would be no have-nots."

Dr. Albert Einstein, New York Times, February 22, 1947 (writing to the Asheville meeting of the World Government Group): "Everything has to be done to make it clear to the electorate that the solution can only be world government and nothing less."

Justice Douglas, New York Times, March 13, 1947 (speaking at World Government Dinner in New York): "Not even the most hopeful idealist would agree that world government is at hand. The inadequacies of diplomacy and war as methods of settling disputes between nations are plain for all to see. They have left hate, destruction,

and desolation in their wake. Law is a substitute for diplomacy and war. It is, indeed, the only civilized substitute."

Carl Sandburg, New York Times, February 22, 1947: "There is one unity which the human family has now which perhaps it never had in such widespread fashion before. That is the unity of being in the wilderness together."

Dr. Albert Einstein, Survey Graphic, January 1946, page 23 (from a speech at a meeting of Americans United for World Organization); "The weapons of modern warfare have developed to such a degree that it seems probable that in another World War the victor would suffer only less than the vanquished. As long as there are sovereign states with their separate armaments, the prevention of war is well-nigh impossible. It is my belief that most of the people of most of the countries of the world would prefer peace and security to the preservation of the unrestricted national sovereignty of their respective countries. The only way of realizing that world-wide aspiration is by the creation of a world government which would inaugurate a region of law around the earth."

Raymond Swing, Survey Graphic, January 1946, page 23 (from a speech before a meeting in New York of Americans United): "It is the inescapable logic of the atomic age that since wars are the acts of sovereign nations, the sovereign power to make war must be ended. For the sovereign nations, in clinging to their right to make war, ordain a condition of anarchy. The only alternative to anarchy is law. There must be law between nations as well as within nations. And there must be the centralized power to enforce law."

Emery Reeves, American Mercury, May 1945, page 525: "The new league and the next war"—"The meaning of the twentieth-century crisis is that the eighteenth century nation-state structure of total political independence and absolute national sovereignty is in irreconcilable conflict with the modern world of total economic independence. The Atlantic Charter, the Dumbarton Oaks proposals, the old League covenant, alliances, nonaggression pacts, the ideal of collective security are all conceptions based on the eighteenth-century principles of absolute national sovereignty and national self-determination. If we remain on that road, if we do not have the vision and courage to undertake the first step toward a constitution upon which a legal order can be built to regulate the already existing interdependence of the peoples, then the next war between surviving, nonintegrated sovereign nation-states can be taken for granted."

Sarah Gibson Blanding (president of Vassar College), New York Times, October 12, 1946, page 21: "Our fathers made a Union of the States which has endured though it was founded on ideals untried and widely thought unpractical. So we can make a union of the world, if we have faith and courage, patience and unflinching resolution."

Harold C. Urey, New York Times, October 22, 1946: "World government, in my opinion, is the proper instrumentality to solve this age-long problem of recurring wars. It is also the idea to rally the hearts and minds of men. The only substitute for the anarchy of war which has ever been discovered and proved over limited areas of the world for any great period is the establishment of a system of legal methods for settling disagreements. World law without a world government cannot exist. International law as discussed at the present time has the same basis and force as the Ten Commandments. Such moral laws are very important, but they cannot be codified or enforced by the courts, and hence offer no security to the law-abiding against the criminal minority."

George Washington, Congress of Philadelphia, 1787: "It is too probable that no plan we propose will be adopted. Perhaps another dreadful conflict is to be sustained. But if, to please the people, we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise a standard to which the wise and honest can repair. The event is in the hands of God."

Rt. Hon. Ernest Bevin, foreign affairs debate, House of Commons, 1945: "We need a new study for the purpose of creating a World Assembly elected directly from the people of the world. I am willing to sit with anybody, or any party, of any nation, to try to devise a franchise or a constitution for a World Assembly. Once we can get to that stage I believe we shall have taken a great progressive step."

Mr. TAYLOR. Mr. President, I should also like to have included a number of messages I have received on this subject from prominent Americans, endorsing the proposed resolution. Here is one from Harold C. Urey, one of the most famous atomic scientists, who is presently at the University of Chicago.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *July 9, 1947.*

Hon. GLEN H. TAYLOR,
United States Senate:

Heartily endorse your resolution relative to converting the United Nations to a limited world government.

HAROLD C. UREY.

Mr. TAYLOR. I should also like to have included in the RECORD a communication from the United Nations Council at Philadelphia, whose president, I am happy to say, is the Honorable Owen J. Roberts, former Associate Justice of the Supreme Court of the United States. There are a number of other prominent individuals connected with it. I hope the entire letter, with the list of sponsors, may be printed in the RECORD.

There being no objection, the letter, together with the list of sponsors, was ordered to be printed in the RECORD, as follows:

UNITED NATIONS COUNCIL
OF PHILADELPHIA,
Philadelphia, Pa., July 7, 1947.

Hon. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: We understand that a resolution will shortly be introduced into the Senate of the United States, calling upon the President of the United States immediately to take the initiative in calling a general conference of the United Nations, pursuant to article 109, for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

At a meeting held today, our executive committee unanimously approved the proposed resolution and urges that it be adopted promptly by the Senate and concurred in by the House, and that the President of the United States thereupon take the initiative in carrying out its proposal.

Sincerely yours,

L. STAUFFER OLIVER,
President.

Hon. Owen J. Roberts, president; John W. Nason, Mrs. Grenville D. Montgomery, George B. Clothier, vice presidents; Hon. L. Stauffer Oliver, chairman of board; Sophia Yarnall Jacobs, secretary; Stuart F. Louchheim, treasurer; Elise Thompson Bailen, executive director; Emily Anne MacDonald, executive secretary; Jane McShane, publicity director; board of directors: Hon. Eugene V. Alessandroni, F. Morse Archer, Jr., Frederic L. Ballard, William L. Batt, Jr., Mrs. Logan Bentley, Carlos Berguido, Jr., Mrs. William H. Biester, Jr., John W. Bodine, Merrill E. Bush, Mrs. James Chadwick-Collins, W. Edwin Collier, Robert Dechert, Joseph Lees Eastwick, Gertrude Ely, Charles G. Erny, Mrs. Crystal Bird Fauset, Frank J. Fell, Jr., Samuel S. Fels, Miss Jessy Flanigen, Mrs. Victor H. Frank, Thomas S. Gates, Hon. Robert F. Goodrich, Mrs. Horace G. Goodwin, Michael Harris, Earl G. Harrison, J. E. Henry, John G. Herndon, Harrison S. Hires, Besse D. Howard, R. Sturgis Ingersoll, Robert L. Johnson, Arthur C. Kaufmann, Al Paul Lefton, John Frederick Lewis, Jr., Mrs. Shippen Lewis, Mrs. Stuart F. Louchheim, Robert T. McCracken, Joseph McDonough, Grenville D. Montgomery, Mrs. C. Reinold Noyes, Ralph W. Page, Amos J. Peaslee, Walter M. Phillips, Charles S. Redding, Charles J. Rhoads, Frank C. Roberts, Jr., Edgar Scott, Theodore Spaulding, Laurence Stapleton, John A. Stevenson, Mrs. Roy Stewart, Mrs. W. Plunket Stewart, Alexander J. Stoddard, Mrs. Francis R. Strawbridge, James A. Sutton, H. Birchard Taylor, Willard Tomlinson, Chester E. Tucker, Dr. John P. Turner, John Tyson, Mrs. C. Newbold Welsh, W. Wilson White, Alfred H. Williams, Hon. Nochem S. Winnet, Curtin Winsor, W. B. Woodward, Jr.

Mr. TAYLOR. Mr. President, I desire to have included in the RECORD at this point a cablegram via Mackay Radio, from Great Britain. It is from Henry Usborne, member of the House of Commons.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

LONDON, *June 24, 1947.*

Senator GLEN TAYLOR,
Washington, D. C.:

Parliamentary world government committee sending best wishes introduction resolution charter revision. We are working along all possible lines world-government action, including popular initiative to organize people's world constitutional convention. Hope all congressional Federalists coming Montreux meeting August 17 for widest world coordination among Federalist parliamentarians.

HENRY USBORNE,
Member of Parliament,
House of Commons.

Mr. TAYLOR. Mr. President, I ask to have included at this point in my remarks a telegram from Frank P. Graham, president of the University of North Carolina.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHAPEL HILL, N. C., *July 8, 1947.*

Senator GLEN TAYLOR,
Senate:

Gladly endorse your timely resolution. Am sending copy of little talk I made to World Federalist in Asheville, N. C.

FRANK P. GRAHAM,
President, University of North Carolina.

Mr. TAYLOR. At a later date, as soon as I have received a copy of Mr. Graham's talk, I shall ask permission to have it inserted in the RECORD.

I desire to have included in my remarks at this point a telegram from Mr. F. R. Von Windegger, the president of the Plaza Bank at St. Louis, Mo.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *July 8, 1947.*

Hon. GLEN H. TAYLOR,
Senate Office Building,
Washington, D. C.:

The resolution you propose to introduce in United States Senate at noon July 9, which calls on the President to take the initiative in calling general conference of United Nations pursuant to article 109 for purpose of making United Nations capable of enacting, interpreting, and enforcing world law to prevent war is directly in line with resolution passed May 15 last by Legislature of the State of Missouri on demand from grass roots in this State, which resolution was presented by delegation from our legislature to President of United States on June 16. Therefore your resolution is logically endorsed by the thousands of Missourians who petitioned our legislature for adoption of such a resolution. We prayerfully hope that sponsors of your resolution will press for its adoption in order that there may be some hope of peace in the world.

F. R. VON WINDEGGER,
President, the Plaza Bank.

Mr. TAYLOR. I ask to have included at this point in my remarks a letter from James G. Patton, president of the National Farmers Union.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARMERS' EDUCATIONAL AND
COOPERATIVE UNION OF AMERICA,
Denver, Colo., June 23, 1947.

Senator GLEN H. TAYLOR,
Senate Office Building,
Washington, D. C.

DEAR SENATOR TAYLOR: I want to tell you that we are firmly supporting the United Nations resolution to be introduced on Wednesday, July 9.

This action corresponds with my own feeling as to what must be done now. Without some progress toward a limited world state, I fear for the future of the United Nations.

Sincerely yours,

JAMES G. PATTON,
President National Farmers Union.

Mr. TAYLOR. Mr. President, I have a letter from Bartley C. Crum, of San Francisco, endorsing the resolution, which I ask to have included in my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, *June 27, 1947.*

Hon. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: I agree completely with the purpose of your resolution and enclose excerpts from a speech I delivered recently at the commencement exercises at the University of California on the same subject.

With warm personal regards, I am,

Sincerely yours,

BARTLEY C. CRUM.

Mr. TAYLOR. Mr. President, I ask to have included in the RECORD at this point in my remarks a letter from Anthony W. Smith, formerly secretary to the late Governor Pinchot, of Pennsylvania, endorsing the resolution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 3, 1947.*

Senator GLEN H. TAYLOR,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Congratulations on the bill to get started toward a world government. This is the only hope in the international field as I see it at present.

This problem has been a lifelong interest of mine. During my years in government, law, and labor, first with Gifford Pinchot as his secretary during his second term as Governor of Pennsylvania, then with Gen. William J. Donovan in the practice of law in New York, and during the last 10 years as an attorney and later an administrator with the national CIO, I have had occasion to study the question at length. You are on the right track. Keep up the good fight.

Sincerely yours,

ANTHONY W. SMITH.

Mr. TAYLOR. Mr. President, I also ask to have printed in the RECORD as a part of my remarks at this point a list of actions taken by church groups and statements by churchmen, on the question of world government.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ACTION BY CHURCH GROUPS OR STATEMENTS BY CHURCHMEN ON WORLD GOVERNMENT

The Episcopal convention, diocese of Delaware, on May 15, 1946, passed the following resolution unanimously:

"Whereas peace is not merely the absence of war, but the presence of justice, of law, of order—in short, of government; and

"Whereas there can be no absolute guarantee that peace will be maintained as long as any nation has the sovereign right to decide questions of war and peace for itself: Therefore be it

"Resolved, That this convention go on record as favoring the establishment of a constitutional federal world government among the peoples of the world as people rather than as states, such government to be implemented by whatever means necessary to enable it to establish and maintain justice, law, and order among its citizens."

The Southern Baptist convention in Florida, on May 14, 1946, passed unanimously the following resolution:

"We believe that the goal of peacemakers must be a world organized on the Christian principles of order and justice. We further believe that in the field of international relations, such a goal can be accomplished only by some type of world government. Accordingly, we recommend that Southern Baptists endorse the principle of world federation and work toward amending and improving the present United Nations Organization to achieve that end."

The American Unitarian association at its Boston convention on May 25, 1946 passed the following resolution:

"Whereas the United Nations, while demanding our support as an important achievement in the direction of world organization, is still, as now constituted, only a league of sovereign states; and

"Whereas leagues of sovereign states throughout history have failed to prevent aggression and armed conflict; and

"Whereas only a world federal government seems suited to the requirements of the atomic age, and to our desire for universal justice and peace: Be it therefore

"Resolved, That the American Unitarian Association, with member churches in the United States and Canada, assembled in its one hundred and twenty-first annual meeting, urges and endorses the development of the United Nations into a real world federal government at the earliest possible moment, and asks the governments of the United States and Canada to assume immediate constructive leadership to this end."

The Protestant Episcopal Church at its triennial general convention in September 1946 adopted the following resolution:

"Whereas for the establishment of enduring world peace a much stronger instrument of world government is requisite than is the United Nations as at present constituted: be it

"Resolved, That this convention declares its convention that peace among peoples and between nations can be maintained only under law, which involves a representative legislative body elected by the people of the constituent nations, whose laws shall be addressed to the citizens individually, interpreted by the people's courts, and enforced by an executive answerable to the people; and * * * that representatives of the people of the United States should be empowered to discuss the organization of such a federal world government with the representatives of other peoples able and willing to join such a union."

The Most Rev. James A. Griffin, Bishop (Catholic) of Springfield, Ill., went strongly on record in September 1946 for a "United States of the World" to bring permanent peace. Samuel Cardinal Stritch and a congregation of 2,500 bishops, priests, nuns, and laymen heard Bishop Griffin as he urged work for a world federation whose participating nations would have the same measure of autonomy as provided for individual States in the American Constitution. World peace "can never be obtained without the reciprocal sacrifices of sovereignty on the part of all peoples," the Bishop declared.

The Commission on World Peace of the Methodist Church, meeting in Chicago in November 1946, passed a resolution looking "toward the development of a true form of world government out of the machinery already established and functioning in the United Nations."

Statement on Legislative Policy by the Friends Committee on National Legislation for 1947 includes the statement:

"We regard federal world government as the desirable form of world organization and support steps for its attainment.

"Some of the advantages of a limited federal world government as over against a league type of organization are as follows:

"Enforcement: Government makes laws applying directly to individuals and enforced on individuals by courts and police * * *.

"Peaceful Change: Government has the power to legislate and thereby remedy injustice and make changes peaceably * * *.

"Unity of Mankind: World Federation would give fuller political expression to Friends' belief in the brotherhood and unity of all mankind.

"Peace and Government Interdependent: Durable peace usually has required law, and law has required government to make, administer, and enforce it."

Mr. TAYLOR. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks the Humber resolution, which has been adopted by the legislatures of 15 States. The resolution endorses the idea of a federal world government. A list of the States which have adopted the resolution is attached to the resolution. This man Humber is a great worker. He has gone forth practically alone and secured adoption of the resolution by 15 State legislatures. If he lives long enough and

atomic destruction does not overtake us before he completes his task, I am sure he will have the resolution adopted by all 48 States. I salute him.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HUMBER RESOLUTION

On May 15, 1947, the House of Representatives of the State of Missouri overwhelmingly concurred in Senate Concurrent Resolution No. 6, which has been ratified by the senate on May 13 with only one dissenting vote, thus making Missouri the fifteenth State to ratify the now famous Humber resolution.

The following States have ratified the Humber resolution: North Carolina, March 13, 1941; New Jersey, May 1, 1942; Maryland, March 11, 1943; Connecticut, April 21, 1943; Rhode Island, April 22, 1943; Alabama, June 8, 1943; Virginia, March 8, 1944; Louisiana, July 5, 1944; Tennessee, February 27, 1945; Utah, March 2, 1945; Oklahoma, March 20, 1945; New Hampshire, March 20, 1945; Florida, May 3, 1945; Georgia, January 31, 1946; Missouri, May 15, 1947.

The following State legislatures have passed resolutions supporting effective use of a world police force, world law, and other components of world government in varying degrees: Montana, Pennsylvania, Massachusetts, New Hampshire, New York.

A CONCURRENT RESOLUTION APPROVING THE PRINCIPLE OF WORLD FEDERATION

Whereas it is necessary at the present juncture of human affairs to enlarge the bases of organized society by establishing a government for the community of nations, in order to preserve civilization and enable mankind to live in peace and be free, the following principles and objectives are hereby enunciated in the declaration of the Federation of the World:

Man, the source of all political authority, is a manifold political being. He is a citizen of several communities: The State, the Nation, and the world. To each of these communities he owes inalienable obligations and from each he receives enduring benefits.

Communities may exist for a time without being incorporated but, under the stress of adversity, they disintegrate unless legally organized. Slowly but purposefully through the centuries, civilization has united the world, integrating its diverse local interests and creating an international community that now embraces every region and every person on the globe. This community has no government, and communities without governments perish. Either this community must succumb to anarchy or submit to the restraints of law and order.

Governments can only be established through the deliberate efforts of men. Man has struggled from time immemorial to endow the individual with certain fundamental rights whose very existence is now imperiled. Among those rights is man's freedom to worship, speak, write, assemble, and vote without arbitrary interference. To safeguard these liberties as a heritage for the human race, governments were instituted among men, with constitutional guaranties against the despotic exercise of political authority, such as are provided by elected parliaments, trial by jury, habeas corpus, and due process of law. Man must now either consolidate his historic rights or lose them for generations to come.

The ceaseless changes wrought in human society by science, industry, and economics, as well as by the spiritual, social, and intellectual forces which impregnate all cultures, make political and geographical isolation of nations hereafter impossible. The organic life of the human race is at last indissolubly unified and can never be severed, but it must be politically ordained and made subject to law. Only a government capable of discharging all the functions of sovereignty in the executive, legislative, and judicial spheres can accomplish such a task. Civilization now requires laws, in the place of treaties, as instruments to regulate commerce between peoples. The intricate conditions of modern life have rendered treaties ineffectual and obsolete, and made laws essential and inevitable. The age of treaties is dead; the age of laws is here.

Governments, limited in their jurisdiction to local geographical areas, can no longer satisfy the needs or fulfill the obligations of the human race. Just as feudalism served its purpose in human history and was superseded by nationalism, so has nationalism reached its apogee in this generation and yielded its hegemony in the body politic to internationalism. The first duty of government is to protect life and property, and when governments cease to perform this function, they capitulate on the fundamental principle of their raison d'etre. Nationalism, moreover, is no longer able to preserve the political independence or the territorial integrity of nations, as recent history so tragically confirms. Sovereignty is an ideological concept without geographical barriers. It is better for the world to be ruled by an international sovereignty of reason, social justice, and peace than by diverse national sovereignties organically incapable of preventing their own dissolution by conquest. Mankind must pool its resources of defense if civilization is to endure.

History has revealed but one principle by which free people, inhabiting extensive territories, can unite under one government without impairing their local autonomy. That principle is federation, whose virtue preserves the whole without destroying its parts and strengthens its parts without jeopardizing the whole. Federation vitalizes all nations by endowing them with security and freedom to develop their respective cultures without menace of foreign domination. It regards as sacrosanct man's personality, his rights as an individual and as a citizen, and his role as a partner with all other men in the common enterprise of building civilizations for the benefit of mankind. It suppresses the crime of war by reducing to the ultimate minimum the possibility of its occurrence. It renders unnecessary the further paralyzing expenditure of wealth for belligerent activity, and cancels through the ages the mortgages of war against the fortunes and services of men. It releases the full energies, intelligence, and assets of society for creative ameliorative and redemptive work on behalf of humanity. It recognizes man's morning vision of his destiny as an authentic potentiality. It apprehends the entire human race as one family, human beings everywhere as brothers, and all nations as component parts of an indivisible community.

There is no alternative to the federation of all nations except endless war. No substitute for the Federation of the World can organize the international community on the basis of freedom and permanent peace. Even if continental, regional, or ideological federations were attempted, the governments of these federations, in an effort to make impregnable their separate defenses, would be obliged to maintain stupendously competitive armies and navies, thereby condemning humanity indefinitely to exhaustive taxation, compulsory military service, and ultimate carnage, which history reveals to be not only criminally futile but positively avoidable through judicious foresight in federating all nations. No nation should be excluded from membership in the Federation of the World that is willing to limit its military, naval, and air forces, retaining only a constabulary sufficient to police its territory and to maintain order within its jurisdiction, provided that the eligible voters of that nation are permitted the free expression of their opinion at the polls.

It being our profound and irrevocable conviction:

That man should be forever free and that his historic rights as an individual and as a citizen should be protected by all the safeguards sanctioned by political wisdom and experience.

That governments are essential to the existence of communities and that the absence of government is anarchy.

That there exists an international community, encompassing the entire world, which has no government and which is destined, either to be ruthlessly dominated and exploited by totalitarianism or to be federated by democracy upon the principle of freedom for all nations and individuals.

That all human beings are citizens of this world community, which requires laws and not treaties for its government.

That world federation is the keystone in the arch of civilization, humanity's charter of liberty for all peoples and the signet authenticating at last the union of the nations in freedom and peace.

That there are supreme moments in history when nations are summoned, as trustees of civilization, to defend the heritage of the ages and to create institutions essential for human progress. In the providence of God, such a crisis is this hour, compelling in duty and unprecedented in responsibility—a fateful moment when men meet destiny for the furfillment of historic tasks. Now therefore, be it

Resolved by the senate (the house of representatives concurring):

SECTION 1. That the General Assembly of Missouri does hereby solemnly declare that all peoples of the earth should now be united in a world federation, and requests the Senators and Members of the House of Representatives in Congress from the State of Missouri to support and vote for a resolution in the Congress of the United States, approving the principle of world federation and requesting the President of the United States to initiate the procedure necessary to formulate a constitution for the Federation of the World, which shall be submitted to each nation for its ratification.

SEC. 2. That a copy of this resolution be sent to each of the Senators and Members of the House of Representatives in Congress from the State of Missouri.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the statements I referred to previously in my address, issued by the atomic scientists on June 29, 1947.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ATOMIC SCIENTISTS ISSUE WARNING

Following is the text of the statement issued yesterday at Princeton, N. J., by the Emergency Committee of Atomic Scientists:

"A year has passed since the founding of this committee and the publication of our first appeal to reason in the face of the overwhelming threat presented to civilization by the atomic bomb. During this year our hopes for international agreement on control of atomic energy have come to nothing. It is imperative that the American people understand this failure if any constructive solutions are to be arrived at in time.

"Can thoughtful and well-informed men any longer expect fruitful agreements to come out of the discussions now going on in the United Nations Atomic Energy Commission? Are the American proposals for the international control of atomic energy fair? Are the Russians to blame that any agreement is

farther away than at the initiation of the discussions?

"These are questions of varying degrees of importance, but the imperative question, the answer to which is a matter of historic necessity, is: 'How can we reach a world consensus to abolish in the near future the threat of atomic war, and ultimately, the possibility of war itself?' If we fail to find the answer to this question, the answer to any other question is irrelevant.

"All signs indicate that we are failing to meet the challenge. Peoples throughout the world want peace as never before, yet nations prepare feverishly for war. Preparation goes on day and night on both the material and psychological planes. Instead of the 'One World,' which men proclaimed a few short years ago we have come even to the partition of existing nations.

"The United Nations, in which was invested the hopes of peoples throughout the world, is granted inadequate powers and, indeed, this tribunal is bypassed on matters of primary importance. Militarism is rampant throughout the world. In all history, never in any period of peace have so many men been under arms. Even in Great Britain and America, with their great antimilitarist traditions, liberal-thinking men, considering the necessities of the situation, turn to the realistic solution. The Prussian disease of which the German and Japanese states have died is beginning to infect the conquerors.

"Events during the past year have emphasized the tragic pertinence of our six-point statement published on November 17, 1946:

"1. Atomic bombs can now be made cheaply and in large number. They will become more destructive.

"2. There is no military defense against atomic bombs and none is to be expected.

"3. Other nations can rediscover our secret processes by themselves.

"4. Preparedness against atomic war is futile, and if attempted will ruin the structure of our social order.

"5. If war breaks out, atomic bombs will be used and they will surely destroy our civilization.

"6. There is no solution to this problem except international control of atomic energy and, ultimately, the elimination of war.

"Once stock piles of atomic bombs have been accumulated by two national blocs of a divided world, it will no longer be possible to maintain peace. Thus we have 1 year less to secure a workable solution to safeguard our civilization.

"Why have the year-long discussions in the United Nations Atomic Energy Commission not succeeded? Is this because of incidental and transitory factors which can be remedied by simple measures such as, for instance, the appointment of new personnel to carry on the discussions? The answer is in the negative. The representatives of great states, while striving to safeguard the peace, have fulfilled their traditional duty to place their own nations in the most advantageous position to win the next war. It is useless to proceed further along this path; one cannot prepare for war and expect peace.

"This is not to say that war is inevitable. It is to say, however, that the discussions now under way may not make a war less likely, and in fact are based upon the premise of an anticipated war. What is necessary at this critical time is to determine whether there remains an alternative approach more likely to achieve peaceful solutions.

"We believe that there is such an alternative approach. We believe that the problem of atomic energy can no longer be treated as an isolated issue. We had hoped a year ago to achieve a pattern of international control of atomic energy which could be applied to other spheres of international concern to implement the creation of a stable world society. To foster this hope today as we move into a world divided into two armed camps would be a betrayal of our responsibility.

"We believe that the imperative problem of international control of atomic energy must be solved and can only be solved within the context of a general agreement which guarantees a reasonable degree of security to all nations and provides for far-reaching economic and cultural cooperation among nations. Such a settlement is not possible if the respective peoples are concerned exclusively with the security and welfare of their own countries.

"Because of the importance of the United States in the world today, it is imperative that the American people take an active part in achieving such a world settlement. America must be prepared to mobilize her vast resources on an adequate scale to help the peoples of the world lift the levels of their economic life. All peoples would be expected to make reciprocal sacrifices to achieve great ends. Only bold measures of this kind can produce an atmosphere between nations which makes it possible to discuss constructively the restrictions on national sovereignty necessary to the preservation of peace.

"But the American people should understand that there is no easy path to the accomplishment of these great objectives; that, in the long run, the creation of a supranational government, with powers adequate to the responsibility of maintaining the peace, is necessary.

"Is this realistic? We believe that nothing less is realistic. We know that the developments of science and technology have determined that the peoples of the world are no longer able to live under competing national sovereignities with war as the ultimate arbitrator. Men must understand that the times demand a higher realism, which recognizes that no man is an island, that our fate is joined with that of our fellowmen throughout the world.

"We must contrive to live together in peace even if at the cost of great material sacrifice, the alternative is the death of our society. As we approach what may be the last hour before midnight, the challenge is plain before us. What will be our response?"

Mr. TAYLOR. Mr. President, I ask to have inserted in the RECORD as a part of my remarks an Associated Press article entitled "Universal Military Training Assailed as Part of Arms Race," in which a group of 20 prominent Americans, headed by Josephus Daniels, former Secretary of the Navy of World War I; Dr. Robert M. Hutchins, chancelor of the University of Chicago; and a number of others, including the Senator from Colorado [Mr. JOHNSON], join in stating, among other things, as follows:

The only real security for this country or any country lies in the abolition of war, a vigorous program for universal disarmament, and strengthening of the United Nations, including the World Court.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

OUTMODED BY ATOM—UNIVERSAL MILITARY TRAINING ASSAILED AS PART OF ARMS RACE

A group of 20 Americans, most of them educators or churchmen, assailed universal military training yesterday as part of an arms race theory that would bring on a titanic showdown conflict with Russia.

Signers of a joint statement included Josephus Daniels, Secretary of the Navy in World War I; Dr. Robert M. Hutchins, chancelor of the University of Chicago; the Reverend William J. Miller, S. J., president of the University of Detroit; and Senator EDWIN C. JOHNSON (Democrat, Colorado).

They urged rejection of the recent report of President Truman's commission on universal training, saying it was based on an implied assumption that war with Russia within a decade or two is inevitable.

The commission's argument that weakness causes war and the United States must be in a position "to lead from strength" was characterized as "a trite and unbelievably childish oversimplification of history."

The group said it agreed that communism and Russian expansion must be stopped, but maintained the only real security for this country or any country lies in the abolition of war, a vigorous program for universal disarmament, and strengthening of the United Nations, including the World Court.

They also urged a huge relief and reconstruction program to help people everywhere, including Russia, and the strengthening of democracy at home through aid to education. Others signers were listed in the statement as: Francis L. Bacon, chairman, Educational Policies Commission, National Education Association; James G. Patton, president of the National Farmers Union; Philip Morrison, physicist and atom scientist; Henry I. Harriman, past president of United States Chamber of Commerce; Allan P. Farrell, S. J., acting editor of America; Rufus C. Harris, president of Tulane University in New Orleans; Rabbi Ferdinand Isserman, of St. Louis, former officer in Central Conference of American Rabbis; Paul E. Scherer, Lutheran clergyman, professor at Union Theological Seminary, New York City; Charles S. Johnson, president of Fisk University, Nashville; Bishop Ellwood Haines, Episcopal clergyman, Davenport, Iowa; Ralph McDonald, executive secretary, Department of Higher Education of the National Education Association; George A. Buttrick, pastor of Madison Avenue Presbyterian Church, New York City; Rabbi Robert Gordis, professor at Jewish Theological Seminary, New York City; Harold Taylor, president of Sarah Lawrence College, Bronxville, N. Y.; Dorothy Maynor, concert singer; and Emily Green Balch, economist and joint Nobel prize winner.

Mr. TAYLOR. Mr. President, I also ask to have printed in the RECORD at this point a speech I delivered on the floor of the Senate on October 24, 1945, at which time I submitted a resolution similar in content to the one submitted today. The speech I then made is as timely today as it was when delivered.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CREATION OF A WORLD REPUBLIC

(Speech of Hon. GLEN H. TAYLOR, of Idaho, in the Senate of the United States Wednesday, October 24, 1945)

"Senate Resolution 183

"Resolution calling for creation of a world republic, the alternative to compulsory peacetime military training

"Whereas the atomic bomb and other new and terrible instruments of warfare make it possible that most of mankind and civilization itself may be destroyed should the world become involved in another war; and

"Whereas even before the soldiers of this war have returned to their homes another race between nations is already underway to train ever greater armies and to produce more scientifically diabolical weapons in the largest possible numbers; and

"Whereas we believe that not only the people of the United States but an overwhelming majority of all people in all countries are sickened by wars, senseless slaughter, and the

burdens of great military establishments and crave only peace: Now, therefore, be it

"Resolved, That the Senate of the United States hereby calls upon the delegates of the United States of America to the United Nations Organization prayerfully and earnestly to redouble their efforts to secure world-wide agreement to:

"Limit and reduce immediately and eventually to abolish armaments, outlaw military training and conscription except for such police forces as the Security Council of the United Nations Organization may deem necessary to preserve the peace of the world; outlaw the manufacture or use of atomic bombs and all other atomic weapons for any purpose whatsoever; outlaw the manufacture or use of other weapons and instruments of war of every kind and nature, except for such weapons as the Security Council of the United Nations Organization may deem necessary to preserve the peace of the world; provide for an international police force capable of enforcing these agreements; and be it further

"Resolved, That because the creation of an international police force requires adequate international civil authority for its control and mindful of the long and continued peaceful relations between the 48 States of our own Republic and being hopeful that similar principles of Government if applied to all men will secure to the world the greatest possible opportunity for everlasting peace, of our delegates to the United Nations Organization be directed toward the ultimate goal of establishing a world republic based upon democratic principles and universal suffrage regardless of race, color, or creed; and be it further

"Resolved, That the President of the United States be requested to use the great powers and influence of his high office toward achieving the purposes of this resolution by instructing the delegates of the United States to the United Nations Organization to propose at the first assembly of that organization the creation of a commission to prepare the drafts of the requisite international conventions, agreements, and treaties for the establishment of the world republic proposed by this resolution."

Mr. TAYLOR. Mr. President, this is a rather momentous occasion in my experience in the Senate. This is the first resolution I have ever introduced. Furthermore, it is a resolution which may be rather startling to some, and, to say the least, controversial.

My proposal in the resolution is that the Senate go on record as favoring the creation of a world republic. This is not something that I thought of on the spur of the moment. I have studied the problem for a good many years. But, of course, when the atomic bomb fell on Hiroshima the effect was something like that of a man turning around and seeing a grizzly bear on his tracks. It hurried me up a little, I thought more intensely on the subject and did considerably more research and study.

Recently I have been asking my friends and chance acquaintances what they thought of the idea of a world republic as the most sensible and practical way of maintaining peace in the world. I was rather astonished at the response which I received. Invariably the answer was, "TAYLOR, you have something there. I am for it, but I do not believe anyone else will be for it." When I spoke to the next person I asked him the same question. I tried to put it in such a way that he would not think that I was sponsoring the idea. I wanted to get his honest reaction. Again I would receive the answer, "That is the right idea. It is our only hope of maintaining peace in the world, but I do not think anyone else will agree with you."

Invariably that was the response. Everyone thought that I had something, but that he was the only one with enough vision to see the problem in its true light, and that no one else would agree with me. I talked with a former Senator. I talked with a man from India who has attended Harvard University, and who is now lecturing at a college here. I talked with farmers from my own State of Idaho. The other day I talked with a farmer, and suggested the idea of a world republic as the best means of maintaining peace in the world. He said, "I am for it. That is the only thing that will maintain peace in the world." Knowing that he was a farmer, a grower of sugar beets, and probably a strong advocate of high tariffs and opposed to reciprocal trade, I said to him, "You understand that possibly in the world republic the government might abolish all tariffs between nations." I thought that would stop him if anything would. He said, "That is all right. I still maintain that we must have a world government if we are to hope to maintain peace and avert the destruction of humanity."

Mr. President, I invite the attention of the Senate, and also the attention of those who may read this statement in the RECORD, to the fact that the Original Thirteen Colonies faced precisely the same situation which we face today. They had a loose organization, a league of friendship, among the Colonies, and it was inadequate. They were arguing and squabbling among themselves. They were not progressing in the field of economic well-being.

Mr. President, at that time it was said that the Thirteen Colonies were too vast to be united under one government. It was suggested they should be divided into spheres of influence, so to speak, even as has been suggested for the nations of the world at the present time. It was suggested that a certain group of colonies should be in one confederation, another group in another confederation, and a third group in still another confederation, because the Colonies were too big to be united in one republic. But our founding fathers thought better of that, and so we have the United States of America.

Mr. President, today we are in the same situation. It is contended that the world is too large for one republic, that there should be spheres of influence and confederations of nations in certain sections of the world. I do not believe in that theory.

I wish to call the attention of the Senate to what happened yesterday, although I do not think it is necessary to do so, because I am sure that everyone who attended the joint session of the House and Senate held on yesterday will agree with me as to what happened. I am sure all will agree that the reception given there to the proposal of universal military training was very cool. I have attended several such joint sessions. Previously they have always been gala occasions, always the President has been tumultuously received, always he has left the Chamber amid loud applause, and as he has made his exit there has been a burst of enthusiastic applause from the audience. I am sure that yesterday we all noticed that the President was received most cordially, but that as he progressed with his pronouncement that the only way to maintain peace in the world was by force, there was a marked cooling of the attitude of his listeners. The applause became less and less spontaneous; and as the President left the Chamber, the applause actually died and ceased before he had proceeded more than half way up the aisle. I do not think that was a demonstration of any unfriendliness toward the President; but, rather, it was simply a manifestation of the unutterable depression which had come upon that gathering at the prospect of a renewed armaments race, even before the soldiers of this war have returned to their homes and their firesides.

I believe the people of America are ready—not only ready, but anxious and definitely craving—to have something done to preserve peace in the world and to prevent the beginning of another armament race which, in view of the development of far greater instruments of destruction, can result only in leading to the absolute erasing from the face of the earth of our civilization and of a large percentage of the actual inhabitants of the earth.

Mr. President, it has been my observation that always when great armies are built up they are not disbanded until they have been used for purposes of making war upon some other nation. We have examples of what results from militaristic attitudes upon the part of nations, of peacetime conscription, and peacetime compulsory military training. We have the example of France which had a great army made up of conscripts, and yet its morale was so poor that it fell at the first onslaught of the enemy. We have the example of Germany, which by means of conscription built up a great army that was used for purposes of world conquest. More immediately, Mr. President, we have before us the object lesson of Argentina, where the army has taken control of the country in toto.

So I am opposed to great armies, specially conscript armies, if there is any other possible alternative. I agree that if affairs go on for another year or two as they have been going, and if international relations deteriorate further and further, by that time I shall be compelled to agree with the idea that the only hope of preventing the utter extinction of our Nation will be the creation of a great military machine. But I am not prepared to go along with that idea at the present time, and I will not go along with it now.

Very recently, Mr. President, Representative ARENDS, of the House Military Affairs Committee, suggested that we hide our factories and ourselves in the thousands of miles of deserted mine shafts in certain regions of our country.

That might be a good idea except for the fact that the scientists who invented the atomic bomb tell us that shortly the bombs will be so powerful we would have to dig down at least a half mile. At any rate, Mr. President, I prefer to stay above ground and to embrace my fellow man and call him brother. But that can only be if we have the courage to travel the uncharted road to a world republic.

President Truman had this to say to his neighbors in Kansas City before the atomic bomb was dropped on Hiroshima:

"It will be just as easy for nations to get along in a republic of the world as it is for us to get along in the Republic of the United States."

I think he spoke from his heart, but I am afraid that since that time he has had too many so-called practical advisers with militaristic leanings tell him that it is absolutely impossible even to think of a world republic, and, therefore, we should arm to fight instead of seeking peace.

There are some who say that the goal of a world republic is unattainable. Well, what if they do? Suppose we do set our sights on an impossible goal—for instance, such as President Roosevelt's goal of 50,000 airplanes a year. The Senate will recall that and will remember that it was laughed at as being the figment of an overwrought imagination, and it will also be remembered that our actual production of airplanes made 50,000 planes a year appear as child's play. So, I say, let us set our sights on an impossible goal; let us display a little of the vision and faith of that great man.

General Marshall, in his recent report to the Congress, said:

"The only defense against this kind of warfare (atomic warfare) is the ability to attack."

Later in his report he reiterated that—

"The only effective defense a nation can now maintain is the power of attack."

What he did not say, but what is implicit, is attack without warning. That is what we face in this world; Nations with atomic rocket bombs aimed at the vital centers of other nations, with a technician sitting at a button, ready to press it and spread destruction to a whole nation, and that state of affairs existing in every nation, and all the nations of the world living in dread and fear.

Mr. President, I fear that if this condition continues, not only will the morale of the people of the world be destroyed, but their morals will be destroyed. If a man feels that he may never live to see the dawning of another morning, probably he will decide to go out tonight and get drunk and celebrate and have a good time, and God knows what will happen to the world if such fatalistic attitudes become prevalent.

There are some who claim that to establish such a world-wide republic is impracticable and impossible because of the many races and religions and varying standards of living in the world. Here in America we also have many races and religions, and we also have greatly varying standards of living—not only between different classes but also between different sections of our country. Even in Canada different languages are spoken in certain sections of that democracy.

It is claimed by many that we cannot even hope to get along peacefully with Russia, let alone accept her into a world republic, because she has an economic system different from ours. We might bear in mind that Canada has a Socialist government in the Province of Saskatchewan, but to date, at least, it has not brought on violence or revolution or even serious misunderstanding with the remainder of the Dominion.

Represenative MUNDT, of South Dakota, has recently returned from Russia. Among other things, he said, "Russia has gone a long way from the doctrines of Karl Marx."

We hear the same thing from many other sources. And certainly we have been moving to the left in our economic forms.

Both Representative MUNDT and Representative FRANCES P. BOLTON said that they found only the greatest interest in and friendliness toward America.

Mr. MUNDT said that he observed no anti-American propaganda, and that "if there had been any, then it has failed completely."

Does that sound like a nation against whom we should arm to the hilt upon the slightest provocation? And if we are not arming in fear of Russia, who else is there at this time to threaten us?

Certainly the United States is the only Nation that would dare to risk a war with Russia, and Russia is the only nation in the world that would dare to risk a war with the United States.

Mr. President, I wish to read into the RECORD a few statements which have been made by scientific experts who had something to do with the development of the atomic bomb.

Dr. Harold Urey, one of the scientists who helped develop the atomic bomb, said:

"Unless we can devise some plan to prevent the manufacture of atomic bombs we shall live in constant fear of sudden and violent death. A world of vast fear and apprehension will be our lot and that of our children.

"We must understand that the most devastating weapon of all times is now in our hands and will soon be in the hands of other industrialized countries."

Dr. Robert R. Wilson, who foresees atomic bombs thousands of times more powerful than the one dropped on Hiroshima, said in behalf of the Los Alamos group of scientists:

"Efforts to keep it from other nations will lead to an unending war more savage than the last."

Countermeasures would be extremely difficult and uncertain because of the concentrated form of destructive energy and the large number of possible methods of delivery.

Advantage would lie with the aggressor. A single heavy attack, lasting a matter of minutes, might destroy the ability of a nation to defend itself further.

The bomb is a deadly challenge to civilization itself.

Dr. Harlow Shapley, director of the Harvard Observatory, the Nation's best-known astronomer, and the holder of more than a score of medals and awards, including the Pope Pius XI prize of astronomy, recently made the following statement:

"The future, if it is to be made safe for civilization, is one in which narrowly national interests diminish and world-wide responsibilities increase." He spoke, Dr. Shapley explained, as a "hybrid of scientists and citizens" who would "describe what I see," and who found what he sees, "isn't nice." "Our leading American scientists," he continued, "especially our physicists, are almost pathologically conservative and cautious by nature and training. We should keep that in mind when we see the names of physicists by the score, and even hundreds, who are daily holding meetings protesting against legislative inanity, against the futility of saber rattling, and pointing to the necessity of 'one world' or none. They are trying to tell you the following facts: We reached the solution of the explosive release of atomic energy first, but by a narrow margin. Atomic bombs are so revolutionary when coupled with rocketry, radar control, and the like, that they make obsolete both those philosophies and those techniques of warfare and of national defense which heretofore prevailed. The effectiveness of destruction has been increased by a factor of 10,000,000 to 1. The city-killing missiles in a few brief years from now may arrive from any direction and from any distance on the surface of this planet, and arrive with accuracy and arrive with anonymity. A tremendous navy is not necessary to propel them, and a billion 18-year-old boys marching around with guns would avail nothing.

NO DEFENSE

"There is and can be no effective defense against the atomic bombs—only against the source of the bombs. These sources are human, and the solution we seek must be on the human, not the mechanical, level. The crisis created by use of atomic energy has been sudden for slow thinkers," Dr. Shapley declared. "Now mankind faces a nightmare future or the necessity to work and realize all the dreams of progress and advancement which have inspired man for uncounted generations. Should man and all that man has accomplished wither in the atomic fires just because we have no adroitness in international relations because we say that although miracles may be possible in the physical sciences they are not possible in social relations and international affairs? The alternative, the way to realize the aspirations and dreams of mankind," Dr. Shapley contended, "is for the policymakers of the great nations to recognize that the planet is too small for competing nationalities; too small because of the potentialities of tomorrow, the brain power of man, his desires for life, friendship, and happiness are all too large and important for competing nationalities. The challenge to mankind rings like the heavy call of destiny. This is not a matter of partisan politics and this issue cannot be maneuvered around the 1946 elections. This is for independent citizens; this is for independent thinkers, and the time is now."

Dr. A. H. Compton, another prominent atomic scientist, said:

"If we are wise we shall take immediate steps to form a world government by international agreement instead of waiting for a third world war of unparalleled destructiveness to determine the rulers of the world."

Dr. H. J. Curtis, one of the men who helped make the atom bomb, predicted that the scientists' suggestion for international control might be scoffed at as visionary.

He said:

"In reply I will simply state that the possibility of developing atomic energy was also so labeled a scant 6 years ago, and yet today it is a reality

"We can see no reason why a similar miracle cannot be achieved in international relations."

Dr. Irving Langmuir, General Electric Co. scientist, stated:

"There is no possibility of permanently keeping the secret of the atomic bomb * * * Russia is behind us at the moment, but she has a tendency to go ahead at a faster rate than we do. * * *

"Their development could reach such a state that all they would have to do would be to push a button and destroy every American city."

General Marshall said:

"In the immediate years ahead, the United Nations will unquestionably devote their sincere energies to the effort to establish a lasting peace. To my mind there is now greater chance of success in this effort than ever before in history."

I am not expecting that this resolution will be reported from the committee at once and favorably voted upon. My best hope is that developing events and the pressure of public opinion may eventually bring action before we have traveled too far down the road of military might to bring the monster of armed force under control.

The resolution is before the Senate. It has been submitted. It is up to the people of America to make known their wishes in the matter to the Foreign Relations Committee, where it will be referred.

Preservation of world peace cannot be left to the whims of soverign states, or to conferences of foreign ministers or to security councils.

These inadequate agents may suffice for a time, they can even be valuable as architects of a more permanent structure.

The United Nations organization may have been adequate at San Francisco, but agreements between sovereign nations will not suffice in the atomic age which has come into being since the San Francisco Conference.

General Marshall has said:

"If man does find the solution for world peace it will be the most revolutionary reversal of his record we have ever known."

I agree with General Marshall. It will be a revolutionary reversal, but I believe that if we have the courage, the resolute purpose, and the magnificent imagination which was displayed by the framers of our Constitution, this can be accomplished. Those men did not wait for the masses to force them to act. They were leaders. They had been called upon only to revise the Articles of Confederation, but they recognized the futility of confederations and leagues of friendship and agreements between sovereign powers. So they took the responsibility upon their own shoulders and drafted our Constitution. When some objected that they were going too far, Washington said:

"It is too probable that no plan we propose will be adopted. Perhaps another dreadful

conflict is to be sustained. If, to please the people, we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise a standard to which the wise and the honest can repair; the event is in the hand of God."

How well might those words of President Washington apply to circumstances at this very moment in the history of the world.

Mr. President, I call upon the Republican Senators to support this resolution for a world union, in the name of their greatest leader, Abraham Lincoln, who gave his own life to the end that our own Union should not perish.

I call upon them in the name of their late statesman, Wendell Willkie, whose profound understanding of world affairs led him to declare, long before the atomic bomb made it crystal clear, that this is indeed one world.

I call upon the members of my own party to exercise the same foresight, and high courage, that motivated the founders of our own Republic when, even though they were called traitors to their individual States, they nevertheless fought the good fight to establish a United States of America, because they believed that the good of all is superior to the proud pretentions of any lesser sovereign entity.

In the name of Woodrow Wilson, who died a martyr to what was considered to be a revolutionary step in the quest of men and women everywhere to end the scourge of war, I call upon Senators of the Democratic Party to wrest this one last chance from the jaws of chaos and establish permanent peace in the world as the alternative to a far more ghastly orgy of death and destruction than the world has ever known.

I call upon them to lend their support to this bold proposal in the name of the man whose bold leadership in our victory over tyranny has given us this last fleeting opportunity to render the greatest service of all time to humanity.

Mr. President, I call upon every Senator, regardless of party, I call upon all the citizens of America, I call upon every Christian, to give support to this proposal. I ask it in the name of the Prince of Peace.

The resolution (S. Res. 183), submitted by Mr. TAYLOR, was referred to the Committee on Foreign Relations.

A LETTER FROM SENATOR TAYLOR

To Whom It May Concern:

This is a letter to you from Senator GLEN TAYLOR, of Idaho.

"To whom it may concern" may seem a rather dull way to start a letter which poses the question, "What are we to do if mankind is to be saved from an atomic war which well may destroy our civilization?"

With that all-important question before us, it seems to me that when I address myself to "Whom it may concern," that should mean every civilized human being. Some uncivilized Eskimos, native tribes of the Congo, and a few others might escape the consequences of an atomic war.

Some of the rest of us might escape death only to eke out a miserable existence in a world so ruined and hopelessly destroyed as to throw mankind back into another era comparable to the Dark Ages.

What are we to do about it?

Frankly, I know of only one way to do anything that needs to be done, and that is get busy doing it. Never mind if there are those who say it cannot be done. Faith and hard work can accomplish practically anything.

Perhaps my own experiences may account for my optimism, but I also know that without faith I would never have come to this hour where I find myself in the position of being called upon to help in the solution of the most difficult crisis ever to confront mankind.

I am going to recount, briefly, my own story in the confident hope that it will inspire others to aid in accomplishing what many say is impossible. The creation of a world government with sufficient power to prevent wars and save humanity from the anguish and ordeal of a world-wide atomic war.

My father was a minister. I was raised on a small farm in northern Idaho; the twelfth of thirteen children. I rode horseback, or more often walked, 6 miles each day to obtain what formal education I enjoy.

My father's failing health forced me to strike out for myself at the age of 15.

I secured a job with a dramatic stock company and traveled over the West as an actor and manager until 1937.

As owner and manager of my own company I was hit a double blow in 1930 by the depression and the advent of talking pictures. In my travels I observed at first hand the suffering and privation of the people during those trying years. Indeed I, too, suffered hardship and actual hunger at times. I became deeply interested in the study of economics and political science.

A determination grew within me to do something—all that was in my power—to see that never again should the people of America go hungry in the midst of plenty.

In the fall of 1937 I established residence in my native State with the object in mind of running for office. Six months later I announced for Congress. I am sure that I was the only person in the world who had faith that I would eventually achieve my ambition.

While I may set my sights on seemingly impossible goals, I try to be practical in attaining them. I had to work with the tools at hand. At the time I had a cowboy band so I used the band to campaign. We would go into a community with our sound truck, start entertaining on Main Street, attract a big crowd, and then I would make my talk. I didn't enjoy doing this but I had to have publicity and lots of it or give up. I had no political organization. I came out fourth in a field of nine candidates in the primary. I had proven to myself that my theatrical background was not an insurmountable handicap.

In 1940 I announced for the Senate to fill the unexpired term of Senator Borah. Using the same tactics, I was nominated over strong opponents. Because I had not come up the hard way through long years of service in the party ranks the leaders of my own party refused to help and while Roosevelt carried the State by 25,000 majority and the entire State ticket was elected, I was defeated in the general election by 15,000 votes. A terrible beating in a State with a small number of voters.

The press was sure I was through. The politicians were happy. War came. I secured a job as a sheet-metal worker in a war plant. I ran again in 1942, was nominated in the primaries and again defeated in the general election but by only 4,000 votes. That was the end. Political experts and the press were certain no man could survive such a series of defeats. I returned to my war-plant job.

In 1944 I tried for the fourth time. I spent $60 for campaign literature. That was all I could afford—no newspaper ads, no radio talks, no band. My opponents spent thousands of dollars. I won the nomination, defeating the incumbent Senator by 216 votes. In the general election I defeated the Governor. I was finally elected United States Senator.

Despite the repeated use of the pronoun "I" this is not written boastfully, but rather to give courage to those who might think that their efforts cannot count for much in this great struggle to bring about a real brotherhood of man.

To bring action on this resolution, the people of America must raise their voices, thus making known their determination to end wars. If you know any Senators contact them personally. Write personal letters to your Representative or Senator.

Write to the President, to James Byrnes, the Secretary of State; to Edward R. Stettinius, our delegate to the United Nations organization. Write to the Senate Foreign Relations Committee urging them to report the resolution (S. 183) out favorably. Write to your newspaper. All such letters from the people will have influence and effect. It is the only way. Try and get others to do the same.

Is all this a big job? The effect not worth the effort?

Before I went out to campaign in 1944 I wrote 3,000 letters in longhand, to everyone I knew in the State of Idaho. For every letter I wrote my opponents were spending many dollars.

Send for as many copies of this resolution as you can possibly distribute.

Your life and your children's life may depend on how earnestly you do your part toward establishing a world government capable of maintaining peace.

I have attended many meetings with the men who made the atomic bomb. They know what mortal danger we face. They are working ceaselessly to arouse the American people. I, myself, am working as many hours as I can stand. I ask and expect no less of you.

H. G. Wells, the noted historian whose predictions of things to come have proven remarkably accurate in the past, had this to say just recently: "The end of everything we call life is close at hand and cannot be evaded. There is no way out, around, or through the impasse. It is the end."

You can just pretend the situation does not exist and go on living as usual, or you can accept H. G. Wells' gloomy prophecy and prepare for the end, or you can do as many others are doing, including the scientists and myself. Refuse to admit that world government is a dream and start doing something about it. Personally, I like the slogan of the Army Service Forces; the men who built bridges under gunfire, landing fields on swamps, and the Burma Road. Here is their motto: "The impossible we do immediately; the miraculous takes a little longer."

They did it for war. We must do it for peace or perish.

Mr. TAYLOR. Mr. President, I also ask unanimous consent to have printed in the RECORD, as a part of my remarks, a petition brought to me from Baltimore. Thousands upon thousands of signatures could have been obtained from every part of the country, but it was not our purpose to do so. The names signed to the petition go to show what can be done, and how people feel about the matter. An attorney in Baltimore on his own initiative prepared and circulated the petition. The resolution was typed at the top of the petition, and it is signed exclusively by lawyers and judges. I think the petition and the signatures are worth placing in the RECORD to show how many men of this caliber, generally considered to be our best thinkers, can be signed up by one man in a matter of a few days in a city like Baltimore.

There being no objection, the petition and the signatures were ordered to be printed in the RECORD, as follows:

To United States Senate and House of Representatives:

"Resolved by the United States Senate (the House of Representatives concurring), That the President of the United States shall immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war."

The undersigned who are interested in strengthening the United Nations into at

least the beginnings of a world government hereby urge that this resolution to strengthen the United Nations be pushed vigorously and that the Charter of the United Nations be revised and amended in the light of this resolution.

Philip L. Sykes, Rosco Bernard, Anne B. Jenkin, Anna Syret, Louis Nathans, Edward Hajek, Rodney Link, Samuel D. Kushues, Arthur Krishmer, Fannie H. Rice, Calvert Cummins, Samuel I. Duiorirtz, Rosa Lee Altshul, Max Susin, Jacob W. Barenburg, Harry D. Ambrose, R. G. Green, Colman Klein, Eli Cohen, Maurice R. Oppenheim, Isaac E. Davison, Helen E. Romm, Kay Solomon, Etta L. Leist, Jesse Ashman, William Klenner, Louise Levin, Charles W. Main, Bernard E. Ster, Borris M. Spector, Harry Yaffe, Alexander J. Lane, Edwin Kohn, David W. French, Henry I. Bonsbund, Iris B. Jossen, H. Henry Rosenberg, Philip Tachs, Louis C. Fried, Julius P. Robinson, Paula Ulman, Simon Nobel Silverberg, Hyman I. Cohen, Samuel Rubin, W. A. Schmidt, William T. Imid, Julius Krump, Maxwell Alpert, Herman Punpian, Herbert Kaufman, Harry Rapport, Ely Ashman, Abraham Finkelstein, H. D. Cofran, Jim Finney, Joseph Siegel, Alfred F. Dedomenico, Harry Bernstein, Francis F. Commer, Jakob Hesker, Charles Caplan, Agatha Roenstadt, S. S. Zuercher, Lil Strocket, Anna Cohn, Emma Gardner, Dorothy Adkins, Rose Fagan, Fred Mechl, Sr., W. I. Magills, Emanuel J. Riback, Harry Saeffer, Reva Marshall, Allen J. Eisner, Bradford Bloom, Lawrence Greenebaum, Sophie H. Steckel, Louis Bender, Nathan H. Miller, Allen T. Cohn, Abner J. Weinger, Johnny Belis, Jack Norin, Jas. D. Balachow, Emmet Stein, M. A. Cummins, Meyer Shapiro, W. Keiles, Allen W. Eaton, M. J. Steinhom, Thomas J. Ringgold, Carlie F. Parrish, James W. Miller, Mannes Freedenberg, S. C. Katzoff, Maurice Schoenfeld, Bernard Klein, Samuel Vataposky, Nathan Abramanitz, Abraham Kahn, Esther Goldosheides, Frederick J. Freely, Jr., Ethel E. Wahl, William Alvin Wahl, George O. Blome, Anthony F. Di Domenico, Wm. Weinblatt, Rose S. Zetzer, Allen C. Capone, D. M. Lentinett, Frank M. Merrick, H. LaRue Parke, Anthony I. Gedenico, Jeanne Hofman, Leon A. Rubenstein, H. B. Hofman, Joshua C. Gwin, Harvey D. Bickel, Medford D. Lilly, Alberta Talbott, Marcellus S. Jonas, Martin H. Larsen, Hugh Anthony, F. J. Richardson, James L. Muller, Lottie Friedler, Herbert Lockwood, Edwin Greenebaum, Ellis Levin, Jack A. Miller, Lawrence Lockwood, Miss Anna M. Robinson, John Howard Clarke, John J. Smith, Lena DePaul, Thos. W. Pond, E. Joseph, John A. Novak, Aaron A. Baer, Louis Samuels, M. Carolyn Smith, Mrs. Saphie Scheass, Mrs. Walter Wilkins, Albert J. Nathaniel, Barney H. Schwartz, Moses Schloss, Genevieve J. English, Samuel H. Feldstein, Madison Waggitti, Mary Meciana, Andrew W. Siebert, A. Robert Levinson, Stephen Smial, Barbara M. Hogarth, Erminio Florentine, Christine Lemmons, Lillian M. Pascal, Charles Rothman, E. C. Langhut, C. W. Files, Melvin Graziano.

UNIFICATION OF THE ARMED SERVICES

The Senate resumed the consideration of the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security.

The PRESIDENT pro tempore. The question is on the committee amendment.

Mr. ROBERTSON of Wyoming. Mr. President, I wish to call up an amendment for consideration. It is amendment D.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 37, line 3, it is proposed to strike out "Security" and insert "Military"; in line 4, to strike out "Organization" and insert "Establishment"; in line 5, to strike out "Security" and insert "Military"; in line 6, to strike out "Organization" and insert "Establishment"; in line 7, to strike out all after "SEC. 201" down to and including "Organization" in line 14, and substitute in lieu thereof the following: "The National Military Establishment shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created under title II of this act"; in line 16, after "SEC. 202. (a)", to insert "There shall be a Secretary of National Security who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. In addition to such other duties as the President may assign to him in connection with the national security, the Secretary of National Security, under the direction of the President, shall perform the following specific duties relating to the National Military Establishment provided for under title II of this act"; in line 21, to strike out "Security" and insert "Military."

On page 38, line 3, to strike out "Security" and insert "Military."

To strike out all of lines 22 to 25 and insert: "The Secretary of National Security shall cause to be made for his use a seal of office of such design as the President shall approve and judicial notice shall be taken thereof."

On page 39, line 16, to strike out "Security" and insert "Military"; in line 17, to strike out "Organization" and insert "Establishment."

On page 40, in lines 4 and 5, to strike out "within the National Security Organization."

On page 41, in lines 9 and 10, to strike out "Within the National Security Organization there" and insert "There."

The PRESIDENT pro tempore. May the Chair inquire of the Senator from Wyoming if he desires to have the amendments considered en bloc?

Mr. ROBERTSON of Wyoming. I will explain, Mr. President, that the root of the amendments is the striking out of section 201 (a) and the rewriting of section 202 (a). The others are merely changes in names which would be necessary if the main objectives were attained.

The PRESIDENT pro tempore. Then, without objection, the amendments will be considered en bloc.

Mr. ROBERTSON of Wyoming. Very well.

Mr. President, I have been very much interested by the debate which has ensued during the consideration of the bill on the floor of the Senate. I think the Senators listening to the debate have reached the conclusion that there is a national security set-up which includes not only the Military Establishment consisting of the Secretary of National Security, the military assistants, civilian personnel, Department of the Army, Department of the Navy, Department of the Air Force, United States Air Force, War Council, Joint Chiefs of Staff, Joint Staff, Munitions Board, and Research and Development Board, but also that the National Security Organization includes the National Security Council, the Central Intelligence Agency, and the National Security and Resources Board. I think every Senator is of that opinion.

I want to say, Mr. President, that that is not correct. The National Security Council, the Central Intelligence Agency, and the National Security Resources Board are not in the National Security Organization as set forth in the bill. Those three are contained in title I under the heading "Coordination for National Security," and are something separate and apart from the National Security Organization. I think that is one of the basic things the Senate must realize before it can thoroughly understand the bill so as to vote intelligently upon it.

Even the chairman of the Committee on Armed Services in his excellent statement on the bill pointed out that the Secretary of National Security was in effect a deputy of the President, or words to that effect. That, Mr. President, it is my contention he should be. But it is my contention that the bill does not make him so. I am for the objectives of the bill as put forward, but they are not in the bill. Hence I offer the amendment which will, I hope, help to put them in the bill.

Title II, deals with the National Security Organization. It should be called the National Military Establishment, as it was called in the original bill. Title I can still remain "Coordination for National Security," which it is. But the Secretary of National Security should be, and in fact must be, the coordinator not only of the military establishment, but also of the National Security Council, the Central Intelligence Agency, and the National Security Resources Board, and in effect be a Presidential deputy for national security. Practically every one has named him as such. Everyone feels that he is such under the terms of the bill; but I repeat that the bill does not make him that. The bill merely makes him a supersecretary of the three armed services, the Army, the Navy, and the Air Force. That is set out so clearly in section 201 (a), which I am seeking to strike, that I cannot for the life of me understand why the Senate should be advised that

the Secretary of National Security is over the entire structure. Let me read section 201 (a):

There is hereby established the National Security Organization and a Secretary of National Security, who shall be the head thereof.

He is the head of the National Security Organization, which, as I have pointed out, includes, in title II, the Army, the Navy, and Air Force.

But it goes further. Subsection (b) provides as follows:

(b) The National Security Organization shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created within the National Security Organization.

A few moments ago I read the list, from section 201 to section 214.

Mr. President, I wish to emphasize that this Secretary, whoever he may be, is merely the Secretary of the Army, Navy, and Air Force. The existing secretaries become mere under secretaries of those three organizations. They lose their Cabinet positions. According to the bill, the single secretary is the Cabinet officer for the armed forces. That is what I want to change by my amendment. I want to place the Secretary of National Security over the entire structure. I want to elevate him to a position where he will be over the National Security Council, the Central Intelligence Agency, and the National Security Resources Board, and over the entire military establishment as well. He is the coordinator.

The amendment which the clerk just read would strike out section 201, from line 7, on page 37, down to line 14. That is under the heading "Establishment of the National Security Organization." That, Mr. President, is the merger, the merging of the armed forces under one secretary. That is all that it does. It has nothing to do with the National Security Council in any way whatsoever.

In order to place the Secretary of National Security in a proper position I seek to amend section 202 (a) in line 16, on page 37, so that that paragraph will read:

There shall be a Secretary of National Security who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. In addition to such other duties as the President may assign to him in connection with the national security, the Secretary of National Security, under the direction of the President, shall perform the following specific duties relating to the National Military Establishment provided for under title II of this act.

Those duties are set forth exactly in the same way as they are set forth in the bill. There is no change in the duties. He has every duty conferred upon him that is conferred upon him in the bill, but he is no longer merely the head of the Army, Navy, and Air Force.

Mr. President, I do not think I can explain the amendment any more thoroughly except by repeating myself, which I do not intend to do. The other part of the amendment is merely to change the word "security" to "military" and the word "organization" to "establishment," so that title 2 will assume its correct character and be called the National Military Establishment.

Mr. President, that is the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON] to the committee amendment.

Mr. GURNEY. Mr. President, the Senator from Wyoming has several amendments on the desk. In this instance I believe he has selected the most important amendment in the list. I say that because should this amendment be adopted it would take the heart out of the bill.

In the first instance, as the bill was introduced, it provided for an organization known as the National Defense Establishment, similar to the organization provided for on page 37 under the name "The National Security Organization." The name "National Security Organization" is more inclusive.

I make the statement that this amendment would affect the heart of the bill because not only must we have an overall organization, over the three military branches—the Army, Navy, and Air Force—but also we must have an organization including the War Council, the Munitions Board, and the Research and Development Board. They must all work together. Those civilian agencies are as necessary as the military branches in the allocation of materials and in the development of plans.

Therefore, Mr. President, after wrestling with this question for 11 weeks, our committee came to the conclusion, by a large majority vote in the committee, that the provision should be as it is in the committee amendment. To take section 201 from the bill would, I repeat, take the heart out of the bill. Therefore I recommend that the Senate reject the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. HILL. Would the amendment have the effect of placing the Secretary of National Security ahead of the Secretary of State in the National Security Council?

Mr. GURNEY. That is correct.

Mr. HILL. The Security Secretary, the Defense Secretary—the Military Secretary, so to speak—would be placed ahead of the Secretary of State, the officer in charge of our foreign policy. Is not that true?

Mr. GURNEY. The Senator is correct. Our committee did not feel that we should give the Secretary of National Security complete authority over the Security Council which is established to advise the President on security problems. Nor did we feel that the new Secretary of National Security should be given authority over the National Security Resources Board. The Council and the Board were set up to coordinate the activities assigned to them in the bill, and to advise the President. The Secretary of National Security would sit on the Council and on the Board; but we did not feel that he should have overall authority. Therefore our committee, after much debate, recommended to the Senate that the organization be established in the manner set forth in section 21. It might be called an "establishment," but we prefer the word "organization."

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from West Virginia.

Mr. REVERCOMB. The Senator has argued that it is a part of the plan set forth in the chart on the wall. If the amendment were adopted how would it change the design set forth in the chart on the wall?

Mr. GURNEY. Because it would give the Secretary of National Security overall direction of the National Security Council and also of the National Security Board, by moving him up in the preferred position, right under the President. It would in that way give the Secretary of National Security a superior Cabinet rank to that held by the Secretary of State, because he would, in a way, be over the Security Council which is presently composed of the Secretary of State, the Secretary of the Security Council, and the Secretaries of the three military branches. The committee did not believe we should give this man that much power over other Cabinet officers, mainly the Secretary of State.

Mr. REVERCOMB. The Secretary of State in serving on the National Security Council has an additional duty placed upon him. In other words, the Secretary of State as a member of the National Security Council would in no way be dominated by the Secretary of National Security in the performance of his usual functions as Secretary of State except as he would serve as a member of the National Security Council. In other words, he has almost an ex officio position on the National Security Council.

The point I want to inquire about is this: If we make the Secretary of National Security next in rank to the President and the one to advise with him over the National Security Council, we would not in fact place him over the Secretary of State in the performance of the natural duties of a Secretary of State; it would be one over-all board on which the Secretary of State serves with others?

Mr. GURNEY. That Board, I may point out, is the Board that advises the President on all matters of national security. The Secretary of State is not now sitting on that Board as an ex officio member; in fact, his place on the Board which exists now by mutual agreement is probably one of his most important duties, and his position on this Board will remain as his most important duty, to advise the military and to have the military advise him. The foreign policy and the military policy in that way dovetail together so that the President is advised not by one and then by another in a haphazard manner.

Mr. REVERCOMB. Mr. President, will the Senator yield for another question?

Mr. GURNEY. Yes.

Mr. REVERCOMB. The able Senator has mentioned only the Secretary of State and the fact of the Secretary of State being a member of the National Security Council as the reason why he

would not put the Secretary of National Security next to the President and over that Council. I point out that the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Forces, who, as we know will be under the Secretary of National Security, will also be on the Council.

Mr. GURNEY. I may say to the Senator that the reasons I have given are not all the reasons. In subordinating, so to speak, the Secretaries of Navy, Army, and Air, taking them out of the Cabinet, we must not cut down their job or cut down their responsibility; we must keep them at a level where the secretaries of these three branches should be. By giving them equal status with the Secretary of National Security and the Secretary of State on the National Security Council we are, the committee believes, accomplishing that purpose, because all five of them, with the assistance of others named, will form the policy and advise the President on matters of national security.

Mr. REVERCOMB. I observe from the plat that the Secretary of National Security is over the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.

Mr. GURNEY. His name happens to be above

Mr. REVERCOMB. If he is not over them, how can he coordinate their work? If he does not have the authority of higher rank, how can he coordinate it?

Mr. GURNEY. In a military way they are separate units, and the administration of each branch remains in the Secretary of that branch.

Mr. REVERCOMB. But the whole purpose is to coordinate?

Mr. GURNEY. That is correct.

Mr. REVERCOMB. But if the Secretary of National Security—an office which is being created—does not have the authority to direct the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, I should say he could not coordinate their activities.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield for a question?

Mr GURNEY. I wish to answer the Senator from West Virginia, if I may.

In the National Security Council there are brought together the Secretary of State, who is responsible for our foreign policies, and the Secretaries of the three military branches and the Secretary of National Security himself. There are five. When we get down to coordinating the military branches, the coordination of the military service does not occur in the Council which works on foreign policy. That coordination in bringing them together comes in the War Council, which the Senator will notice on the chart in a position immediately below the position of the Secretary of National Security. That is where the military policy is brought together. In that way we bring together those branches and give the Secretary of National Security the coordinating authority which is so necessary in order to effectuate the purposes which we feel the pending bill will accomplish.

Mr. REVERCOMB. Let me say, then, that if the coordination is to take place through the Secretary of National Security, as I have stated before, at the risk of repetition, it seems to me that the Secretary of the Navy, the Secretary of the Army, and the Secretary of the Air Force must be under his direction, or, if I may say so, his command. As the Senator has pointed out, they are all brought together under the War Council?

Mr. GURNEY. That is correct.

Mr. REVERCOMB. And they are all brought together under the Munitions Board. It seems to me that unless he has direct power to coordinate instead of running around through all the blocks set forth on the plat, the control over them would not be such as to be very effective in bringing about coordination.

Mr. GURNEY. If the Senator will turn to page 37 of the bill——

Mr. REVERCOMB. I was speaking of the plat.

Mr. GURNEY. If the Senator will turn to page 37 of the bill I am sure he will understand it thoroughly.

For instance, in line 23, page 37, it is provided that he shall "exercise general direction, authority, and control over such departments and agencies."

I now yield to the Senator from Wyoming.

Mr. ROBERTSON of Wyoming. I wish to advise the Senator from West Virginia that he is absolutely correct when he says that the Secretary of National Security, whom we in committee called the super-secretary, is over the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. It is provided distinctly in section 201 (a), on page 37, line 7, as follows:

> There is hereby established the National Security Organization, and a Secretary of National Security, who shall be the head thereof.

Section 201 (b):

> The National Security Organization shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created within the National Security Organization.

At another point in the bill the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force are given the right to bypass their "boss," the Secretary of National Security, and go to the President if they see fit to do so.

Mr. GURNEY. Mr. President, let me say to the Senator from Wyoming that the National Security Council is not included in title II of the bill, and is not included in the National Security Organization.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. REVERCOMB. I should like to ask a question of the Senator from Wyoming.

Mr. GURNEY. I shall be glad to yield the floor, if the Senator wishes me to do so.

Mr. REVERCOMB. No; I do not ask the Senator to do that.

Mr. GURNEY. Very well; I yield to the Senator from West Virginia.

Mr. REVERCOMB. I should like to ask the Senator from Wyoming this question: Does the plat now on the wall, about which we have been talking, follow out correctly, from the viewpoint of the Senator from Wyoming, what is now contained in the bill and will continue to be contained in it unless it is amended?

Mr. ROBERTSON of Wyoming. Absolutely.

Mr. REVERCOMB. The amendment would remedy the fault, as seen by the Senator from Wyoming, by permitting the Secretary of National Security to take authority over the Secretaries of War, Navy, and Air; and the amendment would not have him bypassed through the several blocks and courses shown on the chart or plat, which portrays the situation under the bill as it is now written; is that correct?

Mr. ROBERTSON of Wyoming. Mr. President, my amendment would place the Secretary of National Security immediately under the President of the United States. I cannot help thinking that the distinguished chairman of the committee, the Senator from South Dakota [Mr. GURNEY], felt that was the understanding, for when he made his speech introducing this bill, as shown at page 8298 of the CONGRESSIONAL RECORD for July 7, he made the following statement:

> The Secretary of National Security is being given no new powers by this bill. He is a full-time Presidential representative exercising delegated Presidential power to assist the President in carrying out his responsibility to the Congress, the Nation, and the armed forces.

Mr. GURNEY. Mr. President, I reiterate that statement, and I believe it to be correct.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. GURNEY. I yield.

Mr. REVERCOMB. The Senator from South Dakota has made the principal argument that the Secretary of National Security should not have control over the National Security Council for the principal reason that the Secretary of State is on that Council. Would not this whole situation be met by adopting the amendment of the Senator from Wyoming and removing the Secretary of State from the National Security Council? That can be done without losing the advice or direction of the Secretary of State. He is a member of the President's Cabinet, and certainly the President can at any time call on the Secretary of State to advise with that Council or to confer directly with the President.

So would not this whole matter be settled by adopting the amendment of the Senator from Wyoming? Would not the objection of the Senator from South Dakota be met by removing the Secretary of State from the National Security Council?

Mr. GURNEY. Mr. President, I call attention to the fact that the bill provides that the President shall preside

over the National Security Council, provided that in his absence he may designate a member of the Council to preside in his place. That is set forth in title I of the bill, on page 31.

We do not propose to give the Secretary of National Security such standing that he will in a sense be the deputy commander in chief, shall we say? We do not wish to take away from the President, in any shape, manner, or form, his constitutional duty as Commander in Chief of the armed forces. With the President a member of the National Security Council and with this board set up primarily to advise the President on matters of national security, our committee did not feel that we should put the new Secretary of this new organization in a position superior to the one in which he is now placed by the bill, as shown on the chart. The Secretary of State, the Secretary of War, and the Secretary of Navy now meet, and they did so all during the war, as a committee of three to advise the President on national security problems.

Mr. REVERCOMB. Mr. President, will the Senator yield to me once more?

Mr. GURNEY. I yield.

Mr. REVERCOMB. I would say that in the United States no one should be placed over the President. The President is Commander in Chief of the armed forces.

Under the amendment of the Senator from Wyoming, as I understand, the Secretary of National Security would be immediately under the President. The fact that the President might preside over any of these blocs or boards which would be set up, inasmuch as he is Commander in Chief, and is over all, would not in any way place him in a position inferior to that of the Secretary of National Security, because very often the President may attend the Council meetings and very often he may advise with the members of the Council. He will remain the Commander in Chief, of course.

But it seems to me that if we leave this bill as it is now written there will be danger that the Secretary of War, the Secretary of the Navy, and the Secretary of the Air Force will have a position equal to that of the Secretary of National Security. If that be so, and if the Secretary of National Security is not over them, I do not see that the Secretary of National Security will have authority to coordinate them.

Mr. GURNEY. In this bill we are setting up a new organization with the Secretary of National Security over those three branches of the armed services and the agencies that are concerned with supplying the armed services. Let me say to the Senator from West Virginia that the National Security Council is not in any way intended to be a part of the armed services organization, nor is the National Security Resources Board intended in any way to be a part of the armed services organization.

We might call the armed services organization our policeman. But we believe that the men in the organization, under the Secretary of National Security, will be men of standing, and men who will have knowledge of much value in meeting the whole national security problem. Therefore, taking them out of their positions as heads of the military branches or as heads of the Research and Munitions and War Council Boards, and bringing them up to sit on the Security Council, is of great value. We do not believe that the National Security Secretary should in any way control, by means of a superior position, the conclusions which emanate from the Security Council or the Resources Board.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Wyoming [Mr. ROBERTSON] to the committee amendment.

Mr. ROBERTSON of Wyoming. Mr. President, as to the National Security Council, I wish to point out that that Council is merely a continuation of the State-War-Navy Coordinating Committee, which committee reconciles and coordinates the action to be taken by the State, War, and Navy Departments on matters of common interest, and establishes policies, based on political-military considerations. The object of that committee has nothing to do with forming foreign policies, as has been suggested here. The Secretary of State sits on that committee, as he did on what is known as the committee of three, to which I have just referred, in order to convey to the Secretaries of War and Navy the international situation, so that they may plan accordingly. It is the outcome of the Pearl Harbor disaster, when there was no coordination, apparently, between the State Department and the military.

That Council will enable the Secretary of State to advise the Secretary of National Security of existing conditions, so that he may formulate his plans. The fact that the Secretary of War, the Secretary of the Navy, and the Secretary of Air Force are placed on that Council has only one significance, namely, that if the Secretary of National Security is the head of the War, Navy, and Air Forces, as he is according to title II, those under secretaries, as they then will be, will receive their instructions from him on that matter, just as well as on any other matter.

There is just one more point, Mr. President, which I do wish to emphasize. The Senator from West Virginia is so right when he says that according to the chart on the wall the Secretary of National Security is nothing more than a secretary of the three armed forces, coordinating the other military councils with the armed services.

It should be particularly noted that in the case of the Joint Chiefs of Staff, they receive their direct orders from the President, and pass them on to the unified commands in the various theaters of war when we are in war, but now, during peacetime, to the unified commands in the Pacific and the Atlantic.

Mr. President, this amendment places the Secretary of National Security in the position in which he should be, next to the President, in order to enable him to carry out the instructions of the President in the whole national security picture, and not merely from the military point of view

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. TAFT. Mr. President, I have been somewhat concerned in reading title I, Coordination for National Security, and the language with regard to the National Security Council. The language might justify the idea that all domestic and foreign policies were to be subordinated to the military exigencies. On page 31, line 20, the bill reads:

> The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies—

That covers all kinds of policies; it covers every policy with which Congress deals—

> so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

That merely states a result. I have suggested to the distinguished chairman of the committee, the Senator from South Dakota [Mr. GURNEY], that we should insert in line 22, after the word "policies," the words "relating to the national security." I think that is clearly the intention of the bill, and I call attention to the fact that in the preamble in section 2, page 30, it is said distinctly that the purpose is "to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security."

The same question arises as to page 32, where, in paragraph (b), the bill reads:

> In addition to performing such other functions as the President may direct, for the purpose of more effectively coordinating the policies of the departments and agencies of the Government—

That is not qualified in any way; it means all functions and policies of the Government—

> and their functions relating to the national security.

Again it seems to me it should be made clear that the limitation relating to the national security should apply to the policies as well as to the functions of the other departments of the Government.

Therefore, Mr. President, I move that on page 31, line 22, after the word "policies", the words "relating to the national security" be inserted, and on page 32, line 11, after the word "policies", the words "and functions" be inserted, and in line 12, that the words "and their functions" be stricken out, so that the qualification relating to the national security may apply to the policies as well as the functions of the department.

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

Mr. TAFT. That is correct; it is all one question.

Mr. GURNEY. Mr. President, certainly it is not the intention of the committee, or of anyone having anything to do with the bill, to provide that the Na-

tional Security Council should do anything other than consider questions of national security. Personally I am glad the Senator from Ohio has brought up this amendment. I have conferred with other members of the committee, and all of us have agreed that not only do both the amendments make the purposes of the bill clearer, but we also thank the Senator from Ohio for a little better language. Therefore I am perfectly willing to accept both the amendments.

Mr. McMAHON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. McMAHON. I fully approve the Senator's amendment, except that I should like to point out that I do not think he has helped the situation very much by putting in the language "relating to the national security." Was not that the language suggested by the Senator?

Mr. TAFT. Yes.

Mr. McMAHON. As I see it—and I think the Senator will agree—that is all-encompassing. I can think of no policy having to do with our national existence, our Government, or our national life, that would not come within that language.

Mr. TAFT. I think it is a question of degree. Many policies might, but I think most of the domestic policies which we are considering—the question of taxation, questions raised by the labor bill, and the like—can hardly be said to relate to the national security in the sense in which those words are used in the bill.

I see no reason why the Council should not volunteer its advice as to something if it thinks it does relate to the national security, but I do not want Congress to be on record as saying that the Council can consider things which do not relate to the national security, and I am afraid that unless the amendment is made, that claim could well be asserted.

Mr. HILL. Mr. President, I think the Senator's amendment is a good one, and I certainly think the amendment, read in connection with the declaration of policy in the very beginning of the bill, makes it clear that the whole procedure and machinery are tied to the national security.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. TAFT. Mr. President, I should like to ask the Senator from South Dakota a question. Is there anything in the bill which changes in any way the rules regarding the sending of military and naval missions into foreign countries, or is that covered in the other bill which is now before the committee?

Mr. GURNEY. I am quite sure there is nothing in the pending bill which in any way authorizes missions to foreign countries. There is before the Armed Services Committee a bill seeking permission to send military missions to countries other than those in the Western Hemisphere, which latter can be done under the present law. The Department presently has permission to send missions into countries in the Western Hemisphere.

Mr. TAFT. I thank the Senator. I understood the question was dealt with in a separate bill.

Mr. ROBERTSON of Wyoming. Mr. President, I should like to answer the Senator from Ohio in regard to this matter.

Senate bill 758 depends largely on an attached Executive order, which the Senator will find starting on page 5 of the report.

Mr. TAFT. I read the Executive order, and on the whole, it seems to me that that Executive order is an order, in effect, to the Army, or to the various Secretaries, to proceed to draw bills. If the bill itself does not contain any such authority, I do not see how an Executive order can be read into the bill; that is to say, an order proposed to be issued by the President.

At the end of the joint letter by the Secretary of War and the Secretary of the Navy it is said:

> We are agreed that the proper method of setting forth the functions (so-called roles and missions) of the armed forces is by the issuance of an Executive order concurrently with your approval of the appropriate legislation. We attach for your consideration a mutually agreed draft of such an order.

The bill may have been changed; we may have changed it. As I understand, the committee says distinctly, on page 9 of the report:

> After long and serious deliberation, your committee decided against amending the bill to include the basic functions (roles and missions) of the several services. Your committee came to this conclusion because it felt that such amendments would seriously impair the required flexibility of our military forces, and because such action would violate the principle of separation of executive and legislative authority traditional in American government.

I do not see how an Executive order can now be issued without conforming to the changes made in the bill, so I do not think we are bound by the terms of the Executive order printed in the report.

Mr. ROBERTSON of Wyoming. The Senator may be right, because the Executive order could be changed tonight, or on any day, by the stroke of a pen.

I do call the attention of the Senator from Ohio, as an outcome of his question regarding the possibility of the armed forces being sent to service in foreign countries, to page 6 of the report, section II, section 2, "Functions of the United States Army," paragraph 3, which reads:

> To provide, as directed by proper authority, such missions and detachments for service in foreign countries as may be required to support the national policies and interests of the United States.

Mr. TAFT. Yes; but as I understand it, this is a proposed Executive order, prepared by the Secretary.

Mr. ROBERTSON of Wyoming. That is correct.

Mr. TAFT. When the President comes to issue an Executive order, it seems to me he must conform the order to the provisions of the bill itself, and if the bill does not contain authority to do this particular thing—and particularly in view of the fact, I think, there are other laws that prohibit it; I am not certain about that, but I think there are—then it seems to me that what is proposed to be an Executive order becomes of no importance.

Mr. ROBERTSON of Wyoming. I think that is true, but in view of the Senator's question, I felt it only right to point out that paragraph to him, at least to show the thinking of the authors of the bill and of others who considered it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HILL. The Senator from Ohio is absolutely correct in his interpretation and in his judgment of this matter. Nothing confirms the wisdom of the Senator in this matter better than the fact that a separate bill has been introduced which is now pending in the Armed Services Committee of the Senate and the Armed Services Committee of the House, to authorize the sending of these missions. That bill has been presented because there is no such authority in the pending bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Oregon.

Mr. MORSE. I think the Senator from Ohio has made a very able contribution to the debate on this matter, from the standpoint of subsequent judicial interpretation of the bill. I think it is particularly clear that unless the bill itself contains terms of reference in regard to military missions, then no Executive order could possibly be incorporated into the bill by reference. It would be necessary to include very definite terms of reference in the bill, and there is no language in the bill that would justify or support an Executive order in regard to military missions, as was so ably pointed out by the Senator from Ohio.

Mr. TAFT. Then there is the language in the report itself, later on, in effect disavowing, it seems to me, that particular intent.

Mr. MORSE. Furthermore, any language in a report that is inconsistent with the clear language in a bill has no standing in court as carrying any weight in determining congressional intent.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from South Dakota.

Mr. GURNEY. I should like to make just one more statement so it will be clear in the RECORD that there is nothing in the bill which in any way authorizes foreign missions. The purpose, of course, is that any missions which may be authorized by law would be provided by the security organization, but they could not be used in any way unless they were otherwise authorized by some other law. They are not authorized in the bill at all.

Mr. TAFT. I am glad to have the opinion of so many members of the Committee on Armed Services who have participated in the framing of the bill. I

think there can be no doubt of the intent of its framers.

The PRESIDENT pro tempore. The committee amendment is open to further amendment.

Mr. ROBERTSON of Wyoming. Mr. President, I have another amendment here, but I should like to say I am a little amused, because in committee, in the consideration of the bill, when we were endeavoring to get the functions stated in the bill itself, we were told that that was not necessary, as they would all be taken care of in the accompanying Executive order.

I now offer amendment No. 7, and ask that it be stated.

The PRESIDENT pro tempore. The Senator from Wyoming offers an amendment, which the clerk will state.

The CHIEF CLERK. It is proposed to amend the committee amendment, on page 49, line 10, by striking out the period and inserting the following: "and shall be chosen in rotation from the three armed services: *Provided*, That the total service of any officer as Director of the Joint Staff shall not exceed 4 years in all: *And provided further*, That the combined service of any officer as Director or member of the Joint Staff shall not exceed 8 years in all."

Mr. ROBERTSON of Wyoming. Mr. President, the object of the amendment is very evident, I think. It is merely to provide for a rotation of the important office of Director of the Joint Staff, and it limits the time one officer can possibly be the Director or a member of the Staff. I hope there will be no objection to the amendment.

Mr. GURNEY. Mr. President, our committee considered this matter somewhat. It has been the custom for a long time for the chief of branch in both the Army and the Navy to serve for a period of years. Without doubt that custom will be followed, because in the Navy each officer is required to have sea duty ever so often, and, of course, when an Army officer is brought into Washington to be Chief of Branch, he is only allowed to serve, generally, for 4 years. I hope the amendment will not be brought forward at this time, for the reason that it will in a way disrupt the smoothness of the bill as it now reads, and the acceptance of it by the several departments. It has been agreed to by the land, sea, and air forces, and I can see no reason why we should accept the amendment at this late date. I would not be authorized, as chairman of the committee, to accept it. I hope, therefore, the amendment will be defeated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The committee amendment is open to further amendment.

Mr. ROBERTSON of Wyoming. Mr. President, I send to the desk amendment No. 8.

The PRESIDENT pro tempore. The Senator from Wyoming offers an amendment, which the clerk will state.

Mr. ROBERTSON of Wyoming. Mr. President, I wish to delete certain portions of the amendment, and ask the clerk to read that part of the amendment which begins "On page 50, strike out lines 8 and 9, and insert the following." That begins at the bottom of the sheet, and I think goes over to the other side.

The CHIEF CLERK. In the committee amendment, on page 50, it is proposed to strike out lines 8 and 9, and insert the following:

(2) To advise the National Security Resources Board of the military material and manpower requirements in order that they may be integrated in the over-all plans for national industrial mobilization.

Mr. ROBERTSON of Wyoming. That is all that is proposed. That is the only change I am asking. Again, I say, I hope the committee will accept the amendment. I think it states much more clearly than does the committee amendment the purpose in mind, which is simply to plan for military aspects of industrial mobilization, that the National Security Resources Board, which would largely be responsible in the matter, should be advised. The amendment merely seeks to provide that the National Security Resources Board shall be advised of the military material and manpower requirements, in order that they may be integrated in the over-all plan for national industrial mobilization.

Mr. GURNEY. Mr. President, will the clerk restate the amendment? I am unable to keep track of just which amendment it is. By the way, Mr. President, these amendments are identified by letter.

The PRESIDENT pro tempore. It is identified by the letter H, at the bottom of page 1 of the amendment. The amendment will again be stated.

The CHIEF CLERK. It is proposed to amend the committee amendment, on page 50, by striking out lines 8 and 9, and inserting the following:

(2) To advise the National Security Resources Board of the military material and manpower requirements in order that they may be integrated in the over-all plans for national industrial mobilization.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. McCARTHY. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 41 it is proposed to strike out lines 4 to 7, inclusive, and to insert in lieu thereof the following:

(b) Notwithstanding the provisions of this or any other act, the existing status of the Marine Corps (including the Fleet Marine Forces) or of Naval Aviation shall not be altered or diminished; nor shall their existing functions or missions be transferred to other services.

Mr. McCARTHY. Mr. President, the amendment hardly requires any explanation. It is obvious from the reading of it that the purpose of the amendment is to provide that neither the missions of naval aviation nor the Marine Corps, nor their functions, can be transferred to any other branch of the service by the supersecretary. I feel that if, for example, it is to be decided at some future time that naval planes should not protect shipping, if it is to be decided that the marine amphibious units should be disposed of, it should be done by the Congress, and not be left to the whim and caprice of some supersecretary who at that particular moment might happen to hold the position of authority.

Mr. LODGE. Mr. President, I assured the Senator from Wisconsin that I would here on the floor of the Senate make a statement regarding my personal belief in the value of the Marine Corps, and of my determination, so far as I could do so, always to oppose any move which would cripple or destroy the Marine Corps.

I am opposed to the Senator's amendment. I am opposed to it in the first place because the bill on page 41, beginning in line 4, contains a provision safeguarding the Marine Corps, which has been approved by General Vandegrift. That is the first reason why I am opposed to the amendment.

I am opposed to it in the second place because I think it is most unwise to seek to legislate tactics into the statute law of the United States. I think we have got to leave questions of military strategy to professional men to make the decisions at the proper time.

Mr. McCARTHY. May I interrupt the Senator at that point? Is it the Senator's understanding that under the bill as presently written the supersecretary can at will transfer missions and functions from one branch of the service to another?

Mr. LODGE. I would say in the first place that I never use the word "supersecretary." I think that is a sort of a smear word, and I do not think it is accurate. Secondly, I do not think the Secretary of National Security possesses a single power in the world that the President of the United States has not had for 150 years.

Mr. McCARTHY. Let me ask the Senator a further question. Is it the Senator's thought, then, that some of the powers which the President has had for 150 years are to be transferred to the supersecretary, if I may call him that?

Mr. LODGE. Well, the Secretary of National Security, of course, exercises his power subject to the direction of the President.

Mr. McCARTHY. I should like to get the Senator's thought on this point, if I may. The Senator from Massachusetts has done much work on the bill and given a good deal of attention to it. Is it the Senator's thought that under the bill as presently written the Secretary of National Security does have the power, for example, to say that naval planes shall no longer protect Navy shipping? Does the Senator think he has the power, for example, to say, "We will completely do

away with the marine amphibious force and transfer that function to the Army?" Does the Senator think the bill gives him that power?

Mr. LODGE. I am very glad the Senator raised that question, because I should like to assure him, and I should like to assure the high command of the Marine Corps, a body to which I am bound by a great many close ties, and I should like to assure anyone else who may be worried about it, that the fate of the Marine Corps does not depend upon some statute that we pass here in Congress. The Marine Corps can no more be abolished or crippled than can the United States Senate. In fact, I think the position of the Marine Corps is more secure, because the United States Senate has its roots in the Constitution, whereas the Marine Corps has its roots in the hearts of the American people. There is no need to be worried upon that point. There is no need to be worried over such flyspecks as where commas are to be placed, or such legalistic matters. That is a matter about which no one need be worried, because the position of the Marine Corps is absolutely assured.

Mr. McCARTHY. I am not so much concerned with the fate of the Marine Corps or the fate of naval aviation, but I am concerned with the strength of our military forces. I know the Senator is well acquainted with what is known as the 1478 series.

Mr. LODGE. No, I was not at the high level of the Joint Chiefs of Staff during the war. I do not know what conversations they had.

Mr. McCARTHY. That series was discussed in the Military Affairs Committee of the Senate, and it is now under consideration by the House Armed Services Committee. The House committee is studying that matter. It consists of an exchange of papers between the Joint Chiefs of Staff, and if the Senator were familiar with the contents of those documents I am sure he would be disturbed about the fate of naval aviation and the fate of the Marine Corps, and consequently the fate of our military forces.

Mr. LODGE. Let me say to my good friend from Wisconsin that one can undoubtedly find some individual in one of the departments who has at some time written a paper in which he said he did not like the marines. I know that an Assistant Secretary of the Navy came before a Senate committee and said the Navy was a complete force in itself, and ought to take over all sorts of land functions. One can always find some individual who expresses some such outlandish opinion. But what I want to point out to the Senator is that if anyone wanted to do anything which would cripple the Marine Corps, he would first of all have to get by the President of the United States, he would then have to get by the Congress of the United States, he would have to get by all the congressional committees, he would have to get by the press and the radio of the country, he would have to get by the American people, and that, to me, is simply out of the question.

Mr. McCARTHY. Mr. President——

Mr. LODGE. Let me finish my objection to the Senator's amendment. We used to provide by statute the number of men there should be in a company of infantry, and how many corporals and sergeants there should be in the company. I remember we provided in the Defense Act of 1920 that the infantry was to be in charge of the development of the tank. When I was on active duty there developed a demand for a fast tank, and there developed a demand for a self-propelled artillery piece which the artillery would operate. Because it had a caterpillar tread the authorities could not get around the statute in any other way than by calling it a combat car. When we begin legislating tactics into laws of the United States we are gazing into a crystal ball and will be making a mistake. I think the language proposed to be inserted by the Senator from Wisconsin, if adopted, would kick back on the Marine Corps some day.

Mr. McCARTHY. I am not trying to legislate tactics. I think, however, it is wrong for us to give to some appointed official power which no man has ever had before. I think if any of the missions or functions of the Marine Corps are ever to be changed, they should be changed by the Congress and not by any supersecretary.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. ROBERTSON of Wyoming. I want to point out to the Senator from Wisconsin how correct he is in referring to the statements made by the high officials regarding the Marine Corps. General Spaatz, head of the Air Force, said:

> During the war the Navy developed and employed the Marine Corps as a major force in land and air warfare. This is patently an incursion by one service into the normal roles of the other two services. Such a wartime practice should not be considered as a cogent reason for perpetuating this assumption of mission on the part of the sea forces. I recommend therefore that the size of the Marine Corps be limited to small, readily available, and lightly armed units, no larger than a regiment, to protect United States interests ashore in foreign countries and to provide interior guard of naval ships and naval shore establishments.

The Chief of Staff of the United States Army said:

> There is real need for one service to be charged with the responsibility for initially bridging the gap between the sailor on the ship and the soldier on land. This seems to me properly a function of the Marine Corps.
>
> I believe the Joint Chiefs of Staff should give serious consideration to such a concept. The need of a force within the fleet to provide small, readily available, and lightly armed units to protect United States interests ashore in foreign countries is recognized.

I quote further:

> Once marine units attain such a size as to require the combining of arms to accomplish their missions they are assuming and duplicating the functions of the Army, and we have in effect two land armies. I therefore recommend that the above concept be accepted as stating the role of the Marine Corps, and that marine units not exceed the regiment in size, and that the size of the Marine Corps be made consistent with the foregoing principles.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Connecticut.

Mr. BALDWIN. Let me say to the distinguished Senator from Wisconsin that I shared the same feeling with reference to protecting the Marine Corps that he himself has expressed. I felt that they were entitled to all the protection language could give them, without freezing missions and freezing units so that in time of warfare they could not be adequately and completely handled. I feel that the bill does exactly what the Senator wants to have done. Let me refer to section 206 (a)——

Mr. McCARTHY. Let me interrupt the Senator. If the Senator feels that the bill does exactly what I want to have done, in view of the fact that many of us differ with the Senator's interpretation of the bill, can the Senator have any conceivable objection to making sure that the bill does what he thinks it does?

Mr. BALDWIN. My objection to the particular amendment lies against the word "mission," because it seems to me that in time of war if the Supreme Command says, "Here is the available air power which we have. It happens to belong to the Marine Corps. We must send it to protect some military transports," it does not want to be faced with the situation that the statute does not permit the use of naval aviation or marine aviation to protect military transports or other things of that nature. It seems to me that the language in section 206 (a) is adequate to do what the Senator wants to do. It provides as follows:

> The term "Department of the Navy" as used in this act shall be construed to mean the Department of the Navy at the seat of government—

That is the administration at Washington—

> the headquarters, United States Marine Corps—

That is here—

> the entire operating forces of the United States Navy (including naval aviation) and of the United States Marine Corps, including the reserve components of such forces; all field activities, headquarters, forces, bases, installations, activities, and functions under the control or supervision of the Department of the Navy; and the United States Coast Guard when operating as a part of the Navy pursuant to law.

It is further provided:

> (b) The provisions of this act shall not authorize the alteration or diminution of the existing relative status of the Marine Corps (including the Fleet Marine Forces) or of Naval Aviation.

It seems to me that we would weaken the provisions of the bill by adopting the Senator's amendment, because subsection (a) of section 206 is a detailed description of what shall constitute the naval forces of the United States, including all the component parts of the

Marine Corps itself, and including naval aviation. As I recall, this particular section of the bill received more attention from the committee, from the point of view of time and discussion, than did practically any other part of the bill. This language was prepared with extreme care. At one of the sessions General Vandegrift and Admiral Sherman were present, and we worked over this language and finally obtained an agreement. They indicated at the time that it was satisfactory.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HILL. I ask the Senator from Connecticut, with reference to General Vandegrift, if it is not true that the committee brought General Vandegrift, Commandant of the Marine Corps, into executive session at the time it was considering this very language, and whether this language, drafted by the committee in the presence of General Vandegrift, was not specifically approved by him?

Mr. BALDWIN. That is my recollection.

Mr. McCARTHY. Mr. President, I think that is the whole trouble with the drafting of the bill. We have called in generals from the various branches of the service, and if a certain amendment or section met with their approval, it was given no further study. I was not a member of the committee——

Mr. HILL. Mr. President, will the Senator yield?

Mr. McCARTHY. Let me finish.

Mr. HILL. Certainly.

Mr. McCARTHY. I was not a member of the Committee on Armed Services, but I did attend many of its meetings, and watched much of the deliberation. I think that is the principal criticism that could be made of the committee, even though I know that it did an excellent job otherwise. It would call in a general or admiral and ask his advice. As the Senator says, General Vandegrift was called in; and because General Vandegrift said that this language met with his approval, the committee concluded that it was all right.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HILL. Let me say to the Senator that we did call in many generals and many admirals, as well as many persons who were not either in the Army, the Navy, or the Air Force. We sought the best advice, the greatest possible store of information, and the wisest counsel we could find. We did not necessarily accept a provision because some general, some admiral, or some civilian approved it. However, as the Senator from Connecticut has said, we did perhaps give more time to the provision with respect to the Marine Corps than to any other provision. We worked long and hard, because we were all interested in doing everything we could to safeguard and protect the Marine Corps. As I have stated, we counseled with General Vandegrift. He approved this language; and after the committee had weighed it carefully, the committee decided that the provision now in the bill was the best possible language to do that which all of us wanted to do, namely, protect and safeguard the Marine Corps.

Mr. McCARTHY. Let me point out to the Senator that prior to the time when the committee called various generals and admirals to obtain their advice, the President, as Commander in Chief, had ordered this particular bill, and that every general and every admiral who was before the committee was under specific, definite orders. There is no question about that, is there?

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from South Dakota.

Mr. GURNEY. Let me say to the Senator that if he will read the paragraph at the top of page 9 of the report—I am sure he has already read it——

Mr. McCARTHY. I have.

Mr. GURNEY. I will not ask the Senator to read it again. It was the intention of the committee to preserve the basic functions and the required flexibility of our entire military force. Personally, I believe that General Vandegrift accepted the language which we presented to him because he thought it was all right. I am sure that our committee accepted it because we thought it was all right.

Mr. President, I include myself among other Senators who have made similar statements this afternoon. I yield to no one in my firm resolve to protect the standing of the Marine Corps and of naval aviation—and, in fact, of all branches of the service. I believe the bill does just that. I will say definitely to the Senator from Wisconsin that the Secretary of National Security provided for by the terms of the bill could not, by himself, without the President's direction, change the functions, roles, or missions of the Marine Corps in any way. There is no authority in this bill or in any law which gives him such power.

Mr. McCARTHY. I suggest to the Senator that the mere fact that the committee may have sold General Vandegrift a bill of goods does not make this provision right.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. REVERCOMB. It is very apparent that we are all interested in protecting the status of the Marine Corps, and that the Marine Corps should exist in the same status it has today. The Senator's amendment reads:

> Notwithstanding the provisions of this or any other act, the existing status of the Marine Corps (including the Fleet Marine Forces) or of Naval Aviation shall not be altered or diminished.

If the amendment were to stop there, would it not be the same as the provision of the bill in subparagraph (b) of section 206, on page 41?

Mr. McCARTHY. Except, if the Senator will refer to page 41, line 4, he will note that I add after the words "this act," the words "or any other act."

Mr. REVERCOMB. I have some misgivings with regard to making provision that none of the missions shall be transferred or changed. The word "missions" troubles me somewhat. As I understand the word, I do not think we should, by legislation, stop the heads of the military forces from directing missions. If we take the status or perhaps the functions and provide by legislation that they shall remain as they are, that the Marine Corps shall be intact as a recognized unit, I think we will have what is desired, and what apparently is the intent of the bill, as expressed even by the Senators who have spoken against the proposed amendment. It seems to be their intent. But I myself must express a misgiving as to the use of the word "missions." That I understand to be the performance of a particular service.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Wyoming.

Mr. ROBERTSON of Wyoming. I am interested in the discussion of the question of functions and missions, because I questioned Under Secretary Royall very thoroughly in committee on this very question. The examination will be found on pages 362 and 363 of the hearings before the Committee on Armed Services, regarding our national defense establishment.

I read from the hearings, as follows:

> Senator ROBERTSON. Well, that is possibly what he said when he was referring to the Executive order, but this is the bill he is referring to, and, as I say, I quote him again:
>
> "I further understand it that no function of one department of Government and no organization can be changed from one to the other except under specific provisions of law, and that if the President wants to make such a change, he has to lay it before the Congress for approval."

That was a quotation from General Eisenhower. Then I asked Mr. Royall these questions:

> Senator ROBERTSON. Then you feel, do you, that the Secretary of National Defense, or the supersecretary must be given the power to change the functions of amphibious warfare, of land-based naval aircraft, and of guided missiles, if he sees fit?
>
> Mr. ROYALL. I think he should have that power, subject to the direction of the President, and I do not think it is confined only to the functions that happened to be performed by the Navy. I think he should have it as to the Air Forces and the Army. I think he should have the right, for example, in the question of the Army Ground Forces which bore the big brunt of this war, at considerably more casualties than all of the others put together, including the Air Forces and everybody else—I think he should have the authority.
>
> Senator ROBERTSON. You would not exclude the marines from that?
>
> Mr. ROYALL. I say "including all of the rest": That the Ground Forces had more casualties than all of the others put together.
>
> Senator ROBERTSON. In proportion to their number more than the marines?
>
> Mr. ROYALL. Gross; I do not know about proportion. I am a great admirer of the marines.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Connecticut.

Mr. BALDWIN. I recall the questioning of General Royall on that subject by the Senator from Wyoming [Mr. ROBERTSON], and he went into it very thoroughly. I should like to do him the

honor of saying that because of the discussion and the questioning by the Senator from Wyoming, when we went into executive session in the committee we put into the bill the language which is in it specifically to protect the Marine Corps. If that point had not been raised, and the Senator from Wyoming had not pressed it so effectively and earnestly, I doubt very much that we would have this language in the bill. It is a very decided change from the original draft introduced in the Senate.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I want to ask the Senator from Connecticut if we did not go further and, as a result of the testimony of Secretary Royall, insert the provision that the three departments, the Army, the Navy, and the Air Force, should retain all their present functions?

Mr. BALDWIN. That is correct.

Mr. SALTONSTALL. And that the Secretary of National Security should have the functions given to him by statute?

Mr. BALDWIN. That is my recollection, Mr. President.

Mr. McCARTHY. Mr. President, in order to have the RECORD clear, in case this amendment is not agreed to, I should like to ask the chairman of the Committee on Armed Services, if I may, whether he feels that the bill as written does or does not give the supersecretary the power to transfer functions from one branch to another. Does the Senator feel that the bill gives the supersecretary the right to say, for example, that naval aviation shall no longer have land-based planes?

Mr. GURNEY. To make the answer very simple I will say "No"; there is nothing in the bill which gives the Secretary such right. It must come from the President, as it has since our Army and Navy started.

Mr. McCARTHY. The Senator feels, then, that under the bill as presently written the supersecretary cannot say that the amphibious operations of the Marine Corps are a duplication of the amphibious operations of the Army, and therefore we shall do away with amphibious Marine Corps units?

Mr. GURNEY. Definitely, the Secretary of National Security will not have that power.

Mr. McCARTHY. I disagree with the Senator, but I am glad to have that answer on the record.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I hope the Senator from Wisconsin will insist on his amendment. Irrespective of what some general or some admiral might have done, the fact still remains that they do want to get away from the Marine Corps. I hope that the Senator will outline completely the thought. Not only that, but when the amendment comes to a vote I hope he will insist on a record vote.

Mr. McCARTHY. I thank the Senator from New Mexico very much; and to show how correct he is, all I need do is refer to the statement of General Spaatz. He said the Marine Corps should be no larger than one regiment. The Chief of Staff said that there should be no duplication on the part of the Marine Corps of things being done by the Army. That is an unqualified statement that he feels that the Marine Corps should no longer have any amphibious units. I think that for that reason the bill as presently written is tremendously dangerous.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Wisconsin [Mr. McCARTHY].

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Myers
Baldwin	Hoey	O'Daniel
Ball	Holland	O'Mahoney
Barkley	Johnson, Colo.	Overton
Brooks	Johnston, S. C.	Pepper
Butler	Kilgore	Revercomb
Byrd	Knowland	Robertson, Va.
Cain	Langer	Robertson, Wyo.
Capper	Lodge	Russell
Chavez	Lucas	Saltonstall
Connally	McCarran	Smith
Cooper	McCarthy	Stewart
Cordon	McClellan	Taft
Donnell	McFarland	Taylor
Dworshak	McGrath	Thye
Ecton	McKellar	Umstead
Ferguson	McMahon	Vandenberg
George	Malone	Watkins
Green	Martin	Wherry
Gurney	Maybank	White
Hatch	Millikin	Williams
Hawkes	Moore	Wilson
Hayden	Morse	Young
Hickenlooper	Murray	

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY] to the committee amendment.

Mr. McCARTHY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. Is an amendment to the pending amendment in order?

The PRESIDENT pro tempore. It is in order.

Mr. REVERCOMB. Then to the pending amendment I offer the following amendment, to strike out the words "or missions", so that the amendment then will read:

> Notwithstanding the provisions of this or any other act, the existing status of the Marine Corps (including the Fleet Marine Forces) or of Naval Aviation shall not be altered or diminished; nor shall their existing functions be transferred to other services.

Mr. McCARTHY. Mr. President, I have no objection to that amendment to my amendment, and I shall be glad to accept it.

The PRESIDENT pro tempore. Inasmuch as the yeas and nays have been ordered, the Senator from Wisconsin can perfect his amendment only by unanimous consent.

Is there objection to the perfection of the amendment as indicated? The Chair hears none; and, without objection, the amendment is perfected as indicated.

The question now is on agreeing to the perfected amendment of the Senator from Wisconsin to the committee amendment.

Mr. SALTONSTALL. Mr. President, I shall not prolong the debate, except to say that the amendment of the Senator from Wisconsin was discussed in the committee for a long time. We felt that it would do more harm than good to the Marines.

I call attention to the fact that the word "relative" appears in the bill, but that word is omitted from the amendment. The amendment reads "existing status." The bill reads "existing relative status."

The bill does not freeze the Marines in their present status and their present duties, but it allows them to take their relative status as a part of the Navy and as a part of our armed forces in any situation that may arise. We do not know what part the Marines will be called upon to play in these days of jet bombs, atom bombs, and guided missiles. We wish to preserve the Marines in the same relative status to the Navy that they now are in. But we do not wish to freeze them to their existing status, as we know it today. We want them to go forward, not backward, as Admiral Halsey stated so well at Philadelphia on the Fourth of July.

So, Mr. President, I sincerely hope that the perfected amendment of the Senator from Wisconsin will be rejected.

Mr. McCARTHY. Mr. President, I am sure the Senator from Massachusetts is sincere in telling us that he is concerned about the Marine Corps. This amendment was offered in the House, but there, instead of the final four words "transferred to other services," the word "curtail" was used. I understand that is the word to which the Secretary of War objected.

The Senator from Massachusetts seems to be disturbed because we omitted the word "relative." That was done advisedly, because I think it has no meaning whatsoever in that connection, and is deceptive. But if the Senator from Massachusetts believes that word is necessary in order to protect the Marine Corps, I shall be glad to perfect my amendment by inserting that word in it.

The PRESIDENT pro tempore. Does the Senator from Wisconsin request unanimous consent that he may perfect his amendment in the way indicated?

Mr. McCARTHY. Yes; for the benefit of the Senator from Massachusetts, I make that request.

The PRESIDENT pro tempore. Is there objection to the perfecting of the amendment as has been indicated? The Chair hears none; and, without objection, the amendment is further perfected as indicated.

Mr. LODGE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LODGE. Where is that word to be inserted in the amendment?

Mr. McCARTHY. Mr. President, it is to be inserted before the word "status" in line 2 of the amendment.

Mr. CHAVEZ. Mr. President, it is my opinion that the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], as perfected, should be agreed to. I approve the suggestion of the Senator from Massachusetts [Mr. SALTONSTALL] that the Marines should not be frozen, and for that very reason I think the amendment of the Senator from Wisconsin should be agreed to.

If we do freeze them, if we do take the advice of some naval officer or army officer in the Department of National Security, who is going to carry out landing operations in case of war? All one has to do is to read the history of the Marines to know their worth. Because we do know their history, because we do respect their valor and their courage, and know how they take their objectives in places which the Army and the Navy could not reach, we do not want them frozen. We want the Marines to remain as they are, and as they have been in the past, able to go forward with the performance of their duty as they have been in the past, from the inception of the country.

Mr. President, it is fine to think of the Army and to think of the Navy. Both those services have done wonderful work. But why at this late day, after a brilliant history, should we do something that would sidetrack the Marines?

Mr. President, I hope the amendment of the Senator from Wisconsin will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] to the amendment of the committee. The yeas and nays have been ordered, and the Clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Kansas [Mr. REED], who is necessarily absent, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Delaware [Mr. BUCK] are unavoidably detained on official business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Missouri [Mr. KEM], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from New York would vote "nay."

If present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

The result was announced—yeas 19, nays 52, as follows:

YEAS—19

Aiken	Langer	Moore
Brooks	McCarthy	O'Daniel
Butler	McClellan	Revercomb
Chavez	McFarland	Robertson, Wyo.
Ecton	McKellar	Wherry
Hayden	McMahon	
Hickenlooper	Malone	

NAYS—52

Baldwin	Hoey	Pepper
Ball	Holland	Robertson, Va.
Barkley	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thye
Donnell	McGrath	Umstead
Dworshak	Martin	Vandenberg
Ferguson	Maybank	Watkins
George	Millikin	White
Green	Morse	Williams
Gurney	Murray	Wilson
Hatch	Myers	Young
Hawkes	O'Mahoney	
Hill	Overton	

NOT VOTING—24

Brewster	Ellender	Reed
Bricker	Flanders	Sparkman
Bridges	Fulbright	Thomas, Okla.
Buck	Ives	Thomas, Utah
Bushfield	Jenner	Tobey
Capehart	Kem	Tydings
Downey	Magnuson	Wagner
Eastland	O'Conor	Wiley

So Mr. McCARTHY's perfected amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The amendment of the committee is open to further amendment.

Mr. DONNELL. Mr. President, in connection with the construction placed by the Senator from Wyoming on the powers of the Secretary of National Security, as compared with those of the heads of the Department of the Army, Department of the Navy, and the Department of the Air Force, there occurred a day or so ago some colloquy on the floor of the Senate as to the possible effect of the declaration of policy in interpreting the meaning of the language in sections 201 and 202. In that connection I made the point that the language in the preamble, that is to say, the declaration of policy, referring to unified direction under civilian control, tended to substantiate the view of the Senator from Wyoming, because of the fact that there is no requirement in the bill that anyone except the Secretary of the Air Force and the Secretary of National Security shall be appointed from civilian life. It was suggested by the senior Senator from Massachusetts that there may be some statutory provision which makes it obligatory that both the Secretary of War and the Secretary of the Navy shall be chosen from civilian life. In order that the record may be clear on this point, I desire to offer and to read into the RECORD a letter from Ernest S. Griffith, Director of the Legislative Reference Service of the Library of Congress, dated July 8, 1947, addressed to me in response to my request of the same date as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, July 8, 1947.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR DONNELL: This is in response to your telephone inquiry of this morning as to whether there is any provision in the Federal statutes or in the Constitution of the United States which would require either the Secretary of War or the Secretary of the Navy to be a civilian.

You are advised that neither the Constitution nor any Federal statute requires that the incumbents of these cabinet positions be civilians.

However, no officer of the Army on the active list is permitted to hold any civil office, whether by election or by appointment, and every such officer who accepts or exercises the functions of a civil office thereby ceases to be an officer of the Army, and his commission is thereby vacated (10 U. S. C. 576; R. S. sec. 1222).

Prior to the act of August 5, 1882 (22 Stat. 238), specifically authorizing such temporary designation, it was held that the prohibition of the above statute was sufficiently broad as to preclude a general of the Army from serving even temporarily as Secretary of War during the absence of the Secretary without vacating his commission as general of the Army (14 Op. Atty. Gen. 200).

No statutes similarly restricting Navy officers in the acceptance of civil employment have been noted.

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

Mr. President, I submit respectfully that the statement by Mr. Griffith tends to substantiate the point made by the Senator from Wyoming as to the proper construction of the declaration of policy and its effect upon the respective powers of these officials.

The PRESIDENT pro tempore. The amendment is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore . The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security."

Mr. GURNEY subsequently said: Mr. President, I ask unanimous consent that there be printed in the body of the RECORD immediately after the vote was announced on Senate bill 758 a letter from General Eisenhower; a letter from Admiral Nimitz; resolutions adopted by various patriotic organizations, the American Legion, the DAR, Reserve Officers, Catholic War Veterans, National Cooperative Milk Producers' Federation, Air Reserve Association, National Aviation Clinic, Northwest Aviation Planning Council; and also an editorial entitled "Unification at This Session," published in the New York Times on July 2, 1947; also a press release issued by the American Legion on June 30, 1947.

The PRESIDENT pro tempore. Is there objection to the request?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, June 4, 1947.

The Honorable CHAN GURNEY,
Chairman, Senate Armed Services Committee, Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: The War Department representative who has been working with your committee on the unification legislation has informed me of the general provisions of your final draft of S. 758, Confidential Committee Print No. 7.

Although it is noted that some changes and modifications have been made in the form and substance of the bill originally presented to your committee and which was supported by the War Department during hearings, I believe that the legislation in its present form presents a thoroughly practicable organization of the armed services which will permit us with increased economy and efficiency to do our part in the preservation of the peace and, if need be, the prosecution of war.

I wish to reiterate my previous statement to your committee that early action on this legislation is necessary in order that we may get on with the important task of planning and preparing the armed services to meet the requirements of our national security.

Sincerely yours,

DWIGHT D. EISENHOWER.

NAVY DEPARTMENT,
OFFICE OF THE CHIEF
OF NAVAL OPERATIONS,
Washington, D. C., June 7, 1947.

Hon. CHAN GURNEY,
United States Senate.

DEAR SENATOR GURNEY: I have had an opportunity to examine the National Security Act (S. 758) in the form in which it was approved by your committee.

I believe that the changes made by the committee have improved the bill, and that, to an even greater extent than before, it will provide a much-needed program for the future security of the United States and a structure within which the United States Navy can continue effectively to discharge its responsibilities in connection with the national security.

Early enactment of this legislation is most desirable because not until it is enacted can the military services function at full efficiency in the solution of the many urgent problems which are affected by its enactment.

Sincerely yours,

C. W. NIMITZ,
Fleet Admiral, U. S. N.

RESOLUTION ADOPTED BY THE AMERICAN LEGION AT ITS NATIONAL CONVENTION HELD IN SAN FRANCISCO ON OCTOBER 4, 1946

Resolution 816, as amended, single Department of National Security

Whereas the American Legion at its twenty-seventh annual national convention established its policy on unification as follows: "We endorse the principle of a unified command of our armed forces with the Army, Navy, and Air Force on an equal level"; and Whereas Congress, recognizing the need for unification of the armed forces, has voted to reorganize its Committees on Military and Naval Affairs to accomplish unity of action; and

Whereas closer coordination between branches of the armed services is essential to adequate preparedness and economy of supply: Now, therefore, be it

Resolved That the Congress is requested to enact appropriate legislation to establish a single Department for National Security with provision for the Army, Navy, and Air Forces on an equal level therein.

DAR BACKS UNIFICATION—RESOLUTION ADOPTED BY THE FIFTY-SIXTH CONTINENTAL CONGRESS, NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION, MAY 19–23, 1947

Whereas in order that there may be created in peacetime adequate machinery for planning and coordinating the mobilization and conversion of our total economy against the threat of a future war; and

Whereas in order that our country may be organized to assure the coordinated application of its economic and military might before the urgency of possible future wartime reverses forces such coordination upon us; and

Whereas in order that our national security policy be at all times attuned to our foreign and domestic policies: Be it

Resolved, That the National Society, Daughters of the American Revolution wholeheartedly support and recommend prompt and favorable action of the Congress legislation "to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security," as agreed to and supported by the War and Navy Departments and now being considered by congressional committees.

(Copies sent to: The President of the United States, Harry S. Truman; Secretary of War, Robert P. Patterson; and Secretary of the Navy, James V. Forrestal.)

RESERVE OFFICERS ASSOCIATION IN ANNUAL CONVENTION, JUNE 18–21, 1947, MIAMI, FLA., URGE UNIFICATION AT THIS SESSION OF CONGRESS

Resolution on coequal status of services under single department

Whereas the President of the United States has heretofore recommended to Congress integration of the armed forces of the United States to include Army, Navy, and Air Forces under a single department of national defense; and

Whereas the various departments have not been able to agree on a plan implementing such recommendations; and

Whereas it is the unanimous recommendation of the Reserve Officers Association of the United States that such a single department will effect unity of command, simplify personnel requirements, facilitate combined operations, economize supply procurement, and realize the maximum employment of all potentials to insure national security: Now, therefore, be it

Resolved, That the Reserve Officers Association of the United States in convention assembled at Miami, Fla., June 18–21, 1947, urge the Eightieth General Congress to enact legislation carrying out the recommendation of the President of the United States for the unification of the armed forces of the United States with coequal status of our Army, Navy, and Air Corps under a single department of national defense.

CATHOLIC WAR VETERANS REQUEST UNIFICATION—NATIONAL CONVENTION, CLEVELAND, JUNE 19, 1947

Resolution

Whereas the United States today faces the growing menace of anti-Christian forces, indoctrinated in the sinister tenets of totalitarian thought; and

Whereas in order that our Nation may so coordinate its military and economic power as to be strong in the face of this menace; and

Whereas in order that our National Military Establishment may be geared to our policies in dealing with this threat; and

Whereas our recent victories in the various theaters of world conflict attest to the over-all efficiency of unity of command: Be it

Resolved, That the national convention, Catholic War Veterans of America, herewith assembled, give its complete and wholehearted support to legislation unifying the armed services of the Nation under a Secretary of National Defense, with a Department of the Army, a Department of the Navy, and a Department of the Air Force; and be it further

Resolved, That this convention record its feeling that this legislation should be passed by the current session of Congress, before recess or adjournment.

RESOLUTION ADOPTED BY THE NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION NATIONAL CONVENTION AT ST. LOUIS, MO., NOVEMBER 13, 1946

Resolution on national security

We favor an adequate, highly mobile, well trained, and excellently equipped Military Establishment. We believe that this can be assured on a voluntary basis by making enlistment attractive through adequate compensation and provision for a high type of educational, physical, and spiritual training. We particularly emphasize the need for a unified control over an autonomous Air Force, Army, and Navy. We believe also that the regular military forces should be supplemented by an enlarged National Guard and Reserve officers' training program.

UNIFICATION FAVORED BY AIR RESERVE ASSOCIATION AT ITS ANNUAL CONVENTION, MEMPHIS, TENN., NOVEMBER 18, 19, AND 20, 1946

Whereas economy in military organizations is necessary in order to obtain maximum defense per dollar invested; and

Whereas the experience in World War II has shown the necessity for one supreme coordinated command of military services: Now, therefore, be it

Resolved, That the Air Reserve Association favors a single department of defense with coordinated land, sea, and air components; and furthermore be it

Resolved, That action be taken by Congress at the earliest possible moment in order to eliminate the present delays in the reorganization of the Army Air Forces.

RESOLUTION 4 OF NATIONAL AVIATION CLINIC, OKLAHOMA CITY, OKLA., OCTOBER 14–17, 1946

Resolution on national defense

Resolved, That the National Aviation Clinic strongly favors, and again urgently recommends, the immediate establishment of a Secretary of Defense with three Under Secretaries for the Army, Navy, and Air Power.

NORTHWEST AVIATION PLANNING COUNCIL COMPRISING ALASKA, BRITISH COLUMBIA, ALBERTA, WASHINGTON, OREGON, IDAHO, AND MONTANA, HELD AT BUTTE, MONT., SEPTEMBER 22–24, 1946

Resolution 12

Whereas the strength of national security under present unsettled world conditions is of extreme importance; and

Whereas the advancement in aircraft design has and will require additional defense of the Northwest and the Nation: It is hereby

Resolved, That the Northwest Planning Council place itself on record as favoring a strong Air Force in being, supported by a strong Air Reserve and National Guard, a strong aircraft industry, air-transport system, and civilian flying operation and scientific research and development program; and

Whereas economy in military organization is necessary in order to obtain maximum defense per dollar invested; and

Whereas experience in World War II has shown the necessity for one supreme coordinating command of military services; and

Whereas the effective strategic employment of air power during World War II has justified its recognition as military power in its own right: Now, therefore, be it

Resolved, That the Northwest Aviation Planning Council, exclusive of Canadian delegates, go on record as favoring a single Department of Defense with coequal Army, Navy, and Air components; and furthermore be it

Resolved, That the council is in favor of action being taken by Congress at the earliest possible moment in order to eliminate the present delay in reorganization of the Army Air Forces.

[From the New York Times of July 2, 1947]

UNIFICATION AT THIS SESSION

With the Senate scheduled to begin debate today on the bill to unify the armed services and a House committee ending its hearings today on a similar measure, there is every indication that a decision will be reached at this session of Congress. Opposition in both Chambers is expected to be lively but not large.

Unification is a prerequisite to the formulation of any intelligent military policy for the United States. As long as it remains a disputed legislative matter no really long-range planning can be done. It has been almost 2 years since the guns were silenced in the Pacific and high time to be about molding the peacetime military establishment we need. The longer a decision is delayed the more frictions will develop among the services in their campaigns for appropriations and congressional preference and the longer costly duplications will continue.

In overriding some of its armed services committeemen in the House, who apparently favored an interminable continuance of hearings until every Navy officer who objected could be heard, the Republican leadership has shown political courage and statesmanship. Recent testimony by naval officers before the House committee had raised no new points of objection to the basic principle. Most of it has been along the pattern of "Yes, but," and the putting forward of alternatives that in many cases would be as weak as no unification at all.

Fortunately, unification has not been made a partisan issue. President Truman is vigorously in favor of it. So, apparently, is the leadership of both major parties. The Secretaries of War and Navy and the ranking commanders of Army, Navy, Air, and the Marine Corps have all put their stamp of approval on the proposed legislation. There is a time for discussion and a time for decision. On unification the time for decision has arrived. Delaying tactics in either House should not be sanctioned by the leadership. The quicker unification can be put into practice the sooner we shall have that integration of policy and of services which was so obviously needed during the war and is just as necessary today.

[From the Evening Star, Washington, D. C., of June 30, 1947]

AMERICAN LEGION URGES UNIFICATION NOW—LEGION ASKS CONGRESS TO PUT SERVICES UNDER SINGLE DEPARTMENT

The American Legion urged Congress today to establish a single Department of National Defense, "with provision for the Army, Navy, and Air Forces on an equal level therein."

The Legion's views were presented to the House Expenditures Committee by John Dwight Sullivan, of New York, and Arthur F. Duffy, Jamaica, N. Y. The committee is holding hearings on legislation proposing unification of the armed forces.

The two Legion representatives presented the conclusions of the veterans' organization as follows:

1. In the opinion of the Legion the time for action is now.

2. While the opinions "of our military and naval leaders are to be considered with respect," and while it is desirable that they resolve their differences as far as possible, it is neither necessary nor advisable that we wait until they are in complete agreement on details before this necessary action is taken."

3. No branch of the armed services "has any vested interest in the national security and that the sole question to be determined is as to the manner in which the national security can best be preserved."

4. The end to be attained is the centralization of civilian authority and control under the President.

FEDERAL CROP INSURANCE

Mr. TAFT. Mr. President, on the last call of the calendar, I objected to the bill of the Senator from Vermont [Mr. AIKEN], Senate bill 1326, dealing with the question of crop insurance. There was no other objection, after some discussion. I have discussed the matter further with the Senator from Vermont. The bill generally is restrictive of the policy of crop insurance, and I objected only because of the increase in authority by some $50,000,000 which was contained in the bill. I have agreed with the Senator from Vermont that, if the amount is reduced to $25,000,000, I will withdraw my objection. I therefore ask unanimous consent that the Senate proceed to the consideration of Calendar No. 384, Senate bill 1326.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent for the present consideration of Calendar 384, Senate bill 1326. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1326), to amend the Federal Crop Insurance Act, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 9, to strike out lines 8, 9, 10, and 11, as follows:

SEC. 9. The provisions of law amended by this act shall be deemed to continue in full force and effect for purposes of carrying out the provisions of insurance contracts entered into prior to the enactment of this act.

And to insert:

Nothing in this act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this act is hereby terminated at the end of the 1947 crop year.

So as to make the bill read:

Be it enacted, etc., That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) (1) Commencing with crops planted for harvest in 1948, to insure producers of the agricultural commodities authorized to be insured by paragraphs (2) and (3) of this subsection, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, against loss due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Such insurance shall not cover in excess of 75 percent of the recorded or appraised average yield of such commodities on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That if 75 percent of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percent so as more nearly to reflect the investment in the crop in such area. Such insurance shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. Insurance shall not be provided in any county unless written applications therefor are filed covering at least 200 farms, or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured.

"(2) To insure producers of wheat in not to exceed 633 counties, and producers of flax

in not to exceed 87 counties: *Provided*, That insurance may be offered to such producers in selected counties in accordance with the provisions of paragraph (3) of this subsection, if the Board so determines.

"(3) For the purpose of determining the most practical plan, terms, and conditions of insurance with respect to cotton, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board, to insure producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity, notwithstanding any other provision of this title: *Provided*, That such insurance shall be limited in 1948 to not more than five crops (exclusive of wheat and flax, but including corn, cotton, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity under this paragraph, except corn, cotton, and tobacco, shall be limited to producers in not to exceed 20 counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced. In the case of corn and tobacco, such insurance shall be limited to producers in not to exceed 50 such counties; and, in the case of cotton, such insurance shall be limited to producers in not to exceed 56 such counties."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(b) To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses: *Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of such other fixed price as the Board may determine. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided*, That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claims shall be allowed under this section unless the same shall have been brought within 1 year after the date when notice of denial of the claim is mailed to and received by the claimant."

SEC. 4. Subsection (e) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(e) Commencing with the 1948 crop, to provide, upon such terms and conditions as the Board may determine, reinsurance to private insurance companies which insure producers of any agricultural commodity under contracts acceptable to the Corporation and consistent with the provisions of this title: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed 20 counties selected by the Board."

SEC. 5. Section 508 of the Federal Crop Insurance Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Beginning with the 1948 crop, if the Board shall so determine, to establish local insurance areas (county, or larger contiguous area determined by the Board), and operate, through local associations established under the provision of section 507 (c) of this title, a plan of insurance in any such area which would provide for premium assessments in any year following a year in which the accumulated losses (exclusive of any amount drawn from reserves of the Corporation) or any agricultural commodity in the area exceed the accumulated premiums (less any amount credited to reserves of the Corporation) on such commodity, such assessments to be continued until the accumulated premiums (less any amount credited to reserves of the Corporation) exceed the accumulated losses (exclusive of any amount drawn from reserves of the Corporation): *Provided*, That no such assessment shall be made against new insured producers for the first year of insurance."

SEC. 6. Subsection (a) and (b) of section 504 of the Federal Crop Insurance Act are amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000."

SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the 'Board') subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum of the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed $100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

SEC. 9. Nothing in this act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this act is hereby terminated at the end of the 1947 crop year.

The amendment was agreed to.

Mr. AIKEN. Mr. President, I offer an amendment, on page 7, line 9, to strike out "$150,000,000" and insert "$125,000,000."

The PRESIDENT pro tempore. The Senator from Vermont offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 7, line 9, it is proposed to strike out "$150,000,000" and insert in lieu thereof "$125,000,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WHITE. Mr. President——

The PRESIDENT pro tempore. The Senator from Maine.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. LANGER. I should like to ask the distinguished Senator from Vermont a question in connection with the crop insurance bill just passed. Do I understand that the sum of $25,000,000 is an increase of $25,000,000 over last year?

Mr. AIKEN. It is an authorization to increase the capital to $25,000,000; but of course it will have to be obtained from the Appropriations Committee. The $25,000,000 seemed to be adequate to take care of the future. It appeared that the $50,000,000 that was originally requested was not necessary.

ADJOURNMENT

Mr. WHITE. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 18 minutes p. m.) the Senate adjourned until tomorrow, Thursday, July 10, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 9 (legislative day of July 7), 1947:

UNITED STATES MARSHALS

Chester S. Dishong, of Florida, to be United States marshal for the southern district of Florida. (Mr. Dishong is now serving in this office under an appointment which expired May 7, 1947.)

A. Roy Ashley, of South Carolina, to be United States marshal for the western district of South Carolina, vice Reuben Gosnell, term expired.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeons (equivalent to the Army rank of lieutenant colonel), effective date of oath of office:

Walter E. Doyle
Charles Ferguson
Bengt L. K. Hamilton

To be surgeon (equivalent to the Army rank of major), effective date of oath of office:

Ira Lewis

To be scientist (equivalent to the Army rank of major), effective date of oath of office:

John C. Keresztesy

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Marion F. Graham
Robert P. Ralls
Robert C. Rodger
James B. Dukes
M. Lawrence Brockmyer
Henry D. Smith
Henry C. Savage
John S. McMillin
John L. Lightburn
Kenneth W. Horne
Robert A. Mattingly, Jr.

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Rheim M. Jones
George A. Spendlove
Thomas A. Hathcock

The following-named candidates for promotion in the Regular Corps of the Public Health Service:

Surgeons to be temporary senior surgeons (equivalent to Army rank of lieutenant colonel):

Alexander A. Doerner
Abraham Wikler
Harry Heimann

Scientist to be temporary senior scientist (equivalent to Army rank of lieutenant colonel):

Samuel W. Simmons

POSTMASTERS

The following-named persons to be postmasters:

ALASKA

Lawrence T. McGuane, Skagway, Alaska, in place of M. V. Rafferty, resigned.

CALIFORNIA

Lillian Linde Hilderman, Keeler, Calif. Office became Presidential July 1, 1947.

Letitia D. Winn, Venice, Calif., in place of L. H. Strickland, removed.

Martin A. Broadbere, Walnut, Calif. Office became Presidential July 1, 1945.

CONNECTICUT

Ralph S. Gregory, Cannondale, Conn. Office became Presidential July 1, 1947.

Blanche M. Turbarg, Colebrook, Conn. Office became Presidential July 1, 1947.

Carleton L. Quint, North Woodbury, Conn., in place of H. H. Canfield, retired.

Russell G. Beckwith, South Windham, Conn., in place of C. E. Johnson, resigned.

Joseph E. Scheidel, West Simsbury, Conn. Office became Presidential July 1, 1947.

John J. Cahill, Wilton, Conn., in place of I. V. Lawson, resigned.

FLORIDA

Ollie T. Vaughan, Dinsmore, Fla., in place of M. L. Vaughan, deceased.

HAWAII

Agnes F. Baldwin, Hamakuapoko, Hawaii. Office became Presidential July 1, 1945.

ILLINOIS

Gustave J. Frech, Lenzburg, Ill., in place of Charles Dickson, retired.

INDIANA

Novie A. Huff, Taswell, Ind. Office became Presidential July 1, 1945.

Lawrence J. Etnire, Williamsport, Ind., in place of L. J. Etnire, transferred.

IOWA

Earl E. Shelledy, Spirit Lake, Iowa, in place of W. W. White, resigned.

KENTUCKY

Louise McKinney, Midway, Ky., in place of M. D. Cogar, retired.

Bess L. Hope, Tompkinsville, Ky., in place of B. L. Bradshaw, retired.

LOUISIANA

Effie O. Broussard, Allemands, La. Office became Presidential July 1, 1947.

Chester J. Carville, Carville, La., in place of L. A. Carville, retired.

MAINE

Ellery L. Robinson, Lisbon Center, Maine, in place of L. R. Breton, resigned.

MARYLAND

William F. Mann, Finksburg, Md., in place of E. F. Horner, resigned.

William Edgar Ensor, Sparks, Md., in place of F. H. Blake, resigned.

MASSACHUSETTS

Hattie A. Wilson, Bryantville, Mass., in place of P. E. Wilson, resigned.

MICHIGAN

George L. Lobenhofer, East Saugatuck, Mich. Office became Presidential July 1, 1947.

Maggie A. Porter, Idlewild, Mich. Office became Presidential July 1, 1947.

Lawrence H. Jordan, National City, Mich. Office became Presidential July 1, 1947.

MISSISSIPPI

Robert M. Fisher, Jr., Bucatunna, Miss., in place of R. D. Sigler, transferred.

Hubert B. Scrivener, Maben, Miss., in place of C. H. Douglas, resigned.

Owen O. Odom, Steens, Miss., in place of S. L. Brewer, deceased.

NEW MEXICO

Mary E. Behrens, Encino, N. Mex., in place of Alfredo Bachicha, removed.

NEW YORK

William A. Bramer, Clyde, N. Y., in place of K. D. Maloy, resigned.

Mary N. Seamans, East Pembroke, N. Y., in place of H. A. McCargar, retired.

OHIO

Walter L. Bervinkle, Jr., Fort Jennings, Ohio, in place of C. B. Brockman, transferred.

Marjorie C. Rees, Medway, Ohio, in place of H. J. Bagford, resigned.

Elaine D. Severn, Mendon, Ohio, in place of D. M. Miller, resigned.

OKLAHOMA

Willard P. Perrymore, Kinta, Okla. Office became Presidential July 1, 1943.

OREGON

Veston H. Casey, Beatty, Oreg. Office became Presidential July 1, 1947.

Robert E. Richter, Camas Valley, Oreg., in place of A. M. McFall, declined.

Alma M. Elliott, Chiloquin, Oreg., in place of E. H. Hosley, resigned.

PENNSYLVANIA

Clarence R. Tobin, Cresson, Pa., in place of E. C. Bishop, resigned.

Leonard A. Hampton, Holicong, Pa. Office became Presidential July 1, 1947.

Irene Josephson, Tamiment, Pa. Office became Presidential July 1, 1947.

Marian H. Van Wyk, Whitford, Pa. Office became Presidential July 1, 1947.

Charles O. Barry, Williamstown, Pa., in place of J. R. Hancock, retired.

RHODE ISLAND

Bruce J. Stokes, Forestdale, R. I., in place of A. J. Stokes, retired.

LeRoy E. Davis, Greene, R. I., in place of C. H. Arnold, retired.

SOUTH CAROLINA

James W. Ballard, Folly Beach, S. C., in place of M. S. Bennett, resigned.

Ruth Hill Klump, Isle of Palms, S. C. Office became Presidential July 1, 1947.

Pauline P. Able, Norway, S. C. Office became Presidential July 1, 1947.

James C. Cauthen, Orangeburg, S. C., in place of A. B. Chavis, resigned.

TENNESSEE

Sam P. Gammon, Fordtown, Tenn. Office became Presidential July 1, 1944.

TEXAS

John D. Hendricks, Cooper, Tex., in place of W. D. Hart, deceased.

Jim A. Bayer, Dime Box, Tex., in place of D. F. Stamps, retired.

Hardy R. Hancock, Jasper, Tex., in place of E. N. Seale, resigned.

Jeff T. Graham, Knox City, Tex., in place of B. C. Anderson, transferred.

Roy B. Hennington, McCaulley, Tex., in place of L. H. Rector, retired.

Myrtle M. Lewis, Pipecreek, Tex. Office became Presidential July 1, 1947.

Nell Agnes Shull, Progreso, Tex. Office became Presidential July 1, 1947.

Lewis A. Botard, Sheridan, Tex. Office became Presidential July 1, 1947.

Eva C. Shepherd, Sullivan City, Tex., Office became Presidential July 1, 1947.

Donald M. Hackney, Sunset Heights, Tex., in place of A. I. Hackney, resigned.

VERMONT

Iola M. Jobin, Ely, Vt., in place of I. T. Webster, resigned.

VIRGINIA

Henrietta G. Montgomery, Denbigh, Va., in place of M. P. Walker, resigned.

Daniel William Moffett, Warrenton, Va., in place of T. E. Frank, retired.

Thomas S. Hawkes, Jr., Wellville, Va., in place of T. S. Hawkes, deceased.

WASHINGTON

Virgel M. Newman, Kingston, Wash., in place of M. R. Joyce, resigned.

WEST VIRGINIA

Brady F. Randolph, Sutton, W. Va., in place of Ben Gillespie, deceased.

WISCONSIN

Florence D. Cychosz, Heafford Junction, Wis. Office became Presidential July 1, 1947.

Joseph W. Szymanski, Marathon, Wis., in place of Henry Stanke, resigned.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 9, 1947

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, we pray that in these days of confusion and uncertainty our philosophy of life may take on a new seriousness and a deeper earnestness.

We humbly confess that the splendor of the sun is so often eclipsed by our own faithlessness and we wander in darkness. Emancipate us from that doubting and cynical temper of mind which is treason against God and man.

We pray that we may be more eager to contribute to the well-being of all mankind. May we not just fold our arms and stand by as complacent spectators.

Thou knowest how clamorous we are in insisting upon our rights, and we give

little thought to our duties and responsibilities. We are ashamed that we are frequently filled with a feverish ambition to outshine and surpass someone else.

Gird us with fortitude and faith and make us loyal to those finer impulses which urge us to do our best and to hope much, for Thou hast not created us for failure, but for victory.

Hear us in the name of the Captain of our salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 58. Concurrent resolution authorizing the Clerk of the House, in the enrollment of the bill H. R. 3737, to make a change clarifying the effective date of the motor-fuel tax.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) entitled "An act to provide revenue for the District of Columbia, and for other purposes."

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Justice.
4. Department of Labor.
5. Department of the Navy.
6. Department of the Treasury.
7. Department of War.
8. Federal Security Agency.
9. National Housing Act.
10. Tennessee Valley Authority.

EXTENSION OF REMARKS

Mr. BULWINKLE asked and was given permission to extend his remarks in the RECORD and include an article by John Temple Graves.

Mr. DEVITT asked and was given permission to extend his remarks in the RECORD and include a report.

Mr. BAKEWELL asked and was given permission to extend his remarks in the RECORD.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts in each.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include an article by David Lawrence.

Mr. ANDREWS of New York asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by citizens of Buffalo.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an address by Hon. George E. Allen.

Mrs. BOLTON (at the request of Mr. HALLECK) was given permission to extend her remarks in the RECORD and include certain editorials.

SPECIAL ORDER GRANTED

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FREE ENTERPRISE IN WASHINGTON

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I see by the papers that a Danish stowaway who in 6 months ran $50 into a $4,000 business in Washington is to be sent home. He wants to come back, but I fear for the prospects of this great Dane. Such a blatant exhibition of free enterprise—and in Washington at that—may cause delay in admitting him; he sounds too much like a Republican.

PRINTING OF ADDITIONAL COPIES OF FASCISM IN ACTION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have introduced today House Resolution 277, providing for the printing of 100,000 additional copies of the booklet called Fascism in Action, which was authorized on yesterday. I hope the committee will give the resolution early consideration.

The resolution is as follows:

Resolution providing for the printing of additional copies of the pamphlet entitled "Fascism in Action"

Resolved, That there shall be printed 100,000 additional copies of the pamphlet entitled "Fascism in Action," which was ordered to be printed as a House document by House Resolution No. 83, Eightieth Congress, of which 84,000 copies shall be for the use of the House of Representatives and 16,000 copies shall be for the use of the Senate.

These copies are to be provided for Members to be distributed free.

AMENDMENT OF NATURAL GAS ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 278, Rept. No. 811), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ASSISTANCE FOR CERTAIN WAR-INCURRED SCHOOL ENROLLMENTS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 279, Rept. No. 812), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3682) to extend the period for providing assistance for certain war-incurred school enrollments. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADOLPH PFANNENSTIEHL

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1585) for the relief of Adolph Pfannenstiehl, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 5, strike out "$1,000" and insert "$750."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROBERT HINTON

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1954) for the relief of Robert Hinton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,000" and insert "$1,500."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

NORMAN THORESON

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1658) for the relief of Norman Thoreson, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, after "Thoreson", insert "and Thoreson Brothers, a partnership."

Amend the title so as to read: "An act for relief of Norman Thoreson and Thoreson Brothers, a partnership."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HUGH C. GILLIAM

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1956) for the relief of Hugh C. Gilliam, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$1,000" and insert "$500."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LORETTA McOWEN

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 266) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Loretta McOwen, widow of Joseph A. McOwen, late an employee of the House an amount equal to 6 months salary at the rate he was receiving at the time of his death and an additional amount not to exceed $250 toward defraying the funeral expenses of the said Joseph A. McOwen.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include excerpts from hearings by the War Department Civil Functions Committee.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include an article by Sumner Welles.

BUREAUCRACY IN THE POST OFFICE DEPARTMENT

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, when a bureaucracy grows so large and so arrogant that it completely disregards the rights of the individual citizen, it is time for the people to rouse themselves to action. Our post-office officials in Washington have demonstrated precisely this kind of callous indifference to elementary justice in the case of Joseph P. Bryant, of Cleveland, Ohio. For 20 years this man worked with the Postal Department, and no serious charge was ever brought against him. Then a short time ago he was arrested and charged with overcharging 72 cents on two packages mailed from his postal station. He was brought to trial in the Federal courts, and although he could have been acquitted on a technicality, he insisted upon sending the case to the jury. That jury took 20 minutes to find him completely innocent. The Federal judge who heard the evidence declares that there is no doubt as to the accuracy of the verdict. In spite of this complete vindication, the Post Office refuses to reinstate this man. Washington spokesmen say that they know him to be guilty. Surely, if they had any evidence to support their charge, it should have been presented at this trial. Surely there can be no moral justification for such unprincipled and high-handed conduct by any Government bureau. This is the kind of thing for which Americans have never stood. I call this matter to the attention of the American people in a plea for justice for Joseph Bryant. He is bigger than any bureaucracy, and we must recognize the issue for what it is. I am asking the Postmaster General to direct his reemployment. If he fails, I shall call upon the President for action.

VETERANS' ADMINISTRATION GUARANTEED REAL ESTATE PAPER

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, it will be recalled that when we had Senate Joint Resolution 135 up for consideration, which is the bill to extend the Reconstruction Finance Corporation, we deleted from that bill a provision which authorized the Reconstruction Finance Corporation to purchase without recourse from banks, mortgage corporations, building and loan associations, and other financial institutions Veterans' Administration guaranteed real estate mortgages.

There have been many inquiries about the effect of that, and particularly as to the reason why it was deleted from the bill.

I have prepared a statement in respect to that question which under leave to extend my remarks I am inserting in the RECORD, together with some tables and also a letter which I have written to one of my constituents having to do with the matter.

The material referred to is as follows:

The Servicemen's Readjustment Act of 1944 (GI bill) became law on June 22, 1944. It was not until August 1946, over 2 years later, that authority was given the RFC to purchase mortgages guaranteed or insured under this program, and RFC first exercised such authority on October 30, 1946.

The GI home-loan program will be in effect for 10 years following the formal termination of World War II. As of May 25, 1947, the Veterans' Administration had processed for closing 736,687 GI home loans in a principal amount of $4,207,034,907. On these loans the Government liability by virtue of the Veterans' Administration guaranty was $1,976,297,607.

Under the RFC purchase authority it had purchased up to June 15, 1947, a total of $58,517,506. Commitments were outstanding in an additional amount of $18,396,511. The RFC purchase program is growing by leaps and bounds as is illustrated by the following table of monthly purchases:

Month (1947):	*Amount*
January	$2,914,000
February	1,969,000
March	2,187,000
April	3,592,000
May 1–May 12	5,329,000
May 13–June 15	18,149,000

General Bradley estimates that the RFC is making currently purchases averaging $1,500,000 per day. The committee has limited RFC's investment and loaning authority to $2,000,000,000 for all purposes. Continued purchases at only the present rate during the next 2 years would consume over half of RFC investment and loaning authority, and it should be borne in mind the amount of GI home loans already processed for closing of $4,200,000,000 is over twice RFC overall investment and lending authority. The potential magnitude of this program is apparent when it is noted that of the something over 14,000,000 veterans less than 6 percent have exercised their privileges under the home-loan program at the present time.

The GI home-loan program with its 50 percent (up to $4,000) guaranty was instituted to activate the abundant private credit in financing homes for our veterans. Approximately one-third of all mortgages recorded during 1946 were under the GI program. In savings and loan associations alone, the primary purpose of which are to finance home loans, there was, as of December 31, 1946, $2,480,000,000 in cash and Government bonds which amounts to one-third of all their outstanding mortgage loans of $7,229,000,000. Likewise banks, insurance companies and other lending institutions have ample funds for investment purposes at the present.

The GI home loan affords attractive paper for mortgage-lending institutions. Approved loans carry a Government guaranty against loans of 50 percent up to a maximum of $4,000. In other words, on any loan of $8,000 or less the Government guaranty amounts to a full 50 percent, and in event of default the lender would have to realize less than 50 percent of the loan value of the property before he would suffer any loss on the loan.

On any loan above $8,000 the decline in realized value that would have to take place before the institution would suffer any loss is the ratio of $4,000 to the amount of the loan. In other words, on a $10,000 loan the realized value would have to shrink 40 percent before the lender would lose any money. On a $12,000 loan the decline would have to amount to 33⅓ percent, on a $16,000 loan to 25 percent, and on a $20,000 loan to 20 percent.

The effect of an unlimited RFC purchase authority for such mortgages would be to place the Government in the position of advancing 100 percent credit to private lending institutions on such loans. Practically this amounts to a 100-percent blanket-participation program by the RFC with such lenders on these loans.

When the RFC purchases such a loan secured by the veterans' mortgage, it is important to note that, should default occur, it places the United States Government in the position of foreclosing upon the veterans' home. Without RFC purchase, such would not occur.

The reason for giving the existing authority to purchase these mortgage loans to the RFC was to provide an outlet for small banks making such loan. RFC purchases indicate that banks have not been the prime users of this secondary market which is evidenced by the following table:

Purchases and commitments to purchase GI home mortgages through June 30, 1947

	Mortgages purchased and commitments to purchase		Percent of total	Average size of mortgage
	Number	Amount		
National banks	2,324	$12,296,350	9.0	$5,291
State banks	3,770	21,496,710	15.7	5,702
Mortgage loan companies	14,335	86,717,725	63.6	6,049
Building and loan associations and savings and loan associations	1,713	9,244,480	6.9	5,396
Others	1,110	6,487,506	4.8	5,897
Total	23,242	136,242,771	100.0	5,862

In some sections of the country there is such a demand for GI home loans that they are selling at a premium in the private secondary market. It should also be recalled that other secondary markets exist for such loans in the rediscount privileges of the Federal Reserve and Federal home-loan banks.

Another factor to be considered in connection with an unlimited RFC secondary market for these loans is its potential inflationary effect. For instance, a lending agency of limited resources could vastly expand its credit operations by selling its mortgage loans to the RFC as rapidly as made. This has the effect of pumping Government credit into an already inflationary real-estate market.

A practice subject to abuse in such a program is one where a lending agency by rolling over a large number of these loans builds up a substantial income from the servicing fee of one-half of 1 percent which the RFC allows. Financing becomes of secondary importance to the building up of a substantial volume of servicing fees.

This whole program raises a question of fundamental policy. If there is a deficiency in marketing this paper in private channels, it cannot be corrected by merely permitting the RFC to purchase it. The answer is to go back to the GI bill, ascertain the deficiency, if any, and provide for it there directly.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, July 3, 1947.

DEAR MR. ———: In the RFC Act which became law on June 30, 1947, no provision was made for the purchase by RFC of real-estate mortgages. Likewise there is no authority for making loans on real estate. However, RFC may take real-estate paper as collateral for loans made to financial institutions or business enterprises. The RFC can no longer buy, without recourse, mortgages which are partially guaranteed by the Veterans' Administration.

The new business of the Corporation is limited to $2,000,000,000. RFC has been buying VA mortgages only since last October. Up to June 16, 1947, it has purchased and committed to purchase about $77,000,000 worth of this paper. This is not very much compared to the total volume of real-estate mortgage transactions for the same period. However, the practice has grown to the extent that RFC was recently buying them at the rate of $1,500,000 per day. This means that RFC was rapidly becoming the primary market for VA guaranteed mortgages.

These mortgages were sold to the RFC without recourse. In a relatively short time, RFC could have all of its investment loan purchase and commitment powers completely exhausted by this practice. Forty-six million of the total 77,000,000 of these mortgages have been sold to the RFC by mortgage companies. A much smaller percentage of the aggregate has been sold to RFC by banks and building and loan associations.

On RFC purchase of these mortgages, the Government being the primary obligee must foreclose against the veteran on default. There have been only 9 defaults on this RFC-held paper up to the present time, but if RFC continued to buy these mortgages at the recent rate of purchase, then when and if anything happens to the real estate market we would find the Government in a very unpleasant situation of having to foreclose directly against the veterans. Of course, the Government would never do this if a goodly number of veterans were involved. Righteous indignation would compel the Congress to give discriminatory relief. This situation would have to be met head-on eventually. It was thought advisable to do so before it had reached colossal proportions.

RFC can get its money only from the Treasury. Most financial institutions have a secondary market in the Federal Reserve banks and home loan banks. The tendency of course on the part of mortgage companies or banks would be to hold the good paper in their portfolios and sell their doubtful paper to the RFC. The liability of the veteran in any deficiency upon foreclosure might continue long after he has disposed of the property; after the mortgage has been sold to RFC it becomes the innocent third party. The veteran could not waive the Veterans' Administration guaranty to the prejudice of the mortgagee or the purchaser of the mortgage.

A veteran can borrow from the Veterans' Administration the 10 percent down payment on an FHA-insured mortgage. His monthly payments are about the same. He has the benefit of the safeguarding supervision of FHA; it inspects the property periodically during construction to ascertain that it is being built according to certain standards, thus assuring the veteran a house of such quality that it will outlive the period of amortization of the mortgage.

When and if there is any shortage of home building credit, the Congress can take cognizance of the fact and very quickly expand the program.

Sincerely yours.

(Mr. WOLCOTT asked and was given permission to revise and extend his remarks and to include a statement and certain schedules and copy of a letter.)

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from the department commander of the Disabled American Veterans of Massachusetts.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

ALLEGED SHIPMENT OF FOOD AND MEAT FROM THE MEDITERRANEAN AREA TO THE UNITED STATES

Mr. VORYS. Mr. Speaker, by direction of the Committee on Foreign Affairs, I offer a privileged resolution (H. Res. 258) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of State be requested to furnish the House of Representatives full information in his possession relative to reports published in the New York Times and other newspapers that thousands of packages containing 100,000 to 160,000 pounds of food, mostly meat, have been shipped during the past 6 to 12 months from Greece and the Mediterranean area to the United States for "supposedly starving Americans."

Mr. VORYS. Mr. Speaker, I ask that the report be read.

The Clerk read as follows:

ADVERSE REPORT

The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 258) requesting the Secretary of State to furnish the House of Representatives full information relative to food and meat being shipped from Greece and the Mediterranean area to the United States, having considered the same, report unfavorably thereon without amendment and recommend that the resolution do not pass.

The committee recommends against the passage of the resolution because full information, as requested in the resolution, has been furnished the committee in a letter from the Department of State, the text of which is included in this report for the information of the House. It will be noted from the Department's letter that the Federal Trade Commission is investigating the principal American commercial firms involved, to "ascertain whether unfair trade practices and/or fraud have been employed in this connection." The State Department has also assured the committee that any pertinent additional information revealed through this investigation will be passed on to the committee.

DEPARTMENT OF STATE,
Washington, July 1, 1947.

The Honorable CHARLES A. EATON,
House of Representatives.

MY DEAR MR. EATON: Reference is made to your letter of June 26, 1947, enclosing copies of House Resolution 258, which requests the Secretary of State to furnish all information available regarding recent published reports of the shipment of food parcels from Greece to the United States.

The American Embassy at Athens reports that between May 16, 1946, and May 31, 1947, the Greek Government, as a result of the large public demand, permitted Greek nationals to send gift packages to friends and

relatives in the United States. However, on May 31, that order was revoked. In announcing the revocation the Greek Minister of Coordination stated that approximately 48,315 packages had been sent. An examination by the Greek authorities of 848 parcels weighing approximately 15,350 pounds revealed that they contained mainly home specialties and that all but about 232 pounds were products of which Greece had a surplus. During the lifetime of the order the contents, weight, and value of all packages were strictly controlled by the Greek Government. The Minister of Coordination added that there was no question of political or commercial exploitation connected with the shipments but that transport companies had encouraged them in order to profit from the excessive rates.

This question was first brought to the attention of this Department in a letter from the Under Secretary of the Treasury dated March 21, 1947, which enclosed a copy of a report from the office of the collector of customs, New York, stating that as a result of soliciting by Greek firms in Greek-language papers thousands of gift packages were arriving in the United States addressed to individuals. These packages were reportedly assembled by forwarding agencies in Greece and shipped in single lots at commercial freight rates to firms in the United States for forwarding to the addressees. The report stated that no two packages were alike and that no accurate lists of the contents were available.

Following the receipt of the above information, discussions took place between officials of this Department, the Treasury Department, and the Federal Trade Commission. The latter agency is investigating the activities of two New York corporations, which are understood to be the principal commercial firms in this country which are involved, to ascertain whether unfair trade practices and/or fraud have been employed in this connection. This Department is cooperating in this investigation through arranging for inquiries to be made in Greece. If any pertinent additional information is revealed through this investigation, we will be glad to pass it along to you.

Because of the urgency of the matter this letter has not been cleared with the Bureau of the Budget, to which a copy is being sent.

Sincerely yours,

DURWARD V. SANDIFER,
Acting Legislative Counsel
(For the Secretary of State).

Mr. VORYS. Mr. Speaker, the reports are available for all those who wish to read them.

I move that the resolution be laid on the table.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. VORYS. No; I move that the resolution be laid on the table.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. When a report of this nature has been read must not the Member in charge of time yield for a question?

The SPEAKER. The gentleman from Ohio has control of the time.

Mr. RICH. Is it possible to refuse to allow a question in reference to foodstuffs that are being shipped to Greece from America to find out whether the foods are needed in Greece?

The SPEAKER. The gentleman from Ohio has control of the time. He can yield or not as he so desires for any purpose. The gentleman from Ohio has refused to yield.

The question is on the motion that the report be laid on the table.

The motion was agreed to, and a motion to reconsider was laid on the table.

FOOD SHIPMENTS FROM GREECE TO AMERICA

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this report came as the result of the resolution of inquiry I introduced. I am not completely satisfied with the report, but I note the Department says it will investigate further. I will state that if further information does not come to the House I shall introduce another resolution of inquiry.

I thank the Foreign Affairs Committee for getting what information they could.

SIXTEEN GOOD REASONS WHY UNIFICATION OF THE ARMED FORCES IS UNNECESSARY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the proposal to unify command of the armed forces has resulted in a torrent of conflicting information that has tended to bewilder and confuse the American public.

Therefore, it is refreshing to analyze the expert observations of Admiral Arthur W. Radford, commander of the Second Task Fleet of the United States Atlantic Fleet, as expressed in a letter dated June 10, 1947, addressed to the gentleman from New York, Hon. W. STERLING COLE, member of the House Committee on Armed Services.

Admiral Radford is well qualified by his many years of practical experience in line of duty to testify on the subject of unification of the armed forces.

The 16 important reasons for rejecting the proposal to unify the command of the armed forces are of compelling importance in an impartial study of the subject. They are as follows:

First. Before the country, the Congress, or the services had time to evaluate properly the results of the last war or the prospects of the future, insofar as both pertain to a proper organization for national security, we were plunged into a discussion of detailed organization which largely missed the main point.

Second. The essence of the present situation is contained in the following statement of Fleet Admiral King before the Armed Services Committee of the Senate on May 6, 1947:

> I feel that in the controversies and discussions that have so far taken place (in relation to an improved organization for national security) the emphasis has been wrongly placed; that, so to speak, the cart has been put before the horse.

Third. From a national security standpoint our most pressing need of the moment is an agency which will coordinate and tie together all those activities of government which have to do with the political, the military, the economic, and the industrial factors involved in the common defense.

Fourth. As to the reorganization of the military departments themselves, it is my feeling that by a process of evolution and real interservice education a truly single service might become a probability within a generation.

Fifth. At a time when every prospect of the future indicates a necessity for a simplified and economical structure, it establishes an organization which multiplies, complicates, and one which will strain the financial resources of this country to maintain. Money badly needed for real military needs will be used for a greatly enlarged departmental structure and overhead.

Sixth. The crux of the matter in this respect is of course the demand of the Army Air Forces for autonomy. Without this demand we could proceed with an orderly coordination of the two services on an economical basis and ultimately to a single service.

Seventh. Insofar as air is concerned, and I consider myself qualified to speak, I feel that at the moment, as of today, the Air Forces of the Army and the Navy are the most essential offensive and defensive components of our military strength. Nothing should be done to weaken them in any way, and air-mindedness must continue to be a requisite in all military and naval planning and thinking.

Eighth. If the Army Air Forces attain separate departmental status, it is my belief that they will tend to become frozen in an outmoded pattern due to lack of competition. They will soon become the only air forces of the United States, for I am certain that the Naval Air Forces cannot long maintain their present status and efficiency vis-à-vis a separate air department.

Ninth. Without air the ground Army and the surface Navy, still able to exert tremendous influence, will tend to become completely reactionary in their efforts to maintain their own size and prestige.

Tenth. To my mind there is less reason for a separate department of air, now, than there was 25 or 30 years ago when proponents of such action were just as strong in their convictions and used many of the same arguments to back up their contentions.

Eleventh. What concern us as a nation now is the future. What of the future of military air? No one knows exactly, but in this connection I invite your attention to Dr. J. C. Hunsaker's letter dated January 10, 1947, wherein he says:

> The close of the war marked the end of one whole phase of development of the airplane as conceived by the Wright brothers. The airplane in its present form is no longer a sound basis for future planning for the national defense.

Twelfth. Since the future of military air power is not to be in the pattern of World War II, justification for a sep-

arate department of air should not be made on the basis that the Army Air Forces earned such a status by their splendid work in that war. If justified, it must be on the basis of future warfare which is an entirely different matter.

Thirteenth. In my opinion, a critical, impartial analysis will show that future air operations will become more closely integrated with all other phases of military operations; instead of becoming more independent, ground armies and surface navies will exist in such size and in such form as will best enable them to contribute to the support of the air offensive.

Fourteenth. H. R. 2319, providing for creation of the national defense establishment, would set the pattern for our military organization for some time to come. If that pattern proved wrong, it would be difficult if not impossible to change, for the structure it sets up would increase the collective influence of the military on our Government to a dangerous degree.

Fifteenth. My personal recommendation for an immediate solution to the problems involved in improving our organization for national security would be a coordinated two-department establishment with adequate and positive safeguards for the air forces of each department. Such an organization could be relatively simple and economical.

Sixteenth. On the question you ask in regard to the opinion of men in the service. I do not feel qualified to speak for any considerable number. I do know that many naval officers who have given the subject considerable thought agree with me in general, and that is particularly true of many naval aviators who are likely to occupy positions of great responsibility in the next 10 to 20 years.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

SPECIAL ORDER GRANTED

Mr. MASON. Mr. Speaker, I ask unanimous consent that I may address the House for 30 minutes on Monday next following the disposition of the business on the Speaker's table and other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FOOD PACKAGES FROM GREECE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I am quite surprised that we had this report from the Foreign Affairs Committee a few moments ago. It is difficult to determine what the true situation is. I am afraid the Foreign Affairs Committee are more foreign than domestic. Here a few weeks ago we gave $300,000,000 to feed the Greeks, yet we hear about foodstuffs being shipped from Greece into this country. We should find out whether our money is being wisely spent and whether or not the foodstuffs that are coming out of Greece could not more properly be used to take care of the Greeks and thus save $300,000,000 of the taxpayers' money in this country.

I am just shocked. I think the Foreign Affairs Committee must be more tied up in the interest of foreign countries than they are in the United States of America and they do not want the American citizens to know what is going on. It bothers me. I think the people of America ought to have the right to know whether you are spending their money wisely. I am of the opinion you are not doing the thing best for America by not letting the American people know exactly how you are squandering their money abroad.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House on tomorrow for 15 minutes after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUGAR RATIONING

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I think the membership of the House knows my record is pretty consistent so far as support of the price-control and rationing programs are concerned; however, recently my attention has been called to the manner in which those in charge of sugar rationing are subverting, seemingly intentionally and deliberately, the will of the Congress insofar as the act recently passed concerning the allocation of sugar is concerned for industrial users.

I have come to the conclusion that sugar rationing ought to be abolished and I think that should be done before the Congress adjourns. I have reached that conclusion, Mr. Speaker, because I believe those in charge are deliberately and intentionally violating the purpose and intent of the Congress when it passed the last act.

I hope the Committee on Banking and Currency will look into the way the act is being administered and bring in before we adjourn a simple resolution ending sugar control.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit during general debate of the House today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Wheeler McMillen, editor of the Pathfinder magazine, on the subject Voice of America.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include certain remarks he made in the Public Works Committee.

OHIO RIVER AUTHORITY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I rise at this time to congratulate the gentleman from Ohio [Mr. BENDER] for at last finding something wrong at home in Cleveland, Ohio, although only 72 cents seems to be involved, according to his report. The gentleman from Ohio [Mr. BENDER] has been spreading out trying to revise human nature in the Southern States so long that I was afraid he would never get back to Ohio with his investigations.

I shall be glad to help him find out from the Post Office Department what is wrong in Cleveland and assist him in every way I can to secure the proper correction.

I understand the gentleman from Ohio has also had another revival of righteousness and introduced a bill providing for an Ohio River Authority. He excludes the generation of electric power in this bill; however, he does provide authority for the people of Ohio to at least look at the Ohio River. If they will do that and realize that there are 10,000,000,000 kilowatt-hours of electricity a year going to waste in the Ohio River which the people of Ohio need, and will need more as they deplete their present coal supply, which is now on the decline, the gentleman from Ohio will have rendered two distinct services to the people of Ohio while letting the Southern States have a rest.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half of the time to be controlled by the gentleman from Rhode Island [Mr. FOGARTY] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. FOGARTY. Mr. Speaker, reserving the right to object, although we have not had any requests for time over that

amount on this side, I think it would be better if we could agree on an hour and a half. If we do not use it, all right; we can start reading the bill.

Mr. HORAN. Mr. Speaker, that is agreeable to me, and I amend my request accordingly.

Mr. FOGARTY. The time to be divided between the gentleman from Washington and myself.

Mr. HORAN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4106, with Mr. BROWN of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HORAN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, to serve on the Subcommittee on Appropriations for the District of Columbia is a responsibility which few Members of this House would seriously request.

Personally, however, I have found it to involve a valuable opportunity for public service because the District of Columbia—the Nation's Capital—is the property of the entire Nation. It is the property of my own district and of my own State, and not just the property of the people who live here. Furthermore, it is not only the Nation's Capital but in the opinion and in the desire of some of us in this House, it is fast becoming the capital of the world. To serve its needs adequately is to safeguard the interests of every citizen in every district in all 48 States of the Union.

Congress is, under the Constitution, the trustee for the efficient operation of the District of Columbia government and for the welfare of that body of our American citizenry who, because of the needs of the Federal Government, must make the city of Washington a temporary place of abode. This trusteeship places responsibility upon any person serving on a District committee—whether legislative or appropriations—to serve sincerely, adequately, and energetically in devising a fiscal program which will maintain and assure the successful operation of every phase of the life of this Nation's Capital.

Aside from myself as chairman, the membership of the committee has included the Honorable KARL STEFAN, Member of Congress from Nebraska, to whom I am especially indebted for counsel and assistance, and to whom the people of the District of Columbia owe a debt of gratitude that cannot easily be discharged, for the gentleman from Nebraska [Mr. STEFAN] has continued to serve without stint of time or energy in the interest of good government in the District of Columbia for more than 10 years. His knowledge of the intricacies of the amazing network of boards, commissions, departments, bureaus, associations, and agencies which go to make up what we generally call the municipal government of the District of Columbia is enormous. I should like also to express my appreciation for the assistance given us in consideration of this bill by the other members of the committee, the Honorable RALPH E. CHURCH, from Illinois; the Honorable LOWELL STOCKMAN, Member of Congress from Oregon; the Honorable GEORGE ANDREWS, from Alabama; the Honorable JOSEPH BATES, of Kentucky; and the Honorable JOHN FOGARTY, Member of Congress from Rhode Island. I wish especially to express a chairman's gratitude to his colleagues on the committee for the considerable time they have devoted in helpful consideration of the problems involved in this bill. I also wish to express on behalf of the entire committee our gratitude to the very able and conscientious executive secretary of the committee, Mr. Corhal Orescan, whose helpfulness and devotion to the needs of the committee has characterized every effort in the long weeks given to the consideration of this bill.

The bill as reported by the Committee on Appropriations for consideration here, represents an increase of approximately $750,000 over the estimates presented in the President's budget. It represents an increase of approximately $5,000,000 over the appropriations made for the fiscal year just ended.

This is the last of the appropriation bills to come before this body. It is entirely different from any other appropriation bill on which this House acts. This is not a Federal supply bill. It is a supply bill for the local government of the District of Columbia. The latter assumes many of the aspects of a State.

I have served faithfully on two other major subcommittees. I recognize that the Federal Government must cut its expenses and balance without question its annual budget if this Nation is to remain solvent. At the same time, I feel that those public services which the people demand should be progressively assured wherever fitting and possible by local government. This we have tried to recognize in the bill before you.

Our consideration followed two general lines. First, the elimination as far as possible, of duplication, waste, and inefficiency by clarification of the authorities which exist here in the District. And, when one realizes that there are no less than 31 various autonomous offices, boards, and organizations within the framework of our District government, one can gain some concept of the confusion that can occur in consideration of the budget for the District of Columbia.

In fact, only in the budget and around the hearing table do some of these various autonomous bodies meet each other. It has been my habit to call our hearing table the trysting place of the District government.

These confusions of authority became tragically apparent to us and we took what steps we could to clarify them. The second thing that we considered was the actual down-to-earth needs of the District of Columbia. These were most glaringly apparent in two fields: First, in the educational system where thousands of children of school age are attending only part time and with regard to tuberculosis which is rapidly assuming the proportions of an epidemic.

We are, therefore, bringing to you a local budget rather than another Federal appropriation supply bill.

The Chair is no doubt also aware that the committee has made the recommendations and appropriations contained in this bill only after extensive hearings; at which time the recommendations, guidance, and counsel of the District of Columbia Commissioners and officials, as well as the seasoned opinions of many capable individual citizens of this community, were made available to the committee.

The bill which we present to you at this time in our best judgment contains adequate appropriations to meet fully the needs of the government of the District of Columbia and its several departments during the fiscal year 1948 within the limitations of the revenues available and estimated to become available as a result of legislation recently enacted by this House upon recommendation of the District of Columbia Committee and in conference with a committee from the other House.

I call to your attention, Mr. Chairman, that the task of fitting the needs of the District of Columbia into this limited-revenue area provided for, and maintaining a balanced budget at the same time, has been extremely difficult.

The District of Columbia has had no major construction program since the beginning of the war. Conditions in certain phases of this community's life have grown desperate because construction of needed facilities has necessarily been delayed for a period of 5 to 7 years. I make particular reference to the condition existing in the public schools, where at the end of the last school year nearly 7,000 students in the schools of the Nation's Capital were receiving only part-time—in most instances half-time—instruction. This condition resulted, primarily, because 22 schools were subjected to vast school population shifts during war years. In addition, no building program or major construction was deemed possible due to the shortage of critical materials.

Now, Mr. Chairman, I do not need to remind Members of this House that the final bulwark of the principles of democracy and that way of life which we designate "American" has its very genesis in our educational systems. We have a responsibility which we cannot ignore to provide adequately for a school program which will eliminate any condition involving 7,000 American school children receiving only a second-rate education.

Further, Mr. Chairman, the same condition has harassed other departments of the District of Columbia. New and increased housing is needed to match the city's unprecedented growth. Such expansion of housing facilities means simultaneously the extension of our highways, of our sewer systems, of our water system—this expansion also increases the burden placed upon our service facilities such as fire and police protection.

our hospitals, and, unfortunately, too, our public charities as represented by the public-welfare program. Some of these burdens and new responsibilities enusing from the city's wartime growth necessitates major capital outlay. An attempt to begin to solve some of these problems is reflected in the present supply bill.

Reference to the voluminous record of the executive and public hearings held by the committee, together with the full committee report which is in your hands, will indicate to you the task which the committee feels it has in part accomplished. Briefly, I should like to remind the Members of this House that the appropriations contained in the bill cover the revenues available from three segregated funds; namely, the general fund, the highway fund, and the water fund.

The financial situation with respect to the last two funds is sound, and the appropriation made in this bill will permit in each an estimated surplus at the end of the ensuing fiscal year.

In connection with the general fund, however, some explanation is needed, since this fund covers the majority of the operations of the District and represents the largest portion of the total appropriation. If the Members of the House will refer to page 2 of the committee report under the general heading of "Revenues and estimates," it will be seen that the total revenues based on existing legislation and upon anticipated revenues, including a Federal payment of $11,000,000 would amount to $78,151,200, which would leave a deficit of $3,067,000 in providing for the appropriations in this bill applied against the general fund revenues.

I would remind you, Mr. Chairman, that there are securities held by the District government as a reserve which could be sold and the committee proposed that the deficit of $3,000,000 would be relieved by the sale of these securities, providing the District government a reserve of approximately $630,000 after the recommended sale and enable a balanced budget. With reference to the highway fund and the appropriations to be expended from this fund, the Commissioners have estimated that under present and pending legislation, together with certain unobligated balances, the total revenue available is but $9,148,000. Against this amount, the committee has included in the bill the amount of $9,145,000, leaving a reserve of approximately $3,000.

The Commissioners further have estimated that water-fund revenues will be $5,960,000. Against this amount the committee has included in the bill the amount of $5,566,000, leaving a reserve of something slightly less than $400,000.

I should further remind you that the available revenues in all three of these funds against which the appropriations of this bill will be charged provide definite opportunity for increases, having been conservatively estimated by the District officials. No one is able to guess at this time with any degree of accuracy beyond the limit of a conservative estimate how much the recently enacted gasoline tax will produce in increased revenue for the highway fund. The same conjecture pertains in the estimate of the revenues for the water fund. In a lesser degree, perhaps, but still estimated on the conservative side, is the revenue to be produced by application of the recently enacted District income tax.

This committee is concerned not only with appropriations but is also vitally conscious of these estimated revenues. The recent study conducted by the District Committee to determine revenue availability and the resulting legislation has not provided this committee with any great relief in a very serious situation. The District must live within the limits established by Congress. It cannot, as can other municipalities or State governments, go into debt nor borrow money from any source unless authorized by the Congress, no matter how difficult and complicated the financial future may be. So the committee had of necessity to inquire into the future financial outlook, recognizing that through the passage of laws over which the District has no control, involving increased compensation for employees, shorter work hours, as well as increasing costs in almost every field, the District's budget increases were unavoidable.

You will recall the recent legislation raising the salaries of all school teachers and employees of the public-school system.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MASON. Is it not a fact that the passage of the tax bill yesterday for the District of Columbia practically makes it a necessity that we have a sales tax in the District of Columbia in order to carry on the work?

Mr. HORAN. I thank the gentleman, because to me that is supreme logic. This meant an increase of $2,370,800 above the budget estimates. In the last fiscal year the total appropriation for school needs was $19,741,000. In the present bill the amount is $24,484,000—an increase of $4,742,000 over 1947 appropriations, of which $1,936,000 is for capital outlay.

The costs of operating the public libraries is presented in this bill in an amount representing an increase of $118,496 over the 1947 appropriations, an increase resulting almost entirely from increased costs of personal services.

The Recreation Department in the last fiscal year received an appropriation of $874,309 excluding capital outlay. It will cost $180,991 more to maintain the same service in 1948 due to wage increases granted by Congress and application of the 40-hour work week.

In 1947 the appropriation for the police system was $5,783,500. In this bill the amount is $6,084,000, of which only $174,000 is for capital outlay to provide for a new precinct station. This means that it costs $121,500 more in wage increases alone to maintain the same police protection as last year.

The Fire Department requires an increase over the 1947 appropriations of $137,000 to provide for wage increases and to establish the new 60-hour workweek enacted into law by this Congress.

It will cost the District $875,000 more to operate its Health Department, an increase due largely to wage increases and the application of the 40-hour week.

The committee proposes, by better administration on the part of the responsible officials of the Public Welfare Board, that a saving of approximately $2,500,000 can be effected here.

The appropriation in this bill for the Public Works Division of the District is an increase of $5,196,000 over the last fiscal appropriation, approximately two and three-quarters millions of which is for essential capital outlays.

Mr. Chairman, I want to say in fairness to everyone present that when the report was submitted to the full Committee on Appropriations, some of the members of that committee felt that too large an expenditure was being provided for in the capital outlay program for the District schools. In defense of the committee's action, however, I want to remind Members of this House again that there is a tremendous backlog of delayed construction which must be begun if the children of Washington's school system are to be relieved of part-time education restrictions.

It will take several years for the District schools to provide facilities necessary to avoid all part-time instruction. To delay beginning this expansion program until another year has passed will only increase the burden upon our schools and produce a situation in which several thousand more children will be subjected to part-time instruction. This is a condition which in the conscience of this Congress cannot be side-stepped. Congress is the responsible body which must not only enable the District of Columbia to provide revenues for the maintenance of its government and the facilities of its various departments by levying an adequate tax program, but the body which must also enable the District of Columbia properly to expend its revenues in producing the widest range of facilities, opportunities, and services necessary to the taxpayers and the citizens' welfare.

Now, Mr. Chairman, I want to direct the attention of the Members to a very important item in this bill appearing on page 59 under the title "General provisions." I am aware that this provision is subject to a point of order, and I have no desire to conceal this fact by refraining from making direct and positive reference to it. I want to explain the reason for its insertion in the bill, and as clearly as possible spell out what retention of this provision will mean to the District of Columbia and the taxpayers whose moneys are in a very real sense being spent for them without their having any adequate recourse if they object to our decision.

Section 2 reads as follows:

> The several appropriations made shall be subject to allocation and reallocation among projects, activities, and functions as consistently as may be practicable with the 1948 budget and the justifications therewith by the respective heads of the administrative departments, boards, and offices involved, subject only to the general control and direction of the Board of Commissioners.

Mr. Chairman, one of the facts that impressed the committee in dealing with the estimates and items of this supply

bill was the need for strengthening and insuring wise administration in every department, board, and office in the District of Columbia. Congress can make available money to operate this municipal government through appropriations granted; Congress has virtually no power beyond this point to control expenditures, however, and must rely upon wise and economical administration of the functions involved to effect the good government which Congress intends to insure in making appropriations. Without good administration, efficient supervision, and adequate accounting control, there is no assurance that the money appropriated will be wisely spent. I would remind the Members again that this present bill involves a lot of money. It represents an increase of nearly $50,000,000 in the cost of maintaining the government of the District of Columbia over the appropriation of 10 years ago. There can be no question about the need for much of this increase, but the thought still persists that if a tighter control of expenditures, after an appropriation is granted were maintained, that some of this increased cost might easily be avoided. It is this intention on the part of the committee which causes us to make a provision in the present bill which will insure effort on the part of the responsible District officials in the direction of better administrative control over every expenditure. We have no desire to go into the matter of personalities involved in the offices affected; we are trying to deal only with a very important principle, a principle to which the Comptroller General of the United States has drawn sharp attention in several letters to the Board of Commissioners of the District of Columbia, and in my understanding, too, in a recent letter to the District Committee of this House in connection with its present study of reorganization of the government of the District of Columbia. This provision is entirely in line with the Comptroller General's suggestion, having been created and phrased in its language by members of his staff.

Mr. Chairman, section 2 of this bill, under the title "General provisions," provides the Commissioners of the District of Columbia with an administrative control over all the various "floating ribs" of District government involved—including those which are at present autonomous except for the review of the expenditures of their appropriations—it provides the Commissioners with a control such as never was before possible.

Throughout our long and extensive hearings, it has been repeated again and again by the chairman and echoed by all the other members of the committee when present, that there should be adequate provision for administrative control by the Commissioners. This provision in the supply bill will increase rather than lessen their administrative responsibility to the Congress and provide them with greater control of the expenditures of their complicated brood of boards, agencies, departments, and commissions.

In including section 2 in this bill, the committee has attempted also to increase and strengthen administrative responsibility, in the heads of the various departments which share in these appropriations. We want this increased administrative responsibility to flow finally and directly to the Board of Commissioners themselves. We want the Commissioners to have more control over the oprations of government which are and should be under their scrutiny.

Very simply stated, the provisions of this section mean: That once a budget request has been justified before Congress and an appropriation has been made, the respective heads of the administrative departments, boards, and offices of the government of the District of Columbia must spend these appropriations within the limits of the projects, activities, and functions as they were justified in the President's budget and again more definitely in the appropriation bill itself. This section means that any reallocation of appropriations which an emergency might make necessary among projects, activities, and functions can be achieved only at the direction of the Board of Commissioners. It will mean that the Commissioners cannot delegate this authority, but must act upon this important matter themselves. Mr. Chairman, Congress when it makes an appropriation does not intend that there should be loose and easy reallocation of funds. Emergencies may make it necessary at some times, but if this happens in the District government, the committee wants to assure that such allocation is done only at the direction and with the approval of the Commissioners, who are the responsible heads of the government of the District of Columbia.

Now this is vastly important to Congress as long as it desires to retain its sovereign control over appropriations and expenditures. Operation of the provisions of this section will mean that—the various departments having come before Congress in connection with the budget for fiscal year 1948 and having caused Congress to believe that certain expenditures in positively justified amounts are necessary in order to maintain certain established and desirable operations and services—these appropriated moneys will be spent for the objects and functions for which they were appropriated. It will eliminate easy transfer of funds; it will make apparent any padding in the estimates; it will sharply reveal any erroneous estimates and requests.

This section will also provide that when Congress next year considers a supply bill for the District of Columbia these same department heads will be called upon to explain what has happened to the moneys that were appropriated in 1948 in the light of the justifications they have tendered in support of their requests. This section makes it possible for Congress to give searching consideration to how well the District of Columbia's various departments and the administrative officers have expended the moneys granted by the Congress to a much greater degree than the perfunctory study possible now to the Appropriations Committee.

Section 2, coupled with section 3 of this supply bill, will mean that there will be audits prior to payment—a control in excess of that obtaining in practice today. This control, finally, will be the responsibility of the Commissioners, rather than an appointive officer. The committee is seeking to insert these two general provisions because it has been confronted in the hearings with the curious overlapping of responsibilities and assumed authorities between the functions of a budget officer and a comptroller-auditor. Mr. Chairman, I remind the Members of this House again that we are not dealing in personalities—we are dealing only with a principle vital to good government.

It was the chairman's opinion that the committee was in agreement that there should be a budget office in charge of a budget officer and that this office should carry out the functions generally of preparation of a budget, supported by schedules and adequate justifications for any increases and decreases recommended by the various departments of the District in submitting estimates for appropriation. It was not my opinion that the committee desired this same budget officer to go beyond this responsibility and have authority to reallocate the appropriations or control automatically their expenditure.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from California.

Mr. PHILLIPS of California. I wanted to make sure that I understood clearly what the gentleman said in connection with this change of appropriations. I am one Member of the Congress who does not want an agency of government to be able to shift money once appropriated as that agency desires within its department.

Mr. HORAN. Let me interrupt the gentleman right there in order to get our conversation straight. That is exactly the thing we are attempting to correct here. I have already made the point in opening this subject, that I realize that it is subject to a point of order. I am appealing to the House in the name of good, wise, and well-allocated government and responsibility to allow this item to remain in the bill.

Mr. PHILLIPS of California. That was the point I was making. As I understood the gentleman, making a point of order against that item in the bill would defeat the very purpose that we want to achieve in keeping the agencies within the bounds of the appropriation items.

Mr. HORAN. Exactly.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Illinois.

Mr. CHURCH. And by not making a point of order, there would be a saving.

Mr. HORAN. If the point of order is not made, it will enable us to have a tight control over these expenditures during fiscal 1948, by clarifying the position of the auditor of the District government, which is not clear today, and in order to do that we have to set these up tightly according to projects, functions, and uses.

Expenditure is an administrative responsibility of the various department heads, subject to the approval of an auditor and the Board of Commissioners. The budget officer should have the power to review the statement of the receipts and expenditures, and such other data as may be submitted in connection with the drafts of legislation proposed in connection with the financial program of the District before it is submitted to the Congress. He should not function as budget officer, comptroller, auditor, and in the last analysis, as the Board of Commissioners or final authority. The committee discovered in the recent hearings that this latter situation existed in practice in the District of Columbia today. I will refer any Members who doubt the correctness of this statement to pages 170 to 183 of the committee hearings which contain a copy of Budget Regulations No. 1 for the District of Columbia, which relate to apportionments and reports on status of appropriations.

May I also remind the Members, Mr. Chairman, that there is at present established by law a comptroller in the government of the District of Columbia. I think it can be generally assumed that such a position carries with it all authority necessary to audit every demand on the District appropriations and approve all vouchers submitted for payment. An auditor-comptroller ought to have the authority to exercise accounting control and to prescribe accounting forms and procedures and to make all the necessary recommendations which will result in effecting economy and efficiency. Mr. Chairman, to achieve this, the committee desires to include sections 2 and 3 as general provisions in this bill.

Mr. Chairman, as an illustration of the kind of audit control which the committee desires to effect by inclusion of these provisions, may I cite this recent incident as an example: The use of $6,000 appropriated in the urgent deficiency bill for operating expenses were diverted to personal services. In addition, $7,100 was authorized by the Commissioners to be transferred from the project or function called the Industrial Home for Colored Children to the project known as the Home for the Aged and Infirm so that funds might be available to the latter institution to meet its 1947 pay roll. Now, Mr. Chairman, both of these projects are worthy institutions, and I believe, well administered. However, accounting controls and good auditing practices go out the window when such easy transfers of funds appropriated by Congress for specific purposes can so quickly be reallocated without survey or approval of the comptroller, who is and ought to be the watchdog over every expenditure. Mr. Chairman, in conclusion, in presenting this bill and report for the consideration of the Members of this House, may I again remind you that this is not a Federal budget—this is a local budget which ought to reflect the needs, desires, intentions, and demands of the taxpayers whose moneys this Congress has the responsibility to appropriate. Congress must not let the people of this community down. It must see to it that the Nation's Capital is adequately provided for and that the welfare of the citizens who live here is properly provided for. The committee believes that in presenting this bill this responsibility is being fully met within the limit of available revenues.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I ask this question for the record. The provision making money available for improvements at the jail during the next year was omitted. I understand the gentleman intends to offer an amendment that will take care of that for another year.

Mr. HORAN. Yes, we have a committee amendment on that.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I do not intend to take up too much time in attempting to explain this appropriation bill that is before us this afternoon.

May I say in behalf of the minority members of this committee that we appreciate very much the consideration that was given to us as minority members by our very able, conscientious, and hard-working chairman, the gentleman from Washington [Mr. HORAN]. He has been very impartial as chairman of the committee during all the hearings that have been held. He has consulted the minority members on numerous occasions as to procedure at the hearings, and we knew at all times just what was going on.

I do not believe I can add much to the very able presentation that has been made this afternoon by our very able chairman in presenting to this Committee the appropriation bill for the District of Columbia for the fiscal year 1948. It is a unanimous report from the subcommittee. We have all agreed, although we did not agree during the committee hearings on some things.

Some of us believe that more money should be made available for additional schools in the District. We believe that the school system here is wholly inadequate to meet the needs of those who are attending the schools. The fact was brought out that we have about 7,000 pupils attending school on a part-time basis. These children in part-time instruction are a tremendous problem to the District authorities at the present time. We found that these pupils, going to school in the morning, have the afternoon off, and the majority of them do not return to their homes. They are becoming a tremendous problem to the police of the District.

I had hoped that we could have made more money available for that, but because we have been restricted in the funds available we have not been able to appropriate any more at this time.

The additional money we did appropriate is not a cure-all for this situation, it is just a beginning, but it is a beginning in the right manner and in the right way.

We had to cut the request of the Police Department by about 50 percent as to additional personnel. I think that is a mistake. I hate to put myself in the position of denying the police department of a city of this size the additional personnel they requested because of the conditions that exist here at the present time. But, again, because we had to be guided by the funds available, we were not able to appropriate any more for the District police.

In the matter of recreation, I believe this city above all cities in the country really needs adequate recreation for the children. We do not have it at the present time. I think in the future we must provide more swimming pools and more parks for the children of the District so that they can get more recreation.

Those of us who live along the Atlantic seaboard and on the west coast have parks and beaches available but here in the District they do not have those facilities to take care of the young children.

I had hoped that we could increase that appropriation, but again we were up against a stone wall in the matter of the availability of funds.

Mr. Chairman, in closing I want to again commend the chairman of our District Subcommittee on Appropriations the gentleman from Washington [Mr. HORAN], for the very fine and able manner in which these hearings have been held and the splendid job that has been accomplished in bringing this appropriation bill to the floor of the House.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. BATES.]

Mr. BATES of Massachusetts. Mr. Chairman, I rise at this time while this so-called District appropriation bill is before the House to call attention of the members of the committee to the fact that at the beginning of this year a tax bill was presented to the Congress by the Commissioners of the District of Columbia. That tax bill would provide means by which we could finance the requirements of the District over the next 2 years.

The Committee on Fiscal Affairs of the District Committee, of which I have the honor to be chairman, has spent the best part of 4 months in a complete study of the fiscal structure of this community over a period of the past 10 years and have tried to project the financial structure into the future so that we would have some conception of where we were going.

The committee gave a great deal of its time to this matter. I want to say at the outset that we approached this problem with some degree of understanding in order that we might bring the expenditures of the District within the available revenues that we have set up by this new tax revenue bill which has recently been approved by the Congress and by the President within the past few days.

We were face to face with a situation in 1948 of a $10,400,000 deficit. In 1949, next year, we are faced with an estimated deficit of over $12,000,000. We are faced in 1950 with an estimated

deficit of pretty nearly $21,000,000 on the basis of the present revenues of the District of Columbia and before the new tax bill will become effective.

We set out to find some solution for this problem, and again let me state that we approached the matter with some degree of understanding.

Because of my interest in the problems of the District of Columbia I give unstintingly of my time in order to find out what we could do about the perplexing problems that were confronting the District. Instead of nine different sources of revenue, such as the gasoline tax, the sales tax, the automobile tax, and a multiplicity of other taxes, we brought out a bill which included an increase in the real-estate tax, a revision of the income tax, and an increase in the water tax, and an increase in the gasoline tax. Those were for the overall operating expenses of the community during the next 2 years, on which we predicated this program. At the end of the 2-year program we had expected an estimated surplus of about a million dollars. We predicated our examination, and our recommendations that we made to the Congress on the estimates that were provided in the 1948 budget for the District of Columbia that would be adequate in every respect to meet the requirements of the District for the next 2 years.

Mr. STEFAN. Mr. Chairman, the gentleman is making a very, very important speech, as the result of a wide and exhaustive research into the fiscal conditions of the Nation's Capital. We are today considering the largest appropriation bill for the District of Columbia. I make the point of order that there is no quorum present.

The CHAIRMAN (Mr. BROWN of Ohio). The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

The gentleman from Massachusetts will proceed.

Mr. BATES of Massachusetts. Mr. Chairman, having in mind the prospective deficits of the District of Columbia during the next few years, we went very exhaustively into every source of revenue that could possibly be developed, and came back with recommendations, as I said a moment ago, that would meet all the requirements, based on the Commissioner's budget of 1948, and then bring over to 1949 sufficient revenue to meet all the requirements of the estimated budget for 1949, and then perhaps permit at least a million dollars of surplus at the end of the year.

The reason I am taking the floor today is to call attention to the fact that the budget, as reported by the committee, is far in excess of the actual estimate that the Commissioners recommended to the Congress at the beginning of this year.

If this budget as presented today to the Congress by the Committee on Appropriations is adopted, then next year instead of having surplus of a million dollars face on the basis of the original estimates——

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. HORAN. With 7,000 children on part-time instruction and with better than half the admissions to Glenn Dale Tuberculosis Sanatorium dying, which indicates an epidemic of tuberculosis of considerable extent, does the gentleman suggest that we go along with the recommendation?

Mr. BATES of Massachusetts. Mr. Chairman, my suggestions will follow the brief remarks that I have to make and will have no relationship whatever to either the tubercular children and adults, or any health program or any welfare program, but will involve entirely capital outlays in the District of Columbia for the years 1948 and 1949. Now, proceeding with my discussion of this matter, if we should stop to consider that the budget of the District of Columbia has practically doubled in the period of 10 years, 1937 to 1947 going from $43,000,000 up to $97,000,000, we shall have some conception of what this controversy is all about and the serious financial condition that is facing the District of Columbia as we look ahead a few years.

This year in the budget plan of cash available for capital outlay there will be available for major improvements over $22,000,000. Of the $22,000,000 there will be approximately $9,000,000 for schools, $7,000,000 of which is now available and $2,000,000 provided for in the Commissioners' budget. This will give you some idea as to the amount money which will be available for school construction during the year 1948.

The budget here provides for a vast sum in addition to that, nearly $4,000,000 for capital outlay; or, in other words, instead of $22,000,000 for permanent improvements for the year 1948, there will be as a result of this bill approximately $26,000,000 available for capital outlay.

Let me briefly call to the attention of the committee what the Board of Trade had to say about this matter when we were discussing the tax bill. I felt in view of the estimates for capital outlay that were included in the budget this year that we ought to have an impartial investigation of the whole capital outlay program in the District this year and the following year. The result of that was that they have made their recommendation to the Committee on Fiscal Affairs in the District of Columbia that not more than $8,000,000 can be safely added to the general fund in the budget this year for capital outlay purposes; this is because of the large amount of money involving about $14,000,000 in the other departments of the city, totaling 22. I received this morning another letter from the Board of Trade. Let me say to you in passing that it has a Municipal Finance Committee made up of outstanding men, the chairman of which is General McCoach, who was former Engineer Commissioner of the District of Columbia, who made an exhaustive study of the capital outlay program as set forth and projected for a period of years.

When we stop to talk about schools—and this is important—when we embark on a major program of capital outlay for school construction we should know where we are going.

Mr. Chairman, let me tell you that the school population today in the District of Columbia is 2,000 pupils less than it was 10 years ago, yet during the period of 1937 to 1948 we will have spent over $22,000,000 on school construction, including land and equipment, after we spend the money in the budget submitted by the Commissioners this year.

Mr. HORAN. Mr. Chairman, will the gentleman yield? I merely want to keep the record straight.

Mr. BATES of Massachusetts. I yield to the gentleman from Washington.

Mr. HORAN. It is not a matter of school population. It is a matter of reallocation of this population in the District. It is true that we have schools that are not overcrowded, but we have had a change of population in various areas in the District for which capital outlay in school planning has not kept up. That is what causes the overcrowded condition in some cases.

Mr. BATES of Massachusetts. I know all about that. I have been very closely associated with matters of that kind.

In the District of Columbia there has been discontinued, or abandoned down through the years over 240 school buildings and under the provisions of this bill you are abandoning four buildings of masonry construction, two of which were built in 1883 and two others that were built since 1902. In my own home city, and the same conditions apply all through the great industrial East, we are occupying school buildings not 50 years old, but 100 years old, yes, 150 years old. As a result of renovation of the sanitary system, the plumbing system, the heating and lighting system, they are modern in every respect. I say that before we embark on another program of major construction for schools in the District of Columbia there ought to be a complete survey made, the same kind of a survey that I, as chairman of a committee made of the Boston school system in 1922, in order to have a close-up of all the related problems involved in overcrowded conditions.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BATES of Massachusetts. Mr. Chairman, this is not a problem we ought to treat lightly in view of the tremendous deficit that the District of Columbia will face and the tremendous cost to the taxpayers of the District of Columbia. The Board of Trade of the District of Columbia has set up a special committee to investigate the whole school construction and school housing program in the District. They expect to make a complete survey and study of all the related matters to school accommodations.

When you stop to consider that in a period of 10 years the school population is 2,000 less today than it was 10 years ago, and we are spending, when we include this year's budget, over $22,000,000 for school buildings, sites, and equipment,

and when they intend to abandon these fine masonry buildings that are reported to be in good condition, then it is time to take stock of the whole situation. I intend at the appropriate time when the bill is being considered for amendment to offer amendments to strike out of the budget this year any school construction program which has been added to the Commissioners' budget because they already have available $9,000,000 for the fiscal year 1948, including two million in the Commissioners' budget. I am going to stand by the Commissioners' recommendation made in the early part of this year. In the meantime, let us carry on an investigation and survey the needs of additional school accommodations. Let us attack it in an intelligent manner so that in the coming session of Congress we will know all about it.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has emphasized the need of delay for a survey. Does he think education can wait for the survey when our committee has had up to date testimony that 6,743 of these school children are attending only part time in some 20 schools in the District? Does the gentleman believe that action can wait until some future survey is completed?

Mr. BATES of Massachusetts. I will answer the gentleman's question by first asking a question. The question I want to ask this committee is this: After we have spent $22,000,000 in a period of 11 years on school construction, land, and equipment, and the school population decreasing, why should there be overcrowding conditions. Why do they abandon good school buildings? Why do they abandon these fine buildings, some of which were built since 1900? They are seeking to construct new buildings and destroy or abandon these other buildings that can be used for years to come. We rejuvenated the old buildings in our community, and why should we impose on the taxpayers of the District of Columbia this additional burden of taxes when we are trying to find some way to secure funds for the District of Columbia to meet its regular requirements. Now, I have given a good deal of thought and study to this question. I know something about this sort of a problem, I have been through it. And I say we ought to act with caution this afternoon and strike from this bill the schools not recommended by the District Commissioners, and then in the meantime conduct a proper survey and permit the Board of Trade to conduct a proper survey and then allow the incoming Congress, which will be 5 months hence, to give consideration to the recommendations that they make so that we can attack this problem in an efficient and intelligent manner.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

CONFLICTING EMOTIONS

Mr. STEFAN. Mr. Chairman, congratulations: We extend the sincerest of congratulations to the officials of the District Government and to those civic minded individuals on the committees for a most successful mass demonstration for democracy in celebration of Independence Day at the Washington Monument Grounds.

The District is noted for doing things in a big way and this cavalcade perhaps was the greatest July Fourth celebration ever to take place in the Nation's Capital. Hundreds of thousands of District residents, as well as those of the Greater Washington area, renewed their allegiance to our country in a record demonstration which should help to fortify the forces of freedom here and throughout the world. This program was under the auspices of the District of Columbia Recreation Board, the Greater National Capital Committee of the Washington Board of Trade, and the motion picture owners of Greater Washington, and its tableau and display was televised to some 1,500 sets here and by coaxial cable to 15,000 sets in the New York area.

This is a fine city, with fine people, who know how to do big things in a big way.

Sympathy: The scene before our eyes was a commingling of hundreds of thousands of men and women with no distinctive characteristic indicating those that might be from the adjoining States as distinguished from those who were residents of this city. But, Mr. Chairman, the distinction was there. Many of these men and women enjoy all of those political rights and privileges so dear to an American citizen, which are so well calculated to elevate and dignify human character, while thousands upon thousands of others were in a state of vassalage. The ready sympathy of every Member of Congress should be brought into play as this picture is visualized. Many of the fine men and women rub elbows with us daily, on the altar of sacrifice politically, without any substantial benefits resulting to anyone by reason of the sacrifice. An appreciation of essential basic Americanism for the District of Columbia is more than ever necessary since this city is now the hub of world activities.

I know the people of the District of Columbia. I know the national taxes which they pay and the national laws which they obey, and I know that by all sound American principles they should have national representation—a distinctive basic right of the American people in this Government of the people, for the people, and by the people. I believe the citizens of Washington are entitled to representation in the House and the Senate.

My own idea is that the Constitution should be amended to give the District of Columbia representation in Congress, though I believe Congress should retain its constitutional control of local government of the District.

THE SEAT OF THE GOVERNMENT

In the Constitution there was created a district which was to be the "seat of the Government of the United States." It was to be separate and apart from all of the States, and subject to the exclusive legislative control of the Federal Congress. This Congress has a deep responsibility for the operation of the local municipal government. We want that operation to be efficient and effective. We want the Nation's Capital to be the most beautiful city in the world. We want the city, under our management, to be decent and progressive. To accomplish what we want we have certainly got to stop thinking of the seat of the government and concentrate upon the heart and intellect of the government.

You are one of the largest city councils in all the world, and you direct the daily lives of many thousands of individuals. Their homes, their children's education, fire protection, health, recreation, social programs—they all depend upon your heart and mind and management.

Let us contemplate again the historical situation as we recall it. The District of Columbia is what remains of a 10-mile-square area originally cede to the Federal Government by the States of Maryland and Virginia in 1790, and which now, including water and land, contains approximately 69 square miles. Our founding fathers had had experience with harassment in the States of New York and Pennsylvania, so their basic concept was the Federal Government should have a place of its own in which to operate—subject to its control—apart from the turmoil of local disturbances and at all times subject to its own needs and usages.

At the time of the cession of the land by Maryland and Virginia there were two municipalities or incorporated towns in this area. They were Alexandria, at the southeast point of the area, and Georgetown, somewhat in the northwest corner of the area. Alexandria was incorporated in 1779. It was organized as a town in 1749. Georgetown was incorporated in 1789, but was an unincorporated town for some years prior thereto, and was somewhat of an important port in competition with Alexandria.

The Federal Congress passed an act in 1801 providing that the laws of Virginia and Maryland applicable in the area at the time of cession should remain in force until such time as Congress should elect to change them. Almost coextensively Congress also created within the district two counties—Washington and Alexandria. In Alexandria was the land ceded by Virginia, and in Washington was the land ceded by Maryland.

The city of Washington came into being on May 3, 1802, by an act of Congress, and it was carved out of the county of Washington. In or about 1802 the city of Washington was established by Congress with a regular municipal government. Under this act—the act of May 3, 1802—the city was divided into three wards. A council of 12 members was created, to be elected annually, by free white male inhabitants of full age who

had resided in the city for 12 months and who had paid taxes within the year preceding the election. The 12 chose to form a second chamber. The mayor was annually appointed by the President. The mayor, in turn, appointed all other officers of the corporation. The mayor had a veto power over ordinances passed by the council.

In 1804 the Congress changed the organization of the Council by providing that each chamber should consist of nine members, to be chosen annually on separate ballots. The charter was continued as amended for 15 years, when it was materially altered. Under this altered law the corporation was composed of a mayor, a board of aldermen, and a board of common councilmen. The board of aldermen consisted of eight members eleected for a term of 2 years, two from each of the four wards into which the city was then divided. The board of common councilmen was composed of 12 members, 3 being elected from each ward for a term of 1 year. The mayor was annually elected by a joint ballot of councilmen and aldermen. The powers of the corporation were extended and the elective franchise continued to be restricted to white male citizens who paid taxes.

In 1820 a new charter was enacted to continue in force for a term of 20 years. The only material change was that the mayor was elected biennially by the electorate. The charter was further amended in 1848, and by this amendment the offices of assessor, register, collector, and surveyor of the city were made elective, and the suffrage was extended to all white males 21 years of age who were subject to the school tax of $1 per annum.

Further amendments were made in 1864 and 1865 with some modifications, especially in the power of the mayor. This government existed until 1874, when the present form of government was established. It was during the period of the territorial government that the District undertook many public-work projects, which were the foundation for many of the improvements we now enjoy. The city of Washington was merged with other parts of the District of Columbia in 1871 and a territorial government set up.

The present form of government is a commission form of government, consisting of three Commissioners, two of whom are appointed by the President for 3 years, subject to confirmation by the United States Senate, and one detailed by the War Department from the United States Corps of Engineers.

Under the government existing prior to 1874, the town of Alexandria, the county of Alexandria, the town of Georgetown, the county of Washington, and the city of Washington had the usual amount of both political and financial scandals which other municipalities and county governments experience.

Since 1874, and under the present form of government, the District of Columbia has been free from all major scandals. The District, as a whole, has been probably the cleanest administered and, in the end, the most efficiently administered of all cities in the United States.

The debates in the Senate and in the House on appropriation bills year after year have been highly commendatory of the present form of government and of the officials connected with it. We have observed over the years a rapid growth in the city and admit that we of the Congress have perhaps made some mistakes in permitting the growth of the city municipal structure to be somewhat ragged. We certainly have too many independent boards and agencies. We should not tamper with the present form of District government until vital and convincing arguments demonstrate that it is imperative so to do. No such arguments, to my knowledge, thus far have been advanced, and certainly I feel safe in saying that 99 percent of the people of Washington are not at all interested in a change.

As you see, Mr. Chairman, we have had in this small area mayors, councilmen, governors, and boards of aldermen. We have had also the right of suffrage. This present form of government, now in existence for over 70 years, has proven itself to be effective and competent, and it is my considered opinion that what faults may exist are not inherent in the local government, but in this great council for the city—the Congress. We are the ones that should be doing some reorganizing to the end that we might have some permanent group of individuals who could have the time to spend on District problems and thoroughly familiarize themselves with the subject matter. Most of our troubles come through lack of knowledge of the problems the District government is facing. The creation of a Joint Fiscal Committee was a forward step, and the consideration of citizens' testimony by the Joint Committee on Appropriations was likewise a very forward step. But, Mr. Chairman, District affairs have certainly consumed a terrific amount of time on Capitol Hill this year. It appears that every committee and subcommittee feels compelled to make a complete survey and study of the entire municipal set-up every time a new hearing is started. The recent hearings before the Joint Subcommittee on Fiscal Affairs contained approximately 1100 pages of testimony and tables, with very little reference to the tax program as proposed by the Commissioners of the District of Columbia. This committee did a very fine job and has produced a very informative record, and it is thought that that record might be used by other committees or subcommittees in the interest of economy and to avoid duplication. I do not believe that there has been a year when District officials have been so constantly before committees of Congress as they have this year. Certainly that is an indication that we need to think about changing our own organizational set-up so that District business can be handled more effectively and more efficiently. Our hearings on the appropriation for the District of Columbia is very voluminous, and in my judgment, unnecessarily so. I certainly believe that our hit-and-miss system of attempting to assume administrative control through the medium of the budget is leading us into a considerable amount of technical difficulties. In other words, we need to do some thinking about ourselves and our methods before we go too far with reorganizing the city government.

Washington people whom I have contacted appear to be depressed more than ever before. They felt keenly their impotency as they watched their long-debated tax plan discarded. They will pay their increased real-estate taxes and their increased water rates—but they will not like it. We can ignore them, disregard their welfare, impose taxes upon taxes upon them, and exempt favored groups, but in so doing we will be false to the trust imposed in us by the statesmen who founded a great city on the banks of the Potomac.

The Commissioners, as the responsible head of the local government, did a good job with their tax program and with their budget estimates. They cannot be blamed for any failure that may take place now. They had the backing of a group of officials nearly all of whom are career men in the District service whose testimony as it appears in the record of the Joint Committee on Fiscal Affairs would be hard to beat by any group of city officials anywhere in the world. We would be most unwise to sell this city short.

Mr. Chairman, I want to thank the gentleman from Alabama [Mr. ANDREWS] for giving me time to speak on this very important bill which makes appropriations for the District of Columbia. This is the largest amount heretofore asked in a District appropriation bill.

I wish to compliment the chairman of this committee, the gentleman from Washington [Mr. HORAN], who has devoted a tremendous amount of time in developing the information contained in over 1,600 pages of hearings. I wish to compliment the gentleman from Rhode Island [Mr. FOGARTY], who represented the minority on the committee. I cannot commend too much the clerks of our committees, who devoted so much of their time in these hearings before they were completed and brought to the House in a finished product. Those of you who have been on appropriation and other committees realize the tremendous amount of work that these clerks do. Our very able and efficient clerk, Mr. Orescan, had just completed the work on the bills making appropriations for State, Justice, Federal, judiciary, and the Department of Commerce when he took over the task of working on the District of Columbia bill.

For the first time during this session you are presented with a bill which exceeds budget estimates.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes.

Mr. HORAN. I wanted to point out a very important point.

Mr. STEFAN. I yield the balance of my time to the chairman of the committee.

Mr. HORAN. I thank the gentleman. I want to point out also that not only do we have the responsibility here for this bill, but we are handling the fiscal

affairs of almost 1,000,000 people who have no vote.

Mr. STEFAN. I know we are considering it from the viewpoint of conditions that exist locally, not nationally. Nevertheless, the fact remains that you are bringing in an appropriation bill here that exceeds the budget by $2,000,000.

Mr. HORAN. Mr. Chairman, will the gentleman yield again? I know he wants to be correct.

Mr. STEFAN. Is it not $2,000,000 above the Budget?

Mr. HORAN. No; it exceeds the President's budget by $137,000.

Mr. STEFAN. The information I have is that it is about $2,000,000. I mean by that the matter of capital outlay which is over two million above the budget.

Mr. HORAN. I know the gentleman wants to be correct.

Mr. STEFAN. Certainly I want to be correct, and I want to be fair, but the bill does exceed the budget. I am not opposing this bill. I say the chairman did a wonderful job. He devoted more serious and valuable time to this bill than any other chairman I have ever worked with.

The people of the District of Columbia are going to be benefited to a great extent as a result of the work done by the gentleman from Washington [Mr. HORAN]. He has taken a personal interest in their affairs. He is worried about the school system, and so am I, and he has a right to worry about it and so have you, because we have a dual school system here and that is more expensive.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. The gentleman from Washington has taken some of my time. Maybe he will be kind enough to yield me some.

Mr. HORAN. I have 3 minutes remaining unassigned, and I am most happy to yield them to the gentleman from Nebraska.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield two additional minutes to the gentleman from Nebraska.

Mr. STEFAN. The reason I made the point of order of no quorum a while ago, when the Chairman counted 109 Members present, was because of the great importance of the bill, and also that we have a personal stake in this bill insofar as we are representing our constituencies back home. In this bill we are increasing the Federal contribution by $4,000,000, making it a total of $12,000,000. My purpose in speaking today is to add to what the chairman of the committee had to say as far as the people of the District of Columbia having no vote is concerned. I believe in the philosophy of Mr. Ben McKelway, editor of the Washington Evening Star, who believes that the people of the District of Columbia should be represented in the Congress of the United States but that the Congress of the United States should control the government of the District of Columbia, because it is set apart for the Congress of the United States.

My real purpose in speaking today is because this bill contains directives and legislation some of which I do not entirely approve. During consideration of this bill in full committee I reserved the right of point of order on section II, because it is legislation on an appropriation bill.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, I thank the gentleman from Alabama for this time because I am not certain that I will be here for all of the time the bill is being read under the 5-minute rule.

I am actually not speaking out of order so far as appropriation matters are concerned, although I am not talking on the particular bill before us.

When the independent offices bill was before us, as the gentleman from Alabama, who is a member of that subcommittee, will recall, the gentleman from Virginia [Mr. SMITH], who is in the Chamber, put in an amendment which specifically said to the Veterans' Administration that no further action was to be taken in connection with the location of the hospital on what is known as the Nevius tract in Arlington until the matter had been reviewed by the Committee on Appropriations.

I suppose technically, the bill not having passed the Senate and not having been signed by the President, the Veterans' Administration is not—as I said, technically—compelled to follow the instructions of the House of Representatives. I can assure the Veterans' Administration, however, that the way to make friends and influence people, certainly the people in Congress, is not to ignore completely the requests and votes of the lower House. It was carried by an overwhelming vote. Yet, I read in the morning paper this story:

PRICE FOR NEVIUS TRACT WILL BE SET BY FEDERAL JURY

A Federal jury sitting in Alexandria will decide in September how much the Government must pay for the Nevius tract, proposed Arlington site for a veterans hospital.

Federal Judge Albert V. Bryan yesterday set September 24, 25, and 26 as dates for the case to be heard after it was brought out in a pretrial hearing that the Government's offer of $850,827 was not agreeable to the original owners.

Judge Sterling Hutcheson of the district court for the eastern district of Virginia has already signed a condemnation order giving the Government possession. It remains for the jury to determine a fair price.

The Veterans' Administration plans to build a 750-bed $15,000,000 hospital on the 25-acre site.

Fortunately the independent offices appropriation bill, with the restraining amendment, will be a law before September 24.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I would like to comment briefly on the statement just made by the gentleman from California and express concurrence in his views. I will not go into a discussion of the merits of the proposition. But the House of Representatives by an overwhelming vote, as the gentleman said, in the past few weeks provided that no further proceedings should be taken with respect to the purchase of the Nevius tract or the construction of a hospital on that very undesirable site.

Now, I see in the morning paper that notwithstanding the action of the House of Representatives, the agencies have proceeded with condemnation proceedings which will result in the purchase of this land at what figure, we do not know. I think it ought to be explained that the $900,000 proposed is merely the offer of the Government. The people who own this property are claiming it is worth somewhere around three or four or five million dollars. What the jury will do when they determine the price to be paid by the Government, I do not know and nobody else knows.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MACKINNON. It is not clear what happened to your amendment eventually.

Mr. SMITH of Virginia. Well, the bill is pending in the Senate.

Mr. MACKINNON. The amendment was not turned down in the Senate?

Mr. SMITH of Virginia. No.

Mr. MACKINNON. They are trying to jump the gun?

Mr. SMITH of Virginia. They are trying to jump the gun. I think it worth while to comment on the general subject of the purchase of land for these various Federal agencies. In the last week I have had brought to my attention another effort to purchase property, which seems to be utterly unnecessary, in Arlington County at a very high price, in the high-priced commercial section of the town of Rosslyn, several acres, which admittedly has a value of four or five dollars a foot. That is about $150,000 an acre. This particular tract embraces some three or four acres; probably a half a million dollars for the purchase of land. In that same county, within a stone's throw of that site and within a stone's throw of this site known as the Nevius tract, the Government owns other property, equally available, if not more so than these properties which it is proposed to purchase. In the interest of economy it does seem to me that this Congress ought to take some steps somewhere along the line to control the uncontrolled purchase of land by the various agencies of the Federal Government. That applies to various and sundry departments. It is not confined to the Veterans' Administration.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. PHILLIPS of California. All the emphasis should not be placed on the price of the land. Actually the Nevius

tract is not desirable for a hospital site from the standpoint of the veterans who will be patients in the hospital.

Mr. SMITH of Virginia. The gentleman will recall that that was fully debated when the subject was under consideration. I said I was not going into the details of the desirability of the Nevius tract. What I was talking about was what we would have termed in court a sort of contempt of Congress proceeding, after we had acted, for an agency to proceed right at this time when the prohibition against the use of that money is now pending in the Congress and the indications, by the overwhelming vote of this House, are that regardless of what the Senate does, the House will insist upon that amendment.

The gentleman from Alabama has been so generous in the matter of extending me further time that I would like to revert again to this question of the uncontrolled purchase of land by the Government. When this other situation for the purchase of something like a half million dollars of property in Arlington County came to my attention the other day, I submitted that to the Appropriations Committee. I went to one of the members of that committee whom I think has about as much knowledge of the subject of appropriations and where they go as anybody in this House. I said, "Where do these people get this money that they can go ahead and buy land at any price, any time, any place, without consulting Congress?" He said, "Well, I don't know just how it is done, but they just do it and get away with it somehow." Somebody in this Congress ought to have the power and ought to exercise the power to control the purchase of land by Federal agencies, when the Government has more land than they will ever use in the next thousand years.

There is a bill pending before the Rules Committee concerning the purchase of certain property where they seem to want an authorization. The evidence is that there are a great many other facilities, already owned by the Government, declared surplus. Why can they not use the property they have already got, and declare that which they do not need as surplus, and let it go back into taxation of the several States, and let the Government cover some of that money back into the Treasury?

Now, if you believe in economy and want to practice economy, somebody on that side should stop that.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

The CHAIRMAN. The gentleman from Minnesota is recognized for 10 minutes.

Mr. O'HARA. Mr. Chairman, it is obvious from the debate the consideration which this committee has given to the fiscal problems of the District, and I believe it could be said without any sense of partisanship or any sense of attempting unduly to compliment the Membership of the House, that the District of Columbia Legislative Committee and the District of Columbia Appropriations Committee have given perhaps as much, if not more, consideration to the problems of the District of Columbia this year than has been given in any of the years I have been in Congress, and I say that with some considerable thought and deliberation. For example, I believe it is true that our Legislative Committee has and before the adjournment of the session will have reported out more bills dealing with the problems of the District of Columbia than has been reported in many recent years. Let me say that not only has the Membership of the House but in particular the Members serving on the District of Columbia committees—and I refer to the Legislative and Appropriations Committees—put in a tremendous amount of work upon these problems and have given the conscientious and considered attention to the problems of the District. I do not know of any city in the United States that gets the kind of attention and consideration that the District of Columbia does in the way of legislative consideration. That is proper, fitting, and as it should be. We come here, we live here, our children go to school here, we go to church here, we attend the various community activities, and we spend, incidentally, along with other Government employees, about all of our salaries here in the process of living. It is but natural that we should give consideration and conscientious consideration to the problems of the District.

I appreciate that there may be differences of opinion upon any matter of legislation that may come before the House whether it pertains to the District or the Nation at large. Recently we passed a tax bill which the Fiscal Affairs Subcommittee had given a great deal of consideration. When it came to the floor it was debated at length and in that connection the so-called O'Hara amendment was offered and adopted by the House. It was stricken out in the Senate committee but when the bill came back to the House for further consideration, by an overwhelming vote the House insisted upon the preservation of the principle of that amendment. I realize that in any legislation here there may be differences of opinion of some particular interests downtown as to what should be done. I recognize the absolute right of the press to carry editorial comment and to carry the news which the press feels is of interest. Let me say with reference to this particular amendment that some of the news reporting has been particularly unfair, and the editorials have been rather viciously unfair in some of our downtown newspapers.

I am not one who particularly becomes concerned when there is an editorial written that I do not approve. I think only once in my lifetime have I given consideration to writing a letter to an editor of some paper when I disagreed with something his paper said. I want to say, though, that some of the editorials here have been so vicious, so slanted, and so absolutely devoid of the principles of fairness and facts of the issues involved that it amounts to complete disrespect of the dignity of the House.

I have no personal pride in the authorship of the amendment, but I would like to say this to some of our newspapers downtown: If they expect us to be fair and considerate with the District of Columbia and the interests which may be involved, it is about time that they be as reasonably considerate of the differences of opinion which may be here. I do not care whether they like it or not, that is the way I personally feel about it. I am not particularly concerned with what some editorial writer may think of me or of some particular piece of legislation I might be the author of or that I voted for or against, but I would like to have them give consideration to the debate which was held in the House. I do not expect them to read or understand or appreciate it, but if they would take the CONGRESSIONAL RECORD home, and put it under their pillow when they retire, they might absorb some of the argument of debate in their sleep, because they are apparently so prejudiced, so biased, and slanted that they cannot understand the extended debate and principles involved in the action of the House on the amendment.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I would like to make the observation that the vote that was recorded in the House on the gentleman's amendment I think was very convincing.

Mr. O'HARA. The vote was 222 to 78, I believe, in favor of the amendment. I think no one would deny the fact the amendment was fully debated. There has been no credit given, apparently, to the fact that the House was very considerate, as was the District Committee, in increasing the appropriation to the District by some $4,000,000 this year. You would think from some of the distorted viewpoints in these editorials that we were taking every cent away from the District of Columbia. It is pretty obvious in reading the editorials that the principal complaint is that they have real-estate taxes to pay. Well, so have some of us who had to buy homes in order to live here. We are going to have our taxes increased. The further viewpoint I get, at least from one of the editorials, is that they were particularly anxious to levy a toll upon some of the little people who live in Washington here and work for the Government, thereby reduce the taxes upon property owners who have property here. I would like to say that after all this is the capital of the United States and we are here because it is the capital of the United States, not because it is Washington. It is incumbent upon the selfish group downtown to realize also that, after all, I do not think the tail should wag the dog.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I was going to comment that I was one of those who

opposed the gentleman's amendment as vigorously as I knew how.

Mr. O'HARA. And very ably.

Mr. SMITH of Virginia. I concur in what the gentleman says. In my opinion, the Washington newspapers could serve the public very much better and get a much better atmosphere with the Congress if they were a little more patient with what Congress does and a little less critical and would sometimes give Congress credit for at least trying to do the right thing.

Mr. O'HARA. And will the gentleman let me add: And be a little fairer in connection with the debates that occur through differences of opinion. I am personally getting fed up with this newspaper arrogant unfairness. I do not know what has happened to some of these editorial writers. I would suggest to the medical profession who are Members of the House that they suggest to some of these editorial writers they should investigate their liver condition, or their gall bladder, or their spleen, or whatever the condition may be, because, obviously, there has been something wrong with them for the last 2 or 3 weeks. They have not been feeling well, and their mental processes are in a condition that requires some rest and reflection. It is unfortunate that some editors have reduced themselves to the status of a common scold to a blind and arrogant degree. These arrogant editors should realize that the House will not forget unfair and unjust treatment.

Mr. REES. Mr. Chairman, will the gentleman yield ?

Mr. O'HARA. I yield to the gentleman from Kansas.

Mr. REES. Does not the gentleman agree with me that insofar as taxes on real estate are concerned, that the owners of real estate in the District of Columbia have a rather favorable position compared with cities of comparable size throughout this country?

Mr. O'HARA. That is true.

Mr. REES. Does the gentleman not think that they have a low real estate tax rate?

Mr. O'HARA. That it is not quite true in comparison. The factor of what assessed value is used is very important.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to compliment the gentleman for his courage and his independence and the ability which he has demonstrated on the Legislative Committee for the District of Columbia.

Mr. O'HARA. The gentleman is very kind.

Mr. CHURCH. I agree with the gentleman's contentions, and I supported his position. Does the gentleman not think it is about time that the newspapers of the District urge a sales tax for the District so that the problem of these 7,000 children in the District can be remedied and that they can be schooled ultimately?

Mr. O'HARA. I would like to say to the gentleman that I am not in a position to comment upon that at this time. The gentleman may have a great deal more information that I have. But I want to say this, that I have tried to be conscientious, as I am sure every Member of the District Committee and of the House of Representatives has been in the problems of the District, and I think it would be just and commensurate if the newspapers of Washington would try to be decent and fair in considering our problem and legislative actions.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. In regard to the question raised by our colleague, the gentleman from Kansas [Mr. REES], about low taxes, the gentleman is a member of the Fiscal Affairs Committee. Though the Commissioners did not this year recommend an increase in the tax rate, the committee did recommend an increase in the tax rate of 25 cents on the hundred, and in addition to that 20-percent increase in the valuation, and when the taxpayer of the District gets his bill next year it will be 33 percent above what it was last year. That is what the Committee on Fiscal Affairs did, and I think the taxpayers are entitled to some consideration in this bill.

Mr. O'HARA. It will be between 31 and 33 percent, I will say to the gentleman.

Mr. REES. Even if it is 33 percent, I think then you ought to do it now instead of waiting until next year, to put the thing nearer in line with what it ought to be.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there are appropriated for the District of Columbia for the fiscal year ending June 30, 1948, out of (1) the general fund of the District of Columbia, hereinafter known as the general fund, such fund being composed of the revenues of the District of Columbia other than those applied by law to special funds, and $11,000,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, 1947), (2) highway funds, established by law (D. C. Code, title 47, ch. 19), and (3) the water fund, established by law (D. C. Code, title 43, ch. 15) and $1,000,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, 1947), sums as follows:

From the general fund: All sums appropriated under the following heads: General administration, fiscal service, compensation and retirement fund expenses, regulatory agencies, public schools, Public Library, Recreation Department, Metropolitan Police, Fire Department, policemen's and firemen's relief, Veterans' Services, courts, Health Department, public welfare, public works (excluding those items designated as payable from the highway and water funds), National Guard, National Capital Parks, National Capital Park and Planning Commission, and National Zoological Park;

From the highway fund: All sums appropriated under District debt service and public works designated as payable from the highway fund; and

From the water fund: All sums appropriated under public works and Washington aqueduct, designated as payable from the water fund; namely——

Mr. HORAN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it may be in order to offer amendments to any portion of the bill at this time.

Mr. STEFAN. Mr. Chairman, reserving the right to object, will that give permission to offer all points of order and amendments at any time in continuity of the bill?

Mr. HORAN. Certainly.

Mr. CANNON. Mr. Chairman, further reserving the right to object, may I inquire if the unanimous-consent request will in any way interfere with the submission of points of order?

Mr. HORAN. Not at all. That question, of course, should be directed to the Chairman of the Committee.

Mr. CANNON. As I understand then, Mr. Chairman, under the gentleman's request, if granted at this time, amendments would be in order to any paragraph of the bill and points of order could also be made against any provision of the bill?

The CHAIRMAN. The points of order, of course, should be disposed of before amendments are offered.

Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. STEFAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STEFAN. Mr. Chairman, I make the point of order against the language appearing on page 59, lines 9 to 15, section 2, under "General Provisions," that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. HORAN. Mr. Chairman, in my opening statement I pointed out that the Congress has absolutely no fiscal control over the allocation of funds in making appropriations for the District of Columbia. I said at the time that this provision was subject to a point of order.

Because various sections that we have placed in the bill are directly in accordance with suggestions, comment, and observations made by the gentleman from Nebraska in executive committee meetings, I am surprised that he makes these points of order at this time. These sections were added to the bill at the insistence of the Comptroller General of the United States, who, since 1943, has been seeking corrective action for the government of the District of Columbia. I understand also that these sections are in exact accordance with his suggestions to the subcommittee of the Committee on the District of Columbia now seeking ways and means to correct obvious defects in the government of the District of Columbia. I am sorry the point of order has been made.

Mr. STEFAN. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Nebraska.

Mr. STEFAN. I believe the chairman of this committee and I are trying to arrive at the same thing. After a close study of this problem, I feel we should study the matter further.

If the meaning is to eliminate the apportionments and the policing functions that the Commissioners exercise through the Budget Office and the delegation of that authority to the various departments, boards, and offices, it may mean the loss of hundreds of thousands of dollars of forced savings that accrue annually through the present budget execution. It is the tendency for most departments to attempt to spend their entire appropriation unless there is a definite plan of budget execution regulating the flow of funds and requiring savings. For the Federal Government the Budget Bureau does this, but the Budget Office is the sole responsibility for effectuating such a procedure for the District of Columbia. This section would eliminate any worth-while control. It also will mean that the Commissioners will lose their administrative control of appropriations with this decentralization of authority which would further distribute the responsibility for the operation of the government of the District of Columbia and every department, board, or office will be in effect its own fiscal agent subject only to auditing controls. Finally, the interpretation of the intent of Congress would be left to the head of each department, board, or office and with fifty or sixty separate determinations of provisions the results could be extremely confusing. Conversely, if the provision means a detailed break-down of the budget controls established by the Commissioners, this is now being done and the language is unnecessary.

Therefore, Mr. Chairman, I insist on my point of order.

Mr. HORAN. If the Chair will permit, I should like to reply to the gentleman from Nebraska, because I believe we raise a very valid point here that affects the working of the entire Appropriations Committee of the Congress. It deals with the proper apportionment of responsibility as between Budget officers and auditors in any administration of funds. The following statements are of interest in connection with the duties of these officers. Let me say that they are from a very authoritative source.

BUDGET OFFICER

Under the head of local government there should be established an office of the budget in charge of a budget officer and such subordinate officers as should be necessary to carry out the function generally of the preparation of the budget supported by schedules and the reasons for any increases or decreases recommended by the department of the District submitting estimates for appropriation. Also to review the statement of the receipts and expenditures and such other data as may be submitted in connection with the drafts of legislation proposed in connection with the financial program before it is submitted to the local legislature.

AUDITOR

The powers and duties of the auditor should be through such subordinates as may be necessary to audit all demands by the District and approve all vouchers submitted for payment; to exercise accounting control over the collection and payment of all moneys into the District; to prescribe accounting forms and procedures for the use of all departments; to make periodic financial reports; reconcile and settle all claims and demands by and against the District; make general recommendations for effecting economy, efficiency, simplicity, and so forth.

The CHAIRMAN. The Chair is ready to rule.

The Chair sustains the point of order. Are there further points of order?

Mr. CANNON. Mr. Chairman, I make a point of order against the language on page 3 beginning with the figures "$11,910" on line 11, down to and including the word "laws" on line 13.

Mr. Chairman, on the face of it this is a change in existing law. It is legislation on an appropriation bill and, therefore, out of order.

While there may have been a time when such a provision was necessary or desirable, we now have such an abundance of high-powered, high-salaried employees here on the Hill, the largest number we have ever had in the history of the Congress, that this additional provision would amount to a duplication and a waste of the amount involved. For this reason I am constrained to raise the point of order against the language and the appropriation.

Mr. HORAN. Mr. Chairman, obviously the gentleman from Missouri is correct. I want to say, however, that the major part of this fund is being returned to the Treasury of the United States and has not been used.

Mr. CANNON. Mr. Chairman, that is all the more reason why the point of order should be sustained.

The CHAIRMAN. The Chair is ready to rule. The point of order is sustained.

The Chair wishes to state that after the Committee begins to consider amendments no points of order will be entertained by the Chair.

Mr. HORAN. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. HORAN: On page 34, line 17, after the word "parolees" and before the period, insert "*Provided further*, That not to exceed $40,000 of the amount appropriated for operating expenses, Adult Correctional Service, District of Columbia Appropriation Act, fiscal year 1947, and the unexpended balance of the amount of $116,000 appropriated for capital outlay and structural improvements at the jail, District of Columbia Appropriation Act, fiscal year 1947, are continued available until June 30, 1948."

Mr. HORAN. Mr. Chairman, that was an oversight on the part of the committee and is in accordance with the request of the gentleman from Virginia that this be restored to the bill. It is entirely in order.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Washington [Mr. HORAN].

The committee amendment was agreed to.

Mr. HORAN. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. HORAN: On page 43, line 19, delete the period and insert a colon and add the following: "*Provided*, That the Commissioners are hereby authorized to purchase and install a municipal asphalt plant including all auxiliary plant equipment to be paid for from this appropriation at a cost not to exceed $150,000."

Mr. HORAN. Mr. Chairman, there was some doubt on the part of the District of Columbia government as to what part of the bill this should go in. We were not informed until after the bill was printed. Therefore, it is presented to the Committee at this time for insertion at the place indicated on page 43.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Washington [Mr. HORAN].

The committee amendment was agreed to.

Mr. HORAN. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. HORAN: On page 45, lines 6 to 9 inclusive, delete the following language: "That the Commissioners are hereby authorized to purchase and install a municipal asphalt plant including all auxiliary plant equipment to be paid for from this appropriation at a cost not to exceed $150,000," and in lieu of the deleted language insert the following: "that in connection with the purchase and installation of a municipal asphalt plant on District-owned property, the Commissioners are authorized to make expenditures from this appropriation in an amount not exceeding $150,000 for the preparation of the site, including the construction of sea walls, dock facilities, and railroad siding."

Mr. HORAN. Mr. Chairman, this language is related to the language which was considered by the committee and was therefore reserved for insertion in the bill at this point.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Washington [Mr. HORAN].

The committee amendment was agreed to.

Mr. HORAN. I have no further committee amendments, Mr. Chairman.

Mr. SASSCER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 22, line 9, strike out all of lines 9, 10, 11, 12, 13, and 14.

Mr. SASSCER. Mr. Chairman, in 1915 the Congress enacted a law which provided, in substance, that all pupils whose parents were employed officially or otherwise in the District of Columbia should be admitted and taught, free of charge, in the schools of the District. That has been the law since 1915. Lines 9 to 14, on page 22 of the bill, by limiting the use to which these funds may be ap-

plied, indirectly repeal that affirmative statute.

I understand that as it is a limitation on an appropriation bill it is not considered legislation and is in order. However, it actually repeals existing law.

Every year since I have been here this question has come up. There has been an effort made to prevent children whose parents are employed in the National Capital, who live in greater Washington, although they may live 1 block over the line in Mt. Rainier, Chevy Chase, or in the 2900 block on Rhode Island Avenue instead of in the 2800 block, from attending the District schools. Those parents work in the District. They trade almost entirely in the District. There are approximately 3000 such children going to school in the District of Columbia. As long as the Congress has by affirmative action, by statute, established the policy of permitting children whose parents are employed here to attend the public schools, it seems to me we are approaching it from the wrong angle. If we wish to change that statute, a bill should be introduced and hearings should be held before the appropriate legislative committee.

I urge that the amendment be adopted, which merely leaves the law as it is, and strikes from this appropriation bill an indirect piece of legislation that will deprive these children of the right to attend the District schools. Approximately four States are affected, but primarily Virginia and Maryland. I understand there are a scattering few children from several other States.

Mr. Chairman, I yield back the remainder of my time.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. HORAN. Mr. Chairman, first I want to assure the House that I would be the last man to deprive or deny any American child the right of free schooling, but we are considering here a municipality and an area far different from anything else in the United States at least, and perhaps in the world.

The average municipality, when it begins to expand, reaches out and as the people build their fine homes farther and farther out into the adjoining country, and streets are extended, and water mains and sewers and all the benefits of a municipality are extended, the municipality reaches out and adds those properties to its tax base; schools are built and benefits increase as the city increases the ability of the people to raise revenues. All right. Consider the Federal reservation that we have here that we call the District of Columbia, originally conceived to be 10 miles square, and then about 1874, I believe it was, that part located in Virginia was ceded back to Virginia and today the taxable land area of the District stops at Eastern and Western Avenues and the Potomac River. You cannot add to it. But we have been adding the benefits that accrue to the District of Columbia, we have been adding to the deficits in the Police Department, and the strains on the Fire Department and the Health Department and on the Welfare Department, and the residents of Virginia and Maryland invade here to enter the open doors of the schools, Public Health and the Department of Public Welfare.

In 1937, 2,246 nonresident students were educated in the District schools. That total has risen until, today, we have 3,207 being educated tuition-free in the District schools at a cost of $426,120.

We are dealing here with District people who have no vote and whose fiscal and authoritative policies have become so tangled that I am not inclined to laugh when they seem frustrated. Here is one thing that we can correct and correct now. Bear in mind we are not denying these public schools to anybody who lives adjacent to Washington; but I submit that now when we are trying to raise or save money for the District in the postwar period that a restriction in this bill that will cause them to pay tuition, a just tuition, is in order. We must remember that they live in houses, the property and improvements of which are taxed in the adjoining States.

Here is a double-barreled injustice to the District of Columbia and I do hope that in simple justice that the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. BATES of Massachusetts. Mr. Chairman, I have three amendments which I ask be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. BATES of Massachusetts:

On page 14, strike out all of the language beginning in line 10, down to and including line 2 on page 15.

On page 16, strike out all of the language beginning on line 25, on page 16, down to and including line 13 on page 17.

On page 18, strike out all of the language beginning with line 18 on page 18, down to and including line 7 on page 19.

Mr. BATES of Massachusetts. Mr. Chairman, this is the subject matter I discussed in general debate, and I think it is a matter on which the membership should be well informed before they vote on the appropriation bill today. What we do on this subject matter will have a serious effect on the entire tax structure of the District of Columbia next year and the years ahead. We did go into the tax structure this year, and after 4 months of very careful study brought out a tax bill which would finance this District for the period of 2 years ahead. We increased the tax to meet all the obligations. This bill provides in the general fund over and above the Commissioners' estimate $3,617,210. The all-important question involved here is: Are we going to permit in the District of Columbia the continual tearing down or the abandonment of school buildings which cannot be considered very old. The School Department informs me this morning that over a period of years 240 school buildings in the District of Columbia have been discontinued or abandoned. Within the last 10 years, as I said awhile ago, the school enrollment has actually gone down. June 1937 the enrollment was 90,959; in June 1947 the enrollment was 89,851, an actual decrease in school population of approximately 1,108 pupils. During that period of time, including the funds which are presently available, that is, cash on hand and the $2,000,000 in the 1948 budget we are now considering, we will have spent over $22,000,000 on new construction, land, and equipment, when the school population was decreasing by some 1,200.

We have a bill before us, not by recommendation of the Commissioners, but for some other reason, at the behest of somebody who was able to influence the committee, with $8,000,000 more for school buildings at a time when they intended to tear down or abandon four other buildings. One of these buildings was built in 1883 and it is of masonry construction. Another was built in 1883 and is of masonry construction. Another was built in 1902 and is of masonry construction and then there is the Shaw Junior High School, built in 1932, of masonry construction.

I hold in my hand a list of school buildings, given to me by the school department this morning, which have been abandoned during a 10-year period of time, abandoned, discontinued, at a time when we are spending $22,000,000 on new construction.

Here is the list: The Brightwood Annex, built in 1888, discontinued, abandoned, in 1938; the Chain Bridge School, built in 1923, abandoned in 1941. The Force School, built in 1879, abandoned in 1941.

Bear in mind there are school buildings in my home town and in the great industrial East that are not only 25, 35, 50, and 100 years, but we have schools in my home city 150 years old, that have been reconstructed and are serving a very useful purpose, and would meet the educational requirements of the District of Columbia.

Hubbard School, built in 1900, abandoned in 1942,

Then there is the Polk School, built in 1891, abandoned in 1941; the Russell School, built in 1897, abandoned in 1941; the Toner School, built in 1898, abandoned in 1940; the Weightman School, built in 1886, abandoned in 1942; the Curtis School, built in 1875, abandoned in 1945; the Gohries School, built in 1881, abandoned in 1944; the Addison School, built in 1885, abandoned in 1944; the Brown School, built in 1898, abandoned in 1942; the France Manual Training School, built in 1904, abandoned in 1944.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, under the provisions of the pending bill, I understand it is planned to abandon four school buildings of masonry construction. The board of trade, as I stated, is making an exhaustive study and survey of all the school accommodations in the District. They hope to have it completed by next year. We ought to get the benefit of that impartial report before we proceed to authorize $18,066,550 in this bill, and which has never been recommended by the Commissioners. They say, among other things: The stated purpose of this building program is to eliminate overcrowding conditions in the school system, and I am for such a program when it is carefully worked out; but I am opposed to any program that entails tremendous expenditures of public money when I am informed that it is intended to abandon buildings which are presently being used for school purposes, and are not old in any real sense of the word, two of which were built in 1883 and two built in 1902, both of which are of masonry construction and should be easily made into good buildings with much less money than for new construction. They appear to be in excellent condition, according to the information I have at hand.

Mr. Chairman, these new school buildings in this bill were not recommended by the Commissioners of the District when the budget was submitted originally, and if we go on and authorize and appropriate more money for school construction before a complete survey is made of the needs of the District, I am telling you that next year—and I say this as one who has made a very thorough study of the fiscal affairs of the District—we are going to face an $8,000,000 deficit. Gentlemen, the recently revised tax bill that is on the President's desk will not be adequate in any respect to meet the requirements of the District down through the years that lie ahead of us if we do not accept the amendments I have offered. And I want to say this now, that there will be but one alternative in the light of the increase in the real-estate tax, and the tax burdens this year on property of 33 percent over and above what they were last year; that we can turn no longer to that medium of revenue to help finance the District down through the period of years ahead, and the only alternative will be the sales tax, and then we will be up against prolific spending the like of which we have never seen in this District.

I beseech you Members to adopt these amendments so that we can strike from this appropriation bill those items that were not recommended by the District Commissioners. In the meantime a survey of school needs can be made, and it may be possible to save those four buildings from being abandoned. This study should be made in order that we can intelligently approach the problem of the overcrowded conditions in the District of Columbia and find out what it is all about. I trust, Mr. Chairman, that these amendments will be adopted and these items stricken from the bill which were not recommended by the District Commissioners.

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems fantastic to me that the House of Representatives of the United States should be concerning itself with a matter that ought to be the problem of a five-man local school board. I shall, of course, support the position of the committee as to these amendments.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the serious concern of the gentleman from Massachusetts and I agree with him that if his position and his findings are correct, that the amendment should be adopted. However, I rise now with every ounce of sincerity to say that I am in opposition to this amendment.

I do not have to tell a lot of the Members of this House of the overcrowded conditions in the public schools. Many of you have children going there, and certainly I do not have to tell the Members of this body of intelligent people that we have had population shifts. The last amendment that was voted down by this body related to the shift of population from within the District to the adjoining areas. Right now we have 20 schools that have part-time instruction. There are 6,743 children, mostly of elementary school age, on half-time instruction and running around the streets in the afternoons, at an age when delinquency is not only possible but probable. You, by adopting this amendment, can add these additional burdens to our police system, to our correctional institutions, to our delinquency institutions, and even to our penal institutions. I do not need to tell you that they add a burden to our Fire Department and to our Health Department. I can tell you that some of our schools that are overcrowded now have been declared unsanitary by the Health Department, there are 20 of them now. The adoption of this amendment means there will be 21 next fall, with an ever-increasing number of children at the formative age on part-time instruction.

I ask you to vote down this amendment for this simple reason: We called Dr. Corning and Dr. Wilkinson before our committee not once but four times. We called the municipal architect up not once but four times. Finally we asked him, even over the objection of the gentleman from Rhode Island, who is familiar with construction processes, to take out all the tile in these new buildings and to replace it with hard plaster. We effected every possible suggestion of economy we could think of. I believe we have brought an intelligent bill to you containing this priority one for school construction. I wanted to include priority two, for these schools, to completely eliminate part-time instruction, not only to avoid it.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Illinois.

Mr. CHURCH. The testimony before our committee is just recent. It is not the old testimony of 6 months ago, when they wanted to wait for a survey next year.

Mr. HORAN. Our action was taken 2 weeks ago.

I ask the Committee to vote down this amendment.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. If this overcrowded condition exists, and I speak from long experience in this particular field, why have they during the last 10 years abandoned 13 school buildings, and why do these conditions exist during a period of time when they have already spent over $13,000,000 on new construction? Why are they under your bill abandoning these four big school buildings of masonry construction that have been built only since 1880 or 1890, some of them since 1900? Those are the questions we ought to know about before we foist on the taxpayers of this city the tremendous expenditure that is being recommended in this bill, which in the aggregate ultimately will mean $18,000,000.

Mr. HORAN. I do not want to belabor the Committee, but it was in answering the questions the gentleman from Massachusetts has just propounded to me that we called Dr. Corning and Dr. Wilkinson back to our committee not once but four times. I am convinced that we need school construction because, in spite of what the gentleman says, we still have 6,743 children on part-time instruction in the District of Columbia.

Mr. BATES of Massachusetts. What did Dr. Corning say about the abandonment of these four large masonry-constructed buildings and the 13 school buildings since 1937?

Mr. HORAN. That was due to population shifts.

Mr. BATES of Massachusetts. Of course, population can be fitted into school conditions, I know that.

Mr. HORAN. Mr. Chairman, I ask you to vote down the amendment.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I concur in everything the chairman of our subcommittee has just related to this committee. We had something like this taken up before the full committee on yesterday morning, where a motion was made to strike about $2,000,000 for schools from this bill. After considerable discussion in the full Committee on Appropriations yesterday morning, the amendment was withdrawn and was not put to a vote, because I think it was clearly shown that it is about time we did something to give the children of this District a half-decent education. Two of the schools that are affected in this amendment are colored schools. They are in the worst sections of the city. It was testified at the hearings before this committee that this city is one of the worst cities in the country today as far as additional schools are needed. This is the Capital of our great country, and yet as Members of Congress we sit here this afternoon and are trying to decide whether to eliminate

education that is so badly needed here in the District of Columbia.

I hope the amendment offered by the gentleman from Massachusetts [Mr. BATES] does not prevail. The arguments that he has presented here this afternoon were gone over fully in the District hearings. As our chairman has stated on a number of occasions, the Superintendent of Schools was recalled on four occasions. The architect for the District was recalled on three occasions. He did the best job he could in whittling down the plans for the construction to get them down to the barest minimum. This is not a cure-all for the situation that exists here in the District today. It is only a beginning. If we are going to determine this, we must determine it now and do something and not put it off as we have for the past 4 or 5 years.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BATES of Massachusetts. Is it not a fact that at the present time there is $7,000,000 in cash for construction in the fiscal year 1948 in addition to $2,000,000 in the budget, making a total of $9,000,000 for the fiscal year 1948, so in the meantime why cannot we await the survey that is being made by the municipal finance committee of the board of trade that is tremendously interested in a proper solution of this problem?

Mr. FOGARTY. As I remember, there are about $4,000,000 at the present time. The question was asked of our chairman about the shift in population. That was taken up in the committee. The question was taken up of using buses and transportation of that kind. It has been shown in other cities that it is not feasible and not economical. This is one way that we can make a start to give these children a half decent education which they are not getting under the present system.

Mr. BATES of Massachusetts. The gentleman does not mean to infer that there are only $4,000,000 available for school construction for the fiscal year 1948?

Mr. FOGARTY. No.

Mr. BATES of Massachusetts. There is an additional $4,000,000 put in in this bill.

Mr. FOGARTY. It is $3,000,000.

Mr. BATES of Massachusetts. And there are $9,000,000 available in the budget without the addition that we are now speaking about.

Mr. FOGARTY. No, I think it is about $7,000,000.

Mr. BATES of Massachusetts. Oh, no.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. CHURCH. The gentleman knows that the membership of our subcommittee after considering all the amounts and the entire Committee on Appropriations after considering the same amounts in the bill before it were unanimously in favor of the amounts contained in this bill.

Mr. FOGARTY. This was a unanimous decision, and we are not giving in this bill half of what they asked for.

Mr. CHURCH. That is right.

Mr. FOGARTY. I trust that the amendment offered by the gentleman from Massachusetts does not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. HORAN. Mr. Chairman, we notice at this time a printer's error in the bill. I refer to the original committee print which was considered yesterday at page 20, line 6, where the figure $3,219,230 is carried. When the bill was reported to the House yesterday and sent to the printer it came back with the figure altered to $1,923,000.

Mr. Chairman, I ask unanimous consent that the correction be made at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Chairman, if there are no further amendments, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROWN of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4106, District of Columbia appropriation bill, 1948, directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. HORAN. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HORAN. I ask unanimous consent, Mr. Speaker, that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Speaker, I ask unanimous consent that the two statements from the Comptroller General, which I submitted during the debate, may be inserted in the RECORD at the place requested.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CALL OF THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-six Members are present, not a quorum.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 105]

Andrews, N. Y.	Dirksen	Pfeifer
Bell	Durham	Powell
Bennett, Mich.	Fisher	Price, Ill.
Bland	Fuller	Reed, Ill.
Bolton	Gifford	Rizley
Buckley	Granger	Rogers, Fla.
Byrne, N. Y.	Heffernan	Shafer
Clark	Jennings	Sheppard
Clements	Jones, N. C.	Short
Cole, Mo.	Kelley	Smith, Ohio
Cole, N. Y.	Kerr	Thomas, N. J.
Coudert	Klein	Thomas, Tex.
Courtney	Lynch	Towe
Cox	McCowen	Vinson
Crosser	Macy	Worley
Davis, Tenn.	Mansfield, Tex.	
Dingell	Monroney	

The SPEAKER. On this roll call, 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEMOCRATIC CAUCUS, THURSDAY, JULY 10

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, I wish to announce for the benefit of the Democratic Members that there will be a caucus in this Chamber tomorrow afternoon immediately after the adjournment of the House.

SUGAR ACT OF 1948

Mr. CHENOWETH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 273 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on

Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and reserve 30 minutes.

I now yield myself 5 minutes.

Mr. Speaker, House Resolution 273 makes in order the consideration of H. R. 4075, which may be cited as the Sugar Act of 1948.

This is an open rule and provides for 2 hours general debate. I understand the bill was reported unanimously, or practically so, by the House Committee on Agriculture.

Mr. Speaker, I will not attempt to explain the details of the bill. This is a new Sugar Act. You will recall that in 1934 Congress passed the first sugar bill which was known as the Jones-Costigan Act. Later, the Sugar Act of 1937 was passed.

The purpose of those laws was to stabilize the sugar industry, and covered all phases, including producing, refining, and importing. The Sugar Act of 1937 has been extended from time to time by continuing resolutions of Congress. This law expires on December 31, of this year. It is therefore necessary to either continue the Sugar Act of 1937 or pass a new law.

Fortunately, all of the different segments of the sugar industry, both producers and refiners, and representing both the cane and sugarbeet groups, have agreed upon this bill. This is a most important piece of legislation. I am sure all of you realize what an adequate supply of sugar means to the economy of this country.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MASON. What about the consumers? Were they taken in on these conferences and agreements?

Mr. CHENOWETH. I would like to state to the gentleman that unless we have some sugar legislation there will be no sugar for the consumer. So I say this bill is in the interest of the consumer. First, we must produce, refine, and distribute sugar before there will be sufficient supplies for the consumer, including housewives and industrial users.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Michigan.

Mr. DONDERO. It is my understanding that we produce about 27 percent of the sugar we consume. Does this bill provide for quotas on the production of American sugar, either beet sugar or cane sugar?

Mr. CHENOWETH. Yes; it does, on both cane sugar and beet sugar.

Mr. DONDERO. Why is that necessary, when we produce only such a small part of what we consume?

Mr. CHENOWETH. This bill increases the amount of sugar that can be produced in this country, both in the sugar beet and in the cane areas. Personally, I am very much in favor of expanding our domestic sugar industry. One of the first controversies in which I engaged when I came to Washington in 1941 involved an order, issued by the Department of Agriculture restricting the sugar-beet acreage in the United States. That was just a few months before we became involved in war and our foreign sugar supply was cut off. For some reason there has been some hostility in the Department toward the production of domestic sugar and particularly the beet-sugar industry. Surely we have learned how vital it is to produce all of the sugar possible in this country. It is essential to protect and promote our domestic sugar industry. I am satisfied that this bill is in the interests of our domestic industry.

I think the time is here when we should increase the production of domestic sugar. I refer specifically to beet sugar, as I am more familiar with that industry. I may state to the gentleman that the presidents of two beet-sugar companies from Colorado have been in my office recently and both stated that this legislation is necessary. They favor the bill just as it is without amendment. These gentlemen understand the sugar business and they feel this bill does protect the domestic industry.

Mr. DONDERO. The gentleman comes from the greatest beet-sugar-producing area of the United States. If he is satisfied with it I know I can take his judgment in the matter.

Mr. CHENOWETH. I thank the gentleman and appreciate his statement. The gentleman is correct in his observation that Colorado is the greatest beet-sugar-producing State in the Union and I will state to the gentleman that I intend to support this bill just as it is. I feel satisfied that the distinguished gentleman from Michigan, as well as every other Member of the House, will make no mistake in doing likewise.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. CURTIS. In further answer to the gentleman from Illinois in reference to the interest of the consumer it should be borne in mind that a strong and stabilized domestic sugar industry is in the interest of the consumer The extremely high prices consumers have had to pay for sugar in years gone by have been at a time when we were at the mercy of the off-shore producers. A stabilized sugar industry helps the consumer.

Mr. CHENOWETH. I thank the gentleman for his contribution. He is entirely correct. I think we should do everything possible to protect and promote our domestic sugar industry in order that we may produce the largest amount of sugar possible in this country.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MILLER of Nebraska. As I understand the bill, it does place a limitation, however, upon the production of domestic sugar.

Mr. CHENOWETH. Yes, but it increases the quota for both the beet sugar and cane areas. I will not say that the beet-sugar industry is getting all it would like to have in this bill. The producers of beet sugar would be glad to get a larger quota. However, this bill represents the very best agreement that can be reached at this time.

Mr. MILLER of Nebraska. We should keep in mind, however, that there is more land coming into production through irrigation which might raise sugar beets.

Mr. CHENOWETH. I appreciate that.

Mr. MILLER of Nebraska. Why should there be a limitation on production?

Mr. CHENOWETH. I believe it is generally understood that the quota for the sugar-beet industry written into this bill will permit some expansion. That is contemplated in Colorado and other States raising sugar beets.

Mr. MILLER of Nebraska. The gentleman is satisfied it will do that?

Mr. CHENOWETH. Yes; I am satisfied it will.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. CHENOWETH. Mr. Speaker, I yield myself two additional minutes.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. BARRETT. I am in favor of this bill, but at the same time I am somewhat concerned about the limitation on production of sugar beets. As I understand, the bill limits the production of sugar beets to 1,800,000 tons.

Mr. CHENOWETH. That is correct.

Mr. BARRETT. Following up the interrogation of the gentleman from Nebraska, I should like to inquire what the prospects may be of increasing the production of sugar beets in this country.

Mr. CHENOWETH. I know the sugar-beet companies are considering new areas, I may say to the gentleman from Wyoming. I suspect this is true in his State. I know it is in Colorado.

Mr. BARRETT. Of course, a good many thousands of acres of new lands will be brought under water in Wyoming during the next year or so. As I understand, our production of beet sugar in 1940 was about 1,700,000 tons.

Mr. CHENOWETH. Yes.

Mr. BARRETT. The limitation under this bill is substantially the production in 1940. While I believe it is a pretty good bill, nevertheless it seems to me that as our population increases, our domestic production should increase correspondingly.

Mr. CHENOWETH. I appreciate the contribution made by the gentleman and I want to say that I share the same apprehension he expresses. I took that matter up with the presidents of two beet-sugar companies from my State and both stated that this bill was the very best that they could obtain. If sugar-beet producers had insisted on larger quotas the result would probably have been no bill at all. They feel the quotas given domestic beet sugar will be suffi-

cient to take care of their operations for the next 5 years.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MICHENER. As I understand the gentleman he favors an increase of sugar production in this country.

Mr. CHENOWETH. Yes; I do.

Mr. MICHENER. And he knows that we must have some legislation to do it.

Mr. CHENOWETH. That is right.

Mr. MICHENER. He has not gotten all that he wanted but he has secured in this bill all that he can get, all the legislation that can pass the Congress, and it will be helpful to our districts where we produce sugar.

Mr. CHENOWETH. The gentleman is entirely correct. As I stated at the outset of my remarks, all of those engaged in the sugar industry have agreed upon this bill, and this includes all of the different conflicting groups which heretofore have not been able to agree on sugar legislation. They have now been able to come to an agreement on the bill now before us. It is highly important that we pass this legislation now.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Did the gentleman question the advisability of passing legislation that is to be in existence for 5 years?

Mr. CHENOWETH. There was some difference of opinion on the time the bill should cover. I know one executive in the sugar industry thought that perhaps 3 years would be sufficient, but he finally came to the conclusion that 5 years is more satisfactory. This period is acceptable to all groups. Mr. Speaker, I urge the adoption of this resolution, and I hope the bill will pass without amendment.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. SABATH. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, my colleague, the gentleman from Colorado, a member of the Committee on Rules for whom I have a very high regard, states that he favors the adoption of the rule. If I were in his situation, representing the great State of Colorado which produces the largest sugar-beet crop in the United States and had the interest of the industry at heart, I might favor the rule and the passage of the bill.

Yesterday the House passed a sweet bill, but it was not a sugar bill. It was very sweet, however, to the big income tax gentlemen, including the officers and officials of the sugar combines, in that it will relieve them from the payment of about three and one-half billion dollars in taxes, while the little fellow will derive penny relief as compared to those who have made great profits who will receive tax reductions running into the thousands and thousands of dollars and who do not need any relief at all.

COST TO AMERICAN CONSUMERS

Mr. Speaker, the pending sugar bill will cost the American consumers from $200,000,000 to $300,000,000 annually. While I know some gentlemen will remind me that we passed a similar bill in 1934 for the relief of sugar growers, I cannot refrain from pointing out that it was at a time when all agricultural producers were in a bad plight, suffering from the effects of the Hoover administration, and were on the verge of bankruptcy, and it was necessary then that we extend relief. The Democratic administration extended the necessary aid and relief not only to the sugar growers but to all the farmers of the Nation, and also provided jobs for the sixteen to eighteen million people who were unemployed.

SIXTY MILLION- TO SEVENTY-FIVE MILLION-DOLLAR SUBSIDY

I fully appreciate the gentleman from Colorado is right when he says that the industry and the industrial leaders have agreed on this bill. If I belonged to the gang that compose the American Sugar Trust I, too, would be for the bill, because not only does the bill give a subsidy of from $60,000,000 to $75,000,000 but will extend such payments for an additional 5 years, not 2 years as the gentleman from Wisconsin deemed it should be but for 5 years. Well, these 5 years will be profitable to the great sugar trust as well as to the growers; but, unfortunately, they will be expensive to the American consumers.

Years ago sugar was selling for 4, 4½, and 5 cents a pound; today the selling price is 9½ cents a pound and as soon as this bill goes into effect or within a short space of time thereafter I fear sugar will be selling for 10, 11 and even 12 cents a pound.

I fully appreciate that the bill provides and gives authority to the Secretary of Agriculture, who was a former Member of this House, and in whom I have confidence, to carry out the administration of the act, but he is the Secretary of Agriculture and has the interest of agriculture at heart first and all the time, and sometimes unfortunately forgets the interest of the American consumers, the American people, in general.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I wonder if the genial gentleman from Illinois can tell us of any other commodity whose price was held as low as sugar during the war. Can he name one? Did the gentleman ever hear of anyone complaining about the price of sugar?

Mr. SABATH. I am glad the gentleman asked me that question, but considering the cost of production the cane-sugar growers as well as the beet-sugar growers, are making more money and have done better than a great many growers of other crops. The profit is much greater in growing sugar. I do not object that the cane-sugar or beet-sugar gentlemen should be interested in this measure. I have noticed that some of the gentlemen from Michigan are very much interested in the bill. Naturally, coming from the second largest sugar-beet-growing State, they will vote for the bill and, with the aid of the votes of other Members from States which will be the beneficiaries of this legislation, I know the bill will pass; of that I am satisfied. I am merely giving the membership and the country the facts, feeling that it is my duty to familiarize the membership with the situation which it is facing. I know they are going to vote for it; there will be very few votes against it, and I know the rule will pass. But nevertheless, I cannot help myself and I feel as I have stated, it is my duty to enlighten the House and the country as to the existing conditions and as to what is being done in this Congress to the American people.

Mr. DOMENGEAUX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to my friend the gentleman from Louisiana, who at times does not treat me as fairly as he should.

Mr. DOMENGEAUX. May I call to the attention of my friend the gentleman from Illinois the fact that the processors of Louisiana sugar during the years 1944–45 made a profit of only 2.5 percent according to the records of the Department of Agriculture.

Mr. SABATH. That is on gross sales; gross production?

Mr. DOMENGEAUX. A net profit of 2.5 percent.

Mr. SABATH. On the gross? Well, how much have they made in actual money? How much have they made on the investment? Is it not a fact that many of them have made from 10 to 15 percent on the money they have actually invested, on the total business that they have done?

Mr. DOMENGEAUX. That is not correct, sir, insofar as the Louisiana processors are concerned.

Mr. SABATH. Will the gentleman tell me how much money some of the companies have made in Louisiana, in actual money, after payment of taxes?

Mr. DOMENGEAUX. In no instance over 2.5 percent.

Mr. SABATH. I mean, the amount. I cannot make out these percentages. I want the amount; the actual amount.

Mr. DOMENGEAUX. If there is an investment of $1,000,000, the net profit would not be over 2.5 percent on $1,000,000. And I know the gentleman can figure that.

Mr. SABATH. On the amount invested or on the amount of business which they have done?

Mr. DOMENGEAUX. On the amount invested.

Mr. SABATH. Well, that is not a very large profit.

Mr. DOMENGEAUX. It is not.

Mr. SABATH. No; if that is the only profit they have made I will say they have not profited so much, but nevertheless you concede that they have done very well in the year 1945–46, and are making money this year as well.

Mr. DOMENGEAUX. I will say this, sir.

Mr. SABATH. Let us be honest with one another as we always are. The gentleman understands what I mean.

Mr. DOMENGEAUX. I would say that the Louisiana sugar industry has had a

fair return on its money; I will say that the Louisiana sugar industry has not had the large returns that have prevailed in other agricultural pursuits.

Mr. SABATH. I agree to some extent with the gentleman. I fully realize that agriculture has made great progress under the democratic administration and is still making tremendous profits on all crops. I presume it will be hard for the sugar growers to keep up with the cattle growers and the corn, rye, and wheat growers, especially when corn, rye, and wheat are selling above $2 a bushel. I know a time when they would have been pleased if they got $1 a bushel. Now they are receiving more than double that amount for all crops and for livestock as well. So I concede that sugar has not kept pace with the tremendous profits of other farmers. I do not deny the farmers their profit. I am concerned with the profits of the Sugar Trusts, that do not grow the sugar beet or the sugarcane. They are the men that are making these tremendous profits, and they are mulcting the American consumer and will continue to do so. A stop should be put to that activity on the part of the few men who control this industry.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Illinois.

Mr. MASON. The 2½-percent profit was not made by the farmers, it was made by the processors. That is a different thing. There are people who are engaged in refining the sugar after the farmer has produced it and hauled it to market. The farmer has not been making more than 2½ percent.

Mr. SABATH. I thank the gentleman for enlightening me and also answering the gentleman from Louisiana.

FREE ENTERPRISE

Mr. Speaker, I know that many of the Members are at all times interested in urging free enterprise and support legislation to make industry free from controls. Well, surely the sugar industry or any other industry has not suffered because of controls or from the subsidy aid and assistance which they have been receiving from the Government during the last 14 years. If they will investigate the sugar combinations that are demanding this legislation, they will come to the conclusion that it is not the Government, but these combinations and other organized groups, which restricts free enterprise.

The only redeeming feature of this bill is the provision which gives the Secretary of Agriculture the authority which he may exercise to prevent the sugar combinations from withholding sugar from the market and which will serve as a check on improper distribution through black-market channels.

Before concluding I wish to say that the public was denied the opportunity to appear at hearings in opposition to the bill, but the large interests were privileged to voice their demands and to urge the favorable reporting of this lopsided bill. Yes, this bill will further increase the high cost of living and I wonder when the majority will cease in advocating legislation which will impose still greater burdens upon the consumers and wage earners of this Nation.

Mr. Speaker, I know the former chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN] will point out more fully the inequities of this bill, how certain provisions protecting the rights and interests of labor have been eliminated, and how provisions safeguarding the interests of the sugar trusts have been included in the bill.

I shall not take up any more time, feeling that there is no need for me to delay this painful operation on the American consumers, but will leave to other Members the explanation of the unfair provisions of the bill and its effect upon the pocketbooks of the housewives of the country. Mr. Speaker, I reserve the balance of my time.

Mr. CHENOWETH. Mr. Speaker, I yield 5 mintues to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, we do not produce one ounce of sugar beets in my congressional district nor do I have a sugar refinery in the district. I am interested in securing an abundance of sugar for the American people at the lowest possible price. I believe this legislation will help bring that about.

I was interested in the comment made by the distinguished gentleman from Illinois [Mr. SABATH], because, if my memory serves me right, he stood on this floor in the thirties pleading for the passage of a similar bill that was much more restrictive on production than this legislation.

Mr. SABATH. The gentleman means in 1934?

Mr. AUGUST H. ANDRESEN. In 1934 and 1937.

Mr. SABATH. Yes, and in 1937. I did it in the interest of the American people and in the interest of the poor sugar growers, who were in straits then due to a Republican administration under President Hoover.

Mr. AUGUST H. ANDRESEN. I am certainly glad for that contribution. I hope that he will always act in the interest of the American people.

The gentleman says that he does not belong to the gang that will be the beneficiaries of this bill. Let us see just how that works out. The gentleman from Illinois says he does not belong to the gang. Who is sponsoring this bill? The State Department. Does he belong to the gang that runs the State Department? He claims to belong because the State Department is cutting the duty on all commodities which will bring free trade for American agriculture and labor. Does he belong to the gang that runs the State Department? I assume that he does, and he is proud of it. They are supporting this bill. The Secretary of Agriculture, who is also a member of the gang to which the gentleman professes allegiance, is also supporting the bill.

I assume with the Secretaries of the State Department, the Department of Commerce, the Department of Agriculture—all three high distinguished Democratic members of the Cabinet belonging to the gentleman's party—that the gentleman is also supporting the legislation. Now, what about that?

Mr. SABATH. I would like to correct the gentleman. I am not at all times on all fours with the State Department. When I spoke about the gang, I did not mean the farmers or growers; I meant those who contract for the sugar beets and give the producers so much per ton.

Mr. AUGUST H. ANDRESEN. The gentleman's administration is for this bill and is urging Congress to enact it into law to take the place of the last Democratic act which the gentleman himself sponsored and put through the House of Representatives in 1937.

I do not particularly like legislation that may sometime place restrictions on American production. At the moment, and probably for the next 2 or 3 years, this bill will not place a restriction on the production of sugar beets and sugarcane in the United States.

But what is the need for this legislation and why am I forced to vote for it and support it? Do you recollect that back in the 1930's when the late President of the United States and his administration put through legislation, in the name of securing world peace, tariff duties were reduced on hundreds of American-produced, manufactured farm products? Yes; they did it, and they did it on sugar. They cut the duty on sugar in two, so that it was virtually impossible for any American producer of sugar to continue sugar production in the United States. The sugar act was approved in the thirties, and I supported it reluctantly because I felt it was proper to protect and encourage sugar production in this country. I was forced to support the act of 1937 because it did restore sugar production in this country. I supported that legislation then and, therefore, I am supporting it now in order to save our producers in the United States so that they may continue to produce sugar in competition with cheap production from other countries.

Mr. GILLIE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GILLIE. Was not the tariff reduced in the thirties?

Mr. AUGUST H. ANDRESEN. Yes, sir.

Mr. GILLIE. That is when the big sugar plant in my district went out of business.

Mr. AUGUST H. ANDRESEN. Oh, we had a number of sugar-beet factories throughout Indiana and Ohio that went out of business because they could not continue to produce in competition with the cheap production from other countries.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENKINS of Ohio. I should like to remark that I consider the gentleman the most expert individual in the House of Representatives in reference to the production and marketing of sugar because I know that he is in a position to have given it a great deal of study.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. JENKINS of Ohio. I should like to ask the gentleman a question. As the gentleman knows, he and I have been

together in many meetings and have been associated together many times although I have not been with him lately, but may I ask him: Does this bill do what we tried to do 6 or 8 months ago to bring about a greater and wider production of sugar and a greater opportunity for the consumers of this country to get more sugar?

Mr. AUGUST H. ANDRESEN. Yes; the bill provides for increased production. Personally I would prefer to have the law written for 3 years instead of 5 years. But the industry and the producers, have agreed to have it 5 years. I do not think it is binding on another Congress, so that inside of 2 or 3 years, if the Congress wants to review it and if they find our production has gotten up to the quotas which have been assigned, then we can change it.

Mr. JENKINS of Ohio. It is a fact, is it not, that the gentleman's studies and our studies show that there was potential power in this country sufficient to bring to the people plenty of sugar if we administered and followed it through properly?

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MURRAY of Wisconsin. Does not the gentleman think it would be desirable to limit it to 2 years? Then we will not be in any political campaign and we will have an opportunity to reevaluate many of the factors involved, because this is a complicated piece of legislation.

Mr. AUGUST H. ANDRESEN. There is no question about that. Possibly, under general debate I will have a little more time and will go into that feature.

I want to point out another erroneous statement made by the gentleman from Illinois [Mr. SABATH]. He said this would cost the American consumers between two hundred and three hundred million dollars a year. As a matter of fact, the tax on sugar is one-half cent a pound, or 50 cents per hundred. That yields around $70,000,000 a year. Of this sum approximately $55,000,000 is paid to producers, and around $15,000,000 goes into the United States Treasury and becomes a part of the general revenues of the country. So that there is no exorbitant additional cost to the American consumers because of this act. It does encourage production. Therefore, I trust the rule will be agreed to, and the bill passed.

The SPEAKER. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman two and one-half additional minutes.

Mr. AUGUST H. ANDRESEN. I think we should fully understand this act and what it does about production in this country. In the first place, in 1935, the sugar-beet producers of the United States produced 1,541,000 short tons of beet sugar. This year it is estimated they will produce 1,700,000 short tons. The quota assigned for sugar beets in the United States by this bill is 1,800,000 tons, so that there can be an expansion of the sugar-beet acreage in the United States. That expansion, of course, will be largely determined upon the refining capacity of the refineries to take care of the sugar beets that are produced in the United States. We will assume that after this bill goes into operation, and for next year's crop the farmers would produce more than 1,800,000 short tons of sugar. They could store the extra sugar until the following marketing year, so that there would not be any waste or destruction of sugar such as we experienced with potatoes in the United States during the past few months. That sugar could be kept for another year. The same is true of the production of cane sugar in Louisiana, Florida, and other areas. It also gives an increase to the sugar producers of Hawaii, and leaves the sugar producers of Puerto Rico in about the same production status as they are at the present time.

In my opinion, this is the best bill we can bring before the Congress on a very vital subject that is of great concern to the consumers and producers of this country.

The SPEAKER. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has again expired.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I shall support this bill. It is not ideal. It is not everything that we might hope for, but as has been so well said, it is the best we can do at this time.

A great many interested parties, representing various factions and sections, have agreed upon it. Like most other Members from sugar-producing areas, I have worked and striven for a program of greater production of sugar within continental United States. Until we attain that, the consumers of America are always going to be short of sugar in time of war or other national emergency. The American market belongs to the American farmers.

This is a complex problem. It did not arise within the last few years. It has been a number of years in the making.

The mistake was made when in the Wilson administration the Underwood tariff was passed lifting or removing the quota of Philippine sugar coming into the United States. It resulted in driving the Philippine Islands into a one-crop economy, and a one-crop economy is not good for any section or any country. The sugar problem in America commenced to grow worse from that time until it became necessary to pass special legislation in regard to the production of sugar. First we had the Jones-Costigan Act, later the Sugar Act of 1937 which in effect required the Secretary of Agriculture to determine how much sugar we would need in a given year and then to allocate the right to produce that sugar to various sections and groups, according to that percentage formula set forth in the act.

I think the Congress of the United States made a mistake in the passage of the Philippine Trade Act of last year. Those who served on the committee that considered that bill know my position on that and how hard I worked to get the quota for the Philippine Islands cut down not only for our good but for their good. We have again started the Philippine Islands back on the road to a one-crop economy and we have not done them any good in the long run. But all that is past. The Eightieth Congress is not responsible for that. It cannot be changed because that act stands as a treaty and it cannot be changed by this Congress.

This bill before us today will do better than the 1937 act. I happen to live in a territory that not only produces sugar beets, but we have a great section that is just beginning to produce sugar beets. More farmers and more communities want the opportunity to produce sugar beets. I have taken this matter up with interested parties in the newly irrgated sections of Nebraska and the best information I can get is that they will come nearer realizing their hopes with this bill than without it. It does not give them all that they ought to have, it does not give them all they want, but it is some progress, and for that reason I shall support the measure.

I believe that this bill is in the interest of the consumers of the country. There is nothing that will increase the price of sugar to the consumers as much as a policy of depending upon offshore sources for our sugar. This act will also enhance the Treasury of the United States to the extent of possibly $15,000,000 or $16,000,000.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. MILLER of Nebraska. The gentleman is making a very fine statement on sugar. I know he has new lands in his district coming into production. He knows my concern. I expect to support this bill because it seems to have the support of those best informed. It will increase by about 100,000 tons the amount of sugar that we were normally producing. We have lost sight of the fact that the population of this country is increasing at the rate of about 2,000,000 a year. In 5 years that means an increase of 10,000,000. As a matter of fact, when you look into the increased production of sugar the 1,800,000 tons is actually a decrease when compared to the increase in population.

Mr. CURTIS. I thank the gentleman. It is with much reluctance that I shall support this bill. It is some improvement, but it is not nearly what it ought to be. It does not permit free and unrestrained expansion of our domestic sugar production. I think that it should.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, the House heard me very patiently when I spoke under a special order last week in behalf of a bipartisan peace policy that would have the united support of both of the great political parties of this Nation. In the discussion which followed a number

of Members from both sides of the aisle agreed that an attempt should be made to develop a bipartisan approach to foreign-policy problems. I think it is a wholesome development that the House of Representatives is now recognized as a contributing factor in our evolving foreign policy. We share responsibility with the Executive and the Senate in many phases of legislation for peace.

Today the gentleman from Minnesota [Mr. JUDD] and I are introducing a resolution designed to strengthen the United Nations, and in line with our ideas regarding cooperation between the parties we are stressing its bipartisan character. We are joined in this action by four Members on the Republican side of the aisle, and four of my colleagues on the Democratic side.

I shall yield some of my time to the gentleman from Minnesota after reading the resolution which is sponsored on the Democratic side by the gentleman from New York [Mr. BYRNE], the gentleman from Tennessee [Mr. KEFAUVER], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Montana [Mr. MANSFIELD].

The resolution is as follows:

Whereas all the world deeply desires durable peace; and

Whereas the United Nations was created as an instrument to preserve the peace of the world; and

Whereas experience increasingly indicates that the United Nations in its present structure is not fully adequate for this task; and

Whereas the United Nations Charter in its article 109 provides a procedure whereby the Charter of the United Nations may be revised and amended: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President of the United States should immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

Mr. Speaker, I now yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, as my friend and colleague from Arkansas has stated, some of us have been working on this concurrent resolution and the idea behind it for a long time. It came to a head when we were dealing with the Greek-Turkish aid proposition. It became clear to all that the United Nations, the very organization set up to prevent war and maintain peace, on which the world had pinned its confidence and which, I believe, gives us our only real hope of achieving the things for which we fought two wars, could be used whenever one of the Big Five wanted so to use it, not to make peace but to block the making of peace. This was and is an intolerable situation. We are faced with only three alternatives.

One is to scuttle the United Nations, abandon it entirely. That, at least, would be honest. The second is to continue giving lip service to it and use its machinery for marginal, relatively secondary matters; but when we face a really vital issue, find ourselves compelled to take direct action, bypassing the UN machinery because it has not the men nor the money nor the authority to act itself—in fact, it is so constructed that one of the Big Five, if it so desires, can use the machinery to prevent the making of peace, the very thing the organization was supposedly set up to foster and promote, yes, guarantee.

I am sure the deep desire of the great mass of the people of this country and of the world as well as of the Members of the House of Representatives and the Senate is not to abandon or scuttle it, or to bypass it, but rather to fix it, to get its structure modified so that it can and will work. We must endeavor to get a world organization which will work with Russia if she is willing to come along, but without her if she is not willing. The great majority of the people of the world want peace and is willing to pay the price for it. It is a betrayal of them and of our own dead not to exert every possible effort to improve, modify, and correct the machinery of the United Nations so that it can deal with and dispose of whatever disputes come up to threaten peace. That is all this resolution is designed to do.

I know no better way to revive our hopes and the world's hopes for peace than by starting action now on the only practical method whereby we can take concrete steps toward getting a better international organization.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. JUDD. Mr. Speaker, the gentleman from Arkansas has mentioned the name of his Democratic colleagues who joined him. Those on the Republican side who have joined me in introducing identical resolutions are the gentleman from South Dakota [Mr. MUNDT], the gentleman from Maine [Mr. HALE], the gentleman from Pennsylvania [Mr. MUHLENBERG], and the gentleman from California [Mr. NIXON]. I have since spoken to a dozen others who said they approved the resolution wholeheartedly and would be glad to participate; but we thought probably the best thing to do was to have the resolution actually introduced by each of the first five from each party who volunteered, as a means of getting it before the Congress and calling the attention of the country to it.

A similar concurrent resolution, with different wording but essentially the same objectives, is being introduced in the Senate today, I understand, by Senator FERGUSON, of Michigan, on behalf of himself and four Republican colleagues, Senators TOBEY, BALDWIN, CAIN, and FLANDERS, and five Democratic colleagues, Senators BYRD, O'MAHONEY, MCMAHON, TAYLOR, and SPARKMAN.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from South Dakota.

Mr. MUNDT. I think it is well to emphasize the fact that not only is the United Nations at present fumbling along with comparative futility on the big major problems, such as the establishment of a police force to protect the security of the world and meeting the challenge of the atomic bomb, but there are innumerable little discrepancies which have developed from experience which need to be clarified and eliminated. Just recently it was called to my attention that the selection of American citizens to serve on the United Nations Commission is taking place without the approval of the State Department. Some American citizens were selected by the United Nations Commission, allegedly representing our interest, who have not been certified or even approved by the State Department.

Mr. JUDD. Yes; there is good reason for confidence that now on the basis of the experience of the last 2 years we can evolve more successful and workable and practical formulas than was possible at San Francisco.

Mr. MUHLENBERG. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. If I could make a single observation, it seems what we are trying to do now is to establish a policy that we will follow in leading toward the success of the United Nations, and that our effort to establish a policy is a thing that this resolution points to.

Mr. JUDD. Thank you. In order to do that the resolution is carefully drawn so that we do not, in advance of the general conference we urge the President to call, commit ourselves to any particular amendment or revision, any particular specific remedy. We merely recognize the obvious fact that as presently constituted the United Nations is not doing the job that most people thought it was set up to do. It contains within its own charter provision for calling a general conference to amend it so that it can work.

Our resolution is not a vote of nonconfidence, a condemnation of the United Nations idea. Rather, it is a reavowal of our faith in the essential idea and objectives. We want the governments of the world to come together, those who want peace and desire peace, to see if we cannot correct the defects or weaknesses, just as our own Articles of Confederation had to be modified, and as we are in the process every day of modifying our laws on the basis of practical experience.

If some nation, for example Soviet Russia, refuses to cooperate in making necessary revisions, then at least the air will be cleared. If her major objective is security, then this is the way to strengthen the United Nations so that it can become able to guarantee her security and ours, and every other peaceful country's. If she refuses to cooperate, then we can know that her real objective is not security but conquest. We devoutly hope the latter is not the case; but if it should be, then it is better for everyone to have that fact clearly known.

We hope all of you will approve and support this resolution.

Mr. Speaker, I wish to include the following press release which we have prepared:

PRESS RELEASE

A biparty group of United States Representatives today introduced a concurrent resolution asking the President to call a convention to strengthen the United Nations under article 109 of the UN Charter.

Experience of the last 2 years has convinced the members of this group that the UN needs strengthening if it is to preserve world peace. Therefore they are asking the President to take the initiative in making the UN capable of "enacting, interpreting and enforcing world law to prevent war."

The sponsors believe that the United States direct action in offering aid to Greece and Turkey and in the matter of European rehabilitation—not to speak of American reluctance to place the international control of atomic energy in the hands of UN Security Council—shows clearly that the UN is not—in its present form—adequate to cope with the stresses and strains of a divided world.

At the same time, debate on the aid to Greece and Turkey bill, they claim, showed not only a general belief among Members of Congress that the United Nations is our only hope for peace, but also a very strong tide of opinion in favor of strengthening the United Nations to enable it to do its job.

Public opinion polls have shown over 60 percent of the people in favor of giving the UN powers adequate to prevent war (Fortune poll). Fifteen State legislatures have passed resolutions calling for substantially the same thing.

Various communities are coming out overwhelmingly for a transformed and strengthened UN. It is time we acted, they say, particularly since the initiative for such a move ought to come from the United States. Amendment of the Charter has wide support abroad, according to them. Britain, France, and China, as well as many smaller countries, have indicated their readiness to accept changes, but American leadership is the prerequisite because of this Nation's position in world affairs.

The sponsors believe that there is no surer way of determining whether the Soviet Union is bent on conquest than by learning whether she would be willing to go along with other nations in creating a United Nations which could guarantee her security.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, I rise to make the statement that I am in accord with H. R. 4075, as I believe this legislation is the proper method to promote more sugar for the entire country. I believe this is the first time that the sugarcane-people and the sugar-beet people and the processors are all in accord on one piece of legislation. For that reason I feel that it will have a tendency to produce more sugar. I am not fearful of the increase in price. I believe the supply and demand will take care of that phase of whatever argument might be injected into the picture a little bit later. But, I believe the bill will do a good job and I want to compliment the chairman of the committee [Mr. HOPE] and the members of the Committee on Agriculture in bringing a bill to the House here that the processors and the growers of sugar beets and sugarcane are practically in accord on, and I believe that the bill will bring more sugar to the consuming public of this Nation.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, this bill is a proposal to ration markets, not a commodity. Heretofore we have considered sugar legislation designed for the purpose of rationing sugar. I repeat, this bill rations the sugar market of the United States to certain people as set forth in this bill.

This bill is an agreement by the present investors in sugar properties. It substantially leaves out of the picture prospective future investors in sugar properties—those who would expand this great industry. By reason of the bill's being an agreement which the State Department—and that means the Federal Government, including the White House—has joined, and by reason of its being an agreement which Cuba has joined—and Cuba has for decades had its foot inside the State Department and has influenced all sugar legislation we have written in the past few years, and will probably continue to do so—this, I guess is the only bill we will have a chance to vote on dealing with this particular subject this calendar year. For this last reason I expect to support the bill.

I have said in very abrupt language, language that will probably cost me votes, language which I spoke to people in the sugar industry, exactly what I thought about this agreement they have made. I am not talking about the bill now, I am talking about the agreement. I am an advocate of free enterprise. I am an advocate of a man's living simply, saving money, investing it in business, taking his losses with his profits, keeping his mouth shut, eating his crow when he has to, keeping the Government out of his business, and letting him run his business according to his judgment. But there are those who advocate the Government's stepping in and telling business what it must do. The great sugar industry became involved in that kind of a picture some 10, 12, or 15 years ago, over my protest, and since then we have had this sugar market quota law which allocates markets, which says to Mr. A, for instance, "You have your investment in sugar properties and I am going to protect you. I, the Government, by reason of a Federal law, am going to protect you. And you, Mr. B, shall not be permitted to enter this industry because I will not give you a marketing quota. I am going to protect Mr. A and his investment and his property."

That fundamentally runs contrary to my concept of American industrial enterprise, and therein I was in disagreement with the boys, and I told them so. I said, "There is no way I can defend that principle anywhere because it runs contrary to all my philosophy."

You refer to pages 9, 10, and 11 of the bill and you will get the heart of it. We say, for instance, to Cuba, a foreign country, "You may participate in the deficits of deliveries." Why do we not say to the American people, "There is going to be a deficit in sugar production. You, Mr. A, B, and C, may go build a factory and bring in the acreage and produce the sugar and feed the American people," instead of protecting Cuba, a foreign country, in that respect? We do not do that because the industry agreed not to do it, and the State Department agrees. Of course, Cuba participated in that agreement.

That is what we get into when we let Government start telling us what to do. We have a conference between John Lewis and Big Steel and Big Coal and the public pays for the increase. We have a conference between somebody else that is big, but the public did not sit in there. I am talking straight stuff here, and I am not afraid to talk it anywhere, because I know this business, and I will have to defend myself as best I can. We, the American people, have these affiliations and relations with Cuba and we are getting into them with every other country on earth. That is the reason I made the remarks I made the other day when the wool bill was up. I told you then you would have to take a position and that you would have sugar up within a few days, and it is only a few days or weeks or a few months at the longest until you will have to deal with rubber. That is what we are up against. This is the only bill you will have a chance to support, so, as I said, I am going to support it.

Mr. CHENOWETH. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. MURRAY].

Mr. SABATH. Mr. Speaker, I yield 4 minutes to my neighbor, the gentleman from Wisconsin.

The SPEAKER. The gentleman from Wisconsin [Mr. MURRAY] is recognized for 5 minutes.

Mr. MURRAY of Wisconsin. Mr. Speaker, this sugar legislation includes everything that I think I have heard every Member of Congress say that he does not believe in. So this will be a case of voting for a bill which includes everything that you know everybody is against.

Among the things that are in the bill are fixed prices, and our distinguished colleague, the gentleman from California, does not need to tell us about supply and demand and the regulating of prices because that power has been given to the Secretary of Agriculture.

The bill contains quotas. It has more quotas in it than all the holes that can be found in any Swiss cheese ever made in the State of Wisconsin. It is full of quotas from one end to the other. It even goes so far in the matter of quotas that they have a quota on the amount of refined sugar, if you please, that can go from one part of the United States to another part of the United States, that is, if you still think that Puerto Rico is a part of the United States.

The reason I suggested a couple of times that we ought to limit this bill to 2 years is that if the Hawaiian Islands become a State of the Union we are going to be in a sort of embarrassing position when they do become a State. This bill tells one part of the United States that they can ship only so many tons of refined sugar into another part of the United States. Certainly, we are going to be embarrassed then. It is not right to limit the amount of sugar that Puerto Rico and Hawaii can refine. I hope this provision of the bill is eliminated.

Then, we have processing taxes. We have heard a lot about processing taxes. We are supposed to be against processing taxes, but the bill has processing taxes in it—one-half cent per pound.

The consumer pays most of it in lieu of an additional duty.

Not only has it processing taxes, but here is another thing that is bad for my Republican colleagues. It has subsidies in it, and they are all supposed to be against subsidies—every single one of them. I know that my Democratic friends are also against subsidies unless they go to the right places.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to my friend from California.

Mr. ELLIOTT. Do you favor the bill and are you going to vote for it?

Mr. MURRAY of Wisconsin. I do not expect to vote for it in its present form; no, sir. I will tell you the feature of the bill that I will not vote for. I know that up to this time when the Seventy-sixth Congress passed a bill which would not allow tobacco seed to go out of the United States to people in other parts of the world who were raising tobacco to compete with ours, we raised a trade barrier which was the worst that was ever erected in the history of the United States. But this one is the worst one. There is a worse trade barrier here than the one I just mentioned. When you go to telling the people in a part of the United States that they can ship only so many tons or pounds of refined sugar into another part of the United States, then we have gone a long way down the road and much farther than I could agree to go.

Another reason that I would not vote for the bill in the form that it now is in is because of a mistake—and I am sure it must be a mistake because there is nobody in the world who would leave out that little section that was in the bill last year which protected the man who worked out in the fields. Remember, this bill takes care of the processor. It takes care of the producer, and it is supposed to take care of the consumer, but we leave the fellow out who works out in the field and in the hot sun. We leave him out altogether. I cannot figure out why the fellow who works out in the sun has one set-up and then the fellow who works inside of a building has another set-up. The man who works out in the sun does not get any vacations and he does not get any social security, and he does not get any of those things. But you know they are going to try to correct it, and they have seen the error of their ways and have recognized their sins and added that in because they have put that in the bill now, and a committee amendment is going to be offered to take care of the fellow who works out in the sun.

You know, it might be all right to tell Mr. Petrillo that he should not have so much power and to say that someone should or should not play a fiddle when you want to sing God Bless America. But here in this bill one segment of the American people is picked out and not protected. We are going to protect the producer and are going to protect the processor and going to protect the consumer, and then say, "But you boys who work out there in the fields are all right because we just know that you will get your benefit out of the sunshine and you will get part of your compensation from the sunshine."

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I desire to call the attention of the House to a very serious omission in this bill. It eliminates entirely the protection that has existed in other sugar acts, two very fundamental guaranties for sugar workers. One guaranty was that no producer could receive any benefits under the Sugar Act unless payment was made in full to the sugar worker. There are some States where the law does not give a guaranty of full payment to the sugar worker. In Puerto Rico there is no law providing for such guaranty. So that if the worker is not paid in full in those States or in Puerto Rico, he has no recourse. Because of that, we have had in all sugar acts heretofore enacted a provision guaranteeing full payment to the workers before the producer could receive any benefits under the act.

Then, that same section of the Sugar Act also provided that sugar workers were to be paid a fair and reasonable wage. This fair and reasonable wage was to be fixed by the Secretary of Agriculture after investigation and after making determinations. That, too, has been eliminated from this bill.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. HOPE. The Committee on Agriculture this morning authorized the chairman to offer a committee amendment to the bill at the proper time, which will, as far as the cane-producing areas are concerned, take care of the situation which the gentleman mentions.

Mr. MARCANTONIO. Will that cover the workers in Puerto Rico?

Mr. HOPE. That will cover the workers in Puerto Rico.

Mr. MARCANTONIO. May I ask the distinguished chairman of the Committee on Agriculture, for whom I have great respect, just why is not the language of that section of the present law carried in this bill? Secondly, is the committee amendment which will be offered in any manner different from the section that exists in the present law?

Mr. HOPE. Answering the second question first, the language which will be offered as far as the provisions relating to fair wages and fair practices is concerned, will be identically as it is in the present law. There will, however, be this limitation, that those provisions will not apply in areas where less than 5 percent of the sugarcane or sugar beets is produced by processors; and with the further limitation that the Secretary shall put the provision into effect when a substantial number of either producers or workers or processors request it. I am sure that as far as Puerto Rico, and the other cane-producing areas are concerned, there is no question but what the provision will be applied and it will be identically the same as the provision in the present law.

With reference to the other question which the gentleman asked, I can simply say that the committee considered the matter of including these provisions which, as the gentleman knows, in the present act, are not arbitrary provisions, but they are conditional provisions. That is, they must be complied with before the producer receives his subsidy payment from the Government. There was some difference of opinion in the committee on that point but the difference was finaly resolved by the compromise amendment which will be offered when the bill comes up on the floor.

Mr. MARCANTONIO. One other question, if the gentleman will permit: Was this provision eliminated as a result of the recommendation from the Department of Agriculture?

Mr. HOPE. As far as the Department of Agriculture was concerned its representatives endorsed the proposed bill which did not contain that provision. The Secretary of Agriculture appearing before the Committee endorsed the bill in the form in which it was submitted by the Department without this provision. While I cannot quote his exact language he stated in effect that he had no objection to the language if the committee desired to put it in, but he was not insistent upon the inclusion of that language.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at this point a statement on this question by the representative of the International Longshoremen's and Warehousemen's Union, CIO.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(The statement referred to follows:)

STATEMENT OF THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION—CIO—BEFORE THE HOUSE AGRICULTURAL COMMITTEE ON THE SUGAR ACT OF 1948

(By William Glazier, Washington representative, ILWU)

The International Longshoremen's and Warehousemen's Union is the collective-bargaining representative for practically all of the sugar workers in the Hawaiian Islands. As an organization with a real stake in the sugar industry we appear before the committee today to present our views on the bill entitled "The Sugar Act of 1948," and specifically on the absence of certain provisions which were so significant in the philosophy and administration of the Sugar Act of 1937. These are embodied in section 301 of the present act.

When the late President Roosevelt sent his message to Congress on March 1, 1937, recommending a new sugar act he listed the various groups which would find protection under the act, as they had under the old Jones-Costigan Act. These were the consumers, the growers, the processors, and the workers.

He had this to say about the men, women, and children who labor in the sugar fields:

"It is also highly desirable to continue the policy, which was inherent in the Jones-Costigan Act, of effectuating the principle that an industry which desires the protection afforded by a quota system, or a tariff, should be expected to guarantee that it will be a good employer. I recommend, therefore, that the prevention of child labor and the payment of wages of not less than minimum standards, be included among the conditions for receiving a Federal payment."

These provisions were, as you know, embodied in title III, section 301, paragraphs (a) and (b) in the Sugar Act of 1937.

But of these provisions, only the child-labor provision is included in the Sugar Act of 1948 proposed to this committee by Secretary of Agriculture Anderson on June 21. An act which protected the several interests in the sugar industry, growers, processors, workers, and small farmers would be replaced by a bill to benefit the few.

This is a departure from the spirit of the Sugar Act of 1937 and its very purpose. It is we feel a shocking emasculation of one of the most important social and economic provisions of the old act.

There can be no excuse at a time when the cost of living in the United States and the offshore domestic producing areas is at all-time peaks for dropping a provision which guarantees that workers in the cane and beet fields be paid a minimum wage.

It is our understanding that a spokesman for the Department of Agriculture stated here that since all segments of the industry were in favor of discarding this provision the Department had no objection.

However, neither the workers nor the small farmers who are protected under section 301 were ever consulted. They, too, are a part of the sugar industry, and since they are so directly involved one would have imagined that the Department of Agriculture would have consulted the organizations representing these people. This was not done.

Instead this new Sugar Act was drawn up by the Department in consultation with certain domestic sugar producers and presented to this committee.

LABOR PROVISION

The present labor provision has two parts. It makes clear, first, that all workers shall be paid for work performed; and, second, that they shall be paid not less than rates declared fair and reasonable by the Secretary of Agriculture.

As for the first of these points. I have before me a report on labor migration. This analyzes certain labor laws applicable to agricultural labor in the significant sugar producing States. In the following States there are no provisions for State aid in the collection of wages: Colorado, Florida, Idaho, Iowa, Kansas, Louisiana, Minnesota, Montana, Nebraska, North Dakota, Ohio, and Washington. The Territory of Puerto Rico likewise lacks any provision for State aid in wage collection by agricultural workers.

Agricultural workers were guaranteed with the passage of the act of 1937 that the abuses of nonpayment or incomplete payment would be eliminated. The new act does away with this protection.

The labor provision of the 1937 act, as you know, made the payment of fair and reasonable wages a condition for the receiving of payments under the act.

This represented a new approach in the treatment of agricultural workers, and what is more significant, in the treatment of labor in an industry with tariff protection.

For many years protective systems have been defended on the ground that labor shared in the benefits derived by industry from such protection. Under the Sugar Act of 1937 a portion of such benefits is for the first time specifically reserved for workers.

The significance of this cannot be overstressed. The Sugar Act of 1937 explicitly recognized that agricultural laborers are entitled to share in the benefits provided by our national farm programs and by the protective tariff and subsidy measures adopted by the Federal Government.

The proposed bill throws all of this into the dust bin.

During the war years, because of competition for a very short supply of labor, growers in most areas found it necessary—as they had not in former years—to pay wages higher than those required for compliance under the Sugar Act. The prescribed rates served less as prevailing wages than as a protective minimum.

At the same time these prescribed rates served as a stabilizing factor since the wage rates announced in 1 year were based generally on standards used in other years.

Removing this provision at the present time in a period of increasing supply of labor and keener competition among workers for jobs is an open invitation to wage cutting.

The term "fair and reasonable" in this section has been related to the benefits of the act. The main consideration has been the allocation to wages of a customary share or percentage of the gross returns per acre or per ton of beets. In the past, changes in the minimum wage have been allied closely to changes in gross returns per acre or per ton of beets although other factors, such as changes in the cost of production or in cost of living are given consideration. This is in contrast with the minimum wage determinatons in other employments; in these employments, certain minimum standards of wages, determined independently of gross returns or other criteria of the economic status of employers, are usually the overriding consideration.

For example, from 1939 to 1945, under these wage determinations the hourly rates in sugar-beet farming in Washington and California increased 39 percent for thinning, 46 percent for harvesting, and 60 percent for hoeing. Composite farm rates rose 251 percent in Washington and 179 percent in California over the same period.

Yet, despite these limitations the sugar field workers have had the assurance that before their employer received any payments from the Federal Government they, the workers, would have to be paid and at a rate approved by the Department of Agriculture.

This protection, flimsy as it was, would be denied the sugar workers under the new bill.

Instead of agreeing to destroy this single guarantee, it would be more to the point for this committee to investigate means of strengthening this section of the Sugar Act.

For example, one might suggest establishing standards under which the workers would benefit from and share in the technological development in the industry. And in the actual determination of wages it might be profitable to have area committees composed of growers and workers with a representative of the Department of Agriculture present. These committees could make the recommendations out of their own practical experiences and relationships for a given area and a given crop. In this manner you could have greater local interest and participation in the establishment of the fair and reasonable wage.

This is, I know, a sugar bill and not a labor bill. And I shall not belabor the point. I cannot move on, however, without pointing out that when Mexican workers came into this country during the war, the contract between our country and the Mexican Government provided that the Mexican workers receive medical attention, transportation, and even set minimum weekly earnings. American agricultural workers have never enjoyed such contractual benefits.

Incidentally, when I speak of agricultural workers in this context, I am referring not only to the workers employed on beets, but the many small farms in Florida and Louisiana who supplement their income by working in the cane fields during the harvesting period.

This leads me to another part of section 301 that has been discarded under the new bill.

Section 301 (d) provides that grower-processors who intend to apply for Federal sugar payments are also required to pay fair and reasonable prices for cane or beets bought from other growers. This paragraph was included for the protection of small farmers.

Processor-producers grow a substantial part of all domestic sugarcane and receive relatively large conditional payments. Consequently, the terms of the fair-price determinations become the general basis for the purchase of sugarcane.

Small growers who are assured protection under the Sugar Act have been stripped by the new bill.

I have confined my comments to the deletion of paragraphs (b) and (d) from section 301. We urge that if the committee takes favorable action on this bill that it include the present minimum wage and processor-grower provisions. To delete these provisions at this time at the request of the domestic beet-sugar producers would be vicious and discriminating.

Mr. CHENOWETH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4074, the Sugar Act of 1948, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kansas [Mr. HOPE] is recognized for 1 hour and the gentleman from Virginia [Mr. FLANNAGAN] is recognized for 1 hour.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. HOPE. Mr. Chairman, the present Sugar Act will expire on December 31 next. This means that if we are going to operate under the quota plan such as we have had in effect since 1934 in some form or other that we will have to enact legislation during this session. Until a short time ago it appeared that it would not be possible to present a new bill at this session and with that in mind I introduced a bill to extend the present act for 1 year thinking that new legislation would have to await the next session of Congress.

However the Secretary of Agriculture was very anxious to see the enactment of new legislation, particularly because of the fact that the present act provides that if the Philippine Republic was not able to supply its quota of sugar the deficit must be allotted to foreign countries other than Cuba. It was the desire of the Secretary and the administration that Cuba be permitted to absorb the Philippine deficit, not only because Cuba

has greatly expanded its production of sugar during the war period, but in recognition of the fact that our relations with Cuba during that time in connection with the purchase and supply of sugar had been carried out in a very cooperative and helpful manner. There was also some question as to whether foreign countries other than Cuba could supply the Philippine deficit, at least for the next year or so. Therefore the Secretary of Agriculture recommended against extension of the present law and expressed the hope it would be possible to enact new legislation.

At his urging the producers, the processors, and the importers of sugar got together with the Secretary to see if some agreement might not be reached for new legislation. As the discussions proceeded conferences were held with the Secretary of the Interior and with representatives of the State Department. As a result of these meetings and conferences a bill was drafted which was submitted by the Secretary of Agriculture to the Congress. At that time Secretary Anderson stated that the proposed bill had the approval of the Interior Department, the State Department, and the administration. That bill with certain amendments is the one which is before us today as H. R. 4075.

Mr. Chairman, in large part this bill is simply a reenactment of existing law on the subject of sugar quotas. There are a few significant changes to which I wish to call attention in the brief time I will take. Perhaps the one of greatest interest is the allocation of quotas. Under existing law each producing area, both domestic and foreign, from which we had been securing a substantial supply of sugar was given a percentage quota. That plan is not followed in the present bill as far as the domestic producing areas are concerned. Each domestic producing area is given a flat quota of so many tons of sugar during the life of this legislation, which is 5 years. Those quotas are as follows: Domestic beet, 1,800,000 tons; mainland cane, 500,000 tons; Hawaii, 1,052,000 tons; Puerto Rico, 910,000 tons; Virgin Islands, 6,000 tons; or a total allocation to domestic sugar producing areas of 4,268,000 tons.

In addition to that the Republic of the Philippines is given the same allocation that was given it in the Philippine Trade Act, of 952,000 short tons. The remainder of whatever amount may be determined as an over-all quota is allotted to Cuba and other foreign countries in the following percentages: Cuba, 98.64 percent; foreign countries, other than Cuba and the Philippines, 1.36 percent.

It is provided also that in the case of a Philippine deficit the deficit shall be allotted to Cuba and other foreign countries in the following percentages: Cuba, 95 percent; other foreign countries, 5 percent.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. BUCK. Domestic industrial consumers are still limited to 85 percent of their 1941 consumption. It seems strange to me to talk in this bill about limiting production when our industrial consumers are still not able to get all the sugar they need, and are thus prevented from giving employment to additional hundreds or thousands of people. Can the gentleman give us any assurance as to when the restrictions on industrial consumers will be lifted?

Mr. HOPE. This bill does not in any way deal with rationing or controls as applied to sugar consumers in the United States.

Under this bill the amount of sugar which will be available for domestic consumption will be based upon what we produce domestically, plus the imports, most of which have to come from Cuba. The total quantity will be fixed by the Secretary of Agriculture based on the needs of the domestic consumers. So there is in this bill no restriction as to the amount of sugar which domestic consumers will receive except that the Secretary, taking everything into consideration, including consumer demand, must determine the over-all quota in order to maintain stability in the industry.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman from New York put his finger on something which has been concerning me, and that is under section 302 of this bill it is definitely provided that one of the reasons why the Secretary of Agriculture can refrain from paying these growers of sugar cane or sugar beets is if they grow more than their quota, so it seems to me by the adoption of section 302 we are again going back to an economy of scarcity which is one of the most foolish things we ever did, and of which the great exponent in this country was the former Secretary, Mr. Henry Wallace.

Mr. HOPE. There is no provision in this bill for a scarcity of sugar supplies as far as that is concerned. The only provision in this bill relating to the total supply is the over-all quota which is fixed by the Secretary of Agriculture after determining consumptive needs. The bill sets out a formula by which that quota is apportioned among the different producing areas.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Since in normal times there is a world surplus of sugar each area is anxious to get as large a quota as possible for itself. Now, naturally, the cane refiners along the seaboard want the quota given to mainland producers cut down because they do not refine that sugar; they refine sugar that is brought in from Cuba and our offshore areas. The mainland producers, of course, are anxious to get all the allocations that they can, both cane and beet. Hawaii and Puerto Rico are anxious to get as large an allocation as they could, so it is necessary, if we are going to get an agreement, to have every producing area given a quota, and I think it can fairly be said that no producing area, either domestic or foreign, is entirely satisfied with that proportion of the market which has been given it under this bill. But all of them are in favor of the bill because they feel that it is the best arrangement that can be worked out at this time. The bill is for 5 years. It is not meant to be permanent legislation. It is intended to be in the nature of emergency legislation to take us out of the war period during which sugar production and distribution throughout the entire world have been very much disturbed.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does the gentleman feel that the bill will provide sufficient sugar for the growing population and the growing use of sugar and sugar products for the United States and the rest of the world?

Mr. HOPE. Of course, it all depends upon the production in the offshore countries, because we are definitely limited on the mainland in our production of sugar at this time. The real limitation, I would say, is not the quotas in this bill during the next 2 or 3, and perhaps the next 5 years. The real limitation is our ability to produce the amount of sugar provided for by the quotas. It is the hope of mainland producers that at the end of the 5-year period they will have produced up to the amount of the quota, and they are satisfied to accept these quotas during this 5-year period because they think it will be about what they can produce.

Mr. MILLER of Nebraska. I feel that I must support the bill because my beet growers in Nebraska seem to have gotten together and agreed upon it, but I am concerned about the small increase permitted for domestic beets. One million and eight hundred thousand short tons is only 100,000 tons more than we have produced at one time when we were short of sugar, and that 100,000 tons for each year of the next 5 years does not keep pace with our growing population, with the number of people who need sugar. So I would feel much better if you had made that 2,000,000 or 2,500,000 instead of limiting it to just 1,800,000 short tons of sugar.

Mr. HOPE. I can only say to that there was no world shortage of sugar—we are talking now about the supply that may be available for domestic consumers—before the war. There is no reason to believe there will be a world shortage of sugar as soon as the various producing areas go into normal production again. So I do not think there is any possibility of a sugar shortage in this country. It is the desire of the gentleman from Nebraska, and I think of most of us, that the domestic areas produce as large a proportion of our consumption of sugar as they possibly can. We want them to be permitted to do that. At the same time, all of us must admit that we cannot in this country produce all the sugar we consume here. We have never done anything like that even with our off-shore areas. There is nothing to indicate that we can do it now, and certainly not during the next 5 years. It is my thought that at the end of 5 years we can reappraise the situation and determine then whether we want to go

ahead without legislation of this kind or whether we want to work out a new quota arrangement, and determine then what is the best policy to follow for the ensuing years.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Statistics show there have been only two times in the history of sugar-beet production in this country that we have produced more than 1,800,000 tons, so that with the present acreage it looks as though it may take 3 or 4 years before they can reach the quotas set by the bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

The amount of sugar we can produce in this country depends to some extent, of course, upon the prices of competing crops, because in most areas of this country where you can produce sugar, on the mainland, at least, you can shift from one crop to another, and farmers naturally grow the crop which is most profitable. Therefore, if sugar should be profitable and other crops unprofitable in sugar-producing areas, and that is particularly true in the beet area, I would look for an expansion of sugar acreage. If the opposite should be true, then I would not look for much expansion.

I call attention to the fact that for the year 1946 our sugar-beet production was only 1,541,000 tons; for 1945, where we were of course affected by the war, it was 1,278,000 and for 1944, 1,056,000 tons. So that we have some way to go yet to get up to the 1,800,000 tons.

I yield to the gentleman from New York [Mr. BUCK].

Mr. BUCK. The gentleman did not answer the second part of my question. Can the gentleman tell us when he anticipates that consumption controls will be lifted?

Mr. HOPE. That, of course, is not covered in this bill. This bill has nothing at all to do with consumption controls. There are no consumption controls in the bill.

Mr. BUCK. I understand that, but the gentleman is an expert on the question and I wanted to get the benefit of his view on that.

Mr. HOPE. The Secretary of Agriculture was asked that question in the hearings. Just at this moment I cannot recall exactly what he said. The gentleman from Minnesota asked the question, and I yield to him if he desires to make a statement on that.

Mr. AUGUST H. ANDRESEN. I asked the question. Of course, I did not get a very satisfactory answer. I would like to make a prediction if the gentleman would permit it, and that is to say that as soon as Congress adjourns so that there will not be any question of who is going to get the credit for taking rationing off of industrial users, probably sometime in August I feel that the Secretary will remove rationing.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. EBERHARTER. I would like to have the attention of the gentleman from Minnesota and the gentleman from Kansas. I spoke for a minute this morning and made the observation that communications have come to my attention and I think Congress ought to take off rationing for industrial users before it adjourns because they are not administering the law as I see it the way Congress intended it to be administered. They are taking applications for relief and hardship cases and letting them lie on their desks for weeks and weeks, and then if a decision is against them they say, "Well, you can take an appeal," and the first thing you know before any relief is granted, October 31 will have arrived. They are doing that purposely and they are subverting the purpose and intent of Congress. Those in charge of the sugar rationing, in my opinion, are not administering the law the way Congress intended it to be administered.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, if the gentleman from Kansas will permit, I would like to observe that, of course, a good many employees down here who have jobs would have to quit or get fired if they do what the gentleman is suggesting.

Mr. EBERHARTER. I think what they are doing is that they have decided to take a vacation until October 31 and just loaf around and not pay any attention to these hardship applications.

Mr. HOPE. Mr. Chairman, I do not want to take up much more time, but I do want to go into the question of the over-all quota because the question has been asked here of previous speakers as to what protection there is for the consumer in this legislation. That is a pertinent question and one which was in the minds of the committee in framing the legislation. Of course, it is one of the objectives of the bill to protect consumers not only in getting an adequate supply of sugar but in giving it to them at a fair price. The title of the bill, of course, includes that. It reads, "To protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry."

There are no direct price provisions in the bill. But, of course, the control which the Secretary of Agriculture has over quotas will have something to do with the prices which consumers will pay because the larger the quotas, the lower the prices: and if the quotas are lower, prices to consumers will be higher. The object of the bill is to assure a sugar supply which will result in prices which are fair to both producers and consumers. It is left up to the Secretary of Agriculture, under the provisions of the bill, to make that determination. We have legislation on our books providing price supports to many other agricultural commodities. In a sense, consumers are protected under these provisions, but in no legislation relating to prices of agricultural commodities is the consumer specifically protected to the extent that he is in this bill, because the Secretary of Agriculture is compelled, by the terms of the legislation, to take into consideration the interests of the consumer and see that he gets his sugar at a fair price.

In the bill there is a formula which the Secretary of Agriculture must follow in determining the total over-all quota. I just want to call attention to what those specific standards are in this formula.

First, the Secretary must use as a base the quantity of sugar consumed during the 12 months ending on the preceding October 31.

Next, the Secretary must make adjustments in this figure for any deficiency or surplus of inventories of sugar.

He must also allow for changes in consumption because of changes in population and demand conditions.

He must also give consideration to the level of consumer purchasing power and the trend of such purchasing power, whether rising or falling.

Finally, he must give consideration to the relationship which the price of sugar bears to the general level of the cost of living.

In general, of course that is analogous to the parity provision accepted as a standard in determining fair agricultural prices. It relates the cost of sugar to the cost of other commodities. That is one of the conditions which the Secretary must take into consideration along with the others which I have mentioned.

There is no provision in the bill which says the Secretary has to give so much weight to one provision and so much weight to another, but he must take all of them into consideration in determining what will bring about a supply of sugar which will result in a fair price to the sugar industry and the consumer.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I wish the gentleman would discuss section 408, which further protects the consumers, as it gives the President the power to suspend the operation of this act so as to get more sugar into the country in the event a sufficient amount is not produced for the consumers here at reasonable prices.

Mr. HOPE. Yes. I am glad the gentleman called attention to that provision. I do not know that it is necessary for me to comment on it any further than he has. But there is that provision in the bill whereby quotas may be suspended if, for any reason, it appears the imposition of quotas will result in a supply of sugar which is inadequate for domestic consumption.

I do not desire to take any more time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to submit a question to the chairman of our committee. It is an embarrassing question but I do not submit it to embarrass the chairman or the committee, because I realize the background of this whole approach.

I refer to page 7 of the bill, where the domestic marketing quotas are allotted, and specifically to the Puerto Rican figure of 910,000 tons. If the gentleman will bear with me, may I say that as chairman of the Territory and Insular Affairs Committee of the Committee on

Public Lands, I feel it is my duty to call the attention of the House to what has occurred. For instance, Puerto Rico, an island possession, citizens of the United States, has a quota assigned of 910,000 tons—considerably below the present production of Puerto Rico.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has again expired.

Mr. HOPE. Mr. Chairman, I yield myself two additional minutes.

Mr. CRAWFORD. I simply make this presentation now to get it into the RECORD for future reference, and to protest against Cuba being permitted by this bill to participate in the shortages of deliveries by domestic areas, other than Puerto Rico, to the detriment of Puerto Rico, because of this situation with which we are confronted, which forces Puerto Rico to store its excess sugar production, instead of being permitted to go in and market its production in the United States, which production is over and above the 910,000-ton quota.

My question is not to embarrass the chairman, but simply to give him a chance to make any remark he wishes to, at least to the comfort of the Puerto Ricans.

Mr. HOPE. The gentleman from Kansas, of course, is aware of the complaints which have been made by Puerto Rico as to its quota. Complaints, of course, have been made by every producing area. As I said a while ago, no producing area is entirely satisfied with the quota permitted in this bill.

It is true that Puerto Rico has on various occasions produced more sugar than the quota provided in this bill, but we must recall in that connection that Puerto Rico consumes a considerable quantity of sugar and that consumption is not included in the quota. I am sorry I do not have the figures as to Puerto Rican consumption at just this moment. Does the gentleman from Minnesota have them?

Mr. AUGUST H. ANDRESEN. It is about 115,000 tons.

Mr. HOPE. I thank the gentleman from Minnesota.

In addition therefore to its quota of 910,000 tons Puerto Rico will produce and consume at home 115,000 tons, which comes very nearly being the maximum amount, certainly more than the average amount, produced in that territory over any recent period. Let me call attention also to the fact that if any domestic area is not able to produce its quota, the deficit will be permitted to be made up by other domestic areas and Cuba. Inasmuch as there will no doubt be deficits in some domestic areas during the early years in which this legislation is in effect Puerto Rico will have an opportunity to dispose of its excess production, if any.

Mr. Chairman, I am sure it would not be possible to bring any sugar legislation on this floor which would be entirely satisfactory to the various sugar-producing areas. It is my firm belief, however, that this bill comes as near reaching that goal as it is possible to do. I believe it is fair to the sugar industry and fair to the consumers. Therefore I have no hesitancy in supporting it and urging its prompt enactment.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. FLANNAGAN. Mr. Chairman, I wonder if the chairman of the committee would agree to the bill's going over to tomorrow? I have a statement to make that I believe the full membership of this House ought to hear. The time is getting late and I hate to suggest the absence of a quorum.

Mr. HOPE. Does the gentleman from Virginia have someone who desires to speak whom he could use this afternoon? I should like to go as far as we can. I am not inclined to press the matter, but if the gentleman has someone who is ready to proceed I suggest that he do so this afternoon.

Mr. FLANNAGAN. The situation may be that I am the only one in opposition; I do not know. I may be playing the part of the lone wolf, but I will state that I believe the membership of this House should hear me before they cast their vote on this legislation.

Mr. HOPE. Does the gentleman from Virginia have any commitments for time to others to whom he might yield?

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, I am very much pleased with the provisions of the new sugar-producing bill which is before the House today. Representing a congressional district which embraces the great sugarcane area in Louisiana, I feel that this industry will benefit considerably from this legislation.

This bill in effect would reenact the Sugar Act of 1937 with important changes and extend the termination date from December 31, 1947, to December 31, 1952. Like the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937, this measure has as its primary object the stabilization of the sugar producing, refining, and importing industries. It provides for the quota system under which the United States market is divided among the various domestic and foreign elements supplying it, and for the necessary complements to that system, namely, a tax on sugar and payments to producers of sugarcane and sugar beets.

As brought out during the hearings conducted by the House Agriculture Committee on this legislation, the former quota of our mainland sugarcane area has been increased by the largest percentage of any of the domestic groups, under the provisions of the bill. A 500,000-ton figure is provided for the cane-growing belt, which is principally Louisiana and Florida. This will enable Louisiana to produce nearly all of the sugarcane it is now capable of producing.

It is particularly gratifying that in the drafting of this new program the domestic areas have demonstrated a very cooperative spirit and there has been a mutual desire to work out matters to the best interests of the entire sugar industry. Adoption of the 1937 legislation was delayed by lack of agreement between representatives of the domestic areas and perhaps to some extent by lack of agreement among Government agencies. All concerned have demonstrated their willingness and purpose of helping to draft this present legislation as quickly as possible and in a spirit of fairness and equity. The results cannot help but be beneficial to all.

I have been particularly anxious that the fair wage-fair price provisions of the former act be retained in the new one, and am glad to know that the Committee on Agriculture has inclined favorably toward these provisions which are desired by the Louisiana sugarcane industry. I have reference to sections 301 (b) and (d) of the old act regarding fair wages to laborers and to a determination of fair prices for sugarcane and sugar beets.

The quotas established under this bill are generous to Louisiana and other areas, and should result in stabilizing the industry on a basis of prosperity for at least the next 5 years.

Sugar is a most vital commodity, and the industry is deserving of all possible assistance and cooperation from the Federal Government. It is predicted that sugar consumption will increase within the next few years. Louisiana producers and processors can, I feel, look forward with much optimism to the future, in view of the assistance given by this legislation and the general outlook for the growth and general welfare of their industry.

I would like to take this opportunity to express gratitude to the House Agriculture Committee for the careful and valuable consideration given this bill and for the interest and cooperation the members have manifested in drafting a measure that will best meet all needs and circumstances. I consider that the legislation is very well prepared and presented, and that we who are particularly interested in sugar production and marketing can feel that our efforts have proven most worth while. Speaking for the sugarcane interests of Louisiana, I again wish to express my gratitude and pleasure over this bill, which I hope and believe Congress will speedily adopt.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DOMENGEAUX. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to add a word to what the gentleman has said. I have watched the sugar production in this country over many years and I would like him to know that the sugar producers in his area and down in Florida have made an outstanding contribution to the economy of the country in the splendid work they did in the war years to produce sugar.

Mr. DOMENGEAUX. The expression of the gentleman is very greatly appreciated.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the Resident Commissioner from Puerto Rico [Mr. FERNÓS-ISERN].

Mr. FERNÓS-ISERN. Mr. Chairman, may I say that the present bill contains, in the opinion of the people of Puerto Rico, two objectionable features, and it could contain a third, by omission, but fortunately the committee has an

amendmend to offer which corrects that defect. The amendment refers to determination of fair prices and wages. There are two other features of the bill to which we would object, as I said before. I do not intend to offer amendments because I believe it is too late now.

Certain sectors in the production of sugar in Puerto Rico were present at the preliminary meetings. I am not criticizing that. Others were not. The representative of the people as a whole certainly was not present.

The quota allowed to Puerto Rico, even though we have a local insular consumption quota, is below this year's production, and therefore there is no allowance for expansion. The other provision we object to, and it is difficult for me to understand, is that a domestic area, included in the tariff system of the mainland, may be hampered from sending its sugar into the market as a finished product. Although geography says otherwise, Puerto Rico is a part of the continent in a legal sense, because the coastwise shipping law operates in Puerto Rico just as on the mainland. Still we may not ship into the mainland all the sugar we produce in any shape or form, within the quota. We may send it only in the raw state, with the exception of a very small amount which may be refined.

We have those objections to the bill, which we want to go into the RECORD. But, we prefer a bill to no bill. It is too late, I understand, to offer amendments. Conversations went on; most of the sectors engaged in sugar production are agreed, and we do not want, even if we could, and we cannot, to upset the apple cart.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FERNÓS-ISERN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In other words, what the gentleman has told us is this: In these conversations, at which time certain agreements were reached by members of the industry, all of the industry of Puerto Rico was not represented; there were simply certain segments of the Puerto Rican industry which had its representatives sitting in on those conversations.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. Then there were left out certain other sectors, and it was those segments left out who would like now to have an amendment but, as the gentleman has said, and I agree with him fully, it is now too late to offer such an amendment.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. Because the door is closed by reason of agreements that have been made.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. And here we have an illustration of what occurs and what will continue to occur with American industry as we sit around the table in these great international conferences and make agreements which conflict with the expansion of enterprise under our American system. Now, may I ask the gentleman this question? Sugar in Puerto Rico is the source of about 75 percent of its income, is it not?

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. It is the thing upon which the people depend for their livelihood.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. Puerto Rico is primarily an agricultural area.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. Now, the thing that bothers the gentleman and the thing that bothers me—and I am sure he will agree with this observation—is why the American people here on the continent say, in substance, to the Puerto Rican people, "We will not let you use your natural resources to provide food and shelter and employment and the flow of your insular income, but we insist on holding you down and sending you relief funds in order to support your unemployed." Now, that is a difficult thing for the gentleman to understand, is it not?

Mr. FERNÓS-ISERN. Of great importance to the mainland also is the fact that since we have no more dollars than what we get from sugar, practically, that is all the money we have to buy our food with on the mainland, and that means that the less sugar we sell the less rice we may buy from Louisiana. Of course, we could not buy rice outside of the mainland, or we should not, because we are within a common tariff system and we should all prefer domestic products.

Mr. CRAWFORD. And anything which reduces your production of sugar or the processing of sugar into other products in Puerto Rico cuts your income.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. And therefore cuts your power to buy goods produced on the continent.

Mr. FERNÓS-ISERN. That is right.

The CHAIRMAN. The time of the Resident Commissioner from Puerto Rico has expired.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries, to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States, and for other purposes, had come to no resolution thereon.

PRESIDENTIAL SUCCESSION BILL

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on S. 564, the Presidential succession bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. OWENS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include certain extraneous matter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $284, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. NIXON (at the request of Mr. HILL) was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order or the House, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is recognized for 20 minutes.

WHAT'S COOKING BEHIND OUR OWN CURTAIN?

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I think there is both at home and abroad a general approval of the basic tenets of what has come to be known as the Marshall plan. I think there is, generally speaking, confidence in the fundamental wisdom of that plan. It has been hailed abroad with a great deal of optimism and enthusiasm. I sense, however, the danger of a let-down, the risk inherent in optimistic statements and programs which are billed as somebody or other's plan, which may subsequently fall short of the original promise. The damage done by a failure to go through with the fully formulated broad-scale foreign policy may be very great to us in the loss of confidence in the countries abroad and in the same loss of confidence on the part of our own citizens. It is essential, then, to know what are the implications of the Marshall plan and more particularly, perhaps, whether or not we have a foreign policy at all.

I quote a recent editorial appearing in Collier's magazine:

The present revelations by bits and pieces of a so-called foreign policy keep rumors flying around, people alarmed and resentful, and world opinion in doubt as to what United States foreign policy is—assuming we have such a thing.

Someone has said that what this old world needs is a transparent 8-ball for those who want to look ahead.

An able and respected public servant, Under Secretary of State Dean Acheson, delivered a candid and illuminating address at Wesleyan University in June. Candor of that type is rather a new thing in our august Department of State. It is my purpose here to plead for more of the same.

It is quite true, as Under Secretary Acheson said, that people most everywhere in the world like to take potshots at members of their foreign offices. A distinguished Member of the other body once told a story to that effect with reference to a farmer's dog that used to go to town with his master, and Secretary Acheson refers to this story. While the farmer was busy small boys would catch the dog and tie tin cans to its tail. The dog got so used to this that whenever he saw a tin can he backed right up to it.

I think that we here in Congress can join Mr. Acheson in that rueful recollection, because people like to take potshots at Congressmen, too, but do not our citizens thus exhibit their awareness of the extent to which their well-being depends upon the capacity for good or ill of their representatives at home or abroad?

Mr. Acheson discussed American traditions under this foreign policy. He gives us the State Department estimates of our objectives and what is happening to them. This, it seems to me, is a catalog of failure and of frustration because while Mr. Acheson tells us at some detail of the disappointments which we have suffered in our foreign dealings and the failure of the Soviet Government to live up to its promises at Yalta, and the disastrous decline and fall of the principles of the Atlantic Charter, and the fact that the whole series of arrangements for settlement in eastern Europe, Germany, and the Far East, which recognized to the full the Soviet's spheres of interest which were based on confidence in their intention to carry out their pledged word, including cooperation from Germany, nevertheless those promises have not been made.

Mr. Acheson refers to the fact that in eastern Europe the Soviet Union, over our protests and British protests, has used its dominant position to carry out a unilateral policy contrary to the Yalta Agreement. He complains because the Soviet Union has dismantled the factories in Manchuria, has obstructed the economic and political unification of Korea. He speaks with regret of the failure of our foreign policy—for that is what it is—in Persia, in Greece, in Hungary, and elsewhere. He notes particularly that 2 years after Potsdam, by reason of Soviet unwillingness, we have not achieved German economic unification and written an Austria treaty. And he says as a result the recovery of Europe has been long delayed, tragically long.

Now, the question is: What are we going to do about these things? Have we any foreign policy? Have we any plan to deal with these problems? What are we going to do with Germany and Austria? Do we plan to restore their economy or not? Are we going to make it possible for Germans to engage in any manufacturing activities above the present level or not? If Russia continues to rely on chaos, confusion, and hunger, do we make a separate treaty west of the iron curtain or not? And even if we do, it is my firm opinion we must not withdraw from our zone until the Russians do from theirs.

If these arguments Mr. Acheson refers to are bitter and unprofitable, what do we offer to end that stalemate? Mr. Acheson refers also to the fact that we should not—and I hope we will not—wait for extreme crises to develop. As a matter of fact, these crises have developed. I wonder why the State Department does not see this and does not admit that we are in a position of crisis in relation to our foreign affairs?

Let me refer again to something I originally got from this Collier's editorial. That leads me to the main theme of what I have to say. As this editorial states, and I agree with it, what we want to discuss is the habit that this administration has, like the Roosevelt administration before it, of breaking its foreign policy news piecemeal to the American people instead of all at once. There seems to be a persistent conviction which is said to center chiefly in the middle level of the State Department that Americans are too dumb and childish to be trusted with the whole story at one sitting or one message to Congress when some important shift in foreign policy is contemplated.

I supported the Greek-Turkish loan. I supported the relief measure brought in here.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I would rather continue with my trend of thought, but I yield to the gentleman briefly for a question.

Mr. JONES of North Carolina. What are the Republicans going to do about that?

Mr. HUGH D. SCOTT, JR. We are going to elect, next year, a Republican President who will tell the American people the truth for the first time in more than 14 years, and I thank the gentleman for asking that question.

Mr. JONES of North Carolina. That is your opinion.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I decline to yield further to the gentleman.

Mr. JONES of North Carolina. That is your opinion.

Mr. HUGH D. SCOTT, JR. (reading):

At this time it is being gossiped around that the Greek-Turkish loan is only the beginning; that the administration plans to spend a total of $10,000,000,000 or more in the next 2 or 3 years to bolster up numerous countries against Russian Communist infiltration.

Well, is that the plan or isn't it? Why not tell us now just how far this business is likely to go and how much it may cost?

When Americans are convinced they have some job to do, they do not shrink from it, no matter how big it may be. When they suspect somebody is kidding them, they do not cooperate, and why should they?

Finally, and very important, cannot the American taxpayers, who must foot the bill, be told by President Truman something of how much this will cost them, for it will mean billions of dollars? It will undoubtedly increase the already high cost of living, as food which goes abroad means less food at higher prices to meet the home demand In terms of our national security, it may all be worth it. But we are entitled to know how much we have been committed for already, and how much much more of our national resources we shall be required to use, and what is the end we are trying to achieve.

In the July issue of Fortune magazine, under the heading "The United States in Europe," the writer reaches this conclusion, with which I heartily agree:

But if this time the United States does live up to its immense responsibilities, surely it might ask something in return. Europe wants all the fruits of democratic capitalism—dollars, goods, production, continental unity. Is it too much to ask that she readopt the only known means by which these good things can be garnered—enterprise, open markets, faith that in the long run it is not national plans that unite people but only free individuals dealing freely with each other?

Now, quoting the words of the editorial I previously referred to, I quote:

Let's have the whole truth, and nothing but the truth, about the Truman doctrine and all its possible consequences as now envisioned; and let's have that whole truth soon, in plain English, from some authoritative administration source.

These are my views and these are my misgivings. The thought I express may seem no greater than one man's opinion—the cloud no bigger than a man's hand. But I warn this administration that there are others of like mind in this country and in this Congress whose support will be withdrawn from a foreign program released in bits and pieces, without beginning or end, handed down from on high, with "Papa knows best" overtones.

Mr. JONES of North Carolina. Will the gentleman yield?

Mr. HUGH D. SCOTT, JR. Perhaps the gentleman would be interested in what I am going to say next. I am going to know what I am voting for. I am not going to vote for any "Now you see it, now you do not" arcanery. We had enough of that in this Congress once before.

Mr. JONES of North Carolina. Will the gentleman yield?

Mr. HUGH D. SCOTT, JR. Yes; I will be glad to yield.

Mr. JONES of North Carolina. You are a Republican, are you not?

Mr. HUGH D. SCOTT, JR. I am a member of the majority party, according to the will expressed by the people of my district in 1946.

Mr. JONES of North Carolina. You are making a Republican speech, are you not?

Mr. HUGH D. SCOTT, JR. I was hoping that what I said would fall on intelligent ears as an American speech.

Mr. JONES of North Carolina. I think I am intelligent as much as you are.

The SPEAKER pro tempore (Mr. McDOWELL). The gentleman from North Carolina will direct his remarks to the Chair.

Mr. HUGH D. SCOTT, JR. I think the gentleman's conduct perhaps speaks for itself and does not call for any further comment from me. I am saying what I have said in a sincere hope that the State Department and the administration will embark upon a program of telling the American people the whole truth in relation to their foreign policy, and present that foreign policy in the kind of a package which we can understand and upon which our people can proceed with confidence and the people overseas may be able to recognize as a national bipartisan American policy.

Mr. CHADWICK. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from Pennsylvania.

Mr. CHADWICK. I was very glad to have the privilege of hearing the gentleman's address in its entirety, but I noticed one implication wherein the gentleman pointed out that in our endeavor to give constructive aid to Europe we had a right to find there at least an understanding of and a sympathy with our economic system as well possibly of our political system.

I voted some time ago for the Voice of America program not because I believed that the Voice of America would reach through the iron curtain to the unfortunate people behind it, but with a strong belief that unless we were able to keep before the eyes of our friends in western Europe the related advantages of a democracy operating on a free-enterprise system and a socialistic, not necessarily communistic, but a socialistic system, we would lose one-half of the economic-political argument in this world without any regard to communism. It is for that reason I very strongly believe that if the State Department in its extension of activity, assuming they are to be permitted to do it through the Voice of America program, will direct and guide their thinking to our friends in western Europe rather than to keep alive the apprehension of these converts of our system, of the more unfortunate, they will make more advance than by trying to sell democracy to people behind the iron curtain.

Mr. HUGH D. SCOTT, JR. I thank the gentleman for his contribution. I think what he has said is quite helpful. I agree with him that there are people who are eager for an opportunity to learn what is the American program. People would be very happy indeed to follow the lead of this great country of ours. The challenge is up to us. This is a great opportunity for us to decide whether we are going to tell the world in terms so certain that there can be no misunderstanding our purpose and our intent.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. HAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 30 minutes.

SHORTCOMINGS OF THE WAR DEPARTMENT

Mr. DONDERO. Mr. Speaker, fitness of a Cabinet officer in this troubled day and age is to be found in his ability to fathom the wiles of the international Communist conspiracy and his ability to counteract these measures by his own efforts and the assistance of competent personnel. This is particularly true in an agency so vital to our defense and security as the War Department.

It is with considerable regret that I am forced to the conclusion that Secretary of War Robert P. Patterson falls short of these standards. I make this statement on no sudden impulse for I have followed the career of Mr. Patterson for some time past with considerable and publicly expressed misgiving.

The current Moscow-inspired line of Communist Parties throughout the world calls for an all-out attack upon the United States in which the system of American business is allegedly allied with the Nazis.

The Daily Worker has been voicing this sentiment since the close of the war. On June 9, 1947, for example, it charged that—

> American industrialists agreed to a plan which limited the production of strategic materials in our own country even though we were near the verge of war.

This comes from the very same people who were backing the American Peace Mobilization which picketed the White House and which supported the sabotage of our national defense program.

For some reason the War Crimes Commission in Nuremberg, Germany, which is under the supervision of the War Department, is echoing the same sentiment against American firms which were largely instrumental in producing war materials in such abundance as to safeguard the security of the United States as well as the Soviet Union.

The Daily Worker of June 9, 1947, states that—

> War crimes charges filed by the United States in Nuremberg, Germany, against the I. G. Farben Co., constitute a moral indictment of American firms which cooperated in the combine's cartel.

Named are the following firms: The Aluminum Co. of America, Dow Chemical Co., Du Pont, Standard Oil Co. of New Jersey.

In the Daily Worker of May 4, 1947, it is claimed that the War Crimes Commission charged that—

> By agreements with the United States Aluminum Co. of America, the Dow Chemical Co., of Midland, Mich., and Standard Oil of New Jersey, I. G. Farben weakened America's industrial potential.

The War Crimes Commission is also quoted as stating that when the British Purchasing Commission tried to buy tetrazene ammunition in the United States in early 1941 the sale was prevented by a cartel agreement between a subsidiary of Du Pont and a subsidiary of Farben.

On May 11, 1947, the Daily Worker, quoting a mysterious but unnamed informant connected with the War Crimes Commission and the occupation forces in Germany, charged that Washington and Wall Street are "sabotaging preparations for the trial." He charged that the business leaders of Germany were seeking "to enlist the aid of Standard Oil, Du Pont, John Foster Dulles, William Bullitt, Herbert Hoover, and virtually every figure of consequence in American business, behind the Nazis." He further charged that "Herbert Hoover and American big business knowingly collaborated with Hitler because it was profitable to American big business." The same mysterious individual charged that Herbert Hoover was the author of Nazi propaganda.

The leftist CIO News of June 23, 1947, has made the following flat statement:

> Germany's two largest banks—which as late as 1940 still had close connections with major United States banking houses—formed the center of the Nazi octopus that sought to engulf the world, a United States military Government investigation has disclosed. * * * The two banks are the Deutsche Bank and the Dresdner Bank whose officials, through interlocking directorates, actually controlled the big German monopolies such as I. G. Farben, Krupp, Flick, and others. * * * Both banks were tied to the Chase National Bank and the Guaranty Trust Co. in the United States. In addition, Deutsche had conections with the National City Bank and the Bank of Manhattan Co. and Dresdner with the Bankers Trust Co.

While there is no doubt that American business firms and banks maintained business relations with similar organizations in Germany prior to the outbreak of the war, just as they are today conducting business relations with the government-controlled cartels in the Soviet Union, there is here clearly an effort to indict the entire American business system and our form of society as a whole, rather than any effort to safeguard our Republic.

Proof of this can be found in the fact that Field Marshal von Paulus, denounced by the Russians as the "Butcher of Kharkov" and accused of the murder of tens of thousands of Russian civilians, one of the highest ranking Nazi generals, has never been brought to trial although captured by the Russians and is reported to be cooperating with them on important military undertakings.

Perhaps Mr. Patterson is not aware of the charges which are being made by personnel under the jurisdiction of the War Department, but he must assume responsibility for their actions.

Previously employed in the occupation zone in Germany, for example, was Col. Bernard Bernstein as Director of the Division of Investigation of Cartels and External Assets. He is one of the Morgenthau group from the Treasury Department who sought to turn the American zone of Germany into a pasture, a line which found a ready approval of the Soviet Union. Forced to resign, he returned to this country and has spoken before Communist organizations which applauded his views.

At one of these meetings he is quoted by the Daily Worker of February 21, 1946, as saying that "only the Russians have shown that they mean to exterminate fascism and nazism, and have already taken decisive steps in this direction."

Russell A. Nixon was another employee in this area who was forced to resign simultaneously with his scathing criticism of the policies of our State Department. He has a long record of Communist affiliations and activity, including his ouster from the faculty of Harvard University.

Abraham L. Pomerantz, deputy prosecutor for the War Crimes Commission, was also forced to resign, but the question is, Who appointed him and why was he appointed? Let me give you a sample of Mr. Pomerantz's views, as quoted from his letter in the New York Times of May 4, 1947, where he says in reference to the President's loyalty program:

> I am struck by certain ironical contrasts between our Government's prosecution of Nazi criminal organizations at Nuremberg and our parallel proceedings here against so-called disloyal American organizations. It would seem that we are providing American justice for Nazis, but Nazi justice for Americans. * * * Upon returning to the United States I found that, whatever we may have taught the Nazis, we have absorbed into our own legal system the German tyranny that we fought and inveighed against. I refer to our Executive order which provides that any one of the 2,500,000 employees in the executive branch of our Federal Government can be summarily fired if he is, or ever was, a member of, or in sympathetic association with, any organization or combination of persons placed by the Attorney General of the United States on his private black list. * * * Another aspect of the Executive order presents a striking and sickening parallel to a Nazi decree which provided that no person could hold public office unless he could prove by his conduct that he is willing and able to serve loyally the German people and the Reich. * * * Breathes there a liberal worthy of his salt who has not been called a Communist? * * * In my judgment, the Executive order is, both substantively and procedurally, the most Nazilike and terrifying law since the Alien and Sedition Acts.

Mr. Pomerantz, by the way, is now addressing the Communist-controlled New York State Progressive Citizens of America, which is boosting the stock of Henry A. Wallace, our leading Soviet apologist.

According to the New York Times of May 4, 1947, deputy chief counsel over 14 American lawyers at Nuremberg is Josiah Dubois, Jr. Mr. Dubois is a known left-winger from the Treasury Department, who has been a close student of the Communist Party line.

Another man who has been associated with the American military government in Germany is Richard Sasuly, author of a book called I. G. Farben, which follows the same Communist line of seeking to link American business with the Nazis.

The conduct of the war crimes trials is not an isolated instance of a policy which has played into Soviet hands. We have, for example, the situation now being investigated by a Senate committee where it is charged that plates for 1,000-mark notes were handed to the Russian authorities in Germany, with the result that it may cost American taxpayers about $400,000,000 to redeem Russian-printed occupation money now pouring into the United States zone in Germany. It would be well to know what representatives of the Treasury and War Departments were responsible.

Indications are that through methods of infiltration the Communists are gaining a powerful foothold in the unions in the American zone in Germany. The New York Times for June 1, 1947, quotes Jack Raymond, its correspondent, as saying:

> But the western powers have been helpless against the strong organization which recently swept the city-wide trade union elections.

The magazine World Report for May 27, 1947, declares:

> Russia is trying to gain control of Germany from within through the labor unions. * * * First victories in this campaign to win German labor are going to Russia. * * * Slow penetration by German Communists into the trade-unions of the Western zone is occurring, with the help of Russia.

Interviewed by the New York Herald Tribune in Paris, Mr. Irving Brown, European representative of the American Federation of Labor, on April 13, 1946, charged that the American military government has been deliberately unfriendly to legitimate trade-union movements in Germany, with the result that "the interests of the Soviet Union" rather than "a truly American policy" have been promoted. Mr. Brown further charged that certain factions of the Manpower Division of the AMG were deliberately fostering the trend in favor of the Communists. He charged that favoritism was being shown toward the World Federation of Trade Unions, which was at the same time accusing the United States of sheltering Nazis in the American zone.

This favoritism toward Communist-controlled unions and discrimination against friendly trade-unionism is to be expected in the light of some of the personnel in the American occupation zone. We have, for example, George Shaw Wheeler, who was Chief of the Denazification Branch of the Manpower Division and later Chief of the Labor Supply Branch of the same Division. His record of Communist activities and affiliations is easily available to the War Department in the files of the FBI and the Civil Service Commission, which once rated him ineligible and reversed itself as a result of left-wing pressure.

Witnesses are easily available who can testify to Mr. Wheeler's past record and his present activities. The presence of such a man at a most important outpost of our armed forces is a distinct and dangerous hazard. Associated with him in the Manpower Division in Germany is Dennis Courtney, a man of similar sympathies. This entire Division has aroused the well-founded distrust of the German people as Communist-controlled.

According to the New York Herald Tribune of March 31, 1947, Heinz Norden has been appointed as editor of Heute—meaning Today—official Army paper in the American occupation zone in Germany. Mr. Norden's Communist record is available through the files of the Navy Department; he has also had a number of official connections with Communist-front organizations. He has collaborated with known Communists in the production of standard Communist literature.

In October 1946 Mr. Max Lowenthal was selected as a legal adviser in the American occupation zone. Mr. Lowenthal's record of Communist affiliations is on file with the FBI. He has been affiliated with such well-known Communist fronts as the International Juridical Association. When he headed the Rehabilitation and Recovery Division of the Foreign Economic Administration his staff included Allan Rosenberg, attorney, who is now actively defending Communist organizations and individuals in Washington. Mr. Lowenthal's staff was located with left-wingers.

In 1923 Mr. Lowenthal was general counsel for the Russian-American Industrial Corp., a Soviet-approved enterprise. He has also been a supporter of the American Committee for the Protection of Foreign Born, engaged in defending foreign-born Communists.

Let me now divert to another field in the Far East. On March 14, 1947, Mr. Fred W. Perkins announced in the Washington Daily News that Louis Saillant, general secretary of the Communist-dominated World Federation of Trade Unions, was to leave for Japan, together with N. P. Tarasov, aboard a United States Army plane. It was also announced that General MacArthur had refused permission to his delegation and that Secretary of War Patterson had overruled him. On March 17, 1947, I called attention to the danger of sending a man with Mr. Saillant's record of close cooperation with the French Communists to Japan. I stated then that I served notice upon Secretary of War Patterson that he would be held directly responsible for any difficulties created, and I propose to carry out this promise.

Let me mention, incidentally, who Mr. N. P. Tarasov is. He is not only secretary of the Stalin-controlled Russian Central Council of Trade Unions, but he has been an important operative for the Soviet Secret Service in Moscow, connected with the Soviet Embassy in that country, which has been a focal point for agitation against the United States.

Accompanying Mr. Saillant was also Mr. Ernest Thornton, a member of the Central Committee of the Communist Party of Australia.

The expedition drew an emphatic protest from Mr. Matthew Woll in behalf of the American Federation of Labor, who branded the visit as "actively hostile to highest ideals and best interests of American people and world peace and as intensely detrimental to development of Japan as a peaceful democracy."

From a letter dated March 15, 1947, addressed to me, it would seem that Mr. Patterson was more interested in placating for political reasons Messrs. Philip Murray and James Carey of the CIO than he was in serving the long-range interests of the United States.

What happened? In an interview published in the New York Times of April 7, 1947, Mr. Saillant sharply criticized labor conditions in the United States-occupied northern zone of Korea. The

World Federation of Trade Unions delegates so conducted themselves in Korea that the American military government had to imprison some of them.

A State Department report indicates that the World Federation of Trade Unions mission, headed by Mr. Saillant, "refused to adhere to the program of inspection tours and conferences with Korean labor and Government officials; instead they made contacts with Korean left-wing labor and political leaders."

The conduct of the delegation was so bad that Mr. Willard Townsend, an anti-Communist, American member, was forced to express apologies for some of its actions.

I do not know whether even at the present time the War Department and the State Department have taken a decisive position on the status of the World Federation of Trade Unions, which is carrying on a ceaseless and bitter campaign against the United States throughout the world.

It is fortunate that the delegation to Japan and Korea did not succeed in its effort to undermine the noble work of Gen. Douglas MacArthur in that area.

The War Department has produced a film entitled "Seeds of Destiny," which is being widely shown by Communist organizations throughout the country and for very good reason. The film is replete with the Communist-promoted hatred for the German people, along the lines of the discredited Morgenthau policy. I should like to know who was responsible for producing and approving this film, which may be superior from a technical standpoint but is certainly not in accord with the present policy of the United States.

On June 20, 1947, the Washington Times-Herald announced that the War Department has invited a group of clergymen to tour Europe at Government expense. The American Council of Churches has charged that the group is heavily loaded with pro-Russian ministers committed to a policy of appeasing the Soviet Union.

Let us now take a glance at some of Mr. Patterson's close advisers. There is, for example, Brig. Gen. Edward S. Greenbaum. According to the Washington Daily News of May 19, 1947, he appeared as a witness in behalf of Carl Aldo Marzani, convicted by a jury of deceiving the Government as to his Communist affiliations. Surely the War Department had at its disposal sufficient data to show the record of Mr. Marzani. How does it happen, then, that an official as important as Brigadier General Greenbaum impugns the reputation of the Department by appearing as a character witness for this scoundrel?

In the Daily Worker of May 1, 1947, appears an excerpt in which General Miltonberger calls upon the Daily Worker, official Communist Party organ, now attacking our efforts at every turn, to assist our Government in its efforts to strengthen the National Guard. The columnist who published this statement with high ridicule was none other than Barnard Rubin, who was removed from the staff of Stars and Stripes by General MacArthur because of Rubin's Communist record. Such carelessness seems to be not accidental but typical.

On June 27, 1947, the Washington Star announced the appointment of Robert M. Barnett as personnel adviser on the staff of Gen. Lucius D. Clay, commander of American forces in Europe.

Mr. Patterson, I would like to know whether Mr. Barnett, when he was employed in the War Manpower Board, did not pass upon, approve, and defend the appointment of Morton Friedman, whose discharge on grounds of disloyalty was recently upheld by a United States Supreme Court decision.

In a letter from Secretary of War Patterson, received at my office undated, on March 27, 1947, he admits his consultation with Mr. David Wahl. Has Mr. Patterson ever made an effort to look into files of the Civil Service Commission and the FBI on this same Mr. Wahl before consulting him?

Mr. Speaker, we are today in such a critical stage that every one of us, especially members of the Cabinet, and even more especially the Secretary of the War Department, should at all times be on the alert to protect this country from its insidious enemies. I would not be a loyal American if I did not call attention to these shortcomings, which, in my opinion, endanger our national security.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from New Jersey [Mr. HARTLEY] is recognized for 15 minutes.

NATIONAL BITUMINOUS COAL WAGE AGREEMENT OF 1947

Mr. HARTLEY. Mr. Speaker, I have spent some time examining the national bituminous coal wage agreement of 1947.

I do not intend to take sides on any issue involved in this contract.

It is not for me to say whether the miners should receive $13.05 per day or $130.50 a day.

But it is essential that I inform the Members of this House that the agreement contains at least one clear violation of the labor law so recently enacted.

Section 302 of the Labor-Management Relations Act of 1947 forbids the payment of money or any other thing of value to the representatives of employees, with certain specific exceptions. Among these exceptions, it permits what is known as the check-off, or deduction from the wages due an employee, a certain sum representing membership dues in the labor organization.

The law is very specific on this point: Use of the check-off for membership dues is permitted.

But what does John L. Lewis' new agreement provide? It provides for the check-off not only for membership dues but for initiation fees and assessments of the United Mine Workers.

Since this is a criminal provision, which the courts generally construe literally, it appears obvious that any mine operators signing this agreement have, by the terms of the agreement, agreed to pay money for an illegal reason.

Penalties include fines up to $10,000, imprisonment up to 1 year.

Further, certain other provisions of the agreement violate the spirit and the intent of the law.

In my opinion, this agreement clearly reflects collusion between the mine operators and the United Mine Workers with the intention of violating the law.

For example, the contract covers the employment of miners only during the time as "such persons are able and willing to work." The law meant for labor unions to become responsible organizations.

Secondly, the mine operators have thrown away the legal protections given them by the new law. This agreement provides "that any and all disputes, stoppages, suspensions of work, and any and all claims, demands, or acts growing therefrom must be determined exclusively" by the machinery provided in the agreement itself.

The section dealing with welfare funds, while technically in conformity with the law, establishes a three-man board of trustees, with John L. Lewis as chairman, to spend the vast sums collected.

But it is not these and other violations that concern me at this time.

This agreement constitutes an irreparable blow to the economic stability of the country.

Coal is a basic commodity. Every article produced and transported in this country is dependent upon an adequate supply of coal. The price of coal enters into the price of everything we eat or wear or use.

I predict an immediate rise in the cost of living that will be reflected in increased industrial strife.

I think we all realize that the Taft-Hartley bill is a far cry from the slave-labor measure its critics termed it.

In fact, as is now obvious, we have left open a door through which Lewis is leading an inflationary parade.

The original Hartley bill, as passed by this body, prohibited labor monopoly.

This prohibition, which would have subjected labor monopoly to prosecution under the antitrust laws, was not acceptable to the other body.

The new Lewis agreement will afford the joint committee a prime case history of the evils of industry-wide bargaining.

I make no defense for either management or labor.

Mr. Speaker, in this instance big business and big labor have ganged up to gouge the American people.

As a matter of fact, the conduct of those operators who were willing to make peace with Lewis—a peace at any price—showed a complete disregard of their responsibilities to the public.

They know, as we all know, that the consuming public must bear the brunt of the coming rise in prices. They know, as we all know, that such inflationary measures play directly into the hands of the labor bosses. Those individuals who represented management in this labor dispute have sold out their colleagues.

The future of this country on a basis of free competitive enterprise is at stake. So long as a small group can, under the guise of collective bargaining, reach an agreement that affects the lives of 140,000,000 Americans, that free-enterprise system is in danger.

This is the result of industry-wide bargaining; the coal operators and the miners have agreed to a contract that will alter the industrial face of America.

I hope this House will again have an opportunity to vote against industry-wide bargaining. Whether the chaos resulting from the new Lewis agreement will be sufficient to change the opinions of our colleagues on the other side of the Capitol, I do not know.

Nevertheless, it is a decision that must be made—and by this Congress.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, there came to the Capitol this afternoon two friends of mine. They came at my invitation. They lunched in the restaurant of the Capitol. Some of you may have seen them. They were both blind, but they have more vision than many a person who is not blind. One man, besides having given his eyes to us, gave both his hands. The other veteran is not more than a boy. He lives at Lynn, very near my own Congressional District. He is a constituent of the gentleman from Massachusetts [Mr. LANE]. Besides being blind, he gave one hand for us. I was very forcefully reminded that these men do not come under the provisions of the law that gives automobiles to the leg amputees. No Member of Congress would want to go back to his district and see armless and blind veterans and say to them that the Congress was too busy—I was going to say too heedless to pass legislation for them in order that they might have cars, in order that they might go about their business. These men are perfectly healthy. They can work long hours during the day or even during the night at their profession. They can take a course at college. They can learn trades, but they will have to have transportation in order to get to and from their work or their business. Colonel Rusk, the great flight surgeon, and some other doctors who were not enthusiastic about this legislation last year, stated numerous times this year that the blind and the armless veterans should be included in legislation which gives them cars.

Mr. PHILBIN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts who has a bill in to give further—I will not say benefits, but further prosthetic appliances—because I call the cars that.

Mr. PHILBIN. I wonder if the gentlewoman could inform the House just what the status of this particular legislation is at present? What prospect is there for it to come to the House before adjournment?

Mrs. ROGERS of Massachusetts. At the present time the Committee on Rules has the Mathews car bill before them. The Rules Committee granted a hearing, but they have granted no rule. I should remind the gentleman that it could come up by unanimous consent, and there would not be a vote in the House against the bill, or it could be, as the gentleman knows, brought up under suspension of the rules. The Senate has a very similar bill, except that it does not include any veterans except the veterans of World War II, and that was the bill one of the Senators tried to bring on the floor by unanimous consent the other day, but the Senate asked it it go over because there were so few Members on the floor.

Mr. PHILBIN. Does the gentlewoman anticipate this measure and the other measures that have already been reported by the gentlewoman's fine committee, which are now pending in the Committee on Rules, will be brought to the floor of the House before adjournment?

Mrs. ROGERS of Massachusetts. It is inconceivable to me that they should not be brought before the House before the adjournment of the Congress. We hear nothing but economy and economy, but economy should not be practiced at the expense of the veterans, particularly at the expense of the disabled veterans.

The sums involved in these bills are very small. Just the other day we passed a bill that would provide for the appropriation of nearly $2,000,000,000. I am sure the House would approve unanimously of the passage of these bills, which involve so little money.

Mr. PHILBIN. I share the sentiments that have been expressed by the able gentlewoman, and I commend her and her committee for the splendid efforts she and the committee have made to bring these measures affecting our veterans to the floor of the House. I earnestly hope we will be able to pass them before adjournment.

Mrs. ROGERS of Massachusetts. There are some six bills passed by the Committee on Veterans' Affairs before the Committee on Rules today. The gentleman will recall that during the war every day it was "Give the men the guns, give them all kinds of transportation, give them everything with which to fight the war." These men come back blinded and without arms, yet the Congress hesitates.

Mr. PHILBIN. I entirely agree with the gentlewoman, and I hope we will be able to have these bills reported here in the near future.

Mrs. ROGERS of Massachusetts. It is just a matter of justice.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan; and

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 8, 1947, present to the President, for his approval, bills of the House of the following titles:

H. R. 811. An act for the relief of J. F. Powers;

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association, of Mystic, Conn., for museum and youth-training purposes; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

ADJOURNMENT

Mr. HARTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 10, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

903. A letter from the Secretary of the Navy, transmitting a report of proposed transfers of equipment to various institutions and organizations; to the Committee on Armed Services.

904. A letter from the Acting Secretary, Department of Agriculture, transmitting a draft of a proposed bill to amend the act of July 23, 1946 (60 Stat. 596), entitled "Strategic and Critical Materials Stock Piling Act"; to the Committee on Armed Services.

905. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $19,150,000 for the Treasury Department (H. Doc. No. 391); to the Committee on Appropriations and ordered to be printed.

906. A letter from the Acting Secretary of the Navy, transmitting report of the proposed transfer of three vessels to the University of California; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 278. Resolution providing for the consideration of H. R. 4051, a bill to amend the Natural Gas Act approved June 21, 1938, as amended; without amendment (Rept. No 811). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 279. Resolution providing for the consideration of H. R. 3682, a bill to extend the period for providing assistance for certain war-incurred school enrollments; without amendment (Rept. No. 812). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 266. Resolution for the relief of Loretta McOwen, widow of Joseph A. McOwen; without amend-

ment (Rept. No. 813). Referred to the House Calendar.

Mr. VORYS: Committee on Foreign Affairs. House Resolution 258. Resolution requesting the Secretary of State to furnish the House of Representatives full information relative to food and meat being shipped from Greece and the Mediterranean area to the United States; without amendment (Rept. No. 814). Referred to the House Calendar.

Mr. ANDERSON of California: Committee on Armed Services. H. R. 774. A bill to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments; with amendments (Rept. No. 815). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 2744. A bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; with amendments (Rept. No. 816). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION: Committee on the Judiciary. S. 564. An act to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President; without amendment (Rept. No. 817). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. ROGERS of Massachusetts:

H. R. 4119. A bill to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits; to the Committee on Veterans' Affairs.

By Mr. HUGH D. SCOTT, JR.:

H. R. 4120. A bill to promote fundamental research in the sciences by allowing for income-tax purposes an additional deduction to individuals and corporations; to the Committee on Ways and Means.

By Mr. TOWE:

H. R. 4121. A bill to enact the National Security Training Act of 1947; to the Committee on Armed Services.

By Mr. ANDREWS of New York:

H. R. 4122. A bill to authorize the Secretary of War to proceed with construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. CLASON:

H. R. 4123. A bill to authorize for a limited period of time the admission of certain displaced persons into the United States for permanent residence; to the Committee on the Judiciary.

By Mr. HARDY:

H. R. 4124. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. RAINS:

H. R. 4125. A bill relating to loans by Federal agencies for the construction of certain public works; to the Committee on Public Works.

By Mr. RAMEY:

H. R. 4126. A bill to include the Howard Farms Reno area, Lucas County, Ohio, within the provisions of the Flood Control Act of June 22, 1936, as amended; to the Committee on Public Works.

By Mr. STEVENSON:

H. R. 4127. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. Con. Res. 59. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Con. Res. 60. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. RICHARDS:

H. Con. Res. 61. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. KEFAUVER:

H. Con. Res. 62. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. BYRNE of New York:

H. Con. Res. 63. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MANSFIELD of Montana:

H. Con. Res. 64. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MUNDT:

H. Con. Res. 65. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HALE:

H. Con. Res. 66. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MUHLENBERG:

H. Con. Res. 67. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. NIXON:

H. Con. Res. 68. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 277. Resolution providing for the printing of additional copies of the pamphlet entitled "Fascism in Action"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 4128. A bill for the relief of Carlton C. Grant and others; to the Committee on the Judiciary.

By Mr. CHAPMAN:

H. R. 4129. A bill for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 4130. A bill for the relief of Dennis (Dionesio) Fernandez; to the Committee on the Judiciary.

By Mr. JOHNSON of Indiana:

H. R. 4131. A bill for the relief of the La Fayette Brewery, Inc., of La Fayette, Ind.; to the Committee on the Judiciary.

By Mr. KEAN:

H. R. 4132. A bill for the relief of Anna Kreuger, Tema Kreuger, Gina Kreuger, and Ita Kreuger; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 4133. A bill for the relief of Leslie A. Harber; to the Committee on the Judiciary.

By Mr. OWENS:

H. R. 4134. A bill for the relief of Wpan Jan Koperny; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 4135. A bill for the relief of Archie Lorne Learn; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

738. Mrs. NORTON presented a petition of the Board of Commissioners of the city of Newark, N. J., urging the Congress to restore to the appropriation for the Federal Public Housing Authority the amounts recommended by the Bureau of the Budget, which was referred to the Committee on Appropriations.

SENATE

THURSDAY, JULY 10, 1947

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O God, by whose providence this Republic was established, in these days when the integrity of some of our fellow citizens is being questioned and their loyalty challenged, incline each of us to turn searching eyes into our own hearts to see whether there be anything in our personal lives that might prove hindering to the processes of true government or expose our own loyalty to suspicion. Help us to be sensitive to all the little motes in our eyes that may interfere with our correct vision so that we may the more consistently and conscientiously deal with the beams in other people's eyes. O God, we pray for a revival of real love for our country, a reverence for so much that is good and fine in our Nation's past, respect for the tremendous advantages of the present, and unfaltering confidence in its future.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 9, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 9, 1947, the President had approved and signed the act (S. 53) conferring United States citizenship posthumously upon Harold Turcean.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had severally agreed to the

amendment of the Senate to the following bills of the House:

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1658) for the relief of Norman Thoreson.

The message further announced that the House had passed a bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

SUBSISTENCE ALLOWANCE TO VETERANS

Mr. MORSE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 430, Senate bill 1394, to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes

The PRESIDENT pro tempore. The Senator's motion is not in order at this time, because the Senate adjourned yesterday, and the rules require a morning hour today.

Mr. MORSE. The RECORD will show that the Senator from Oregon tried to have the bill considered, will it not?

The PRESIDENT pro tempore. The RECORD will so show.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

UNITED NATIONS OFFICIAL SEAL, EMBLEM, AND NAME

A letter from the Secretary of State, transmitting a draft of proposed legislation to prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

HENRY HILL

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation for the relief of Henry Hill (with accompanying papers); to the Committee on the Judiciary.

TRANSFER BY NAVY DEPARTMENT OF CERTAIN NAVAL VESSELS TO UNIVERSITY OF CALIFORNIA

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the University of California had requested the Navy Department to transfer three vessels for use by the Scripps Institution of Oceanography in connection with a State-sponsored fisheries research program; to the Committee on Armed Services.

AMENDMENT OF STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of July 23, 1946 (60 Stat. 596), entitled "Strategic and Critical Materials Stock Piling Act" (with an accompanying paper); to the Committee on Armed Services.

MEMORIAL

The PRESIDENT pro tempore laid before the Senate a letter in the nature of a memorial from Nathalie R. Witt, of Bedford, Ohio, remonstrating against the enactment of legislation providing socialized medicine; to the Committee on Labor and Public Welfare.

UNIFICATION OF ARMED SERVICES

Mr. THOMAS of Oklahoma. Mr. President, at its first postwar national convention, the Air Reserve Association of the United States placed itself squarely on record in vigorous support of unification of the armed services with the unanimous adoption of a resolution which concisely states the case for unification. Because of the concise accuracy of that resolution representing another strong evidence of the American public's support of the proposal of unification, I ask unanimous consent that it may be appropriately referred and printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED AT THE NATIONAL CONVENTION OF THE AIR RESERVE ASSOCIATION OF THE UNITED STATES AT MEMPHIS TENN., NOVEMBER 18-20, 1946

Whereas the strength of national security forces under present unsettled war conditions is of extreme importance; and

Whereas it appears that there is a growing tendency in some quarters to economize at the expense of national safety requirements: Now be it

Resolved, That the Air Reserve Association place itself on record as favoring a strong air force in being, supported by a strong air reserve, maintenance of a research and development program adequate for development of weapons superior to those of any possible enemy, and maintenance of an aircraft industry capable of proper expansion during wartime; and the Air Reserve Association requests that the United States Government take the action necessary to maintain a defense program and a sufficient air force to meet all foreseeable emergencies; and

Whereas unification of the armed forces is a question that should be decided on its own merits; and

Whereas it is unthinkable to attempt adequate national defense under the present uncoordinated command; and

Whereas the effective strategic employment of air power during World War II is justifying its recognition as military power in its own right; and

Whereas an adequate defense set-up demands the establishment of an autonomous air force; and

Whereas the formulation of an adequate air defense program has been delayed due to the inability of the air forces to act independently in their present subordinate position: Now, therefore, be it

Resolved, That the Air Reserve Association favors the immediate establishment of an autonomous air force; and

Whereas economy in military organizations is necessary in order to obtain maximum defense per dollar invested; and

Whereas the experience in World War II has shown the necessity for one supreme coordinated command of military services: Now, therefore, be it

Resolved, That the Air Reserve Association favors a single department of defense with coordinated land, sea, and air components; and furthermore be it

Resolved, That action be taken by Congress at the earliest possible moment in order to eliminate the present delays in the reorganization of the Army Air Forces.

SALE OF TIMBER WITHIN TONGASS NATIONAL FOREST

Mr. THOMAS of Oklahoma. Mr. President, I present a statement of grounds of opposition by the inhabitants of Alaskan native villages to Senate Joint Resolution 118, to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest, and I ask unanimous consent that it may be appropriately referred and printed in the RECORD.

There being no objection, the statement was ordered to lie on the table and to be printed in the RECORD, as follows:

JULY 5, 1947.

STATEMENT OF GROUNDS FOR OPPOSITION OF ALASKA NATIVE VILLAGES TO SENATE JOINT RESOLUTIION 118

The following is a concise statement of our objections to Senate Joint Resolution 118, which was reported out on July 3 by the Senate Committee on Public Lands. The title says it is a joint resolution "to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest." But the text authorizes such sales from any land "within the exterior boundaries" of the forest

This discrepancy represents an attempt to authorize the sale not only of timber which is part of the national forest but also of timber which is the private property of Indian communities and individuals of certain non-Indians. This private property was specifically excluded from the national forest by the Executive order establishing it. Objections to the bill are stated at length in a statement of Attorney James E. Curry to the House Committee on Agriculture regarding House Joint Resolution 205 (a companion resolution) dated June 14, 1947. Mimeographed copies of his statement are available from Mrs. Ruth M. Bronson, secretary of the National Congress of American Indians, 1426 Thirty-fifth Street NW., Washington, D. C. In summary, the grounds of opposition are as follows:

1. THE PROPOSAL VIOLATES EXPRESS PROMISES TO PROTECT INDIAN PROPERTY AND OTHER POSSESSORY RIGHTS

The excuse given for this invasion of private property rights is its alleged necessity to aid industrial development in the Territory by the establishment of a newsprint pulp industry. By a long series of statutes, judicial decisions, and administrative actions, the Government has recognized the private-property rights that exist within the Tongass National Forest area and has promised to protect them. These promises culminated in a decision by the Interior Department less than 2 years ago specifically defining areas owned by the natives and guaranteeing them against encroachment. These promises have been reiterated by various actions taken since Mr. Krug became Secretary The decision followed a long public hearing, which the natives attended at great expense because it was supposed to define and protect their boundaries. It would be utterly dishonest for the Government now to disregard this pledge to a group of loyal American citizens. These citizens could not be blamed for resenting this as an unjustified and unnecessary violation of their rights.

2. THIS PROPOSED ENCROACHMENT ON PRIVATE PROPERTY IS NOT NECESSARY FOR THE PURPOSES STATED

The fact is that a compromise bill has been drafted by the Solicitor of the Department of the Interior which serves the purposes of the bill without destroying property rights. In this draft the rights of the natives are recognized by the Government and the natives, in turn, consent to administration of the timber by the Forest Service. The attorneys for the Agriculture and Interior Departments and for the natives have agreed that this compromise affords adequate legal protection for investors in the pulp industry. Thus the Indians are willing to make all

reasonable concessions that may be necessary to permit the establishment of this new industry. The Government departments and the pulp industry should be satisfied with this and not block the passage of a bill adequate for their stated purposes merely because it preserves, rather than destroys private property rights. This attitude shows a desire on the part of the Forest Service to use the universal enthusiasm for the pulp development as a vehicle for extension of their bureaucratic control at the expense of private rights.

3. THE PROPOSAL VIOLATES THE CONSTITUTION OF THE UNITED STATES

While the text does not so indicate, this resolution, as admitted by the Department of Justice, provides for condemnation of private property. Since the property taken under it is to be turned over immediately to the pulp operators, the resolution authorizes a taking of property for private use. This is a violation of basic constitutional guaranties. Furthermore, the proposal fails to provide for a prompt determination of compensation and for the payment thereof as required by our Constitution.

4. THE RESOLUTION WOULD NOT PROVIDE LEGAL PROTECTION FOR INVESTORS IN THE INDUSTRY

The bill in its present form is unconstitutional for the reasons above stated. It would be subject to court attacks that might embarrass the development of the pulp industry or prevent it from ever being established. On the other hand, if the alternative bill prepared by the Solicitor of the Interior Department were adopted, the lawyers for the Interior Department, for the Department of Agriculture, and for the Indians agree that it would provide adequate protection for the industry from any legal attack on their title to the timber. If the proponents of the bill really desire to establish a pulp industry and not merely to extend bureaucratic control, they should accept the alternative measure.

5. THIS PROPOSAL MIGHT COST THE GOVERNMENT VAST SUMS OF MONEY

The bill attempts to take private property without providing adequately for compensation. But the courts will eventually protect parties despoiled of their property and the Government may be held liable to pay for millions of acres of land, together with all the mineral and forest resources located thereon or thereunder. This tremendous drain upon the Public Treasury should not be risked for the sole benefit of private corporations. And it is unnecessary because the same purpose could be attained by recognizing the right of the Indians to the land involved and by purchasing from them the timber needed, as provided in the alternative draft.

6. THE PROPOSAL VIOLATES OUR TRADITIONAL POLICY OF FAIR PLAY TO INDIANS

Americans and their colonial ancestors have always followed the policy, as stated in the Northwest Ordinance, of not taking Indian lands without their consent except in just wars waged against them. This bill unnecessarily takes Indian lands without consent; the Indians are willing, if their rights are recognized, to make convenient arrangements to sell the timber that is needed upon the Government's own terms. Such an aggression could be justified under our traditional policy only as a "taking by the sword," and would be, in effect, declaration of war against these loyal American citizens. This is entirely unjustified if only because they, unlike other Indian groups, have never waged war against our Government at any time in their history.

7. THIS PROPOSAL WOULD PAUPERIZE THE NATIVES

The resolution would deprive the Indians of land which is sorely needed by them in order to make a decent living. It provides exceptions only for "town sites, smokehouses, gardens, hunting or fishing cabins, or other buildings and structures, missionary stations, or burial grounds, or any timber actually possessed and used." The effect would be to bottle them up on little tracts of land only large enough to live on but not large enough to provide them with a subsistence. The resolution would deprive them of all means of livelihood, except fishing. This is not sufficient, since it provides employment for only a few months of the year.

The tracts of land awarded to the Indians 2 years ago average only about 160 acres per capita, which, for this type of land, is barely sufficient for a livelihood. The Indians have been gradually driven off of much larger tracts of land which rightfully belonged to them; they should not be deprived of this last small area that still remains in their possession. If they are disinherited in this way they will be unable to support themselves and will have to be provided for by the Government.

FRED GRANT,
Representative of the Village of Hydaburg, Alaska.
ANDREW HOPE,
Sitka, Alaska, Member of the House of Representatives of Alaska.
FRANK JOHNSON,
Kake, Alaska, Member of the House of Representatives of Alaska.
FRANK PERATROVICH,
Klawock, Alaska, Member of the Senate of Alaska.
JAMES E. CURRY,
Attorney for the Indians of the Towns of Angoon, Craig, Douglas, Haines, Hoonah, Juneau, Kake, Klawock, Saxman, Sitka, Wrangell, and Yakutat, Alaska.
N. B. JOHNSON,
Judge, District Court of Oklahoma, and President of the National Congress of American Indians.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

S. 1433. A bill to provide for the establishment of a Temporary National Air Policy Board; with amendments (Rept. No. 469).

By Mr. HATCH, from the Committee on Foreign Relations:

S. J. Res. 46. Joint resolution authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project and the Rio Grande border fence project, and for other purposes; with amendments (Rept. No. 470).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

S. J. Res. 143. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific islands; without amendment (Rept. No. 471).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

S. 1594. A bill to provide for the liquidation of the trusts under the transfer agreements with State Rural Rehabilitation Corporations and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McMAHON:

S. 1595. A bill for the relief of the Pomperaug Council of the Boy Scouts of America; to the Committee on the Judiciary.

S. 1596. A bill to prohibit for a period of 1 year the taking of any action by the Federal Public Housing Authority to recover, or to require local public housing agencies to recover, the possession of low-rent housing accommodations occupied by occupants whose incomes exceed the allowable maximum for occupation of such accommodations; and

S. 1597. A bill to prohibit the Federal Public Housing Authority from taking any action to recover, or to require local public housing agencies to recover, the possession of low-rent housing accommodations in those cases in which the income of the occupants is not at least 155 percent of the allowable maximum for occupation of such accommodations; to the Committee on Banking and Currency.

By Mr. MAYBANK:

S. 1598. A bill to provide for the elimination of Regular Army officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army, and to provide retirement benefits for members of the Reserve components of the Army of the United States, United States Navy and Marine Corps, and Coast Guard; to the Committee on Armed Services.

By Mr. GURNEY (by request):

S. 1599. A bill to prescribe the pay and allowances of aviation cadets in the Air Corps, Regular Army, and for other purposes; to the Committee on Armed Services.

By Mr. MARTIN:

S. 1600. A bill for the relief of Clifford N. MacLloyd; and

S. 1601. A bill for the relief of Sebastiano Lobo Pina; to the Committee on the Judiciary.

S. 1602. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Joint Toll Bridge Commission, and for other purposes; to the Committee on Public Works.

(Mr. MURRAY introduced Senate bill 1603, to provide Government loans on fair terms to the victims of the Midwest river floods, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. ECTON:

S. 1604. A bill to authorize the State of Montana to lease her State lands for the production of oil, gas and other hydrocarbons for such term of years and on such conditions, as may be from time to time provided by the Legislative Assembly of the State of Montana; to the Committee on Public Lands.

By Mr. VANDENBERG (by request):

S. 1605. A bill to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; to the Committee on Foreign Relations.

By Mr. MYERS:

S. 1606. A bill for the relief of Wladyslav Plywacki; to the Committee on the Judiciary.

By Mr. BARKLEY (for himself and Mr. COOPER):

S. 1607. A bill for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1608. A bill to amend the Reclamation Project Act of 1939; to the Committee on Public Lands.

By Mr. VANDENBERG (by request):

S. J. Res. 146. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; and

S. J. Res. 147. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; to the Committee on Foreign Relations.

MIDWEST RIVER FLOODS—MISSOURI VALLEY AUTHORITY

Mr. MURRAY. Mr. President, great floods are still moving down our principal Midwest rivers, leaving devastation in their wake. There is only one solution for these chronically rampaging rivers. They must be harnessed totally. The Federal Government must promptly undertake that urgent task in the only effective way possible—through a Missouri Valley Authority patterned after the TVA.

This very same area was flooded in 1942, 1943, and 1944, and suffered direct property damage during those years totaling $150,000,000. But that estimate of direct damage hardly begins to tell the story of the chronic and permanent losses caused by these floods. Additional hundreds of millions of dollars were lost in wages, farm income, and economic opportunities.

This important area of the Nation has been losing population while the rest of the Nation shows a gain of more than 7 percent. In the single decade of the thirties the Missouri Valley lost a total of 3,000 manufacturing plants.

Our citizens in the Missouri Valley have had enough of the piecemeal, disorganized patchwork approach to the problem—the single, indivisible problem—of floods, drought, soil erosion, navigation, resources development, and hydroelectric power. That is why they insist upon a Missouri Valley Authority—a total solution for the total problem of our greatest river system.

Meanwhile we are confronted with a more immediate emergency—the relief and rehabilitation of the homeless and dispossessed people of the Missouri Valley. This problem admits of no delay. It calls for full, speedy, and generous action by the Federal Government.

The recent floods have taken many lives. They have inundated more than 2,000,000 acres of croplands. They have destroyed homes, crops, livestock, equipment, and household goods, business establishments, and stocks, valued at $250,000,000. Again the estimate does not include lost wages, farm income, and business opportunities. Nor does it include the long-term losses in the economic potentials of the flooded area. To take one example, permanent losses through erosion during the current floods have been estimated to exceed a quantity of top soil sufficient to cover 300,000 acres to a depth of 6 inches.

Mr. President, we must help these homeless and propertyless people to rebuild the shattered remnants of their economic lives. We must help them recover homes and household goods. We must help them recover farms and businesses—the means to reestablish their livelihoods.

At this moment the only Federal agency equipped to finance such a rehabilitation program is the Reconstruction Finance Corporation. But the present resources and policies of that Corporation are inadequate to meet the present emergency.

Until 1945 the Reconstruction Finance Corporation had a subsidiary corporation, the Disaster Loan Corporation, to handle the lending operations in disaster visited areas. Presumably this subsidiary corporation was staffed with personnel who did not slavishly follow the private banking criteria that obtained in the regular activities of RFC. Today the disaster loan function of RFC is merged with the rest of its lending operations, and is presumably handled by officials whose main function and concern are the making of so-called bankable loans to industry. I think we will all agree that the current flood situation warrants a separate and special approach and treatment.

The funds at present available to the Corporation for disaster relief are only $25,000,000, and the interest rate charged, namely, 3 percent, is too high, when we consider that in the present case the applicants are the vicitims of a catastrophe that could have been avoided by a far-seeing Congress.

I am sending to the desk a bill amending the Reconstruction Finance Corporation Act to provide for more effective Federal aid for the flood victims.

The bill provides for an increase in the funds available to disaster victims to $100,000,000. Of this sum, $75,000,000 is earmarked for the victims of the present floods. It limits the interest rate to 1 percent. Interest is waived and amortization may be postponed during the first year of the loan. Certainly, the Government's interest rate should not be so high as to earn a profit from lending to flood victims. Regional lending offices must be set up in every county in the flood area, and these regional offices are authorized to approve loans up to $20,000 without reference to Washington, provided the amount loaned shall not exceed the uninsured damage sustained by the applicant. Borrowers may have up to 10 years for repayment. The regional offices must appoint advisory committees, which shall be representative of the elected public officials, businessmen, farmers, and labor of the local community.

The Missouri Valley has been struck by a catastrophe that calls for bold and generous action by the Federal Government. The loan provisions of my bill will enable the Government to discharge its debt to the innnocent flood victims.

Mr. President, the bill to relieve the distress of the flood victims in the Mississippi-Missouri area, which I am now introducing, requires immediate attention of the Congress. If we adjourn leaving it on the calendar of unfinished business, we will have been most derelict in the discharge of our duty toward a great number of our fellow citizens in their hour of suffering.

The speedy passage of this relief and rehabilitation act will not do more than satisfy an emergency condition. It is no answer to the continuing, recurring cycles of flood and drought which either drown out the people, their livestock and crops, or blow the life-giving top soil away in blinding dust storms. Only an inclusive, unified program of river-basin development will provide the answer.

This is a national issue, touching directly the lives of all Americans, for the area affected is the very heart of food-growing America. The national press has been quick to recognize this fact.

From time to time, I have offered for the RECORD articles and editorials appearing in the leading newspapers of the country. Today, I ask permission to have printed in the RECORD additional material on this vital subject.

Let me call the attention of the Members of the Senate to an article appearing in the Gazette and Daily of York, Pa., with its heart-rending headline:

Flood homeless hit 40,429 total, most since 1937.

I also direct attention to the feature article appearing in the New York Times for Sunday, July 6, 1947, from which I quote as follows:

Preliminary estimates of the damage to this great region which has been counted upon to feed a large part of the world have been placed at upwards of $250,000,000. * * * This figure applies only to the tangible things such as agricultural land, property, railroad, highways, and machinery. * * * The consensus in this region is that there will be no control of the rivers until man impounds the potential flood water and harnesses it to his will for irrigation, navigation, and electric power.

A most careful and statesmanlike discussion of this great problem of unified river basin development is given by the eminent journalist Thomas L. Stokes, in his recent editorial Floods and Consciences, from which I quote the following:

The rampaging Missouri and Mississippi and their tributaries not only are sweeping over the levees in their path, but are slopping over in little rivulets that figuratively are sweeping into the consciousness of the Capitol. * * * An all-purpose plan for flood control, power development, irrigation, and navigation that is embodied in the Missouri Valley Authority, which was envisioned many years ago by President Theodore Roosevelt for the Missouri as well as for other watersheds, was submitted to Congress 3 years ago in the MVA plan by another Roosevelt—Franklin D. There it slumbers. * * * The Missouri River is lapping at the levees of neglect and indifference erected here by selfish private interests which include among others, utility interests.

In the St. Louis Post-Dispatch for July 1, 1947, there appears a most thorough discussion of the origin and course of the floods, and the alternative proposals for preventing their recurrence.

My last item for insertion in the RECORD is an editorial from the Chicago Sun, which closes with this prediction in which I, for one, heartily concur:

The Missouri Valley will come to an MVA in time. Every year of delay before that inevitable decision only increases the social cost of an untamed river system.

Mr. President, this great problem of alleviating the distress caused by the current floods, and of preventing their occurrence in the future, has so aroused leading citizens and members of the Congress that a sponsoring committee has called a conference to take place in Washington next week, Thursday and Friday, July 17 and 18, at which leading authorities will examine the issues and proposals for solving them. The attendance and participation of Members of this body would be most welcome. Out of these meetings should come a further

clarification of the situation, and a crystallizing of public opinion which will lead us toward the enactment of appropriate legislation to harness the great rivers of the Nation in the interest of all our people.

Mr. President, I renew my request that various articles and editorials relating to the subject I have been discussing be printed in the RECORD at this point.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the York (Pa.) Gazette and Daily]

FLOOD HOMELESS HIT 40,429 TOTAL; MOST SINCE 1937—RAMPAGING MISSOURI REACHES HIGHEST PEAK IN 103 YEARS—WATERS RECEDE IN DES MOINES, BUT DOWNSTREAM COMMUNITIES FACE THIRD MAJOR FLOOD IN MONTH — EARLIER DEVASTATION IN IOWA PLACED AT $107,000,000

DES MOINES, June 26.—Flood waters of two major streams merged at record levels today at their junction near the heart of this capital city of 170,000 and left 1,800 homeless and 2 given up for dead.

Along with the devastation elsewhere in Iowa and in parts of Nebraska, Missouri, and Illinois the growing toll of midwestern flood refugees soared to a total estimated by Red Cross area headquarters in St. Louis at 40,429—highest since 1937.

As the flood waters began to recede slowly in Des Moines, the downstream communities of Red Rock, Eddyville, Ottumwa, and Keosauqua, already battered twice this month by the worst floods in their history, prepared for a third crisis this week end.

Elsewhere in the Midwest the rampaging Missouri River reached 31.3 feet at Boonville, Mo., in the greatest flood in 103 years, and along the Mississippi 2,000 persons were homeless between Alton and Cairo, Ill.

In Nebraska, the Missouri was flooding thousands of acres near Rulo and flooding occurred on the Elkhorn River between Norfolk and Winslow.

In Des Moines, several residential areas, totaling 63 blocks, were inundated up to a depth of 8 feet by the angry waters of the Des Moines and Raccoon Rivers.

Half of this area was engulfed swiftly when the Des Moines tore a 600-foot breach in the levee protecting the Franklin area a dozen blocks northwest of State capitol hill. Coast Guard men said all residents got out safely.

An army of volunteers, public employees, sailors, and Coast Guard men had toiled throughout the night removing lowland residents and reinforcing levees with 25,000 sandbags. The power plant was saved and the business district escaped damage.

Even as new flood devastation hit Iowa, the United States Soil Conservation Service estimated at $107,000,000 the damage to soil and crops from the State's rains and floods earlier this month.

[From the New York Times of July 6, 1947]

MIDWEST LOOKING TO FLOOD CONTROL—REGION IS NOW CONVINCED THAT WATERS MUST BE IMPOUNDED, RIVERS PUT TO WORK

(By William M. Blair)

OMAHA, NEBR., July 5.—The most destructive floods in more than 100 years which have been rolling down the vast Mississippi and Missouri River Valleys have been caused almost wholly by extremely heavy rains.

Five successive major rainstorms of great intensity in June followed one another so closely that the ground could not absorb the near-record falls. As a result the main rivers and their tributaries surged upward until floodwaters covered more than 3,000,000 acres of fertile land.

Preliminary estimates of the damage to this great region which has been counted upon to feed a large part of the world have been placed at upward of $250,000,000 by the Army engineers and other sources. This figure applies only to the tangible things such as agricultural land, property, railroads, highways, and machinery.

There is no doubt that overcutting of the mountain forests and overgrazing at the headwaters of the big rivers, particularly along the upper reaches of the Missouri Basin, have created conditions favorable to floods, but these excesses are not the major factors. This is borne out by the fact that the current floods were limited to less than 600 miles of the Missouri and less than 300 miles of the Mississippi.

Roughly, the flooding began just below Keokuk, Iowa, and Rock Island, Ill., when the Rock, Iowa, and Des Moines Rivers emptied floodwaters into the Mississippi, and below Sioux City, Iowa, when the Platte, Republican, and other big tributaries poured their swollen output into the Missouri.

THE REGION'S VIEWPOINT

The consensus in the region is that there will be no control of the rivers until man impounds the potential floodwater and harnesses it to his will for irrigation, navigation, and electric power. To do this the only means advanced to date is a vast system of dams and reservoirs.

This means that differences between States must be resolved and conflict over electric power settled. The latter issue is still a hush-hush proposition in the region.

It also means huge sums of money and the consent of all the States involved; it means convincing farmers and others whose lands may be inundated by the reservoirs that they will benefit in the long run, and that the further agricultural and industrial development of the region is dependent upon absolute control of the rivers and their feeder streams.

Indicative of the attitude of many down at the grass roots is the remark of a Missouri farmer in the upper Mississippi Valley. He stood on a small rise overlooking some 300 acres of his flooded farm land.

His wheat was choked off and dying from lack of air. His corn seed was washed out. It was too late to replant. With market prices at new highs, he stood to lose a lot of money.

PHILOSOPHICAL VICTIM

Would he go back to the land, would he clean up and repair for another year?

"Sure," he told this correspondent. "A little water never hurt anybody."

The bottom lands along the rivers are so rich that many farmers rely on two bumper crops every 5 years to make money.

Congress recently appropriated $12,000,000 for flood-control emergency work in the country. Less than half of it is for the Missouri and upper Mississippi Basins. More important, however, is the fact that this money is for work on levees, most of which are private barriers, with the engineers being authorized only to rebuild them.

There has been a great unanimity displayed by the Governors of the 10 Missouri Basin States in support of the Army engineers' program for harnessing the river.

This program combines the plans of the Army engineers and the Bureau of Reclamation of the Department of the Interior. Known as the Pick-Sloan plan, it contemplates 105 reservoirs throughout the basin plus double levees along the main course of the Missouri from Sioux City to its mouth.

WIDE CONFLICT ON PLANS

The floods have intensified the controversy between advocates of the Army engineers' plans and supporters of a Missouri Valley Authority similar to the Tennessee Valley Authority. Senator JAMES E. MURRAY, of Montana, chief advocate of an MVA, told President Truman that an MVA would have prevented the Missouri flood. Gov. Sam Ford, of Montana, favors the Pick-Sloan plan for the Missouri Basin and is one of the basin's Governors who will appear before the Senate Appropriations Committee soon to ask for ample funds to continue its work.

War Department sources contend that if the major reservoirs had been in operation on the main course of the Missouri, the flood crest at Kansas City and downstream in Missouri would have been reduced by 2 to 3 feet. There would have been no flood if the entire plan had been in operation, these sources maintain.

[From the Washington Daily News]

FLOODS AND CONSCIENCES

(By Thomas L. Stokes)

The rampaging Missouri and Mississippi and their tributaries not only are sweeping over the levees in their path but are slopping over in little rivulets that figuratively are sweeping into the consciousness of this Capital.

What is happening in the Middle West shows the need to do the job, once and for all. It would be done through the comprehensive, all-purpose plan for flood control, power development, irrigation and navigation that is embodied in the proposed Missouri Valley Authority, as it was done for another large area of our country through TVA.

Such an all-purpose program, which was envisioned many years ago by President Theodore Roosevelt for the Missouri as well as other watersheds, was submitted to Congress 3 years ago in the MVA plan by another Roosevelt—Franklin D. There it slumbers.

The Missouri River is lapping at the levees of neglect and indifference erected here by selfish private interests which include among others, utility interests. As well as resisting MVA, the utility interests are trying to build another levee against proper development of our river resources in still another sector here, the House Interstate Commerce Committee. This is related to the general problem involved not only in the Missouri but in other rivers which need proper development to prevent floods and for other beneficial purposes, including cheap power.

It seems timely to reemphasize the threat revealed here previously to integrated development of water resources that is contained in two bills sponsored by Representative WILLIAM MILLER, Republican, of Connecticut, which the utilities are trying to slip through Congress in a hurry. These measures would well nigh destroy the regulatory authority of the long-established Federal Power Commission.

The danger to integrated water-resource development is in the bill that would withdraw many rivers from FPC supervision by a new and narrow definition of navigability. The other bill would affect the consumer in his electricity rate by removing many companies from FPC supervision by a new definition of interstate commerce, including supervision of accounting that already has squeezed so much water out of utility companies and opened the way for rate reductions.

On the general problem of integrated water resource development, Chairman Nelson Lee Smith of FPC said:

"There are many areas of Government lands and many streams subject to the jurisdiction of Congress which would be opened by this bill to private power development without Federal supervision or control. In proposing removal of Federal supervision, the bill represents a distinct departure from previous congressional policy both as to land use and water power development, completely destroying the wide public benefits to be obtained from planned comprehensive use of these natural resources."

He said the present law, which the bill radically would revise, was designed to insure that water resources will be developed to

make the best possible use of water resources for navigation, flood control, irrigation, municipal water supply, recreation, and other public benefits. If these uses are to be considered in the broad public interest, they should be considered whenever a power development is proposed at a site subject to Federal jurisdiction, regardless of the use to be made of the electric energy after it is generated.

"The limitation of the licensing requirements to projects within a narrow public utility class as proposed would practically nullify any effective control over stream development for conservation purposes."

The private utility type of thinking revealed in these two bills affects all of us adversely—whether it be in water for irrigation of a farm, protection from floods, or cheap electricity to light homes and operate household facilities and to run industries, small and large.

[From the St. Louis Post-Dispatch of July 1, 1947]

MISSOURI-MISSISSIPPI FLOOD ORIGIN: WEEKS OF HEAVY RAIN IN WIDE AREA

(By Richard G. Baumhoff)

Extremely heavy rains, occurring with unusual frequency and concentrated over a broad middle western prairie area, were virtually the entire cause of the severe floods in the Mississippi and Missouri Rivers. This statement was made to the Post-Dispatch today by H. F. Wahlgren, meteorologist in charge of the United States Weather Bureau here, and A. A. Rausch, his assistant specializing in flood forecasting. Examination of the gage and precipitation reports for the two main streams and their principal tributaries bore this out.

Melted snow from the mountain sources of the Missouri played no large part in the series of floods that were climaxed by crests at St. Louis yesterday and St. Charles Sunday, in the opinion of Wahlgren and Rausch.

However, the Army Corps of Engineers, in charge of river control, reported that the sudden break-up last March of several ice jams in the Yellowstone River—principal tributary of the upper Missouri—threw a rush of water into the Missouri. This was noticeable at least as far downstream as Omaha, Nebr. The Army engineers shared the opinion that seasonal snow melting was not a big factor in the floods, but that the concentrated rains in the lower Missouri and upper Mississippi Valleys were responsible.

SUCCESSIVE RAINSTORMS

Rainstorm after rainstorm occurred in northern Missouri, throughout Iowa, in northern Illinois, eastern Kansas, the eastern two-thirds of Nebraska and to some extent in South Dakota. Rains were so frequent as to be almost continuous during April, May, and June.

It was the pile-up of the drainage from these rains that caused the floods. The main streams—the Missouri and Mississippi—did not have the opportunity that usually occurs to carry away the run-off of their tributaries before new downpours swelled the load.

It was in Iowa that the greatest rain concentration appeared, largely affecting the Mississippi and causing the critical repeated inundations by the Des Moines River at Ottumwa. The capital city, Des Moines, had its heaviest day's rainfall on record—4.95 inches on Friday, June 13. The same day, Tripoli, Iowa, on the normally placid little picnic stream, the Wapsipinicon, had 5.5 inches. It was still raining hard in Iowa yesterday, notably at Dubuque, on the Mississippi.

Other Iowa streams that carried the deluges to the Mississippi were the Iowa River and its branch, the Cedar. The Mississippi was swelled also by the usually tiny Salt River in Missouri, by the Wisconsin River in southern Wisconsin, and by the Rock and the Illinois, in Illinois.

BURDEN ON THE MISSOURI

In Missouri, the Missouri River had almost constantly heavy discharges from the Chariton, Grand, and Platte, in northern Missouri, and the Osage, which was bringing in rains from generally dry southeastern Kansas. At Kansas City it received the Kaw River, which itself was swollen by the Solomon, Republic, Blue, and Little Blue of Kansas. Northward, the Missouri drew from the Nishnabotna and the Little Sioux of western Iowa and notably from Nebraska's long Platte River. Among the streams that added to the Platte were the Loup River series and the Elkhorn.

Towns in Missouri reported large aggregate rainfalls for June, in figures up to 7 a. m. yesterday. Lexington, on the Missouri River bank, was heaviest, with 17.22 inches. Marshall had 10.87 inches, and yesterday afternoon an additional heavy storm occurred, with half-inch hailstones. Other high figures included Kidder, in the northwestern part of the State, 16.08 inches; Kirksville, 14.44; Hannibal, 13.13; and Maryville, 15.22.

DISPUTE INTENSIFIED

The controversy of recent years between advocates of the Pick-Sloan plan for control of the Missouri River, administered largely by the Army engineers and the Bureau of Reclamation, and supporters of a proposed Missouri Valley Authority, has been intensified by the floods. Senator JAMES E. MURRAY, Democrat, Montana, sponsor of the MVA bill, told President Truman last Saturday that MVA would have prevented the Missouri Basin flood.

An authoritative Army source asserted to the Post-Dispatch today that if the Pick-Sloan reservoirs on the main stem of the Missouri were all in service now, the flood crest in Kansas City and downstream in Missouri could have been reduced by 2 or 3 feet.

This source did not take up the effect of the controversial proposed dams on tributaries in Missouri. Interests in this State have blocked these so far on the ground they were too big and that flood control could be effected better by smaller dams and going back to the headwaters to retard run-off and conserve soil. Pick-Sloan work has been started on a series of reservoirs in tributaries in Nebraska and Kansas.

Fort Peck Dam, in eastern Montana, on the Missouri River, kept stages in North Dakota down 2 or 3 feet or more this spring and summer, the Army declared. This huge reservoir, now in the Pick-Sloan system but started as a separate unit before that plan was created, is not yet full. Last March it received its largest inflow yet from the mountains. The Army attributed this to chinook winds and other causes of early snow melting, and said the dam served to hold this water back. Army engineers have asserted heretofore that Fort Peck served to lower the crest of the great 1943 flood by 2 feet at Kansas City and 18 inches at St. Louis.

In the latter part of March there were heavy break-ups of ice jams in tributaries flowing into the Missouri below Fort Peck—the Yellowstone and the Little Missouri.

Army engineers estimated that 60 percent of the water flowing past Omaha yesterday was due to normal causes arising upstream from Bismarck, N. Dak. However, they regarded this as no more than a relatively minor contributing factor to the flood caused by the rains at closer range.

NO PLAN FOR MISSISSIPPI

For the Mississippi, where the worst flood has occurred, there has been no concerted plan for flood control. The series of 26 big dams in that stream between Alton and Minneapolis-St. Paul are wholly for navigation purposes, being opened wide to offer as little obstruction as possible in time of flood.

Weather Bureau records show that flood stages were not attained in the Mississippi this year farther north than a point between Keokuk, Iowa, and Rock Island, Ill. In other words, the main stream flooding developed after the Rock, the Iowa, and the Des Moines had poured in. Similarly, the records show no flood stages in the Missouri this year at Omaha or Sioux City, Iowa, and farther upstream (with one minor exception), but at some ungaged points between Sioux City and Omaha there was flooding. It was the Platte and other tributaries below Omaha that caused the main trouble.

Thus the floods above St. Louis were limited to less than 600 miles of the Missouri and less than 300 miles of the Mississippi. Their combined effect has begun to be exerted downstream on the Mississippi as far as Cape Girardeau, Mo., or beyond.

It appeared that the Missouri at Omaha was cresting yesterday a few inches below flood stage.

At Bismarck, N. Dak., March 29, the Missouri had a sudden 1-day rise 2.6 feet above flood stage as the result of a sudden break-up of an ice gorge upstream. The records showed this surge of water, coupled with heavy rains of the opening days of April, made itself felt at Kansas City by April 6. The gage there rose to within 1.3 feet of flood stage, after having been quite low. Kansas City had 4.03 inches of rain April 4 and 5.

Twice in April the Mississippi at St. Louis was somewhat above the 30-foot flood stage. It was relatively high during May and has been in flood for the last half of June. Its crest, 39.3 feet highest since 1844, occurred yesterday. The Missouri at St. Charles was above the 25-foot flood stage repeatedly in April, was high in May and was in flood in the last half of June, cresting Sunday at 35.3 feet.

[From the St. Louis Post-Dispatch of July 2, 1947]

Once more flood waters have been destroying lives and wealth throughout the Missouri and Mississippi Valleys. Once more outraged citizens and alarmed Congressmen have been saying that something must be done.

When the roof leaks everybody is in favor of patching it. But when the sun shines and the floods recede, the sense of urgency evaporates.

On the Missouri and its tributaries destructive floods come along with depressing regularity every 4 or 5 years. June is the peak month for melting snow from the Rocky Mountains to reach the Great Plains through the Missouri system. When torrential rains downstream coincide with the crest of the mountain flood, rivers burst out of their banks, the rich top soil is filched from the plain, bridges, homes, barns, and towns undergo disastrous inundation.

Every time this happens the desperate survivors cry out angrily for help. As they shovel the stinking silt from their homes and set about the repair of the soil, they resolve that before the next flood hits they must be ready.

FIASCO OF FLOOD CONTROL

Consider what has happened in the Republican Valley, a tributary of the Missouri system which runs through southern Nebraska and northern Kansas. Twelve years ago this stream and all its feeders rampaged through the valley. More than 100 persons

died and millions of dollars' worth of property was destroyed.

The people of the valley demanded Federal aid in flood control. A plan was developed, and many chambers of commerce heard interesting speeches on hydrography. But after 12 years the Republican River is still untamed, and last week its waters again took lives.

During the interim, a jurisdictional dispute had developed over river control. The Reclamation Bureau of the Interior Department wanted to harness the Missouri system in its way, for irrigation and power as well as flood control. The Army engineers wanted to harness it their way, for navigation as well as other purposes.

Each bureau had its own congressional claque, its own powerful lobby. Each was implacably opposed to the few voices raised in behalf of river development by a single regional agency.

In the end the two bureaus, frightened by the possibility of a Missouri Valley Authority, got together and divided up the river. By this arrangement, Reclamation is to build upstream dams, the Army is to build downstream dams and levees, and the country is to pray that the system will work.

WHAT EACH DELUGE PROVES

But you do not break a horse by committee, and every new flood proves that MVA is basically the most logical, the most simple, and in the long run the most economical technique. MVA would unify the control of the river and insure the beneficial use of its waters for all purposes.

MVA would start on the hills and slopes where the first rain falls, in the mountains where the first snow accumulates. It would follow the streams down through the basin, damming them here, diverting there, building levees elsewhere, coordinating locks and power plants and canals. It would impose the will of man with single unyielding pressure on the wild force of the waters, and substitute for the annual June terror an ordered use of a great natural resource.

The Missouri Valley will come to an MVA in time. Every year of delay before that inevitable decision only increases the social cost of an untamed river system.

The bill (S. 1603) to provide Government loans on fair terms to the victims of the Midwest river floods, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Banking and Currency.

INVESTIGATION OF NATIONAL DEFENSE PROGRAM—FURTHER INCREASE IN LIMIT OF EXPENDITURES

Mr. BREWSTER submitted the following resolution (S. Res. 145), which was referred to the Committee on Rules and Administration:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to March 1, 1941, and resolutions supplemental thereto and amendatory thereof, including Senate Resolution 46, Eightieth Congress, first session, agreed to January 22, 1947 (relating to the investigation of the national defense program), is hereby increased by $25,000.

ADDITIONAL ASSISTANT DOORKEEPER OF THE SENATE

Mr. McGRATH submitted the following resolution (S. Res. 146), which was referred to the Committee on Rules and Administration:

Resolved, That the Sergeant at Arms of the Senate be, and he is hereby, authorized and directed to appoint Honore J. Provencal as Assistant Doorkeeper, who shall be paid at the rate of $3,040 per annum from the contingent fund of the Senate until otherwise provided by law.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—AMENDMENTS

Mr. REVERCOMB submitted amendments intended to be proposed by him to the bill (H. R. 3950) to reduce individual income-tax payments, which were ordered to lie on the table and to be printed.

APPROPRIATIONS FOR THE LEGISLATIVE BRANCH—AMENDMENT

Mr. WILEY submitted an amendment intended to be proposed by him to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 28, after line 10, insert the following:

"REVISED EDITION OF ANNOTATED CONSTITUTION

"For the preparation of a revised edition of the Annotated Constitution of the United States of America, as authorized by Public Law 95, Eightieth Congress, $35,000, to remain available until expended."

HOUSE BILL REFERRED

The bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

SOLUTION OF GRECIAN-TURKISH PROBLEMS BY UNITED NATIONS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 101) favoring action by the United Nations Organization looking to a solution of the Grecian-Turkish problems.

The PRESIDENT pro tempore. Without objection, the resolution will be passed over.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE

Mr. GURNEY. Mr. President, I ask unanimous consent that the Appropriations Committee Subcommittee on Civil Functions, War Department, be allowed to hold a hearing while the Senate is in session today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Health of the Committee on Labor and Public Welfare may continue to hold hearings while the Senate is in session this afternoon.

The PRESIDENT pro tempore. The permission is granted.

UNIFORM DIVORCE LAW

Mr. CAPPER. Mr. President, a timely editorial was printed a few days ago by the Pittsfield, Ill., Republican entitled "Slowing Down the Divorce Mill." It contains interesting comments on the uniform divorce measure introduced by me. I ask unanimous consent to have the editorial printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the body of the RECORD, as follows:

SLOWING DOWN THE DIVORCE MILL

Divorces doubled in Pike County last year. This year, so far, the divorce rate is exceeding last year's.

More divorce decrees were signed in Pike County last year than in any other of the 125 years since the Pike County Circuit Court first convened at Coles' Grove (near present Gilead, in Calhoun County), October 1, 1821.

Thirty-five minor children were involved in last year's 60 divorces. Forty-five wives and 16 husbands were plaintiffs. Few cases were contested. More than one divorce, we suspect, was by mutual arrangement, in order that one of the parties (or both of them) might marry again.

Desertion was charged in 31 of the 60 cases. Twelve decrees were on grounds of extreme and repeated cruelty, 12 on grounds of adultery, four on grounds of habitual drunkenness, and one on the ground of communicable disease.

The divorce statistics in Pike County are indicative of what is happening everywhere. Only in atheistic Russia, where Marxism belittled the married state, is the divorce rate greater than in our own America.

What can be done to check the spread of the divorce evil in America?

We think uniformity of marriage and divorce laws throughout the United States would help.

United States Senator ARTHUR CAPPER of Kansas is urging support of a bill providing uniform divorce laws throughout the country. It is proposed by such uniformity to cut down the rapidly rising divorce rate.

In this country the general average is said to be 191 divorces per 100,000 population, although in some sections the rate is very much higher. In Pike County the rate since the war has jumped to 240 per 100,000. For every 100,000 persons, England has only 12 divorces, Belgium 42, France 54, Germany 71, and Denmark 89. In Moscow the average rate is 900 divorces per 100,000 population.

Senator CAPPER'S bill would establish as grounds for divorce, adultery, cruel and inhuman treatment, abandonment or failure to provide for a year or more, habitual drunkenness, incurable insanity, and conviction for an infamous crime. When a divorce is granted, neither party could marry again inside of a year.

We have known divorce-seeking spouses to testify under oath to a suspicious court in the forenoon that they are not contemplating any other marriage venture and get married again in the afternoon of the same day. The Capper bill would end that.

The bill also provides that the mother would be favored with respect to custody of minor children if the court believes her mentally and morally competent to take care of them.

BRITAIN'S DILEMMA—EDITORIAL FROM THE WASHINGTON STAR

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks an editorial entitled "Britain's Dilemma," from the Evening Star of Washington, today. It is a very thought-provoking article and gives in my judgment a clear exposition of the situation

in which the British now find themselves. It comments on our loan, the use of the money, and the prospects of the future.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRITAIN'S DILEMMA

The latest debate in the House of Commons on the state of Britain's economy makes doleful reading for those who believed that a formula for solving economic problems had been found in the adoption of limited socialism.

Whether Britain would have been better off under the old Conservative government is a moot question. Probably not. Still, the admitted fact is that after some 2 years of the Labor government Britain has not become, and shows no sign of becoming, a self-supporting nation.

Deputy Prime Minister Herbert Morrison has stated the matter bluntly. Britain, despite efforts to export more goods, faces a trade deficit this year of approximately $1,800,000,000. This cannot be offset by any foreseeable increase in production. Thus, two alternatives remain. One is to reduce imports to about 25 percent below the level now contemplated. Understandably enough, Mr. Morrison shrinks from this prospect, for it could have disastrous consequences in a country that is already on short rations, both for its people and its industry. The remaining alternative lies in the revival of something akin to lend-lease, or, as Mr. Morrison prefers to call it, mutual aid.

Britain has used all but $1,500,000,000 of the loan from the United States, which originally was in the amount of $3,750,000,000. This represents a withdrawal as of this time of some $700,000,000 more than had been planned. Of this, more has been spent on day-to-day needs, and less on industrial recovery, than had been expected. So the outlook for the year's end is that Britain will have used up all of the loan, will still be some $300,000,000 short of meeting her trade deficit, and will have no funds with which to meet further deficits.

Various explanations have been advanced for the failure to do better. War weariness, food shortages, the lack of consumer goods on which money can be spent, and governmental mistakes are some of the causes set forth. Certainly the British workers have not produced as they might have produced. This has been especially noticeable in the coal industry, which is a critical element of Britain's economy. A goal of 200,000,000 tons was set for this year. That is not going to be reached, even though it is about 10 percent under the figure which many believe should have been set as the goal. Plagued by unauthorized strikes by miners, the Government is talking vaguely of criminal prosecutions. The president of the mine union, Will Lawther, is condemning what he likes to call the imperialistic purposes of the United States, and praising the dynamic ideas of communism. Despite his apparent sympathy with communism, however, even Mr. Lawther seems to recognize that the hope of Britain lies with the United States and not with Russia, for he, hardly less than Mr. Morrison, welcomes the Marshall program for economic aid to Europe.

Clearly, the need for this program, or something like it, is real and urgent. There are Members of Congress who do not like either the British venture into socialism or the British attitude toward this country. They think that socialism in Britain is a threat to our economy. And they want to reduce the matter to a question of narrow self-interest.

Even at that level of appraisal, however, it ought to be obvious that the worst which could happen, from our own standpoint, would be a real economic collapse in Britain. For the British, in that event, are not going to return to a system of private capitalism. They will be driven from socialism to something worse, and that this will come to pass is a strong probability unless more substantial assistance is forthcoming from this country.

THE LAST HOPE OF HUMAN LIBERTY—ADDRESS BY SENATOR DWORSHAK

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an address delivered by him on July 4 at the Monument Grounds in Washington, D. C., which appears in the Appendix.]

THE OIL SHORTAGE—STATEMENT BY H. J. PORTER

[Mr. ROBERTSON of Wyoming asked and obtained leave to have printed in the RECORD a statement by H. J. Porter, president, Texas Independent Producers and Royalty Owners Association, before the Senate Committee on Foreign Relations, which appears in the Appendix.]

STATEHOOD FOR HAWAII

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD three editorials relating to statehood for Hawaii, one from the Baltimore Sun, one from the Washington Star, and one from the Philadelphia Inquirer, which appear in the Appendix.]

HOOVER DAM—LETTER BY NORTHCUTT ELY

[Mr. HAWKES asked and obtained leave to have printed in the RECORD a communication relative to Hoover Dam, addressed by Mr. Northcutt Ely to the editor of the Washington Post, which appears in the Appendix.]

NEW GLORY FOR "OLD GLORY"—SERMON BY DR. PETER MARSHALL

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a sermon entitled "New Glory for 'Old Glory'," delivered by Dr. Peter Marshall, Chaplain of the Senate, on Sunday, June 29, 1947, which appears in the Appendix.]

ADMINISTRATION OF WAR DAMAGE INSURANCE PROGRAM—ADDRESS BY HON. JOHN D. GOODLOE

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by John D. Goodloe, Chairman of the Reconstruction Finance Corporation and President of War Damage Corporation, at the Waldorf-Astoria Hotel, New York, N. Y., June 25, 1947, which appears in the Appendix.]

EUROPEAN REACTIONS TO THE MARSHALL PLAN—ARTICLE BY BARNET NOVER

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an article entitled "A Turning Point in History," written by Barnet Nover, and published in the Washington Post of July 8, 1947, which appears in the Appendix.]

CONTROL OF POSSESSION, ETC., OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.), and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BUCK. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. KEM, Mr. COOPER, and Mr. HOLLAND conferees on the part of the Senate.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

Mr. MILLIKIN. Mr. President, I move that the Senate proceed to the consideration of House bill 3950, to reduce individual income-tax payments.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. MILLIKIN obtained the floor.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate because of a death in his immediate family.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, the Committee on Finance has favorably reported House bill 3950, without amendment. The provisions of the bill are identical with those of H. R. 1 as agreed to in conference and as passed by both Houses, except that H. R. 3950 becomes effective January 1, 1948. H. R. 1, as agreed to in conference, was passed by both Houses but was vetoed by the President, and the veto was sustained by the House of Representatives.

I have been told by the press that the President declared this morning he would veto H. R. 3950. If that is correct, it is the first time in history that a President of the United States has vetoed a revenue bill in advance of its being presented to him.

Because of the effect on the revenue, some Members of both Houses urged that tax reduction be deferred until January 1, 1948. This bill achieves that result.

The desirability of the proposed tax reduction must be weighed in connection with estimated revenues, expenditures, and debt reduction. It was estimated that H. R. 1 as agreed to in conference would have reduced collections in fiscal year 1948 by $3,300,000,000. H. R. 3950 will reduce collections in that year by only $1,500,000,000.

Three appropriation bills have been signed by the President and involve reductions in appropriations for the fiscal year 1948 of $1,136,000,000. Six bills are pending in the Senate or in conference involving reductions in appropriations by the House for the fiscal year 1948 of $1,526,000,000. The total reductions in appropriations for fiscal year 1948 on this basis would be $2,662,000,000.

The reduction in expenditures, as distinguished from appropriations, will be substantially larger. In the President's budget it was indicated that 1948 appropriations would be about 86 percent of expenditures in that fiscal year. This percentage relationship means that a reduction of $2,700,000,000 in appropriations is the equivalent of a cut of $3,100,000,000 in expenditures. Recognizing that there may be certain increases in appropriations and also reductions, by way of rescissions, cut-backs, eliminations, or transfers of expenditure items from one year to another, it seems reasonable to estimate expenditure reduction of not less than $3,000,000,000, reducing total expenditures from the budget estimate of $37,500,000,000 to approximately $34,500,000,000.

On the income side, the experience in the past few months justifies the contention that the revenue estimate of $41,400,000,000 used by the Finance Committee in connection with H. R. 1 was a conservative one. That estimate was based upon the assumption that income payments in the fiscal year 1948 would be $170,000,000,000. Income payments are now running at the rate of $178,000,000,000 a year.

It is clear that even if income payments were to fall substantially below this level they could hardly be expected to average less than the $170,000,000,000 used by the committee in its revenue estimate for the fiscal year 1948. It would take almost a cataclysmic recession to achieve a result of that kind. In this connection, I remind my colleagues that the President and the Treasury do not predict any substantial recession.

With receipts of $41,400,000,000 and expenditures of $34,500,000,000, there will be a surplus of $6,900,000,000. The loss of collections of $1,500,000,000 resulting from the enactment of H. R. 3950 will leave $5,400,000,000 for debt retirement and contingencies. This should provide ample reassurance, even to those with the most pessimistic fiscal views, that this proposed tax reduction is fully warranted.

The bill brings reductions to all individual income-tax payers, effective January 1, 1948. The reductions are summarized in table I, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Tax reduction provided by H. R. 3950*

Surtax net income	Tentative tax	Reduction in tentative tax under your committee's bill	Actual tax reduction under your committee's bill
0 to $1,000	0 to $200	33.5 percent	30 percent.
$1,000 to $1,400 [1]	$200 to $279.17	$67	30 to 20 percent.
$1,400 [1] to $136,700 [2]	$279.17 to $100,000	24 percent	20 percent.
$136,700 [2] to $302,400 [3]	$100,000 to $250,000	$24,000 plus 19¼ percent of excess in tentative tax over $100,000.	$19,000 plus 15 percent of excess tax under present law over $95,000.
$302,400 [3] and over	$250,000 and over	$52,875 plus 15 percent of excess in tentative tax over $250,000.	$40,375 plus 10.5 percent [4] of excess tax under present law over $237,500.

[1] The exact breaking point in surtax net income as provided in H. R. 3950 is $1,395.83.
[2] The exact breaking point in surtax net income as provided in H. R. 3950 is $136,719.10.
[3] The exact breaking point in surtax net income as provided in H. R. 3950 is $302,395.60.
[4] The exact percentage reduction on surtax net incomes in excess of $302,395.60 is between 10.52 and 10.53 percent.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Mr. President, the table shows that persons with surtax net income up to $1,000 will have a 30 percent reduction in their taxes; that persons with a surtax net income of $1,000 to $1,400 will have from 30 to 20 percent reduction; that persons with surtax net income of $1,400 to $136,700 will have a 20 percent actual tax reduction under the committee bill; that persons with surtax net income of $136,700 to $302,400 will have a reduction of $19,000 plus 15 percent of excess tax under the present law over $95,000.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TYDINGS. I wonder if it would be an imposition on the Senator if he would review something he said about 2 or 3 minutes ago as to the amount of expected income, the amount of tax reduction, and the amount of surplus? There was so much confusion in the Chamber that I did not understand the figures accurately.

Mr. MILLIKIN. I stated that on the income side the experience which we have had since H. R. 1 was under consideration by the Senate fortifies the prediction and the estimate upon which we are proceeding that individual income payments for the fiscal year 1948 will be $170,000,000,000. I pointed out, I will say to the distinguished Senator from Maryland, that our national income payments are now running at the rate of $178,000,000,000 a year. I added the observation that to bring income payments down to an average of $170,000,000,000 would take a very substantial recession. Such a recession would run unemployment up to perhaps 4,500,000 or 5,000,000 persons. I pointed out that the revenue loss, if in an era of this kind there would be any revenue loss through the operation of a tax-reduction bill, for the fiscal year 1948 would be $1,500,000,000. I then took the estimates of receipts of $41,400,000,000—and I should interject to say that that estimate is on the essumption of $170,000,000,000 income payments for the fiscal year 1948—and I deducted from that figure $34,500,000,000 on the expenditure side, which assumes expenditure reductions of $3,000,000,000 for the fiscal year 1948. I developed the theory on which we arrive at the reduction in expenditures of $3,000,000,000. Subtracting the one from the other leaves a surplus of $6,900,000,000. Subtracting from that the cost of the bill, or $1,500,000,000, leaves a surplus of $5,450,000,000 at the end of the fiscal year 1948 for debt reduction and contingencies.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLIKIN. Yes; gladly.

Mr. TYDINGS. The Senator arrives at his figure of $1,500,000,000 for the fiscal rather than the calendar year; in other words, for the 6 months' period that would represent the loss in revenue?

Mr. MILLIKIN. That is correct on a collection basis.

Mr. TYDINGS. So that if the figures outlined by the Senator should come to pass there would be around $5,000,000,000 left in the Treasury for debt reduction?

Mr. MILLIKIN. There would be $5,400,000,000 left for debt reduction or contingencies, or such a division as might be thought advisable. I remind the Senator that it is the view of this body that we should have an annual debt reduction of not less than $2,600,000,000, and that objective is amply secured by the budgetary background which we are presenting here.

Mr. TYDINGS. I thank the Senator for his clear explanation. I am sorry I had to ask him to retrace his steps, but I had not gained the figures the first time he presented them, due to the confusion in the Chamber.

Mr. MILLIKIN. I was very glad for the opportunity to repeat, I will say to the Senator from Maryland.

Mr. President, I was summarizing the tax reductions that will result from the bill by income categories. I pointed out that persons having surtax net income up to $1,000 will have a 30-percent reduction; persons having surtax net incomes from $1,000 to $1,400, a 30- to 20-percent reduction; those having surtax net incomes of $1,400 to $136,700, a 20-percent tax reduction; those having surtax net incomes of $136,700 to $302,400, a tax reduction of $19,000 plus 15 percent of the excess of the tax under the present law over $95,000; and those having surtax net incomes of $302,400 and over will have a reduction of $40,375 plus 10.5 percent of the excess of the tax under the present law over $237,500. It will be observed that the largest percentage of tax reduction under the committee bill is 30 percent. This reduction goes to the 26,000,000 taxpayers with surtax net income of $1,000 or less. This group represents 53 percent of the total number filing tax returns. It includes single persons with incomes, before deductions and exemptions, up to $1,667 a year; married couples with incomes up to $2,222 a year; and married couples with two dependents with incomes up to $3,333 a year.

The next largest reduction goes to taxpayers with surtax net incomes between $1,000 and about $1,400. The 7,000,000 taxpayers in this group will each receive a flat reduction of $67, including the 5-percent reduction allowed under existing law.

Taxpayers whose surtax net incomes are between $1,400 and approximately $136,700 will receive a 20-percent reduction. There are about 16,500,000 taxpayers in this group.

Taxpayers with surtax net incomes between $136,700 and approximately $302,400 receive a 20-percent reduction on that part of their tax which is attributable to surtax net income up to $136,700 and a 15-percent reduction on the excess. There are about 4,000 taxpayers in this group.

The remaining 577 taxpayers with surtax net incomes above $302,700 receive the same reduction as the previous group on that part of their tax attributable to their surtax net income up to $302,700. On that part of the tax attributable to surtax net income in excess of that amount, a reduction of 10½ percent is provided.

In addition to the rate reductions previously discussed, H. R. 3950—and to me this is one of the most praiseworthy features of the bill—provides an additional $500 exemption for each person who has attained the age of 65 or over before the end of the taxable year. This exemption will benefit 3,700,000 taxpayers and will remove 1,400,000 from the tax rolls.

With an income payment level of 170 billion dollars in the fiscal year 1948, individual income-tax liabilities under your committee's bill are estimated at about $13,700,000,000. This represents a liability reduction from present law of about $4,100,000,000. That is on a full-year basis.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks table II.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Distribution of tax returns, tax under present law, and tax reduction under H. R. 3950 (with income payments of $170,000,000,000)*

Net income class (000 omitted)	Taxable returns		Tax under present law		Reduction provided by H. R. 3950	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
			Millions		*Millions*	
0 to $3	39,710,430	79.9	$6,479	36.5	$1,800	44.1
$3 to $5	8,012,673	16.2	3,520	19.8	772	18.9
Total under $5	47,723,103	96.1	9,999	56.3	2,572	63.0
$5 to $10	1,265,839	2.5	1,453	8.2	307	7.5
$10 to $25	530,578	1.1	2,125	12.0	428	10.5
$25 and over	151,643	.3	4,178	23.5	774	19.0
Total over $5	1,948,060	3.9	7,756	43.7	1,509	37.0
Grand total	49,671,163	100.0	17,755	100.0	4,081	100.0

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Table II shows, by selected net-income classes, the number of individual income-tax returns, the amount of tax liabilities under present law, and the reductions in tax liability provided by H. R. 3950.

For example, there are 39,710,430 taxpayers with net incomes up to $3,000. They constitute 79.9 percent of the total. At the present time, under present law, they pay $6,479,000,000 of the total amount of income-tax collections. In other words, they pay 36.5 percent of our income-tax collection. Under House bill 3950 they will obtain a reduction of $1,800,000,000, or receive 44.1 percent of the total reduction. I suggest that these statistics are profoundly significant, and may well be kept in mind against the time when we shall hear arguments in this Chamber that this is a bill for the greedy and not the needy.

There are 8,012,673 citizens who make income-tax returns with incomes of from $3,000 to $5,000. They represent 16.2 percent of the total. They pay $3,520,000,000 of the total amount of income taxes, which under present law is $17,755,000,000 a year, or 18.9 percent of the total. They receive a reduction of $772,000,000.

To summarize, taxpayers with net incomes under $5,000 number 96.1 percent of the total number of income-tax payers. They pay 56.3 percent of the total income taxes now collected. They will receive 63 percent of the reductions provided in House bill 3950.

Now we come to those with $5,000 or more of net income. Between $5,000 and $10,000. There are 1,265,839 citizens making such returns. They constitute 2½ percent of all the income-tax payers. They pay $1,453,000,000 of the $17,000,000,000 plus collected. This represents 8.2 percent of the total tax collected. They will receive 7.5 percent of the reduction provided in this bill.

We now come to those with net incomes between $10,000 and $25,000. Five hundred and thirty thousand five hundred and seventy-eight citizens render returns on that basis. They represent 1.1 percent of all those making returns. They pay $2,125,000,000 of the total of $17,000,000,000 plus collected from income taxes; or 12 percent of our total income tax collections. They will receive 10.5 percent of the reduction provided by the bill.

Now we come to those with incomes of $25,000 and over. There are 151,643 of those. They represent 0.3 percent of all the taxpayers. Of the $17,000,000,000 plus which we collect from income taxes, that group, comprising 0.3 percent of the total number of income taxpayers, pays $4,178,000,000 in taxes. This is 23.5 percent of the total amount collected. They will receive 19 percent of the reduction provided by the bill.

The proposed tax reduction of about $4,100,000,000 expressed on a liability basis indicates the decrease in the obligations incurred by taxpayers during the first 12 months the tax reduction is effective.

The reduction of $1,500,000,000 expressed on a collection basis indicates the actual loss in the receipts of the Government during the fiscal year 1948. The liability estimate as distinguished from the collection estimate is useful in illustrating the ultimate effect of the reduction.

I am emphasizing this point because we have to keep the two sets of figures in mind, and there has been some confusion because, perhaps, there has not been adequate explanation.

The collection estimate, as distinguished from the liability estimate, is necessary to determine the immediate effect of the reduction on the Federal budget, which is on an actual receipt and expenditure basis.

The estimates of the Treasury for the fiscal year 1947 will throw light on the dependability of their predictions and their judgments, so far as this particular bill is concerned. The original budget estimate in January 1946 for the fiscal year 1947, predicted receipts of $31,500,000,000. The Budget review of August 1946, raised that figure to $39,600,000,000. The Budget estimate in January 1947, still for the fiscal year 1947, raised that figure to $40,200,000,000. The revised Presidential estimate of April 1947, for the fiscal year 1947, which has just ended, raised the figure to $42,500,000,000; and the actual receipts are $43,300,000,000, or $11,800,000,000 more than the original estimate.

Let us consider the estimates of expenditures. The original Budget estimate of January 1946 of expenditures for the fiscal year 1947 was $35,100,000,000. The Budget review of August 1946, raised this to $41,000,000,000. The Budget estimate of January 1947 raised it to $42,500,000,000. The revised Presidential estimate of April 1947 reduced the estimate to $41,300,000,000, and a couple of months later, at the end of the fiscal year out of which we passed on the last day of June, the actual expenditures were $42,500,000,000. So we find, first, a prediction of a deficit of $3,600,000,000; then a deficit of $1,400,000,000; then a deficit of $2,300,000,000; then a surplus of $1,200,000,000, and finally, under the actual facts, a surplus realized of $800,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield, gladly.

Mr. TAFT. The reduction in the surplus can be laid entirely to the fact that the British, instead of drawing a billion and one-half dollars, as was contemplated, drew more than $2,000,000,000 on the British loan in the fiscal year 1947. Is not that correct?

Mr. MILLIKIN. The Senator may be correct.

Mr. TAFT. The administration may even have suggested that that drawing be made in order that the surplus might be not quite so large?

Mr. MILLIKIN. That might well be. The deficit is also increased by a much larger amount of tax refunds than was estimated which makes it possible that the payment made on these particulars will relieve a certain amount of burden on the fiscal year 1948.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. GEORGE. I do not think the British needed any encouragement to ask for a larger withdrawal than they had originally agreed to accept. I think the circumstances well illustrate that they needed the money.

Mr. MILLIKIN. In any event, an extraordinarily large amount was used for the purpose, and it has the merit of extinguishing that much of our total obligation.

The forecast for the fiscal year 1948 is summarized in a table, and I ask unanimous consent that the table be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In billions of dollars]

	Present law	After enactment of H. R. 3950
Receipts	41.4	39.9
Expenditures (President's budget)	37.5	37.5
Surplus	3.9	2.4

On the assumption of a reduction of $3,000,000,000 in expenditures, the following results:

[In billions of dollars]

	Present law	After enactment of H. R. 3950
Receipts	41.4	39.9
Expenditures	34.5	34.5
Surplus	6.9	5.4

Mr. MILLIKIN. This table uses the estimate of receipts presented in the Senate Finance Committee report on House bill 1 and the estimate of expenditures presented in the President's budget for the fiscal year 1948. The estimated receipts under the present law are $41,400,000,000. The estimated expenditures in the President's budget, not making any allowance for reductions which have actually occurred, would leave a surplus of $3,900,000,000. After giving effect to House bill 3950 there would be a surplus available, under the most pessimistic approach to the subject, of $2,400,000,000.

On the assumption of a reduction of $3,000,000,000 in expenditures, the following results:

Receipts will be $41,400,000,000. Expenditures will be $34,500,000,000. There will be a surplus of $6,900,000,000. Giving effect to House bill 3950, there will be a surplus for debt reduction and for contingencies of $5,400,000,000. The surplus of $5,400,000,000 remaining after the enactment of House bill 3950 should provide amply for debt retirement and contingencies. If it were assumed that the present levels of employment and output would continue—and income payments are now running at the rate of $178,000,000,000 of individual income payments a year—receipts in the fiscal year 1948 would approximate $43,000,000,000, as contrasted with the committee's conservative estimate, I submit, of $41,400,000,000.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the able Senator from Kentucky.

Mr. COOPER. I should like to ask the Senator if originally at the time House bill 1 was under consideration in this body the estimates of receipts were stated at that time to be $41,400,000,000?

Mr. MILLIKIN. Yes. That was on the assumption, which we accepted, of $170,000,000,000 of individual income payments.

Mr. COOPER. Is the Senator following the same estimate?

Mr. MILLIKIN. Yes; I am following the same estimate, despite the fact that the rate of individual income payments has increased rather than decreased, and our estimate of $170,000,000,000 was a $6,000,000,000 reduction under the then current national rate of individual income payments.

Mr. COOPER. At that time what estimate was made of the reduction of receipts under the bill which was introduced at that time and which was being considered?

Mr. MILLIKIN. At that time, on a fiscal year collection basis, the cost of the bill was estimated at $3,200,000,000, or on a liability basis at approximately $4,000,000,000.

Mr. COOPER. Will the Senator explain the basis upon which the estimate of a reduction of $1,500,000,000 was made?

Mr. MILLIKIN. Yes. This bill, if enacted, will become effective on January 1, 1948. Thus it will be effective for one-half of the fiscal year, and thus the cost will be approximately one-half the cost for the full fiscal year.

Mr. COOPER. I know that, but I notice that it is less than one-half, and I wanted an explanation of that.

Mr. MILLIKIN. I think that results from lags in collections based on the previous year's liabilities which come in during the first half of the current year. It is based on a technical calculation made by our experts.

Mr. COOPER. Is it the experience of collections during the past years that the volume of receipts in the second half of the fiscal year is less than the volume of receipts during the first half?

Mr. MILLIKIN. The second part of a fiscal year includes the payments which are made at the beginning of the calendar year. I assume that the heaviest payments come in during the first half of the calendar year; I believe that to be correct. That will illustrate the reason for the $1,500,000,000, instead of an exact mathematical one-half.

Mr. COOPER. My reason for asking the question is because evidently less than 50 percent will be taken.

Mr. MILLIKIN. I think that is because during the second half of a calendar year collections are a lesser amount than during the first half.

Mr. COOPER. I thank the Senator.

Mr. MILLIKIN. Mr. President, I have pointed out that if the present levels of collections were to continue, our receipts for 1948 would be $43,000,000,000. The committee is operating on an estimate of $41,400,000,000.

There is at the present time an acute need for investment capital for the establishment and maintenance of smaller businesses. Also, it is exceedingly shortsighted and foolhardy to assume that the wartime accumulated surpluses on which our larger industries are maintaining their present high level of production, will continue indefinitely without the help of outside venture capital. This bill gives a stimulus to risk-taking

by increasing the investor's retained share of any resulting profits.

As is the case with risk capital, managerial incentive finds discouragement in the present marginal rates; that is, the rates on the top dollar of income received.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a table which illustrates what I have just stated.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—*Comparison between the marginal rates of the individual income tax under present law and H. R. 3950*

Surtax net income		Marginal rates	
From—	To—	Present law	H. R. 3950
$0	$1,000	19.0	13.3
$1,000	$1,400 [1]	19.0	[2]
$1,400 [1]	$2,000	19.0	15.2
$2,000	$4,000	20.9	16.7
$4,000	$6,000	24.7	19.8
$6,000	$8,000	28.5	22.8
$8,000	$10,000	32.3	25.8
$10,000	$12,000	36.1	28.9
$12,000	$14,000	40.9	32.7
$14,000	$16,000	44.7	35.7
$16,000	$18,000	47.5	38.0
$18,000	$20,000	50.4	40.3
$20,000	$22,000	53.2	42.6
$22,000	$26,000	56.1	44.8
$26,000	$32,000	58.9	47.1
$32,000	$38,000	61.8	49.4
$38,000	$44,000	65.6	52.4
$44,000	$50,000	68.4	54.7
$50,000	$60,000	71.3	57.0
$60,000	$70,000	74.1	59.3
$70,000	$80,000	77.0	61.6
$80,000	$90,000	79.8	63.8
$90,000	$100,000	82.7	66.1
$100,000	$136,700 [3]	84.6	67.6
$136,700 [3]	$150,000	84.6	71.9
$150,000	$200,000	85.5	72.7
$200,000	$302,400 [4]	86.5	73.5
$302,400 [4] and over.[5]		86.5	77.3

[1] The exact breaking point in surtax net income under the bill is $1,395.83.

[2] Incomes in this bracket receive a flat reduction of $67 from the tentative tax.

[3] The exact breaking point in surtax net income under the bill is $136,719.10.

[4] The exact breaking point in surtax net income under the bill is $302,395.60.

[5] It should be borne in mind that the tax is subject to a ceiling of 85½ percent of net income under existing law and 76.5 percent under the bill.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Mr. President, if under existing law, as is shown by the tables, a person with an income of $10,000 has an opportunity to earn an additional $1,000 by new investment, or by increased salary from acceptance of added responsibility, he must bear in mind, in deciding whether to accept the opportunity, the fact that 36 percent of the additional income will be taken from him by the Government through the individual income tax. A person with an income of $50,000 who receives an additional $1,000 must pay 71 percent of this to the Government. A person with an income of $100,000 obtaining an extra $1,000 must pay 84½ percent of this to the Government.

If the investors of the country are unwilling to take the risks of developing new enterprises and the managers do not have the incentive to put forth increased effort, the level of business activity will decline, to the detriment of all persons in our society. While the extent of the reduction in marginal rates provided by H. R. 3950 is necessarily limited, it represents a substantial improvement over the present law.

Another means of indicating the severity of the existing income-tax rates is to consider the number of days which the individuals with various net incomes must now work to pay their income taxes. A married person, without dependents and with income before exemptions of $1,200, works 11 days a year to pay his income tax. A single person with income of $7,000 works 1 day out of 5 for the Government. If his income were increased to $20,000 it becomes 1 day out of 3. If he receives an income of $50,000, every other day must be spent in the employ of the tax collector. If he receives $200,000, he must spend 3 out of every 4 days working for the Federal Government.

Both H. R. 1 and H. R. 3950 reduce the taxes of those with incomes, after deductions and exemptions, of $1,000 or less by 30 percent. Furthermore, only those persons whose incomes, after deductions and exemptions, are $1,400 or less will receive a reduction of more than 20 percent. On the other hand, such income between $136,700 and $302,400 is given a tax reduction of only 15 percent, and the tax on such income in excess of $302,400 is reduced by only 10½ percent.

Under both H. R. 1 and H. R. 3950 those with net incomes, after deductions and before exemptions, of $5,000 or less, receive a reduction of $2,571,285,000 out of a total reduction of $4,081,492,000. This group receives 63 percent of the total tax reduction provided by your committee's bill. Persons with incomes of $3,000 or less receive more than 44 percent of the reduction. Thus the enactment of House bill 3950 is clearly desirable from the point of view of taxpayers in the lower-income brackets.

I shall have more to say on this subject as the arguments of the opposition develop.

The additional exemption of $500 for persons aged 65 or over is a recognition of their special need. The heavy concentration of small incomes among such persons reflects the fact that, as a group, they are handicapped at least in an economic sense. They have suffered unusually as a result of the rise in cost of living and the changes in the tax system which occurred since the beginning of the war. Unlike younger persons, they have been unable to compensate for these changes by accepting full-time jobs at prevailing high wages. Furthermore, this general exemption appears to be a better method of bringing relief than a piecemeal extension of the system of exclusion for the benefit of particular types of income received primarily by aged persons.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, table V.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V-A.—*Comparison of individual income tax under present law and under H. R. 3950*

SINGLE PERSON—NO DEPENDENTS—UNDER AGE 65

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$500				
$600	$19.00	$13.30	$5.70	30.00
$700	38.00	26.60	11.40	30.00
$750	47.50	33.25	14.25	30.00
$800	57.00	39.90	17.10	30.00
$900	76.00	53.20	22.80	30.00
$1,000	95.00	66.50	28.50	30.00
$1,200	133.00	93.10	39.90	30.00
$1,500	190.00	133.00	57.00	30.00
$1,600	209.00	153.00	56.00	26.79
$1,700	228.00	173.00	55.00	24.12
$1,800	247.00	193.00	54.00	21.86
$1,900	266.00	212.80	53.20	20.00
$2,000	285.00	228.00	57.00	20.00
$2,500	380.00	304.00	76.00	20.00
$3,000	484.50	387.60	96.90	20.00
$4,000	693.50	554.80	138.70	20.00
$5,000	921.50	737.20	184.30	20.00
$6,000	1,168.50	934.80	233.70	20.00
$7,000	1,434.50	1,147.60	286.90	20.00
$8,000	1,719.50	1,375.60	343.90	20.00
$9,000	2,023.50	1,618.80	404.70	20.00
$10,000	2,346.50	1,877.20	469.30	20.00
$11,000	2,688.50	2,150.80	537.70	20.00
$12,000	3,049.50	2,439.60	609.90	20.00
$13,000	3,434.25	2,747.40	686.85	20.00
$14,000	3,842.75	3,074.20	768.55	20.00
$15,000	4,270.25	3,416.20	854.05	20.00
$20,000	6,645.25	5,316.20	1,329.05	20.00
$25,000	9,362.25	7,489.80	1,872.45	20.00
$30,000	12,264.50	9,811.60	2,452.90	20.00
$40,000	18,425.25	14,740.20	3,685.05	20.00
$50,000	25,137.00	20,109.60	5,027.40	20.00
$60,000	32,247.75	25,798.20	6,449.55	20.00
$70,000	39,643.50	31,714.80	7,928.70	20.00
$80,000	47,324.25	37,859.40	9,464.85	20.00
$90,000	55,200.00	44,232.00	11,058.00	20.00
$100,000	63,540.75	50,832.60	12,708.15	20.00
$150,000	105,806.25	85,185.31	20,620.94	19.49
$200,000	148,551.50	121,518.78	27,032.72	18.20
$250,000	191,771.75	158,255.99	33,515.76	17.48
$300,000	234,996.75	194,997.24	39,999.51	17.02
$400,000	321,446.75	272,235.25	49,211.50	15.31
$500,000	407,896.75	349,585.25	58,311.50	14.30
$750,000	624,021.75	542,960.25	81,061.50	12.99
$1,000,000	840,146.75	736,335.25	103,811.50	12.36
$2,000,000	1,704,646.75	1,509,835.25	194,811.50	11.43
$5,000,000	4,275,000.00	3,825,000.00	450,000.00	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE V-B.—*Comparison of individual income tax under present law and under H. R. 3950*

MARRIED PERSON—NO DEPENDENTS—UNDER AGE 65

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$1,000				
$1,200	$38.00	$26.60	$11.40	30.00
$1,500	95.00	66.50	28.50	30.00
$1,800	152.00	106.40	45.60	30.00
$2,000	190.00	133.00	57.00	30.00
$2,100	209.00	153.00	56.00	26.79
$2,200	228.00	173.00	55.00	24.12
$2,300	247.00	193.00	54.00	21.86
$2,400	266.00	212.80	53.20	20.00
$2,500	285.00	228.00	57.00	20.00
$3,000	380.00	304.00	76.00	20.00
$4,000	589.00	471.20	117.80	20.00
$5,000	798.00	638.40	159.60	20.00
$6,000	1,045.00	836.00	209.00	20.00
$7,000	1,292.00	1,033.60	258.40	20.00
$8,000	1,577.00	1,261.60	315.40	20.00
$9,000	1,862.00	1,489.60	372.40	20.00
$10,000	2,185.00	1,748.00	437.00	20.00
$11,000	2,508.00	2,006.40	501.60	20.00
$12,000	2,869.00	2,295.20	573.80	20.00
$13,000	3,230.00	2,584.00	646.00	20.00
$14,000	3,638.50	2,910.80	727.70	20.00
$15,000	4,047.00	3,237.60	809.40	20.00
$20,000	6,393.50	5,114.80	1,278.70	20.00
$25,000	9,082.00	7,265.60	1,816.40	20.00
$30,000	11,970.00	9,576.00	2,394.00	20.00

TABLE V–B.—*Comparison of individual income tax under present law and under H. R. 3950*—Continued

MARRIED PERSON—NO DEPENDENTS—UNDER AGE 65—continued

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$40,000	$18,097.50	$14,478.00	$3,619.50	20.00
$50,000	24,795.00	19,836.00	4,959.00	20.00
$60,000	31,891.50	25,513.20	6,378.30	20.00
$70,000	39,273.00	31,418.40	7,854.60	20.00
$80,000	46,939.50	37,551.60	9,387.90	20.00
$90,000	54,891.00	43,912.80	10,978.20	20.00
$100,000	63,127.50	50,502.00	12,625.50	20.00
$150,000	105,383.50	84,825.97	20,557.53	19.51
$200,000	148,124.00	121,155.40	26,968.60	18.21
$250,000	191,339.50	157,888.58	33,450.92	17.48
$300,000	234,564.50	194,629.83	39,934.67	17.03
$400,000	321,014.50	271,848.50	49,166.00	15.32
$500,000	407,464.50	349,198.50	58,266.00	14.30
$750,000	623,589.50	542,573.50	81,016.00	12.99
$1,000,000	839,714.50	735,948.50	103,766.00	12.36
$2,000,000	1,704,214.50	1,509,448.50	194,766.00	11.43
$5,000,000	4,275,000.00	3,825,000.00	450,000.00	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE V–C.—*Comparison of individual income tax under present law and under H. R. 3950*

MARRIED PERSON—TWO DEPENDENTS—UNDER AGE 65

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$2,000				
$2,500	$95.00	$66.50	$28.50	30.00
$3,000	190.00	133.00	57.00	30.00
$3,100	209.00	153.00	56.00	26.79
$3,200	228.00	173.00	55.00	24.12
$3,300	247.00	193.00	54.00	21.86
$3,400	266.00	212.80	53.20	20.00
$3,500	285.00	228.00	57.00	20.00
$4,000	380.00	304.00	76.00	20.00
$5,000	589.00	471.20	117.80	20.00
$6,000	798.00	638.40	159.60	20.00
$7,000	1,045.00	836.00	209.00	20.00
$8,000	1,292.00	1,033.60	258.40	20.00
$9,000	1,577.00	1,261.60	315.40	20.00
$10,000	1,862.00	1,489.60	372.40	20.00
$11,000	2,185.00	1,748.00	437.00	20.00
$12,000	2,508.00	2,006.40	501.60	20.00
$13,000	2,869.00	2,295.20	573.80	20.00
$14,000	3,230.00	2,584.00	646.00	20.00
$15,000	3,638.50	2,910.80	727.70	20.00
$20,000	5,890.00	4,712.00	1,178.00	20.00
$25,000	8,521.50	6,817.20	1,704.30	20.00
$30,000	11,381.00	9,104.80	2,276.20	20.00
$40,000	17,442.00	13,953.60	3,488.40	20.00
$50,000	24,111.00	19,288.80	4,822.20	20.00
$60,000	31,179.00	24,943.20	6,235.80	20.00
$70,000	38,532.00	30,825.60	7,706.40	20.00
$80,000	46,170.00	36,936.00	9,234.00	20.00
$90,000	54,093.00	43,274.40	10,818.60	20.00
$100,000	62,301.00	49,840.80	12,460.20	20.00
$150,000	104,538.00	84,107.30	20,430.70	19.54
$200,000	147,269.00	120,428.65	26,840.35	18.23
$250,000	190,475.00	157,153.75	33,321.25	17.49
$300,000	233,700.00	193,895.00	39,805.00	17.03
$400,000	320,150.00	271,075.00	49,075.00	15.33
$500,000	406,600.00	348,425.00	58,175.00	14.31
$750,000	622,725.00	541,800.00	80,925.00	13.00
$1,000,000	838,850.00	735,175.00	103,675.00	12.36
$2,000,000	1,703,350.00	1,508,675.00	194,675.00	11.43
$5,000,000	4,275,000.00	3,825,000.00	450,000.00	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Table V shows, for various net-income levels, after deductions, but before exemptions, the amount of tax payable under present law and your committee's bill for persons under age 65. It also shows the amount and percent of the decrease from present law provided by your committee's bill for such persons. Part A of the table relates to a single person with no dependents; part B, to a married person with no dependents; and part C, to a married person with two dependents.

Since individuals of age 65 and over receive not only the tax-rate reduction but also an additional $500 exemption, their tax burden cannot be derived from table V.

Mr. President, I ask unanimous consent to have table VI printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VI–A.—*Comparison of individual income tax under present law and under H. R. 3950 for persons aged 65 or over*

SINGLE PERSON AGE 65 OR OVER—NO DEPENDENTS

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$500				
$600	$19.00		$19.00	100.00
$700	38.00		38.00	100.00
$800	57.00		57.00	100.00
$900	76.00		76.00	100.00
$1,000	95.00		95.00	100.00
$1,200	133.00	$26.60	106.40	80.00
$1,500	190.00	66.50	123.50	65.00
$1,800	247.00	106.40	140.60	56.92
$2,000	285.00	133.00	152.00	53.33
$2,500	380.00	228.00	152.00	40.00
$3,000	484.50	304.00	180.50	37.25
$4,000	693.50	471.20	222.30	32.05
$5,000	921.50	638.40	283.10	30.72
$6,000	1,168.50	836.00	332.50	28.46
$7,000	1,434.50	1,033.60	400.90	27.95
$8,000	1,719.50	1,261.60	457.90	26.63
$9,000	2,023.50	1,489.60	533.90	26.38
$10,000	2,346.50	1,748.00	598.50	25.51
$11,000	2,688.50	2,006.40	682.10	25.37
$12,000	3,049.50	2,295.20	754.30	24.73
$13,000	3,434.25	2,584.00	850.25	24.76
$14,000	3,842.75	2,910.80	931.95	24.25
$15,000	4,270.25	3,237.60	1,032.65	24.18
$20,000	6,645.25	5,114.80	1,530.45	23.03
$25,000	9,362.25	7,265.60	2,096.65	22.39
$30,000	12,264.50	9,576.00	2,688.50	21.92
$40,000	18,425.25	14,478.00	3,947.25	21.42
$50,000	25,137.00	19,836.00	5,301.00	21.09
$60,000	32,247.25	25,513.20	6,734.05	20.88
$70,000	39,643.50	31,418.40	8,225.10	20.75
$80,000	47,324.25	37,551.60	9,772.65	20.65
$90,000	55,290.00	43,912.80	11,377.20	20.58
$100,000	63,540.75	50,502.00	13,038.75	20.52
$150,000	105,806.25	84,825.97	20,980.28	19.83
$200,000	148,551.50	121,155.40	27,396.10	18.44
$250,000	191,771.75	157,888.58	33,883.17	17.67
$300,000	234,996.75	194,629.83	40,366.92	17.18
$400,000	321,446.75	271,848.50	49,598.25	15.43
$500,000	407,896.75	349,198.50	58,698.25	14.39
$750,000	624,021.75	542,573.50	81,448.25	13.05
$1,000,000	840,146.75	735,948.50	104,198.25	12.40
$2,000,000	1,704,646.75	1,509,448.50	195,198.25	11.45
$5,000,000	4,275,000.00	3,825,000.00	450,000.00	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE VI–B.—*Comparison of individual income tax under present law and under H. R. 3950 for persons aged 65 or over*

MARRIED PERSON (BOTH HUSBAND AND WIFE 65 OR OVER)—NO DEPENDENTS

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$1,000				
$1,200	$38.00		$38.00	100.00
$1,500	95.00		95.00	100.00
$1,800	152.00		152.00	100.00
$2,000	190.00		190.00	100.00
$2,500	285.00	$66.50	218.50	76.67
$3,000	380.00	133.00	247.00	65.00
$4,000	589.00	304.00	285.00	48.39
$5,000	798.00	471.20	326.80	40.95
$6,000	1,045.00	638.40	406.60	38.91
$7,000	1,292.00	836.00	456.00	35.29
$8,000	1,577.00	1,033.60	543.40	34.46
$9,000	1,862.00	1,261.60	$600.40	32.24
$10,000	2,185.00	1,489.60	695.40	31.83
$11,000	2,508.00	1,748.00	760.00	30.30
$12,000	2,869.00	2,006.40	862.60	30.07
$13,000	3,230.00	2,295.20	934.80	28.94
$14,000	3,638.50	2,584.00	1,054.50	28.98
$15,000	4,047.00	2,910.80	1,136.20	28.08
$20,000	6,393.50	4,712.00	1,681.50	26.30
$25,000	9,082.00	6,817.20	2,264.80	24.94
$30,000	11,970.00	9,104.80	2,865.20	23.94
$40,000	18,097.50	13,953.60	4,143.90	22.90
$50,000	24,795.00	19,288.80	5,506.20	22.21
$60,000	31,891.50	24,943.20	6,948.30	21.79
$70,000	39,273.00	30,825.60	8,447.40	21.51
$80,000	46,939.50	36,936.00	10,003.50	21.31
$90,000	54,891.00	43,274.40	11,616.60	21.16
$100,000	63,127.50	49,840.80	13,286.70	21.05
$150,000	105,383.50	84,107.20	21,276.20	20.19
$200,000	148,124.00	120,428.65	27,695.35	18.70
$250,000	191,339.50	157,153.75	34,185.75	17.87
$300,000	234,564.50	193,895.00	40,669.50	17.34
$400,000	321,014.50	271,075.00	49,939.50	15.56
$500,000	407,464.50	348,425.00	59,039.50	14.49
$750,000	623,589.50	541,800.00	81,789.50	13.12
$1,000,000	839,714.50	735,175.00	104,539.50	12.45
$2,000,000	1,704,214.50	1,508,675.00	195,539.50	11.47
$5,000,000	4,275,000.00	3,825,000.00	450,000.00	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Table VI shows for such persons the same type of information shown in table V for persons under age 65. Part A relates to a single person with no dependents; and part B to a married person—both husband and wife 65 or over—with no dependents.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, table VII.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VII.—*Comparison of the individual income-tax liability under present law and under H. R. 3950 in a full year of operation, with income payments of $170,000,000,000*

[In thousands of dollars]

Net income class	Estimated yield of—		Decrease from present law provided by H. R. 3950
	H. R. 3950	Present law	
$0 to $1	$250,919	$365,191	$114,272
$1 to $2	1,877,376	2,746,037	868,661
$2 to $2.5	1,056,083	1,492,032	435,949
$2.5 to $3	1,495,407	1,876,084	380,677
$3 to $4	1,853,180	2,383,750	530,570
$4 to $5	894,424	1,135,580	241,156
Total under $5	7,427,389	9,998,674	2,571,285
$5 to $10	1,146,377	1,453,203	306,826
$10 to $25	1,697,000	2,124,827	427,827
$25 to $50	1,204,518	1,501,072	296,554
$50 to $100	1,115,125	1,385,437	270,312
$100 to $300	701,733	856,595	154,862
$300 to $500	136,937	161,146	24,209
$500 to $1,000	128,180	145,263	17,083
$1,000 and over	116,080	128,613	12,533
Total over $5	6,245,950	7,756,156	1,510,206
Grand total	13,673,339	17,754,830	4,081,492

Source: Staff of Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Table VII compares for various net-income classes the individual income-tax liability under present

law and under House bill 3950, and shows the decrease in tax liability resulting from the enactment of your committee's bill. The data shown are based on a full year's operation of House bill 3950, and assume an income-payment level of $170,000,000,000.

Mr. President, table V–C shows that a married person with two dependents, having a net income before personal exemption of $2,500, under present law pays $95 in income taxes, and under House bill 3950 will pay $66.50, or a saving of $28.50.

The man with an income of $5,000, in the same category, now pays $589. Under House bill 3950, he would pay $471.20, representing a saving of $117.80.

The man with an income of $10,000 now pays $1,862. Under the proposed law, he would pay $1,489.60, representing a saving of $372.40.

The man with an income of $20,000 now pays $5,890. Under the new law, he would pay $4,712, representing a saving of $1,178.

The man with an income of $80,000 now pays $46,170. Under the proposed law, he would pay $36,936, having a saving of $9,234.

The man with an income of $100,000 now pays $62,301. Under the new law, he would pay $49,840.80, representing a saving of $12,460.20.

The table will more fully illustrate the progression of the tax and the amount of savings.

Mr. REVERCOMB. Mr. President, I send to the desk two amendments, to be printed and lie upon the table.

The PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

SHIPMENTS OF OIL TO THE SOVIET UNION

Mr. LUCAS. Mr. President, I desire to occupy the time of the Senate for a few minutes, to discuss shipments of oil to the Soviet Union.

Since the middle of June certain segments of the American press have been exercised over the discovery that oil and gasoline have been exported to the Soviet Union. This fact contrasts with the second fact that in certain parts of the country, chiefly the Middle West, we are beginning to experience a slight shortage of petroleum and petroleum products. The abundance of rumor, the lack of facts, and the political innuendoes that are now being hurled hither and yon by the majority party have the public pretty well confused. I think it is of primary importance that the Senate and the country get the facts straight, forget the rumors, and ignore the politicians who are seeking to make political capital out of this very important matter.

The reason we were shipping oil to Russia is very simple. The oil companies of the United States, in the enjoyment of their right to engage in free enterprise and to sell to whomever they pleased, sold their oil abroad freely, without any restriction being imposed by the Government of the United States. It is true that the Government has the power, and has had the power since July 1940, to control the export of oil and everything else, through an export licensing system. This, however, was a war power, granted to the President, to exercise during the war emergency. No one, I am sure, supposes that after the emergency is clearly over, the people of the United States would give the President, through the Congress, the power to say what shall and what shall not be exported. This would constitute a form of regimentation. It would infringe on the liberty of the exporters in the United States to sell their products to whomever they pleased to sell them.

The Congress of the United States has plainly demonstrated its wish that the Government get out of the business of controlling business. In line with that idea, export controls have been gradually lifted since VJ-day. During the war, all exports were under control. This meant that the Government was controlling the export of some 3,200 commodities or commodity classes. Following the war, the Government voluntarily dropped control to such an extent that by October 1, 1946, only 727 commodities were under control. Today only 397 commodities are on the control list. They were dropped because the President and the administrative agency in charge wanted to get rid of controls. That presumably was what the country wanted. Certainly, nothing that has been done in Congress so far would give anyone any encouragement in the belief that wartime controls ought to be continued any longer than they were absolutely necessary. In my judgment, in many cases we have rushed pell-mell into the control-dropping business. In my opinion, we have dropped some controls too soon, but that has been due to the pressure on Congress from the American people, who do not like controls of any kind.

Now what does this mean in connection with the shipment of oil to Russia? In line with the philosophy of dropping controls, in September 1945, nearly 2 years ago, and less than a month after the war was over, we lifted export restrictions on crude oil, natural gasoline, and 100-octane aviation gas. By February of this year we had successively dropped controls on lubrication oils, motor gasoline, kerosene, gas oil, and distillate fuel oil, until the only petroleum product remaining under control was paraffin wax. Natural balances in oil production, refining, transportation, and marketing began to be restored, unhindered by the restraining hand of the Government. Among other countries receiving oil from the United States was the Soviet Union. Russian tankers appeared in west coast ports to take on oil from American refineries. Immediately a hue and cry was raised by certain newspapers, giving the implication that our Government was responsible. Do not forget that. The implication was that our Government was responsible for the selling of this oil to Russia. Reading them, it was easy to get the impression that Russia was getting oil at the expense of American industry and the American farmer.

Now, let us look at the facts. In 1945 we shipped 5,000,000 barrels of oil to Russia, including lend-lease shipments. In 1946 our exports of oil to Russia declined to 2,500,000 barrels. By the end of June this year, we exported about 730,000 barrels of oil, which is at the yearly rate of about 1,500,000 barrels. Year by year our exports to Russia are declining in volume. Seven hundred and thirty thousand barrels sounds like a considerable amount of oil, however, to the man in the street, and particularly does it sound like a considerable amount to the farmer who is beginning to be pinched by a lack of fuel oil and gasoline. But let us get one more fact into the record. The 730,000 barrels of oil we exported to Russia in the first 6 months of this year is equivalent to the petroleum we consume in this country in 3½ hours.

In other words, if we were ever compelled to ration petroleum products in this country, by cutting off the export of every drop of oil to the Soviet Union we could postpone that rationing by 3½ hours.

Let us look at another fact. The 730,000 barrels exported to Russia compares with the actual production in the United States during every day in the year of 5,000,000 barrels of oil. What, then, is the cause of the excitement? Simply this: Most of the oil we sent to Russia out of west-coast ports goes to Siberia, for consumption in Siberia. The only port to which it can go is Vladivostok. That port is locked by ice for, roughly, 9 months of the year and is open during the months of June, July, and August. In June, nine Russian tankers arrived to take off the oil sold to Russia. In the jittery state of international relations at the present time, nine tankers flying the flag of the Soviet Union, loading up with American oil, was more than some newspapers could bear. The story exploded in the press, and now eight congressional committees are trying to find out why it is that oil is moving to Russia. The answer is really simple. Oil is going to Russia because we dropped

our export controls over oil. Dropping controls fast is what the majority in Congress are after.

Mr. President, the people have repeatedly importuned the Congress to drop to the utmost extent possible every control imposed during the war emergency. The strange thing to the Senator from Illinois is to find Representatives of the majority party, the Republican Party, frantic over the fact that we released the controls, placed upon petroleum and petroleum products, thus giving free enterprise of the Nation the right to export oil to Russia. I noticed in the Washington Post an article saying that a House committee had called Under Secretary of Commerce William C. Foster before it, and he acknowledged that he had issued export licenses to individuals to ship petroleum to Russia. The committee was obviously taken by surprise over that statement. The members of the committee were angry with the Secretary of Commerce and his subordinates because they had permitted the issuance of these export licenses. In other words, those who have been so constantly engaged in talking about the free-enterprise system, some of those who have constantly condemned the administration for putting us under controls from time to time, some of those who have constantly condemned regimentation of every kind and every form, are now condemning the Secretary of Commerce because he dared operate under the free-enterprise system and give export licenses to individuals in this country to deal with Soviet Russia. It is a strange thing, Mr. President, that Republican Members of a House committee, champions of free enterprise, should become so exercised and so angry with the Secretary of Commerce and his subordinates for doing a thing of that kind.

The basic legislation providing authority for export controls had a difficult time in being renewed by Congress. Oil is not the only thing on which controls were dropped. The Government has dropped controls on the export of automobiles and farm machinery and equipment. This has been a sore point with many people who are anxious to get automobiles and farm equipment. When they discover these articles going abroad free of any United States controls, they begin to complain.

We cannot have our cake and eat it too. We cannot insist that we want to move back to a completely untrammeled free-enterprise system and yet keep the controls on when free enterprise begins to mean that goods move freely in the channels of international trade, and scarce goods, sorely needed in this country, are going abroad.

A few more facts should be added to put the oil situation in proper perspective. Fact No. 1 is that the Russians cannot store the oil they obtain for future uses. Mr. President, that is an important fact. The individuals who are frightened over the fact that oil is going to Russia are of the opinion that the same thing can be done with oil as was done by the Japs with the scrap iron shipped to them previous to Pearl Harbor. That simply cannot be done. Scrap iron can be stored indefinitely and still be as valuable as when acquired, but that cannot be done with oil. Gasoline particularly is a perishable commodity. It tends to get gummy and to foul up carburetors if it has been in storage for more than 6 months. Exactly how long it can last without deteriorating to the point where it is useless, depends on how it has been refined.

Fact No. 2 is that the Russians expect to begin exporting oil to England in the next 6 months. From July 1, 1947, to the end of this year, the Russians will export approximately 1¼ million barrels of petroleum and petroleum products to England. I mention that merely to show that Russia is selling oil to England, our friend, and we are selling oil to Russia. I undertake to say that there is nothing wrong in any of these transactions. There is nothing sinister about them. There is nothing that can aid the Russians from the standpoint of their own defense, in connection with the exporting of this oil, because it can be stored only for a period of 6 months. The Russian shipments to England will be the first shipments since the war. Russia has oil in the ground around the Black Sea ports. The reason why Russia is exporting to England and importing from us is easily understood in terms of the map of the world. The distance from San Pedro, Calif., to Vladivostok is a much shorter distance than the distance from the Black Sea ports to England. If Russia were to try to ship oil from the Black Sea ports to Siberia, it would mean a journey by rail or pipe line of almost 8,000 miles, which is an unthinkable distance in terms of expense of transportation. Transporting oil by water would mean a trip almost halfway around the world, through the Mediterranean, the Suez Canal, the Indian Ocean, and the China Sea. Oil supply for any country is as much a problem of transportation as it is of having the oil in the ground.

This fact is responsible, as much as anything else is, for the shortage of oil in the Middle West. The Middle West did not participate in the construction of pipe lines during the war. The pipe lines were built from the producing areas to ports on the east and west coasts. The result is that this efficient means of oil transportation is largely unavailable to the Middle West. This makes for an acute problem of transportation and storage. Pipe lines for that area are being planned, but when they will be built is problematical, in view of the acute shortage of steel for piping in this country. Heavy and light industry in this country are clamoring for steel, and the steel mills and steel fabricators are not able with their present capacity to come anywhere near meeting the demand. There are of course other reasons for the shortage in the Midwest. Local crude-oil production in the Midwest is declining. Demand for oil products has now doubled over prewar demand. Oil-burning furnaces are being installed in huge quantities. Farmers are consuming more oil than they ever did in tractors and other farm machinery.

But even with all that, I am favorably impressed with the statement made by Mr. Foster yesterday before the House Committee on Interstate and Foreign Commerce. Mr. Foster stated that the Department does not believe that exports of petroleum and petroleum products "should be prohibited or drastically curtailed. To do so would upset the world system of distribution and make petroleum a source of international friction."

Mr. Foster stated that future requirements for petroleum exports would be examined "in terms of their urgency, the ability of the United States to supply, with due consideration of the needs of the domestic economy," and export quotas for the various countries then would be fixed.

He further stated:

> I do not believe the situation is or will become critical in the sense of affecting our national welfare. I am confident that the industry will, as it always has in the past, meet the public needs.

These are the facts. Because of the current agitation over this question, export controls have been reinstated on gasoline, kerosene, and fuel oil. Exporters will have to get a license to export oil in the future, and until quotas are established no oil will be permitted to leave the country. But no one ought to suppose that this move will make any great contribution to the alleviation of oil shortages in this country. Careful control of exports will assist in some measure, however, in relieving shortages and alleviating in a minor degree the hardship arising out of current deficits.

In conclusion, Mr. President, let me say that these are facts which have been taken from the Department of Commerce of the United States. The facts can be found by anyone who is seeking facts. They tell the story about the tankers which were docked along the California coast. In my opinion there is nothing for this country to be alarmed about from the mere fact that a small amount of oil is being shipped to the Soviet Union.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. MAGNUSON. Mr. President, when the original tax reduction bill, H. R. 1, was before the Senate, I indicated my opposition to it in a statement which appeared in the RECORD on May 28. The basis on which I opposed H. R. 1 are applicable to the bill now under discussion. I was unable to support tax reduction as contained in H. R. 1 for three primary reasons: First, because it gave to the high-income brackets the major slice of the $3,200,000,000 tax-reduction pie; second, because our economy is operating at a level sufficiently high to warrant application of excess revenues upon debt reduction rather than tax reduction; and third, because reduction of individual income taxes now may well destroy any possibility of achieving a complete overhauling of our

tax structure. I think all those interested in the tax problem are in entire agreement with that statement.

I shall not repeat at this time all the arguments I put forth in opposing H. R. 1. I do wish to reiterate, however, that the present bill is H. R. 1 merely wearing a new date and a new number. In addition, I want to emphasize again that even in its new clothes this bill contains the same gross inequities of its predecessor. Under the bill the take-home pay of the $1,200-a-year man is increased but 1 percent; the take-home pay of the $5,000-a-year man is increased 4 percent; of the $50,000-a-year man, 19.7 percent; of the $100,000-a-year man, 34.2 percent; and of the $300,000-a-year man, 57.4 percent.

That is what I mean by inequities in the bill, and that is what I mean by saying that we probably need tax revision rather than tax reduction, as proposed by the majority.

A moment ago I stated that I opposed the forefather of this bill because individual income-tax reduction now may well destroy any possibility of achieving a complete overhauling of the tax structure. I wish to dwell on this thesis briefly to indicate how seriously this bill endangers the attainment of that objective.

I think it is generally conceded that there are inequities in the tax structure which must be eliminated. Secretary of the Treasury Snyder emphasized this in his testimony before the House Ways and Means Committee and to the Senate Finance Committee. To the best of my knowledge both committees were in complete agreement with him on this score.

The last serious attempt to revise the tax structure occurred in 1942. Since that time, because of our preoccupation with the war and reconversion and the compelling necessity of maintaining Federal revenues at a high level, inequities have been permitted to accumulate. The House Ways and Means Committee is now engaged in a comprehensive study of these problems, and has announced its intent to report a bill to the Congress early in the next session containing its considered judgment on tax revision. To my mind the program the Ways and Means Committee is following is eminently sensible. But its weeks of hearings, its subsequent analysis and recommendations, may prove a mere academic exercise if the bill before us is enacted. I shall try to demonstrate to you why this is true.

According to the majority report on House bill 3950 issued by the House committee on July 3, 1947, receipts under the present law are estimated to be $41,400,000,000; 1948 receipts under this bill are estimated at $39,900,000,000. Both estimates are based on national-income payments of $170,000,000,000 for the fiscal year. The committee then assumes that expenditures for the fiscal year will be reduced $3,000,000,000 below the President's budget, or that expenditures will be $34,500,000,000. Under the present law this would produce a surplus of $6,900,000,000 and under House bill 3950 a surplus of $5,400,000,000. Let us assume for purposes of argument that neither of the variables in this receipt-expenditure equation is affected by domestic or world economic and political factors—a rather rash assumption in view of the Marshall plan for reconstruction of Europe, international tensions, and present maladjustments in prices here at home. But for the sake of argument let us look at these figures through the same rose-colored glasses worn by the proponents of this bill. Under present law there will be an estimated surplus of $6,900,000,000, under House bill 3950 an estimated surplus of $5,400,000,000. The proponents of this bill assert, therefore, correctly, that House bill 3950 will cost only $1,500,000,000. They reach this conclusion, of course, by restricting their consideration of the effect of the measure to the last 6 months of fiscal 1948. They fail to emphasize with equal zeal that once the bill becomes law its effects will continue into 1949 and will then operate on a full-year basis.

But again going back to the estimated $6,900,000,000 surplus in fiscal 1948 under present law, we could use this surplus in at least three ways: For debt reduction, or for tax reduction, or for a combination of the two. If we intend to use all or a part of this surplus for tax reduction there are at least two ways it can be utilized: For reduction of individual income taxes as provided in this bill, or for reduction of taxes to remove inequities in the present tax structure. We must make a choice between these two methods of tax reduction.

The majority have apparently decided that instead of tax revision they are bent on a percentagewise tax reduction which, in my opinion, as I stated before, only helps out the big fellow and not the small fellow.

It is my firm conviction that if we choose to utilize the surplus for individual tax reduction as provided in this bill we will foreclose the possibility of achieving tax reduction by revision of the tax structure, by way of inequitable exemptions and by way of many other features of the tax law which should long ago have been overhauled.

On a yearly basis, with income payments at $170,000,000,000, the House committee estimates that H. R. 3950 will produce about $4,000,000,000 less revenue than the present law. Assuming a yearly surplus of $6,900,000,000, therefore, this bill would leave a balance of only $2,900,000,000 for other purposes—debt reduction or tax reduction to remove inequities in the tax structure.

Let me sketch for the Senate some of the inequities in the tax structure that the House Ways and Means Committee is considering and give it some rough estimates as to what it will cost in revenues to eliminate them. If this bill should pass and we do what should be done to remove inequities, the majority party must take the responsibility for going again into deficit financing.

At the outset I wish to make it clear that these are just a few of the major items under consideration and that the cost of removing these inequities as I list them are rough estimates—but perhaps no less accurate than the estimates used by the proponents of this bill.

The tax advantage enjoyed by community-property States has already been discussed here on the floor of the Senate. To remove this advantage by extending to the other 37 States the right to split family income will cost $750,000,000. Various plans are under consideration for eliminating duplicate taxation of corporate dividends. The true cost will depend upon the plan adopted but elimination of this inequity will cost from one to one and one-half billion dollars. Several plans for allowing an earned income credit are under discussion. Earned income credit is designed to recognize the difference between the man who receives all or the major share of his income from wages or salaries and the man who clips coupons. This proposal will cost from one to two billion dollars. Elimination of war excise taxes will cost in revenues about $1,000,000,000, and if excise taxes are eliminated on transportation and on other items where the regressive nature of this type tax is especially iniquitous, the cost will run from one and one-half billion to two billion additional dollars. Then there is the very important question of personal exemptions. The present exemption is $500. Many of us think it should be raised for certain categories of tax payers. If this is raised to $600, the cost in revenue will be one billion six hundred million, and if it is raised to $700, the cost will be $3,000,000,000.

Some of us believe that there should be exemption for hospitalization and that there should be further exemptions for contributions to worthy causes, such as charities. But if the tax law is revised and the exemption is raised only to $600, the cost in revenue alone will be approximately $1,600,000,000. If it is raised to $700, which some of the proponents of the tax reduction advocate, it will cost considerably more.

These are some of the most obvious problems the House Ways and Means Committee is considering. In addition, consideration is being given to a special tax credit for small business, to revision of taxes on foreign personal holding companies, to income taxes applicable to citizens of the United States stationed in foreign countries, and to the question of allowing industrial concerns to count as a business expense the cost of constructing disposal facilities for industrial sewage and waste to avoid pollution of streams, lakes, and bays. There are other minor problems and inequities too numerous to mention here, which must be considered and which will entail additional losses in revenue—or, to put it another way, which will constitute significant tax reductions.

At this point let us add up the partial score on tax reduction via tax revision as I have outlined it for the major items:

	Billions of dollars	
Community property	0.75	0.75
Duplicate taxation, corporate dividends	1.0	1.5
Earned-income credit	1.0	2.0
Elimination, war excise taxes	1.0	1.0
Other excise taxes	.5	1.0
Personal exemptions	1.6	3.0
Total	5.85	9.25

Or a total of from six to nine billion dollars in round numbers. In other words, any serious, comprehensive tax revision will result in tax reduction in an amount close to, or perhaps well in excess of, the estimated surplus as computed by the proponents of this bill.

It is extremely unfortunate that the majority party made ill-considered promises last fall. I suppose it is too late to adopt the slogan, "Tax reduction through tax revision." Probably they are stuck with their slogan, "Tax reduction—20 percent across the board." If they are stuck with that campaign cry, must the Congress and the country be stuck with it? Or will they at this late date let the Dr. Jekyll, who I am sure is in them, surmount the Mr. Hyde, and, being transformed from politicians to statesmen, recognize that individual income tax reduction, as provided in House bill 3950, will destroy the golden opportunity we now have to achieve comprehensive tax revision?

For that reason, if for no other, House bill 3950 should be defeated, and an individual income-tax reduction bill should be submitted to the Congress at the next session that will be a part of a comprehensive tax-revision program.

The PRESIDING OFFICER (Mr. McGRATH in the chair). The bill is open to amendment.

Mr. MAGNUSON. Mr. President, I see the Senator from Arkansas in the Chamber, and I understand that he wishes to address the Senate at this time.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. McCLELLAN. Mr. President, for the second time at this session of Congress we are asked to take action on what is termed a tax-reduction bill.

Mr. MILLIKIN. Mr. President, I inquire if the Senator's amendment is before the Senate?

Mr. McCLELLAN. It is not before the Senate; it has been filed.

When the tax bill was before the Senate on a previous occasion, I undertook, by three amendments which I proposed to the bill, to make it a better tax bill, an equitable tax bill, to provide by its terms that a great injustice and inequity which is not present in our tax system, which results in a flagrant discrimination against husbands and wives in some 38 States of this Nation, be corrected.

The original tax bill failed to become law because a Presidential veto was sustained by the House of Representatives. I do not know what the prospects are that the pending bill, if passed by the Senate, will finally become law. I am not undertaking to make any predictions about that at the moment, but for the second time I am going to urge my colleagues to go along with me in support of the amendment which I shall propose to the bill, which will place the taxpayers of this Nation on an equal basis with respect to bearing the burdens of the costs of their National Government.

When I previously presented the so-called community-property amendment, opposition to it was predicated upon two stated reasons; the first being that the bill is a tax-reduction bill, not a tax-revision bill, and the amendment which I offered therefore belonged properly in a tax-revision bill. The other reason was that the Treasury could not stand the additional loss of revenue. The leadership of the majority party gave strong assurances to the membership of this body that if the community-property amendment offered by me at that time were voted down, the provision of my amendment, or a similar one, that would bring about the results I was seeking would be placed in the tax-reduction bill; which, it was said, the Ways and Means Committee of the House would soon begin to consider, and on which hearings would be held.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I should like to ask the Senator if he would be good enough to repeat for the RECORD the amount involved in tax adjustments which would be required under the amendment, and also the number of States that would be affected by it? I am more or less familiar with those facts, but I should like to have them stated again for the RECORD.

Mr. McCLELLAN. At the time I offered the amendment to the original bill there were 10 community-property States. There were 38 States affected, to whom relief would have been afforded had the amendment been agreed to. Since that time, I think possibly one or two States have enacted community-property laws, and at this time only 36 States may be affected. The enactment of community-property laws by the States is being brought about because people in the non-community-property States have awakened to a realization of the monstrous injustice and discrimination that is being perpetrated upon them. When I describe it as monstrous, I want the magnitude of it to be properly understood. The answer to the Senator's question will clearly indicate the magnitude of the problem. It would involve approximately $800,000,000.

To give the Senator an illustration, in my State last year the individual income taxpayers paid into the Federal Treasury about $65,000,000. By way of comparison, the taxpayers in the same category in the three bordering community-property States of Oklahoma, Texas, and Louisiana, paid $5,000,000 less in Federal taxes than did the same number of persons in the same income category in my State. That will give the Senator an idea of its magnitude. His State is similarly affected, probably to a greater extent.

Mr. MAYBANK. The Senator will recall that when his previous amendment was being considered in connection with the tax bill which was vetoed, I joined with him, and supported the amendment as best I could.

Mr. McCLELLAN. I appreciate the Senator's support.

Mr. MAYBANK. I am also one of the sponsors of the Senator's amendment at this time. According to our best estimates, omitting excess-profits tax, the taxpayers of South Carolina were called upon to pay in 1 year $7,500,000 more than the taxpayers in community-property States.

Mr. McCLELLAN. That is true. The Senator is correct.

Mr. MAYBANK. I commend the Senator for the fight he made at that time. As a result of that fight, I noticed subsequently that several States had brought the matter of community-property laws to the attention of their legislatures. I happened to be in Massachusetts at a time when it was a very live issue in that State. The Senator served his country well in calling it to the attention of the people. But is it not a fact that, should the tax bill become effective next January, many State legislatures would not be in session, having met this year, and having only biennial sessions? The legislature of one State meets quadrennially. In the opinion of the Senator, would it not be manifestly unfair to States whose legislatures do not meet next year if the bill should be passed immediately without his amendment being incorporated in it?

Mr. McCLELLAN. The Senator is correct. The truth is that, unless some such amendment as I have proposed is adopted, we will force the States to change their laws and change their whole property systems. They would be required to do so; they would be under compulsion to do so simply because the Federal Government insists upon perpetuating an inequitable law. It is a form of Federal coercion against the non-community-property States.

Mr. MAYBANK. I thoroughly agree with the Senator, particularly with reference to States whose legislatures will not meet next year. Fortunately for the taxpayers is South Carolina, the legislature meets next year.

Mr. McCLELLAN. The legislature in my State does not meet next year.

Mr. MAYBANK. I may say to the Senator that I took the liberty of sending the whole debate on the previous amendment to the chairman of the committee on ways and means of the house in my State, urging that action be taken next year. Other States will not be in position to do that. I should like to inquire of the Senator, would the amendment in any way change the pending bill with respect to rates or surtaxes? It is my understanding it is designed merely to equalize taxes among the taxpayers of various States, and to remedy the wrong that has been perpetrated in the treatment of non-community-property States for many years.

Mr. McCLELLAN. The Senator is absolutely correct. It will be unnecessary to make any other change, to cross a "t," to dot an "i," or to eliminate anything that is now in the bill.

Mr. MAYBANK. Would it not be entirely consistent for Senators who favor the bill and who intend to vote for it to likewise support the amendment?

Mr. McCLELLAN. It would be wholly consistent. The effect of it would be to enhance their position, because, along with tax reduction, it would afford tax equality.

Mr. MAYBANK. Would it not also enhance the prospects of the bill becoming a law, in the Senator's judgment? That, of course, involves speculation.

Mr. McCLELLAN. I myself could look upon it with far greater favor. I cannot speak for anyone else. That is the responsibility of the majority party. It is the majority party which has promised the country a tax bill. It is the majority party which has said to the Nation, "We are going to reduce your taxes and reduce them now." Along with the responsibility and the obligation assumed by the majority party in this connection goes also the responsibility for removing the inequity I am speaking of, and the majority party cannot escape that responsibility. As a second tax-reduction bill is brought before Congress, the majority party is having a second chance to correct the existing injustice.

Mr. MAYBANK. Mr. President, will the Senator yield for one more question?

Mr. McCLELLAN. I am glad to yield.

Mr. MAYBANK. Am I not correct in assuming that, so far as concerns the amendment offered by the Senator from Arkansas, there is no ceiling and no floor on the earnings of the taxpayer; that the amendment would apply to the one in the $2,500 bracket, as well as to one in the $25,000 bracket?

Mr. McCLELLAN. That is correct. I shall again place the percentages in the RECORD.

Mr. MAYBANK. I was going to suggest that the Senator place the percentages in the RECORD for the reason that I do not know how some States would be affected, but from a reading of a statement placed in the RECORD day before yesterday by a Member of the House of Representatives, noting the number of taxpayers there are in South Carolina, and noting the brackets they are in, it is my opinion that the amendment would do far more for the average man in South Carolina than any other tax reduction we could make.

Mr. McCLELLAN. I thank the Senator. In line with the Senator's question I wish to say that I have asked the Treasury Department to prepare a statement for me showing the amount in each non-community-property State that its citizens are now paying over and above what they would pay if the law were equalized as it would be by the adoption of my amendment. The Treasury may not have the statement ready before a vote is taken on my amendment. I want to give every Senator from non-community-property States notice now that I shall place the statement in the CONGRESSIONAL RECORD before the bill is passed, if I have the opportunity to do so, that is, if the material is made available to me, and if not before the bill is passed, then I shall ask to have it placed in the RECORD after the bill is passed. I want the RECORD to show how much the husband and wife in every State of the Nation are paying in taxes, how much the total taxes are in each State, and how much more taxes the people of the non-community-property States are paying than they would be required to pay under my amendment. I want to show how much greater a burden the non-community-property States are bearing toward the expenses of the Federal Government than they would be required to bear if my amendment were agreed to. Any Senator from a non-community-property State who feels he is willing to continue to perpetuate this condition on his people is going to have a chance and an opportunity again to register himself as wanting to continue the existing condition.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MORSE. I wish to ask the Senator several questions, but before doing so I should like to have his permission to place in the RECORD at this point a list of the States that have community-property laws. I asked one of the experts attached to the committee to give me such a list and, if there is no objection, I should like to read the list, because I think it ought to appear at this place in the RECORD.

Mr. McCLELLAN. I shall be happy to have the Senator do so.

Mr. MORSE. I am informed, and I am sure it is reliable information, that the following States have community-property laws as of July 10, 1947: Texas, Washington, Oklahoma, Arizona, New Mexico, Nevada, Louisiana, Idaho, California, Michigan, Nebraska, Oregon, Pennsylvania, and the Territory of Hawaii.

As the list indicates, I come from a State which has just recently passed a community-property law; hence my support of the amendment offered by the Senator from Arkansas does not flow out of any desire on my part to gain for the people of my State something which they do not now have. They have whatever benefits will flow from the amendment of the Senator from Arkansas. But my support of the Senator's amendment is motivated only by a principle which I think ought to motivate me in regard to any piece of legislation pending upon the floor of the Senate, namely, What is best for the public interest? I think clearly the amendment offered by the Senator from Arkansas is in the public interest, and I think it is clearly justified from the standpoint of doing justice.

As I understand the Senator from Arkansas, he is offering his amendment because be believes that the tax bill now presented to the Senate involves, so far as the people in non-community-property States are concerned, an unfairness and an inequity that ought to be corrected. Am I not correct?

Mr. McCLELLAN. The Senator is absolutely correct. I wish to thank him for the very fine spirit he is manifesting on the floor of the Senate. Notwithstanding the fact that his State and his people will obtain no benefit or advantage from the adoption of the amendment, the Senator from Oregon is willing to help us correct an injustice to the people of the non-community-property States. I thank the Senator for his support of my amendment.

Mr. MORSE. Am I correct in understanding it to be the position of the Senator from Arkansas that if, as a matter of fairness and justice, the amendment should be adopted in order to eliminate a discrimination against people in non-community-property States, then the fact that it may reduce the revenue of the Federal Government is immaterial and irrelevant?

Mr. McCLELLAN. Why of course it is. Certainly, the effect of the bill is to reduce the revenues of the Government. I am first asking, however, for a revision of the law which will remove an injustice, and that, of course, will result in some further reduction of revenues.

Mr. MORSE. My next question goes to the argument made against the amendment, because when I consider a piece of legislation I am as much interested in the arguments against it as in the arguments for it. It is my understanding—and I want to obtain the reaction of the Senator from Arkansas to the objection—that one of the bases for objection to his amendment is the argument that the amendment, conferring benefits on people in non-community-property States, does not carry with it the liabilities which attach to a community-property law, such as the liability, or the right, if it is desired to put it in that way, that exists under many State community-property laws of a vested interest in the property accruing to the wife, and that under the amendment of the Senator from Arkansas such a vested interest will not automatically accrue to the wife as it would in the case of some State community-property laws? What is the Senator's answer to that objection?

Mr. McCLELLAN. I will say to the Senator that it is a matter which is in the discretion of the State as to how it shall arrange the property between husband and wife, or in any other respects. That is not the responsibility of the Federal Government. But when we proceed to

tax the people for the support of the Federal Government we are not taxing property as property; we are imposing a personal income tax. The law in a community-property State, technically, legally, effectively regards all the income of the husband as being equally the property of his wife. But in actual reality it was the husband who earned the money, and it is the Federal Government which is taking his earnings, and it is the Federal Government which is taking the earnings of the husband in the non-community-property States.

Mr. MORSE. I may say that I think the reply to my question as made by the Senator from Arkansas is a very able one. So that I may understand it clearly, let me state the proposition in this way: As I understand the position of the Senator from Arkansas it is that there is a great lack of uniformity in the State community-property laws themselves.

Mr. McCLELLAN. I think that is correct.

Mr. MORSE. And that it is not fair of us when we are dealing with the question of levying a Federal tax to pass judgment on whether or not a particular State community-property law goes far enough or does not go far enough, or contains this provision or does not contain this provision; that that is a matter of concern for the several States?

Mr. McCLELLAN. I do not believe that is the prerogative of the Federal Government.

Mr. MORSE. As I understand, it is the position of the Senator from Arkansas that when we as a Congress lay down a Federal tax program it ought to be a Federal tax program which has equality of effect upon all our people, irrespective of what State laws may or may not afford by way of a community-property law.

Mr. McCLELLAN. The Senator has ably and correctly stated my views. We cannot in any way justify the Federal Government in enacting a law which will operate to tax income in such a way as to discriminate against citizens of the same class because of a difference in State laws.

Mr. MORSE. One further point, and I shall be through.

Does the Senator agree with me that when we come to the question of the technical rights which accrue under existing State property laws, and when it comes to levying a Federal tax, we should not overlook the social mores of our people, and should not fail to recognize that in most instances in American homes, community-property law or no community-property law, American husbands and wives treat their property in fact as joint property.

Mr. McCLELLAN. The Senator is absolutely correct. When we compare the lives and family arrangements as between husband and wife in the community-property States, and those in noncommunity-property States, except where different customs might prevail in various communities, we find that there is no difference. Take the case of one earning a salary equal to that which the Senator and I receive as Members of the United States Senate. Within that category, I dare say that there is no different family arrangement in the State of Arkansas than in the three community-property States surrounding it. All the salary and earnings go to the support of the family. The income is expended on the family, except for such slight savings as the family may make.

Because of a technicality—and it is nothing else; so far as the Federal Government is concerned, it operates only as a technical excuse—the Federal Government taxes one family more than the other. On the basis of a salary such as the Senator and I receive, the citizen in my State pays $655 a year more in Federal taxes than do the husband and wife in three adjoining States. That is the burden which we are compelled to carry.

Mr. MORSE. Does the Senator from Arkansas agree with me that the sociological fact—and I submit that it is a fact—that in practice American husbands and wives in all our States treat their property as joint property, is one of the reasons why the American home is as strong as it is, and why the American home has given strength to the American democratic system?

Mr. McCLELLAN. Certainly that is true. We all know that laws are not necessarily required for that relationship between husband and wife with respect to property.

Mr. MORSE. Does the Senator agree with me that when we support his amendment, we are in fact recognizing and giving credit to one of the great social mores which have helped to make us a strong nation, namely, a mutual arrangement, by social custom, between husband and wife, of treating their property as joint and common property?

Mr. McCLELLAN. The Senator is correct. By perpetuating this evil we are forcing States, under compulsion of Federal discrimination, to tear up their entire property systems. There is no telling how much litigation will actually result from it in the States which are trying to change from the common-law system to the community-property system. Last year the Legislature of Arkansas undertook to enact a community-property law. However, when the question was examined from the legal aspect, and the ramifications were studied, it was found that merely enacting a community-property law was not the solution. Hundreds of statutes on the books must be revised. Hundreds of court decisions would be meaningless from now on. The whole structure of property ownership, inheritance, and taxes would be involved.

Mr. MORSE. Let me ask the Senator from Arkansas one last question. Does he agree with me that when it comes to framing a tax bill, both parties in this body—Republicans as well as Democrats—should be guided by a major premise, namely, the preparation of a tax bill which irons out and eliminates recognized inequities in the present tax structure?

Mr. McCLELLAN. I think the Senator is correct. There is a desire to effectuate tax reduction. Frankly, I admit that it is a debatable question with me whether it is wise at this time to go very far in the direction of tax reduction. I have heard the question argued on both sides. I am not sure that anyone knows the answer. I believe we shall all have to guess, in the final analysis. However, conceding for the sake of argument, without admitting the wisdom of it, that tax reduction should be accomplished now, tax revision should come first.

Mr. MORSE. I agree with the Senator.

Mr. McCLELLAN. So that the reduction can be made on an equitable basis. That is all I am asking. I do not want to vote for a bill which would perpetuate the condition which obtains in 36 or 37 non-community-property States.

Mr. MORSE. Let me say to the Senator from Arkansas that I am in complete agreement with the statement which he has just made. I thank him for yielding to me.

Mr. McCLELLAN. Mr. President, it is not my purpose unduly to prolong the discussion. However, I am very serious and earnest in my position on this question. I do not intend merely to make a gesture in this effort to try to persuade my colleagues as to the virtue of the position which I am taking and the urgent, compelling necessity for this reform. If I am compelled to speak for a long time in order that my colleagues who ought to hear what I have to say may have an opportunity to do so, and to weigh and consider what I shall say, I am prepared to speak for a long time.

Mr. HATCH. Mr. President, does the Senator wish a quorum call?

Mr. McCLELLAN. I do not want a quorum call. I can take my time. I know that there are those in this body who ought to be considering this question at the present moment. I wish to present some facts and arguments. I intend to make the RECORD clear so that husbands and wives in the non-community-property States, as well as the people of the Nation as a whole, may know—and they will know before we shall have finished—where the responsibility lies if this injustice is not corrected now. I intend to absolve myself from any blame.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. BALDWIN. I would be interested in posing a question which is a matter of historical interest, and that is, Why is it that in all the years in which the Democratic Party has controlled both branches of the Congress it has not made some provision for remedying this inequity? Some exigency may have arisen during the war or during the period of the depression which made that impossible; but since the Senator from Arkansas is so vehement in his statement that the responsibility now rests upon the Republican Party, as I think his remarks indicate that he feels it does, I should like to know what reason there was in all the 12 or 14 years that have gone by during which this great inquity existed for the failure to correct it by the party which

has been in power and which has controlled both Houses of the Congress by a larger majority than the Republicans now have. Was there some reason?

Mr. McCLELLAN. In answer to the Senator, I may say that, in the first place, I was not here and I do not know how the matter may have been presented heretofore. Since I have been in the Senate the Democratic Party has had the responsibility, as the Senator says, of conducting a war. We were trying to pay for that war. It was the greatest military effort in the history of the world, and little time was available to give to the consideration of tax legislation except to increase taxes to pay for the war.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. McCLELLAN. Let me finish my answer to the Senator's question.

The fact that the Democratic Party may have been guilty of neglect, the fact that it may not have recognized its obligation to correct this condition, does not justify the Senator and his party in refusing to correct it when we are reducing taxes, and in attempting to absolve yourselves from blame by condoning what the Democratic Party did—if it did it.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. BALDWIN. I think there is force in the Senator's argument, but it seems to me that the argument that it could not have been done during the war or during previous years because of the fact that we needed so much money to carry on the war, or because of the needs in the depression, is not quite a sound one, because it would be perfectly possible to correct this inequity between the non-community-property States and the community-property States, and at the same time to apply a tax schedule which would raise the additional revenue required. I should like to ask the Senator a further question. Maybe it has already been stated here, but does the Senator know what difference it will make in the total amount of the tax that will be collected? In other words, supposing his amendment were adopted, How much more money would be required than this revenue measure would produce?

Mr. McCLELLAN. Has the Senator finished?

Mr. BALDWIN. Yes.

Mr. McCLELLAN. Will the Senator repeat his question?

Mr. BALDWIN. My question was, If we were to adopt the Senator's amendment, how much difference would it make in the amount of revenue that would be produced?

Mr. McCLELLAN. I have had two estimates from the Treasury Department. The last one I received fixed it at approximately $740,000,000. But in discussing this amendment previously, when the tax bill was being considered, I fixed it at approximately $800,000,000 in order to be generous and to make allowances. I should say approximately $800,000,000.

I appreciate the Senator's interest in the matter. When I say the Republican Party must take the responsibility because it is in the majority, I mean it has the votes and the power now to rectify the mistake. This is the first time, so far as I know, that this issue has been presented in this way.

Let me also remind the Senator of the fact that not many people in the United States realize that this discrimination is being perpetrated. It has come home to the people of my State because there are three States bordering my State which have community-property laws, and today citizens of my State who are earning sufficient money to make it worth while are moving, in cases where it is convenient and possible, into the other States bordering the State of Arkansas in order to save tax money. Many of them are able to pay for a fine home in 1 year's time with the money that they save in Federal taxes.

Mr. BALDWIN. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. McCLELLAN. I am glad to yield.

Mr. BALDWIN. I want to assure the Senator that I am extremely interested in the subject, because the people of the State of Connecticut pay, per capita, approximately the second or third largest income tax of all the 48 States. We are glad to do it, but, at the same time, we want to be on an equitable basis. I believe this inequity should be corrected. The only question in my mind is the point raised by the Senator from Colorado [Mr. MILLIKIN], the chairman of the committee, as to whether this is the time to do it. In other words, this bill is a tax-reduction bill. The Senator points out the fact that a tax-revision bill or a new tax measure which completely covers the whole subject would be the kind of a bill in which to do it. I take it there is some sentiment on the opposite side of the aisle, in favor of such a course, because I just heard one of the learned Senators, the Senator from Washington [Mr. MAGNUSON], in opposing the bill, say that the Administration had proposed or was about to propose a revised tax program for the whole country. No doubt that would be the same kind of a measure that the Senator from Colorado, the chairman of the committee, had in mind that the Republicans themselves would propose at the next session of the Congress, and that would be the proper time to include a provision for correcting this inequity. That is the point in my thinking.

Mr. McCLELLAN. I may say to the able Senator that when a measure similar to this was being considered a few weeks ago and I presented this amendment, and also earlier in my remarks this afternoon, I said that there were two reasons given why the amendment should not be adopted—and the argument made was very persuasive, in my opinion, namely, that a number of Members of Congress promised that the matter of community-property tax correction would be given top priority in a tax-reduction bill which was proposed to be taken up next year and on which the Committee on Ways and Means of the House would soon begin holding hearings. The second objection, which was strongly argued, was that we could not afford to add another $800,000,000 loss of revenue to the bill; that that would be more than the Treasury could stand. Subsequent to that time assurances have been given to the country by a letter from the chairman of the Ways and Means Committee of the House of Representatives, the man who originally proposed a 20-percent cut across the board and who has virtually filed the policy of the majority party for tax reduction, that he will put it into the bill next year. Very well. When the other bill was up it was to go into effect this year, and therefore the Treasury could not stand that additional amount of tax reduction. But the pending bill, the second tax bill, if enacted, does not go into effect until next year. Now the leadership of the Republican Party in the Ways and Means Committee of the House of Representatives is telling the country that such a provision as I have proposed will be put into tax bill next year. If the promise is kept, $800,000,000 loss will be added to the bill anyway. We may as well do it now. Let us do it now. Let us not simply promise; let us perform. Now is the time.

Mr. BALDWIN. Is it not a fact that the President himself brought out in his veto message of the tax measure that, not knowing what our commitments were, there should not be any tax reduction? Did he not state that we did not know what our commitments to Europe might be, or what our commitments in other directions might be, and that we ought not to reduce taxes, but should maintain them at the present level? It seems to me that is the position the administration itself has taken.

I think there is force in the Senator's argument that the altering of the effective date of this measure from July 1 to January 1 makes a very substantial difference.

Mr. McCLELLAN. Certainly it does. The Republican Party is promising to do just what I have been saying, but the point is that if that is to be done and if the Republicans say this is not the right time to do it—that has been argued, and the President himself says this is not the right time to reduce taxes——

Mr. BALDWIN. Mr. President, let me correct the Senator from Arkansas. I am not necessarily arguing that this is not the right time to reduce taxes. I should like to see it accomplished now, if it can be done.

Mr. McCLELLAN. I hope the Senator will vote to do it now. I shall provide him that opportunity. We can write my amendment into the bill; and if we do, it will never be taken out. The House of Representatives, I predict, will agree to it.

Mr. BALDWIN. Our problem is whether the President will sign such a bill.

Mr. McCLELLAN. That is not the Senator's responsibility or mine. The

President will have to shoulder the responsibility for whatever action he may take. But we cannot escape our responsibility of writing a fair bill now and sending it to the President. If Senators wish to meet their obligation, let us make the bill the best we can, when we send it to the President; and perhaps he will be persuaded to see it from our point of view.

But I say to the Senator from Connecticut that in its present form, as I understand it, the bill does not meet with the President's approval. I understand that he has made that statement today; probably it has already been given to the press.

I am not arguing about the President's position. I am simply saying that, irrespective of the President's action, we may enact this bill into law. This is the second opportunity we have had to correct this injustice against the Senator's people and my people, and I am not going to fail mine. I shall use all my strength and whatever influence I may have to correct this injustice; and if I can persuade my colleagues to join me in this effort, then the people of Connecticut and the people of Arkansas and the people of other States will obtain relief; they will obtain equal treatment; and they will receive it as a result of the Senator's performance and mine and the performance of our colleagues.

Mr. President, Senators can never persuade me that it is wiser to reduce taxes than it is to correct inequities. Senators talk about time. The time to correct a wrong is when we have the opportunity to do so, and now we have that opportunity.

Mr. BALDWIN. No doubt it is the Senator's opinion that the seven-hundred-and-fifty-odd-million dollars can adequately be taken care of in the surplus that we contemplate even under this year's fiscal operations, and based upon estimates of the income for this year and next year, as well.

Mr. McCLELLAN. I am not taking that position, and I am not arguing it. But the position is taken here that we have to have a tax-reduction bill. I say that if we have to have tax reduction, then we must have tax adjustment and tax revision in order to remove this inequity which now rests on our people. The Senator from Connecticut should join me in doing it, and I hope he will.

Mr. BALDWIN. I am seeking light, and I thank the Senator from Arkansas for his help.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. The Senator from Connecticut has spoken of the failure of the Democratic administration to accomplish tax reform along this line. I should like to say that until 1939 and practically 1940, the American people as a whole were paying very little in income taxes.

Mr. McCLELLAN. Oh, yes. But when the tax rate was increased, this matter became burdensome.

Mr. LUCAS. That is correct. In other words, in 1939 and 1940, as I recall, there were approximately 3,000,000 to 4,000,000 of our people on the tax rolls.

Mr. McCLELLAN. That is correct.

Mr. LUCAS. As the Senator from Arkansas has so admirably stated, at that time it was not brought home to the people that there were community-property tax laws in certain States. So long as the people were not seriously discriminated against by the community-property tax laws in the 10 States, they did not complain. But when 47,000,000 of our people are placed on the tax rolls, which is the situation at the present time, we begin to hear the hue and cry for tax adjustment and tax equality before the law.

Mr. President, a good tax bill is based upon ability to pay and upon equality and fairness of treatment. Of course, there is nothing uniform or fair in requiring a citizen of Illinois, for instance, to pay income taxes on a net income of $50,000, whereas a citizen of a community-property State having the same income can split it with his wife and can pay his taxes on a basis of a $25,000 net income.

Mr. McCLELLAN. That is my position, and I am trying with all the persuasiveness at my command to appeal to my colleagues.

I say again that the non-community-property States have the representation and the power in the Senate to correct this inequity against their people. They have a sufficient number of Senators to correct it, and they can correct it.

Mr. LUCAS. Of course the Senator from Arkansas does not expect the majority party to go along with him on this matter. The majority party, on this measure, is now being controlled by a Member of the House of Representatives who is chairman of the Ways and Means Committee. As the able Senator stated a moment ago Mr. KNUTSON, of Minnesota, practically wrote the pending tax bill. He is the one who started out with the plan of giving everyone a 20-percent-tax reduction, straight across the board. He is the one who said, in effect, "We will help the fellow in the higher brackets by giving a 20-percent cut straight across the board, and we will practically place him on the basis he was before the war, and we will do practically nothing for the little fellows in the lower brackets."

Now we have amended that proposal by changing it to the 30–20–10 proposition, as set forth by the Senator from Colorado. It sounds something like a chain reaction. But it still leaves those in the lower brackets totally unprotected, insofar as equitable tax reduction is concerned.

However, the leadership of the Republican Party in the Senate is being controlled by the Republican leadership in the House of Representatives, not only as to the tax bill, but practically everything else. The truth of the matter is that the Republican leaders in the Senate did not want this tax bill and did not want to have it brought up a second time, after the President vetoed the first one; but the Republican leaders in the House of Representatives forced it upon them. I am surprised and shocked that the Republican leadership in this body will continually take orders from the Republican leaders in the House of Representatives.

When I was a Member of the House of Representatives, we looked up to the Senate and regarded the Senate as the upper body. But now, under the present Republican leadership in the Senate, we have reached the point where the House is the upper body and the Senate is the lower body.

Mr. BREWSTER. Mr. President, will the Senator yield to me?

Mr. LUCAS. I do not have the floor; I am merely talking with the indulgence of the Senator from Arkansas.

Mr. McCLELLAN. I yield.

Mr. BREWSTER. Let me say that I served in the House of Representatives with the Senator from Illinois, when, as he said, we thought the Senate was the upper body. Of course, now both he and I have come to the Senate. I wonder whether the fact that we have come to the Senate is what has made the House the upper body today. [Laughter.]

Mr. LUCAS. Of course, Mr. President, the Senator from Maine is a very brilliant man, and I have great respect and affection for him. He can ascribe that to himself if he wishes to do so, but I have a little better opinion of myself than the Senator from Maine has of himself, apparently.

Mr. President, we are being a little facetious, but what the Senator from Maine suggests is not the reason at all. I say, all glory to those in the House of Representatives who are doing this. I think it shows power, strength, and determination upon their part. But the surprising thing to me is that the junior Senator from Maine, the senior Senator from Ohio, and the junior Senator from Nebraska have succumbed so easily to those in the leadership of the House of Representatives, whereas when the Democrats were in the majority in the Senate those same Senators were diligent and fearless in their opposition to democratic measures. I think it is a great tribute to the Members of the House of Representatives that they can make the Members of this body walk the chalk line any time they wish to make them do so.

Mr. BALDWIN. Mr. President, will the Senator from Arkansas yield, to permit me to ask a question of my distinguished friend, the Senator from Illinois?

Mr. McCLELLAN. I am happy to yield.

Mr. BALDWIN. The Senator from Illinois has referred to some of his past experiences, as well as to some of the past experiences of the junior Senator from Maine [Mr. BREWSTER], both of whom were Members of the House of Representatives at the same time. I should like to ask the Senator from Illinois this question: When he was a Member of the House of Representatives, and when the Democrats had such a large majority in the House of Representatives, why did not he introduce, in those

days, some amendment to the tax laws that would have taken care of this community-property inequity?

Mr. LUCAS. The Senator apparently was not in the Chamber, or did not hear me a moment ago, when I was talking about the very matter he is now mentioning. I make this remark—and I repeat the statement for the benefit of the Senator from Connecticut—as the Senator well knows, up to 1939 and 1940 there were very few people on the tax rolls, and the income tax was not the major tax upon which the Government depended for its revenue. It was rather insignificant from a revenue producing standpoint.

As a result of the increase in the taxes and placing more citizens on the tax rolls since 1940, the people who are paying high income taxes have become educated to the fact that certain States of the Union have the community-property law, whereby the taxpayers split their family incomes and derive a tremendous advantage for income payment purposes. I also call attention to my able friend that a bill of this kind was reported out in 1941 by the Senate Committee on Finance in the last month of the session, but failed to become a law.

Mr. FULBRIGHT. Mr. President, will my colleague yield?

Mr. McCLELLAN. I yield to my colleague.

Mr. FULBRIGHT. I think there is one further thought raised by the remarks of the Senator from Connecticut along that line, that this is not the first time that an effort has been made to remedy this inequity. I have the exact information in my files, and while I do not have it available at the moment, if I recall correctly, the first effort was made in 1922. But the approach at that time, and at subsequent times, was to prevent the dividing of the income in the community-property States, in other words, to make the husband and wife file a single return in those States, just as is done in Connecticut. That was attempted, and when I testified before the Committee on Finance on this matter about 4 months ago, if I recall correctly, the ranking minority members said that that was not successful because there was a filibuster, or threatened filibuster, by Members of the Senate from community-property States.

This is not the first time the effort has been made, and I should also like to add that it has not been a partisan effort. The principal opponents to the objective we are seeking have been members of the Democratic Party. It was not a party matter. The opponents were trying to protect an advantage they had, or that is the way it looks to me. They have justified their stand, as the attempt has now been made to justify it, on the ground of property matters, and so on. I merely wish to clarify the point that this is not the first effort along this line.

One thing that makes me entirely in accord with the idea that the action should be taken now is that every time it has been brought up heretofore—and it is in the RECORD—opponents have said, "We will take it under advisement and give it study, and the next time it will be in a revision bill." That has been done three or four times, and it has been 25 years since the first effort was made. So that I think it could not be said that it is a party matter. I do not feel it is any particular responsibility of the Republicans, except for the fact that they now have the votes. This is the first time the matter has been presented in the way it is now before us, that is, since we could not take away the privilege of filing separate returns, therefore we must give that privilege to the citizens of every other State. That is the only original part about this particular approach, and I think the only practical one. The non-community-property States have the votes, and we can do it if we want to.

Mr. BALDWIN. Mr. President, will the senior Senator from Arkansas yield? I should like to ask a question.

Mr. McCLELLAN. I yield.

Mr. BALDWIN. I know the Senators taking part in this debate have been in the Senate longer than I have, and have heard this question argued heretofore. Is it not a fact that in the community-property States some adjustment would have to be made ultimately in the inheritance tax laws?

Mr. McCLELLAN. I have no objection to that. I have invited the community-property States to draw an amendment to go along with my amendment that will equalize matters.

Mr. BALDWIN. I merely mention that to indicate that the subject is a broad one. We should not, in curing one inequity, create another. When the previous tax bill was under consideration I submitted a resolution asking the Finance Committee of the Senate to make a thorough study, so that this matter would surely be presented in a complete and adequate way when the next tax measure came up at the next session, because I should like to see this matter adjusted. But I recognize it is a highly complicated subject, and we do not want to cure one inequity and create another.

Mr. McCLELLAN. Let the Senator and me and our colleagues, those from the non-community-property States, adopt the amendment. The leadership in the House, the Ways and Means Committee, says it is now studying the question, and has given assurance that next year this inequity will be remedied. Very well. If we handle it crudely, they will remedy it in the revision bill, and will have opportunity to do so before it goes into effect. Let us do it now. Let the country know the Senate wants the present condition corrected. If the amendment is not so drawn as actually to bring about the desired results, and the conferees cannot work it out, and it is put in the law, a revision bill is coming along, with all the study that is to be given to it, and the promises of those on the other side to right the injustice. Let them right it then. They can revise the provision in this bill. But let us act now, and not longer vacillate and delay and excuse and alibi. Let us get results.

Mr. HILL. Mr. President, what the Senator urges is that we not just offer resolutions which do not mean anything, but that we act now.

Mr. McCLELLAN. My colleague [Mr. FULBRIGHT] has pointed out that 25 years ago this situation was discovered by some lawmakers in the Congress and efforts made to correct it. I think the efforts were directed in the wrong way. I do not think we should blame or quarrel with the community-property States. I do not. I do not wish to do them any harm. I do not desire to take one thing from them which they have. I will help them correct the injustice they say now exists against them with respect to inheritance taxes. If there is an injustice, it should be corrected. But let us not go on for another quarter of a century with promises and excuses and alibis. This matter has become a burden; it is a serious thing. Five million dollars more were taken out of my State last year than in the adjoining States, from a comparable number of taxpayers in the same category. We could take that $5,000,000 in Arkansas and put it to other public uses which would be of great service to the people of my State.

Mr. President, I can hardly go along with any tax bill which puts tax reduction ahead of tax revision and justice.

Mr. BREWSTER. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Maine.

Mr. BREWSTER. I wish to comment, first, for a moment, on the observations of the Senator from Illinois regarding the relations between the two Houses, not calling either the upper or lower, because I think they are coordinate. I wish to comment on the question whether or not the Senate following the House in the consideration of this matter is a constitutional question. I think that even in the balmiest days of the New Deal every tax measure originated in the House, for the very good and sufficient reason that the Constitution so provides. So I think that if one is to select any measure on which to criticize the Senate for following the House in consideration, certainly it should not be a tax measure.

As to taking action—and I share the sentiments of the Senator from Arkansas that this is a matter of equity—I feel that after having endured this hardship for 14 years under the New Deal, Senators may at least allow us 14 months to take care of it. I think we are reasonably well assured that in 14 months we will do that. I think that if we do, particularly as the greatest wails come from very good Democratic States, they will not feel we have been inconsiderate or unjust.

Mr. McCLELLAN. Let me say to the Senator that during the 14 months he wants his people to continue to suffer, let him make the explanation to them, and I shall make my explanation to my people. I want the action taken now.

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I am sure the able Senator from Arkansas will agree that at any time during the period of 25 years, or 14 years, to which reference

has been made, almost all the States could have become community-property States by act of their legislatures or by act of their people, and therefore could have come under the provisions of the law. In that sense there is no discrimination against any State, because it has a right, as a State, to take advantage of the commounity-property law.

Mr. McCLELLAN. I make no objection to a State having a community-property law, but I do not want a condition perpetuated which will ultimately compel my State to make a change whether it wants to or not. The Federal Government has no right to do that. There should be some State's rights left. The right of property ownership, State laws with respect to inheritance and descents, and the like, should be respected, and what the Senator has mentioned amounts to coercion of States to change their laws. I am not arguing the virtues of the community-property law or the lack of virtues of it, or the perfection of the system in my State. But my State wants that system; it has it; it has a right to keep it. It has a partnership law which the Federal Government will not recognize for taxing purposes. It will, however, recognize the community-property laws. I tell Senators they cannot justify this measure. They cannot enact honest legislation and meet their obligations to constituents, if they let this law remain on the statute books.

Mr. KNOWLAND. Mr. President, will the Senator yield for one more question?

Mr. McCLELLAN. I am happy to yield to the Senator.

Mr. KNOWLAND. I should like to say to my able colleague that I think he makes a very good point when he brings out the fact that in his State the Bureau of Internal Revenue does not recognize a bona fide transfer of property under a partnership arrangement. I think the Bureau of Internal Revenue has made a great mistake in not recognizing the partnership laws of Arkansas in any case where there has been an actual transfer and it is not a fiction. Certainly in the community-property States it is not a fiction, it is an actual transfer. If a man in a community-property State earns, over a period of his married life, a matter, we will say, of $50,000 or $100,000, one-half of that belongs to his wife. It is not a fiction. If the wife dies before the husband dies, she has a right, which is given to her, to will that property to whomever she desires. As I say, it is not a matter of fiction, it is not done for the evasion of taxes. I certainly think that any other State that provides similarly in a matter of that kind should be recognized by the Bureau of Internal Revenue. But when my able colleague says that, in effect, it is putting pressure by the Federal Government upon a State to perhaps enact a statute it might not otherwise desire, I merely call my able colleague's attention to the fact that in the field of inheritance taxes that has been done as a matter of public policy. The Federal Government levies the inheritance tax, and then there is a credit against it by any State which has a State inheritance tax. For a long number of years as a matter of public policy we have used the taxing power of the Federal Government in order to get States which did not have inheritance taxes to enact them, or at least to make it so that taxpayers could not go and live in Nevada and receive any benefit from living in a State that otherwise would have inheritance taxes, as an example.

Mr. McCLELLAN. I appreciate the Senator's remarks, and I hope, since he recognizes the injustice of the refusal of the Bureau of Internal Revenue to recognize our partnership laws, that when I offer the amendment again, this time, to the bill, as I offered it on the 28th of May, the Senator will this time vote with me to compel the Bureau to recognize it, and not vote against the amendment as he did on May 28.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. LUCAS. Of course, the Senator knows he is asking for the impossible when he makes that request.

Mr. McCLELLAN. It is not impossible. The Senator possibly suggests it is improbable.

Mr. LUCAS. It may not be impossible, but the Senator knows that his request is not going to be granted.

Mr. McCLELLAN. Oh, no; honestly, I believe it is not impossible. I say to my colleague and to my friends on the other side of the aisle that I believe, if they will stop and think and weigh the matter as a conscientious duty, a matter of obligation to country and to constituents, they will decide that the balance of responsibility and right is on the side of correcting the matter at this time. I ask them to think of it in that light, not because my State is probably suffering more than others, but because Senators from the noncommunity property States cannot justify further procrastination.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield to the Senator.

Mr. LUCAS. What the able Senator forgets is that Senators on the other side of the aisle hold a caucus about every other day. They are really unanimous on these matters, and it is not a question of whether or not the people of the State of Connecticut needs an amendment of this kind, at all. The able Senator from Connecticut a moment ago expressed great interest in the amendment. He wants to see it passed, and he wants to see his people protected by it, but nevertheless he is not going to be with the Senator on the amendment, because he has already been pledged to vote adversely in a Republican caucus.

Mr. McCLELLAN. Oh, I think the Senator is mistaken. I think the Senator from Connecticut will, as he thinks about this—and I think he is going to think about and probably pray about it—I think the Senator will convince himself that he should come along and vote with us. I am hoping that he will. I do not think it is impossible, as the Senator said.

Mr. LUCAS. I did not know the junior Senator from Connecticut was absent. I repeat now what I said, since the Senator is now in the Senate Chamber. I merely said the Senator from Connecticut had demonstrated an unusual interest in the amendment offered by the Senator from Arkansas. I thought, at times, he had hit the sawdust trail, and was almost persuaded to go along; but that, after all, we were just wasting our breath in arguing or debating with the Senator from Connecticut, because we were not going to persuade him to vote for this amendment. The Senator is already pledged to go down the line to defeat the amendment.

Mr. McCLELLAN. Oh, I hope not. I hope my colleague is mistaken.

Mr. LUCAS. I hope I am mistaken, too, but I am sure the Senator will not say the matter has not been discussed in the Republican caucus, and that he has not agreed to vote to defeat the amendment, on the theory it will be passed at some future time.

Mr. BALDWIN. Mr. President, will the Senator yield, so that I may answer that question?

Mr. McCLELLAN. I am glad to yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, I like to believe that every time I say anything in this Chamber, or raise any question, there is not a political implication to it. In the first place, I want to see a tax reduction at this session of the Congress. I want to see tax reduction accomplished. I think that, when the Senator from Maine pointed out that the House of Representatives is the body in which revenue measures, under the Constitution, must originate, the Senate must give some deference to that constitutional provision. If I could be assured by the Senator on the other side of the aisle that the bill with the community-property amendment, if passed by the Senate, would be approved by the House and signed by the President of the United States, I would vote for it in a minute. But we cannot get that assurance. That is what we would like to have—assurance that the bill will pass. Obviously the Senators cannot give us that assurance, so I feel that the thing we ought to do is to get tax reduction now, if we can, and, inside of a period of 6 months, in a new revenue measure, get a correction of this inequity. I have grave doubt in my mind of the possibility of the Senator's amendment, if adopted by the Senate, being approved by the House and then being signed by the President of the United States. That is the thing that worries me. I would like to see the inequity removed. If it could be cured at this time by a bill that the House would pass and that the President would sign, that would be the thing to do.

Mr. McCLELLAN. I may say to the Senator, I cannot give him absolute assurance as to what the House will do, nor what the President will do, nor what the Senate will finally do.

Mr. BALDWIN. I concede that.

Mr. McCLELLAN. But I can assure the Senator it will be looked upon with greater favor with the amendment in it than it will without the amendment. I can assure the Senator of that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. I want to thank the able Senator from Connecticut for corroborating the point I made a moment ago. The statement he just made was more to the point than anything I myself might say in proving the point I made with the Senator. Of course, I knew I was right.

Mr. BALDWIN. Mr. President, if the Senator will yield, I understood him to say that he knew I was pledged to vote against the amendment.

Mr. LUCAS. No, no; I did not say that. I speculated on it, that that was the rumor going around. Of course, there are many rumors going around. It was my understanding that in the caucus the Senators agreed to defeat this amendment, with the understanding that it would be adopted later on by a Republican Congress.

Mr. BALDWIN. If that was so, I do not recall it. It may very well have been. I do not recall it.

Mr. LUCAS. Possibly the Senator was not present.

Mr. BALDWIN. But if it was done, what is wrong with it?

Mr. LUCAS. Not a thing.

Mr. BALDWIN. I mean, a party has a program, and the party goes along with it. As I pointed out earlier, I think it would have been well if the correction of the inequity had been a part of the Democratic program when the Democratic Party for 12 years had complete control of the Congress. The discussion now taking place began with that statement and, Mr. President, in spite of all the earnest and sincere efforts of my good friend, the Senator from Arkansas, that question has not yet been answered, at least to my satisfaction, nor do I think to the satisfaction of anyone else, although my learned friend from Arkansas has thrown considerable light on the subject. I am seeking light on this question.

Mr. McCLELLAN. I may suggest to the Senator from Connecticut that the placing of responsibility by him on the Democratic Party for not acting during the last 12 or 14 years is not going to answer his constituents when they ask why he does not correct the inequity while he has the opportunity to do so.

Mr. BALDWIN. I concede the Senator's point in that respect.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. I think it is a marvelous victory that we should have been able to secure one concession from the able Senator from Connecticut.

Mr. BALDWIN. I may say there are some Democrats in my State who would be interested in the statements I made with reference to that matter.

Mr. LUCAS. We will see that they are given the Senator's statement. I wish to make one further remark. I do not like to trespass upon the time of the able Senator from Arkansas any longer than I feel is necessary.

Mr. McCLELLAN. Mr. President, I have plenty of time. I am willing to give the Senator all the time he requires. Time is not important to me if the husbands and wives of the non-community-property States are informed respecting what is being done in Congress. We do not have to pass a tax bill tonight or tomorrow night. I am sincere about this matter, and mean what I say. Before action on the bill is completed I shall try to see to it that the husbands and wives of every non-community-property State in the Nation shall find out that their Senators are to be given a second chance during the present session of Congress to correct the inequity and treat them on the basis of equality under the law.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I will say to my able colleague that if a sufficient amount of time is given I believe the women of the Nation will become very much interested in seeing to it that the States which do not have community-property laws shall enact community-property laws.

Mr. McCLELLAN. Adoption of my amendment will not retard such a program, if there should be such a program on the part of the women. It will probably accelerate their program. But in the meantime my friend from Connecticut and I and others from non-community-property States have got to look our people in the face and give an accounting.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I yield.

Mr. BALDWIN. Of course, there is a shoe on each foot here. The Senator from Arkansas says we in the non-community-property States must answer the question of our responsibility for voting on the Senator's amendment to our people. The responsibility on this side of the aisle is even a greater one, Mr. President, and that is to answer to the people of the United States why we cannot have in America a tax-reduction bill now, and that responsibility now rests in the hands of Senators on the other side of the aisle.

Mr. McCLELLAN. Mr. President, I am not so certain. Along with reduction ought to go equality of treatment.

Mr. BALDWIN. That is correct.

Mr. McCLELLAN. Let us see if we can equalize the situation throughout the country and also have a tax-reduction bill. I am not so sure the Senator from Connecticut cannot secure some help if the right sort of measure is written. I am not opposed to tax reduction. I should like to have my own tax reduced; I want to see it reduced; but I want to see it done in conformity with all principles of equality and justice under the law.

Mr. LUCAS. Mr. President, will the Senator yield to me for one observation, and then I am through?

Mr. McCLELLAN. I yield.

Mr. LUCAS. We on this side of the aisle have, a great number of times since I have been in the United States Senate, been charged with being merely yes-men, and that we had to vote with whatever the administration wanted. As one United States Senator I will say I have never stultified myself at any time when a question of great principle has been involved. We have now under consideration something which really deserves conscientious study by every individual Senator. In other words, if he wants to do the right thing, if he wants to correct an inequity which has long existed, if he wants to make a real tax reform in connection with a tax reduction bill, he can do so now. But I undertake to say that there are more yes-men on the Republican side on this issue, who know they are wrong, than on any other issue that has been presented in Congress during my time as a Member of Congress. Senators from the non-community-property States who are taking part in the debates with other Senators are oozing over with an abundance of sympathy, and say they want to go along on this issue, that they would like to vote with Senators who are trying to correct the existing injustice, but the naked truth is that few of them will leave the Republican trail. They talk with great sympathy and emotion for their people who are so discriminated against, but their vote will be against them.

Mr. McCLELLAN. I am going to give them more time.

Mr. LUCAS. We know why they are not going along with us on the amendment.

Mr. BALDWIN. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. BALDWIN. I wish to say in prefacing my remarks that I have enjoyed the colloquy and I have received considerable light and information as the result of it. I appreciate the point the Senator has brought out. I should like to remain and listen further to the presentation, but I must attend a committee meeting.

I should like to say in answer to the question propounded by the Senator from Illinois that I desire to see tax reduction just as earnestly as anyone present. I wish to see the existing inequity removed as soon as it can be removed. But I wish to pursue a course which will make it possible for us to secure tax reduction now, if that is all we can secure. If we can secure tax reduction and the equalization sought by the Senator's amendment, I am in favor of both proposals.

Mr. McCLELLAN. There is no substantial difference, or any difference between the previous tax-reduction bill and the pending bill.

Mr. BALDWIN. There is quite a bit of difference between them, because the

effective date has been advanced 6 months.

Mr. McCLELLAN. The rates are the same.

Mr. BALDWIN. The rates are the same.

Mr. McCLELLAN. No change is made in the rates. Opposition was made against the amendment when it was being considered in connection with the previous tax-reduction bill on the ground that we could not afford to add $800,000,000 to the tax bill. Under the pending bill the effective date is postponed until the beginning of next year, and the promise is being made that next year the inequity will be corrected. If Senators who make that statement really mean it, and if they are going to propose legislation to correct the inequity next year, they should not be opposed to the adoption of the amendment at this time, because it will not affect taxation until the beginning of next year.

Mr. BALDWIN. I previously conceded that there is force in that argument, but I also realize that in the House of Representatives more than 300 Members must pass upon this subject also, and they have indicated their attitude as favoring a bill which does not contain the Senator's provision. I think if we are going to secure tax reduction for the whole country, which is the most important thing, it may be the wiser course now to pass the bill as it was passed by the House, hoping that it will receive the President's approval, than to attempt to add some feature to it which the House might turn down, after a long debate, thus delaying and perhaps frustrating the whole program.

Mr. McCLELLAN. Let us place the amendment in the bill, send it to conference, and see if the amendment is turned down. We can find out what the attitude of the other House is before the bill goes to the President. Let us place the amendment in the bill and see if they will turn it down.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAYBANK. On many occasions the Senate has added amendments to House bills. Sometimes the House has yielded to the Senate on such amendments and sometimes it has not. I should like to see exactly what the House would do with respect to the amendment.

In connection with what the Senator from California intimated—that eventually the States would adopt community-property laws—I should like to call attention to this situation: The bill, if passed, will take effect on January 1, 1948. At that time many State legislatures will not be in session. Some State legislatures cannot act for a considerable length of time on the matter. Until action is taken community-property States will continue to have an advantage over the non-community-property States.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BALDWIN. The problem we have is whether the Senator from Arkansas and those who feel that his amendment should be added to the bill are simply in favor of a change in respect to the matter of community property, or whether they would also be in favor of tax reduction, and whether they are in favor of an effort being made at a later date when a revenue-revision measure shall be under consideration.

Mr. McCLELLAN. I shall state my position now. I favor some tax reduction. I doubt the wisdom of our undertaking to make much of a great tax reduction now. If I were writing a bill, I would start by increasing personal exemptions so as actually to help the poor fellow who today is finding it difficult to support his family in view of the present high cost of living. I would start there. We are talking about tax relief. That is where it is needed. I tried to persuade the Senate to take that position when the original bill was before us.

Mr. BALDWIN. As I remember the Senator's amendment at that time, that particular amendment would have taken about $3,000,000,000 off the total amount which was anticipated to result from this schedule as revised.

Mr. McCLELLAN. The Senator is correct.

Mr. BALDWIN. There was grave question whether or not the tax and income structure of the country could stand it at that time. I agree with the Senator that the income-tax law requires a thorough overhauling to clear up inequities and take care of personal exemptions, which it seems to me are out of line with the present situation. However, a great deal of time is required to accomplish a thorough overhauling of the tax structure. I understand that the committee is now working diligently on it. We have had a promise from the committee that at the next session of the Congress there will be a revised tax bill taking care of the inequity in relation to the non-community-property States, and making other changes. It seems to me that in the light of what has happened, and in view of the fact this is a new majority in the Congress, we have tried to do a tremendous job in a relatively short time. It seems to me that the best we could accomplish today would be to enact a tax-reduction measure which would give us a fair tax reduction in the next fiscal year. Then we should attack the job of really giving the tax structure as a whole a thorough overhauling.

I thank the Senator for indulging me for so long.

Mr. McCLELLAN. Let me say to the Senator before he leaves that what I am trying to do is to help him and his colleagues do a better job. It will not take long to do it if they will vote for this amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAYBANK. In connection with what the Senator from Connecticut has said, I should like to make one observation. The Senator stated that it would require a long time to do a good job. It will be a long time before the tax bill becomes effective. Why cannot the majority do the job and pass a tax bill in February or March of next year, with all these features included in it?

Mr. McCLELLAN. I have pointed out that if the job is done rather crudely by this amendment or by the pending bill, we have from now until next year to smooth it out and revise it. In the new bill this provision, or any other provision, can be revised.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BALDWIN. What we are really talking about is 6 months' time in which to do the job. It all comes down to that, does it not?

Mr. MAYBANK. The bill would take effect on January 1. All the pending bill does is to shift the date from July 1 to January 1.

Mr. BALDWIN. We can present to the next session of Congress a completely revised tax measure, to take effect January 1. As I understand, that is what the administration proposes.

Mr. MAYBANK. Then why should we pass this bill, if we are to have an entirely new bill to be effective on January 1?

Mr. BALDWIN. If we are to have an entirely new bill to be effective on January 1, we shall probably have in it a better arrangement for dealing with this inequity than we can adopt by accepting one of these amendments now. It seems to me that we are arguing about a period of 6 months, in connection with the question whether we should do something now or do it later, when we can do it more thoroughly and make it effective on identically the same date.

Mr. McCLELLAN. Mr. President, that is procrastination. Procrastination is not protection. It is not justice in this situation. I am unwilling to procrastinate. I am trying to persuade, educate, and plead with my colleagues not to again reject the opportunity to do justice.

Mr. President, awhile ago I stated that so far as I was concerned I was not in a great hurry to pass the bill, whether I voted for it or not. I wish to talk about the situation, and plead with my colleagues, and point out what they are about to do again, in the hope that they will realize what they are doing before it is too late.

Many able Senators have committed themselves, either expressly or impliedly, to the idea that we must reduce taxes. They are taking that position without being willing to consider the other things which ought to be associated with tax reduction. They want to postpone those questions again, and give promise instead of performance. I say to my colleagues from non-community-property States that I am trying my best to let every husband and wife in the non-community-property States of the Nation know that the opportunity is afforded to their Senators, and that collectively they have the votes to correct this injustice now. I wonder what answer will be given by

a Senator from a non-community-property State—I care not whether he is a Democrat or a Republican—who will be up for reelection next year. What will be his answer if this discrimination is not removed? Suppose some emergency should arise, so that next year we shall not have time to revise the law or give it study. Suppose a tax revision bill comes before us which is controversial. Perhaps it will be vetoed. Perhaps it will not be passed. Then this inequity will be perpetuated that much longer. I do not know what contingency may arise. I am unwilling to take a chance on contingencies when I have an opportunity now to correct the situation.

If this act of simple justice is not done I wonder what the answer will be when a Senator from a non-community-property State faces his people next year. When he goes before his people to give an account of his stewardship he will be confronted with the fact that on two occasions at this session of Congress he was given the opportunity to remove the discrimination against his people, and failed twice. Tell me what his answer will be. Tell me what answer he could give. He may say that it was thought that there was a better time, a finer season in which to do right and rectify wrong, and therefore the action was postponed until another day. Do Senators believe that such an argument would have a persuasive appeal? Do they believe that it would satisfy their constituents? The Senator from Maine [Mr. BREWSTER] is looking at me. I am happy to yield to him. I ask him if he thinks the people of Maine would be satisfied.

Mr. BREWSTER. Mr. President, I have not the figures regarding the State of Maine, as to how much this discrimination costs. I think, perhaps, the figures for Maine are approximately the same as those for Arkansas. As I understand the Senator from Arkansas, he says that failure to make this change is costing his people $5,000,000 a year.

Mr. McCLELLAN. That is correct.

Mr. BREWSTER. I wonder if the Senator from Arkansas has lost sight of the fact that the bill which we are now considering, if enacted into law, as we desire—and I still hope the Senator from Arkansas will help us to achieve that end—would save the citizens of Arkansas $14,000,000 a year—to be precise, $14,235,000. It would save the citizens of Maine $14,541,000. In other words, if we enact the pending bill into law, the citizens of Arkansas will save, not $5,000,000, but more than $14,000,000—nearly $15,000,000. It would require approximately 3 years of the $5,000,000 discrepancy to make up for what would be lost in a single year if the pending bill were not enacted into law. I am quite sure the citizens of Maine and of Arkansas, and the Senator from Arkansas, can understand the difference between $5,000,000 and $14,000,000.

Mr. McCLELLAN. Yes; I can understand the difference between $5,000,000 and $14,000,000, and I can understand the difference in percentages. Double the percentage suggested by the Senator from Maine, and instead of giving us $15,000,000 it would give us $30,000,000. But can we afford to do that? This country must be supported. It is not a question of whether we are reducing taxes by this bill—the Senate would still be justified in voting for this amendment. We are not getting anything that would not be given to the whole country. We are denying to our people simple justice by perpetuating this discrimination. Let us correct the discrimination and have a level of equality.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. BREWSTER. I sympathize with the Senator's position——

Mr. McCLELLAN. I hope the Senator will sympathize with his people.

Mr. BREWSTER. The Senator asked me what I would say to the people of Maine. That is the question which I understand the Senator from Arkansas asked me.

Mr. McCLELLAN. The Senator has not stated what he would say to the people of Maine. The Senator got off on the wrong track.

Mr. BREWSTER. The Senator from Arkansas asked me what I would say. The Senator from Maine will point out to the citizens of Maine that while it perhaps costs them $5,000,000 not to have this change which the Senator from Arkansas so eloquently and forcefully argues—and I substantially agree with him—by the enactment of this bill, which of course we earnestly hope will become law in spite of certain objections that may occur, and we hope the Senator from Arkansas, in the final analysis, will concur with us, the State of Maine will save more than $14,000,000 in a single year, and the State of Arkansas will save more than $14,000,000. I am sure everyone can understand those figures.

Mr. McCLELLAN. Frankly, I am not sure that we would be saving anybody anything. I am not sure that we shall not ultimately have to put the tax back, or a tax to take the place of it. World conditions are such—chaos is threatening the whole world—that I do not know what we shall have to do next year to protect our very existence and the liberties of our people. Neither does the Senator from Maine know. It is all a wild guess. The collective wisdom of this body and the other branch of the Government does not know today. I should like to see a little tax reduction, but I should like to see it go to the fellow who needs it most and who is struggling to provide the actual necessities for his family. We talk about national defense and national security. We are not giving our country the protection that it needs and we are not keeping our position strong in world affairs if we have once weakened our fiscal structure. Make no mistake about that. If we permit bondholders to cash in their bonds because they wonder about the fiscal policies of this Government, we shall have impaired the strength of the Nation militarily and in the moral leadership in the world. As we fight this battle for peace, we should keep militarily strong and fiscally strong. We should be willing to continue the sacrifice which is necessary to preserve our liberty. We cannot pay for the war without sacrificing. We cannot retire the debt without sacrificing. We cannot keep strong in world affairs without paying much higher taxes than many people want to pay.

Mr. BREWSTER. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I am glad to yield.

Mr. BREWSTER. I am sure we all agree with the Senator from Arkansas in desiring to keep our finances strong. There are some on this side of the aisle who have been pointing out the necessity for financial caution during 14 years. During a war necessarily such things are out, but in the 7 years preceding the war none of the lofty sentiments expressed in the great platform of 1932 by the Senators on the other side of the aisle have been adhered to. They have been more honored in the breach than in the observance. We are delighted now to find that there is concern regarding the fiscal solvency of our Government. Under the most conservative estimate of all concerned in this matter it is anticipated—and we always have to proceed on estimates—that there will be a surplus of $5,000,000,000 in the Treasury a year from now, even if this measure should be enacted into law. That seems to be a considerable cushion, and it seems to be all that is now contemplated that we should, under the most optimistic estimate, consider appropriate for foreign relief. Estimates have been made of payments of $5,000,000,000 a year for 2 or 3 years. Whether that will be justified is to be determined. It also does not take into account the possibility that we may continue to enjoy prosperity. The very doleful estimates of the last year or two have been repeatedly discredited. The Senator from Arkansas remembers that we were told a year ago that there would be 8,000,000 unemployed last winter. The Senator recalls how dismally that doleful prophet was disappointed.

Mr. McCLELLAN. If the Senator will remember, I did not believe it then and I did not vote that way. I did not vote for the "cockeyed" full-employment bill. It was nothing but socialistic planning. I do not vote that way. I did not vote to pour out money in Europe under the conditions in which it is poured out there by UNRRA and through other channels. We get no benefit from it. I am not trying to escape the blame, wherever it is, for those mistakes. I am trying to keep from making future mistakes. That is why I am hoping that the Senators will go along with me on my amendment. I do not care whether the blame is placed on the Democratic Party for the last 14 years. Let them take it. But let us not take it from now on. Some of us have not been here 14 years. I have not been here all that time. The Senator from Maine was here before I was. We served in the House together. But, irrespective of who is to blame, let us meet our responsibility now. We must look to the future, profiting by the experience of the past. That is the way progress is made. Let us make progress.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. BREWSTER. I do not desire to single out Arkansas in this matter of saving. It is a matter of regret that the Senator from Illinois [Mr. LUCAS] has departed from the Chamber, because I should like to advise him that under the provisions of the bill the citizens of his great State would save $335,000,000. That is a great deal of money in any man's language. I am sure that that is something which the citizens of Illinois, without regard to——

Mr. McCLELLAN. They would save how much?

Mr. BREWSTER. They would save $335,000,000, under the provisions of this proposed law.

Mr. McCLELLAN. Does the Senator know how much would be saved in his State by correcting this inequity?

Mr. BREWSTER. I do not have the figures.

Mr. McCLELLAN. I can give the Senator the approximate figures. They are paying one-thirteenth more than they would otherwise pay collectively on the basis of the whole tax.

Mr. BREWSTER. According to my figures, Illinois would save approximately 22 times what Arkansas and Maine would save.

Mr. McCLELLAN. I am not sure the Senator was here when I stated earlier that I am having the Treasury prepare a table showing the benefit that each non-community-property State will receive under this amendment. I may not have it in time to put it into the RECORD before the vote, but I shall put it into the RECORD and call it to the attention of the people of the Nation. As I have said, I am trying to let the husbands and wives in all of the States know that they are discriminated against. I can say this to the Senator, also, that while there has been some effort made in the past to correct this inequity, I believe the effort was made in the wrong direction when they undertook to make the community-property States pay the same taxes as the others.

I think the community-property States should have their rights respected, but I think the approach I have proposed is the proper approach to the correction of this situation.

I say to the Senator that in the United States there still are many persons who, today, despite the recent publicity about this matter, do not know that this discrimination exists and do not know its extent, and do not know how much they are discriminated against. During the war, taxes were increased; and by reason of the increased taxes and the addition of approximately 40,000,000 persons to the Federal tax rolls, the people were brought into greater consciousness of the burdens of government and the tax obligations, by reason of the increased taxes they had to pay. As they pay high taxes and as they undertake to make savings in their tax bills, just as they undertake to make savings in regard to other matters, often because of necessity, they begin to learn that in other States advantages exist because of State laws which the Federal Government recognizes. Perhaps many persons do not yet know about this situation; but by these efforts, I hope to let the people of the non-community-property States know that this condition exists. Once they know it, it will not take long to correct the situation. That is my view.

Mr. BREWSTER. Mr. President, will the Senator yield to me once more?

Mr. McCLELLAN. I am glad to yield.

Mr. BREWSTER. I should like to say, for the RECORD, that the quotations I have given in regard to savings or reductions in taxes are taken from tables appearing in the CONGRESSIONAL RECORD of July 8, 1947, at page 8453. So they are available for anyone who wishes to study the situation in the individual States. At that point in the RECORD there appears a considerable number of very interesting and significant statistics dealing with the effects of tax reduction on income.

I thank the Senator from Arkansas for his courtesy.

Mr. McCLELLAN. Mr. President, I have previously placed in the RECORD, in connection with the presentation I made of this matter once before, a chart which was prepared for me by either the Treasury Department or the Joint Congressional Committee on Taxation. That table shows exactly the extent of the discrimination about which I now speak. I wish to have that chart inserted in the RECORD again. I first had it inserted in the RECORD on May 23, and it can be found at page 5726 of the CONGRESSIONAL RECORD, as I recall.

I wish to refer to that table now, so as to make this information known and so that the magnitude of this discrimination may be understood.

Mr. President, this discrimination does not attach until incomes amounting to $4,000 or more are reached. On a $4,000 income, a husband and wife in a non-community-property State are taxed $19 more than a husband and wife having the same income in a community-property State are taxed. In terms of percentage, the husband and wife in a non-community-property State are taxed 3.33 percent more.

On an income of $5,000, the difference is $38, or 5 percent more.

On an income of $6,000, the difference in tax is $76, or 7.84 percent more.

On an income of $7,000, the difference in tax is $114, or 9.68 percent more.

On an income of $8,000, the difference is $190, or 13.7 percent more.

On an income of $9,000, the difference is $266, or 16.67 percent more.

On an income of $10,000, the difference is $342, or 18.56 percent more.

On an income of $15,000, the difference is $893, or 28.31 percent more.

Mr. President, today a Senator or a Member of the House of Representatives receives a salary of $12,500. On that basis, the difference is $655 and some few cents; in other words, a Senator or a Member of the House of Representatives from a non-community-property State pays that much more income tax than does a Senator or Representative from a community-property State. I do not have the figures as to the difference in terms of percentage.

On a $25,000 income, the difference is $2,622, or 40.59 percent more.

From that point on, the percentage decreases; but for a $50,000 income, the difference is $6,070.50, or 32.42 percent more. On an income of $100,000, the difference is $12,853.50, or 25.57 percent more.

Those figures show what I am trying to correct, and they indicate the condition which has obtained. As taxes have been raised and as more people have been placed on the tax rolls, this injustice has been aggravated and magnified. Now it is being perpetuated. That perpetuation should cease, we should stop it. That is what I am trying to do.

Mr. President, I ask unanimous consent that the table to which I have referred may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Combined net income before personal exemption	Tax payable		Amount and percent greater tax in non-community-property State	
	Community-property State [1]	Non-community-property State [2]	Amount	Percent
$1,000				
$1,200	$38.00	$38.00		
$1,500	95.00	95.00		
$2,000	190.00	190.00		
$2,500	285.00	285.00		
$3,000	380.00	380.00		
$4,000	570.00	589.00	$19.00	3.33
$5,000	760.00	798.00	38.00	5.00
$6,000	969.00	1,045.00	76.00	7.84
$7,000	1,178.00	1,292.00	114.00	9.68
$8,000	1,387.00	1,577.00	190.00	13.70
$9,000	1,596.00	1,862.00	266.00	16.67
$10,000	1,843.00	2,185.00	342.00	18.56
$15,000	3,154.00	4,047.00	893.00	28.31
$25,000	6,460.00	9,082.00	2,622.00	40.59
$50,000	18,724.50	24,795.00	6,070.50	32.42
$100,000	50,274.00	63,127.50	12,853.50	25.57
$150,000	86,953.50	105,383.50	18,430.00	21.20
$200,000	127,081.50	148,124.00	21,042.50	16.56
$250,000	169,337.50	191,339.50	22,002.00	12.99
$500,000	383,543.50	407,464.50	23,921.00	6.24
$750,000	599,668.50	623,589.50	23,921.00	3.99
$1,000,000	815,793.50	839,714.50	23,921.00	2.93
$2,000,000	1,680,293.50	1,704,214.50	23,921.00	1.42
$5,000,000	4,273,793.50	4,275,000.00	1,206.50	.03

[1] Income divided evenly between husband and wife.
[2] Entire income reported by husband on joint return.

Mr. McCLELLAN. Mr. President, I wish the press of the United States would publish this table and would let the people know exactly what are the differences in Federal income taxes as between community-property States and non-community-property States.

Following the efforts I made in regard to this matter when the tax bill was previously before the Senate, some publicity was given to this community-property-tax issue or controversy. Although I cannot assert it as a definite fact, nevertheless I think the last effort which we made when the tax bill was before this body probably focused the attention of the people of the Nation upon this situation more than ever before, in connection with previous efforts to equalize the

tax burden. When the effort was made to get the people in the community-property States to pay the same Federal income taxes that the people in the non-community-property States pay, I do not know how much publicity was given to the matter at that time, but that effort was centered around and was directed at the community-property States. Some publicity was given in that connection, and naturally the people of those States resented it, as they should. Obviously that is not the way to correct the situation. The way I now propose is the proper way to correct this situation.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the Senator from Nevada.

Mr. McCARRAN. I wish to say, in connection with the expressions just made by the Senator from Arkansas, that the community-property law in my State was not adopted by the State to meet the income-tax situation. The State of Nevada became a State in 1864. The State of Nevada was carved out of territory acquired through the Treaty of Guadalupe Hidalgo, which closed the Mexican War.

When we took over the territory, we took over the laws that pertained there, and when the States were carved out of that territory, the States which wished to retain the civil law did so. The State of Nevada retained the provisions of the civil law as it applied to married women. We believed then, and we believe now, that a married women is entitled to one-half the property and one-half the income that comes through the joint efforts of the husband and wife. We carry that out not only in theory but in practice, and our supreme court has handed down decisions completely sustaining that theory. So that today under the laws of my State a husband cannot alienate one-half of the joint property, even by testamentary disposition. That has been tried out in our courts, and they have so held.

I voted against the Senator's amendment when it was before the Senate on a previous occasion, when a tax bill was under consideration. I wish to say to the Senator now that I have given more than ordinary study to the subject since that time, and I see nothing in the amendment which the Senator is sponsoring that would affect in any way the laws of the community-property States. I am going to vote for the Senator's amendment on this occasion. I shall vote for it and I shall support it because I believe that some measure of justice can well be meted out to married women in all the States of the Union, as those of us who are citizens of community-property States have meted it out from the time our States came into existence until the present time.

Mr. McCLELLAN. I thank the Senator. I am happy to have his support, and I repeat, I respect the rights of the community-property States. As the Senator has said, his State has not changed its laws in order to get some advantage. Their present conception was their original conception of what they should do, and I think it was a wrong approach to try to make them pay regardless of their legal right and their laws with respect to community property. I do not think that approach should have been made. I believe other Senators from community-property States, after considering this matter as has the able Senator from Navada, and after giving it the careful consideration he has devoted to it, will join hands with us and say, "You are right about the matter. The Federal Government should not take tax money from husbands and wives in non-community-property States to any greater extent than it takes tax money from husbands and wives in community-property States."

Mr. President, the Senator has manifested the right spirit, and I am happy to have this new support, along with that of the Senator from Oregon, who is from a community-property State, and with that of the junior Senator from Texas, who is from a community-property State. That is the right spirit, that is the spirit in which we should legislate. Once we discover a wrong, once we discover an injustice, we should at the earliest opportunity correct it, pass just laws, and keep the record clear. We cannot afford to perpetuate injustices.

Mr. President, in the former effort we made along this line we received 29 votes favorable to the amendment, to 51 against, and I am persuaded that had we made the fight harder and stronger at that time, and given the country an opportunity to know exactly what was involved, we would have gotten a much larger vote. I predict that we will get a stronger vote for the amendment at this time than we did before. I also predict that another tax bill will never be passed by the Senate without this fight being made. Whether the Senator from Arkansas is a Member of the Senate to make it or not, the fight will be made in connection with every tax bill that comes before this body, until a majority are willing to go along and correct this injustice.

The issue will not die. It may be crushed to earth with an avalanche of votes, with the power that reposes in the majority now, but it cannot be destroyed, it cannot be killed. It will rise to plague those who oppose it every time a tax bill comes before the United States Senate.

Mr. President, I wish to read some editorial comment on the efforts we made in an attempt to get this provision through before. As I have said, my State is one of the greatest sufferers, possibly the greatest in the Nation, by reason of the present situation.

First, I wish to read an editorial from a newspaper in my State. I shall read two or three from newspapers in that State, and then I shall read others, to show what the people over the Nation are thinking.

I have in my hand an editorial from the Arkansas Gazette of May 14, 1947, entitled "People in All States Should Pay the Same." It reads:

Both Senator McCLELLAN and Senator FULBRIGHT have urged the Senate Finance Committee to remedy the inequality in Federal taxation that results from nine States having community-property laws. In these States a husband and a wife can each pay income tax on half of the total income, and the total tax paid will in many cases be lower than the husband or the wife might have to pay on his or her separate income.

Senator McCLELLAN told the Finance Committee that there is gross discrimination when married couples in 39 States pay Federal income taxes on one basis and many couples in 9 States pay on a lower basis.

Senator FULBRIGHT, who submitted to the Finance Committee a resolution on community-property taxation, told the committee that the discrimination has caused many Arkansans to move from Arkansas to the adjoining community-property States of Texas, Oklahoma, and Louisiana.

The Texas community-property law is the great factor in causing people with the larger incomes to move from the Arkansas side of Texarkana to the Texas side. And the Arkansas side was formerly the city's residential district. Some former Arkansans say they will be able in 2 or 3 years to pay for new homes in Texas with their savings in Federal income taxes.

Mr. President, this is what it amounts to; a taxpayer will save enough in taxes in 4 years, by being a citizen of a community-property State, to pay his taxes for the fifth year. It is a one-fifth advantage as between husbands and wives in one State and husbands and wives in another.

I quote further from the editorial:

As was shown in John L. Fletcher's article in last Sunday's Gazette, one citizen who moved across the line to Texas saves $75 to $100 a month in taxes; another saves $360 a month.

Mr. President, it is such people who are moving away from my State. That is how much they are making by going across the line.

I am still quoting the editorial:

A resident of Arkansas with a net income of $100,000 a year, whose spouse contributes nothing to income, must pay almost $13,000 a year more in Federal income tax than a Texan with an income of the same amount.

If there is anything that seems fundamental in Federal taxation it is that everybody in America should pay on the same basis.

Mr. President, that editorial expresses the sentiment of the people in my State and points to concrete instances of the effect that our present situation is having upon our people and upon our taxes. Like all other States, we have a struggle with tax problems that are local—State taxes, supporting our State government. Mr. President, with that situation, with that attractive advantage just across the State line, we are having our citizens that can get great advantage by moving—moving away. Therefore, it creates an economic dislocation and a greater economic burden on the State of Arkansas, in addition to the burdens that it already bears by reason of the $5,000,000 more Federal taxes it has to pay.

Mr. President, I have before me another very interesting editorial, from the

Southwest American of Fort Smith, Ark., entitled "Off the Record," by Mr. C. F. Byrns. The editorial is dated May 29, 1947, and reads as follows:

Arkansas people will have to wait a while to get an even break with their neighbors in Oklahoma, Texas, and Louisiana on Federal income taxes.

The Senate has rejected by a vote of 51 to 29 amendments to the pending tax-cut bill which would permit the people of all States to divide income between husband and wife and make tax savings like the people of 10 States can do now.

Senators JOHN MCCLELLAN and BILL FULBRIGHT, of Arkansas, made a strong fight to get this amendment into the tax bill. They did not get it—this time. But they got a promise from the Republican manager of the bill, Senator MILLIKIN, of Colorado, that this provision will be given consideration when a general tax revision is taken up probably next year. And they got a great deal of recognition of the injustice involved in the present system, and some day, maybe next year, that recognition will bear fruit.

This thing has been going on for a long time now—ever since we have had a Federal income tax and that's about 30 years. States with a community-property system consider all earnings of either husband or wife the equal property of both. The Federal Government permits them to divide the income for tax purposes, even though one of the two earns it all and the other earns nothing whatsoever. The result is a tax saving to people with larger incomes—large enough to get into the second or higher bracket of Federal tax. The total tax on $10,000 of income reported by one individual is greater than the total tax on the same amount divided between two persons. More of the taxable income is in the lower brackets and takes a lower rate of tax when it is divided between two persons.

Arkansas people suffer a discrimination in comparison to their neighbors just across the line on the west and the south. Texas and Louisiana are among the States which have always had community property as a part of their basic law. The others are California, Arizona, New Mexico, Washington, Nevada, and Idaho. All of them have constitutions and laws based on either the Spanish or Napoleonic codes of law, in which a common ownership of income is a part of the marriage contract. Oklahoma now enjoys the benefits of community property for tax purposes because of an act of its legislature, accepted by the commissioner of revenues as sufficient to justify dividing incomes between husband and wife for Federal tax purposes. Oregon has a similar law.

Mr. President, I understand that three other States have since been added to the list, as reported by the able Senator from Oregon this afternoon. I resume quoting from the editorial:

It is true, as Senator MILLIKIN said in arguing against the amendments sponsored by the Arkansas Senators, that the benefits of dividing income for tax purposes are limited to a special group with taxable incomes in excess of the average. He opposed extending the tax benefit to all States on the ground that it is extending a benefit to a special group. But it is also true, as Senator MCCLELLAN retorted, that the present law extends a benefit to a special group—those in the 10 community-property States—and the benefit should be applied to all or none.

I want to read one more editorial from a newspaper of my State, and then I wish to read some other editorials tonight, or reserve the reading of them to sometime later during the course of the debate on the bill. I want Senators to know that there is an interest in this matter in their home States. Their people are going to take a greater interest in it as the debate progresses.

The editorial I refer to appeared in the Arkansas Democrat of June 8, 1947. The heading is " 'Totin' fair' in taxation."

The editorial is as follows:

It was not exactly surprising that the Senate voted down the proposal to give all States the benefits of a law which applies in what are known as community-property States, of which there are now 10.

Such a law provides that a husband's estate and a husband's income are subject to legal as well as nominal division with the wife on equal terms. Its existence allows citizens of such States to escape income taxes which must be paid by folks who live in other States with no such law.

Originally, there were eight community-property States whose statutes derived from the old Code Napoleon. They were Louisiana, Texas, New Mexico, Nevada, Idaho, Arizona, California, and Washington. The two States which have passed such a law recently are Oklahoma and Oregon.

I can well appreciate that the States of Oklahoma and Oregon, as well as the three other States which recently passed such laws, did so because they could not continue to maintain their economy and their position in view of the advantages obtaining to bordering States. They could not continue to hold their position and compete with their neighboring States without doing something about the matter, and I assume they lost hope of Congress ever doing anything to correct the wrong. I wish to hold out a hope to all States, Mr. President. As I said a while ago, every time a tax bill comes up in Congress again some Member is going to carry on the fight until the injustice is corrected.

I read further from the editorial:

Federal income taxes are a major item in the lives of many people who, quite naturally, are entitled to escape as many as they can, legally. That is no crime; in fact, the Treasury encourages it.

But not by any such discriminatory schemes as the present community-property laws. So, on at least three occasions Treasury officials have appealed to Congress to do something about it. The fairest thing is not to abolish the local laws but to make them apply to all States.

Mr. President, I am sure the Treasury is interested in having something done to correct the injustice. I think the Treasury wants to have it corrected. I am sure it is often embarrassing to tax collectors in my State and other States adjoining community-property States to have the question asked them, "Why is it that you make me pay more taxes than the citizens in the adjoining State are made to pay?"

I continue to read from the editorial:

There are at least two flies in that butter. One appeared in the vote in the Senate where the Senators from community-property States voted against the proposal. Their constituents didn't want to share the "take" because community-property laws attract wealthy citizens fleeing from States which do not have them.

Mr. President, that is true. My State of course is hurt more possibly than any other State. But that is exactly what is happening. People in New York are establishing legal residence in community-property States the other side of the country. They stay out there for 2 or 3 months and establish legal residence for the very purpose of securing the advantages which I showed on the chart I placed in the RECORD a few minutes ago.

I read further from the editorial:

The other was that the Republicans feared that the loss of income would be embarrassing to the party because it would be in addition to other "economy" proposals which were better understood by the electorate. Republicans, as you know, are not so keen for putting all States on an equal footing, especially those from the so-called solid South.

There was another "if." If the vote had indicated probability of adoption of the proposal, those 20 Senators—representing the 10 lucky States—might have fought it out on that front until the cows came home.

Mr. President, the issue before us is not a partisan one. I read the editorial because I know some newspapermen and some others can never think of any legislation or any issue without thinking that it must be of a partisan nature. That is not the situation in respect to this amendment. The issue is not a partisan one. It is an issue which ought to appeal to Republicans and Democrats alike. To the extent that some States are community-property States and some are not, it may be sectional. But it is not partisan, and ought not to be made partisan. Therefore, I have appealed to Senators on the other side of the aisle, Mr. President, not to consider the matter on a partisan basis, but to think of it in terms of their constituents, and try to do justice by them.

Mr. President, I was very much encouraged when the able senior Senator from Nevada [Mr. MCCARRAN] stepped out on the floor of the Senate this afternoon—a Senator representing a community-property State, who voted against the amendment when the previous tax bill was under consideration—and declared that he had considered the issue now and was going to vote for the amendment because he wanted to be fair and believed the American taxpayers should be treated alike and on a basis of equality.

Mr. President, if we can obtain that sort of consideration here, the tax bill as finally acted upon may be a good tax bill. There are varying differences of opinion, of course, respecting what is a good tax bill. Addition of the amendment to the bill will enhance the qualities of the measure.

Mr. President, it had not been my purpose to speak so long on this subject as I have today. I did not care to hold the floor all afternoon. I wish Senators could remain in their seats. I am not complaining. I know the problems they have. They are on committees, and we are approaching the closing days of the session with considerable unfinished

business, much committee work, and a number of appropriation bills yet to be considered and passed. I can appreciate that the Senators cannot all be present. Unfortunately, when a Senator wants to present his case—and it is my intention to present this case—and all the Senators are not present, he must present it to those who are present, and possibly present it again, in part, to those who come in later.

I do not care to talk about it longer at this time. I do want the opportunity to be given every Senator, particularly Senators from non-community-property States, to weigh my amendment and not blindly to reject it again, for it has much significance and importance. There is a duty to be fulfilled. If the majority leadership has some other business to transact this afternoon, I have no desire to try to monopolize the time and hold the floor. I shall be happy to conform to whatever plans the majority leadership has that will help to expedite the business of the Senate.

SEGREGATION IN FEDERAL BUDGET OF CAPITAL INVESTMENT AND ADMINISTRATIVE EXPENDITURES

Mr. MORSE. Mr. President, I shall take but a very few minutes to discuss a matter which I think is of great importance in connection with the fiscal policy of the Government, and which deals very definitely with the problem of taxes. Before we consider what the new tax structure of the Government should be, we ought to have clearly in mind the nature of our budget. Some weeks ago I addressed a letter to the Bureau of the Budget asking them to give me a report showing the difference between administrative expenses of Government and so-called capital investment. At great labor such a report has been prepared. I think it is one of the most significant reports that could possibly be submitted to the Congress and to the country in regard to national budgetary problems. I think it is very important, if we are to have a sound tax structure, that we first know the facts in regard to the nature of our budget. I submit that Members of Congress do not know those facts. Members of Congress do not know what portion of the budget is in fact capital investment and what portion is devoted to administrative expenses.

The governmental budget is not operated on the basis of the same principles on which finances of a great business are operated, and government is a great business. I think the entire method of preparing our budget and the tax structure based upon it is archaic, and that the time has come for a complete overhauling and revision of our budget-making policies so that we can really prepare a fair, sound, and equitable tax structure.

Mr. President, I wish to pay my respect to and to commend the Bureau of the Budget for the wonderful job it has done in complying with a request which I submitted as early as February 28 in two letters and March 5 in another letter. I ask unanimous consent to have those letters printed in the RECORD at this point as a part of my remarks, together with a letter which I received from the Bureau of the Budget under date of April 21.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 28, 1947.

Hon. JAMES E. WEBB,
Director of the Budget,
Washington, D. C.

DEAR MR. WEBB: In analyzing the adequacy of the pending budget estimates for the fiscal year 1948 I have been particularly interested in trying to make a logical distinction between the operating expenditures of government and expenditures for capital investments and wealth-producing projects. Accordingly, I should like to know whether it is possible for these two types of expenditures to be segregated, so that one can find out exactly how much money is to go for the capital investment and the wealth-producing projects.

More specifically, however, I should like to have a fully classified break-down of projected capital investments and wealth-producing projects for the State of Oregon. In the event that the national estimates might take somewhat more time to prepare, I would appreciate receiving the requested information concerning the State of Oregon in the very near future without having to wait for the national estimates.

I am sure that you will agree with me that the preparation of this kind of information will contribute to a more intelligent discussion of the budget estimates for the fiscal year 1948.

Sincerely yours,

WAYNE MORSE.

FEBRUARY 28, 1947.

Hon. JAMES E. WEBB,
Director of the Budget,
Washington, D. C.

DEAR MR. WEBB: With further reference to your letter of January 24 transmitting the views of various agencies on the antimonopoly bill (S. 72) I am enclosing herewith a copy of Senate Resolution 82 calling for a complete study and investigation of the monopoly problem by the Senate Judiciary Committee.

I should greatly appreciate it if you could obtain for the sponsors of this resolution the views of the same agencies on the proposed study and investigation, as well as give us the benefit of your own views.

Sincerely yours,

WAYNE MORSE.

MARCH 5, 1947.

Hon. JAMES E. WEBB,
Director of the Budget,
Washington, D. C.

DEAR MR. WEBB: In response to your telephone call to my office, the answer to your question is really this: I am seeking a segregation of capital expenditures from operating expenditures.

The phrase "capital investments and wealth-producing projects" was used in my previous letter merely as a means of referring to capital expenditures.

I hope this will resolve the difficulty you raised over the telephone.

Sincerely yours,

WAYNE MORSE.

BUREAU OF THE BUDGET,
Washington, D. C., April 21, 1947.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: In response to your letters of February 28 and March 5, I am transmitting herewith five copies of a report prepared by staff members of the Bureau of the Budget on capital expenditures in the 1948 budget.

In conversations between members of your staff and staff of the Bureau, it has been pointed out that there is no general agreement on either a single concept of capital expenditures or on classification of items under differing concepts. I feel obliged again to call attention to this lack of agreement and to warn that the report may be attacked, both for items included and for items excluded. Nevertheless, it represents a conscientious effort to answer your letters reasonably and fully.

I hope that the report will be useful to you, even though I am unable to indicate that it has official approval. We shall be glad to supply additional copies if you desire them.

I am also enclosing two copies of a report on public-works funds available for Oregon for the fiscal years 1947 and 1948. These data have been compiled by the Bureau on the basis of information furnished through the departments concerned. We believe they are inclusive, but we have no basis for certifying that there are no omissions.

Sincerely yours,

F. J. LAWTON,
Acting Assistant Director.

Mr. MORSE. The report from the Bureau of the Budget on capital expenditures in the 1948 Budget shows that today more than $7,000,000,000 in the President's budget represents expenditures which either create wealth or which will be returned to the Government in future years. That is a very significant point. When we talk about economy in government, about which the leadership in my party has been talking throughout this session, the leadership should draw a distinction between capital investment and administrative costs of government. I think the people of the United States should understand very clearly, when the leadership of my party talks about economy in government, whether it proposes to effect economy at the expense of capital investment.

There is no economy in hampering and frustrating great wealth-creating projects which represent capital investment. That is a penny-wise and pound-foolish policy. It is a program of false economy. I think it is important that we give the facts to the people of the United States and tell them whether, in the name of economy, we are taking a dollar out of one pocket at the expense of $5 which could be put in another pocket in the future if the projects represented by capital investments were permitted to be developed and to function in a wealth-creating way for the benefit of all the people.

The first point I wish to emphasize in the excellent report submitted by the Bureau of the Budget is that in round numbers approximately $7,000,000,000 in the President's budget represents expenditures which either create wealth or which will be returned to the Government in future years.

This information is based upon a special analysis of the Government's budget prepared at my request by financial experts in the Bureau of the Budget. This analysis is the first of its kind that has ever been made since the Government's budget system was established in 1921.

An intelligent approach to the Government's budget is impossible unless Congress makes a clear-cut distinction between the two entirely different kinds of spending.

On the one hand, there is money spent on current operations of the Government. Although this spending is often of great importance, it does not create tangible assets, nor is there any prospect of direct repayment.

On the other hand, there is money spent for tangible assets of lasting significance—such as dams, hospitals, and other capital improvements—and on self-liquidating loans. Such expenditures are entirely different from operating expenditures.

Although every efficient business concern makes this distinction, the Government's slap-happy bookkeeping has always lumped the two kinds of spending together. It is high time the Government put its finances on a businesslike basis.

Accordingly, I should like to suggest that the members of the Senate Appropriations Committee make this distinction with respect to the appropriation bills that come to it from the House of Representatives. The Budget Bureau study prepared at my request should be of help to them in this task.

At the same time, I believe that the President and the Bureau of the Budget are to be sharply criticized for not having presented the Congress with a breakdown of this type in the January budget message. In fact, by any standards of good financial management, the administration would have been making such an analysis for many years and would have been presenting such information to Congress on a regular basis. As the Budget Bureau has told me, their first breakdown of capital versus operating expenditures is only a preliminary effort. Much more work remains to be done before the Nation's books are put in shape.

I am afraid that the only way we can be sure that the executive branch will do this job, after so many years of neglect, is for Congress to enact appropriate legislation. Therefore, I am drafting a bill along these lines, and hope to have it ready for introduction in the near future.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the Budget Bureau study entitled "Capital Expenditures in the 1948 Budget."

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CAPITAL EXPENDITURES IN THE 1948 BUDGET

In his letters of February 28 and March 5 Senator MORSE has asked for a segregation of capital expenditures as distinguished from operating expenditures in the 1948 budget. The attached tabulation is a preliminary attempt to provide a rough compilation of capital expenditures within the limits of existing appropriation account break-downs and major corporation programs. A complete classification of capital expenditures would require more extensive review of the concepts involved, as well as a large amount of detail not now available on expenditures below the appropriation account level.

SUMMARY

On this rough basis capital expenditures in the 1948 budget total $7,300,000,000 (including $1,800,000,000 for national defense). The break-down of these expenditures by major functions is summarized in the table below. This summary table and the more detailed compilations attached include, in most cases, gross expenditures of both corporations and other Government agencies. Hence the totals should not be compared with the 1948 budget expenditure estimate of $37,500,000,000, in which most corporation expenditures and a few other items are shown on a net basis. In addition, no deduction has been made either for capital receipts or for the very substantial depreciation, obsolescence, and loss of existing capital assets anticipated during the fiscal year. Accordingly the gross capital expenditures cannot be used as a measure of the net capital investment or disinvestment of the Federal Government in the fiscal year 1948.

Estimated capital expenditures in fiscal year 1948

[In thousands]

Function	Public works	Loans except for public works	Other	Total
Veterans' services and benefits	$424,303			$424,303
International affairs and finance		$2,074,500	$2,608	2,077,108
Social welfare, health, security	30,416		720	31,136
Housing and community facilities	115,190	544,773	2,754	662,717
Education and general research	3,312			3,312
Agriculture and agricultural resources	346,800	192,818	193,594	733,212
Natural resources	527,072	15	9,297	536,384
Transportation and communication	674,109	2,500	232,871	909,480
Finance, commerce, and industry		171,000		171,000
General Government	18,071	5,112	4,048	27,231
Total, excluding national defense	2,139,273	2,990,718	445,892	5,575,883
National defense	468,404		1,296,775	1,765,179
Total, including national defense	2,607,677	2,990,718	1,742,667	7,341,062

SCOPE OF TABLES

General: The capital expenditures included in the attached compilation represent only those involving either (a) creation, improvement, or acquisition of durable assets, or (b) acquisition of recoverable claims. The major components are new public works construction, including loans and grants for construction purposes; other loans; and purchase of durable equipment, land and buildings, and net increase in inventories of certain commodities.

Capital expenditures abroad have been included if they are recoverable, e. g., loans, or if the resulting assets are the property of the United States Government. Capital expenditures of all kinds made in the Territories and Possessions are also included. Nonrecoverable expenditures abroad, e. g. payments to the Philippines for rehabilitation purposes, are excluded.

Except for grants to State and local governments and nonprofit institutions, capital expenditures in this tabulation have been limited to those which, on a gross basis, add to the physical assets, or recoverable claims of the Federal Government. They exclude many types of expenditures which directly or indirectly add to the national wealth, e. g. through increasing privately owned capital assets. Expenditures such as those for public health and education which build up the productivity of human resources have been excluded. Similarly, outlays for research are omitted. These and many other expenditures contribute substantially to future national income and wealth, although the extent of this contribution would be very difficult to measure.

For the foregoing reasons and others, it does not appear feasible to segregate all Government expenditures into capital expenditures and operating expenditures. While such a twofold division has validity in private accounting, its application to Federal expenditures would require either a much broader definition of capital expenditures, or else the inclusion in operating expenditures of many items which will substantially increase the wealth and productivity of the Nation for many years to come.

Public works: With minor exceptions, public-works expenditures are identical with those contained in part IV (pp. 1357–1376) of the 1948 budget. The total of $2,600,000,000 (including $500,000,000 for national defense), however, excludes expenditures for the Inter-American Highway. It consists of expenditures for direct Federal construction of public works, grants-in-aid to State and local governments, e. g., Federal-aid highways; and loans, e. g., RFC loans to public bodies and to finance rural electrification. In general, the expenditures are for new construction, with maintenance and operation costs excluded wherever possible.

Loans (except for public works): Expenditures for loans are based on data on funds applied for this purpose by wholly owned Government corporations as shown in the business-type budgets in part III of the 1948 Budget, together with similar loan disbursements forecast in the 1948 budget for other Government agencies. All loan disbursements are shown on a gross basis, except for short-term loans of the Commodity Credit Corporation and the Federal Intermediate Credit banks, where only the net increase in outstanding loans is shown. A relatively small volume of expenditures by the Reconstruction Finance Corporation and the Home Owners Loan Corporation for acquisition or improvement of collateral of defaulted loans has also been included. Disbursements by private banks guaranteed by Federal agencies, e. g., in the case of Commodity Credit Corporation and the Export-Import Bank, are excluded, since they do not represent expenditures of the Federal Government.

Of the total loan disbursements of $3,000,000,000 estimated, about $2,100,000,000 represents foreign loans by the Export-Import Bank and the Treasury Department. These include only foreign loans for which a payment schedule exists. Expenditures in the occupied areas on which payments are anticipated at an indefinite future date are omitted.

Other capital expenditures: Other capital expenditures amounting to $1,700,000,000 (including $1,300,000,000 for national defense) are included in the tabulations. These represent purchase or improvement of durable equipment, land, and buildings and net increase in commodity inventories. This category includes outlays for structural and other improvements to public lands and forests, e. g. for soil and moisture conservation, range improvement, land utilization and retirement of submarginal land, forest improvements, and wildlife conservation and restoration. On the other hand, AAA payments to farmers for soil conservation practices carried out on their own land and activities of the Soil Conservation Service are excluded, although these help augment the capital of the Nation.

Expenditures for equipment are only partially reflected. In the case of the War and Navy Departments where substantial sums

are involved, such expenditures have been included. In the case of construction projects, expenditures for equipment are usually included in the project costs and are shown in the public works column. Expenditures for other types of equipment, e. g. furniture and fixtures, trucks, automobiles, and smaller items either cannot be segregated, or are relatively small; hence, they have been omitted.

Because of the rapid turnover anticipated, only the net increase of $194,000,000 in inventories of commodities (including commodities acquired by forfeiture of loan collateral) is shown for the Commodity Credit Corporation. In the case of the Reconstruction Finance Corporation, only net purchase from the public of strategic supplies are shown; sales of strategic metals and minerals, however, are expected to exceed purchases and are not reflected in the capital expenditure tabulation.

National defense: Estimated military expenditures of $1,800,000,000 by the War and Navy Departments for durable assets have been included as a borderline category of capital expenditures. These are concentrated largely in aircraft, naval vessels, ordnance, and other types of defense equipment and construction of installations. These expenditures are wealth-protecting, even if not directly wealth-producing. In view of the large wartime inventories of these assets and the rapid rate of depreciation and obsolescence, depletion of these assets in the fiscal year 1948 will probably far exceed the estimated rate of replacement.

Technical aspects of expenditure estimates: In general, capital expenditures are shown by appropriation accounts, or by major corporation programs. Where obligations for capital items form a substantial portion, but not all, of total obligations within a single appropriation, estimated expenditures for the capital items only are included n the tabulation. In the case of expenditures for equipment—particularly expenditures for the War and Navy Departments—it has been necessary to show figures below the appropriation account level.

"Wash transactions," i. e., capital expenditures reflected in receipts elsewhere in the budget, have been eliminated. Hence, to the maximum extent feasible, the expenditures shown represent payments to the public, rather than transfers between governmental agencies.

Capital expenditures for corporations and related noncorporate housing programs are derived from data on acquisition of assets in part III of the 1948 budget. These figures differ materially from net corporation expenditures from checking accounts with the Treasurer, not only because in most instances they are on a gross basis, but also because they include in addition some expenditures from general and special accounts, as well as expenditures from checking accounts with commercial banks.

CAPITAL RECEIPTS

The gross capital expenditures shown in the attached tabulation provide no measure at all of the net capital investment or disinvestment of the Federal Government in the fiscal year 1948. Gross capital outlays, in fact, will be offset in whole or in part by a large but indefinite amount of depreciation, obsolescence, and loss of existing capital assets. In addition, very substantial capital receipts are anticipated.

The following table summarizes major capital receipts in the 1948 budget. They include miscellaneous receipts, corporation receipts, and appropriation credits. Receipts from operation of Government programs involving use of capital facilities are excluded, e. g., TVA receipts from sale of power, even though such receipts are at times employed to finance capital improvements.

Estimated capital receipts in 1948 budget

	Thousands
Miscellaneous receipts:	
Repayments of investments	$227,715
Sales of public lands	130
Sales of Government property	161,080
Proceeds from sale of surplus property	1,046,600
Retirement of capital stock, Federal Deposit Insurance Corporation (proposed legislation)	239,300
Repayment of advances on industrial loans, Federal Reserve banks (proposed legislation)	27,500
Corporate receipts:	
Repayment of principal on loans, excluding short-term agricultural loans and guaranteed private loans	562,344
Sale of security acquired on defaulted loans	17,794
Net sales of strategic metals and minerals	57,744
Sale and disposition of fixed assets	122,509
Appropriation account credits:	
Repayment of paid-in surplus, Federal land banks	36,924
Total	2,499,640

Estimated capital expenditures in Federal budget, including wholly owned Government corporations, fiscal year 1948

[In thousands]

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
VETERANS' SERVICES AND BENEFITS				
Veterans' Administration:				
Hospital and domiciliary facilities	$81,014			$81,014
Administrative facilities	3,000			3,000
Total, Veterans' Administration	84,014			84,014
Federal Work Agency, Bureau of Community Facilities: Veterans' educational facilities	50,000			50,000
War Department—civil functions, Corps of Engineers:				
Transferred from: Hospitals and domiciliary facilities, Veterans' Administration	290,289			290,289
Total, Veterans' services and benefits	424,303			424,303
INTERNATIONAL AFFAIRS AND FINANCE				
Department of State: Foreign Service building fund [1]			[2] $2,596	[1] 2,596
Treasury Department: Credit to United Kingdom		$1,200,000		1,200,000
Government corporations:				
Export-Import Bank		874,500	2	874,502
Department of State: Inter-American Educational Foundation, Inc			10	10
Total, Government corporations		874,500	12	874,512
Total, international affairs and finance		2,074,500	2,608	2,077,108
SOCIAL WELFARE, HEALTH, AND SECURITY				
Federal Security Agency:				
Public Health Service:				
Hospital and construction activities	15,000			15,000
Construction of research facilities	2,500			2,500
Total, Public Health Service	17,500			17,500
St. Elizabeths Hospital: Building for storeroom	90			90
Total, Federal Security Agency	17,590			17,590
SOCIAL WELFARE, HEALTH, AND SECURITY—continued				
Federal Works Agency:				
Office of the Administrator: Liquidation of Public Works Administration	$6,000			06,000
Public Buildings Administration:				
Hospital Center, District of Columbia	2,750			2,750
National Institute of Mental Health	600			600
Transferred from: St. Elizabeths Hospital	5			5
Building for storeroom	1,000			1,000
Construction and equipment	1,250			1,250
Total, Public Buildings Administration	5,605			5,605
Total, Federal Works Agency	11,605			11,605
Department of Justice:				
Federal Prison System:				
Buildings and equipment, penal institutions	967			967
United States penitentiary, McNeil Island, Wash., construction and repair	4			4
Total, Department of Justice	971			971
Government corporations: Federal Prison Industries, Inc	250		$720	970
Total, social welfare, health, and security	30,416		720	31,136
HOUSING AND COMMUNITY FACILITIES				
Federal Works Agency:				
Bureau of Community Facilities:				
Defense public works	8,070			8,070
Public works advance planning	17,100			17,100
Virgin Islands public works	2,100			2,100
Emergency relief for Territory of Hawaii	450			450
Total, Bureau of Community Facilities	27,720			27,720

[1] Estimated portion of expenditures in this account for capital purposes.
[2] Exclusive of property obtained in lend-lease and surplus property settlement agreements with other nations.

Estimated capital expenditures in Federal budget, including wholly owned Government corporations, fiscal year 1948—Continued

[In thousands]

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
HOUSING AND COMMUNITY FACILITIES—con.				
Public Roads Administration: War and emergency damage, Territory of Hawaii	$5,000			$5,000
Total, Federal Works Agency	32,720			32,720
Government corporations:				
National Housing Agency: [1]				
Federal Savings and Loan Insurance Corporation			$2	2
Home Owners' Loan Corporation		$1,320	15	1,335
Federal Public Housing Authority:				
Public war housing program	900	51,016	226	52,142
Homes conversion program			201	201
Veterans' reuse housing	29,388		2,310	31,698
United States Housing Act program	5,182	15,912		21,094
Total, Federal Public Housing Authority	35,470	66,928	2,737	105,135
Total, National Housing Agency	35,470	68,248	2,754	106,472
Federal Loan Agency:				
RFC and subsidiaries:				
Loans to aid home owners		476,525		476,525
Loans to public bodies	47,000			47,000
Total, RFC and subsidiaries	47,000	476,525		523,525
Total, Government corporations	82,470	544,773	2,754	629,997
Total, housing and community facilities	115,190	544,773	2,754	662,717
EDUCATION AND GENERAL RESEARCH				
Federal Security Agency:				
Howard University:				
Plans and specifications	212			212
Construction of buildings	3,000			3,000
Total, Federal Security Agency	3,212			3,212
Federal Works Agency:				
Public Buildings Administration: Geophysical Institute, Alaska	100			100
Total, education and general research	3,312			3,312
AGRICULTURE AND AGRICULTURAL RESOURCES				
Department of Agriculture:				
Flood control, general	2,500			2,500
Water conservation and utilization projects	1,200			1,200
Farmers' Home Administration: Loans		109,000		109,000
Development of water facilities, arid and semiarid areas	1,750			1,750
Rural Electrification Administration: Loans and purchase of property	19,800			19,800
Total, Department of Agriculture	25,250	109,000		134,250
Department of the Interior:				
Bureau of Indian Affairs: Revolving fund for loans to Indians and Indian corporations		125		125
Bureau of Reclamation: Water conservation and utility projects (reimbursable)	1,250			1,250
Total, Department of Interior	1,250	125		1,375
Government corporations:				
Department of Agriculture:				
Commodity Credit Corporation (net)		41,098	193,594	234,692
Federal Farm Mortgage Corporation		414		414
Federal intermediate credit banks (net)		21,496		21,496
Regional Agricultural Credit Corporation		1,685		1,685
Total, Department of Agriculture		64,693	193,594	258,287
Federal Loan Agency—RFC:				
Loans to REA	320,000			320,000
Loans to Secretary of Agriculture for farm tenancy		19,000		19,000
Loans to drainage districts	300			300
Total, Federal Loan Agency, RFC	320,300	19,000		339,300
Total, Government corporations	320,300	83,693	193,594	597,587
Total, agriculture and agricultural resources	346,800	192,818	193,594	733,212

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
NATURAL RESOURCES NOT PRIMARILY AGRICULTURAL				
Department of Agriculture:				
Forest Service:				
Acquisition of land for national forests			$1,500	$1,500
Acquisition of lands			130	130
Total, Department of Agriculture			1,630	1,630
Department of the Interior:				
Bonneville Power Administration:				
Construction, operation, and maintenance	$20,000			20,000
Southwestern Power Administration:				
Construction	6,370			6,370
Bureau of Indian Affairs: Construction, irrigation systems (reimbursable)	1,780			1,780
Bureau of Reclamation:				
Reclamation fund, special fund, construction	32,164			32,164
General fund, construction:				
Parker Dam, Ariz.-Calif.	255			255
Gila project, Arizona	2,400			2,400
Davis Dam project, Arizona-Nevada	15,000			15,000
Central Valley project, California	30,000			30,000
Kings River project, California	95			95
Colorado-Big Thompson project	13,000			13,000
San Luis Valley project, California	94			94
Hungry Horse project, Montana	3,400			3,400
Colorado River project, Texas	44			44
Columbia Basin project, Washington	27,000			27,000
Total, general fund, construction	91,288			91,288
Fort Peck project, Montana	2,500			2,500
Missouri River Basin	25,000			25,000
Advance to Colorado River Dam fund:				
Boulder Canyon project	2,000			2,000
All-American Canal	4,865			4,865
Colorado River front work and levee system	1,224			1,224
Valley gravity canal and storage project, Texas	306			306
Total, Bureau of Reclamation	159,347			159,347
Geological Survey: Transferred from War Department civil functions, flood control	440			440
Bureau of Mines:				
Construction and equipment of anthracite research laboratory	300			300
Synthetic liquid fuels	8,000			8,000
Construction and equipment of helium plants	50			50
Total, Bureau of Mines	8,350			8,350
National Park Service:				
Roads, trails, and physical improvements	4,253			4,253
Roads and trails	1,897			1,897
Physical improvements, buildings and utilities	400			400
Parkways	4,600			4,600
Roads and trails, national parks, emergency construction	1			1
Acquisition of lands			150	150
Purchase of lands			1	1
Total, National Park Service	11,151		151	11,302
Fish and Wildlife Service:				
Construction of byproducts plant, Pribilof Islands, Alaska	1			1
Federal aid in wildlife restoration (receipt limitation)			2,563	2,563
Migratory bird conservation fund (receipt limitation)			1,900	1,900
Total, Fish and Wildlife Service	1		4,463	4,464
Office of the Secretary: Soil and moisture conservation operations			2,800	2,800
Bureau of Land Management: Range improvements on public lands			202	202
Grazing Service: Range improvements within grazing districts (receipt limitation)			21	21

[1] Includes noncorporate programs.

Estimated capital expenditures in Federal budget, including wholly owned Government corporations, fiscal year 1948—Continued

[In thousands]

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
NATURAL RESOURCES NOT PRIMARILY AGRICULTURAL—continued				
General Land Office: Range improvements outside grazing districts (receipt limitation)			$30	$30
Total, Department of the Interior	$207,439		7,667	215,106
Department of State:				
International Boundary and Water Commission, United States and Mexico: Construction	9,000			9,000
International Pacific Salmon Fisheries Commission, restoration of salmon runs, Fraser River system	249			249
Total, Department of State	9,249			9,249
War Department—Civil functions:				
Corps of Engineers:				
Flood control, general	206,720			206,720
Flood control, Kings River and Tulare Lake, Calif	750			750
Flood control, Sutton River, W. Va	615			615
Flood control, general, emergency	100			100
Flood control, Mississippi River and tributaries	44,000			44,000
Emergency fund for flood control on tributaries of Mississippi River	100			100
Flood control, Sacramento River, Calif	1,000			1,000
Power plant, Bonneville Dam, Columbia River, Oreg., construction	536			536
Power plant, Fort Peck Dam, Mont., construction	1,190			1,190
Total, War Department—Civil functions	255,011			255,011
Government corporations:				
Tennessee Valley Authority:				
Navigation, flood control and power facilities	43,068			43,068
Chemical plant	10,396			10,396
General plant	1,909			1,909
Total, Tennessee Valley Authority	55,373			55,373
Tennessee Valley Associated Cooperatives, Inc		$15		15
Total, Government corporations	55,373	15		55,388
Total, natural resources not primarily agricultural	527,072	15	9,297	536,384
TRANSPORTATION AND COMMUNICATION				
National Advisory Committee for Aeronautics:				
Construction and equipment	2,400			2,400
Ames Aeronautical Laboratory	60			60
Construction and equipment, Langley Field, Va	6,239			6,239
Aircraft engine research laboratory	2,311			2,311
Total, National Advisory Committee for Aeronautics	11,010			11,010
U. S. Maritime Commission: Construction fund, revolving fund,[1] gross			230,000	230,000
Federal Works Agency:				
Public Roads Administration:				
Federal-aid highway system	32,289			32,289
Federal-aid secondary or feeder roads	10,000			10,000
Elimination of grade crossings	22,000			22,000
Federal-aid postwar highways	309,000			309,000
Public lands highways	2,000			2,000
Strategic highway network	6,000			6,000
Access roads	2,750			2,750
Surveys and plans	3,000			3,000
Emergency relief, highway grade-crossing elimination	800			800
Working fund	5,170			5,170
Total, Federal Works Agency	393,009			393,009
Department of Agriculture:				
Forest Service—roads and trails for States, national forest fund	1,500			1,500
Forest roads and trails	25,000			25,000
Total, Department of Agriculture	26,500			26,500

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
TRANSPORTATION AND COMMUNICATION—continued				
Department of Commerce:				
Office of Administrator of Civil Aeronautics:				
Establishment of air navigation facilities	$21,862			$21,862
Development of landing areas for national defense	1,080			1,080
Development of civil landing areas	1,000			1,000
Preliminary plans and survey, Federal-Aid Airport Act	255			255
Federal-Aid Airport Act—grants	50,020			50,020
Total, Department of Commerce	74,217			74,217
Department of the Interior:				
Bureau of Indian Affairs: Roads, Indian reservations	4,100			4,100
Geological Survey: Transferred from War Department, civil functions, river and harbor works	125			125
Government in the Territories:				
Territory of Alaska:				
Wagon roads, bridges, and trails in Alaska, receipts limitation	136			136
Construction and maintenance of roads, bridges, and trails, Alaska	3,300			3,300
Reconstruction and improvement of the Richardson Highway, Alaska	360			360
Alaska Railroad, special fund [1]	3,500			3,500
Total, Government in the Territories	7,296			7,296
Total, Department of the Interior	11,521			11,521
Treasury Department, Coast Guard:				
Establishing and improving aids to navigation	4,871			4,871
Acquisition of vessels and shore facilities	9,500			9,500
Special projects, aids to navigation, Coast Guard	282			282
Total, Treasury Department	14,653			14,653
War Department—civil functions:				
Corps of Engineers:				
Maintenance and improvement of existing river and harbor works	133,884			133,884
Alterations of bridges over navigable waters of the United States	800			800
Total, War Department	134,684			134,684
The Panama Canal:				
Maintenance and operations, improvement and betterments [1]	6,315			6,315
Construction, additional facilities, national defense	1,700			1,700
Total, the Panama Canal	8,015			8,015
Government corporations				
Department of Commerce:				
Inland Waterways Corporation			$2,200	2,200
Warrior River Terminal Company			250	250
Total, Department of Commerce			2,450	2,450
Panama Railroad Company	500		421	921
Federal Loan Agency—RFC		$2,500		2,500
Total, Government corporations	500	2,500	2,871	5,871
Total, transportation and communication	674,109	2,500	232,871	909,480
FINANCE, COMMERCE, AND INDUSTRY				
Government corporations:				
Federal Loan Agency—RFC:				
Loans to aid financial institutions		11,500		11,500
Loans to business enterprises		159,500		159,500
Total, Federal Loan Agency—RFC		171,000		171,000
Total, finance, commerce, and industry		171,000		171,000

[1] Estimated portion of expenditure in this account for capital purposes.

Estimated capital expenditures in Federal budget, including wholly owned Government corporations, fiscal year 1948—Continued

[In thousands]

Function, organization unit, and appropriation account or corporate program	Public works	Loans except for public works	Other	Total
GENERAL GOVERNMENT				
National Capital Park and Planning Commission: Acquisition of property			$3,738	$3,738
Federal Works Agency:				
Public Buildings Administration:				
West central heating plant, District of Columbia	$3,000			3,000
Construction of public buildings	400			400
Construction, purchase, remodeling, and designing buildings outside District of Columbia	5,000			5,000
Federal Office Building, Nashville, Tenn	3,600			3,600
Federal Office Buildings, Nos. 2 and 3	23			23
General Accounting Office Building	81			81
Sites and construction, general office buildings in or near District of Columbia	200			200
War Department buildings	50			50
Working fund	2,420			2,420
Total, Public Buildings Administration	14,774			14,774
Department of Commerce:				
National Bureau of Standards:				
Construction of radio propagation building	600			600
Purchase and installation of betatron	390			390
Improvement of facilities	150			150
Total, Department of Commerce	1,140			1,140
Department of the Interior:				
Bureau of Indian Affairs:				
Construction, buildings, and utilities	1,900			1,900
Acquisition of lands for Indian tribes			300	300
Total, Bureau of Indian Affairs	1,900		300	2,200
Government in the Territories: Puerto Rico, emergency relief	100			100
Total, Department of the Interior	2,000		300	2,300
The Panama Canal: Memorial to Maj. Gen. George W. Goethals	157			157
Government corporations:				
The Virgin Islands Company			8	8
GENERAL GOVERNMENT—continued				
Government corporations—Continued				
Federal Loan Agency—RFC		$5,112	$2	$5,114
Total, Government corporations		5,112	10	5,122
Total, General Government	$18,071	5,112	4,048	27,231
Total, excluding national defense	2,139,273	2,990,718	445,892	5,575,883
NATIONAL DEFENSE				
Navy Department:				
Bureau of Yards and Docks:				
Public works [1]	195,361			195,361
Working fund, Interior Department	3			3
Maintenance [1]			7,000	7,000
Bureau of Aeronautics: Aviation, Navy [1]			300,000	300,000
Increase and replacement of naval vessels:				
Construction and machinery			234,000	234,000
Armor, armament and ammunition			70,000	70,000
Bureau of Ordnance: Ordnance and naval stores [1]			65,000	65,000
Total, Navy Department	195,364		676,000	871,364
War Department—military:				
Office of the Secretary: Expediting production of equipment and supplies	2,000			2,000
Corps of Engineers: Engineer service, Army [1]	270,040		20,000	290,040
Air Corps, Army [1]			500,000	500,000
Ordnance Department [1]			50,000	50,000
Total, War Department	272,040		570,000	842,040
Treasury Department: Strategic and critical materials [1]			33,000	33,000
Government corporations:				
Federal Loan Agency—RFC:				
Defense plant program	1,000			1,000
Strategic supplies program			4,775	4,775
Strategic metals and materials program			1,000	1,000
Rubber program			12,000	12,000
Total, Federal Loan Agency—RFC	1,000		17,775	18,775
Total, national defense	468,404		1,296,775	1,765,179
Total, including national defense	2,607,677	2,990,718	1,742,667	7,341,062

[1] Estimated portion of expenditures in this account for capital purposes.

Source: Bureau of the Budget, Apr. 16, 1947.

Public works funds available for Oregon, fiscal years 1947 and 1948

	Actual appropriations, 1947	Estimated appropriations in budget, 1948
Public Roads Administration:		
First postwar fiscal year	[1] $7,084,363	
Second postwar fiscal year	[1] 7,084,363	
Third postwar fiscal year		[1] $7,084,363
Veterans' Administration, hospitals:		
Klamath Falls, Oreg	[2] 4,403,000	
Portland, Oreg	[2] 3,905,880	
Rural Electrification Administration:		
Available from prior year allotments, June 30, 1946	3,128,177	
Allotment, fiscal year 1947	1,800,000	
Proposed allotment, fiscal year 1948		1,800,000
Public Health Service: Federal-aid hospital program		307,150
Civil Aeronautics Administration: Federal-aid airport program	609,826	715,087
Bureau of Reclamation:		
Deschutes project	1,716,837	1,526,000
Owyhee project	125,000	
Klamath project	1,281,605	2,000,000
Total, reclamation	3,123,442	3,526,000

Public works funds available for Oregon, fiscal years 1947 and 1948—Continued

	Actual appropriations, 1947	Estimated appropriations in budget, 1948
Corps of Engineers:		
McNary Dam	$2,600,000	$3,500,000
Columbia River	269,000	201,000
Willamette River	450,000	300,000
Dorena Reservoir	2,018,200	2,150,000
Lookout Point Reservoir	1,100,000	3,850,000
Detroit Reservoir	1,700,000	1,250,000
Quartz Creek Reservoir	130,000	
Sweet Home Reservoir	100,000	
Coquille River Basin	12,000	
Nehalem River Basin	2,500	
Arlington	4,000	
Chetco River	25,000	
Depot Bay	1,000	
Columbia River at Bonneville	805,800	
Total, Corps of Engineers	9,217,500	11,251,000
Bonneville Power Administration:		
Transmission lines:		
Main system extensions:		
McNary-La Grande	44,000	(228,000)
Troutdale	111,000	29,600 (352,000)
Detroit-Chemawa	1,287,000	
Detroit-Eugene		144,400 (422,600)

Public works funds available for Oregon, fiscal years 1947 and 1948—Continued

	Actual appropriations, 1947	Estimated appropriations in budget, 1948
Bonneville Power Administration—Continued		
Transmission lines—Con.		
Main system extensions—Continued		
Goldendale-Detroit		($602,000)
Eugene-Drain-Reeds port		961,300 (368,000)
Reedsport-Coos Bay		79,000
Eugene-Roseburg		(88,000)
Customers' service facilities and capital additions	$500,000	500,000 (500,000)
Advance survey and design	50,000	100,000
Total Bonneville	1,992,000	1,814,300 [3] (2,560,600)
Total	42,348,551	26,497,900 (2,560,600)

[1] Apportionment of postwar highway program.

[2] Includes contract authorization.

[3] Amounts in parentheses are proposed contract authorizations.

Mr. MORSE. Mr. President, I close by saying that I think my party has a golden opportunity to proceed with the development of a budget program and a tax program which recognizes the distinction between capital investment and operating expenses. I think my party has a great opportunity to come forward with a tax program based upon such a budget analysis, one which irons out inequities, and plays no part in the program of which some spokesmen in my party are guilty, namely that of economizing at the expense of great wealth-creating projects, and therefore at the expense of the interests of all the people, for the benefit of the interests of a selfish few.

That is my answer, as a liberal Republican, to the question, What type of fiscal policy should the Republican Party advocate? It is also my answer to those critics who say that liberal Republicans only criticize, and never offer anything constructive. I submit to my party this afternoon that the proposal I make is a constructive, forward-looking program which will promote sound economy, a fair tax program based upon ability to pay, and a fiscal policy which permits of long time budgetary planning with resulting economic stability.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed, without amendment, the bill (S. 564) to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 116. An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin;

S. 395. An act authorizing the issuance of a patent in fee to Kathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased;

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for the relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 10, 1947, he presented to the President of the United States the following enrolled bills:

S. 116. An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin;

S. 395. An act authorizing the issuance of a patent in fee for Kathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased; and

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan.

TRUSTEESHIP AGREEMENT FOR PACIFIC ISLANDS—REPORT OF A COMMITTEE

Mr. VANDENBERG. Mr. President, from the Committee on Foreign Relations I report favorably the joint resolution (S. J. Res. 143) authorizing the President to approve the trusteeship agreement for the territory of the Pacific Islands, and I submit a report (No. 471) thereon. I want to make this very brief statement in connection with it. It is very essential that the trusteeship agreement should be approved before the adjournment of the present session of the Congress. That means that, if we are to have an opportunity for its consideration, Senators must be fully informed in advance, so that the time consumed on the agenda of the Senate itself may be brief. Therefore I am filing a very complete report, Mr. President, and I want to add a personal word of information to Senators on the subject. I know that in both the Senate and the House there has been a scrupulous regard for the national security in connection with the disposition of these mandated islands, and I want to tell the Senate that on day before yesterday the committee had before it General Marshall, Secretary Patterson, Secretary Forrestal, General Eisenhower, and Admiral Nimitz, and took from each the categorical statement that the trusteeship agreement as reported completely defends the national security, and is completely satisfactory to each and all of them in respect to its effect on the national security. The full printed hearings will be available in another day. I am asking Senators if they will be good enough to read the committee report, so that at an early date, permitting time subsequently for the House to act, I may have the opportunity of calling up the agreement for action. Out of order, I ask unanimous consent to present the committee report for the calendar.

The PRESIDING OFFICER (Mr. MCGRATH in the chair). The report will be received, and the joint resolution will be placed on the calendar.

CONSIDERATION OF APPROPRIATION BILLS

Mr. WHERRY. There are a number of bills which are very important. I have reference to the legislative appropriation bill and the Army appropriation bill. So long as the distinguished Senator who is in charge of the tax bill [Mr. MILLIKIN] is on the floor I would suggest a unanimous-consent request that the unfinished business be temporarily laid aside in order that the Senate may consider the two appropriation bills which I have mentioned. If they should provoke a long controversy—I think they are noncontroversial—then the Senator from Colorado can move the regular order, so that when we recess tonight the unfinished business, the tax bill, will be pending tomorrow.

Mr. MILLIKIN. Mr. President, may I inquire whether it is the present intention to assemble at 11 o'clock or at 12 o'clock tomorrow?

Mr. WHITE. I presume it will be at 12 o'clock, but there is no reason why that presumption must be accepted.

Mr. MILLIKIN. If we resume the consideration of the tax bill at 12 o'clock, on the assembling of the Senate, or if whatever is started is finished this evening or is delayed until after we finish consideration of the tax bill, I would not object.

Mr. WHERRY. Then, if there is no objection, the unanimous-consent request is agreed to, Mr. President; is it not?

The PRESIDENT pro tempore. Let the bills be identified.

Mr. WHERRY. The pending business is House bill 3950, and the request is that it be temporarily laid aside and that the Senate proceed to the consideration, respectively, of the legislative appropriation bill and the Army appropriation bill, with the understanding that if either one becomes controversial and takes an indefinite length of time, the distinguished Senator from Colorado [Mr. MILLIKIN] may move the regular order.

Mr. TAFT. Mr. President, the legislative appropriation bill is Order No. 484, House bill 3993. The military appropriation bill is Order No. 480, House bill 3678.

The PRESIDENT pro tempore. Which bill is it desired to take up first?

Mr. WHERRY. The legislative appropriation bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska that the unfinished business be temporarily laid aside and that the Senate proceed to consider House bill 3993.

Mr. MILLIKIN. Mr. President, may I add that the regular order may be resumed upon my motion?

The PRESIDENT pro tempore. A Senator can always call back the regular order by simple request.

Mr. LUCAS. Mr. President, may I inquire of the Senator from Nebraska how long it will take to consider the legislative appropriation bill?

Mr. WHERRY. My best judgment is that it is noncontroversial, and I understood from the chairman of the committee that he thought it could be passed in 10 minutes.

Mr. LUCAS. Are any of the members of the committee present?

Mr. WHERRY. My intention was to request a quorum call.

Mr. LUCAS. Before the unanimous-consent request is agreed to?

Mr. WHERRY. I should like to have the unanimous-consent request agreed to.

The PRESIDENT pro tempore. Is there objection?

Mr. LUCAS. Mr. President, I think we should have a quorum call before the unanimous-consent agreement is entered into. Apparently there is not a Senator on this side of the aisle who is a member of the Appropriations Subcommittee having to do with legislative appropriations, or of the other subcommittee.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

LEGISLATIVE APPROPRIATIONS

Mr. BRIDGES. Mr. President——

The PRESIDENT pro tempore. The Senator from Nebraska has asked unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 3993, which the clerk will state by title.

The CHIEF CLERK. A bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes.

Mr. MILLIKIN. Mr. President, reserving the right to object, I understand that I shall have the right to move the regular order at any time.

The PRESIDENT pro tempore. The Senator from Colorado is correct.

Mr. MILLIKIN. I also understand that it is further understood that the business which it is proposed to have temporarily displace House bill 3950, will be concluded today; in any event, it will not move into tomorrow.

The PRESIDENT pro tempore. That is the understanding.

Is there objection to the unanimous-consent request?

There being no objection, the Senate proceeded to consider the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

The first amendment of the Committee on Appropriations was, under the heading "Senate—Office of the Secretary," on page 2, line 21, after "For office of the Secretary," to strike out "$291,505" and insert "$306,815: *Provided*, That the basic lump sum for additional clerical assistance and readjustment of salaries in the disbursing office is increased by $2,520: *Provided further*, That the basic annual rates of compensation for the following positions shall be: Printing clerk, $5,000; keeper of stationery, $4,000; librarian, $4,000; clerk, $3,000 in lieu of clerk, $2,760; assistant at press door, $2,520 in lieu of $2,400; coordinator, joint radio information facility, $6,660."

The amendment was agreed to.

The next amendment was, under the subhead "Committee employees," on page 3, line 7, after the word "committees", to strike out "$1,285,785" and insert "$1,335,785."

The amendment was agreed to.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper," on page 3, line 19, after the word "Doorkeeper", to strike out "$821,915" and insert "$775,850"; and in line 23, after the word "each", to insert a colon and the following: *"Provided further*, That the following positions are abolished: Clerk on Journal work for CONGRESSIONAL RECORD to be selected by the Official Reporters, $3,360; messenger, $2,140; three female attendants in charge of ladies' retiring rooms, Senate Office Building, at $1,560 each; laborer in charge of Senate toilet rooms in old library space, $1,260: *Provided further*, That the rates of basic annual compensation for the following positions shall be: Clerk, $3,480 in lieu of clerk, $3,300; clerk, $3,300 in lieu of clerk, $3,120; superintendent, Periodical Press Gallery, $3,660; assistant postmaster, $4,140; messengers (acting as assistant doorkeeper)—four at $2,560 each in lieu of three at $2,560 each; cabinetmakers—chief, $3,080; two at $2,460 each; finisher, $2,460; upholsterer, $2,460; janitors—chief, $3,200; assistant, $1,860; female attendants in charge of ladies' retiring rooms—two at $1,560 each in lieu of four at $1,560 each; laborers—27 at $1,320 each in lieu of 26 at $1,320 each; four at $540 each in lieu of three at $540 each."

The amendment was agreed to.

The next amendment was, on page 4, after line 17, to insert:

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

For the offices of the secretary for the majority and the secretary for the minority, heretofore included under the Office of the Sergeant at Arms, $43,120.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Senate," on page 5, line 13, after the word "Congress", to strike out "$50,000," and insert "$225,000."

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the word "installments", to strike out "$84,525" and insert "$100,260."

The amendment was agreed to.

The next amendment was, on page 7, line 9, after the word "Congress", to strike out "$75,400" and insert "$45,000."

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "Arms", to insert "and the secretaries for the majority and the minority."

The amendment was agreed to.

The next amendment was, at the top of page 8, to insert:

Rent: For rent of warehouse for storage of public documents from July 1 to November 30, 1947, $2,645.

The amendment was agreed to.

The next amendment was, under the heading "House of Representatives—Office of the Clerk," on page 9, line 10, after the word "Clerk", to strike out "$369,180" and insert "$384,335"; and in line 13, after the figures "$2,860", to insert a colon and the following: *"Provided further*, That the following positions and basic rates of compensation are established under the Joint Radio Information Facility: Director of studios, $3,240; chief engineer, $2,220; first assistant engineer, $1,800; second assistant engineer, $1,680; secretary, $1,500."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the House," on page 13, line 8, after the word "Taxation", to strike out "$155,000" and insert "$185,000."

The amendment was agreed to.

The next amendment was, on page 16, after line 19, to insert:

Every committee serving the House of Representatives shall report to the Clerk of the House within 15 days after December 31 and June 30 of each year the name, profession, and total salary of each person employed by such committee or any subcommittee thereof during the period covered by such report, and shall make an accounting of funds made available to and expended by such committee or subcommittee during such period, and such information when reported shall be published in the CONGRESSIONAL RECORD. The first such report shall cover the period beginning on January 3, 1947, and ending on June 30, 1947, and succeeding reports shall cover the 6 months' period ending on the preceding December 31 or June 30, as the case may be. The information required to be reported and published shall be in lieu of the information required to be reported and published under section 134 (b) of the Legislative Reorganization Act of 1946, as amended, in the case of committees of the House and their subcommittees.

The amendment was agreed to.

The next amendment was, under the heading "Office of the Legislative Counsel," on page 19, line 10, after the numerals "1946", to strike out "$160,000" and insert "$180,000"; and in line 11, after the word "which", to strike out "$80,000" and insert "$100,000."

The amendment was agreed to.

The next amendment was, under the heading "Education of Senate and House pages," on page 20, line 3, after the word "prescribe", to insert a colon and the following: *"Provided*, That, notwithstanding the provisions of section 6 of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes,' approved May 10, 1916, as amended, the Board of Education of the District of Columbia is authorized and directed to pay Joseph Skubitz and Joseph J. Sullivan for services rendered by them as teachers in the Capitol Page School for the period January 2, 1947, to April 3, 1947, inclusive."

The amendment was agreed to.

The next amendment was, under the heading "Architect of the Capitol—Capitol buildings and grounds," on page 23, line 10, after the word "each", to insert "and one at $1,560"; and in line 12, after the words "in all", to strike out "$492,100" and insert "$547,205."

The amendment was agreed to.

The next amendment was, on page 23, line 16, after the figures "$652,500", to strike out "including the salary of the superintendent of the House Office Buildings, which shall be at the gross rate of $7,373 per annum so long as the position is held by the present incumbent" and insert "and so long as the position is held by the present incumbent the superintendent of the House Office Buildings shall be paid $500 per annum in addition to compensation otherwise payable under law."

The amendment was agreed to.

The next amendment was, under the heading "Library of Congress," on page 27, line 10, after the word "Librarian", to strike out "$2,249,600" and insert "$2,455,398."

The amendment was agreed to.

The next amendment was, under the subhead "Copyright Office," on page 27, line 20, after the word services", to strike out "$520,500" and insert "$656,000."

The amendment was agreed to.

The next amendment was, under the subhead "Legislative Reference Service," on page 28, line 7, after the word "Librarian", to strike out "$400,000" and insert "$500,000."

The amendment was agreed to.

The next amendment was, on page 29, after line 21, to strike out:

MOTION-PICTURE PROJECT

To enable the Librarian of Congress to develop, record, store, and service motion pictures, including personal services, traveling expenses, rental of storage space and all other necessary expenses incidental to the development of the motion-picture program, $85,000.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. BRIDGES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 31, in line 12, it is proposed to strike out "$40,000" and insert in lieu thereof "$90,000."

Mr. BRIDGES. Mr. President, this change is proposed to be made in order to provide books for the blind in the Library of Congress, a matter in which there seems to be general interest. We propose to put in that item and have it taken to conference, and have the details worked out there.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

The PRESIDENT pro tempore. Are there further amendments to be offered?

Mr. WILEY. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 28, after line 10, it is proposed to insert the following:

REVISED EDITION OF ANNOTATED CONSTITUTION

For the preparation of a revised edition of the Annotated Constitution of the United States of America, as authorized by Public Law 95, Eightieth Congress, $35,000, to remain available until expended.

Mr. WILEY. Mr. President, I understand that the amendment is acceptable. It was omitted by mistake. On June 17, Public Law 95 was passed, appropriating this sum of money for the purpose of annotating the Constitution of the United States.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. BRIDGES. Mr. President, let me say that the amendment was not omitted by mistake, as has been stated, but there was some question about it, not as to the necessity of doing this eventually, but as to the need of doing it now.

However, if the chairman of the Judiciary Committee believes that it is necessary to have it done at this time, as chairman of the full committee I should like to hear from the Senator from North Dakota [Mr. YOUNG], as chairman of the subcommittee, and should like to have him state how he feels about the amendment.

Mr. YOUNG. Mr. President, if the chairman of the Judiciary Committee believes that it is necessary, I have no objection.

Mr. WILEY. Yes; it is necessary.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDENT pro tempore. Are there further amendments to be proposed? If there are no further amendments, the question is on the engrossment of the amendments, and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3993) was read the third time and passed.

Mr. YOUNG. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. YOUNG, Mr. BRIDGES, Mr. SALTONSTALL, Mr. DWORSHAK, Mr. OVERTON, Mr. TYDINGS, and Mr. GREEN conferees on the part of the Senate.

MILITARY ESTABLISHMENT APPROPRIATIONS

Mr. GURNEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 3678.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota?

Mr. BYRD. Mr. President, with the understanding that there will be adequate time for discussion of the amendment which I have discussed with the Senator from South Dakota, I shall not object. I have sent to my office for some papers. I did not know the bill was to come up this afternoon, and I want time sufficient to have the papers sent to me.

Mr. GURNEY. Mr. President, we will reach the amendment in which the Senator from Virginia is interested, which has to do with ceilings on civilian employees. I do not believe the Senator from Virginia will discuss the amounts in the bill. I suggest, therefore, that we proceed with the discussion of the bill. I think we can resolve our differences, if there are any.

Mr. MILLIKIN. Mr. President, I should like to remind the Senator again that I withheld objection to the request with the understanding that the intervening matters would be disposed of today, and would in no way interfere with the consideration of the tax bill when the Senate meets tomorrow.

Mr. GURNEY. I would hope we could complete action on the appropriation bill this afternoon.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota?

There being no objection, the Senate proceeded to consider the bill (H. R. 3678), making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

The first amendment of the Committee on Appropriations was, under the heading "General Staff Corps—Finance Department—Finance Service, Army," at the top of page 5, at the beginning of line 1, to strike out "$2,348,438,179" and insert "$2,423,813,129."

The amendment was agreed to.

The next amendment was, on page 12, line 24, after the word "Department", to strike out "$20,160,650" and insert "$22,806,563."

The amendment was agreed to.

The next amendment was, on page 13, line 13, after the word "Army", to strike out "$2,526,041,829" and insert "$2,586,619,692."

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps—Quartermaster Service, Army," on page 14, line 2, after the word "personnel", to strike out "$6,777,141" and insert "$7,610,619."

The amendment was agreed to.

The next amendment was, on page 17, line 4, after the word "irrigation", to strike out "$70,059,860" and insert "$78,559,860."

The amendment was agreed to.

The next amendment was, on page 18, line 14, after the word "reasons", to strike out "$153,834,336" and insert "$154,330,688."

The amendment was agreed to.

The next amendment was, on page 19, line 18, after the word "sites", to strike out "$78,530,058" and insert "$88,430,042."

The amendment was agreed to.

The next amendment was, on page 20, line 3, after the word "Army", to strike out "$685,785,795" and insert "$705,515,609."

The amendment was agreed to.

The next amendment was, under the subhead "Transportation Corps—Transportation Service, Army," on page 20, line 23, after the word "station", to strike out "$347,577,227" and insert "$392,633,443."

The amendment was agreed to.

The next amendment was, under the subhead "Signal Corps—Signal Service of the Army," on page 23, line 12, after the word "thereof", to strike out "$79,128,895" and insert "$85,475,501, and in addition to this appropriation the Secretary may, prior to July 1, 1948, enter into contracts in an amount not in excess of $11,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Air Corps—Air Corps, Army," on page 26, line 4, after "(Public Law 601)", to strike out "$773,332,508" and insert "$858,443,591."

Mr. LODGE. Mr. President, I send to the desk an amendment to strike out "$858,443,591", on page 26, line 4, and to insert "$1,210,713,591."

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Massachusetts to the committee amendment.

Mr. LODGE. Mr. President, the amendment, together with eight other amendments which I shall offer en bloc in case my first amendment shall be agreed to, represents my attempt to increase the appropriation for the Air Corps, Army, by $613,130,000, so as to provide an ever-ready air force of 70 peace-strength air groups.

This is the background for this figure: The Air Corps asked the War Department for 70 peace-strength air groups. The War Department reduced this request to 58 peace-strength air groups and 12 skeletonized air groups. The Budget Bureau allowed 55 peace-strength air groups and 15 skeletonized air groups. The House allowed for approximately 50 peace-strength air groups and 20 skeletonized air groups. The pending bill as it comes from the Senate committee will provide for 55 peace-strength air groups and 15 skeletonized air groups, the number allowed by the Budget Bureau.

The increase of $613,130,000, for which I ask, can be broken down into the following subdivisions: $383,130,000 in cash and $230,000,000 in contract authorizations. The cash amount can further be itemized into $352,270,000 for the Air Corps proper, which means 750 planes, to be added to the 1,100 additional provided in the bill. This is necessarily supplemented by $2,000,000 for transportation service, $1,560,000 for Signal Corps, $5,400,000 for engineer service, $9,800,000 for barracks and quarters, and $12,100,000 for ordnance service and supplies. The amendment which I request for the Air Corps will provide for 75,000 additional civilian positions. No increase is required for the 400,000 military personnel necessary to this program.

Mr. President, the Congress has the great advantage this year of having the benefit of the report of the President's Advisory Commission on Universal Training, commonly called the Compton Commission, which has just finished a complete survey of what the United States needs in order to preserve its national security.

I call the attention of the Senate to the fact that the Commission gave as its first priority, quoting the Commission:

> A striking Air Force—spearhead of our professional armed services, this force would be charged with the crucial mission of defense by attack. Its job would be to stop the enemy's first onslaught and to hit back at them with crushing force. "We believe," says the report, "that an aggressor's reluctance to start a war and his handicap in prosecuting it successfully if he did start would be in direct proportion to the power and readiness of our mobile striking force. Its personnel would have to be highly trained and its equipment would have to be the most advanced in the world."

That is the opinion of the Compton Commission.

After prolonged and careful study the Air Force has concluded that 70 air groups are necessary to carry us through the early months of any war. That is, in their opinion, the indispensable peacetime base for the eventual war efforts which we would have to make—which would probably require a total of 180 groups.

Mr. President, that is the opinion of the Compton Commission. After prolonged and careful study the Air Force has concluded that 70 air groups are necessary to carry us through the early months of any war, to be the "striking Air Force" referred to by the Compton Commission. That figure is, in their opinion—not in my opinion, but in their opinion—the indispensable peacetime base for the eventual war efforts which we would have to make, which would require probably a total of 180 groups. Seventy air groups comprise about 4,000 planes. The fact that the Army Air Force still has nearly 25,000 planes of all types and the Navy 15,000 does not offset the dismal fact that at the present time the United States is capable of mustering a striking force of only 130 long-range bombers. The huge number of planes that we have in storage are rapidly growing obsolete.

The President pro tempore, now presiding over the Senate, knows perhaps better than any other Senator that the United States will never strike the first blow in any war. History has shown that the role of the aggressor does not fit the American philosophy or temperament. Our hope lies in being ready to retaliate the moment we are attacked. It is clear that we are vulnerable, in the first instance, only to air attacks, with the possible exception of submarine attacks on our coastal cities. Our plan must be, therefore, to absorb the first blow, and then, without delay, to deliver the counterattack which will set the enemy back on his heels and give us time to breathe and to bring our full power to bear.

Obviously the only way by which that first retaliatory blow can be thoroughly effected is through the air. This breaks down the mission of the Air Force into three basic parts:

First is the air defense of the United States against the air attacks which would be made on us.

Second is the support of the evacuation of our occupation forces abroad should they be threatened.

Third is the launching of the retaliatory counterattack.

The 70 peace-strength groups proposed will consist of 25 heavy-bomber groups, 25 fighter groups, 5 medium-bomber groups, 5 tactical carrier groups, and 10 transport groups. I believe it is not stretching the facts at all to say that the establishment of the 70-group air force represents an expense, large though it may seem from a budgetary standpoint, which is negligible when compared with all that this can mean to us as a deterrent to enemy action and as a means of meeting an initial attack.

In its June 30 issue Newsweek magazine has as its principal feature an article entitled "Weakened Wings—How Much Washington Has Let the Air Force Wane." The article begins with this paragraph:

> Army Air Forces requests for appropriations for the coming year barely squeaked through the congressional filter this month after severe reductions had been made both by the War Department and the Bureau of the Budget. Making all due allowances for exaggerations designed to impress reluctant Congressmen, it is a fact that air force leaders are genuinely worried over the threatening decline in this country's air power.

The article states:

> The fact is production facilities, so prodigiously expanded during the recent war, are being allowed to disintegrate. * * * The fact is that in research—the real key to all future air strength the United States is lagging. * * * The fact is that in numbers of combat airplanes the United States has fallen behind Russia. Russia is believed to have a combat air force today larger than the American and British air fleets combined.

Newsweek goes on to tell us that the program for training reserve pilots and other specialists is far in arrears. Formerly, it was planned to have an air force of 44,000 pilots, for example, with 48,000 in reserve which would be kept fresh at 130 special bases. Actually only 70 bases have been activated and 22,500 reserve pilots have been trained. We are told that:

> Economy then forced elimination of all but 41 training centers where just under 10,000 reserve pilots are now being handled. An additional 19,000 reservists who have applied are out in the cold.

This is also true of bombardiers, navigators, engineers, and other flight-crew personnel. The proposed increase would

have a substantial, if indirect, effect on the Reserve picture.

Insofar as production is concerned the article says:

> In the decade after the First World War the American aircraft industry withered away to a total of only three producers. As late as 1939 the industry still ranked forty-fourth in dollar value of product. From this it rose in a few years to mammoth proportions. In 1944 the American plane industry turned out 96,000 aircraft, or about 1 every 5 minutes.

In the first 6 months of 1947 the industry turned out a total of 767 planes—grand total, Army, Navy, and civilian. This is two one-hundredths of a plane every 5 minutes.

Mr. President, I think this is the least we can do to provide for our security. We have the word of the Compton Commission that the first priority for our security should be a striking Air Force. My amendment will provide such an Air Force.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from South Carolina.

Mr. MAYBANK. I would like to ask the Senator from Massachusetts a question. He read an article from Newsweek, stating the reductions that had been made from the requests of the Army Air Force. Will the Senator's amendment increase it to approximately what they requested?

Mr. LODGE. The amendment brings it up exactly to what the Army Air Force requested of the War Department.

Mr. MAYBANK. Let me ask the Senator one further question, because I am in thorough accord with what the Senator said, and intend to support his amendment. Does that exceed the budget request?

Mr. LODGE. It exceeds the budget request.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Washington.

Mr. MAGNUSON. What would be the number of planes that would be ordered by the Army for manufacture under the Senator's amendment?

Mr. LODGE. There would be an additional 750 airplanes.

Mr. MAGNUSON. It would practically double the total number they could order, under the pending bill?

Mr. LODGE. Under the appropriation that is now in the bill, the number would be 1,100. My amendment, if adopted would bring it to a total of approximately 1,850 new, complete aircraft, which would be the first substantial step toward providing modern aircraft that would be required by a 70-group Air Force.

Mr. MAGNUSON. I want to say to the Senator that I heartily support his amendment, and for one reason only. I do not think the Congress realizes yet just what has happened to the airplane-manufacturing industry. I speak not only for the plant in my own State, Boeing, but Glenn Martin, Douglas, Lockheed, North America, Republic, and all the other factories. If there is not conscientious planning, and if the War Department cannot present a program far in excess of what the Appropriations Committee has provided by July 1948, there will be a shut-down of every airplane factory in the country, because their commercial orders will then run out, their military orders will then run out, and the whole aircraft-manufacturing potential of the country will be gone. I hope the Senate realizes we reached a production of many airplanes during the war. The Senator from Massachusetts knows that the popular conception is, "Oh, well, if something should happen, we could again produce airplanes." That is far from the truth. For instance, the B–29 required 7 years from the drawing board to the first one that rolled out of the Boeing airplane hangar. The same thing was true of the North American fighters, it was also true of the Superforts. I think we are very short-sighted if we do not increase the amount, undertake proper planning, and keep our aircraft-manufacturing industry alive. If we do not, there probably will have to be certain mergers and consolidations. Commercial lines cannot take a sufficient number of planes, nor can foreign countries, to keep the industry going. We will wake up some day, if we do not plan properly, and find ourselves without airplane-manufacturing facilities, with the personnel scattered all over the world. They are now being laid off. We shall then sit down at a drawing board and try to have a plane produced by some company which may be well along the way to bankruptcy. For that one reason I hope the Senator's amendment will be agreed to.

Mr. LODGE. I thank the Senator from Washington very much. I think his reasoning is entirely correct. I do not know whether he heard me say that, in 1944, we produced a total of 96,000 airplanes in this country, and, in the first 6 months of 1947, the industry turned out a total of 767 planes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Oregon.

Mr. MORSE. I want to very heartily commend the Senator from Massachusetts upon the argument he has made in support of his amendment. I think he has made it very clear to the Senate, and it certainly should be made very clear to the American people, that we must not only keep ourselves strong from the standpoint of national security, in order to defend ourselves, but we must also keep ourselves strong, so we can enforce peace until all the nations of the world demonstrate a willingness to cooperate in maintaining the peace. I think the Senator does very well in pointing out that time is going to be so precious in case of another attack that opportunity will not be afforded to rebuild the aircraft industry, if we now permit it to deteriorate and practically go out of business. I think the Senator from Washington made the point very well when he pointed out that already our aircraft industry is suffering such a decline that it would take considerable time for it to recoup its resources to the point where it could begin to produce the necessary aircraft in case of a national emergency.

I am very glad to join with the Senator from Massachusetts in full support of his amendment.

Mr. LODGE. I thank the Senator from Oregon very much.

Mr. MAYBANK. Mr. President, I should like to ask the distinguished Senator from Massachusetts whether the amendment also takes care of the increased Air Force Reserve?

Mr. LODGE. It has an indirect effect on the Reserves. It helps the Reserve picture, but it does not bring it up entirely.

Mr. MAYBANK. It will allow them to have some planes, will it not?

Mr. LODGE. It will.

Mr. MAYBANK. I know of one group of 300 who have had no planes even for maneuvers.

Mr. LODGE. Let me say to the Senator, I am advised that the pilot training program for the fiscal year 1948 remains at 825 a year, going to 3,000 a year in the fiscal year 1949. It is expected, if adequate funds and sufficient personnel are provided, as proposed by the amendment, that it will be possible to augment the plants so as to reach the 3,000 rate at the end of the year.

Mr. MAYBANK. I thank the Senator. I wish to make one more suggestion in connection with what the able Senator from Massachusetts [Mr. LODGE] and the able Senator from Washington [Mr. MAGNUSON] stated. The other day there appeared an article in a newspaper, which the Senator probably saw, that we were far behind in jet propulsion engines, and that a contract had been entered into with the British by a Connecticut firm, I think it was Johns-Manville, to bring some jet-propelled engines to this country. At a meeting of the Armed Services Committee I questioned the Secretary of the Navy in connection with that matter and was told that was the fact. Have we fallen so far from our high record of 1944, as to be down to 700 planes?

Mr. LODGE. The bill provides for 1,100 planes, and my amendment would add 750 planes to that number.

Mr. MAYBANK. The bill provides for 1,100 planes?

Mr. LODGE. There are 1,100 new type planes provided for in the bill as it comes from the committee, and my amendment would add 750 new type planes, or 1,850 altogether.

Mr. MAYBANK. Does the Senator's amendment provide sufficient funds for the manufacturers to experiment with the new developments in jet propulsion, and all that goes with it?

Mr. LODGE. It would certainly enlarge their opportunity to do that.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BALDWIN. There is no need for me to prolong the discussion of the matter, because the Senator from Massachusetts has adequately and completely presented it to us. It seems to me the arguments for making the addition are conclusive. I wish to commend the Senator from Massachusetts for his interesting

and for his highly intelligent and able statement on this all-important subject.

The last war demonstrated the effectiveness of superiority in the air. I submit that we ought to make certain in the appropriation bill that the Air Forces are adequately provided for, and that we can continue to maintain our superiority at the same time that we maintain the hope that we will not have to use it in war. It seems to me that one of the best guarantees for peace at this time is adequate preparedness in the air.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. O'MAHONEY. I am very happy that the Senator from Massachusetts has submitted the amendment. I desire to associate myself completely with his purpose, which I understand to be to add sufficient sums to the bill to carry out the air program which was requested by the War Department itself.

Mr. LODGE. It was requested by the Army Air Force, but, of course, not allowed by the Budget Bureau.

Mr. O'MAHONEY. Yes, precisely. There can be no doubt in my mind that this is the wise and proper thing to do. One of our great dangers at this moment arises from the fact that we have allowed our military establishment to waste away. We certainly should not do that with respect to air power. I shall certainly support the amendment of the Senator from Massachusetts.

Mr. LODGE. I am deeply grateful to the Senator from Wyoming for making that statement. I know it is very helpful.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. PEPPER. I should like to ascertain from the able Senator, if he can give me the facts, how the appropriation for the military establishment contained in the bill in its over-all character compares with the budget request for the military establishment?

Mr. LODGE. I can speak only about the Air Corps phase of it. I am not in charge of the bill, I will say to the Senator from Florida. I am the author of an amendment. I think it was before the Senator appeared on the floor that I offered the amendment to increase the amount for the Air Force so as to provide a total of 70 peacetime air groups. The bill as it comes from the committee provides for 55 peacetime air groups and 15 skeletonized air groups. I cannot answer the Senator's question regarding the bill as a whole, but if he asks questions as to the Air Force and the number of planes, I can answer them.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. O'MAHONEY. The report shows that the bill, as reported to the Senate, is under the budget estimate for 1948 by $100,172,701.

Mr. PEPPER. I thank the Senator from Wyoming.

Mr. President, will the Senator from Massachusetts yield further?

Mr. LODGE. I yield.

Mr. PEPPER. How does the amount allowed by the committee, and provided for in the bill, with respect to the number of airplanes for the Military Establishment, compare with the budget request?

Mr. LODGE. The amount allowed by the committee is the same as the amount recommended by the budget. The amount I am requesting is in excess of the amount recommended by the Budget. The amount I am requesting is the amount which the Air Force requested initially but was refused by the Budget.

Mr. PEPPER. Mr. President, if the Senator will allow me, I wish to make the observation that I think it is a very dangerous practice for the committee and for the Congress to reduce the Military Establishment below the needs as declared and determined by the armed services and by the President of the United States. I am sorry to learn that the gross appropriation for the Military Establishment is lower than the estimate of the Budget Bureau. In all probability the Budget Bureau's allowance might have been a more severe curtailment than should have been made, and I commend the Senator.

Mr. LODGE. My figure is above that of the Budget Bureau.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I was about to say that I commend the Senator from Massachusetts for his amendment, and, like the Senator from Wyoming, and no doubt other Senators, I shall support it. I remember that once before here in the Senate there were proposals that we increase the number of airplanes in the Military Establishment of the United States, and I remember that in those prewar days such proposals failed. I do not know the number of planes the Military Establishment needs. I want it to have all it says it needs. I do not want to take the responsibility for the number being less than the Military Establishment suggests we should have.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. TAFT. I only wanted to point out to the Senate that the Senator from Massachusetts is asking us to overrule the Secretary of War, the Budget Bureau, the President, the House committee, and our own committee, and to add $600,000,000 to an appropriation figure which the President himself approved.

Mr. LODGE. Yes, I am asking that that be done, and I offer no apologies for it at all. I believe that the President and the Bureau of the Budget made a great mistake, I will say to the Senator from Ohio when they neglected and brushed aside the representations of the officers of the Air Force upon their solemn responsibility for the upbuilding of our Air Force. I call the attention of the Senator from Ohio and the Members of the Senate to the fact that in the Compton Commission report the statement is made that the first priority for the national security of the country should go to the striking Air Force, and these are the figures which will give it to them, and I hope the Senate will adopt them.

I yield the floor.

Mr. GURNEY. Mr. President, I wish to make a short statement on the pending matter.

Mr. PEPPER. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator will state it.

Mr. PEPPER. Who has the floor?

The PRESIDENT pro tempore. The Senator from South Dakota.

Mr. GURNEY. In addition to the amount of money recommended by the Senate Appropriations Committee, there are in the bill certain amounts for contractual authority for new airplanes. The Budget Bureau asked originally for 932 airplanes. The increased cost since the budget was made up cuts that number to 749. That is the number of planes that the House appropriated money for—749. The Senate Appropriations Committee raised that figure in total, with cash and with contractual authority, so that there are sufficient funds now and authority to provide 1099 planes, which is the 1,100 round figure we are talking about. The request made by the Senator from Massachusetts, as I understand, in his amendment, is to increase the amount in cash $352,270,000. Is that correct?

Mr. LODGE. In cash.

Mr. GURNEY. In cash, and then on top of that a contract authorization of $230,000,000 for airplanes, making a total of $582,000,000 for additional airplanes, bringing the number up to the 1,180 airplanes for which the Army Air Corps asked the Budget Bureau originally.

Mr. LODGE. That is correct.

Mr. GURNEY. Mr. President, I regret that we must appropriate such large sums of money for our national security. I definitely recognize that the sums in this bill and in the Navy appropriation bill would do a great many things. They would take care of all the flood-control activities during any one year. They would build all the hospitals we need. The amount of money in the Navy and Army bills would also take care of all our highways. It would take care of a number of things. So we are foregoing those things which are so necessary in our peacetime world, and for our national security we are recommending appropriations totaling $11,000,000,000 for the Army and Navy. I believe that this program must be rounded out, so to speak.

I invite the attention of the Senate to the fact that from the standpoint of cash, the amount recommended by the Senate committee is approximately $100,000,000 under the budget estimate. However, in addition there is a total contractual authority of $543,490,000, of which $497,490,000 is for the Air Corps. Of the $497,490,000 contract authority, $280,000,000 was included by the House as proposed in the regular budget estimates. An additional contract authorization for the Air Corps of $103,490,000 was proposed in a supplemental estimate sent to the Senate. Furthermore, the committee recommended an additional contract authorization for the Air Corps of $114,000,000, making a total contractual authority in the bill for the Air Corps of $497,000,000. Of the total contract authorization of $543,490,000, there were

budget estimates totaling $383,490,000. In contract authority, the bill is, therefore $160,000,000 over the budget estimates. Deducting the $100,000,000 cash the committee bill is under the cash estimates, the bill is approximately $60,000,000 over the total budget estimates for cash and contract authority. Some of the planes proposed to be purchased will be delivered toward the end of the fiscal year 1948. The remainder will be delivered in the fiscal year 1948; and, of course, the money will have to be appropriated at that time.

Personally, I should like to go along with the Senator from Massachusetts. I believe that world conditions almost make it mandatory for us to have these planes available as soon as they can be delivered. However, I wish to invite the attention of the Senate to the report made by the Aeronautical Investigating Committee, which reported about a year ago, at which time it said that it was necessary that 30,000,000 pounds of airplanes be produced each year to keep our aviation industry in a healthy condition. The money in the Navy bill and the money recommended by the Senate Appropriations Committee for airplanes in this bill will purchase not 30,000,000 pounds, but 16,500,000 pounds. Consequently we are going quite a way in providing orders for the aviation industry. To give the aviation industry the total orders necessary to bring production up to 30,000,000 pounds of airplanes a year would require an addition of five or six billion dollars.

I hope that the Senate, after considering the total picture, the well-rounded program of taxation, and everything else, will stand by the committee recommendation.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. GURNEY. I yield for a question.

Mr. MAGNUSON. Perhaps I misunderstood the Senator. I understood him to say that the presently recommended appropriation would call for 16,000,000 pounds of airplanes.

Mr. GURNEY. Sixteen and one-half million pounds for both the Army and Navy, provided the House accepts the Senate figures.

Mr. MAGNUSON. The air investigating committee stated that approximately twice that amount would be required. The Senator made the statement that that would cost $5,000,000,000 additional. Does the Senator mean that?

Mr. GURNEY. I would judge so, from memory. The Navy had quite a huge amount for airplanes, and there is quite a huge amount here for airplanes. There is a total of $1,355,000,000 for the Air Corps in this bill. It would require about $5,000,000,000 more to bring it up to 30,000,000 pounds a year.

Mr. MAGNUSON. So far as this bill is concerned, it would require doubling the amount now proposed to be provided.

Mr. GURNEY. Yes. We have a little more than $3,000,000,000 in the two bills. It would probably require $3,000,000,000 more to comply with the aviation committee's recommendation.

Mr. MAGNUSON. I know how devoted the Senator has been to a strong national defense. However, the budget estimates, and even the Air Corps estimates, were made up last fall in many cases. Hearings were held a year ago. As a matter of fact, the situation in the aircraft-manufacturing industry was not then well known. Since that time it has become very serious.

The Senator from Maine [Mr. BREWSTER] and I recently held a hearing at which representatives of manufacturers appeared. They categorically stated that unless there was double the amount, so far as the Army and Navy were concerned, so that they could do some planning, in July 1948 lay-offs would start.

Mr. GURNEY. The Senator's statement agrees completely with mine. It would require about double the amount presently provided in the Army and Navy bills.

Mr. MAGNUSON. I am afraid that we shall wake up and find, if we need some airplanes in a hurry, that our manufacturing potential will be gone. The personnel will be gone, and there will be no opportunity to produce them. Before World War II we gradually moved into production.

Mr. GURNEY. The Army Air Corps requested 70 groups on a peacetime basis, not activated for wartime. This bill provides 55 groups manned on a peacetime basis; so we are not so far away from the Air Corps request.

Mr. MAGNUSON. The Senator from Massachusetts [Mr. LODGE] would like to go further. I believe that, if we were to spend the money now, it would be well spent, because technically airplanes are becoming more and more complicated. A much longer time is required to build an airplane now, or to plan a proper military airplane, than ever before. In some cases years will be required. I am afraid that we shall not be able to get back into production.

Mr. GURNEY. Mr. President, I must fall back on the statement that a well-rounded defense program does not confine itself to airplanes. We must have infantry, tank corps, guided missiles, research and development, and a myriad of other things which the Senator can think of as well as I. A large portion of the money in this bill goes to other branches of the service.

Mr. President, that about completes my statement.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. BARKLEY. In connection with this entire subject, if $5,000,000,000 or $6,000,000,000 a year is necessary to keep the airplane industry going, I am wondering whether it would not be more economical for the Government to take it over and operate it, and make the planes it may need when it needs them.

Mr. GURNEY. I will go part way with the Senator's statement.

Mr. BARKLEY. I realize the disadvantage of having to rebuild an airplane industry in this country if we should be in war; but it seems a terrific situation if we must continue for years, as we may have to continue, appropriating money out of the Treasury to keep a private industry going, on the theory that we may some day need what it produces. If that is the situation, I am wondering whether we would not save money by letting the Government itself operate the industry. I am not advocating that. I am not in favor of violating our private enterprise system and theory, but it seems to me that this is a rather expensive priming operation.

Mr. GURNEY. We might possibly be compelled to go as far as subsidizing the airplane plants to keep them alive in case the world situation should become worse; but certainly I would not be one of those who would advocate the Government taking over the industry. Particularly I would be against the Government operating it, because I am sure that private industry can operate the plants more economically.

Mr. BARKLEY. I agree to that. But one of the main reasons for asking an increase is that if we do not do something like this, and continue to do it, the airplane manufacturers may fold up. I do not want that to happen. But if they are going to fold up for lack of Federal appropriations, I think we might have to consider whether it would be advantageous to the Government not simply to subsidize them, but to operate them in some other way. I am only feeling my way in this matter. I frankly do not like the idea of using more money than is asked for by the departments in order to bolster up an industry which probably had to be inflated during the war and has been deflated since the war. It does not appeal to me.

Mr. GURNEY. I think some better way can be figured out than by buying airplanes. I certainly should be against buying planes we do not need. But I shall not put my judgment against that of the Air Corps. I want to call the attention of the Senate to the fact that if the amendment offered by the Senator from Massachusetts [Mr. LODGE] is agreed to in its entirety, the Budget Bureau's estimate will be exceeded by $773,000,000.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. BREWSTER. The Senator from Kentucky has stated that it is a very serious problem, and the Senator from Washington [Mr. MAGNUSON] said that evidence was taken which resulted in a resolution which was reported today regarding the creation of a committee both on the part of Congress and the executive department as a temporary policy board to consider the plight of the aircraft industry, with the hope that a report will be submitted in January. There is a very serious question as to obtaining planes. The private planes are not being developed as was expected, and commercial aviation does not require more than three or four hundred a year at the most. With the completion of the program in the next 12 months there is practically nothing in

sight so far as further construction of transport planes is concerned. So that next January we shall certainly have to face a crisis. It is our earnest hope that a committee comparable, perhaps, to the Morrow Board which surveyed the situation 20 years ago, can survey it carefully and determine what, if anything, should be done. The Government cannot continue simply building planes in order to maintain the industry unless it is reconciled to that course.

Mr. BRIDGES. Mr. President, I listened with a great deal of interest to the amendment offered by the distinguished Senator from Massachusetts. I have great respect for the Senator from Massachusetts. We came to the Senate together, and on many votes in those early days we went down the line together. As a matter of fact, we are the only two Senators in the Senate today who voted against the original Neutrality Act. The other four who voted with us have either left the Senate or have passed to the great beyond. All through those years when dictators were on the rampage I have been one of those in this body who stood up and fought for appropriations to make this country strong. I yield to no one on this floor or in this country in my desire to have a strong air force.

Let us consider the situation. In the committee we deliberated long and carefully with regard to this matter. So far as I was concerned—and I think the members of the committee will bear me out—I put down the Air Corps as the No. 1 priority to be considered. After the Air Corps I put research and development; then intelligence, the National Guard, and the Reserve. I wanted those five arms to be particularly strong. Because I think the Air Corps is the first line of our defense I think it is absolutely essential that we keep up our research and development, and I think it is absolutely essential that we have good intelligence during these times. I believe it is also important that we have a strong National Guard and good Reserve officers. In a republic we must have them, because we cannot maintain a huge, strong army in peacetime.

The Air Corps made a request of the War Department. The War Department considered it, as did also the President of the United States and the Bureau of the Budget. They made a recommendation. The House cut the recommendation of the Bureau of the Budget. The Senate, in turn, gave to the Air Corps every cent that was requested by the War Department, the President of the United States, and the Bureau of the Budget. We restored to the House figures approximately $85,000,000 in cash and an authorization of $302,490,000, which would provide 1,100 planes.

Although that is not all that the Air Corps would like, I think, from my conversations with them, that they were very pleased and satisfied that the committee had done a good job, looking ahead to the protection of the country. I should like to give more money to the Air Corps than the bill provides, but I believe we have reached a reasonable basis, a much stronger basis than was provided in the House bill. It was reached after very careful consideration; and I think with those very essential elements of our national defense, namely, the Air Corps, Research and Development, Intelligence, National Guard, and the Reserve, the country is adequately protected.

In my judgment, if we were in imminent danger of war, which on some days some of the leaders of our Government openly predict and on other days perform in such a manner that we cannot judge in what direction we are going, that money could be better spent, instead of building more planes at this time, in, we will say, building some of the plane factories underground. If we want to look ahead and consider the future and the protection of the country, with the atomic development which is going on in the world, with all the dangers besetting us, we should recognize the fact that the great airplane plants throughout the country sticking out in various places like sore thumbs, are the best targets in the world, and if we do anything which will involve huge sums of money I believe we should start a reconstruction job by building some of the plane factories and some of the other essential factories underground. I think that would be doing a very constructive job.

That is on a different line, Mr. President, but I think that is one thing which we might well consider if the international situation becomes too critical. In the meantime, I think that when the committee, after careful consideration, provided not the amount appropriated by the House, but $85,000,000 more in cash and approximately $302,000,000 in authorizations so that the Air Corps might function, in my opinion it is sound ground on which to stand. It was not all they originally asked for, but what they said was a satisfactory basis, and it is what the President, the Bureau of the Budget, and the War Department asked for. I should dislike very much at this time, without any further consideration, to see the recommendations of the committee overridden all along the line.

I say this with all respect. I know the high motives that prompt the Senator from Massachusetts in offering the amendment. I referred earlier to his wisdom over the years. He served in the Senate prior to going into the service. He was one of those who looked ahead. He had wisdom, and he voted and acted accordingly. I respect him for that and I respect him for what he is doing today, but I feel that the amendment which he has offered should not be adopted at this time, and that the committee should be supported.

Mr. MAGNUSON. Mr. President, the Senator from Kentucky suggested that in connection with this amendment, there might be involved an element of taking the taxpayers' money and using it to keep private industry alive. I hope the record will not stand in that way. I was only stating that what the Air Corps has asked for and has said it needs, should be provided in the bill.

One of the reasons why I was advocating that was it would help out economy, because the Army and the Navy are large purchasers of airplanes made by private industry, and that is one of the reasons why the aircraft factories are in a little better position to function. Of course, they are vital to the national defense. I made that suggestion because they have testified that they are in bad shape at the present time.

Mr. BARKLEY. Mr. President, if the Senator will yield to me, let me say that my observation was not based on what the Senator from Washington said. I gathered from the remarks of the Senator from Massachusetts that one of the elements which he had in mind was the necessity, as he understood it, of keeping the airplane plants operating, so that they would be able to function in the event of another war. It was that suggestion which called forth my remarks.

Mr. MAGNUSON. Of course, no one wishes to have the Government buy any planes that the Army or the Navy do not need. The Senator from Massachusetts and I think that the Army needs this many planes, and that they are a vital part of the national defense. That is why we are supporting the amendment.

Mr. LODGE. Mr. President, the hour is very late, and I shall speak for only a few minutes. I wish to acknowledge with thanks the kind remarks which various Senators have made.

I am sure that my friends, the Senator from New Hampshire and the Senator from South Dakota, the chairman of the subcommittee, know that it is not a usual or an easy thing for me to go against the committee. I served on it for a number of years, and my every inclination is to cooperate with it. But this is a matter about which I have a very strong feeling and conviction.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. GURNEY. The Senator from Massachusetts will understand also that it is very hard for me personally to go against a request which, if granted, would make our Nation stronger.

Mr. LODGE. I appreciate that. The Senator from South Dakota needs no words from me to convince anyone that he is a rugged friend of the national security, and the same is true of the Senator from New Hampshire. He has always been in the forefront, fighting for the support of the national security. I appreciate what they have said, and I appreciate the way in which they have said it.

However, I wish to call attention to the fact that even if this amendment is adopted it will be necessary for the bill to go to conference, and all of us know what that means. I do not need to read a lecture to the Members of the Senate in regard to what happens in conference committees. Even if we adopt this amendment, which provides precisely what the Air Force has requested, we know very well that it will not be in the bill as finally enacted, because it will have to go to conference, and there some reduction in the item will be made.

I appreciate the solicitude of the Senator from Ohio for the views of the President of the United States. I think those views were expressed before the Compton

Commission made its report. The Compton Commission was appointed by the President, and was a nonpartisan body composed of scientists and leaders of various religious faiths—a group of men who have the confidence and the admiration of the country. That Commission had no ax to grind—political, commercial, or otherwise. It reported that the first priority to the security of this Nation is a striking Air Force. That is what that Commission says. The leaders of the Air Force on their solemn responsibility say 70 air groups are needed.

So I hope my amendment will be adopted.

Mr. HOLLAND. Mr. President, I wish to say that I appreciate more than I can say the attitude of loyalty toward the Air Force that has been shown by the distinguished Senator from Massachusetts. I think it is most commendable; I believe all of us know that he is one of the most personable Members of the Senate; and I am sure I find myself reluctant not to agree with him in regard to any matter, particularly in regard to a matter which strikes me so closely and intimately as does the Army Air Force, because I still like to think of myself as a member of that body.

But it seems to me, judging from what has been stated by the chairman of the Appropriations Committee and by the chairman of the Armed Services Committee, that it is very clear that United States Army Air Force has received the full amount as approved by the Bureau of the Budget, the full amount requested by the President and the full amount requested by the War Department. The committee has been backed by the chairman of the Armed Forces Committee. I should think it would indeed be a hasty action—reluctant as I am to say so—for the Senate to depart so greatly as would be required by the amendment offered by the distinguished junior Senator from Massachusetts, which I have understood would amount to a departure of nearly $600,000,000 in cash and in authorized expenditures, from the recommendation of the Bureau of the Budget and the recommendation of the War Department and the findings of both of these committees.

I remind the Senate that only yesterday we gave separate status, insofar as the Senate could do so, to the Air Force. I am one of those who was exceedingly proud to see that action taken. After the passage of the bill by the Senate yesterday, I stated to the distinguished Senator who is chairman of the Armed Services Committee that to me it was a tremendous thrill, inasmuch as I had happened to have a most humble service under Billy Mitchell, who had insisted so ardently, in the years of the First World War and following it, upon the principle that the Air Force should have separate existence and autonomy. So it was a tremendous thrill to me to see that dream of his realized after all these years, and to see the wisdom of his position, maintained so fully by the experience of our Nation during the last war, supported yesterday by the overwhelming vote of the Senate.

But I think that for the good of the Army Air Force itself, now to be a separate air force, it would be unfortunate if, on the first day after the taking of that favorable action, it would appear that it is to receive consideration which ignores the attitude of the Bureau of the Budget, the War Department, the President, and the two committees involved, after very careful study on their part. I think it might even conceivably affect the chances of the passage by the other House of the bill which the Senate passed yesterday. It is my feeling that we should stand with the committee, without yielding to anyone whomsoever, even to the distinguished junior Senator from Massachusetts, whom I admire so fully. I say that even with my love of the Air Force and with my concern for the national defense. I think we should stand by the committee.

Mr. TAYLOR. Mr. President, it seems to me more than a little strange that in this day, when the favorite pastime of a great many people is hurling epithets at Russians, we should quibble about an appropriation for airplanes to back up our big talk. I believe that most of the criticism of the Russians comes from Republicans, although Democrats are fond of the pastime also. But I think the time has come, to use a popular expression, to "put up or shut up," and, frankly, I think it would be better if we put up and shut up both, provide the planes, and quit talking so much.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE] to the amendment of the committee. [Putting the question.] The noes appear to have it.

Mr. LODGE. I ask for a division.

The PRESIDENT pro tempore. Those in favor of the amendment to the amendment will rise and stand until counted.

Mr. PEPPER. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Those opposed will rise. [After a pause.] Does the Senator from Florida ask for the yeas and nays?

Mr. PEPPER. I defer to the Senator from Massachusetts, but I thought the matter would justify a roll call. I will not make the request myself.

The PRESIDENT pro tempore. On a division, the amendment is rejected.

Mr. LODGE. What was the vote?

The PRESIDENT pro tempore. The vote on a division is not announced.

Mr. LODGE. It is sometimes.

The PRESIDENT pro tempore. The Chair assures the Senator the amendment was defeated.

Mr. LODGE. Mr. President, I ask to have printed in the RECORD as part of my remarks certain tables which I have had prepared in connection with the amendment.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

AIR CORPS—AIR CORPS, ARMY

On page 26, line 4, strike out "$858,443,591" and insert in lieu thereof "$1,210,713,591."

Discussion: This change is required to provide $352,270,000 increased appropriation so as to enable the Army Air Forces to increase its active groups from 55 to 70. The items for which this increase is required are as follows:

Airplanes:	
Cash	$90,770,000
Contract authorization	(220,000,000)
Spare parts for existing aircraft	50,000,000
Communication equipment, including radar and radio equipment:	
Cash	9,400,000
Contract authorization	(10,000,000)
Gasoline and oil	25,000,000
Modernization of present equipment	16,700,000
Air field, air station, and hangar equipment	8,300,000
Civilian personnel at field installations (75,000 positions)	150,000,000
Transportation costs of supplies and equipment to first destination	2,100,000
Total: Cash	352,270,000
Contract authorization	(230,000,000)

The above increase of $90,770,000 in the appropriation for airplanes together with the requested increase of $220,000,000 in contract authorization for airplanes will provide for an additional 750 airplanes for the Army Air Forces. This number, together with the approximate 1,100 provided for by the appropriation bill as reported to the Senate, will provide a total of approximately 1,850 new complete aircraft which would be the first substantial step toward providing modern aircraft for the required 70 group Air Forces. All other requirements as set forth above are consistent with the expansion of the Air Forces from 55 to 70 groups.

On page 26, line 9, strike out "$497,490,000" and in lieu thereof insert "$727,490,000."

Discussion: This change is required to provide $230,000,000 increase in contract authorization so as to enable the Army Air Forces to increase a presently lagging modernization program for 70 air groups. This increase will provide an additional $220,000,000 contract authorization for the procurement of complete aircraft which together with the additional cash appropriation of $90,770,000 will provide for an additional 750 airplanes for the Army Air Forces. This number together with the approximate 1,100 provided for under the appropriation bill as reported to the Senate will provide a total of approximately 1,850 new complete aircraft.

The increase will also provide an additional $10,000,000 contract authorization for the procurement of necessary communication equipment including radar and radio equipment needed in the activation of the additional 15 air groups and the preparedness of the 70 group Army Air Forces.

CORPS OF ENGINEERS—ENGINEER SERVICE, ARMY ENGINEER SERVICE

On page 29, line 1, strike out "$145,456,441" and in lieu thereof insert "$150,856,441."

Discussion: This change is required to provide $5,400,000 for the procurement of additional items of engineer equipment required for completing the activation of aviation engineer troop units. This will provide funds for the procurement of equipment such as heavy crawler type tractors, large air compressors, motorized dump trailers, heavy truck mounted cranes and similar heavy equipment required for training and for airfield work. Sufficient equipment of these types are not now available to provide for the complete activation of these troop units in accordance with approved War Department tables of allowances.

BARRACKS AND QUARTERS, ARMY

On page 30, line 3, strike out "$197,896,261" and in lieu thereof insert "$207,696,261."

Discussion: This change is required to provide $9,800,000 increased appropriation to cover costs of reactivating eight air stations in present stand-by status and increased work load at two presently active air stations.

On page 30, line 19, strike out "$343,352,-702" and in lieu thereof insert "$358,552,702."

Discussion: To increase total of the appropriation "Engineer service, Army" to that of the sum of the subappropriations thereunder.

Engineer service	$150,856,441
Barracks and quarters	207,696,261
Total	358,552,702

ORDNANCE DEPARTMENT—ORDNANCE SERVICE AND SUPPLIES, ARMY

On page 32, line 7, strike out "$247,024,-041" and in lieu thereof insert "$259,124,041."

Discussion: This change is required to provide $12,100,000 for ordnance equipment, ammunition and matériel. These additional amounts are required to procure training and operational ammunition; new types of guns for aircraft; maintenance of automotive equipment required for support of 70 air groups; and for increased receipt, storage and issues required for these air groups.

TRANSPORTATION CORPS—TRANSPORTATION SERVICE, ARMY

On page 20, line 24, strike out "$392,633,-443" and in lieu thereof insert "$394,633,443."

Discussion: This change is required to provide $2,000,000 for transportation incident to the increased activation of the Army Air Forces from 55 groups to 70 groups. This amount will cover transportation costs for initial stockage of installations to be reactivated and the increase in equipment and supplies required at other installations.

SIGNAL CORPS—SIGNAL SERVICE OF THE ARMY

On page 23, line 12, strike out "$85,475,501" and in lieu thereof insert "$87,035,501."

Discussion: This change is required to provide $1,560,000 for signal combat equipment and supplies, maintenance of communication systems, commercial communications and meteorological equipment and supplies necessary incident to increase in Army Air Forces from 55 groups to 70 groups.

GENERAL PROVISIONS—SECTION 16

On page 58, line 19, [following] after the word "matériel", insert "or to not to exceed 40,000 personnel employed under the appropriation 'Air Corps, Army'."

Discussion: This change is required to permit the employment of the additional graded civilian personnel necessary to permit the increase in the Army Air Forces from 55 active and 15 skeleton groups to 70 active groups. Without this change the Army Air Forces would not be able, due to graded civilian personnel ceilings, to employ the required additional civilian personnel necessary for a 70 group Air Force.

In order to provide for the increase of the Army Air Forces from 55 active and 15 skeletonized groups to an efficient and ever ready Air Force of 70 fully manned groups with modern equipment, the following increases are required by appropriations:

Transportation service, Army	$2,000,000
Signal service of the Army	1,560,000
Air Corps, Army:	
Cash	352,270,000
Contract authorizations	(230,000,000)
Engineer service	5,400,000
Barracks and quarters	9,800,000
Ordnance service and supplies, Army	12,100,000
Total: Cash	383,130,000
Contract authorization	(230,000,000

Specific changes required to be made in the appropriation bill for the Military Establishment as recommended to the Senate are set forth in the following tables:

Aircraft production figures, December 1946 to June 1947

December 1946	49	64	113	11	124
January 1947	55	66	121	20	141
February 1947	41	60	101	11	112
March 1947	25	93	118	23	141
April 1947	18	81	99	32	131
May 1947	10	80	90	28	118
Total (6 months)	198	444	642	125	767
Monthly average	33	74	107	21	128

COMPARATIVE ANALYSIS—AIR CORPS APPROPRIATIONS

Last year (1947) the Air Corps received $1,199,500,000 (includes a $135,000,000 transfer under First Deficiency Act, 1947).

The above amount is $33,990,000 less than the 1948 budget estimate, $42,677,492 more than the House bill, $156,433,591 less than the Senate committee bill, $769,563,591 less than the Senate committee bill with Lodge amendment.

This year (1948) the budget estimate was $1,233,490,000 (includes contract authorizations).

The above amount is $33,990,000 more than the 1947 appropriation, $76,667,492 more than the House bill, $122,443,591 less than the Senate committee bill, $735,573,591 less than the Senate committee bill with Lodge amendment.

For 1948 the House bill gave the Air Corps $1,156,822,508 (includes contract authorizations).

The above amount is $42,677,492 less than the 1947 appropriation, $76,667,492 less than the 1948 budget estimate, $199,111,083 less than the Senate committee bill, $812,241,083 less than the Senate committee bill with Lodge amendment.

For 1948 the Senate committee bill gave the Air Corps $1,355,933,591 (includes contract authorizations).

The above amount is $156,433,591 more than the 1947 appropriation, $122,443,591 more than the 1948 budget estimate, $199,-111,083 more than the House bill, $613,130,-000 less than the Senate committee bill with Lodge amendment.

For 1948 the Lodge amendment to Senate bill gives $1,955,933,591 (includes contract authorizations).

The above amount is $769,563,591 more than the 1947 appropriation, $735,573,591 more than the 1948 budget estimate, $812,-241,083 more than the House bill, $613,130,000 more than the Senate committee bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 26, line 4.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry. I have an amendment to offer. Would it properly come after the committee amendments?

The PRESIDENT pro tempore. Is it an amendment to a committee amendment?

Mr. MAGNUSON. It is to add a new section to the bill.

The PRESIDENT pro tempore. It would not be in order at this time.

The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 26, line 8, after the words "in excess of," to strike out "$280,000,000" and to insert "$497,490,000."

The amendment was agreed to.

THE TAFT-HARTLEY LAW

Mr. PEPPER. Mr. President, it was said and believed by a great many of us that there would be confusion over the Taft-Hartley labor law. I wish to read at this time a message which came over the ticker today, as follows:

Senator ROBERT A. TAFT, Republican, of Ohio, today took issue with his coauthor of the new Labor Control Act and said John L. Lewis' contract with the coal mine owners was not a violation of the Taft-Hartley labor law.

The ticker continued, purporting to quote the Senator from Ohio:

"I don't think it's in any way a violation of the law," TAFT said at a meeting of the Joint Senate-House Economic Committee.

TAFT said the basic purpose of the Taft-Hartley labor law was to permit free collective bargaining, and under it employers and employees should be able to make any contract they want to.

The coauthor of the law, Chairman FRED A. HARTLEY, JR., of the House Labor Committee, previously took the opposite view. Hartley said the new contract "looks like collusion between the operators and the union to force small companies out of business."

I ask unanimous consent that there accompany my statement, immediately following the insertion I have just made, a further statement on the subject as it came over the ticker today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

President Truman had no comment on the coal contract at his news conference today. He said it was a matter between the miners and owners.

TAFT said that Lewis had complied with provisions of the bill connected with union security and welfare funds.

He voiced his opinion of the new contract—the best in the United Mine Workers history—after B. C. Forbes, publisher of Forbes magazine, said the contract looked as though Lewis and the mine owners had "entered into a conspiracy to thumb their noses at the new Taft-Hartley bill."

"I don't agree," TAFT said. "The whole theory of the bill is that employers and employees should be able to make any contract they want to under free collective bargaining.

"Whatever the employers and employees may want to agree to is all right with me."

"The only question about the contract, TAFT said, "is whether it was economically wise and whether it might not start a new inflationary spiral."

TAFT said that there were many things in the contract which were "a direct effort to comply with the law." But he said he thought it "doubtful" whether many businessmen would sign that kind of contract.

"They don't have to sign it," he said. Employers might say it was an unfair labor practice for unions to insist on such a contract and let the employees go out on strike.

"Lots of results might stem from the contract but freedom of employers and unions to sign any contract they please is restricted in the law only in certain special fields.

"That must be the basis of labor relations unless the Government is going to run the whole show."

Justice Department officials said they have "taken cognizance" of HARTLEY'S charge that the agreement for check-off of union assessments and initiation fees violated the Taft-Hartley law. They said "the matter is under study."

Mr. TAFT. Mr. President, I did not hear what the Senator quoted me as saying.

Mr. PEPPER. I am sorry; I did not understand the Senator had stepped out of the Chamber. Was the Senator in the Senate Chamber when I read this comment which came over the ticker? I thought he was. I prefaced my remarks by saying that a great many of us in the Congress thought and believed that there would be great confusion in the country over the effect of the so-called Taft-Hartley Labor Act. I said I thought that had been confirmed by the dispatches which had come over the wires today. Then I proceeded to read the following, which came over the ticker today:

Senator ROBERT A. TAFT, R., O.—

Meaning "Republican, of Ohio," I suppose—

today took issue with his coauthor of the new labor-control act and said John L. Lewis' contract with the coal-mine owners was not a violation of the Taft-Hartley labor law.

I read from a further ticker report—and I said I assumed it purported to be an accurate statement—which said:

"I don't think it's in any way a violation of the law," TAFT said at a meeting of the Joint Senate-House Economic Committee.

TAFT said the basic purpose of the Taft-Hartley labor law was to permit free collective bargaining, and under it "employers and employees should be able to make any contract they want to."

The coauthor of the law, Chairman FRED A. HARTLEY, JR., of the House Labor Committee, previously took the opposite view. HARTLEY said the new contract "looks like collusion between the operators and the union to force small companies out of business."

Mr. President, I submitted the authority upon which I made my statement, and I asked unanimous consent that another statement accompany my remarks.

Mr. TAFT. Mr. President, I may somewhat expand the statement I made, the report of which is approximately correct. From the beginning we have stated over and over again that the Labor-Management Relations Act was intended to be based on free collective bargaining, in other words, that employers and the employees would be able to sit down and agree on anything they desired, with certain exceptions, and those exceptions are all to protect the men themselves. Those exceptions relate to the closed shop, to the check-off, to the welfare fund. All those restrictions on the kind of contract that may be made are for the protection of the men. With the exception of those restrictions, the employers and the employees may enter into such agreements as they desire, and that is the very basis of proper labor relations.

Whether the contract made by the mine owners was a wise one is something for them to determine. Congress did not and should not attempt to tell employers and employees what kind of an agreement they shall make. So far as I can see, there is nothing in the contract which indicates it was not a contract made perfectly freely.

There is one point raised by the gentleman from New Jersey [Mr. HARTLEY], as to the fact that the check-off provision applies to initiation fees as well as to dues. That is a rather minor question, because they do not amount to anything, but as a matter of fact, since it requires a written authorization from the employee anyway, if he gives the authorization, there can necessarily be no violation in properly carrying out the check-off provision. So that, so far as I can see, there is nothing in the contract in any way prohibited by the law.

The question of its effect on inflation and various other economic questions is another matter which has nothing to do with the subject before us.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator is very familiar with the act. In view of the controversy between the two authors of the legislation, I was wondering whether there might be some way to divide it into its respective component parts, so as to determine what part of it is Hartley and what part is Taft, so as to ascertain whether contracts may violate the Hartley part or violate the Taft part. [Laughter.]

Mr. TAFT. I wrote no part of the law. Some five or six others introduced bills, and the committee rewrote the bills. The bill finally was introduced by me on behalf of the committee. It was a committee bill. So that there is no particular part of the law that is my own creation.

So far as Mr. HARTLEY'S criticism as to the economic effect is concerned, that some settlement would squeeze small operators, it seems to me that has nothing whatever to do with the law. If that is the effect, it is due to so-called monopoly control of all the labor in the coal industry and the association of all the coal operators together. The Senator will remember that the Senate refused to do anything about any restriction on Nation-wide bargaining. So that, of course, the law never was able and did not attempt to deal with that monopoly feature.

Mr. BREWSTER. Mr. President, this particular episode is the first proof of the new labor law. As I understand, we have the highest paid "slave" in the entire history of the world, as well as the highest paid miners. I think it is a great tribute to the law that under free collective bargaining, which was so severely condemned, this apparently successful contract has been negotiated.

Mr. PEPPER. Mr. President, I will say to the Senator from Maine that that is probably due to the fact just stated by the Senator from Ohio, that it was not prohibited.

Mr. BREWSTER. That is right.

Mr. MORSE. Mr. President, I wish to make only a brief statement about the Taft-Hartley law. All our experience with it to date shows that both employers and unions are devising clever collusive schemes for evading and avoiding the effects of many of the provisions of the act. They already recognize the unworkability of the act, which I emphasized over and over again in my many arguments against the bill. It is unquestionably the greatest piece of "bootleg" legislation that has been passed by the Congress in a long, long time. It is a discredit to the principle of government by law, and an open invitation to collusive practices, whereby strong unions and many employers can get around the law. It should be repealed.

MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes.

The PRESIDENT pro tempore. The Clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Medical Department—Medical and Hospital Department", on page 28, line 2, after the word "Department", to strike out "$69,153,267" and insert "$70,049,458."

The amendment was agreed to.

The next amendment was, under the subhead "Corps of Engineers—Engineer Service, Army", on page 29, line 1, after the word "thereof", to strike out "$114,512,405" and insert "$145,456,441, and in addition to this appropriation the Secretary may, prior to July 1, 1948, enter into contracts in an amount not in excess of $5,000,000."

The amendment was agreed to.

The next amendment was, on page 30, line 3, after the word "for", to strike out "$184,702,101" and insert "$197,896,261."

The amendment was agreed to.

The next amendment was, on page 30, line 18, after the word "Army", to strike out "$299,214,506" and insert "$343,352,702."

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department—Ordnance service and supplies, Army", on page 31, line 14, after the word "Office" to strike out the colon and the following: "*Provided*, That not more than $25,000,000 of the amounts received by the War Department during the fiscal year 1948 as proceeds from the sale of scrap or salvage material shall be available for expenses of transportation, demilitarization, and other preparation for sale or salvage of military supplies, equipment, and matériel: *Provided further*, That a report of receipts and disbursements under this limitation shall be made quarterly to the Appropriation Committees of the Congress" and in lieu thereof to insert "*Provided*, That, notwithstanding the provisions of any other law, not more than $25,000,000 of the amounts received by the War Department during the fiscal year 1948 as proceeds from the sale of scrap or salvage material shall be available for expenses of transportation, demilitarization, and other preparation for sale or salvage of military supplies, equipment, and matériel: *Provided further*, That a report of receipts and disbursements under this limitation shall be made quarterly to the Appropriation Committees of the Congress"; and on page 32, line 7, after the amendment just above stated, to strike out "$244,381,771" and insert "$247,024,041, and in addition to this appropriation the Secretary

may, prior to July 1, 1948, enter into contracts in an amount not in excess of $5,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Chemical Corps—Chemical service, Army," on page 33, line 15, after the word "ranges", to strike out "$19,240,936" and insert "$20,487,813."

The amendment was agreed to.

The next amendment was, under the subhead "National Guard," on page 37, line 11, after the word "supplies", to strike out "$110,000,000" and insert "$136,535,176, and in addition to this appropriation the Secretary may, prior to July 1, 1948, enter into contracts in an amount not in excess of $25,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Organized Reserves," on page 40, line 10, after the words "in all", to strike out "$54,975,816" and insert "$80,631,900."

The amendment was agreed to.

The next amendment was, under the subhead "Citizens' military training—Reserve Officers' Training Corps," on page 44, line 6, after the word "colleges", to strike out "$24,840,000" and insert "$25,025,000."

The amendment was agreed to.

The next amendment was, under the subhead "National Board for Promotion of Rifle Practice, Army," on page 45, line 15, after the word "exceeding", to strike out "$60,000" and insert "$82,000"; and on page 46, line 10, after the word "war", to strike out "$281,500" and insert "$303,500."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, War Department," on page 49, line 8, after the word "exceed", to strike out "$41,121,526" and insert "$44,956,690."

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I have an amendment to offer on page 50.

Mr. GURNEY. Mr. President, let us finish the committee amendments first, if we may, before we get any new ones.

The PRESIDENT pro tempore. Is it the Senator's proposal to amend the House text?

Mr. MAGNUSON. It is to add a new section.

The PRESIDENT pro tempore. That is not in order until the committee amendments are completed.

Mr. GURNEY. Mr. President, I ask unanimous consent that sections 16 and 17, appearing on pages 58 and 59, be passed over temporarily, so that we can finish with the others and then return to those two amendments as the last to be considered.

The PRESIDENT pro tempore. Without objection, the amendments referred to will be temporarily passed over. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Title II—Surplus appropriation rescissions," on page 59, line 13, after the numerals "1946", to strike out "$4,000,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 59, after line 14, to insert:

Expediting production of equipment and supplies for national defense, 1940–1946, $20,000,000.

The amendment was agreed to.

The next amendment was, on page 59, line 19, after the numerals "1946," to strike out "$2,000,000" and insert "$3,000,000."

The amendment was agreed to.

The next amendment was, on page 59, line 21, after the numerals "1946," to strike out "$3,000,000" and insert "$3,300,000."

The amendment was agreed to.

The next amendment was, on page 59, after line 21, to insert:

Army War College: Army War College, 1942–1946, $2,500.

The amendment was agreed to.

Mr. GURNEY. Mr. President, I ask that the remaining amendments, because they are all rescissions, be adopted en bloc.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 59, after line 23, to insert:

"Adjutant General's Department: Command and General Staff School, Fort Leavenworth, Kans., 1942–1946, $7,000";

On page 60, line 2, after the numerals "1946", to strike out "$203,000,000" and insert "$279,000,000"; in line 5, after "Pay of the Army", to strike out "$125,000,000" and insert "$154,000,000"; in line 6, after "travel of the Army", to strike out "$75,000,000" and insert "$121,000,000"; and in line 7, after the figures "$3,000,000", to insert a semicolon and "and (4) claims of military and civilian personnel of the War Department, $1,000,000";

On page 60, line 10, after the numerals "1946", to strike out "$160,000,000" and insert "$190,000,000"; in line 13, after the word "men", to strike out "$2,000,000" and insert "$4,000,000"; in line 14, after the word "Army", to strike out "$35,000,000" and insert "$42,000,000"; in line 15, after the word "Army", to strike out "$55,000,000" and insert "$59,000,000"; in line 16, after the word "equipage", to strike out "$25,000,000" and insert "$27,000,000"; in line 17, after the word "Army", to strike out "$3,000,000" and insert "$8,000,000"; and in line 18, after the word "transportation", to strike out "$40,000,000" and insert "$50,000,000";

On page 60, line 21, after the numerals "1946", to strike out "$90,000,000" and insert "$165,000,000";

On page 60, line 24, after the numerals "1946", to strike out "$190,000,000" and insert "$220,000,000";

On page 61, line 3, after the numerals "1946", to strike out "$5,000,000" and insert "$6,500,000";

On page 61, line 5, after the numerals "1946", to strike out "$40,000,000" and insert "$120,000,000"; in line 8, after the word "Service", to strike out "$30,000,000" and insert "$86,000,000; (2) Military posts, $13,000,000"; in line 9, after the word "and", to strike out "(2)" and insert "(3)"; and in line 10, after the word "Army", to strike out "$10,000,000" and insert "$21,000,000";

On page 61, line 13, after the numerals "1946", to strike out "$362,000,000" and insert "$363,000,000";

On page 61, line 16, after the numerals "1946", to strike out "$15,000,000" and insert "$30,000,000";

On page 61, after line 16, to insert:

"Special Service Schools: Special Service Schools, Army, 1942–1946, $2,000, and subappropriations under this head are hereby decreased as follows: (1) Infantry School, $300; (2) Cavalry activities, $200; (3) Field Artillery activities, $750; and (4) Coast Artillery activities, $750";

On page 61, after line 22, to insert:

"Armored force: Instruction in armored force activities, 1942–1946, $55,000";

On page 62, line 2, after the numerals "1946", to strike out "$1,000,000" and insert "$2,000,000";

On page 62, after line 3, to insert:

"United States Military Academy:

"Pay of Military Academy, 1942–1946, $35,000.

"Maintenance and operation, United States Military Academy, 1942–1946, $550,000";

On page 62, after line 7, to insert:

"National Guard: National Guard, 1942–1946, $3,000,000";

On page 62, line 11, after the numerals "1946", to strike out "$25,000,000" and insert "$28,000,000";

On page 62, after line 12, to insert:

"Inter-American relations, War Department: Inter-American relations, War Department, 1943–1946, $125,000";

On page 62, after line 15, to insert:

"Salaries, War Department:

"Salaries, Office of Secretary of War, 1942–1946, $1,874.

"Salaries, Office of Chief of Staff, 1942–1946, $19,176.

"Salaries, Adjutant General's Office, 1942–1946, $29,321.

"Salaries, Office of Chief of Cavalry, 1942–1946, $7,021.

"Salaries, Office of the Inspector General, 1942–1946, $49.

"Salaries, Office of the Judge Advocate General, 1942–1946, $3,342.

"Salaries, Office of Chief of Field Artillery, 1942–1946, $2,358.

"Salaries, Office of the Chief of Finance, 1942–1946, $11,667.

"Salaries, Office of Chief of Infantry, 1942–1946, $7,508.

"Salaries, Office of the Quartermaster General, 1942–1946, $20,176.

"Salaries, Office of the Chief Signal Officer, 1942–1946, $4,987.

"Salaries, Office of Commanding General, Army Air Forces, 1942–1946, $1,877.

"Salaries, Office of Chief of Engineers, 1942–1946, $40,857.

"Salaries, Office of Chief of Ordnance, 1942–1946, $24,553.

"Salaries, Office of Chief of Chaplains, 1942–1946, $3.

"Salaries, National Guard Bureau, 1942–1946, $3,615.

"Salaries, Office of Chief of Coast Artillery, 1942–1946, $11,616";

On page 64, after line 3, to insert:

"Office of the Secretary: Contingent expenses, War Department, 1942–1946, $200,000"; and

On page 64, line 5, after "title II", to strike out "$1,100,000,000" and insert "$1,438,966,500."

Mr. GURNEY. Mr. President, I now ask that we return to section 17, on page 58.

Mr. BYRD. Section 16, is it not?

Mr. GURNEY. I should like to have section 17 considered first, because I am sure there is no controversy about it.

The PRESIDENT pro tempore. The clerk will state the amendment.

The amendment was, on page 58, after line 20, to insert:

SEC. 17. The Secretary may transfer not to exceed 5 percent of any of the foregoing appropriations to any other appropriation or appropriations made by this act, but no such appropriation shall be increased more than 5 percent as a result of such transfer, except

that no transfers may be made from the appropriations "Air Corps, Army" and "National Guard": *Provided*, That a quarterly statement of any such transfers shall be transmitted to the chairmen of the Appropriations Committees of the House of Representatives and the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the amendment in section 16.

The amendment was, under the subhead "General provisions," on page 58, line 9, after "(60 Stat. 219)," to insert "with respect to War Department personnel"; in line 10, after the words "to the", to strike out the word "Ordnance" and insert "War"; in line 13, after the word "Navy", to strike out "Department" and insert "Department or"; in line 14, after the word "agencies", to insert "if such personnel is charged to a ceiling determination for another agency under 607 (g) (1) of the Federal Employees Pay Act of 1945, as amended", and in line 18, after the word "Army", to strike out the semicolon and "nor shall said section 14 of the act of May 24, 1946, apply with respect" and insert "or."

Mr. GURNEY. Mr. President, in section 16 the amendment has to do with civilian employees working for the War Department, who may be doing work for the Navy and/or other Federal agencies. Under the Byrd law providing a ceiling for civilian employees a certain number is allowed to each department, and where the War Department does work for another department the department asking the War Department to do work shall take into its ceilings the civilians working for the War Department on this work. The point at issue, in which the Senator from Virginia and the Senator from North Dakota are interested, relates to the exemptions which appear on line 17, "National Guard, and other civilian components of the Army." I may say that "civilian components" means ROTC, Organized Reserve, and Citizens' Military Training. None of these three, so far as I know, has any civilian employees. Civilian employees would be used by the National Guard, though not so many, with the ground units; in fact, I think there are none. But with the air units there are some civilian employees, though not many, for there are only 308 units provided in the bill. If the Department can get them all activated this coming year such civilians as would be working for the National Guard air units would be doing such things as janitor work and mechanical work, keeping the engines in proper order for the National Guard fliers to use them. I do not believe it would run into any huge figure. I am sorry I cannot give the exact number.

That takes care of the explanation, I think, as to the National Guard and Organized Reserve, but I do not believe it entails any large number of civilian employees. If the War Department is compelled to take the civilian employees into their total, even though it be small, it will be hard for them to handle, in view of the testimony we have heard in committee.

In reference to lines 19 and 20, the War Department has been requested by heavy industry, using scrap metal in the United States, to carry on a program of reclaiming scrap metal that has be picked up overseas. In the bill, by an amendment on page 31, already approved, there is provided a revolving fund of $25,000,000 for picking up scrap metal and transporting it back in ships to the United States, where it is sold; and then the money is used over again to pick up more scrap. The testimony before the committee was that our country is very short of scrap metal, and it is needed badly. I am sure every Senator on the floor has heard that story. Therefore, we felt that the task the War Department was given to do was extracurricular, so to speak, and the committee did not think the War Department as such should be charged, in its complement of civilian workers, with the employees used to pick up scrap metal. Of course, some of them are used also in the demilitarization of shells, the removal of the powder from the shells, and what not, and then the use of the metal in the scrap program.

Mr. President, that is all the explanation I can give, except perhaps to spell out in line 17 just what the civilian components mean. That covers the Organized Reserves of the Army, the ROTC, the CMTC training camps. I should be glad to change line 17 so it will simply provide for the National Guard and the Organized Reserves, if that would more nearly meet the objections of those who are interested in the section.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. BYRD. Mr. President, the section exempts from the so-called ceiling the civilian employees, the National Guard, and other civilian components of the Army, and employee personnel engaged in the demilitarization of ammunition and matériel. It must be read and considered in connection with the amendment which is now on the desk, offered by the distinguished Senator from South Dakota, which has for its purpose increasing the ceiling by 25,000 civilian employees, and using the funds appropriated by Congress for the military personnel in order to employ 25,000 civilian employees in addition to the ceiling provided by law.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GURNEY. I hope the Senator will will not team these up together. I think each one can stand on its own feet.

Mr. BYRD. Mr. President, the ceiling has been reached. The Senator from South Dakota is attempting by legislation in an appropriation bill, which I think is not the proper procedure, to change a legislative act, and I submit to him that if the ceiling as now provided for in the War Department is too low, then the act itself should be amended, and attempt should not be made to do it by having legislation in an appropriation bill. I think it is entirely appropriate to consider these two proposals at the same time, because they will result in adding 25,000, certainly, and perhaps 30,000 or 40,000 civilian employees to the War Department.

Let me say, Mr. President, that this ceiling on civilian personnel was in accordance with an amendment offered by the distinguished Senator from North Dakota [Mr. LANGER] and myself in the Civil Service Committee. It became effective in 1944, and was strengthened in 1946. It has resulted—and I say this without claiming any credit for the Senator from North Dakota and myself—in a large reduction in the civilian personnel of the various departments. The ceiling is an over-all ceiling and the distribution is made by the Bureau of the Budget. I think I can show, when the proper time comes, that it has saved the Federal Government more than $1,000,000,000.

This is the first attempt that has been made on the floor of the Senate seriously to breach that ceiling. Let me say, Mr. President, that I do not think it comes with very good taste from the Republican Members of this body——

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GURNEY. There is no effort on the part of the Senator in charge of the bill to do anything that is not in good taste. I seriously object to that statement, because I am only asking that the Senate release the ceiling for the National Guard, which certainly is not a part of the War Department.

Mr. BYRD. I do not mean to question the good taste of the Senator. I should say it is not good legislative form to enact legislation in an appropriation bill.

Mr. GURNEY. I may say, in answer to that statement, that the legislation was put in the bill by the House, not by our committee.

Mr. BYRD. This particular section was.

Mr. GURNEY. Section 16.

Mr. BYRD. But the Senator's section 18 would do far more to breach it, and as both of them are along the same line, I hope the Senator will permit me to discuss one in connection with the other.

Mr. GURNEY. I feel that the amendment in section 16 is a small amendment, and could be considered by itself, because we are only asking exemptions for two outfits.

Mr. BYRD. The Senator is not even able to say how many persons will be added.

Mr. GURNEY. That is correct. It is too late in the evening.

Mr. BYRD. We would have to defer action on the matter, then, until tomorrow morning. Certainly the Senate does not wish to pass on such an important question as this unless it has information on which to act.

Mr. LANGER. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. LANGER. The War Department, at the hearing held a year ago, could not give the figure within 200,000.

Mr. GURNEY. Permit me to submit one more bit of information. There cannot be many civilian employees in the National Guard set-up.

Mr. BYRD. It is not confined to the National Guard. It is "the National Guard, and other civilian components of the Army."

Mr. GURNEY. And the Army Reserve.

Mr. BYRD. All the employees engaged in the demilitarization of ammunition and matériel.

Mr. President, the War Department has 227,394 clerical employees. It has 319,218 wage board employees. There is a total of 547,000 employees, in round figures. In other words, the Army today has one civilian employee for every two men in the Army.

I was about to say, when the Senator from South Dakota interrupted me, that I do not think it becomes the Republican members of this body to make very serious attempts to breach these ceilings which have resulted in reducing the civilian personnel of the Federal Government. I venture to say that there is not a single Member on the Republican side who has not time and time again condemned the surplus employment in the Federal Government, who has not condemned the extravagance—and rightfully so, let me say—that was occasioned by the overemployment in every single agency of the Government. I say that from my investigation. The War Department is one of the most serious offenders of all. In my judgment it has more civilian personnel not efficiently employed than nearly any other single branch of the Government.

If the two amendments are adopted, I think we may as well abolish the ceilings. What is the use of having ceilings if we let one department of Government, in an appropriation bill, increase the ceilings by 30,000 or 40,000 employees, and add $100,000,000 to the expense of the pay roll; because the average employee is costing now about $3,000 a year. The Senator from South Dakota is not even able, as I stated, to give the number who would be affected by one of the amendments. The other amendment is specific in terms. Under it, the ceiling is to be exceeded by 25,000 civilian employees. But worse than that, Mr. President, it permits money the Congress has appropriated for military personnel to be used for civilian personnel. That certainly is not good practice in budgetary matters, and I protest against it as strongly as I can.

I do not care to delay the Senate at this late hour, but I think the matter should be very fully and amply discussed.

I wish to say, Mr. President, that when the ceiling limitations were fixed, the War Department discovered its personnel figures were in error by 188,000. Just think of that. The War Department, when these personnel ceilings were under consideration, as the Senator from North Dakota well knows, because he was present at the meeting, made an error of 188,000 in reporting the number to the Civil Service Committee.

The ceilings were provided for in basic law, and were overwhelmingly adopted by the House, and later by the Senate, to the effect that pay increases provided last year could be absorbed by reduction in force. The ceiling formula was worked out by the General Accounting Office in accordance with the purposes and intent of the law. The conference committee on the bill was extremely tolerant with War Department personnel, who were represented by Maj. Gen. C. H. Bonesteel, president of the War Department Manpower Board. The ceilings were fixed on the basis of the information he supplied, after making adjustment for the 188,000 error. At that time he gave every consideration to overseas requirements, the zone of the interior, augmentation of air combat groups, lag in disposal of air equipment and storage of surplus aircraft, lag in disposal of other than air equipment, including returns from overseas, demilitarization, renovation and manufacture of ammunition, caretaking detachments for inactive and surplus installations, and hospitals, including beds for veterans, personnel centers, research and development, and numerous other activities. The ceilings were based on the War Department's Manpower Board's own estimates which were revised during the hearings to include not only the 188,000 error but also contingencies.

These ceiling determinations are in basic law, and the facilities and procedures for amending basic law are here and available. They do not include doing it in appropriations bill. If the ceilings for War Department or any other agency are insufficient, they should come in with proper justification and present it to the proper committee, at the proper time, so that proper consideration may be given the request in proper relation with the situation in the remainder of the Government, and with proper regard for the purposes and intent of the basic law. The procedure of sneaking in through an appropriation bill to accomplish this purpose is against the rules of the Senate, which were established for protection against just such situations.

The War Department record for the past year is indicated below:

MAY 1947

	Classified employees	Wage Board	Total
Continental United States	196,155	194,429	391,492
Foreign	20,881	103,747	124,632
Territories and possessions	10,358	21,042	31,403
Total	227,394	319,218	547,104
Total above includes employees in District of Columbia	27,508	2,692	30,492

The above figures (latest available) were supplied July 10, 1947, by the Bureau of the Budget.

JUNE 30, 1946

	Classified employees	Wage Board	Total
Continental United States	323,760	309,205	632,965
Overseas	13,949	280,389	294,338
Total	337,709	589,594	927,303

The above figures supplied by the War Department in official report.

Let me repeat that the War Department today has one civilian employee for every two men in the Army. It requires one civilian employee to look after every two soldiers.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KNOWLAND. I wish to say to the able Senator from Virginia that I have the very highest regard for him. For many years he has been a voice crying in the wilderness for economy in Government and for reducing the number of Government employees. This country owes him a great debt of gratitude for his interest, and for the consistent effort which he has made in that regard.

I merely wish to say, however, as a member of the Appropriations Committee and of the subcommittee which held the hearings on the bill, that in relation to the matter of the demilitarization of the equipment, and bringing back scrap, fundamentally that is not a wartime function. Scrap is something which is needed very desperately by the civilian economy of the United States.

It seemed to the committee that there was much equity in permitting this type of work not to be charged against the War Department's civilian employee ceilings. As I say, industry in the United States, large and small, is dependent upon getting back some of this scrap. I also believe, from the standpoint of the over-all picture of national defense, that it is very important that the scrap come back to this country so that it may not be available to those who might possibly use it against us at some time in the future. It hardly seems equitable that those employees should be charged against the War Department ceilings.

As to the separate amendment which is being offered by the chairman of the committee, on behalf of the subcommittee I wish to say that that question was gone into very thoroughly before the subcommittee. Largely because of our respect and regard for the work carried on by the Senator from Virginia and the Senator from North Dakota [Mr. LANGER], who had studied the ceiling situation, we inserted a topside limitation of 25,000. We also inserted an additional limitation, that it should apply only for the fiscal year 1948. We did that so that we would not be violating the spirit of the act with which the Senator had so much to do.

I respectfully submit to the able Senator from Virginia, who I know has a great regard for the necessity of national defense, that we no longer have the Selective Service. We are back on a voluntary basis. Military leaders have told us that in peacetime they believe we should have an armed service of approximately 1,070,000. The fact of the matter is that the number in the armed services is considerably below that figure. I think it is about 57,000 below the figure which they have set. This provision permits them, up to not exceeding 25,000, to employ additional civilian help. If they cannot get the men in uniform to do the job, they will

have to employ additional civilian help. We are down now to what is believed to be the irreducible minimum, so far as our reserve divisions are concerned. We are down to about two and a quarter divisions; and if we have to use men in uniform, rather than keeping them in those reserve divisions, where they may perhaps be needed for instant use either under our obligation to the United Nations or elsewhere, and if we must put them on what might be termed housekeeping duties, I think we shall be jeopardizing the national defense.

Mr. BYRD. The War Department now has 227,394 clerical employees. Did the committee make any investigation to determine whether or not they were efficiently used?

Mr. KNOWLAND. No; but I will say to the able Senator that obviously, in the short period of time we had at our disposal, we could not make that type of investigation. However, the committee did determine that during the next year—and we have placed a 1-year limitation on this permission for that particular reason—we would set our staff to work to make certain that the civilian employees who were employed were being efficiently employed.

Mr. BYRD. The total employment of the War Department is 547,000. There is one civilian employee for every two men in the Army. Has the committee gone into that question, to see whether that is efficient operation, or whether that is not too many employees? Or did the Senator do as is often done—simply accept the statement of the officials of the War Department that the ceilings must be increased by 25,000?

Mr. KNOWLAND. I can only say to the Senator from Virginia—and I perfectly understand his point—that we have a situation which I believe is unusual. After a period of war years and a period of demobilization we have gone out from under selective service and have gone to a voluntary system. The Chief of Staff of the Army of the United States indicated that in his opinion it was necessary to have some leeway in this regard. He has a primary responsibility for the defense of the Nation, and I certainly did not wish, as a member of the subcommittee, to take the responsibility——

Mr. BYRD. Would it not be better to amend the law?

Mr. KNOWLAND. No; I do not think so, because I think the able Senator from Virginia and my able colleague from North Dakota [Mr. LANGER] did a very good job in establishing these ceilings so that we could bring the tremendous number of civilian employees within reasonable limitations.

Mr. BYRD. The Senator is proposing to nullify the ceilings by these amendments to the appropriation bill.

Mr. KNOWLAND. Only for the year 1948, and until the Appropriations Committee can study the question.

Mr. BYRD. The Senator knows as well as I do that if we make this peacetime increase, there will never be a reduction.

Mr. KNOWLAND. I do not agree with the able Senator in that regard. If I had thought so, I would not have voted for the amendment.

Mr. BYRD. What reason has the Senator for believing that the ceilings can be reduced in the next year? Is the Army to be reduced in the next year?

Mr. KNOWLAND. No; but by the time next year has passed we shall have a better view of the international picture.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. LANGER. Is it not true that at the time the ceilings were established the question of hauling scrap was gone into very carefully by the Army?

Mr. BYRD. It was thoroughly gone into. I have before me a confidential report which I shall be glad to read to the Senate. It will require half an hour or an hour.

Mr. LANGER. The question was gone into very carefully.

Mr. BYRD. The whole subject was gone into with great care.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GURNEY. I ask the Senator if he will consider section 16 separately for a moment.

Mr. BYRD. Mr. President, I want to present the entire question.

Mr. GURNEY. May I present an offer of compromise, which I think might meet with the Senator's approval?

Mr. BYRD. We have under consideration the other amendment, and it is well to discuss that.

I desire to read a statement which was made by Maj. Gen. C. H. Bonesteel before the Conference Committee on Pay Increase for Civilian Employees on May 13, 1946.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LANGER. This is one of the most important matters, so far as civil service is concerned, which is likely to come before the Senate. It took 4 years to get a ceiling. If we are going to conclude tonight, I want to ask permission from the distinguished Senator from Virginia to request a quorum call.

The PRESIDENT pro tempore. Does the Senator from Virginia yield for the purpose of suggesting the absence of a quorum?

Mr. BYRD. I yield.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

During the calling of the roll.

Mr. WHERRY. Mr. President, may the quorum call be suspended long enough to ask the distinguished Senator from Virginia how long he wishes to debate the amendment?

Mr. BYRD. I think it will take quite a while. The Senator from North Dakota [Mr. LANGER] also has something to say with regard to it.

Mr. LANGER. Mr. President, it will take me an hour, because it is of tremendous importance that the ceiling be not broken.

Mr. WHERRY. In view of that statement, Mr. President, I will ask if the Senator will withdraw his request for a quorum call and that the majority leader move the regular order and the Senate prepare to recess.

The PRESIDENT pro tempore. Does the Senator from North Dakota withdraw his request for a quorum?

Mr. LANGER. I withdraw it.

The PRESIDENT pro tempore. The quorum call will be suspended.

Mr. WHITE. Mr. President, if the Senator from Colorado [Mr. MILLIKIN] were here he should make the motion, but I will ask for the regular order.

The PRESIDENT pro tempore. The regular order is asked for, which is the unfinished business, to which the Senate will recur.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT—AMENDMENT

Mr. MAGNUSON submitted an amendment intended to be proposed by him to the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, which was ordered to lie on the table and to be printed as follows:

On page 50, after line 2, to insert:

"SEC. 2-A. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant."

REDUCTION OF INDIVIDUAL INCOME TAXES—AMENDMENTS

Mr. MORSE submitted eight amendments intended to be proposed by him to the bill (H. R. 3950) to reduce individual income-tax payments, which were ordered to lie on the table and to be printed.

ADDITIONAL REPORT OF A COMMITTTEE

Mr. HAWKES, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 2298) to amend the Interstate Commerce Act,

as amended, and for other purposes, reported it with amendments and submitted a report (No. 472) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BUCK, from the Committee on Banking and Currency:

Harley Hise, of California, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired term of 2 years from January 22, 1946.

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

Robert Franklin Jones, of Ohio, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1947.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

SALE OF HORSES BY WAR ASSETS ADMINISTRATION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a press release with regard to the sale of horses, which was referred to previously, and I should like to say that I share the views expressed in the press release.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

Rhoda Christmas said an Army attendant (name withheld) called the sale a "disgrace to the United States Government."

The majority of the horses, she quoted him, have feet trouble.

This charge was substantiated today by Thomas I. Talbott, Upper Marlboro blacksmith, who has two of the horses sold for shoeing. Talbott asserted the two horses have "feet thrush," and are hardly able to walk.

Since early 1946 sales of horses and mules throughout the United States by WAA were 32,007 horses, valued at $5,201,155 and sold for $2,500,000; 13,898 mules, valued at $3,127,050 and sold for $1,500,000.

George Grinsley, Chief of Miscellaneous Products of War Assets Administration, said the agency's policy in disposition of horses declared surplus is as follows:

"1. We sell any horse that can be classified as 'usable.'

"2. Our promise to the Washington Animal Rescue League and the Washington Humane Society in letters dated January 28, 1947, not to sell horses over 12 years of age applied to one sale only. That was the Quantico sale of Marine Corps horses which was stopped January 29 because of public resentment (aroused by articles in the Times-Herald). It may have been well we stopped that sale, which was restricted to sealed bids. We admit that horses shouldn't be sold by this method.

"3. We have subsequently found, however, that it is better to sell horses over age 12 rather than destroy them. We have only two choices, either to sell the animals or to destroy them. And we would get as much criticism for destroying the horses as selling them.

"4. Our policy is not to destroy anything 'useable,' because we owe it to the taxpayers to get at least a partial return on the original Government investment."

Grinsley said the 17-year-old saddle horse once ridden by General Marshall and the horse used by Mrs. Roosevelt, age estimated at from 9 to 14 years, would have been sold at public auction if the Agriculture Department had not specifically asked for the two along with six others a few hours before the sale.

Grinsley said the 71 horses offered for sale at Fort Myer yesterday were examined by Army veterinarians and declared sound. He was surprised to learn that two of the horses were withheld from the auction when humane representatives made vigorous objections to their sale. Veterinarians from the humane groups examined the two horses and agreed they were unsound and in extremely poor condition.

Eight other horses, including the Marshall and Roosevelt steeds, were turned over to the Bureau of Animal Industry of the Agriculture Department for experimental use.

The remaining 61 were sold to the public, some in lots of fours. Humane representatives did not have time to examine all of the horses sold, but noticed some appeared to be unfit.

Dr. H. W. Schoening, head of the pathological department of the Agriculture Department, denied the WAA statement that Agriculture asked specfiically for the Marshall and Roosevelt horses.

"We asked only for eight sound horses for experimental purposes."

Frederick A. Genau, president of the Washington Humane Society said his group objected by letter and in person at the auction to sale of horses over age 12. Despite the protest, he said, 23 of the horses sold were over age 12.

He accused the WAA of bad faith in not honoring its promise written January 28 this year not to sell horses over that age.

The Washington Animal Rescue League, through Mrs. Robert Watson, chairman of the horse committee, also protested in letter, telegram, and in person at the auction, sale of the horses over age 12.

The Tail Waggers Club of Washington also protested the sale in the same manner.

Mrs. Watson said, "I was shocked at the general appearance of the animals. They were poor flesh, with hip bones showing, scarred, and ill-groomed. Most of the horses were sold far below their actual worth, despite their condition."

A spokesman for the Army remount depot at Front Royal said the horses should have brought at least double the $5,916 total realized by the sale.

The remount spokesman said there are no funds or provisions for pasturing horses no longer of any use to the Army, except when the horse is a celebrated one or of great value.

The horses sold yesterday were from Fort Belvoir and Fort Myer and represented mostly horses used for recreational purposes for Army and Government personnel, WAA's Grinsley said.

The Army remount headquarters said once the horses are in the possession of Army posts they are out of remount control.

All the horses sold yesterday were at least 9 years old, according to remount headquarters. The last horses purchased by the Army was 1942. They were at least 4 years old then, since Army purchase regulations stipulate an age range between 4 and 8, the remount headquarters said.

The two horses held back from auction yesterday because of disability are still the property of War Assets, said the Military District of Washington.

The military district said there has been no decision made by WAA as to what they will do with the horses.

WAA's Grinsley said the two horses were taken back by the Army.

Howard Wentworth, Chief of the Washington area WAA office admitted most of the horses sold yesterday will find their way into riding academies and in front of wagons.

[From the Washington Times-Herald]

FIVE HUNDRED ATTEND SALE—HORSES RIDDEN BY MARSHALL AND MRS. ROOSEVELT AUCTIONED AMONG EIGHT BOUGHT AT FORT MYER FOR AGRICULTURE DEPARTMENT "GUINEA PIG" USE

(By Rhoda Christmas and Frank M. Smith)

The saddle horses once ridden by General Marshall and Mrs. Eleanor Roosevelt and which were branded as surplus by the Army were sold for $50 apiece yesterday to the pathological division of the Agriculture Department, to be used in disease experimentation.

Reno Fantas, Marshall's horse, and Here's How, formerly kept at Fort Myer for Mrs. Roosevelt to ride, were included in a batch of eight animals commandeered for the animal disease station at Beltsville, Md., under Government priority.

THEY'LL BE "GUINEA PIGS"

The 8 horses, among 60 sold by the War Assets Administration at Fort Myer, will be used for blood extractions and to be inoculated with virus in event hoof-and-mouth disease tests must be made.

GROUP OF EIGHT NOT SHOWN

The other horses were sold to bidders with veteran priority certificates. The bids ranged from a $50 low to a high of $330. A total of $5,421 was realized on veterans' bids. The Department of Agriculture paid $400 for the eight horses it bought through surplus sale procedure which allows Government agencies and departments first crack at material offered.

Before Auctioneer George Wallahan, of Front Royal, began the sale it was announced that Montana, Playboy, Tugboat, Big Bill, Crosby, Here's How, Sad Sack, and Reno Fantas had been claimed in the Beltsville deal.

These horses were not shown to the crowd of 500 that ranged around the north end of the Fort Myer riding hall, in which the auction was held. First horse on the block was Davenport, which went for $50. The last was Amadon, which also drew a $50 bid after much haggling.

MOST 8 TO 14 YEARS OLD

Bidders were disconcerted by announcements the sale would be conducted without giving the ages of the animals. It was stated over the auctioneer's loud-speakers, however, that the ages ranged from 8 to 17. Several were said to be 15 years of age and over. The majority were claimed to be between the ages of 8 and 14.

This was at variance with a previous announcement from War Assets that Government horses would not be sold as surplus after they reached the age of 12. Each horse, it was stated, was in sound condition and had been so certified by a veterinarian.

Despite this claim, Mystic came into the ring on "ouchy" legs, displaying a spavin and bad feet. Perkins, Thomas, and several others were "sore-going" as they were forced to jump around the corner of the Fort Myer ring under the lash of the floor man's whip.

Carlisle Corcoran was the top bidder. When Lady Dan came into the ring he engaged in a duel with Truman Dodson, getting the mare for $260. Later Corcoran topped this high price by bidding $330 for Reno.

At the conclusion of the sale there was some slight mystery as to why the Department of Agriculture had purchased eight horses, including the ones formerly used by General Marshall and Mrs. Roosevelt.

It was pointed out the mounts of other famous personages have usually been pensioned when their usefulness was declared null and void. The two favorite mounts of General Pershing were kept at the Front Royal remount depot until they died.

DR. SCHOENING EXPLAINS

Dr. H. W. Schoening, chief of the pathological division, who ordered the horses purchased, gave a full explanation, however, of the uses to which they will be put.

He said they will be used (1) as blood donors to furnish blood for culture media work, and (2) will be kept on hand for hoof-and-mouth-disease tests.

For the hoof and mouth disease tests, Dr. Schoening said, a number of normal horses are kept. If and when the question arises as to whether the hoof and mouth disease has been discovered the horses are infected with virus from the suspected animals to find out whether the disease really exists or if it is vesicular stomatitis. Vesicular stomatitis, Dr. Schoening explained, is a disease attacking cattle, with symptoms similar to the hoof and mouth disease. The disease does not attack the horses as it does cattle, he explained, so the horse test is resorted to as a differential diagnosis.

FACE DEATH IN TESTS

In making the test the virus is taken from a blister on the tongue of a steer and rushed to Beltsville where a horse's tongue is scratched and the virus rubbed in. This results in a blister on the horse's tongue similar to a fever blister on a human, if the disease is vesicular stomatitis. If it is hoof and mouth disease, the horse almost always dies of the deadly malady.

Reno Fantas, formerly ridden by Marshall, is a 17-year-old bay mare. She is a polo type and was used by the All American polo team.

Here's How left Front Royal, Va., according to Col. Marion Vorhees, in 1943, under orders to be placed at the disposal of Mrs. Roosevelt. The horse was kept in the White House stables at Fort Myer until President Roosevelt died.

Two enlisted men, assigned to stable duty at that time, have attested to the fact that Mrs. Roosevelt did ride the horse. It is a chestnut gelding whose mouth indicates he is more than 8 years of age. He is leggy, fully 16 hands tall and weighed 1,350 pounds when he left Front Royal. When high in flesh he should be quite showy and a striking looking animal.

But neither he nor the other eight taken to Beltsville yesterday will have to depend on their looks for their livelihood now. Their blood is all that is wanted.

DISABLED VET GETS SHOW HORSE FOR $50

Through the efforts of a sympathetic auctioneer and a crowd with lots of heart, Maj. Philip Larimore, 22, who lost a leg in World War II and won a DSC, but is still a crack horseman, bought his favorite mount, Chugwater, at yesterday's sale.

When the hunter went on the block, the auctioneer urged the crowd not to bid. "This horse has been trained by an Army man, a combat veteran," he said. "The horse responds to the soldier's left knee lead. The soldier is an amputee."

The major got Chugwater for $50—the only bid—and now both are headed for the horse-show circuit.

RECESS

Mr. WHITE. Mr. President, it does not seem possible to proceed with the regular order at the moment. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 11, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 10, 1947:

DEPARTMENT OF STATE

Ernest A. Gross, of New York, to be legal adviser of the Department of State.

UNITED STATES DISTRICT JUDGE

Roy W. Harper, of Missouri, to be United States district judge for the eastern and western districts of Missouri, vice Hon. John Caskie Collet, elevated.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 10, 1947

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, who art man's companion and counselor, we are again praying that Thou wilt bless in some special way the Members of this Congress unto whom the people of our beloved country have committed and entrusted the affairs of government.

May they daily come to the sacrament of public service richly endowed with insight and understanding, with clear judgment and wise decision. Show them how they may direct the course of our Nation toward a fuller measure of justice and peace and happiness.

Help us to sincerely believe that it is our national destiny to be a people chosen of God to bring the blessings of democracy and freedom to all mankind. Inspire us with faith in the ultimate triumph of the principles of the Prince of Peace.

In His name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 758. An act to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security; and

S. 1326. An act to amend the Federal Crop Insurance Act.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 116. An act for the relief of Mrs. Mildred Wells Martin.

EXTENSION OF REMARKS

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD.

A PERMANENT PROGRAM FOR AMERICAN AGRICULTURE

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, because I represent a congressional district which is predominantly agricultural, I am deeply interested in the development of a permanent policy for agriculture in this country. The Sixth Iowa District consists of 15 counties, located in the heart of the Corn Belt, with a high percentage of cultivated land and a tremendous production of grain and livestock. Not only our farm people, but also those who live in cities and towns, are absolutely dependent economically upon the prosperity of agriculture. If the farmer suffers in Iowa, then our townspeople likewise suffer. Conversely, a prosperous farming population means prosperity in the centers of population.

I am one of those who believe that this principle applies not only to our agricultural States, but also to our entire economy. For my own part, I am impressed by the concept that the farmer, season after season, produces new wealth that never was in existence before. Manufacturing and industry, on the other hand, are engaged in processing of products already in existence—changing their form or improving the structure of the material wrought upon. Not so the farmer. He deals with the miracle of new life produced year after year by the bounty of nature. By this token, and also because the farmer produces the very essential for human existence, food, he occupies a key position in our whole national economy.

It appears to me that there are at least three elements to the problem of a permanent policy for agriculture.

First. Agricultural prices should never be allowed to sink to a point where they will not support the reasonable capital investment in our agricultural structure plus an adequate living for those who till the soil. Having lived in Iowa during the agricultural depression of the 1920's and also the 1930's, I know that the debacle in prices in those two periods was nothing short of disastrous to our people. Many thousands of our farm families lost all the savings of a lifetime, and such losses had violent repercussions throughout our entire economy. Such a series of disasters should never again be permitted in this country.

The means and methods of securing an adequate price for farm products, I must necessarily leave to the wisdom, discretion, and acknowledged ability of the Congress and its appropriate committees. I only suggest that prices for farm products should never descend to a point of impending danger for the agricultural producer.

Second. We who live in agricultural areas are more conscious than ever of

the utter necessity for soil conservation. That broad term encompasses a wide range of activities, differing in emphasis in various parts of the country. It is certainly true that among all the natural assets given by the Creator to the American people, none is greater or of more value than the fertile soil of our country, so widespread, and so abundant in its production.

The disastrous floods of the spring and early summer in Iowa and the Midwest demonstrate again the necessity of flood control and soil conservation.

Already, by wasteful and profligate methods, we have wantonly destroyed many of the material blessings of Providence. Our American economy is certainly sufficiently mature that we must save and not waste the irreplaceable soil, the one essential and necessary ingredient of any civilization, and indeed the basis of human life on this planet. Already a program of soil conservation is receiving support from the Congress and from the farmers. It should be extended and strengthened.

Finally, I am convinced that all appropriate methods ought to be employed to make life on the farm as attractive and enjoyable as possible. Too often our farmers have lived a life of unremitting toil and even drudgery, without those amenities of life which we all enjoy and deem desirable. Furthermore, many times rural people do not have the advantages of health and sanitary safeguards, to say nothing of the ordinary comforts of modern life, such as electricity and running water. The development of rural electrification has gone a considerable distance in helping this situation. The Extension Service of the Department of Agriculture also has contributed greatly, and should receive our continued support. But we ought not to be satisfied with anything less than a constant effort to lift the level of human comfort and living in our rural areas in the United States.

These thoughts are expressed to the Congress for the purpose of recording my beliefs on these matters of such vital importance to my district, my State, and my country. Ours is the continuing responsibility of grappling with these important and difficult issues.

EXTENSION OF REMARKS

Mr. DELANEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two different subjects.

SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Armed Services may sit today during the general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

STOLEN SECRETS OF THE ATOMIC WEAPON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on yesterday the American people were shocked to learn that some of the secrets of the atomic bomb had been stolen, and that Congress had been kept in the dark about it for something like a year.

It seems silly to say that two top sergeants merely took this material home as souvenirs.

I shall insist on getting the names of those two men and their connections, to see who was behind that theft.

I am tired of a few international moongazers trying to drag my country into and subordinate it to a supergovernment to be dominated by representatives of governments many of whose people have demonstrated that they are incapable of governing themselves.

I am not willing to see them destroy the greatest defense weapon the world ever saw, and one that Almighty God has placed in the hands of the American people at this time, as leaders of this Christian civilization, to protect it against atheistic communism, anarchy, and all the forces of destruction that are now plotting the overthrow of the Government of the United States. I want the names of those men.

We members of the Committee on Un-American Activities warned you last year, and finally we got the help of the Canadian Government in exposing other attempts to steal the secrets of the atomic bomb and turn them over to the enemies of our form of government.

I shall insist that the names of these men be given us and that we find out who was behind that attempt to take the secrets of this mighty weapon and probably turn them over to the enemies of our country, our form of government, and our way of life.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

FASCISM IN ACTION

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, as the membership knows, the day before yesterday there was an argument over the printing as a House document of Fascism in Action. The cost was to be $1,680 for 1,000 of those pamphlets which were to be printed. Yesterday the gentleman from Texas [Mr. PATMAN] introduced House Resolution 277, dated July 9, to print 100,000 of these documents at public expense.

Some of us opposed this a few days ago on the ground of economy, saying it would run into a lot of money later—and now it is evident that it is going to run into a lot of money. May I point out that under the House resolution which has been introduced not more than $500 can be spent. A House resolution therefore is not the proper way to provide for this printing. It must be done by a concurrent resolution.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from Iowa.

Mr. LECOMPTE. The Committee on House Administration does not have jurisdiction over the printing of documents that cost in excess of $500. It will require a concurrent resolution to do that.

Mr. FULTON. That is an excellent statement of my objection.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. RANKIN. To what committee was this resolution referred?

Mr. LECOMPTE. To the Committee on House Administration.

Mr. RANKIN. What was the cost?

Mr. LECOMPTE. That I do not know; we have not got the estimates. We have just got the resolution.

Mr. FULTON. The cost of the first 1,000 was something in excess of $1,600. The gentleman from Texas now asks for printing at Government expense of 100,000 copies in addition to the first thousand.

Mr. LECOMPTE. That was taken care of in the resolution we passed the other day.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. PATMAN. The legislative counsel prepared that resolution. I thought it was a concurrent resolution. The House resolution will be changed to a concurrent resolution.

Mr. LECOMPTE. It will have to be a concurrent resolution.

Mr. FULTON. And again I will oppose it if it is a concurrent resolution, on the ground of economy.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial, Let's Have Tax Reduction, from the Fort Wayne (Ind.) Journal-Gazette of July 9, 1947.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

CERTAIN EMPLOYMENT PRACTICES OF THE STATE DEPARTMENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday a matter that distressed me very much was brought to my attention I think on reliable authority. It was stated that the State Department was dismissing certain of its officials and putting in their places persons who are not citizens of the United States. I am having the matter investigated and running it down. I am bringing it to the attention of the House because I think it advisable that they learn of these matters.

SUGAR RATIONING SHOULD BE ENDED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, yesterday I called the attention of the membership to the fact that the Sugar Rationing Act as passed by this Congress early this year is not being carried out according to the intent of Congress.

I charge this morning, Mr. Speaker, that these Government employees are actually on a sit-down strike. They do not intend to do anything whatsoever regarding hardship cases until sugar rationing has expired.

If the Committee on Banking and Currency would conduct a 2- or 3-day investigation, as permitted under the Reorganization Act, I am certain the result will be the bringing in of a simple resolution ending all sugar control immediately. That would be for the benefit of the country, and it would also stop the salaries of these employees who are doing nothing whatsoever toward carrying out the intent and purposes of the act of Congress.

THE PRESIDENTIAL SUCCESSION ACT

Mr. MICHENER. Mr. Speaker, pursuant to the order of the House agreed to July 8, 1947, making in order S. 564, a bill to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President, and providing that there shall be not to exceed 2 hours of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 564.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 564, the Presidential Succession Act, with Mr. WOLVERTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MICHENER. Mr. Chairman, the Constitution places upon the Congress the duty of enacting a Presidential succession law to determine who is to execute the office of President if there be no qualified President or Vice President.

Shortly after the adoption of the Constitution, and in 1792, the Congress passed the first Presidential succession law, and this enactment remained the law of the land until 1886—almost 100 years. In that law the President pro tempore of the Senate, next the Speaker of the House of Representatives, next the Members of the Cabinet in the order in which the Departments were created, served as President if there was no qualified President or Vice President.

In 1886 this law was repealed and the law which is now on the statute books was enacted. The present law provides that in case there is no qualified President or Vice President, the Secretary of State shall become Acting President, and the other members of the Cabinet follow in the same order as provided in the law of 1792.

The law of 1792 was the result of the recommendation of a special committee appointed by the Congress to explore the matter of Presidential succession. Reading of the annals and other records of the Congress of that day indicates that there were some political considerations involved. Thomas Jefferson was Secretary of State, Alexander Hamilton was Secretary of the Treasury. After much consideration and discussion the Congress passed the law of 1792. It is noteworthy that in the line of succession the President pro tempore of the Senate came first, the Speaker of the House of Representatives came second, and the Cabinet followed in order. Be it remembered that many of the Members of the Congress in 1792 were also members of the Constitutional Convention, which framed the Constitution. They certainly had knowledge as to what they intended concerning this succession when they wrote the Constitution. In these circumstances, the fact that the Congress of 1792 considered the President pro tempore of the Senate and the Speaker of the House of Representatives as officers eligible to serve as President under the Constitution should have great weight in arriving at what limitations the Constitution has placed upon the officers who might be considered by the Congress in determining the line of succession.

Mr. Chairman, of the 32 Presidents of the United States, 7 have died in office. No elected Vice President has ever died while acting as President. Regardless of what the law has been, the occasion has never arisen when anyone excepting the elected President or the elected Vice President has served as President.

When the President and the Vice President are both living, the country never expresses any concern about the line of Presidential succession; however, whenever a President or Vice President dies while serving in the office to which he was elected, immediately there is a revival of interest in a more adequate law taking care of the succession.

This bill, S. 564, makes two substantial changes in existing law. First, it places the Speaker of the House of Representatives next to the Vice President in the line of succession, and he is followed by the President pro tempore of the Senate. Next the Cabinet officers follow in order as now provided; however, the present law was enacted in 1886, and since that time two Cabinet offices have been created; that is, the Secretary of Labor and the Secretary of Commerce. Therefore, these two additional members of the President's Cabinet are given place in the line of succession, the same as other Cabinet officers.

There are a number of clarifications that might well be made while writing a new law controlling this important matter. For instance, it is uncertain as to just what amounts to disability on the part of an incumbent President or Acting President. This is not a new question but is a very difficult question to solve. For example, President Garfield was disabled for several months before he died, and the question arose as to how disability to act as President was to be determined. The same question was again asked when President Wilson was physically stricken. This is a difficult problem and it is admitted by all that no one has a satisfactory answer at the moment; therefore, this bill does not deal with that contingency. There are a number of resolutions now pending in the House and in the Senate providing for joint committees or commissions to study all of these details and in due season recommend if possible some salutary solution. This will take time and there is no possibility of any remedial legislation in this particular within the immediate future.

The pending bill, S. 564, had its genesis in a message by President Truman submitted to the Seventy-ninth Congress on June 19, 1945. The recommendation made by the President in that message found expression in H. R. 3587, which passed the House in the Congress in which it was introduced. That bill, however, was never acted upon by the Senate.

On February 5, 1947, the President sent a message to the Eightieth Congress reaffirming his message of June 19, 1945, and insisting on immediate action by the Congress. As a result a number of bills were introduced providing changes in the Presidential succession law. No two bills were exactly alike. Numerous plans and theories were suggested. In the House these bills were all referred to Subcommittee No. 1 of the Judiciary Committee for consideration. This subcommittee held hearings on these pending bills and gave particular consideration to H. R. 2524, introduced by the gentleman from Tennessee [Mr. KEFAUVER], and H. R. 2749, introduced by me, as chairman. These bills were similar and each attempted to carry out the suggestions of the President as stated in his message. After some days of consideration by the subcommittee, hearings were temporarily suspended and as chairman I addressed a letter to the President of the United States asking for his views and the views of his legal adadvisers as to the constitutionality of the Kefauver bill and the Michener bill, which in fact are the same as S. 564.

In response to this letter of inquiry the President courteously advised that the Attorney General would give consideration to these bills and report to the Judiciary Committee. Pursuant to this correspondence, the Attorney General of the United States on June 11, 1947, addressed a letter to the chairman of the Judiciary Committee which analyzed the several bills on Presidential succession then pending before the committee.

Mr. Chairman, that letter of the Attorney General succinctly covers this whole problem. The Attorney General has the research facilities and the lawyers, and is in a position to furnish to the Congress a factual statement, plus the benefit of his legal conclusions, as to the intent and meaning of doubtful words, phrases, and expressions used in the Constitution and in the statutes.

In the Senate this bill was debated for a large part of 2 days. No such time is available in the House; therefore, I am going to read the pertinent parts of the Attorney General's opinion. In this opinion no words are wasted. Facts and legal conclusions only are stated and the committee reporting this bill concurs in the conclusions reached by the Attorney General.

Mr. Chairman, the Attorney General's letter reads as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 11, 1947.

Hon. EARL C. MICHENER,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in response to your request for my views concerning a group of related measures (H. R. 163, H. R. 1121, H. R. 2524, H. R. 2749, and H. J. Res. 34) relative to Presidential succession and kindred subjects.

Article II, section 1, clause 6, of the Constitution provides:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law, provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected."

Pursuant to this authorization, Congress in 1792 passed the first succession law (act of Mar. 1, 1792, ch. 8, sec. 9, 1 Stat. 240). This law provided:

"In case of removal, death, resignation, or disability both of the President and Vice President of the United States, the President of the Senate pro tempore and in case there shall be no President of the Senate, then the Speaker of the House of Representatives for the time being shall act as President of the United States until the disability be removed or a President shall be elected."

There were a number of objections to this law, both of a political and constitutional nature, and Congress accordingly changed the law in 1886 to read as follows (act of Jan. 19, 1886, ch. 4, secs. 1–2, 24 Stat. 1–2; 3 U. S. C. 21–22):

"That in case of removal, death, resignation, or inability of both the President and Vice President of the United States, the Secretary of State, or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Treasury, or if there be none, or in the case of his removal, death, resignation, or inability, then the Secretary of War, or if there be none, or in case of his removal, death, resignation, or inability, then the Attorney General, or if there be none, or in case of his removal, death, resignation, or inability, then the Postmaster General, or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Navy, or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Interior, shall act as President until the disability of the President or Vice President is removed or a President shall be elected: *Provided*, That whenever the powers and duties of the office of President of the United States shall devolve upon any of the persons named herein, if Congress be not then in session, or if it would not meet in accordance with law within 20 days thereafter, it shall be the duty of the person upon whom said powers and duties shall devolve to issue a proclamation convening Congress in extraordinary session, giving 20 days' notice of the time of meeting.

"SEC. 2. That the preceding section shall only be held to describe and apply to such officers as shall have been appointed by the advice and consent of the Senate to the offices therein named, and such as are eligible to the office of the President under the Constitution, and not under impeachment by the House of Representatives of the United States at the time the powers and duties of office shall devolve upon them respectively."

On June 19, 1945, the President addressed a message to Congress requesting further changes in the order of Presidential succession (91 CONGRESSIONAL RECORD 6280–6281). The President recommended that the Speaker of the House of Representatives be placed first in the order of succession in case of the removal, death, resignation, or inability to act, of the President and Vice President. Under the plan recommended, the person succeeding to the Presidency would serve until the next congressional election or until a special election called for the purpose of electing a new President and Vice President. The individuals elected at such a general or special election would serve only to fill the unexpired terms. The President suggested that if there were no Speaker, or if the Speaker failed to qualify, the succession pass to the President pro tempore of the Senate and then to the members of the Cabinet, until a duly qualified Speaker is elected.

The President expressed the belief that in a democracy the power to nominate a successor (a member of the Cabinet) should not rest with the Chief Executive, and pointed out that the Speaker is elected in his own district, and is elected as presiding officer of the House by votes of the representatives of all the people of the country. Hence his selection, next to that of the President and Vice President, can most accurately be said to stem from the people themselves.

The President gave the following reasons for preferring the Speaker to the President pro tempore of the Senate: A new House is elected every 2 years, and always at the same time as the President and Vice President. It is usually in agreement politically with the Chief Executive. Only one-third of the Senate, however, is elected with the President and Vice President. It might, therefore, have a majority hostile to the policies of the President and fill the Presidential office with one not in sympathy with the will of the majority of the people. The President referred, in this connection, to the impeachment of President Johnson as suggesting the possibility of a hostile Congress seeking to oust a Vice President who had become President, in order to have the President pro tempore of the Senate become the President. This, he said, was one of the considerations which caused Congress in 1886 to change the law of 1792 under which the President pro tempore of the Senate succeeded the Vice President.

On February 5, 1947, the President renewed his request for legislation changing the order of succession. In this message, he said (93 CONGRESSIONAL RECORD 786):

"On June 19, 1945, I sent a message to the Congress of the United States suggesting that the Congress should give its consideration to the question of the Presidential succession.

"In that message, it was pointed out that under the existing statute governing the succession to the office of President, members of the Cabinet successively fill the office in the event of the death of the elected President and Vice President. It was further pointed out that, in effect, the present law gives to me the power to nominate my immediate successor in the event of my own death or inability to act.

"I said then, and I repeat now, that in a democracy this power should not rest with the Chief Executive. I believe that, insofar as possible, the office of the President should be filled by an elective officer.

"In the message of June 19, 1945, I recommended that the Congress enact legislation placing the Speaker of the House of Representatives first in order of succession, and if there were no Speaker, or if he failed to qualify, that the President pro tempore of the Senate should act until a duly qualified Speaker was elected.

"A bill (H. R. 3587) providing for this succession was introduced in the House of Representatives and was passed by the House on June 29, 1945. It failed, however, to pass the Senate.

"The same need for a revision of the law of succession that existed when I sent the message to the Congress on June 19, 1945, still exists today.

"I see no reason to change or amend the suggestion which I previously made to the Congress, but if the Congress is not disposed to pass the type of bill previously passed by the House, then I recommend that some other plan of succession be devised so that the office of the President would be filled by an officer who holds his position as a result of the expression of the will of the voters of this country.

"It is my belief that the present line of succession as provided by the existing statute, which was enacted in 1886, is not in accord with our basic concept of government by elected representatives of the people.

"I again urge the Congress to give its attention to this subject."

* * * * *

(The Attorney General's analysis of all the bills mentioned in the letter is not included here because it is not pertinent to S. 564. The letter does state the preference of the Attorney General for the Kefauver bill, H. R. 2524, and the Michener bill, H. R. 2749, both of which attempt to carry out the President's recommendations. The Attorney General's report continues:)

* * * * *

There are several legal questions which invariably arise upon the introduction of bills changing the order of Presidential succession. I believe, however, that these questions can be resolved in favor of the validity of legislation which would carry out the President's recommendations.

Opponents of the bill introduced in the Seventy-ninth Congress (H. R. 3587) contended that the Speaker of the House and the President pro tempore were not "officers" within the meaning of article II, section 1, clause 6, of the Constitution. In so doing, they relied heavily upon the Senate's decision in 1798 in the Blount impeachment case. In a plea to the jurisdiction of the Senate, Senator Blount contended that since he held his commission from the State of Tennessee and not from the United States, he was not a "civil officer of the United States" within the meaning of the impeachment clause of the

Constitution (art. II, sec. 4). The Senate sustained the plea and dismissed the articles of impeachment.

* * * * *

The proponents countered with *Lamar* v. *United States* (241 U. S. 103, 112–113 (1916)), holding that a Member of Congress is an "officer acting under the authority of the United States" within the meaning of the impersonation statute (Criminal Code, sec. 32; 18 U. S. C. 76). In its opinion, the Court noted that on another occasion the Senate, after considering the Blount case, concluded that a Member of Congress was a civil officer within the purview of the law requiring the taking of an oath of office (Congressional Globe, 38th Cong., 1st sess., pt. 1, pp. 320–331).

The question at issue, however, is not whether a Member of Congress as such, is a civil officer within the meaning of article II, section 4. The issue is whether the Speaker of the House and the President pro tempore who, though they are Members of Congress, are chosen from those offices by their respective Houses and not by vote of their constituencies, are officers within the meaning of article II, section 1. On this question, the Blount decision is of doubtful authority. The term is used in article II, section 1, without qualification and presumably includes not only officers of the executive branch of the Government but also officers of the judicial and legislative branches.

Further support for the view that the Speaker and President pro tempore are officers within the meaning of article II can be found in the fact that the law of 1792 designated the President pro tempore and the Speaker as successors to the Presidency. This law represents a construction of article II by an early Congress, whose views of the Constitution have long been regarded as authoritative, and reflects a long-continued acquiescence in such a construction (H. Rept. 829, 79th Cong., 1st sess., p. 4).

* * * * *

In conclusion, I wish to state that I am convinced of the need for a revision of the law relating to Presidential succession and, of the measures herein discussed, have a definite preference for H. R. 2524 and H. R. 2749, which are similar in all major respects and are more nearly in harmony with the recommendations of the President. Accordingly, I recommend favorable consideration of the proposal contained in the two measures last mentioned.

I am advised by the Director of the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

DOUGLAS W. MCGREGOR,
Acting Attorney General.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Michigan.

Mr. DONDERO. In case there is no Vice President, as now obtains, does it provide that the President pro tempore of the Senate will succeed before the Speaker of the House will become eligible for the Presidency?

Mr. MICHENER. Under existing law?

Mr. DONDERO. Under the present bill.

Mr. MICHENER. Under the proposal the Speaker, as stated just a moment ago, comes first in the order of succession; the President pro tempore of the Senate comes second, and then the Cabinet officers in the order in which they were created. The Committee on the Judiciary has made no changes whatever in the Senate bill. Twenty-six of the twenty-seven Members voted to pass the bill S. 564 without amendment.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. CUNNINGHAM. I would like to be clear on the second paragraph of S. 564. As I understand it, if there is a vacancy in the office of the President, the Speaker of the House accepts the appointment; then, the House elects another Speaker; then, if the Speaker who is acting as President dies, the second Speaker takes his place if he wishes instead of the President pro tempore of the Senate. In other words, there is no chance for a President pro tempore of the Senate to become President as long as the House has a Speaker who qualifies and is willing to serve.

Mr. MICHENER. That is correct.

Mr. CUNNINGHAM. I thank the gentleman.

Mr. MICHENER. That was discussed very thoroughly in the Senate and a number of questions were asked.

I yield to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Has the gentleman stated what the present law provides as to the order of succession?

Mr. MICHENER. The present law provides that the order of succession shall be in accordance with the order in which the Cabinet offices were created. The first is Secretary of State and so forth. But the law is incomplete because we have two Cabinet offices that were created since that law was enacted.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHENER. I yield.

Mr. DONDERO. Suppose the Speaker of the House is not a native-born American?

Mr. MICHENER. We do not have to spend any time on that question for the reason that the bill is very clear on that point. No one can qualify in the line of succession who does not possess the constitutional qualifications for a President of the United States. He must be 35 years of age; he must be native-born.

The Members have before them the committee report accompanying the bill. On pages 5 and 6 of the report will be found an analysis of its provisions. Time will not permit my discusisng these sections in detail; however, if there are any questions about the meaning of any section, the answers can be found in this committee analysis which is, of course, printed and presented to the membership for just that purpose. Pursuant to the permission granted to me by the House, I print with these remarks a copy of that analysis, which is as follows:

The bill S. 564 provides in section (a) (1) that in the absence of a President or Vice President to discharge the powers and duties of the Office of President, the Speaker of the House of Representatives shall act as President, provided he first retires as Speaker and as a Member of Congress. Section (a) (2) of the bill relates these same requirements to the case of the death of an individual acting as President. The selection of the Speaker to be in the first line of succession is based upon the sound reasoning that of all elected representatives of the people other than the President and Vice President, he more than any other represents the composite voice of the people by virtue of his election to the position of Speaker by the votes of the representatives of the people. He holds, in effect, a mandate from the people to carry out a particular policy or program. He, more than the President pro tempore of the Senate, reflects the latest sentiment of the people, since the 2-year term enjoyed by Representatives in Congress insures that freshness of the popular will which the 6-year senatorial term could not offer nor assure. Moreover, because of the shorter term of a Representative, there is more likelihood of political harmony between the policies of a President or Vice President deceased in office and a Speaker, than between the President and Vice President and the President pro tempore of the Senate.

Section (b) provides that in the absence of a duly qualified Speaker to succeed, the President pro tempore of the Senate shall act as President, conditioned upon his resignation as President pro tempore and as Senator.

Section (c), including subsections (1) and (2) thereunder, provides that the tenure of the person acting as President under the preceding sections shall be until the expiration of the then current Presidential term, or until the qualification or removal of disability of a prior-entitled individual, whichever period is the shorter. It will be observed that here, and in other sections of the bill, the terms "disability" and "inability" are used seemingly interchangeably. The use of the terms in this fashion is predicated upon the identical use in the Constitution in article II, section I, clause 6.

Section (d) (1) provides that in the lack of a President pro tempore, qualified to act as President, then those powers and duties shall be exercised in descending order of selection by the following officers not under a preventing disability: Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, and the Secretary of Labor. This order parallels the order provided in the existing law, with the exception of the addition of the Secretaries of Agriculture, Commerce, and Labor. The remoteness of the contingency which would occasion such nonelective officers to act as President removes the objections now made as to that point in existing law. Subsection (d) (2) qualifies the Cabinet-officer-succession provision to the extent that the removal of the disability of a Cabinet officer higher on the list shall not terminate the service of the Cabinet officer then acting as President, although the removal of disability of any other prior-entitled individual in the line of succession would operate to terminate the Presidential tenure of the Cabinet officer then acting in such capacity.

As a further qualification to the assumption of the office of President by a Cabinet officer, it is provided in subsection (d) (3) that the taking of the Presidential oath of office would automatically constitute his resignation as a Cabinet officer. This would preclude any question as to duality of office.

Section (e) provides that the officers named elsewhere in the bill for succession must be constitutionally eligible for the Presidency. In addition, the Cabinet officers named in the potential line of succession shall not only have been appointed by and with the advice and consent of the Senate prior to the disability of the President pro tempore, but must also not have been under impeachment by the House of Representatives at the time of devolution of the powers and duties of the Presidency upon them. The section is dictated from an abundance of caution to obviate even the barest possibility of an undesirable incumbency.

Section (f) provides for payment of the then prevailing Presidential salary to the suc-

cessor, and section (g) repeals sections 1 and 2 of the Presidential Succession Act of 1886.

Now, Mr. Chairman, I have used more time than I should have used in the light of the time available. In closing, in behalf of the Judiciary Committee, I ask the Congress to pass S. 564 without amendment. If this is done, then the bill will go to the President and no further action will be required in the Senate.

Mr. CELLER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it is well to be specific as to what the present law is with reference to Presidential succession. In the event of the death of the President and Vice President or in the event, God forbid, of the death of President Truman, the next in succession would be Mr. Marshall, Secretary of State, then Secretary of the Treasury Snyder, then Secretary of War Patterson, then Attorney General Clark, then Postmaster General Hannegan, then Secretary of Navy Forrestal, and, finally, Secretary of the Interior Krug.

The proposed bill now before you would change the line of succession to provide for the following order of Presidential succession: First would come the Speaker of the House, the distinguished gentleman from Massachusetts [Mr. MARTIN]; then, the President pro tempore of the Senate, Senator VANDENBERG; then Secretary Marshall; then Secretary Snyder; then Secretary Patterson; Attorney General Clark; Postmaster General Hannegan; Secretary Forrestal; and so forth.

It is interesting to delve into the history of this matter a little bit. The first act, as was said by the distinguished chairman of the Committee on the Judiciary, the gentleman from Michigan [Mr. MICHENER], was passed way back in 1792. That was similar to the proposed bill, except that the first in succession was to be the President pro tempore of the Senate, and the Speaker would follow. Why was that? Well, we have to consider who was in control of the Congress then. The Federalist Party was in control, and Hamilton was the dominant figure of that party. He had considerable hostility to Jefferson, who was Secretary of State. Frankly, President Washington was not enamored of Mr. Jefferson, so that between the two of them they figured it would be better not to make the Secretary of State first in succession, and therefore devised a plan that the President pro tempore of the Senate would be first in succession, the Speaker second in succession, and then the Cabinet officers.

That plan continued for something like 94 years, until 1886, in the administration of Grover Cleveland. But, 33 years before 1886, in 1853, we had the administration of Franklin Pierce, but his Vice President had died, and the question arose as to his successor if he died in office. Bills were offered in the Congress in that year with reference to Presidential succession, and bills were offered in every single Congress from 1853 down to 1886, when the original statute of 1792 was changed. President Cleveland's Vice President had died and that tragic event again high lighted the very controversial question of succession.

What happened in the interim? We know that we had lame duck Congresses in those days, and before the Speaker or the President pro tempore of the Senate was elected by their colleagues a number of months elapsed. In the debates which we find in the CONGRESSIONAL RECORD there was argument to the effect that there was danger in that situation. Since it took months before the head of the House and the head of the Senate were elected, if the succession devolved upon them, there might be considerable turmoil and uncertainty because there would not be any Speaker for a number of months—not till March—and there would not be any President pro tempore. Of course, the twentieth amendment did away with lame duck sessions.

Furthermore, there came about the impeachment proceedings of President Johnson, and that gave rise to considerable bitter debate as to who would follow President Johnson. Fear was expressed that if the President pro tempore would be first in succession, and then the Speaker of the House, a hostile Congress might evolve a clique to get control of the affairs of Government. The Tilden-Hayes contest also influenced the desire for change. So, in 1886, they passed a bill which is now the present law, namely, that the first in succession shall be the Secretary of State, and so on down among the Cabinet officers.

In the past the line of succession has been, I would say in my humble estimation, practically theoretical. There was not too much chance of the line of succession going very far. The life of today, however, is different. In the old days Presidents did not take trips to Europe, did not go to Berlin to attend conferences, did not go to Mexico, and did not ride in fast-traveling automobiles. I do not mean that as a rebuke, I only extend that as a reminder to our present President that we all have an affectionate regard for him and want him to live many, many years, but that he should be mighty careful in his travels. I offer him much applause, however, for his courageous espousal of the purposes of the bill before us.

Strange to relate, however, during our history the Vice Presidency alone since the time of Washington has been vacant by death or resignation 15 times. Not once, fortunately, did a situation develop where both the President and Vice President died. Seven Vice Presidents succeeded to the Presidency through the death of their President. They are John Tyler, Millard Fillmore, Andrew Johnson, Chester A. Arthur, Theodore Roosevelt, Calvin Coolidge, and Harry S. Truman. Seven Vice Presidents died in office leaving the succession open to the third man on the succession list. These Vice Presidents were George Clinton, Elbridge Gerry, William R. King, Henry Wilson, Thomas A. Hendricks, Garret A. Hobart, and James S. Sherman. One Vice President, strange to relate, resigned to take his office as Senator. That was John C. Calhoun.

It is well to draw attention to a peculiar situation that developed way back in 1844, in President Tyler's term. It seems that a Presidential party went on a steamer called the *Princeton*. One of its new guns was fired in salute, but the gun exploded and killed two Cabinet officers, the Secretary of State, the Secretary of the Navy, and almost killed the President. So even in those days sudden death struck unexpectedly. We can peer into the future a bit and envisage an atomic war, a bacteriological war, where a number of the highest officials of the Nation might unfortunately be done away with. So it is well to focus our attention on this question of the Presidential succession.

The present statute of 1886 provides that those who are designated to succeed the President shall only be Acting Presidents until a special election shall have been called. The bill before us does not provide for special elections, and I think wisely so, because special elections will mean recurrence of considerable political turmoil, national conventions, and the usual battle for delegates and fight for nomination, with the usual flaring up of passions that accompany a national convention followed by a special election and the campaign that precedes it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. DONDERO. Did the committee or the gentleman give any thought, or would the gentleman like to discuss the question of the justification of an official who has never been elected by the people to succeed to the Presidency as provided in this bill and as provided in the laws of this land since the beginning of our Government.

Mr. CELLER. I believe the answer is found in the letter that the President sent to us. He cushions the blow in a way. He first says that the Speaker of the House should be the first in succession, then the President pro tempore of the Senate. He then uses this language:

> A completely new House is elected every 2 years, and always at the same time as the President and Vice President. Usually it is in agreement politically with the Chief Executive. Only one-third of the Senate, however, is elected with the President and Vice President. The Senate might, therefore, have a majority hostile to the policies of the President and might conceivably fill the Presidential office with one not in sympathy with the will of the majority of the people.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, the President there made a cogent statement when he said that the Speaker of the House is elected by representatives of the people. He is closest to the people of all mentioned in the succession. I, therefore, agree with the President that the first in succession should be one closest to the people, namely, the Speaker of the House of Representatives. He is elected.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman possibly missed what I believe the gentleman from Michigan had in mind. There

has been a controversy ever since the adoption of the Constitution as to whether it was necessary for the House to elect a Member of the House as its Speaker or the Senate to elect as its President pro tempore a Member of the Senate. Every once in a while we hear somebody suggest that. But the weight of authority and the common sense of the situation and the possibilities are such that that never would happen.

Mr. CELLER. It never has happened and in all likelihood never will happen.

Mr. DONDERO. I think the gentleman from Michigan missed the point. What I had in mind was whether or not thought had been given to the question why an individual who had never been elected by the people should succeed to the Presidency. I refer to Cabinet officers. I think the gentleman from New York has answered it in this way, that they would be in sympathy with the principles and program of the Chief Executive, who is elected by a majority of the people of the United States.

Mr. CELLER. The pending bill does not take care of every conceivable contingency. It does not take care of the question of what is meant by disability of a President. Some constitutional lawyers have stated that it is not within the province of the Congress to determine what is disability and that that can only be brought about by a constitutional amendment. The committee considered that matter and rather than stir up controversy in that regard we did not define what is or what is not disability; but it is interesting to note that on a number of occasions the question of disability did arise. James A. Garfield was shot and lived for almost 3 months. The question arose, Is he disabled? I think the only official act that was performed during that period of critical illness was the signing of a commission for an officer. He did nothing else. But the controversy was not resolved one way or the other. The next time the question rose was with reference to the illness of President Wilson. You may recall that a committee of Senators visited Wilson and remained at his bedside. They came to the conclusion that while he was greatly impaired in health he was, in the opinion of the Senators, not disabled in the constitutional sense. The question also rose with reference to the impeachment of President Johnson. While he was under impeachment—and the proceedings of his trial took a long time—was he in that interval disabled? That question also was never determined by either House.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from West Virginia.

Mr. SNYDER. This thought occurred to me and perhaps the gentleman would like to comment on it. At least I would like to get his ideas. We always have a Speaker of the House. If something were to happen to the Chief Executive and the Speaker of the House succeeded him, the House would immediately elect another Speaker.

So consequently, following the gentleman's reasoning, we will always have a representative of the people able and eligible to succeed to the Presidency rather than to go down to the President pro tempore of the Senate and the Cabinet officers. I would like to have the gentleman's comment with reference to that.

Mr. CELLER. I did touch upon that subject briefly, and President Truman in his letter, which was referred to, said that he did not wish to be placed in the position where he would designate his own successor, namely, Secretary of State Marshall, and therefore he wanted the law changed so that he would not be placed in an embarrassing situation and so that the Speaker of the House would be the first in line of succession.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. MICHENER. I think the President of the United States, Mr. Truman, is to be complimented on his second message in particular. He sent the first message in 1945, when there was a Democratic occupant of the office of President pro tempore of the Senate and a Democratic Speaker. That bill passed the House overwhelmingly. In 1947, with a Republican Speaker, with whom the President was acquainted, and with a Republican President pro tempore of the Senate, he still stood by his principle and asked for the same legislation. I might say right here that Senator VANDENBERG, who would be heir apparent to the throne provided the Senate officer came ahead of the House officer, took the floor in the Senate and made a splendid speech in favor of this bill and gave reasons why the Speaker is preferable and is closer to the people than a Senator might be under certain conditions. He certainly was not selfish. Like the big man that he is, it was principle first.

Mr. CELLER. As I said before, the bill does not take care of every contingency. Suppose we have a situation where we have a war and the President is accused of treason. That is a very serious crime. Now, is the President disabled while he is under that cloud? We do not cover that. That may have to be taken up by other legislation. And I can conceive of other contingencies which we do not consider, and rightly so.

This bill passed the Senate, and it is well to get it passed and out of the way. It is a good bill and one that follows the wishes of the President. It has been argued that the Speaker and the President pro tempore are not officers within the purview of article II, section 1, clause 6, of the Constitution, which provides that an officer shall succeed as President, and reliance is placed upon the case of Senator Blount, who, away back in the early days, was under impeachment, and it was held that he could not be impeached because only an officer of the United States could be impeached, and the Senator was an officer of the State of Tennessee and not of the United States.

Mr. MICHENER. A civil officer, emphasizing the word "civil."

Mr. CELLER. A civil officer, that is correct. But in any event, the Supreme Court decided in 1915 (241 U. S.), in the October term, that a Member of the House is an officer of the United States. I shall not read the decision. It is a very lengthy decision, but covers the situation completely, and is a decision of the United States Supreme Court that a Member of the House or a Member of the Senate, within the terms of article II, clause 1, section 6, is actually an officer of the United States.

Mr. GWYNNE of Iowa. Is that the Lamar case?

Mr. CELLER. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the action of the Congress and the President with respect to this legislation will be a credit to their part in the developing history of our Nation.

The President made his recommendation for this type of legislation without reference to his political party and without consideration for possible personal pride in the fact that he had been a Member of the Senate of the United States. He said simply that he believed the successor should be someone most closely identified with a choice of the people. The Speaker of the House of Representatives represented most closely an expressed choice by the people in a representative way, Nation-wide.

The bodies of the Congress in approving this legislation are doing it to meet a defect in our constitutional provisions for succession to the Presidency. The need for such a provision is clearer in this day of fast-moving events than it could have been when the Nation was founded.

And, Mr. Chairman, though I note the present Speaker is himself not in the chair during the debate on this bill, having turned the job of presiding over to the gentleman from Indiana, I would like to say that the action of the Congress is not retarded one whit by knowledge of who would succeed to the Presidency if the law were to be employed during your speakership.

It has been my privilege to serve in the House of Representatives during the speakerships of the gentleman from Alabama, Mr. Bankhead, the gentleman from Texas [Mr. RAYBURN], and the gentleman from Massachusetts [Mr. MARTIN]. Each one of them would make or would have made a great President.

I shall vote for this bill, Mr. Chairman, with the knowledge that the Speakers of the House, as I have known them, merit the confidence this action implies.

Mr. MICHENER. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. ROBSION], the chairman of Subcommittee No. 1, which held hearings and made report on the bills introduced in the House dealing with this particular subject.

Mr. ROBSION. Mr. Chairman, we have before us Senate bill 564, providing for the succession to the Presidency in the event of the removal, resignation, death, or inability of both the President and Vice President to act, and this bill

designates the successors to the Presidency in such a contingency as follows:

First. Speaker of the House of Representatives.

Second. President pro tempore of the Senate.

Third. Secretary of State.

Fourth. Secretary of the Treasury.

Fifth. Secretary of War.

Sixth. Attorney General.

Seventh. Postmaster General.

Eighth. Secretary of the Navy.

Ninth. Secretary of the Interior.

Tenth. Secretary of Agriculture.

Eleventh. Secretary of Commerce.

Twelfth. Secretary of Labor.

This S. 564 is identical with the bill passed by the House in the Seventy-ninth Congress, and it is identical in its terms and objectives with the bill introduced in the present Congress by our distinguished chairman, Mr. MICHENER, and our distinguished colleagues, Mr. KEFAUVER, of Tennessee, and Mr. ANDERSON of California. Our good friend and colleague the gentleman from Arkansas [Mr. TRIMBLE] also introduced a very interesting bill which would take care of situations arising where all of the persons named in the Senate bill and these House bills should suffer death or inability to act as President by reason of some devastating force which might be produced by the atom bomb.

These several bills were referred to our Subcommittee No. 1, of which I have the honor to be chairman, to hold hearings, give consideration, and report on the several bills. Our subcommittee held hearings and heard a number of persons who were well qualified to speak on this subject. All of the members of our subcommittee came to the conclusion that this legislation was essential and urgent, and that the persons named above should in their order succeed to the Presidency in the event of the removal, resignation, death, or inability of the President and Vice President to act.

The important question developed was whether or not the Speaker of the House and the President pro tempore of the Senate are civil officers as defined by the Constitution of the United States. In a leading case of *Lamarr* v. *The United States* (241 U. S. 103), the Supreme Court held that a Member of Congress—Representative or Senator—is a civil officer within the definition and meaning of the Constitution.

These bills were referred to the President of the United States with the request that he, through the legal departments of the Government, investigate the question carefully and make a report to the Judiciary Committee of the House. After long study, the Attorney General on June 11, 1947, submitted a written opinion in which he concurred in the decision supra Lamarr against United States and was of the opinion that the legislation proposed here is not violative of the Constitution and he recommended favorable consideration of this legislation. Soon after that report was made by the Attorney General, the Senate enacted S. 564, the bill now before the House. Our subcommittee met and after further consideration of the evidence submitted and the report of the Attorney General, found that S. 564 sought to accomplish the same objectives as the House bills and except for the transposition of some of the language, is almost identical with the House bill and identical with the bill passed by the House in the last Congress, and by unanimous vote approved S. 564 and recommended favorable action to the full Judiciary Committee.

The full Judiciary Committee read the Senate bill carefully and considered each and every part of it and at the conclusion approved unanimously S. 564 with the exception of one vote and reported favorably S. 564 to the House and the real question before us today is, Will the House accept Senate bill 564?

Of course, if the bill is amended in any respect it will likely be referred to a conference of the House and Senate, and this may prevent action on the bill at this session of Congress. The President has indicated that this legislation is urgent and therefore I strongly urge that the House accept S. 564 without amendment. This, then, will fully carry out the recommendation of the President in his message in the Seventy-ninth Congress and his message to the Eightieth Congress on February 5, 1947, and it will settle a controversy that has been going on from time to time ever since 1792 when the first succession bill was passed.

COMMENDS PRESIDENT AND SENATE

The President, on June 19, 1945, in a message to the Congress, urged that the Congress take action on this matter of succession to the Presidency and designate, first, the Speaker of the House of Representatives instead of the President pro tempore of the Senate to become and act as President in the event of removal, death, or inability to act as President and Vice President. The House, in obedience to that request of the President, passed a bill in the last Congress, but the Senate failed to act. At that time the Democrats were in control of the House and Senate. On February 5, 1947, President Truman renewed his request for legislation and again urged that the Speaker of the House be named first in order, the President pro tempore of the Senate second in order, and members of the Cabinet in the order as we have set out above to act as President in the event of removal, death, or inability of both President and Vice President to act.

The Congress, of course, now has a Republican Speaker and a Republican President pro tempore of the Senate and if President Truman should die or be unable to act, then the Republican Speaker of the House would become President. President Truman gave the following reasons for preferring the Speaker of the House to the President pro tempore of the Senate:

> A new House is elected every 2 years and always at the same time as the President and Vice President. It usually is in agreement politically with the Chief Executive. Only one-third of the Senate, however, is elected with the President and Vice President. It might, therefore, have a majority hostile to the policies of the President and fill the Presidential office with one not in sympathy with the will of the majority of the people.

The President made it clear in his two messages that it would be more nearly in accord with our Democratic institutions to have the Speaker of the House to become President in case of the removal, death, or inability of the President and Vice President to act than it would if the President pro tempore of the Senate was designated to fill this important office. He also pointed out that under the present law, members of the Cabinet, in the order of their creation, would succeed to the Presidency, and therefore the President, under present law, could name his successor by naming certain persons of his Cabinet, persons who have not been elected by the people. I cannot commend too highly this attitude on the part of President Truman. I also desire to commend the Members of the Senate that voted to pass this bill which places the Speaker No. 1 to become President in the event of the removal, death, or inability to act of the President and Vice President.

The Senate likely could have defeated this legislation. Senator VANDENBERG, who is President pro tempore of the Senate, made a very able and vigorous speech in support of S. 564 which gives the Speaker of the House preference. I regard the attitude of the President pro tempore as well as President Truman's statesmanship of a high order and in keeping with our ideals of a government of the people, by the people, and for the people, and it seems to me that each and every Member of this House could join in and pass the Senate bill, S. 564, because it is in its objectives and provisions the same as the bill the House passed in the last Congress and the bill that has been favorably considered by the committee of the House in this Congress.

YEARS OF DEBATE AND CONSIDERATION

I doubt if I could add much to the very able and enlightening speeches made on this bill today by the gentleman from Michigan, Chairman MICHENER, and ranking Democrat, the gentleman from New York [Mr. CELLER], of the Judiciary Committee. The authority for the Congress to act is based primarily on article II, section 1, clause 6, of the Federal Constitution, which provides:

> In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

Under this authorization, Congress, in March 1792, passed the first succession law. This law provides:

> In case of removal, death, resignation, or disability, both of the President and Vice President of the United States, the President of the Senate pro tempore, and in case there be no President of the Senate, then the Speaker of the House of Representatives for the time being shall act as President of the United States until the disability be removed or a President shall be elected.

It will be observed that the President pro tempore of the Senate, in the act of 1792, was given preference over the Speaker of the House of Representatives. Between 1792 and 1886 a number of Presidents had died—Harrison, Taylor, Lincoln, and Garfield—and quite a number of Vice Presidents had died, and there was much discussion over this question of succession, and finally, on January 19, 1886, an act of Congress was approved which provided:

> That in case of removal, death, resignation, or inability of both the President and Vice President of the United States, the Secretary of State, or if there be none, or in case of his removal, death, resignation, or inability, then the Secretary of the Treasury, and on through the Secretary of War, Attorney General should act as President.

It can be seen that this act of Congress eliminated both the President pro tempore of the Senate and the Speaker of the House of Representatives. Of course, up to that time the Senators were elected by the State legislatures instead of by popular vote and the only successors to the Presidency are the appointive officers of the President, members of his Cabinet. The Vice President, after becoming President through the removal, death, or inability to act of the President, could name his successor, and that is the situation today under the act of 1886.

President Truman is urging that the Congress change the law and first give preference to the Speaker of the House of Representatives, a man elected by the people; and second, to the President pro tempore of the Senate, a man elected by the people. If both of these fail, then in their order to the 10 Cabinet officers. As President Roosevelt is dead, Mr. Truman, as Vice President become President, can and has named his successor in the event of his removal, death, or inability to act. He does not believe this is in line with our democratic ideals, and I am sure that practically every Member of this House is in full accord with President Truman on this matter.

There has been much debate and much consideration given to this question since 1886. President McKinley and President Harding died. President Wilson was a very sick man in the latter part of his administration. President Roosevelt died in 1945. Some Vice Presidents have died, and each time the succession to the Presidency has come up for consideration.

If this becomes law, there is little likelihood that anyone can become President of the United States except a person who has been chosen by the people either as a Representative or as a Senator. Under this act, should the Speaker of the House become President and should he die, there would be little chance for the President pro tempore of the Senate to become President because when the Speaker succeeds to the Presidency, the House would elect another Speaker, and that new Speaker would become the President and not the President pro tempore of the Senate, or any member of the Cabinet. This would indicate that, if this measure becomes law, in the event of the removal, death, or inability of the President or Vice President, officers elected by the people and elected representatives of the people, the Speaker of the House will become President unless the Speaker should not have the constitutional qualifications to be President, or if he did, he declined to assume the Presidential office; in such event, the President pro tempore of the Senate would become President, and, of course, if he did not possess the constitutional qualifications to be President or refused to take the office, then members of the Cabinet in their order would become President, but all of these officials who are in line for succession to the Presidency must possess all of the constitutional qualifications of President as to being a natural-born citizen, age, and so forth.

Of course, the Speaker of the House must resign as Speaker and also as Representative in assuming the office as President and this is also true as to the President pro tempore of the Senate. He must resign his office as President pro tempore of the Senate and as Senator. Whoever succeeds to the Presidency under this bill can only hold office for the balance of the term for which the President was originally elected.

The bill also provides that if the President-elect and the Vice President-elect both fail to qualify, then the acting President shall act only until the President or Vice President qualifies. The persons who do qualify are in the order as we have named, beginning with the Speaker of the House. Some have asked what will happen in the event the House fails to elect a Speaker or the Senate fails to elect a President pro tempore of the Senate. We must bear in mind that under an amendment to the Constitution, the Congress assembles and organizes on January 3 every 2 years and the President and Vice President are sworn in and inaugurated on the following January 20 every 4 years so that when the question comes up of the President and Vice President qualifying, they will find a Congress—House and Senate—already organized with a Speaker of the House and a President pro tempore of the Senate.

This bill does not cover all of the defects in the present law. For instance, some day we must provide a way to determine when the President, because of disability or inability, is unable to act as President. Some bills and resolutions are now pending before our Judiciary Committee that undertake to provide for such a contingency. These bills and resolutions in due course will be given consideration by our Judiciary Committee and perhaps there are other defects in the law that should be remedied.

The bill before us solves the major problems of succession that now confront the Nation and the Congress. I am quite sure that every Member of the Congress expresses the hope that divine providence does not intervene in creating a vacancy during President Truman's term. President Truman was elected by the American people to the office of Vice President and he is now the legal and constitutional President of the United States but we cannot overlook the fact that under modern means of travel, to carry on the very arduous duties of the Presidency, the President must take a certain amount of risks.

If some unfortunate accident should come to President Truman and Speaker of the House JOE MARTIN lives, he can, under this law, take over the affairs of our great Government. He is a duly elected Representative of the people in his own district and has been made Speaker of the House by a large majority of the duly elected Representatives of the American people as a whole. He knows our Government as few men in this country know it. He has come up from the grass roots. He has been trained for years in the school of government. He has had wide experience in the affairs of our Nation. He is a loyal, patriotic, American who, too, believes profoundly in a government of the people, by the people and for the people, and should he not be available, the next man in succession would be the very able, experienced Senator VANDENBERG of Michigan, President pro tempore of the Senate. Few men in this Nation have had such wide training and experience in the affairs of our country and of course, no man could be more devoted and loyal to American institutions and ideals than he is.

This bill, if enacted into law, will bring a feeling of security to the American people generally and I sincerely trust that it may be adopted unanimously. There is not and could not be partisanship in this bill.

Mr. GOSSETT. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, some few Democrats throughout the country have criticized me for supporting this measure which changes the line of succession, but I feel that in the matter of dealing with succession to the Presidency we cannot consider party politics. It is a substantial change in the laws of our country which transcends any party consideration. We are not recommending or voting on a change just for today, but we are trying to consider from a long-range point of view what is best for the Government and best for the country.

The problem of the succession to the Presidency is one of the most important problems that faces the Congress today, as I see it.

The importance of this general subject has always been fully recognized by legislators, historians, and the press of the country. For instance, many years ago Chancelor Kent said:

> If ever the tranquillity of the Nation is to be disturbed and its liberties in danger by a struggle for power, it will be upon this very subject of a choice for President.

There is some interesting history that ought to be reviewed at this time.

The original Constitution contained a provision to the effect that in the event of the death, removal, disqualification, or inability of the President or Vice President to serve, Congress may determine who will act as President. They left it to the Congress to pass a succession law. In 1792 the Congress in which sat many Members who had served in the constitutional convention passed the succession law of that year. They provided for the succession first to the President pro tempore of the Senate, if he had been

elected, and, if not elected, to the Speaker of the House of Representatives. It is very peculiar that in that Congress and in the debates, even though they are scantily reported, no question was made as to the constitutionality of having a President pro tempore of the Senate or the Speaker of the House serve as President. The constitutional provision I have referred to before says that the Congress may determine what officer may serve. But as time went on various Congresses questioned the constitutionality of that law, saying that there was doubt whether the President pro tempore of the Senate or the Speaker of the House was an officer within the meaning of the Constitution. They supported that argument by an early impeachment which the Senate had before it—that of William Blount, of Tennessee. Mr. Blount had been elected a Member of the United States Senate. The House of Representatives voted articles of impeachment. The Senate decided he was not an officer within the impeachment section of the Constitution, and therefore was not subject to that section for the purposes of impeachment.

Incidentally, that argument was used in the Seventy-ninth Congress against passage of the bill recommended by President Truman when it was presented to the House of Representatives. That is, if the succession came to the Speaker of the House, then the President pro tempore of the Senate, the same argument was made then that was later made against the succession law in 1792. I do not think that the argument is valid for the following reasons: In the first place, the original constitutional provision does not say that the officer referred to must be an officer of the executive department of the Government. Certainly the Speaker of the House and the President pro tempore of the Senate are officers, and very high officers, of the legislative branch, and the legislative branch of the Government should have just as much recognition as the executive branch in the matter of succession. Furthermore, even if we admit that the precedent of the William Blount impeachment matter has some basis, it should be borne in mind that Senator Blount, while he was a Member of the Senate, was not an officer of the Senate. He was not President pro tempore of the Senate.

I think it would be interesting to consider briefly the succession law of 1886. The original succession law stayed on the books from 1792 to 1886. At that time Cleveland was President and Vice President Hendricks had just died. The president pro tempore of the Senate was a Republican, and in the event of the death of President Cleveland he would have succeeded to the Presidency. That was the situation that led immediately to the passage of the latest succession law.

It provides, of course, that in the event of the death, disability, removal, or inability of the President or Vice President to serve, the Secretary of State and then on down through the Cabinet, should act as President. It has been argued, and I think with a great deal of force, that it should not be in the power of the Vice President, when serving as President, to name his successor.

Furthermore, it is argued, and I think convincingly, that the Vice President, when serving as President, ought to be enabled to select the Secretary of State, with consideration only to the merits and ability of that person to act as Secretary of State, without having to consider whether he would make a good President in the event that office should fall to him. That, I think, is sound argument.

Candidly, Mr. Chairman, I think Mr. Marshall, if that mantle should fall to him, would be a very acceptable person to act as President; but we are dealing with a law that I hope will remain on the statute books for a long, long time. I think, as a matter of general principle, the President ought to be able to select a man who is well versed in foreign policy. A man might make a great Secretary of State, yet not be a good President.

Also, it seems to me, the Speaker of the House of Representatives comes closer than anyone else in the Government to having a mandate from the people to carry out a particular policy or program. He has been recently elected and elevated to that position by the direct and fresh representatives of the people at the last election. He will certainly be a man of great ability. He will certainly be a man who has the common touch. I think that on the whole that our Speakers have been men quite capable of serving as President in the event that mantle should ever fall to them, whereas the Secretaries of State, be they ever so able, have been selected and appointed not by the representatives of the people or by the Congress, but by one man.

In the last Congress we passed a law providing for the succession of the Speaker and then the President pro tempore, but it failed to pass the other body. I think that we should pass that law again today.

Then there is another matter which I have especially interested myself in during the past few years, that of preventing us from having, in a great and a disastrous way, the difficulty they recently had in the State of Georgia, that is, that under our laws as they stand today no provision whatsoever is made for an acting President in the event we should have no President when inauguration day, January 20, comes around. This may seem a remote possibility, but several very real contingencies might take place to cause that result. Under the Constitution as amended, the term of the President expires at noon of January 20. He has no right to serve after that time. No member of his Cabinet has any right to serve. The succession law of 1886 applies only after a President has qualified. It does not apply to or take care of the hiatus before a President has qualified.

What are the situations that might find us without anyone qualified to act as President? And let me say that it would not take a great imagination to visualize the chaos and the difficulties this Nation and the world would have if we should be without a President even for a very short time. There would be no Executive, no officer in the executive department could be appointed, they could not hold over, there could be no Cabinet members, there would be no head of the Army and Navy. It is even doubtful whether Congress could pass any laws, because the Constitution states that a bill, when passed, must be presented to the President and then, if not approved by the President, may be passed over his veto. I doubt if you could even pass a law by two-thirds majority over his veto, because there would be no President to present it to. So we would have a most chaotic situation.

These are some of the contingencies that might occur. The State of Georgia, of course, has a provision in its constitution that the old governor shall hold over until his successor qualifies. We are even without that protection. Suppose the President-elect and the Vice President-elect should die or become disqualified between the election in November and inauguration day. No provision whatsoever is made for that contingency. Suppose also that a filibuster took place in either the House or the Senate, and the embryonic one in the Senate at the beginning of this Congress is indicative of what might take place. The Constitution states that the House and the Senate must meet in joint session, and the law fixes January 6 as that date, to canvass the vote of the electoral college, and also states that the votes shall be opened by the President pro tempore of the Senate. If there were a filibuster in either House they could not meet in joint session, because one House or the other would not be organized. So if that situation persisted from January 6 until January 20 we might well find ourselves without anyone to act as President.

Further, when in the electoral college no candidate for President has a majority of the votes, the election is thrown into the House of Representatives. That has happened two times. In 1824, for instance, Jackson had more electoral and popular votes than anyone else, but John Quincy Adams was elected President by the House of Representatives. As a concession to the smaller States, it is provided in the Constitution that when the election is thrown into the House each State has only one vote, no matter how many Members of the House it may have. New York has one vote and Idaho has one vote. The vote is by States. In almost every Congress there would be some States with one Democratic Representative and one Republican Representative, so such a State would not have any vote. Anyway, the election of a President is the first order of business, and that question is voted on until a President is elected. You cannot start voting for the President until you organize the House. In the past it has taken weeks, and in one case more than 2 months, to elect a Speaker. So that you might be in a position where you could not even start voting by the 20th of January. Also, it is provided that when the House has to elect a President and when the Senate has to elect a Vice President a constitutional quorum of two-thirds of the Members is required. Therefore, it would be very easy to break a quorum. Those are cases where we might not have anyone

to act as President. They are very real. They are particularly real in view of the fact that the twentieth amendment to the Constitution established January 20 as the inauguration date instead of March 4.

Section 3 of the twentieth amendment contemplates that Congress could pass a law to take care of this very problem. The House heretofore passed a bill which I introduced and sponsored in 1941 which provided when that situation arose the Speaker of the House should act as President if the Speaker had been elected, and that the President pro tempore of the Senate should act if one had not been elected. That bill went over to the Senate, and I presume that because they wanted their man to come first they did not do anything about the legislation. I think the Speaker of the House of Representatives should come first, but more important than the person who is to succeed is the urgency of plugging this loophole.

On April 19, 1940, I introduced a bill to implement the twentieth amendment and avoid the genuine and grave danger to the Republic of not having a person to act as President. That bill was the same as H. R. 1121 which I filed in this Congress. It was reported unanimously by the Committee on the Judiciary and passed the House in the Seventy-seventh Congress but it was pigeonholed in the Senate. Now that the danger of allowing the present loophole to remain is more evident. I am glad that at long last we are going to remedy it as is done in the Senate bill before us today.

There are countless other questions in connection with the succession which should be studied and clarified. One is the age-old question of who is to determine when the present President is unable to serve. When does his inability begin and when does it end? Who is to determine that? That is an open question so far as our Constitution and our laws are concerned. Does the Vice President make the determination and take over? This might lead to a very embarrassing situation sometime in our history. Suppose the Vice President is serving as President. It is a question that should be settled.

In order to have a study made and an answer reached on these proposals I have filed a resolution, House Concurrent Resolution 18, which is now before the Committee on Rules. This resolution would establish a joint Senate and House Committee for consideration of subjects above-enumerated.

The Senate bill S. 564 which we have before us today is almost identical with H. R. 2524 which I have been sponsoring before the Committee on the Judiciary. We should pass the bill and at an early date direct a committee to inquire into the many unsettled problems relating to the succession.

Mr. MICHENER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, as we prepare to enact legislation making the Speaker of the House next in line for the Presidency after the Vice President, I am reminded of a tribute paid the office of Speaker on March 3, 1893, by ex-Speaker Reed. It is reported in volume 2 of Hinds' Precedents. The occasion was the closing day of the Fifty-second Congress, and Mr. Reed's vision of the Speakership was voiced in part in these words:

> No factional or party malice ought ever to strive to diminish his standing or lessen his esteem in the eyes of Members or of the world. No disappointments or defeats ought ever to be permitted to show themselves to the injury of that high place. Whoever at any time, whether for purposes of censure or rebuke or from any other motive, attempts to lower the prestige of that office, by just so much lowers the prestige of the House itself, whose servant and exponent the Speaker is. No attack, whether open or covert, can be made upon that great office without leaving to the future a legacy of disorder and bad government. This is not because the Speaker is himself a sacred creation; it is because he is the embodiment of the House, its power and dignity.

In drafting our Federal Constitution the founding fathers spent little time in debating the office of Speaker of the House. Apparently they felt the office would be similar to that of the Speaker of the House of Commons. This conception has changed a good deal, but by comparison we have been niggardly in providing for our Speaker.

MacDonagh, in his Pageant of Parliament, published in London in 1921, points out that the Speaker of the House of Commons "receives an emolument of £5,000, to be paid, free of taxes, out of the Consolidated Fund direct, without having to be voted every year by the House of Commons. Besides, a sum of £1,000 equipment money is given to the Speaker on his first appointment. He could have a secretary with a salary of £500. The Speaker has a residence furnished by the state and free of rent, rates, taxes, with coal and light supplied. The Speaker also receives a pension of £4,000 a year."

I have had the privilege of serving under two of the greatest Speakers ever chosen by the people's representatives to honor the high office of the speakership, the distinguished gentleman from Texas [Mr. RAYBURN], and the distinguished gentleman from Massachusetts [Mr. MARTIN]. These men possess all the qualifications Americans are wont to prescribe for the highest office in our Republic—the Presidency.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. CELLER. Mr. Chairman, I also yield the gentleman 5 minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, the bill before us provides for a contingency which has never happened but entirely ignores a contingency that has happened once and maybe more than once. Suppose in the future a President should become incapacitated, either through accident or otherwise, and could not perform the duties of his office. Suppose he should become insane. What would we do? Do you know the answer? There is no answer, so far as I am able to learn.

That has actually happened. We had it when President Garfield lingered for some time between life and death and there was some question that it did not occur at a later date also.

The Constitution, however, foresaw that contingency and provided for it in article II, section 1, in these words:

> The Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, and declare what officer shall then act as President.

Obviously the makers of the Constitution had in mind that Congress would do its full duty and adopt a law that would cover and take care of any such contingency that might happen in the future.

In other words, I esteem it to be the duty of the Congress to legislate and set up the proper machinery to determine if and when there is this inability. Now, that is one of the questions that we have to settle, and it is not touched in this bill.

Here is another contingency. Suppose after an election and before the meeting of the electoral college, the President-elect should die, then what do you do? That is another great unanswered question.

I submit, Mr. Chairman, that instead of reporting out this bill without consideration, virtually—and, incidentally, this bill has been twice reported by the Committee on the Judiciary, and on neither occasion has it had any consideration worthy of the name—that instead of that sort of a thing, it would be my suggestion that the entire subject, with all its great and dangerous possibilities, should be considered by some committee, probably the Committee on the Judiciary, or if that committee does not care to undertake it, that a nonpartisan commission be appointed to make a careful study of the entire proposition.

Now, coming to this particular bill, I think it is of doubtful constitutionality; at least, there is sufficient doubt about it that the great Committee on the Judiciary of the House, which should be the guardian of the Constitution here if any committee is, ought to give it a little more consideration than about 30 minutes.

Constitutionally, it comes down to this question: Is a Member of Congress an officer within the meaning of the Constitution? That is one question. There are, of course, others. Well, in order to determine what the Constitution makers had in mind, what they meant by the word "officer," it is well to look through the Constitution to see how the word is used in other provisions, and here are some of them:

> Article II, section 2: The President may require the opinion, in writing, of the principal officer in each of the executive departments.

Now there, of course, they did not intend to include Members of Congress.

> Article II, section 2: The President shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States.

Obviously, they did not intend to include Members of Congress in that.

> Article II, section 3: The President shall commission all the officers of the United States.

Well, he does not commission Members of Congress. Now, the next really calls for an explanation:

> Article II, section 4: The President, Vice President, and all civil officers of the United States, shall be removed from office on impeachment.

Is a Member of Congress subject to impeachment? Of course, it was held in the Blount case that he was not, and it was put squarely on the ground that he was not an officer within the meaning of the Constitution.

Article I, section 6, contains a provision which throws considerable light on the intent of the framers of the Constitution in these words:

> And no person holding any office under the United States, shall be a Member of either House during his continuance in office.

If you take the version that is taken by all the proponents of this bill, that section absolutely means nothing. How, I submit, can a Member of Congress be an officer to qualify to be in line of succession and not be an officer under this particular section of the Constitution?

> Article II, section 1: No Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

This makes a clear distinction between, on the one hand, Senators and Representatives, and on the other, a person holding an office of trust or profit under the United States.

In the third section of the fourteenth amendment you find substantially that same language:

> No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States—

And so on, again making a clear distinction between Members of Congress, on the one hand, and officers of the Government on the other.

Article I, section 2:

> The House of Representatives shall choose their Speaker and other officers—

Indicating to me clearly that the men who wrote the Constitution meant that the Speaker was an officer of the House and not an officer of the Government.

It is interesting to note that this question has had considerable consideration, and there are respectable authorities who have placed the same interpretation on this that I have here. Here are some of them: The Supreme Court of the United States in three cases, and I will give you the citations later. The court held in substance that unless a person in the service of the Government holds his office by virtue of appointment under article II, section 2, that is, an appointment by the President or an appointment by a court or an appointment by a head of a department, he is not an officer of the United States in a Constitutional sense.

James Madison, father of the Constitution, expressed himself very clearly in accord with the views I am giving you here now. Judge Story, probably the greatest writer on the Constitution we ever had, held that view. Professor Tucker, who made a very extensive research on this subject, said that, in his opinion, the word "officer" as used in the Constitution was not meant to apply to Members of Congress. Past Attorneys General of the United States have also given it that interpretation.

Proponents of this bill refer to the case of *Lamar* v. *United States* (241 U. S. 107). That is the single authority they have to rely upon, and if you read that case you will see it absolutely does not prove their contention at all.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from New York.

Mr. CELLER. Did not that case hold that within a statute which says that anyone impersonating a Congressman shall be guilty and suffer certain pains and penalties, and this man Lamar offered himself as Mitchell Palmer, Congressman from the State of Pennsylvania? Was it not held in the Lamar case that a Member of Congress is "an officer acting under the authority of the United States"?

Mr. GWYNNE of Iowa. The gentleman is right as far as he goes. The sole question there was, Was a Member of Congress an officer within the meaning of Congress in a certain penal statute? That was the question. The Court said the Congress intended to include a Member of Congress as an officer within the meaning of that particular statute.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MICHENER. Mr. Chairman, I yield five additional minutes to the gentleman from Iowa.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. We all know that the only way to get rid of a Member of Congress is to expel him.

Mr. GWYNNE of Iowa. That is right.

Mr. GRAHAM. If this becomes a law, and the Speaker is eligible, and we expel him, where does the impeachment proceeding come in?

Mr. GWYNNE of Iowa. That is what I am wondering myself.

This is what the Supreme Court said in the Lamar case. This is an exact quotation:

> This issue here is not a constitutional one, but who is an officer acting under the authority of the United States within the provisions of the section of the Penal Code under consideration.

That is all they were deciding, and the opinion so states.

The history of this thing is not reassuring for this type of legislation. Let me just sketch it to you briefly:

In the First Congress the matter of succession was considered. It is true there were people in that Congress who had been in the Constitutional Convention. Just the same, Marbury against Madison held unconstitutional one important bill passed by that Congress. There was a substantial group who favored the succession law we now have, in that first Congress. There was a feud between Alexander Hamilton and Thomas Jefferson. Jefferson was Secretary of State and Hamilton under no circumstances wanted him to be President. Hamilton has admitted it, and in previous debates on this bill his letter has been set out in the RECORD of the Congress. That First Congress did adopt a law which put the succession first in the President pro tempore of the Senate. Then, we had the Andrew Johnson impeachment proceedings. There, mind you, was the President pro tempore, the heir apparent, sitting in on that trial and voting to impeach Andrew Johnson. That demonstrated to many people the necessity for changing the succession law.

In 1886, the House Committee on the Judiciary and the Senate Committee on the Judiciary spent many days considering the matter and then wrote the present law which we now intend to change to go back to the law that they discarded.

This legislation opens up many intriguing possibilities. I think the people are entitled to have their Representatives give them some consideration. Suppose in the future there should be a feud between the Congress and the President. It could happen. It has happened—notably in the Johnson administration. Might not the Congress through the process of impeachment be able to get its representative in the White House. That is exactly what they almost did in the Andrew Johnson impeachment case. They would have done it, except for the courage of a few Senators, including one Senator from my State.

Mr. Chairman, the possibility of this law being used under the present situation is less than a thousand-to-one shot. The next inauguration of an elected President and Vice President is less than 18 months away. Do you not think the people are entitled to have us consider this entire subject and really write a bill which would cover all these contingencies which might arise to plague us later?

I yield to the gentleman from Pennsylvania.

Mr. WALTER. The thing that disturbs me about this bill is the question of fact raised by the word "inability" which appears throughout the bill. Who will pass on the question of fact as to the ability of a President to serve?

Mr. GWYNNE of Iowa. I find nothing here. There is nothing in the present law either. That is something that we must study. I understand that in the administration of Woodrow Wilson consideration was given in some quarters to the necessity of someone taking over the office of the President. If we should have a situation of that character, who would determine the question of inability? Obviously, the Constitution left that to be settled by the Congress and left it to the Congress to set up some machinery to determine that question.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. CELLER. I think the gentleman might well know if he would make a check of it that there are a number of bills now before the Judiciary Committee of the House and the Judiciary Committee of the Senate which cover that very situation which provide for a joint committee of both Houses to investigate thoroughly the very matter as to what is or is not inability or disability of the President and what shall be done under

such circumstances. But we felt it would be better not to clutter up this bill with a question of that sort which is very controversial. As I said in my main statement, it is considered by some constitutional lawyers that the Congress has no authority to determine what constitutes disability of the President and that that can only be done by a constitutional amendment.

Mr. GWYNNE of Iowa. This matter is full of questions, and that is the reason I suggest setting up a commission of some sort to go into it thoroughly and make a job of it.

The cases to which I previously referred are: *United States* v. *Germaine* (99 U. S. 308); *United States* v. *Monat* (124 U. S. 307); *United States* v. *Smith* (124 U. S. 525).

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I agree that this bill is not a perfect solution and does not satisfy all the questions in the minds of all the Members. It is certainly an improvement over the existing situation. Since the President has several times asked for this legislation, I think it is timely that we act upon it. Of course, I am supporting the bill.

I do agree with my distinguished colleague who just left the well of the House that there are other issues even more important—issues akin to the matter of Presidential succession. I think we ought to get around to deciding this question of when a President is unable to serve in the office of the Presidency. There ought to be some clear legal way of making such determination.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. KEFAUVER. I might call the gentleman's attention to the fact that the Rules Committee has before it House Concurrent Resolution 18, a resolution on this side which I filed some time back. There is also a similar resolution on the Senate side to appoint a special joint committee, composed of the members of the Judiciary Committees of the Senate and the House, to go into this entire problem. There are some 8 or 10 questions that should be determined as to when "inability" begins and when it ends. I think the Congress could do a great service to the Nation to have this committee consider those problems. But I cannot see why that matter should delay the passage of this present legislation. In fact, we have always had this uncertain matter of "inability," and this bill does not make it any more uncertain.

Mr. GOSSETT. I thank the gentleman.

I want to mention in passing another matter on which Subcommittee No. 1 of the Judiciary Committee has held hearings, a matter closely related to this question of Presidential succession, and a matter to which I hope this House will give consideration at an early date. That is the question of changing the archaic and dangerous method by which we now elect Presidents. In my opinion, that should be changed. Our electoral college system is an anachronism. Only by the grace of God, in my opinion, have we escaped some serious difficulties in this country because of the way in which we elect Presidents.

There are four resolutions pending before the Judiciary Committee to abolish the electoral college and electors, and to provide that Presidents be elected by direct vote of the people, retaining, however, the electoral vote of each State, and simply specifying that the electoral vote be divided in exact ratio with the popular vote. In other words, many of us think that the people of this country should be permitted to vote directly on the President, in terms of electoral votes. The reason we do not want to abolish the electoral vote is that we did not want to go into the question of a small State versus a large State. But we do feel that the electoral college system is undemocratic, and that it has not worked in the best interests of the people, and is becoming more and more dangerous to our modern society and economy.

I want to mention several propositions which we will sooner or later get around to considering in the House.

First. Existing provisions as to the choosing of electors, the manner in which their votes are cast and counted, and the deciding of elections in the Congress is an open invitation to fraud and chicanery and unless changed will some day result in disaster.

Second. The electoral college confines and largely restricts national campaigns to a half-dozen pivotal States.

Third. The electoral college greatly restricts the field of presidential possibilities.

Fourth. The electoral college permits and invites irresponsible control and domination by small organized minority groups, within the large pivotal States. It aggravates and accentuates the building up and solidification within these States of religious, economic, and racial blocs.

Fifth. The electoral college deprives great masses of our best citizens of the educational benefits of national campaigns and lessens their concern in national affairs.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the distinguished gentleman from Kentucky.

Mr. ROBSION. First I think there is some misapprehension. The gentleman is a very able member of our subcommittee. I feel there is some misapprehension here that we devoted only 15 minutes to this bill.

Mr. GOSSETT. Oh, we devoted several days to the hearings on this bill.

Mr. ROBSION. Yes; and then we read the Senate bill line by line and word for word in both subcommittee and the full committee; did we not?

Mr. GOSSETT. That is quite true.

Mr. ROBSION. On this other matter the gentleman is discussing, that would preserve the electoral votes of the States as they now stand in the same relationship they now have and at the same time would in effect give the American people the benefit in reality of a popular vote for the President and Vice President; would it not?

Mr. GOSSETT. That is correct.

A sixth proposition is that the electoral college places an unconscionable burden and temptation upon a President elected by it. Most Presidents are largely elected by these organized minorities in the large pivotal States and naturally owe some obligation and consideration to those responsible for their election.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. KEFAUVER. I am glad the gentleman is discussing this electoral-college matter. Many of us are very much interested in it. I wonder if the gentleman would also point out the fact that under the present provision of the Constitution voters are really voting blind, because there cannot be any real assurance that the members of the electoral college for whom they vote are going to vote for the nominee of their party. We had that threat in Texas and other States in the last election, that they might vote for someone other than the party nominee. That would be eliminated under the change the gentleman has been talking about.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. KEFAUVER. Mr. Chairman, I yield three additional minutes to the gentleman from Texas.

Mr. GOSSETT. The gentleman is eminently correct. Under existing procedure the electors, of course, are morally bound to cast their votes for the Presidential nominee for whom their constituents intended that they should vote, but apparently in most places they are not legally so bound. They have in the past used their discretion in certain instances. As a matter of fact, in the very first Presidential election contest in 1796 three electors who were supposed to vote for Thomas Jefferson voted for John Adams instead, and John Adams was elected by a vote of 71 electoral votes to 68 for Thomas Jefferson.

The whole system as we now operate under it is fraught with peril. As a matter of fact, in the last election in the State of New York 2,900,000 voters voted for Thomas E. Dewey, yet under the electoral-college system their votes were cast for Franklin D. Roosevelt. Obviously this system is undemocratic and should be changed.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from New York is recognized for 2 minutes.

Mr. CELLER. Mr. Chairman, I wish to direct attention to the proposition emphasized by the gentleman from Iowa [Mr. GWYNNE] and call attention to the fact that for 84 years, from 1792 to 1886 the line of succession was first to the President pro tempore, then to the Speaker of the House. During all those years there were eminent constitutional lawyers in both Houses of Congress, and many of the Presidents who held tenure during that time were themselves eminent constitutional lawyers. They never inveighed against the idea that there should be a succession first to the Presi-

dent pro tempore and then to the Speaker. Eminent men in not only the executive branch but also the legislative branch in those years held that President pro tempore of the Senate and the Speaker of the House were civil officers of the United States under the Constitution. It is well to read briefly from the letter sent to the chairman of the Judiciary Committee by the Attorney General.

I read one paragraph:

The question at issue, however, is not whether a Member of Congress as such, is a "civil officer" within the meaning of article II, section 4. The issue is whether the Speaker of the House and the President pro tempore who, though they are Members of Congress, are chosen for those offices by their respective Houses and not by vote of their constituencies, are "officers" within the meaning of article II, section 1. On this question, the Blount decision is of doubtful authority. The term is used in article II, section 1, without qualification and presumably includes not only officers of the executive branch of the Government, but also officers of the judicial and legislative branches."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, our very good friend and capable lawyer the gentleman from Iowa [Mr. GWYNNE] severely criticized the Judiciary Committee because he said it took only 15 minutes to consider this Presidential succession matter. As just stated by the gentleman from Texas [Mr. GOSSETT] a member of the subcommittee, days were taken by the subcommittee in the hearings and consideration of this problem. Then the bill was reported to the full committee. There was not a lot of time taken in the full committee because the committee had the matter up in the last Congress, reported substantially the same bill favorably, and the House after debate passed it overwhelmingly. All of the members of the Judiciary Committee, excepting the gentleman from Iowa, may be wrong. Again the gentleman from Iowa may be wrong. He stands alone in the committee in his opposition to this bill.

The gentleman from Iowa also called attention to 8 days' debate in the Senate when the law of 1886 was enacted. There was a lot of debate at that time, but I wonder if he has read all that debate. I quote from the hearings—there were hearings before the subcommittee—the testimony of our colleague from Tennessee [Mr. KEFAUVER], who testified as follows:

I think it would be interesting to consider briefly the succession law of 1886. The original succession law stayed on the books from 1792 to 1886.

That is practically the law we are attempting to reenact here. The Speaker, however, in this bill outranks the President pro tempore. Continuing the quotation:

At that time Cleveland was President and Vice President Hendricks had just died. The President pro tempore of the Senate was a Republican, and in the event of the death of President Cleveland he would have succeeded to the Presidency.

Thank God we are not having any 8 days of political debate here. We are giving nonpolitical consideration. We have a President who is a Democrat. We have a Republican majority and a Republican Speaker in the House. In the Seventy-ninth Congress we had a Democratic majority and a Democratic Speaker. That Congress passed this bill and this Congress is going to pass this bill today. This bill is not a cure-all, but will be an improvement.

I respect the views of our friend from Iowa. I do feel, however, that his legal deductions in this case are not well founded.

Mr. Chairman, I now yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER], a member of the Judiciary Committee.

Mr. SPRINGER. Mr. Chairman, the succession bill which is now before the committee was considered by the House a little more than 2 years ago, or approximately at that time. Most of us recall the debate that occurred on that measure. We passed the bill in the House by a tremendous majority. It then went to the other body and when it arrived in the other body the bill was never acted upon; consequently there was no legislation which resulted from that effort on our part. However, we have the bill which is presented here this morning, and we have the additional bills which have been introduced which were mentioned by the gentleman from Tennessee [Mr. KEFAUVER], and the gentleman from New York [Mr. CELLER].

Referring to this particular bill, I desire to call to your attention the expression of the President of the United States with reference to the passage of this particular legislation. This is what the President stated upon this particular question:

In the message of June 19, 1945, I recommended that the Congress enact legislation placing the Speaker of the House of Representatives first in order of succession, and if there were no Speaker, or if he failed to qualify, that the President pro tempore of the Senate should act until a duly qualified Speaker was elected.

That is the positive and the distinct expression of the President of the United States, and that is his expression contained in the message which he delivered to the House of Representatives. He again affirmed that same position when he delivered his message before the Eightieth Congress.

In addition to that, I also desire to call to your attention statements made by the Attorney General of the United States with reference to this particular matter and with reference to the constitutionality, if you please, of this particular legislation. I wish to quote from the concluding paragraph of the letter from the Attorney General of the United States, in which he states:

In conclusion I wish to state that I am convinced of the need for a revision of the law relating to Presidential succession and, of the measures herein discussed, have a definite preference for H. R. 2524 and H. R. 2749, which are similar in all major respects and are more nearly in harmony with the recommendations of the President. Accordingly I recommend favorable consideration of the proposal contained in the two measures last-mentioned.

Before I conclude I desire to call to the Members' attention a statement which was made by my very warm and distinguished friend, the gentleman from Iowa [Mr. GWYNNE], when he questioned the constitutionality of this particular legislation by reason of the fact that the Constitution refers to the word "officer." In the case of *Lamar* v. *United States*, reported in the Two Hundred and Forty-first United States Reports, reading from page 113, I think that question is entirely set at rest, and I want to read into the RECORD the language of that decision which I think is conclusive on this question. I now read from page 112, to get the proper connection:

Guided by these rules, when the relations of Members of the House of Representatives to the Government of the United States are borne in mind and the nature and character of their duties and responsibilities are considered, we are clearly of the opinion that such Members are embraced by the comprehensive terms of the statute.

In other words, they are officers within the provisions of the terms of the Constitution.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SPRINGER. The opinion of the Court proceeds:

If, however, considered from the face of the statute alone the question was susceptible of obscurity or doubt—which we think is not the case—all ground for doubt would be removed by the following considerations:

Listen to this language of the Supreme Court:

Because prior to and at the time of the original enactment in question the common understanding that a Member of the House of Representatives was a legislative officer of the United States was clearly expressed in the ordinary, as well as legal, dictionaries.

Then the Court proceeds to another section:

Because at or before the same period in the Senate of the United States after considering the ruling in the Blount case—

And may I digress for a moment and say that the Blount case has been mentioned heretofore in this debate—

it was concluded that a Member of Congress was a civil officer of the United States within the purview of the law requiring the taking of an oath of office.

Then the Court proceeds with its decision:

(c) Because also in various general statutes of the United States at the time of the enactment in question a Member of Congress was assumed to be a civil officer of the United States.

Then the Court cites the Revised Statutes:

(d) Because that conclusion is the necessary result of prior decisions of this Court and harmonizes with the settled conception of the position of members of State legislative bodies as expressed in many State decisions.

Thereafter the Court cites a large number of decisions which bear directly on this question. So, under the decision in the Lamar case, excerpts from which I have just read, there is no question of doubt in my mind, as there was no question of doubt in the minds of the Justices of the Supreme Court of the United States, that the Speaker of the House and the President pro tempore of the Senate are civil officers within the meaning and the purview of the Constitution of the United States.

Since this legislation has been before this body I have given some thought to the question as to why the President concluded in his statement that the Speaker of the House of Representatives should take precedence over the President pro tempore of the Senate. In my humble opinion, he reached that conclusion knowing that the Speaker of the House of Representatives is elected from the Members of this body, who are elected by the people every 2 years. He is very close to the people. The President pro tempore of the Senate is elected every 6 years, and is consequently not as close to the people as the Speaker of the House of Representatives. Consequently, in my opinion, and I think in the opinion of every Member of this body, he concluded that the Speaker of the House of Representatives, being closer to the people and being more representative of the will and the wish of the people, is the person who should succeed first and should have priority over the President pro tempore of the Senate.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. The point was made a little earlier in the debate that in the event the Speaker of the House should be in line to succeed to the Presidency there might be a danger that a little group of power-seeking men within the House of Representatives might impeach the President and force the Speaker of the House into the Presidency as the result of that action. What does the gentleman feel about that?

Mr. SPRINGER. I do not think there is any danger of that in the remotest degree. Such a plan would be entirely impossible of completion. It would be necessary to impeach in the legal method, and any such conspiracy would certainly be detected and fail entirely.

As the gentleman knows, under the existing law the Cabinet officers in the order in which they were selected have priority, and the President appoints every Cabinet officer. Under the present law of succession, it merely means that the President would be selecting his own successor in office as President of the United States. Also, the Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, Postmaster General, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, and Secretary of Labor are appointive offices; they have not been elected by the people. We here seek to make the succession of those who might assume this high office to come close to and direct from the people of this Nation. It is my hope this proposed legislation will be passed without any dissenting votes.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, this bill, which has already received favorable action in the other body, unanimous approval of the House Committee on the Judiciary, and enthusiastic endorsement by the President, deserves speedy enactment by what I hope will prove to be an overwhelming vote.

Always when the country finds itself without a Vice President this subject of Presidential succession is urgently discussed. Seven Presidents have died in office. Each time speculation and discussion have ensued regarding a successor to the Vice President, who assumes the duties of President.

Article II, section 1, paragraph 5, of the Constitution provides as follows:

> In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

The act of 1792 enacted in the Second Congress provided that the President pro tempore of the Senate should follow the Vice President in line of succession and after him the Speaker of the House. There was some discussion at that time about making members of the Cabinet eligible following the Speaker, but personalities, we are told, entered into the picture to block the suggestion. Thomas Jefferson was then Secretary of State and the violent opposition of Alexander Hamilton to him and his policies thwarted action to place Cabinet members in the line of succession.

Following the death of President Taylor in 1850, extensive hearings on this subject were held, as a result of which the House Committee on the Judiciary approved a bill, adding the Chief Justice and Justices of the Supreme Court after the Speaker in the line of succession. This bill, however, was not acted upon before a new Presidential election took place, after which the acute emergency passed, and the subject again was dropped.

It was not until the death of President Garfield that the matter was again brought up in 1886 when a radical change was made, eliminating the President pro tempore of the Senate and the Speaker, and substituting the Secretary of State, Secretary of the Treasury, and other Cabinet members in the rank which then prevailed. It is interesting to read the debates of that period, which preceded this decision and which shed light on the reasons prompting the departure from the line of succession which had prevailed for nearly a century. The principal argument, and one which, under the laws that then existed, had almost unanswerable logic behind it, was that there was a substantial period of time when there would be no one eligible to succeed. After adjournment sine die in those days there was no Speaker of the House nor President pro tempore of the Senate until those bodies reconvened in the succeeding Congress and elected their presiding officers. If a Vice President, who had assumed the office of President, should die or become disabled during this period, there would necessarily be no Chief Executive until the convening of the next Congress—a highly undesirable hiatus.

This has, of course, been eliminated completely by the adoption of the twentieth or so-called lame-duck amendment to the Constitution, under which the presiding officers of both legislative bodies hold over after adjournment and continue in office until the 3d day of January next succeeding when successors are chosen. This motivating cause of the change made in 1886, therefore, is now entirely without force.

The second chief argument made at that time against continuance of the President pro tempore of the Senate and the Speaker as eligibles to become acting President was that it would be undignified and potentially productive of disorder in the processes of government for the Chief Executive to be required to preside over a body where the administration of the executive branch might be the subject of criticism and attack. There was nothing in the 1792 law which relieved the presiding officer of his legislative duties upon assuming the office of President. It is to be noted that in the first sentence of the measure now before us it is expressly provided that the Speaker shall not act as President until he has resigned as Speaker and as a representative in Congress.

Both of these arguments for the change in 1886 had at that time almost unassailable cogency, which is now, however, totally lacking.

The legislation before us prescribes the following line of succession:

First. The Speaker.
Second. The President pro tempore of the Senate.
Third. Secretary of State.
Fourth. Secretary of Treasury.
Fifth. Secretary of War.
Sixth. Attorney General.
Seventh. Postmaster General.
Eighth. Secretary of the Navy.
Ninth. Secretary of the Interior.
Tenth. Secretary of Agriculture.
Eleventh. Secretary of Commerce.
Twelfth. Secretary of Labor.

The last three are new because those offices have been created since 1886.

The Presidency of the United States is an elective office. Obviously, it is not practicable to elect a series of Vice Presidents who may succeed to that office. It should be filled, in the event the two elected officials are not able for any reason to serve their term, by one who as closely as possible might be said to be the choice of the people. The one man who most exactly fits that description

is the Speaker of the House, chosen by the ballots of the people in his congressional district to represent them and in turn selected by a majority of the chosen representatives of all the people to preside over the deliberations of the legislative chamber. Since Representatives in Congress are chosen each 2 years, the Speaker may thus be said to represent the most recent expression of the people's choice.

Due to the rules of seniority which prevail, he will always be one who has served many years in the legislative halls, has a rich background of experience, has necessarily acquired an intimate familiarity with the administration of various departments and agencies of the executive branch of Government, enjoys the utmost respect and confidence of his colleagues, knows the science of politics in the best sense of the word, has become indoctrinated with a high sense of fairness through the demands and responsibilities of his office and is thoroughly qualified to assume the high office of President of the United States. The country will, I am sure, pardon the pride of the Members of this House in citing as an outstanding illustration of one who fits this description, our distinguished colleague who now so ably presides over this body.

Following the Speaker in line, comes the President pro tempore of the Senate, who may have been elected at any time up to 6 years previously and who is the next closest approximation we can find to that fair cross section of an individual whom we might designate the people's choice. To a lesser degree than the Speaker, it is true, but to a greater degree than any other official of the Government he would fit such description. This was recognized in the action taken by the other body.

Another reason for placing these two elected officials before the members of the President's Cabinet is that such a procedure eliminates a natural American feeling of repugnancy to the idea of permitting the head of our Government to designate his successor. While that is not likely, it is entirely possible under the present method of succession. The prevailing sentiment of the American people, entirely apart from any consideration of the personalities involved and totally without regard to political considerations, favors the preferment of elective to appointive officials in eligibility for succession to the Presidency. This measure gives expression to that preference.

Mr. MICHENER. Mr. Chairman, I yield the remaining time on this side to the gentleman from Missouri [Mr. REEVES].

Mr. REEVES. Mr. Chairman, the constitutionality of S. 564 has been ably debated and, in my opinion, convincingly demonstrated. My remarks will be directed at the comment made a few minutes ago by our distinguished and respected colleague the gentleman from Iowa [Mr. GWYNNE] to the effect that the need for this law is only a 1,000 to 1 chance. I am not able to agree with this viewpoint.

Seven Presidents of the United States have died in office. Six of these by an interesting coincidence have been elected President at 20-year intervals beginning with 1840. For example:

Harrison, elected in 1840, died in office on April 4, 1841.

Lincoln, elected to his first term in 1860, died in office on April 15, 1865.

Garfield, elected in 1880, died in office on September 19, 1881.

McKinley, elected to his second term in 1900, died in office on September 14, 1901.

Harding, elected in 1920, died in office on August 2, 1923.

Roosevelt, elected to his third term in 1940, died in office on April 12, 1945.

This cycle is only a coincidence, of course, but it emphasizes that periodically the uncertainties of life and the burdens of his high office result in the death of a President of the United States. Undeniably, the heavy responsibilities of the Presidency tend to impair the health and life expectancy of any occupant of the office. The first 15 Presidents were inaugurated at an average of fifty-four and a half, and they lived an average of 11 years after leaving office. The next 14 Presidents, ending with Calvin Coolidge, were inaugurated at an average age of 49 years—5½ years less than the first 15—and they lived an average of only 6 years, or slightly less, after leaving the White House.

Seven Vice Presidents have died in office: George Clinton—Jefferson—in 1812; Elbridge Gerry—Madison—in 1814; William R. King—Pierce—in 1853; Henry Wilson—Grant—in 1875; Thomas A. Hendricks—Cleveland—in 1885; Garret A. Hobart—McKinley's first term—in 1899; and James S. Sherman—Taft—in 1912.

In the 40 Presidential terms which have occurred during the constitutional history of the United States, therefore, there have been 13 terms in which the office of Vice President has been vacant for part of the term. In other words, during approximately one-third of the Presidential terms the office of Vice President has at some time been vacant, with a substantial chance that a vacancy occurring in the office of President would leave the Nation without either a President or a Vice President who had been elected by the people. It is this very real contingency which the present bill has been designed to meet.

So far as the question of policy is concerned, I am altogether in accord with the view that elected representatives of the people—rather than Cabinet members who are appointed by the President—should head the list of succession to the Presidency. For all the reasons already thoroughly discussed it seems particularly appropriate that the Speaker of the House and the President pro tempore of the Senate, in that order, should follow the Vice President in line of succession. S. 564 accomplishes that purpose, and I urge its enactment by the House.

This has become an age of uncertainty, with myriad new and destructive hazards to our national and personal security. We cannot provide against every conceivable contingency to which reference has been made, but we can assure through this bill that in the event of vacancies in the office of President and the office of Vice President the chief executive officer of the United States will be an elected representative of the people.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. REEVES] has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That (a) (1), if, by reason of death, resignation, removal from office, inability, or failure to qualify, there is neither a President nor Vice President to discharge the powers and duties of the office of President, then the Speaker of the House of Representatives shall, upon his resignation as Speaker and as Representative in Congress, act as President. (2) The same rule shall apply in the case of the death, resignation, removal from office, or inability of an individual acting as President under this subsection.

(b) If, at the time when under subsection (a) a Speaker is to begin the discharge of the powers and duties of the office of President, there is no Speaker, or the Speaker fails to qualify as Acting President, then the President pro tempore of the Senate shall, upon his resignation as President pro tempore and as Senator, act as President.

(c) An individual acting as President under subsection (a) or subsection (b) shall continue to act until the expiration of the then current Presidential term, except that—

(1) if his discharge of the powers and duties of the office is founded in whole or in part on the failure of both the President-elect and the Vice-President-elect to qualify, then he shall act only until a President or Vice President qualifies;. and

(2) if his discharge of the powers and duties of the office is founded in whole or in part on the inability of the President or Vice President, then he shall act only until the removal of the disabiilty of one of such individuals.

(d) (1) If, by reason of death, resignation, removal from office, inability, or failure to qualify, there is no President pro tempore to act as President under subsection (b), then the officer of the United States who is highest on the following list, and who is not under disability to discharge the powers and duties of the office of President shall act as President: Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, Postmaster General, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor.

(2) An individual acting as President under this subsection shall continue so to do until the expiration of the then current Presidential term, but not after a qualified and prior-entitled individual is able to act, except that the removal of the disability of an individual higher on the list contained in paragraph (1) or the ability to qualify on the part of an individual higher on such list shall not terminate his service.

(3) The taking of the oath of office by an individual specified in the list in paragraph (1) shall be held to constitute his resignation from the office by virtue of the holding of which he qualifies to act as President.

(e) Subsections (a), (b), and (d) shall apply only to such officers as are eligible to the office of President under the Constitution. Subsection (d) shall apply only to officers appointed, by and with the advice and consent of the Senate, prior to the time

of the death, resignation, removal from office, inability, or failure to qualify, of the President pro tempore, and only to officers not under impeachment by the House of Representatives at the time the powers and duties of the office of President devolve upon them.

(f) During the period that any individual acts as President under this act, his compensation shall be at the rate then provided by law in the case of the President.

(g) Sections 1 and 2 of the act entitled "An act to provide for the performance of the duties of the office of President in case of the removal, death, resignation, or inability both of the President and Vice President," approved January 19, 1886 (24 Stat. 1; U. S. C., 1940 ed., title 3, secs. 21 and 22), are repealed.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply take this time to ask the members of the committee a question. I was not here during the entire debate and so perhaps it has been answered.

I call the attention of the committee to the first section on the first page of the bill, which includes the words "or failure to qualify." And I ask, Where is the constitutional authority for Congress to provide for succession to the Presidency or the Vice Presidency where there is merely a failure to qualify?

Mr. MICHENER. Will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. MICHENER. The twentieth amendment, I think, takes care of that.

Mr. MATHEWS. Does it take care of the point fully to the satisfaction of the chairman of the committee?

Mr. MICHENER. It does.

Mr. KEFAUVER. Section 3 of the twentieth amendment expressly gives the Congress the right to name someone to act as President in the event the President and Vice-President-elect fail to qualify.

Mr. MATHEWS. If the committee is satisfied, I am satisfied.

Mr. MICHENER. We are satisfied with the bill.

Mr. CELLER. Will the gentleman yield?

Mr. MATHEWS. Certainly I yield.

Mr. CELLER. I think there is an additional reason for that. It is found in article II, section 1, clause 6, which speaks of the inability of the President or Vice President to discharge his duties. If he does not qualify he is not able to discharge his duties.

Mr. MATHEWS. No, that would not necessarily be sufficient to justify the authority of Congress to put in this act words which were not in the Constitution. Even if the gentleman's own opinion is that "inability" means "failure to qualify," nevertheless the same words should be used in the act as used in the Constitution. Then they may or may not be so interpreted by the courts. I do not at the moment recall the exact wording of the twentieth amendment. Exactness is essential in this type of important legislation. However, the answer which the chairman of the committee has given satisfies me that it would be within the prerogative of Congress to fix the succession in case of failure to qualify.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. GARY. Mr. Chairman, on April 29, 1947, I introduced a joint resolution proposing an amendment to the Constitution of the United States which provides that in the case of a vacancy in the office of Vice President the Senate and the House of Representatives shall, meeting jointly and by a majority vote, fill the vacancy from among those persons constitutionally eligible for the office of President. If the Congress is not in session at the time the vacancy occurs, the President is required to issue a proclamation convening the Congress.

The proposed amendment is not in conflict with the bill which is now under consideration by the House, but it will do away with the necessity of following the succession statute, except when vacancies occur simultaneously in the office of President and Vice President.

Under my proposal, whenever there is a vacancy in the office of President, the Vice President would immediately be elevated to the Presidency. The Senate and the House would then hold a joint session and by a majority vote elect a Vice President. They would not be limited in their selection to a Member of the Congress, but could elect anyone eligible for the office of President. It is to be assumed that in discharging this responsibility the Members of the House and the Senate would consider not only a person's fitness for the office of Vice President, but would also consider his qualifications for the Presidency in the event of his elevation to that high office.

I shall vote for the pending measure. I trust, however, that, notwithstanding its enactment, the Committee on the Judiciary will give serious consideration to the joint resolution which I have introduced.

Mr. MICHENER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and Mr. HALLECK having assumed the Chair as Speaker pro tempore, Mr. WOLVERTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 564) to provide for the performance of the duties of the office of the President in case of the removal, resignation, death, or inability both of the President and Vice President, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. MICHENER. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. ARENDS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 365, nays 11, not voting 54, as follows:

[Roll No. 106]

YEAS—365

Albert	Drewry	Kearns
Allen, Calif.	Durham	Keating
Allen, Ill.	Eaton	Keefe
Allen, La.	Eberharter	Kefauver
Almond	Elliott	Kerr
Andersen, H. Carl	Ellis	Kilburn
Anderson, Calif.	Elsaesser	Kilday
Andresen, August H.	Elston	King
Andrews, Ala.	Engle, Calif.	Kirwan
Andrews, N. Y.	Evins	Klein
Angell	Fallon	Knutson
Arends	Feighan	Kunkel
Arnold	Fellows	Landis
Auchincloss	Fenton	Lane
Bakewell	Fisher	Lanham
Banta	Flannagan	Larcade
Barden	Fletcher	Latham
Bates, Ky.	Fogarty	Lea
Bates, Mass.	Folger	LeCompte
Battle	Foote	LeFevre
Beall	Forand	Lemke
Beckworth	Fulton	Lesinski
Bell	Gallagher	Lewis
Bender	Gamble	Lodge
Bennett, Mo.	Gary	Love
Bishop	Gathings	Lucas
Blackney	Gavin	Lusk
Boggs, Del.	Gearhart	Lyle
Boggs, La.	Gillette	Lynch
Bonner	Gillie	McConnell
Bradley	Goff	McCormack
Bramblett	Goodwin	McCowen
Brehm	Gordon	McDonough
Brooks	Gore	McDowell
Brophy	Gossett	McGarvey
Brown, Ga.	Graham	McGregor
Brown, Ohio	Granger	McMahon
Bryson	Grant, Ala.	McMillen, Ill.
Buchanan	Grant, Ind.	Mack
Buck	Gregory	MacKinnon
Buffett	Griffiths	Madden
Burke	Gross	Maloney
Burleson	Gwinn, N. Y.	Manasco
Busbey	Hagen	Mansfield, Mont.
Butler	Hale	Marcantonio
Byrne, N. Y.	Hall, Edwin Arthur	Martin, Iowa
Byrnes, Wis.	Hall, Leonard W.	Mason
Canfield	Halleck	Mathews
Cannon	Hand	Meade, Ky.
Carson	Hardy	Meade, Md.
Case, N. J.	Harless, Ariz.	Merrow
Case, S. Dak.	Harness, Ind.	Meyer
Celler	Harris	Michener
Chadwick	Hart	Miller, Calif.
Chapman	Havenner	Miller, Conn.
Chelf	Hays	Miller, Md.
Chenoweth	Hébert	Miller, Nebr.
Chiperfield	Hedrick	Mills
Church	Heffernan	Mitchell
Clason	Hendricks	Morgan
Clevenger	Herter	Morton
Clippinger	Heselton	Muhlenberg
Coffin	Hess	Mundt
Cole, Kans.	Hill	Murdock
Colmer	Hinshaw	Murray, Tenn.
Combs	Hobbs	Murray, Wis.
Cooley	Hoeven	Nixon
Cooper	Hoffman	Nodar
Corbett	Holifield	Norrell
Cotton	Holmes	Norton
Cox	Hope	O'Brien
Cravens	Horan	O'Hara
Crawford	Howell	O'Konski
Crosser	Huber	Owens
Crow	Hull	Pace
Cunningham	Jackson, Calif.	Passman
Curtis	Jackson, Wash.	Patman
Dague	Jarman	Patterson
Davis, Ga.	Javits	Peterson
Davis, Wis.	Jenison	Philbin
Dawson, Ill.	Jenkins, Ohio	Phillips, Calif.
Dawson, Utah	Jennings	Phillips, Tenn.
Deane	Jensen	Pickett
Delaney	Johnson, Calif.	Ploeser
Devitt	Johnson, Ill.	Plumley
D'Ewart	Johnson, Ind.	Poage
Dingell	Johnson, Tex.	Potts
Dirksen	Jones, Ala.	Poulson
Dolliver	Jones, Ohio	Preston
Domengeaux	Jones, Wash.	Price, Fla.
Dondero	Jonkman	Price, Ill.
Donohue	Judd	Priest
Doughton	Kean	Rabin
Douglas	Kearney	Rains
		Ramey

Rayburn	Schwabe, Okla.	Thomas, N. J.
Rayfiel	Scoblick	Thomas, Tex.
Redden	Scott, Hardie	Thomason
Reed, Ill.	Scott,	Tibbott
Reed, N. Y.	Hugh D., Jr.	Tollefson
Rees	Scrivner	Towe
Reeves	Seely-Brown	Trimble
Richards	Shafer	Twyman
Riehlman	Sheppard	Van Zandt
Riley	Short	Vorys
Rivers	Simpson, Pa.	Vursell
Rizley	Smathers	Wadsworth
Robertson	Smith, Kans.	Walter
Robsion	Smith, Maine	Weichel
Rockwell	Smith, Wis.	Welch
Rogers, Mass.	Snyder	West
Rohrbough	Somers	Wheeler
Rooney	Spence	Whittington
Ross	Springer	Wigglesworth
Russell	Stefan	Williams
Sabath	Stevenson	Wilson, Ind.
Sadlak	Stockman	Wilson, Tex.
Sadowski	Stratton	Wolcott
St. George	Sundstrom	Wolverton
Sanborn	Taber	Woodruff
Sarbacher	Talle	Worley
Sasscer	Taylor	Zimmerman
Schwabe, Mo.	Teague	

NAYS—11

Abernethy	Harrison	Stanley
Bulwinkle	Mahon	Whitten
Camp	O'Toole	Winstead
Gwynne, Iowa	Rankin	

NOT VOTING—54

Barrett	Engel, Mich.	Monroney
Bennett, Mich.	Fernandez	Morris
Bland	Fuller	Morrison
Blatnik	Gifford	Norblad
Bloom	Gorski	Peden
Bolton	Hartley	Pfeifer
Boykin	Jenkins, Pa.	Powell
Buckley	Johnson, Okla.	Rich
Carroll	Jones, N. C.	Rogers, Fla.
Clark	Karsten, Mo.	Sikes
Clements	Kee	Simpson, Ill.
Cole, Mo.	Kelley	Smith, Ohio
Cole, N. Y.	Kennedy	Smith, Va.
Coudert	Keogh	Stigler
Courtney	Kersten, Wis.	Vail
Davis, Tenn.	McMillan, S. C.	Vinson
Dorn	Macy	Wood
Ellsworth	Mansfield, Tex.	Youngblood

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Macy with Mr. Carroll.

Mr. Rich with Mr. Blatnik.

Mrs. Bolton with Mr. Kennedy.

Mr. Cole of New York with Mr. Dorn.

Mr. Simpson of Illinois with Mr. McMillan of South Carolina.

Mr. Vail with Mr. Keogh.

Mr. Cole of Missouri with Mr. Morris.

Mr. Bennett of Michigan with Mr. Kelley.

Mr. Youngblood with Mr. Gorski.

Mr. Gifford with Mr. Pfeifer.

Mr. Barrett with Mr. Clements.

Mr. Hartley with Mr. Davis of Tennessee.

Mr. Coudert with Mr. Fernandez.

Mr. Ellsworth with Mr. Vinson.

Mr. Fuller with Mr. Wood.

Mr. Jenkins of Pennsylvania with Mr. Sikes.

Mr. Smith of Ohio with Mr. Monroney.

Mr. Engel of Michigan with Mr. Johnson of Oklahoma.

Mr. Norblad with Mr. Buckley.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ROBSION. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. ROBSION asked and was granted permission to extend his own remarks and include therewith certain excerpts.

SURVEYS IN CONNECTION WITH CERTAIN PUBLIC WORKS

Mr. HARNESS of Indiana, from the Committee on Rules, submitted the following privileged resolution (H. Res. 211) for printing in the RECORD:

Resolved, That the Committee on Public Works of the House of Representatives is authorized and directed to conduct investigations and surveys of certain works of improvement under its jurisdiction, and located in the United States, with a view to determining if legislation relating to such projects should be enacted.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as are deemed desirable.

For the purposes of this resolution the committee or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

REMOVAL OF RESTRICTIONS ON PROPERTY OF INDIANS WHO SERVED IN THE ARMED FORCES

Mr. HARNESS of Indiana, from the Committee on Rules, submitted the following resolution (H. Res. 280) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 1113) to provide for removal of restrictions on property of Indians who serve in the armed forces, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Lands printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SECOND WAR POWERS ACT

Mr. SPRINGER submitted a conference report and statement on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, for printing in the RECORD.

EXTENSION OF REMARKS

Mr. MICHENER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include therein letters from the Attorney General.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Great Falls Tribune entitled "Fifty States—Why Not?"

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Nimitz.

Mr. SABATH asked and was given permission to extend his remarks on two different subjects and include therein certain articles.

Mr. MORGAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Times-Herald.

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Star.

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a program of the observance of Independence Day at Freeport, Long Island.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, the Sugar Act of 1948, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, July 9, the gentleman from Kansas [Mr. HOPE] had 33 minutes remaining, and the gentleman from Virginia [Mr. FLANNAGAN], 50.

The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, it seems that I am to be the only speaker in opposition to this piece of legislation. Yes, it looks like I am destined to play the part of the lone wolf. I feel, I imagine, somewhat like the last rose of summer left standing alone; all my courageous companions have faded and gone.

I make this fight under no delusion. I know that it is a must piece of legislation, that the green light has been given, and that the orders of the day are full steam and straight ahead. Being the only one on the track ahead I know I am going to be run over roughshod. But after I get up and bind up my wounds, I assure you, there will be no hard feelings. I can still take defeat with a smile.

Probably there are those who will question my wisdom in making this fight. I only hope they will be charitable enough not to question my sincerity. I have my reasons for making this fight and to me they are all-sufficient, all-compelling, I may say. In the first place, although unpleasant, I believe it is my public duty; then, too, I have to live with myself. I find that if I do not keep my conscience reasonably clear, JOHN FLANNAGAN is a most disagreeable, a most unpleasant fellow, to travel around with.

Oh, I heard it whispered around yesterday when it became apparent that the only opposition to the bill would come from me that my temperamental Irish blood was the reason I was playing the role of the lone wolf; that the Irish for some unaccountable reason, have a weakness for rushing in where angels fear to tread. In answer, let me say the whole glorious history of the Irish people reveals that, under fire, they have never learned how to blow the bugle of retreat.

But, my colleagues, I believe a day of reckoning will surely come and that there will be those who, looking back on this day, will hang their heads in shame at following the leadership of Robert Shields, alias General Solicitor of the Department of Agriculture, alias head of the Commodity Credit Corporation, alias head of the Production and Marketing Administration, Department of Agriculture, and now the bellwether of this saccharine blitz to legislatively fleece the American consumers of untold millions of dollars in order to further enrich the coffers of the Sugar Trust.

My colleagues, before I discuss this legislation I want to remind you of a little bit of the past history of sugar legislation. It is a most difficult and complex piece of legislation to deal with under any circumstances. I remember the original sugar fight in 1934 when the Sugar Act was first enacted. I remember that we labored months upon months trying to bring into agreement the divergent interests in the sugar industry from the producer all the way to the refiner and the off-shore people. I remember going through the same fight in 1937. Why, some of the sugar interests were going one way and some another. They were like ducks; some going east, some going west, and some going over the cuckoo's nest. You could not get them together. We labored day in and day out trying to bring in legislation that would give fair and equitable treatment to every segment of the industry. And I think we succeeded. But a great change has taken place; a miracle, so to speak.

Last year I remember that while chairman of the House Committee on Agriculture I was waited upon by a delegation who represented themselves as being beet growers from the West. They presented me with a sugar bill just about this time of the year, just on the eve of adjournment, and told me that all segments of the industry, from the grower to the refiner, were in agreement. Well, I could hardly believe my ears, and I got to inquiring into the matter. I wanted to know who was in agreement, and they named practically every segment of the industry. I said, "Now, I have been through two sugar fights. I know what it means. It means months of hard labor." "Oh," they said, "we are all together." "Well," I said, "does the Department of Agriculture know about it?" I never had been advised that they were working on it. They said, "Yes, they do." I said, "Well, come around tomorrow morning and I will give you an answer as to what I will do."

I phoned the Department of Agriculture and they sent up one Earl Wilson, head of the Sugar Branch. I asked Mr. Wilson if he knew about the bill, and he said he did. And I asked him, "Is it all right?" "Well," he said, "with a few minor changes I think it is all right." But then he added, "Mr. FLANNAGAN, I do not know whether I am in position to advise with you. You know, I am going with one of the big sugar companies in a very short while." And I will tell you exactly what I said to him; I said, "Hell, no; you are not in a position to advise me; that no man can serve two masters."

Now, my friends, they are all in agreement, they say, today. What brought them into agreement? What brought these divergent interests, these conflicting interests, into agreement so they stand here today in a solid phalanx fighting for this bill?

Let us just look into it a little bit. Who is this man Earl Wilson? He was at one time head of the Sugar Branch of the Department of Agriculture, and before that he was connected with the Sugar Branch of the Commodity Credit Corporation. Who is he? What is his background? When he went into the Commodity Credit Corporation he was vice president of the National Sugar Refining Co., drawing a salary of $25,000 per year. He was down there representing your Government and my Government, and taking your Government's money and my Government's money plus his $25,000. That is a serious charge, and I defy any man on this floor to deny it.

Then what happened? Certain interests wanted him over in the Department of Agriculture to head up the Sugar Branch, and he was there when I called for information on the bill last year. Mr. Wilson had gotten over there. Mr. Ellsworth Bunker, president of the National Sugar Refining Co., camped on the doorstep of the Department of Agriculture for a considerable period of time before he got him in as head of the Sugar Branch.

Now, when Secretary Anderson was considering Wilson's appointment, it leaked out that he was drawing his $25,000 plus his Government salary. Secretary Anderson said, "Let us get this cleared up. Can a man do that?"

Can he? There is a provision in the Sugar Act prohibiting it, and section 66 of the United States Code reads:

> No Government official or employee shall receive any salary in connection with his services as such an officer or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality. No person, association, or corporation shall make any contribution * * * to supplement his salary—

And so forth. It looks as if the powers that be were determined to put Mr. Wilson in as head of the Sugar Branch in the Department of Agriculture. Naturally Secretary Anderson wanted the salary matter cleared and asked for an opinion from his legal counsel. This man Shields, who is spearheading this legislation, at that time was General Solicitor of the Department. My information is he referred the question to two of his assistants, and got an opinion from one of them winking at the law and giving him a green signal, but the other attorney wrote a rip-roaring opinion holding that Wilson could not draw his salary from the Government and the $25,000 salary from the company. My information further is that Mr. Shields was so anxious for Wilson to draw both salaries that he took the matter to the Department of Justice with the hope that the Justice Department would decide with him. What did the Department of Justice say? They said, "Oh, no, a man cannot serve two masters. The statute reads him out." Then it was that Mr. Wilson graciously relinquished, so he said, his $25,000 salary and took charge of the Sugar Branch of the Department of Agriculture at the paltry Government salary, I think, of $8,000 or $9,000 per year.

Where is Mr. Wilson today? After serving in the Department until the latter part of 1946, Mr. Wilson stepped out of the Department of Agriculture as head of the Sugar Branch, and today I am told he is drawing $50,000 per year as an official of the California-Hawaiian Sugar Refining Co.

Mr. Wilson has been in Washington also spearheading this legislation.

Let us go a little further. Some other things have been happening down there. Gentlemen, when you tackle the Sugar Trust you have taken on a man-sized job—do not forget that. During the war in order to speed up production, the Commodity Credit Corporation entered into a contract with sugar-beet processors covering the 1943 crop whereby the beet growers were given a support price. Later on these processors claimed that they had suffered a damage of $15,000,000 and filed claim for that amount.

What happened to that claim? One Dennis O'Rooke in the Solicitor's office wrote an opinion upholding it. I will take up Dennis O'Rooke a little later. There was a good deal of doubt about that claim and finally it was submitted to Jimmy Byrnes, Economic Stabilizer, and he turned it down. Then what happened? In the meantime things had been changing down there. This man Robert Shields was head of the Commodity Credit Corporation and a member of the Board. A man by the name of H. B. Boyd was director of prices in PMA and a member of the Commodity Credit Corporation Board. I think Mr. Shields at this time was head of Production and Marketing. But in any event, when that claim came up again for consideration by the Commodity Credit Corporation Board, I understand that the votes of Robert Shields and H. B. Boyd turned the tide, and an award was made and paid to the Sugar Trust of $1,500,000.

Then, what happened to Mr. Shields? Remember they had gotten Earl Wilson in as head of the Sugar Branch. It looks like the sugar boys were setting pretty. Then, I ask, what happened to Mr. Shields, who had been general solicitor, head of the Commodity Credit Corporation, and head of the Production and Marketing Administration? He was just about running the Department of Agriculture, and those familiar with the workings of the Department know that that is true.

Then, what happened? This man Shields, who wrote this piece of legislation, and who is here spearheading it through—I do not know whether he is in the gallery today or not, but I saw him in the press gallery when this bill was called up on yesterday. I hope he is here today, because he is going to get his ears full before this thing is over. What happened to him? He resigned last year, severed his connection with the Department of Agriculture, although he held the highest position down there, and he went with the United States Beet Sugar Association at a reputed salary of $40,000 per year. And he took along with him this man H. B. Boyd, who had been a member of the Board that passed upon the claim, and who was in charge of prices in the Department, he took him along with him to the Sugar Trust at a salary of $18,000 a year. You ask about O'Rooke: Why he was also taken care of by one of the sugar companies.

Now, I hope you understand why I cannot support this legislation. I do not like the daddies of this legislation. I am here to tell you that, in my opinion, no member of the Agricultural Committee assisted in preparing this bill, and I am afraid very few, if any, of the Members of this body really are acquainted with the provisions of this legislation.

Oh, let us see what has been going on all of this time. These boys have not been asleep. Oh, no.

Oh, no. They had not been asleep. They had been rendering very good service, efficient service, from the standpoint of the Sugar Trust.

Mr. Chairman, very few realize what an increase of a cent or a half a cent a pound in the price of sugar means. When we deal in sugar we deal in tons—millions of tons—about 7,000,000 tons last year. An increase of half a cent a pound in the price of sugar means $10 a ton, $70,000,000 a year to the American consumer.

But they did not stop there. Do you know, Mr. Chairman, that sugar prices in the last year have gone up over 2 cents a pound, $40 a ton? That is what has happened. I never heard of the refiners, I never heard of the beet growers or the cane growers complaining about their lot prior to the increase in sugar prices. As a matter of fact, the processors have made more money here of late than they ever made before; and the cane people and the beet people have been getting a fair price and a guaranteed price. In spite of all that, however, prices went up 2 cents a pound, which fleeced the American consumers out of around $275,000,000 to $300,000,000 to go down into the jeans of the Sugar Trust boys.

The object of this bill is to peg the price of sugar at around 8 cents a pound so they can continue to make the American housewife and the American consumer pay tribute to the tune of $300,000,000 per year to the Sugar Trust. That is what it means. Are you going to vote for that?

Now, no one will deny that the main object of this legislation is to increase sugar prices.

But I must get on. There is a lot more I have not time to divulge, but let me get to the bill. Before I discuss this bill, though, let me ask this question: Why the rush? Why? I did not know anyone was considering sugar legislation until the day before the hearings began on June 21.

The CHAIRMAN. The gentleman from Virginia has consumed 30 minutes.

Mr. FLANNAGAN. Mr. Chairman, I yield myself 10 additional minutes.

Whether anyone else knew about it I do not know. I had not been advised. When I got to the committee room I found a mimeographed copy of the bill—and I know where that mimeographed copy came from. Then during the hearings that morning we got a committee print. No one had had an opportunity to familiarize himself with the provisions of the bill; consequently, no one was in position to intelligently examine the witnesses.

Then a most remarkable thing happened. Oh, so many things have happened in connection with this sugar legislation that I can hardly believe my eyes. A remarkable thing happened. The Secretary of Agriculture appeared in support of the legislation. Yes; the Secretary of Agriculture was the first witness in support of this legislation. Now, listen while I read his opening statement. He came to the committee to endorse this piece of legislation, urging on us its passage, yet he prefaced his testimony by telling the committee:

> I admit frankly I do not know too much about the provisions of this committee print or suggested bill.

Well, if he did not know the terms and conditions of the committee print and the suggested bill why did he not familiarize himself with them before he came to the committee to advise us? Why, I ask?

Then, what else? Mr. Frank A. Kemp was the next witness. Who is this Mr. Kemp? He is chairman of the executive committee of the American Sugar Beet Institute Policy Committee. He made a most remarkable statement. This representative of the Sugar Trust made the statement he was representing all segments of the industry, from the producer on up to the refiners. He prefaced his testimony by the statement:

> You will undertstand the deep sense of responsibility which I feel because at their request I appear as a single witness on the bill before you on behalf of all five of the great sugar-producing and refining groups.

Those groups included producers and refiners.

That does not square with the fights we had in 1934 and 1937. Something happened to bring them all together, and it is in the bill.

The next witness was a poor fellow who flew all the way from Puerto Rico to get here. He is President of the American Farm Bureau in Puerto Rico, a Mr. Pedro Nido, who stated to the committee that he did not know anything about the legislation until the evening before, at which time he caught a plane to come here and look into it. He got here a short while before the committee started its hearings.

Mr. Chairman, the strange part is that not a single person representing the great American consuming public appeared. The public has been left out in the cold. Not a single representative of the industrial users of sugar in America appeared. This fellow Kemp represented everybody. But I want to tell you that he did not represent me. And I do not believe he represented the Members of this Congress, because I know the Members of this Congress want to do the fair and the upright thing. Now, you wonder why they all got together on this bill. Let us look into it. The bill gives you the answer.

Before I get into that, let me call attention to the fact that the section in the present Sugar Act that gives the Secretary power to fix a fair price for the beets the producers grow, and a fair wage for the men that produced the beets, has been deleted.

Now, I understood yesterday that they are going to offer an amendment that is pretty wordy and lengthy, but important. The amendment was prepared by Robert Shields.

I had a mimeographed copy before it was sent over to the House Committee on Agriculture. The amendment leaves out the beet area entirely. It takes away from the Secretary the power to establish a fair price for beets and a fair wage for those who produce the beets. It applies in a limited way to the cane growers. Well, my goodness, everyone knows that the processors have a monopoly on the cane business, so it is meaningless even if it is adopted.

Now, let us get down here to the guts of this bill. My friends, I want to call your attention, in the beginning, to the fact that this sugar legislation is the most

vicious piece of price-fixing ever presented to the Congress of the United States. The bill was seemingly prepared by someone who believes in the totalitarian system of government. It vests in the Secretary of Agriculture powers that Joe Stalin himself would be glad to obtain. It makes him an absolute czar. But, in that price-fixing he has got to do one thing; that is, protect this sugar price structure that they have built up here within the last year.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield myself such further time as I may desire.

Mr. Chairman, I say it is the most vicious piece of legislation on price-fixing ever conceived by man. These fellows that used to be in the OPA are pikers when it comes to price-fixing. Leave it to the Sugar Trust. How? It operates through quotas. All the Secretary has to do now, if you pass this bill, is to reduce quotas, bring about a shortage of sugar, and force the price up. Under the old act we set down a certain yardstick. We provided a certain yardstick and notched it inch by inch so there would be no doubt about what we intended. Inch by inch we measured off what the Secretary could do. And we said to the Secretary, "In no event can you reduce quotas in America to a point below the 1937–38 per capita consumption of 102½ pounds." We are guaranteed under the present act as much as 102½ pounds per capita. But they left that out.

Then they brought in a new formula for price fixing, stabilizing prices. What did they do? Parity? Oh, no; parity was not sufficient. They passed up parity, and attempted in this bill to tie the 1947 price, which is the highest price we have paid for sugar since 1925, to the cost-of-living index. You pass this bill and keep that formula in it, that can be mathematically figured out, and you will at all times keep the price of sugar way up over the parity price. Oh, yes; the prime object of this bill is to raise the price of sugar.

There is as much sense in adopting such a yardstick for sugar as there would be in having the same formula for corn when corn is selling for $2.15 a bushel. What they want to do above everything else is to tie to the 1947 price of sugar.

That is what they attempt to do here. That is the only section they are interested in, the revised edition of section 201 of the Sugar Act. If they did not have that in mind, why in the name of high heaven did they bring this legislation in with those changes; taking out the 1937–38 per-capita consumption safeguard, and tying in to the 1947 sugar price? Under the present law the Secretary cannot go below the 1937–38 per-capita consumption in fixing quotas. This safeguard is left out. That is what this bill attempts to do—tie the price of sugar to the 1947 price. If you pass this legislation, you are just imposing upon the American housewife, the consumers of sugar, and the industrial users of sugar, a burden that will amount to $250,000,000 to $300,000,000 per year, in my opinion, and you are putting that money right down in the jeans of the Sugar Trust boys. They do not need it.

I saw in the Wall Street Journal just the other day that one of the sugar companies had declared a 100-percent dividend, yet someone was telling the House yesterday that the Sugar Trust had not made money. They have made money every year, most of the time from 8 to 12 percent, except for the deficit years of 1930 and 1931, when they lost money.

The processors do not need relief, and there is nothing in this bill to give relief to the producers of cane sugar unless they are also processors, nor to the producers of sugar beets. Those are the people I am interested in. I am interested in American agriculture. I am here today fighting for the farmers of America who are engaged in the production of sugarcane and sugar beets. I want to see that their interests are protected. In my opinion, the way to protect their interests is to recommit this bill with instructions to the Committee on Agriculture to bring in a bill extending the Sugar Act for 1 year so we can have further time to consider the sugar question. That is the fair thing to do.

I am not against big business. I want to see big business make a profit and make a good profit. I want them to stay in business. However, I do not want them to rob the American consumers. And I do not want to see them put in a position where they can pauperize the beet producers and the cane producers.

Continue the present Sugar Act. That is the thing to do. We are making a general study of agriculture. Our committee has been engaged many days in hearing testimony with the object of bringing in certain recommendations covering the whole field of agriculture. Our committee should include in their study the sugar problem. Let us continue this legislation for a period of 1 year. It is working all right. The industry is making plenty of money. The cane producers and beet producers have no complaint. That is the fair thing to do and it is the decent thing to do, in my opinion.

My friends, it has not been an easy matter to reveal just what has been going on and I have not revealed all of it. It has not been a pleasant task. But knowing these things, I thought it was my public duty to bring them to the attention of the House. Now, I have performed my duty. I am going to offer a motion to recommit, and I hope it will be the pleasure of the membership on both sides of the aisle to vote for the motion to recommit because this is not a political question. It is a matter which affects every home in the land. We should stand up here in the face of the Sugar Trust and let them know that the American Congress is still legislating in the interest of the people of this country and not for any particular class or section.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. PETERSON. Is it not true that under the present bill there is no guaranty of a fair return to the producer, but only a guaranty to the processor, and the only way the producer can get that is through a contract?

Mr. FLANNAGAN. That is right. You are just wiped out entirely if you are a producer unless you are in the cane-producing area, and there it takes a substantial number to petition for relief. And in the cane area, as you know, most of the cane is produced by the processors. Hence the provision is meaningless. But if you are in a beet-producing area, no. The producers and laboring man are both denied the protection.

Mr. Chairman, before I close let me give the House a brief statement of the Sugar Act and an analysis of section 201 of the Sugar Act of 1937 and an analysis of the same section in the legislation we are considering.

Under ordinary circumstances there is a great sugar surplus. In an effort to stabilize the sugar industry the Congress attempted, through the quota system, to keep the surplus supply from being dumped on the American market. This was done by giving the Secretary of Agriculture the authority to determine at the beginning of each year the amount of sugar needed to meet the requirements of consumers in continental United States, section 2012. The Sugar Act of 1937 provided the yardstick by which the Secretary was to measure the requirements.

Now this method, everyone knows, is the most vicious kind of price fixing. If the Secretary sets the quotas at a figure that will keep supply and demand in balance, well and good. If, however, the Secretary sets the quotas at a point below the demand level, thereby creating a sugar shortage, the price of sugar will immediately skyrocket. If, on the other hand, the quotas are set at a point greatly in excess of the demand level, the reverse will be true, because a surplus supply will be created and the price will fall.

For these reasons the Congress, in order to protect the interests of producers, processors, and consumers, was careful in working out the yardstick to guide the Secretary in annually measuring the quantity of sugar needed to meet the requirements of consumers. This yardstrick; that is, the yardstick in the Sugar Act of 1937, has, in my opinion, been fair, and its fairness is demonstrated by the fact that producers have been obtaining a parity price, or better, for their beets and cane, processors have been making a reasonable profit, and consumers have been obtaining sugar at a reasonable price.

Now, let me give you the inches in the Secretary's yardstick that he is to use in measuring quotas under the Sugar Act of 1937 and the proposed legislation:

SUGAR ACT OF 1937	PROPOSED ACT
1. Consumption of sugar during preceding year is to be taken as a base.	1. Same.
2. To such base, proper allowances are to be made for deficiencies or surplus in sugar inventories.	2. Same.

SUGAR ACT OF 1937	PROPOSED ACT
3. Allowances are to be made for changes in consumption because of changes in population and demand conditions.	3. Same.
4. In order that the "act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available to consumers shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole."	4. This language has been changed in the proposed act to read: "Such determination (for additional sugar) shall be made so as to protect the welfare of the consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices (average prices left out) which will not be excessive to consumers, and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry (as a whole left out)."
5. "The amount of such additional allowance shall not be less than the amount required, after allowance for normal carry-over, to give consumers in the continental United States a per capita consumption equal to the average of the 2-year period 1937–38." The average consumption during the 2 years amounted to 102.6 pounds per capita, and under the present Sugar Act the Secretary cannot reduce the quotas below this limit.	5. This provision is left out of the proposed act. Hence no limitation on amount of reduction.
6. The Secretary, in making any such determination, in addition to the above, "shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States, as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtained during 1947, prior to the termination of price control of sugar, as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor."	

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there is no one in this House for whom I have greater regard and affection than the gentleman from Virginia with whom I have worked on the Committee on Agriculture for many years. I am sure that he is very much in earnest and very sincere in what he has said this afternoon in respect to this bill. At the same time, I believe he is entirely wrong in the conclusions he has reached in regard to this legislation. I cannot believe that all of the other members of the Committee on Agriculture, and the Secretary of Agriculture, the Secretary of the Interior, the State Department, and the administration, as well as 33 Senators who have introduced an identical bill in the Senate, have been fooled. I cannot believe the gentleman from Virginia [Mr. FLANNAGAN] is the only man who knows what is in this legislation.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. FLANNAGAN. I am frank to admit that I do not know what is in this legislation. I have just touched the high spots. I do not know how many other "jokers" there may be in it.

Mr. HOPE. I agree with the gentleman. I do not think he does know what is in the legislation. If he did, I do not believe he would have made the statements that he did. But I am glad the gentleman has shown such concern for the consumers of this country. I am thoroughly in accord with him on that, because this bill, to a greater extent than any other agricultural bill that the Congress has ever considered, takes care of the interests of the consumer.

The gentleman from Virginia [Mr. FLANNAGAN] is interested in tobacco. He comes from a great tobacco-growing State, yet we have on our books today legislation dealing with tobacco, which is more restrictive as far as the quantity of tobacco which may be produced and marketed is concerned, than this bill is with reference to the production and marketing of sugar.

Mr. FLANNAGAN. Will the gentleman yield? I cannot let that statement stand.

Mr. HOPE. Not now. Let me finish, and then I will yield to the gentleman.

Furthermore, I have never known the gentleman from Virginia at any time, when we had tobacco legislation before this House, to show the great concern for the consumer that he is showing for the consumer today in connection with sugar legislation.

Let me tell you what the Congress has done as far as tobacco is concerned. In 1933 Congress passed the Agricultural Adjustment Act. It established parity prices on agricultural products. At that time, in response to the demands of the tobacco industry, we gave that commodity a separate parity base, so as to provide a higher parity price than they would have gotten under the 1909–14 base period, which was made applicable to other agricultural commodities. For tobacco the period was fixed as 1919–29.

They were not satisfied with that, and in 1940 they came in again and they said we did not give them a high enough parity price, so the Congress changed the base period for burley and flue-cured tobaccos to 1935–39, which was more favorable. Nothing was said at that time about protecting the consumer. I did not hear the gentleman from Virginia who was a leader in the matter say a single word for the consumer at that time.

Then, to cap the climax, 2 years ago, in July 1945, the gentleman from Virginia [Mr. FLANNAGAN] sponsored a bill which provided that for certain types of tobacco the rate upon which the Commodity Credit Corporation would make loans, should be placed as high as 142 percent of parity on one variety and 157 percent of parity on another variety. My friend from Virginia who was leading the fight for these high prices said not one thing about protecting the consumer at that time.

Mr. FLANNAGAN. Now will the gentleman yield?

Mr. HOPE. In just a moment I will be through with tobacco and then I will yield to the gentleman.

And I do not want anybody to tell me that the drastic restrictions on tobacco production have not brought about an increase in the price of tobacco, because, according to statistics from the Department of Agriculture, in 1946 burley tobacco was 315 percent of the price it was in 1932. Fire-cured tobacco was 433 percent; dark air cured, 549 percent; Virginia fire cured, 360 percent; Virginia sun cured, 397 percent of what it was back in 1932.

In comparison with that the price of sugar beets was 260 percent of what it was in 1932 and sugarcane, 266 percent.

In this bill we are attempting to take care of the consumer. We had 3 days of hearings upon this bill at which time anyone representing the consumer or any interest in the industry could have appeared. I did have representatives of sugar-consuming groups, industrial users, come to my office. At first they suggested that possibly the bill should not run for a 5-year period. They said they wanted to see just what the effect might be. Later they came back and said they did not care to be heard, that they had studied the matter further and they were satisfied with the formula set up in the legislation.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield now?

Mr. HOPE. Yes; briefly.

Mr. FLANNAGAN. I do not think the gentleman knows much more about tobacco than he accuses me of knowing about sugar.

Mr. HOPE. I do not pretend to be an expert, what I have been telling the committee about tobacco is a matter of public record available to anyone.

Mr. FLANNAGAN. Speaking of one tobacco product, Chesterfield cigarettes, in 1932 when the four big companies in America paid more in dividends to their stockholders than every grower of tobacco in America received for every brand of tobacco grown, I paid 15 cents for a package of Chesterfield cigarettes, and this morning down town I paid 15 cents for a similar package of Chesterfields.

The gentleman should remember further that the tobacco program is submitted to the tobacco growers and they

vote on it; it is democratic. Here under this bill everything is vested in the Secretary of Agriculture after you hogtie the thing.

Mr. HOPE. But the tobacco growers vote under duress. They know they will not have price support unless they vote for quotas. Furthermore, there is no one present representing the interest of consumers when tobacco producers vote on quotas. Here the Secretary of Agriculture is directed to take the interest of consumers into account in determining quotas.

Mr. COOLEY. Mr. Chairman, if the gentleman would yield, I suggest that he quit talking about tobacco and begin to tell us what is in the sugar bill.

Mr. GROSS. Yes; maybe that would be well; maybe the tobacco fellows cannot take their own medicine. The rest of us sat and listened to them for a long enough time.

Mr. HOPE. Let us talk about sugar. I have gone as far as I wanted to go on tobacco.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BOGGS of Louisiana. The gentleman from Virginia talked about the allocation provision not carrying any protection assuring a fair wage and price to the grower. Is it the gentleman's interpretation of the amendment the gentleman intends to offer that the amendment will provide a fair wage and a fair price in the cane-growing areas?

Mr. HOPE. Yes; that is the intention. The provision if it is adopted by the House will afford a fair wage scale and fair prices.

Mr. FLANNAGAN. If a substantial number petition the Secretary.

Mr. HOPE. Yes; and they will.

Mr. FLANNAGAN. I do not know what a substantial number means.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. Let me continue. My time is getting short and I want to talk about the provision in the bill to which exception was taken by the gentleman from Virginia.

Mr. MURRAY of Wisconsin. The gentleman had better yield now at this point.

Mr. HOPE. I am not going to yield to the gentleman right now. I will yield at the proper time.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, yesterday I quoted from section 201 of the bill which is the quota provision section. That is the section in which the power is vested in the Secretary of Agriculture to determine the over-all quota. I called attention at that time to the provisions in that section which the Secretary of Agriculture must use in determining the over-all quota which, of course, is the only thing in the bill which affects price. Here are the things that the Secretary must consider:

> In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics by the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made.

That is one thing he considers. Here are others:

> And shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government.

He must take all those things into consideration. Now, listen to the consumer angle of it:

> And, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer-purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar.

That, of course, is analogous to the parity provision. As far as it is used in determining quotas it simply means that the price of sugar in any subsequent year will not be out of line with the general price index in those years. In other words, the relationship will be comparable with what it is now. If the price of sugar had gone up like the price of beef cattle, flax, or some other farm products, it might be said that is an unfair relationship, but everyone knows that the price of sugar has been under control. It has not advanced as much as the general level of agricultural commodity prices. It is a fair price and is a fair basis to use as one factor in determining the future price of sugar.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that in the case of sugar the price of sugar to the consumer was controlled almost 1 year prior to the enactment of the price-control legislation, and that it is still controlled despite the fact OPA has been out of existence for nearly a year?

Mr. HOPE. That is true; it is the last commodity to be left under control.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. Is it not fair to say that this legislation is essential to the legislation on sugar that we have had since 1934, as amended in 1937? There is not very much difference, is there?

Mr. HOPE. That is absolutely correct. As far as most of the language of the bill is concerned it is exactly the same. On yesterday, when I discussed the bill, I pointed out the few changes that were made as compared with the present law.

Mr. GRANGER. And the language that is added if it does anything it is to protect the consuming public, is that not true?

Mr. HOPE. That is the reason we have that language in the bill; to protect the consuming public.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, the gentleman from Virginia was critical because he said there was not included in section 201, the provision contained in the 1937 act to the effect that the supply of sugar must be equal to that which prevailed in 1937 and 1938.

Now, that was undoubtedly a good provision at that time. It would not be a good provision and a fair provision at this time because no one could know what the normal consumption of sugar would have been for this year if we had had all the sugar which consumers desired.

I call attention to the fact that the consumption of sugar fluctuates considerably even in normal times. During the war years, per capita consumption was 111 pounds in 1941; in 1942 it dropped to 92 pounds; in 1943 it was 86 pounds; in 1944, 95 pounds; in 1945, 78 pounds; and in 1946, 78 pounds. Now, we have no recent normal year which we can use as a basis for determining what is a normal consumption of sugar but we do have in this bill the provision that the Secretary must take into consideration the consumption during the previous year. In addition to that we have what I have already discussed as being a fair comparison, and that is the comparison with the cost of living during a year when we had price controls on sugar.

No one knows what the consumption of sugar may be during the next 5 years because our dietary habits to some extent have changed during the war. We have increased our consumption of some commodities and we have decreased consumption of others. Furthermore, the shortage of sugar during the war years has resulted in industrial consumers making use of substitutes. No one knows whether those substitutes will continue to be used or not. Mr. Chairman, in my opinion section 201 in the present bill is fair in every way to both producers and consumers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, this is an interesting discussion this afternoon. Of course, some of us on the Committee on Agriculture are surprised and disappointed in our good friend, the gentleman from Virginia [Mr. FLANNAGAN]. No one in this House holds any higher regard for him than I do.

EXPLANATION OF SUBSECTION (C) OF SECTION 301

Section 301 (c) of the bill would continue the authority of the Secretary in any domestic sugar-producing area to condition the making of payments to producers therein upon compliance, in addition to other requirements, with fair wage and price determinations as now provided for in the Sugar Act of 1937, as amended. However, this authority could be exercised with respect to a particular crop in any such area only if both of two conditions are found to exist therein, first, producers therein, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and, second, request for such determinations with respect to such crop is first made by persons constituting, or representing, a substantial proportion of the producers, processors, or laborers in such area who would be affected by such determinations. The subsection also provides that in the case of the mainland cane-sugar area, the authority shall apply separately to the States of Florida and Louisiana, that is, the conditions may be applicable in Louisiana and not in Florida, or vice versa.

Under the terms of this subsection, the fair-wage and fair-price provisions of subparagraphs (1) and (2) operate as a unit. In other words, if the fair-wage determination is applicable in any area, so is the fair-price determination and vice versa. Only the application of both determinations—not just one of them—may be sought.

The subsection also provides that persons constituting or representing a substantial proportion of the producers, or the processors, or the laborers, in any area otherwise subject to the terms of this amendment who would be affected by the determinations may request the application of the fair wage and price determinations. In other words, persons constituting or representing a substantial proportion of the sugar-beet or sugarcane producers in any area, otherwise subject to the terms of this amendment, may request the application of the fair-price determination—in which case, of course, their request would be construed to cover the application of the fair-wage determination, too. On the other hand, persons constituting or representing a substantial proportion, as determined by the Secretary, of the sugar-beet or sugarcane laborers, in any area otherwise subject to the terms of this amendment, would be able to invoke the application of the fair-wage and fair-price determinations in such area.

In areas where less than 5 percent of a crop is produced by producers, who are also processors, competition among processors for a producer's crop, competition of alternative crops which a producer may plant, and the prevalence of family-sized farms competing for labor, create an over-all competitive situation where no significant contribution may be made by the application of the fair wage and price provisions in these areas. At the present time producers in the domestic beet-sugar area, who are also processors, are producing less than 5 percent of a crop—that is, are legal owners at the time of harvest of less than 5 percent of the crop.

EXPLANATION OF SECTION 201

One of the most important sections of the bill which would be the Sugar Act of 1948 is section 201 which provides for determination by the Secretary of Agriculture of the total quantity of sugar to be made available to consumers in the United States under the quota system established in the bill. In preparation of the bill a great deal of thought and discussion was devoted to the provisions of this section.

The proponents of the bill were keenly aware of the necessity for providing adequate safeguards for the interests of consumers and of the domestic sugar industry. They were also fully aware of the pitfalls which would lie in seeking to accomplish this by laying down a rigid formula to be used to determine specific quantities of sugar for consumers or specific prices in the sugar markets. Accordingly, there is not to be found in the bill any formula or authorization for fixing the price of sugar nor any rule limiting supplies of sugar to a predetermined quantity. The endeavor has been to state clearly the policy to govern determinations which will affect supplies and prices, to provide definite standards, but yet to leave adequate administrative discretion to deal with new and changing circumstances as they arise.

As contained in the bill, section 201 establishes a definite objective which the Secretary is directed to accomplish in making determinations under the section and sets forth a number of specific standards which must be taken into consideration by the Secretary. This objective, in the language of the bill is "to protect the welfare of consumers and those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry."

The specific standards to be considered by the Secretary are as follows: First, he uses as a base the quantity of sugar consumed during the 12 months ending on the preceding October 31. Next, the Secretary makes adjustments in this figure for any deficiency or surplus of inventories of sugar. He also allows for changes in consumption because of changes in population and demand conditions. The Secretary then must give consideration to the level of consumer purchasing power and the trend of such purchasing power, whether rising or falling. Finally, consideration is to be given to the relation of the price of sugar to the general level of the cost of living. For this purpose the base period for comparing such relationship is the year 1947 up to the termination of price control on sugar. This means that uncontrolled sugar prices are not to be taken as a standard; rather, the prices of sugar under ceilings are used in comparison with the general cost of living during a time when most components have been unregulated and have risen sharply.

There have been two principal questions raised in regard to the provisions of section 201. Some have protested that the standards are not adequate to assure that consumers will have adequate supplies of sugar at reasonable prices. In this connection, it is to be noted that this bill omits a minimum supply standard contained in the Sugar Act of 1937. This standard provided that per capita supplies should be not less than average per capita consumption during 1937 and 1938. This has been omitted from the bill because it is a rigid type of formula which might be inappropriate for future years and, consequently, constitute a potential danger which the bill seeks to avoid. The retention of this rigid minimum is believed unwise because of the increase during the war in consumption of sugar substitutes, the changes during the same period in diets and sugar-using habits, and the wide historic fluctuations in per capita sugar consumption. The bill substitutes a more flexible but also a more workable formula. While clearly and intentionally not a rigid formula, nevertheless, the standards provided in the bill for sugar are much more comprehensive than those provided in existing legislation for establishing marketing quotas for tobacco—a crop which has been rigidly controlled since 1934. The Agricultural Adjustment Act of 1938 defines "a normal year's domestic consumption" for purposes of limiting supplies of tobacco coming to market merely as the average consumption of the 10 preceding years adjusted for current trends in consumption.

The other principal question which has been raised about section 201 of the bill is whether it adequately safeguards the welfare of producers or whether a more rigid and binding price formula should not be included, such as some adaptation of the parity formula. The conclusion of those responsible for the bill is that it would not be wise to write into the bill a firm price standard. While a formula might at the moment yield a price fair to both producers and consumers, it is virtually certain that as time passes and circumstances change, such a formula would inevitably result in setting prices either too high to be fair to consumers or too low to give adequate protection to producers. For this reason the bill, while specifying a price standard, confines the effect of this standard to being one of several factors which are to be taken into consideration.

Even so, it has been suggested that this price standard will require that consumers pay unreasonable prices for sugar. Any such criticism is clearly not warranted by the facts. In the first place, as has already been pointed out, the bill contains no authorization for fixing prices. It is true that prices will be substantially influenced by the supplies of sugar made available under the quotas, but, while the Secretary is required to give consideration to the probable price result of any supply determination, he is also required to consider other factors, including, for example, the level of consumer purchasing power. Moreover, the price standard that is to be considered

relates the present price of sugar, under ceilings, to the present general cost of living which is almost entirely free of price control. Thus, to the extent price is to be a controlling guide, a higher price for sugar would be called for only if, and to the extent that, there may in the future be a further rise in the general cost of living. Conversely, when and as the cost of living declines this price standard will mean a proportionately lower price for sugar. From the standpoint of producers, this price standard, by requiring consideration of changes in the cost of living, assures that due account will be taken of the rise or fall of the general level of prices which will reflect, though only roughly, the changes in costs of producing sugar.

Again, keeping in mind that the price standard in this bill is only one of several standards to be followed and not a rigid formula nor an exclusive standard, it is enlightening to examine the results that would have come about had this standard been exclusively and rigidly followed in the past. During the course of the public hearings on the bill, the House Committee on Agriculture was supplied by the Department of Agriculture with computations for the prewar years 1938 to 1940 showing the prices for sugar and the returns to producers of sugar beets that would have resulted from a rigid application of the price standard of this bill. These computations show that had price been the only standard to be followed, the effect on consumers would have been an increase of approximately two-thirds of a cent a pound in the average price of sugar. Similarly, the increase in returns to producers would have been 96 cents per ton of sugar beets.

This analysis of section 201 should make it abundantly clear that any criticism of this bill on the ground that it seeks either to gouge consumers or to sacrifice the welfare of producers is not substantiated by the facts. Examination of the bill will show that it contains adequate safeguards for producers and consumers alike and is a bill which will promote the general welfare of our country.

The interesting thing about this bill is that it makes very, very few changes in the original bill as our Chairman, the gentleman from Kansas [Mr. HOPE], has mentioned. Now, let us straighten out just a few things in the general plan of the legislation. I am surprised that anyone would stand in the well of this House and say this did not represent the producers' views. Now, I do not know who represents the producers if I do not. I am talking about sugar beets. In my territory there are hundreds of them. There are 12 sugar-beet factories and one molasses factory in my district. Those sugar-beet growers, the farmers, have been working on this legislation off and on since the first of the year. There is nothing new about this legislation. There is no angle of this legislation that those gentlemen from the grass roots, from the very part of the country where they produce the beets, have not been acquainted with, and in every conference they have studied long and hard and tried their best to come out with some compromise measure. And, that is what we have in this legislation. It is not all any of us would have, but it is the best legislation that you will possibly get at this session, and if you do not accept this legislation, we will probably be asked to pass a continuing resolution, and if you pass a continuing resolution, you have left out the very things that we think ought to be corrected to bring the sugar legislation up to date.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. GEARHART. In the long years that the gentleman and I have served in the Congress, let me ask him if he has ever known of an instance where the various producers of agricultural products or the various sugar-beet and sugarcane growers are in such complete harmony as they are in this bill.

Mr. HILL. I am told that this is the first time in the history of sugar-beet and sugarcane legislation that all the various groups have finally compromised their differences and O. K.'d any type of legislation on sugar.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. If you pass a continuing resolution, you will leave out the provision protecting the consumers, will you not?

Mr. HILL. You will leave out all provisions that the Chairman read to you yesterday and today.

I will tell you another most important thing, because if you pass a continuing resolution you can only continue the bill as it is. When you continue this bill as it is—I wish you would get this; I do not believe a former speaker has mentioned it—the entire production of sugar cane in the islands of the Philippines, that is supposed to be sent to this country as their quota, and cannot be shipped and will not be shipped, will go to what countries? I will tell you what countries will get it: the countries that are under full duty, that did not do a single thing to produce more sugar for this country and our allies during the war. That is enough reason for every Member in this House, that is enough reason for every consumer in this country, to be for this present bill without any other reason whatsoever.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Is it not true that the State Department and the Department of Agriculture have agreed to this bill?

Mr. HILL. This bill comes to you with the support, shall I say, anyway with the approval, of the State Department, the Agriculture Department, and the Interior Department. You say, "Why the Interior Department?" Because they have something to do with our outside territories.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman remembers that we brought in a bill from the Committee on Ways and Means, which among other things covered sugar. I happened to be the chairman of the subcommittee at the time, and my distinguished friends from California and Nebraska, among others, were on the subcommittee. It was provided in that bill that there should be established certain quotas for the Philippines relative to sugar. Does this bill in any way, shape, or form detract or alter the quotas or in any way impair the benefits accruing to the newly-established Philippines Republic as provided for in the Philippine Trade Act?

Mr. HILL. In no way whatsoever. This bill simply takes the 98 percent of the quota for the Philippines that they cannot fill and allots it to Cuba during this period when the Philippines are trying to get back into production. Remember, we asked Cuba to increase its production, and this is to assist Cuba to get down to the level of prewar production.

Mr. DINGELL. But because the Philippines are not able at this time to fulfill their assigned quota, they will not in any way be handicapped or their interests jeopardized either now or in the future?

Mr. HILL. Exactly.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. GRANGER. Is it a correct statement to say that in this bill the treaty with the Philippines is absolutely adhered to?

Mr. HILL. That is correct.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. A large number of Members of the House have expressed their desire to stimulate, promote, and expand the sugar-beet industry as well as the cane industry of this country. I wish the gentleman would call the attention of the House to the fact that under this bill that expansion is made possible.

Mr. HILL. The gentleman is correct.

Mr. DINGELL. In other words, as I understand, the Cuban advantage of supplying whatever deficiency may occur because of the inability of the Philippines to fulfill its quota is only a temporary advantage?

Mr. HILL. That is exactly correct.

Mr. DINGELL. It reverts to the Philippine Islands when they are able to supply their quota?

Mr. HILL. That is right. It was put in this bill for the express purpose of assisting not only Cuba but the Philippines. Remember that Cuba increased her sugarcane acreage during the war because we asked her to. In addition, this is the first time that Cuba and the continental area, shall I say, have come to an agreement on a sugar bill presented to this House.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not want the record to get off on the wrong tangent here as the result of statements by two good friends from Colorado, the gentleman who is now speaking and Mr. CHENOWETH. Where is the language in this bill that provides for the expansion—I am choosing my words—the expansion of the domestic-sugar industry, beet or otherwise?

Mr. HILL. Under this present bill the tonnage is set at 1,800,000.

Mr. CRAWFORD. That is on beets?

Mr. HILL. That is right. That is, in round numbers, 100,000 more tons than the usual production of beets in this country.

Mr. CRAWFORD. But at this moment we have the productive capacity in the form of mills ready to run and produce 1,800,000 tons, have we not?

Mr. HILL. I question that. You may have the mills and you may have the land, but I question the possibilities of having a full crop.

Mr. CRAWFORD. We are writing sugar legislation here and we must watch our words so that our enemies will not use our words against us in the future. I again ask the gentleman who now has the floor or any other gentlemen of the House to show the language in this bill where it permits the expansion of the domestic sugar industry.

Mr. HILL. Undoubtedly, the answer to that is that the Secretary of Agriculture or someone has to manage this sugar legislation. That was the next thing I wanted to talk about.

The Secretary of Agriculture has the absolute right to say that the top production of sugar shall be so many tons. If he wants to make it 8,000,000 tons, he can do so.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield for an observation?

Mr. HILL. I yield.

Mr. FLANNAGAN. Under this bill the continental beet acreage and continental cane acreage is absolutely frozen for 5 years, so, of course, it could not increase even 1 acre.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. I am not speaking against the bill. I simply want the facts brought out in the debate. I am a believer in the expansion of the industry.

Mr. HILL. I still insist that I am correct—that we could at least increase the beet acreage.

Mr. CRAWFORD. Oh, that is a different story entirely.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the remaining time on this side to the gentleman from Colorado.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. BOGGS of Louisiana. Representing one of the largest cane producing areas in the Nation, it is our opinion that this bill allows for usual and orderly expansion of the industry in our area.

Mr. HILL. It will do the same for the beet producing areas and I am convinced it will.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. FLANNAGAN. I know the gentleman wants to be fair. I know that this statement is true—I know this much about the bill—that if this bill passes you freeze the beet acreage for the next 5 years and you freeze the cane acreage because you set quotas up absolutely, not on a percentage basis, but absolute quotas for 5 years for cane and beet acreage in the continental United States.

Mr. HILL. Of course, there is always a difference of opinion.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOPE. If we did what the gentleman from Virginia urges, which is to extend the present act, it would freeze them at a lower rate instead of at a higher rate.

Mr. HILL. Absolutely. Regardless of that, if any area in this country is short in sugar production, the Secretary of Agriculture still has the right to increase the acreage under this bill; and if you will read the bill carefully, you will come to the same conclusion.

Let me go back to the point where I was interrupted when the Members began asking questions.

I would like to call the attention of the House in answer to the argument offered by the gentleman from Virginia that, first of all, since 1934 you have had a controlled price on sugar, both wholesale and retail. In 1934, sugar prices went under the control of a director—shall we call him that. Since 1934 you have had that, and there is no use talking about water that has already gone over the dam. That is the way the bills have been written. That is the way the laws have been signed, and that is exactly how the sugar economy of this country has operated—under a dictator, if you want to call it that—since 1934.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CLEVENGER. Is it not true that in the beet area certain farms carry a limitation of acreage and it is an area control at most? If it is a limitation, it is not such a one as in Virginia or North Carolina. If a farmer has no quota he may get one.

Mr. HILL. That is right. Anyone can grow beets if they have the land. In our territory, both the farmer and the beet processor agree on contract that the farmer can grow a given acreage of beets if they think it will produce beets worthwhile—in other words, if the beets have a high enough sugar content and produce sufficient tonnage so that the farmers can make a little money as well as the sugar company.

I would like to call the attention of the House to the price of sugar, wholesale and retail, in 1934. The price of refined sugar in 1934 was 4.43; the retail price of sugar was 5.5. In 1935, the refined price was 4.85 and the retail price was 5.7. In 1940, the refined price was 4.34 and the retail price was 5.2. In 1945, the refined price was 5.39 and the retail price was 6.7. So you will find the prices almost paralleling one another. As the price of sugar went up wholesale, the price retail went up; and as the price wholesale went down, the price retail went down.

I cannot talk for the cane sugar people, but I hold in my hand yearly beet contracts since 1938, and they have always been taken care of by the sugar company. As the price of sugar rises wholesale, the price of sugar beets rises to the farmer. I am surprised that anybody would get up on this floor and say that the farmer did not get the benefit when the wholesale price of sugar increases.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. GRANGER. As the chairman of the committee said, this is substantially the same sugar legislation we have had since 1934. That is right, is it not?

Mr. HILL. That is correct. If it was bad legislation in 1934, it is bad legislation now.

Mr. GRANGER. What I wanted to call to the attention of the gentleman is the fact that this is New Deal legislation. It is good legislation, is it not?

Mr. HILL. Well, what does that prove?

Suppose it is New Deal legislation. I do not question that. If they offer something good, why should not the Republicans accept it and help the New Dealers clean house?

Mr. GRANGER. I am happy the gentleman feels that way.

Mr. HILL. Oh, the gentleman knows I feel that way.

Let me say this. The growers share, on a percentage basis, any increase in the price. For example, if the net price of sugar was $7.25, the growers received $11.55. If the net price of sugar was $7.50, then the growers received $11.96. That is exactly the way that contract is written. It is exactly the way the contract has always operated. The grower benefits when the wholesale price of sugar rises. It is the only product I know of that has been handled on that basis. As I said before, I think the sugar economy of this country has been handled in the finest and most efficient way of any food product we have controlled. Can anyone suggest a better plan of operating our sugar economy?

I am sure this House should support this bill unanimously.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Sugar Act of 1948."

Mr. BOGGS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the entire debate on the Sugar Act which is now under consideration by this body. I believe that practically every person who has studied this bill favors its enactment.

I listened with much interest to what my distinguished friend, the gentleman from Virginia [Mr. FLANNAGAN], had to say. As I understood his argument, the essence of it was that this bill would gouge the consumers of America. I believe we should attempt to enlighten the House on that point. I think that actually there has been no industry which has cooperated more to preserve a fair price to the consumers than has the sugar industry.

In the first place, as I pointed out a moment ago, sugar was regulated by the Office of Price Administration for many months before the Price Control Act of 1942 was enacted. After the regulations on all other commodities were taken off last year the controls on sugar were maintained, and today sugar is still a controlled commodity. The price of practically every other commodity has gone up tremendously, as everybody knows. When the demand for corn, for beef, for hogs, for cotton, tobacco, and a great many other agricultural commodities became intense there was such a scream and holler throughout the country that the Administration was forced to remove controls, but the sugar industry not only did not ask that those controls be taken off but appeared this year before the Committee on Banking and Currency and insisted that those controls be maintained until March 1, 1948; and it was upon the insistence of this body that we removed those controls effective October 31, 1947. I think that is a fine record.

When you take the price of sugar today compared to what it was 2 years ago, 3 years ago, or 10 years ago, and then compare the price of beef, wool, cotton, wheat, or corn to what it was on similar dates, I think the record needs no further defense.

I think it is a great reflection upon the Members of this body who represent sugar-growing areas that the inference should be made that we have been taken in by some mythical Sugar Trust. We have approximately 17,000 small sugar producers in the State of Louisiana. They are familiar with this legislation. They consider this legislation fair. They think the sugar industry can expand and grow under this legislation. They have had to make concessions, the beet people have had to make concessions, Hawaii has had to make concessions, Cuba has had to make concessions, Puerto Rico has had to make concessions—the Philippine treaty provisions have been lived up to—but we have drafted a bill which I feel is fair. It will stabilize the industry, it will guarantee a fair price to the producer, to the farmer, and to the worker. I want you to think about the farmers and workers for just a moment.

Word came to us that it was contemplated in this bill that the guaranteed wage to the worker and the guaranteed price to the grower would be removed. The gentleman from the Third District of Louisiana [Mr. DOMENGEAUX] immediately presented our point of view and we showed how these provisions had worked harmoniously in the State of Louisiana and had contributed to splendid relations between the worker and the grower and between the grower and the processor. We are very glad that the committee is going to offer an amendment to maintain this practice. It has been eminently fair social legislation insofar as the cane-producing areas are concerned, and we hope the House will adopt it.

I, too, agree that it is a miracle that all these interests have come together, but they have done it through mutual self-sacrifice and not through a desire to gouge any segment of the American people. I say that any man who makes charge to the contrary is misrepresenting the facts.

When the Eightieth Congress first convened, it was my inclination and purpose to propose that the United States market for sugar should be first supplied by the domestic sugar-producing areas. Whatever consumption requirements remained, it would have been my plan to allocate among foreign sugar producers, by setting up quotas against such areas each year.

In the meantime, at the suggestion of the Secretary of Agriculture, the Honorable Clinton P. Anderson, the domestic sugar areas began to hold meetings with a view to determining whether they could reach an agreement upon a sugar program which could be supported by the executive departments of our Government. It seemed to me an impossible task, however desirable. In fact, the chairman of the Agriculture Committee made a similar statement at the hearings before his committee, but what has been called a legislative miracle has been performed.

The representatives of the industry who worked hard and long to bring about this desirable result deserve to be congratulated. They have performed a most difficult job in such a way as to offer attractive provisions in the bill for each one of the areas, whether domestic or foreign.

In the case of my own State of Louisiana, I am supporting this bill because it offers to the producers of sugarcane and of sugar, a satisfactory program that will have a stabilizing effect throughout the 5-year term of the proposed act. Taken as a whole, it offers to the growers of sugarcane a production in the mainland cane area which permits a very considerable increase over the provisions of the Sugar Act of 1937. The quota of 500,000 tons for the mainland cane area should be adequate to permit full crops each year which can be processed within the existing capacity of our sugar houses. Few agricultural crops have such a prospect practically guaranteed for a period of 5 years.

A provision which impresses me as being eminently fair is to be found in section 201 which authorizes the Secretary of Agriculture to make estimates of consumption each year for the purpose of determining quotas. This provision seeks to maintain the relationship which exists during 1947 between the cost of living and the price of sugar. Mr. Chairman, the price of sugar is still under Government control. By virtue of an act of Congress, the Secretary of Agriculture is continuing the controls over the price of sugar which were formerly exercised by OPA. Recognizing this controlled price of sugar as being fair to the consumer as well as reasonable for the producer of sugar, the proposed bill seeks to maintain the relationship between the cost of production and the price at which sugar sells. It appears to be somewhat of a paradox to state that a price which is fair to the consumer can nevertheless be fair to the producer. But, if the price which the producer is to receive will continue to reflect his cost of production by the use of the cost-of-living index, then the consumer in the United States will be protected against the possibility of excessive prices such as prevailed following World War I. Moreover, as the cost of living, which means the cost of producing sugar, is reduced in the future, it is fair to the consumer that a proportionate reduction shall be reflected in the price of sugar just as much as it is fair for the producer that under a reduced cost of production, it is reasonable for the Government to anticipate a decreased price for the sugar product. Therefore, I have come to the conclusion that the representatives of the various elements of the domestic sugar industry have adopted a very wise and practical program when they have set fixed quotas for the domestic areas and provided for the remainder of the consumption requirements to be supplied by foreign areas. I frankly did not think that it would be possible to arrive at fixed quotas for domestic areas which would be acceptable to each of the areas. Having accomplished this seemingly impossible objective, I am now able to appreciate the certainty, the assurances, and the stability which this bill offers to the domestic sugar industry, and at the same time, I am convinced that they have dealt fairly and generously with Cuba and the Philippine Islands. In proof of this fact, we have the assurance of the Secretary of Agriculture that this bill is approved by the Secretary of State and the Secretary of the Interior and is within the administration's policy and program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired; all time has expired.

The Clerk read as follows:

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice pro-

duced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 percent or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing 96 sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing 92 or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above 92°;

(4) For sugar and liquid sugar, testing less than 92 sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clarget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculutre.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first 10 days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas 4,268,000 short tons, raw value, as follows:

Area	*Short tons, raw value*
Domestic beet sugar	1,800,000
Mainland cane sugar	500,000
Hawaii	1,052,000
Puerto Rico	910,000
Virgin Islands	6,000

(b) For the Republic of the Philippines, in the amount of 952,000 short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area	*Percent*
Cuba	98.64
Foreign countries other than Cuba and the Republic of the Philippines	1.36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, No. 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Republic of the Philippines, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the act is less than 7,000,000 short tons, raw value. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines, by prorating an amount of sugar equal to the deficit so determined, as follows:

	Percent
To Cuba	95
To foreign countries other than Cuba and the Republic of the Philppines	5

Provided, however, That whenever the quota for Cuba established under the provisions of this act other than section 202 (d) is less than the amount required by the provisions

of section 202 (d) of this act, such prorations shall be as follows:

	Percent
To Cuba	98.64
To foreign countries other than Cuba and the Republic of the Philippines	1.36

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.

(c) The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.

(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within 20 days after the decision complained of is effective notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than 10 days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within 30 days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within 30 days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this act for the calendar year 1948 within 10 days after effective date of this act.

SEC. 207. (a) Not more than 29,616 short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than 126,033 short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 56,000 short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than 375,000 short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 409 of this act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country:	*In terms of wine gallons of 72-percent total sugar content*
Cuba	7,970,558
Dominican Republic	830,894
Other foreign countries	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign counties, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any changes which shall have been

made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however,* That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the act of Congress approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of 14 years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed; and that no child between the ages of 14 and 16 years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than 8 hours in any one day, except a member of the immediate family of a person who was a legal owner of not less than 40 percent of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of $10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 percent of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:	*Reduction in the base rate of payment per hundredweight of such portion*
350 to 700	$0.05
700 to 1,000	.10
1,000 to 1,500	.20
1,500 to 3,000	.25
3,000 to 6,000	.275
6,000 to 12,000	.30
12,000 to 30,000	.325
More than 30,000	.50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this tile, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purposes of this act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this act the funds necessary to make the payments provided for in title III of this act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the act.

(b) All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this act during the fiscal year 1948.

SEC. 403 (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act shall, upon conviction, be punished, by a fine of not more than $100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this act or of any order or regulation made or issued pursuant to this act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this act. The remedies provided for in this act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than $1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than $10,000 or imprisoned not more than 2 years, or both.

SEC. 408. Whenever pursuant to the provisions of this act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this act.

SEC. 411. The powers vested in the Secretary under this act shall terminate on December 31, 1952, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1952 and previous crop years.

SEC. 412. The provisions of this act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein the following: "or developed in the product".

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. Termination of Taxes

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

"With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar."

(c) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this act.

Mr. HOPE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill may be considered as read and that amendments to any section may be in order at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. Does the gentleman from Kansas desire to offer any amendment?

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 16, line 25, strike out "409" and insert in lieu thereof "408."

Mr. HOPE. Mr. Chairman, this amendment is simply to correct a clerical mistake, and I am directed by the Committee on Agriculture to offer it as a committee amendment.

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I have another committee amendment which I offer.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

"(2) That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation

and due notice and opportunity for public hearing.

"(3) Subparagraphs (1) and (2) of this subsection (c) shall apply, and the Secretary shall make determinations thereunder, with respect to any domestic sugar-producing area only (i) if producers in such area, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and also (ii) if request for such determinations is first made by persons constituting, or representing, a substantial proportion of the producers, processers, or laborers in such area who would be affected by such determinations: *Provided, however,* That in the case of the mainland cane-sugar area, the provisions of this subsection (c) shall apply separately to the State of Florida and Louisiana."

Mr. HOPE. Mr. Chairman, this amendment has already been discussed to some extent. It provides for payment of fair wages as a condition to receiving payments by the producers, and also provides that producers who are also processors shall not be eligible to receive subsidy payment unless it is shown they have paid a fair price to producers from whom they have purchased beets or cane. The amendment as drawn is conditional to this extent: It does not apply in any producing area where less than 5 percent of the total production of sugar beets or sugarcane is produced by processors, and it is not applicable until a request for a determination as to prices and wages is made by persons constituting or representing a substantial proportion of the producers, processors, or laborers in such area.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. Would not the gentleman want at that point—inasmuch as it is not incorporated in the committee report—to give an interpretation as to the meaning he understands the Secretary will give to the term "substantial proportion of the producers, processors, or laborers?"

Mr. HOPE. It is my understanding, and I know it was the intent of the committee, that this amendment would be put into operation when any substantial number applied, and by that I mean enough to show general interest in the matter.

Mr. PACE. As I understood the Secretary, even if a small group would ask for it—it would not have to be one-third or one-fourth—but if a small group asked for it, he would make it operative.

Mr. HOPE. I am sure if any group which was at all representative, either in numbers or area or production, should make application that it would be acted upon by the Secretary. It would not have to be a large group as I interpret it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In other words, let us take a given factory area consisting, say, of approximately 10,000 acres, where a local group of farmers organized as a beet-sugar growers association is in operation. They may be affiliated with several other associations covering other factory areas. The gentleman means to tell us then, I understand, that if the spokesman for that single local group of growers makes an application, that it is the intent of the Committee on Agriculture, and the intent of the legislation, and the intent of the Secretary of Agriculture to adhere to that request and make a ruling.

Mr. HOPE. Yes; I would agree substantially with the gentleman's statement, and I am sure that was the intent of the committee. The gentleman referred to beet growers, who would not be affected by the amendment, but if a similar situation existed in a cane-growing area I think the provision would be applicable.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Colorado.

Mr. CARROLL. Does not this amendment modify the present Jones-Costigan law in two respects: One, that it does not give the same coverage to the workers in the beet areas as did the original act?

Mr. HOPE. Yes; that is true. As drafted now it would not apply to any area where less than 5 percent of the beets or sugarcane was grown by processors. It is my understanding that less than 5 percent of the beets in the sugar-beet area in this country are grown by processors, so this amendment would not be applicable at the present time to the sugar-beet area of this country.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. If the gentleman will yield further, then the ultimate effect of the amendment is to take away the protection that the workers had in the area?

Mr. HOPE. The effect of the amendment would be to remove the condition as applied to sugar-beet producers, which exists in the present law under which a farmer in order to receive his payments must show that he has paid a wage rate which the Secretary has determined to be fair and reasonable and has paid his workers in full.

I should like to say to the gentleman and to the committee that there was no demand from the beet-producing areas for the inclusion of this provision. There was a demand for the inclusion of the provision from the cane-producing areas. Because of that fact, the amendment was drafted in the form in which it appears. I might say that I think there is a difference in the labor situation between the beet and cane areas in that sugarcane is commonly grown in an area where there is a labor surplus, whereas sugar beets are grown in areas where under normal conditions a labor surplus does not exist, and where there are other agricultural activities which must compete for the same type of labor which is employed in the sugar-beet fields. For that reason, I do not believe there exists the necessity for a provision of this kind in the sugar-beet areas.

Mr. CARROLL. From the gentleman's experience in this field, would he be willing later, if an economic situation develops where the present law should be reenacted, to go along with such a program? I quite agree with the gentleman that it does not apply now, but I can foresee a situation in the future where we may have an economic condition similar to 1934 and 1935, where we would need this protective provision in the law to protect beet workers.

Mr. HOPE. I can only say to the gentleman that as far as I personally am concerned I would feel that if conditions changed as the gentleman says the matter should be reconsidered.

Mr. CARROLL. As I understand the present law, upon application it is mandatory for the Secretary of Agriculture to conduct a hearing if there is a dispute between the grower and the processor as to the profit and the distribution of the profit. This bill takes away the mandatory provision, and he may make an investigation without having even the jawbone enforcement sanction which exists under this law.

Mr. HOPE. Is the gentleman referring to the matter of determinations of wages and prices or to other disagreements which might arise?

Mr. CARROLL. I am speaking of wages and prices.

Mr. HOPE. The provision is no different as to that feature in the areas in which the provision is in effect. In other words, if the Secretary puts the provision to effect upon proper request it operates exactly as in the present law.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer a substitute for the first section of the committee amendment.

The Clerk read as follows:

Substitute offered by Mr. MURRAY of Wisconsin for subsection (c) (1) of the committee amendment offered by Mr. HOPE:

"(c) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane, with respect to which an application for payment is made, shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable, after investigation and due notice and opportunity for public hearings, and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment."

Mr. MURRAY of Wisconsin. Mr. Chairman, this substitute is nothing more than the present law. It has worked very satisfactorily, so I am advised by the office of the Secretary of Agriculture. They have never had any trouble with it, and I have not been able

to find out yet why we had to have any other amendment offered. Today we are going to do something that to me does not make common sense. Repeatedly here on this floor they have told you they have looked after the consumer, the producer, and the processor. Let us grant this.

Here we are just about ready to take one segment that is supposed to have protection and put them out the window.

The committee amendment does not apply to the labor in the sugar beet fields. There is no reason in the world why they should not be included in the bill. I, for one, hope that the Members of the House will agree with me and support this amendment. I wish to say to every one of my Republican colleagues here today that if I am not right then I sure am not a Republican. I do not want any Member ever to talk about Abraham Lincoln and tell me how he is the patron saint of our Republican Party and then come here and take a segment of our population and leave them right out in the cold and say, "No, we do not want this to apply to everybody. We will take care of the processor. We will take care of the producer, but we will leave the laboring people, which has protection under present legislation, and cast them out." That is all there is to this amendment. I cannot understand why it has not been accepted. I am not divulging any secrets when I say I tried to include it in the committee. I could not, and I cannot now, understand why the committee did not accept it. I cannot understand why they bring in an amendment that provides protection of labor only in the cane fields. This may have merit. Every single Member of this House should vote for this amendment if he believes in equality and justice.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have had the conviction that the people of this Nation at the polls last November expressed their preference for free enterprise as opposed to omnipotent Government control. Had this Sugar Act of 1948 been purposely drawn for the purpose of shackling one phase of free enterprise, it hardly could have been more successful.

Under this bill the Government determines how much sugar we may use, where it shall originate, how many acres can be grown, what type of sugar the farmer may plant, and how he must grow it. The Secretary of Agriculture may snoop into the labor contract a grower makes with his employees. Orders of the Secretary have force of law carrying fines for violations. Now we have an amendment offered that permits him to fix the amount the farmer pays his laborers. The Secretary can compel a user or manufacturer to turn informer on his fellows or forfeit $1,000 for such refusal. Imagine that—and this is in the United States.

Then, of course, the Secretary pays out huge subsidies under rules written by him. He determines the amount of the payment due any claimant, and his determination is final and not subject to review. And he is paying out the taxpayers' money.

Mr. Chairman, this is New Deal bureaucracy and New Deal subsidy at its worst. The bill should be defeated.

Mr. DOMENGEAUX. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise with some reluctancy to discuss the statement made by the gentleman from Virginia with reference to the activities of Mr. Earl Wilson, who until recently was head of the Sugar Branch of the Department of Agriculture. The gentleman from Virginia, I am certain, is honest in the beliefs and statements that he made, but I am inclined to believe that he was not given all the facts. There were some serious reflections against the activities of this man as made by the gentleman from Virginia, and I would like to take the opportunity to correct them as I know and believe the true facts to be.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. DOMENGEAUX. I am glad to yield to the gentleman.

Mr. FLANNAGAN. I do not want to misrepresent the acts of any man.

Mr. DOMENGEAUX. I am certain of that, sir.

Mr. FLANNAGAN. But that statement which the gentleman has was prepared at a hurry-up meeting when they were frightened to death yesterday afternoon and evening. That is when they prepared that statement.

Now, if you will produce the files of the Department and they will not back up the charges I have made, I will withdraw them.

Mr. DOMENGEAUX. The gentleman is referring to something I have not even started to discuss. I am speaking about the charges he made against Mr. Earl Wilson.

Mr. FLANNAGAN. That is what I am talking about.

Mr. DOMENGEAUX. The information I have is that Mr. Earl Wilson, who was vice president of the National Sugar Co. in New York, in 1943 became connected with the Commodity Credit Corporation for the purpose of helping to move the Cuban crop. At that time Mr. Wilson became connected with the Government. He was paid a salary of $1 a year, and of course his salary with the National Sugar Co. continued. In August 1945 Mr. Wilson became head of the sugar branch of the Department of Agriculture. At that time Mr. Wilson, who had a financial interest and was a stockholder in this sugar company, sold all of his stock he had at that time, and I am told at a loss, because the market was then at a low ebb. Not only did he not collect 5 cents of salary from the National Sugar Co. at that time but he sold all of his stock, and his only financial return was the salary he was being paid by the Government for the fine, efficient, and unselfish work that he was rendering to this country during the time of war. I am certain that Mr. Wilson accepted this responsibility and did this job at a great personal sacrifice to himself. It is rather difficult for a man who receives that type of position and who has made fine acquaintances and connections with people with whom he comes in contact to not afterwards receive offers of positions that are very favorable, and with very favorable salaries. I do not believe that reflects against anyone, and certainly in this case not against Mr. Wilson.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. DOMENGEAUX. Yes, I yield.

Mr. FLANNAGAN. If they will produce the records in the Department of Agriculture, that are in black and white, and if those records do not substantiate the statements I have made, then I will withdraw the charges and apologize to Mr. Wilson. I am going to see the records first.

Mr. DOMENGEAUX. I am certain the gentleman feels just that way and would not intentionally do an injustice to anyone.

Now, on this further question on which the gentleman from Virginia [Mr. FLANNAGAN] left the impression that in a hardship case among the beet sugar people in 1943, $1,500,000 was paid to some of the processors or growers erroneously and improperly, I would like to read a statement.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. DOMENGEAUX] has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DOMENGEAUX. The gentleman from Virginia [Mr. FLANNAGAN] left the impression that this payment of $1,500,000 to the beet growers was erroneous and improper. I would like to read a statement which I believe and am informed are the true facts in this instance:

The Commodity Credit Corporation, in order to maintain sugar-beet production by supporting prices to producers of the 1943 crop of sugar beets, entered into a contract with sugar-beet processors. Under the contract the processor was obligated to buy sugar beets from growers at support prices fixed by the Secretary of Agriculture, which were approximately $1.50 higher than those paid by processors for the 1942 crop. In return for the processors undertaking to buy the sugar beets at support prices, the Commodity Credit Corporation guaranteed the processor a stated level of net proceeds. The processors agreed also to pay Commodity Credit Corporation any amount by which their actual net proceeds exceeded their guaranteed net. Processors paid to Commodity Credit Corporation approximately $1,324,000. The contract also contained a so-called hardship clause. Under this clause Commodity Credit Corporation agreed that if, by reason of the operation of the contract, a processor was prevented from making a fair and equitable margin on the sale of sugar produced from the 1943 crop, Commodity Credit Corporation would make such adjustment as it determined was necessary to assure the processor a fair and equitable margin.

The production of beet sugar in 1943 fell to 18,622,043 100-pound bags, as compared with a 1942 beet-sugar production of 31,734,119 100-pound bags. The processing of sugar beets is a business which is dependent upon the maintenance of considerable volume in order to make it successful. Processing costs also increased greatly. As a result of the decreased volume and increased

costs, the earnings of the sugar-beet processors, before taxes, fall from $15,584,000, the average of the fiscal years 1936, 1937, and 1939, to $1,864,000 for the crop year 1943. All the processors filed claims or indicated claims would be filed under the so-called hardship clause. The potential claims of the processors were in excess of $10,000,000.

After extended discussion with the processors and careful analysis of the operating results of the various companies, Commodity Credit Corporation offered to settle hardship claims upon a basis which would result in a payment to all processors of a total amount of $1,844,997—bear in mind that the growers had returned $1,300,000—so actually the settlement of this claim cost the Government only a little over $300,000, the amount paid to individual processors being computed under a formula which gave equal weight to the processor's decrease in production and increase in unit cost. This proposed settlement, after approval by the Board of Directors of Commodity Credit Corporation, was submitted to and approved by the Director of Economic Stabilization.

The acceptance of Commodity Credit Corporation's offers to settle the hardship claims was made a condition of the 1946 processor agreement and constituted an additional inducement to processors to enter into a 1946 processor agreement on terms and conditions which were much more favorable to Commodity Credit Corporation than those originally insisted upon by the processors. Because of the fact that certain officials of the Corporation were later employed by the sugar industry, the Secretary of Agriculture delayed payment of the amount due the processors in settlement of their hardship claims until such time as the circumstances surrounding the making of the settlements could be carefully and completely reviewed by responsible officials in the Department having no connection with the administration of the Department's sugar program. No reason was disclosed for questioning the desirability or the propriety of the proposed settlement.

Mr. Chairman, this is the official statement of the Department of Agriculture with respect to this transaction as submitted to me today, by J. H. Marshall, Director, Sugar Branch, United States Department of Agriculture.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CARROLL. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Mr. Chairman, I rise in support of the substitute amendment. While I am very much indebted for the information given me by the gentleman from Kansas, yet I believe the logic of the gentleman from Wisconsin [Mr. MURRAY] is inescapable. No one yet, and I have talked with many people, many men who know far more about the sugar-beet industry than I—no one has been able to give me a reason for changing the basic Costigan-Jones law.

If, as the gentleman from Kansas suggests, the present provisions of the law are not being used as a result of present economic conditions, it does not necessarily follow, therefore, that we must remove those provisions which heretofore provided some measure of protection for both the grower and the beet laborer. In short, if we could be assured that the economy of the sugar-beet industry would remain as healthy as it is today, perhaps we could afford to eliminate the provisions of the law under discussion. The very purpose of this bill, we have been told, is to give a continuing measure of strength to those in the sugar-beet industry, that is, the processor and the grower. It is of equal importance then that we continue to give the same legal protection to the laborer as that given the processor and grower.

May I say to the membership of the House that I well remember back in 1933, 1934, and 1935 that there was a reason for the enactment of the Jones-Costigan bill. The gentleman from New York [Mr. BUCK] says this is a New Deal measure. I will admit it involves economic planning. It is one of those industries in our economy that requires bolstering and therefore some planning.

In the early days of the depression the sugar-beet industry was struggling along under dire conditions. The processor, the grower, and the laborer were in urgent need of Government assistance and planning. The late Senator Costigan of Colorado and other distinguished men began a study of this problem which is so important to the economy of certain sections of this Nation. The result of that study brought forth the existing law. Among other principles of that law was established the proposition that in lieu of the Government's planning and protection the processors themselves must deal equitably and fairly with the growers of sugar beets and in turn the growers themselves would be required to pay a proper wage. Since the enactment of this basic legislation, these principles have remained intact until today we find an attempt to change the basic philosophy of the Costigan-Jones Sugar Act.

I want it distinctly understood, and I repeat, there is no need for the Department of Agriculture or the laborer to use these important provisions under existing economic conditions but I should like to reemphasize that it is entirely possible, if another period of unemployment should come upon us, that the sugar-beet laborer might again be very happy to have the protection given him under the present law. And, I am not so sure that there has not been a modification of the basic law which may affect important rights to the grower himself. I intend to study this bill and its implications at length for it is indeed unfortunate that we are required to act upon this important legislation with such little notice.

I submit that the argument of the gentleman from Wisconsin [Mr. MURRAY] is unassailable. If there is no present need for use of the provisions to protect the laborer under the present act, certainly there can be no harm in retaining them. On the other hand if there is a recession and if the worker is in need of protection, it would be available to him under the law. As I have said, this is also true of those provisions which were designed to protect the grower. Briefly we are being asked to give continuing protection to the processor, giving great benefits to the processor and to the grower, and at the same time we are taking it away from the laborer for the reason, it has been said, that he no longer needs the protection. Only time and further experience can justify such a position. Any removal or impairment of these basic principles is premature and not in keeping with proper legislative action.

Mr. Chairman, based on the information at hand, as limited as it is, and as a result of requests by some of the growers from my State, I intend to support this bill. The growers of my State have telegraphed me that this is a good bill. Time has not permitted me to make an investigation nor does the committee report itself contain facts indicating what, if any, effect this will have upon the beet laborer under present conditions. In this connection it is to be noted that the sugarcane areas of this Nation have successfully resisted any attempt to destroy the sugarcane laborers' rights under this very bill.

As I have indicated, with some reservations, I intend to go along on the passage of this bill, provided there is no substantial impairment of the basic principles contained in the Costigan-Jones Act. Although I have questioned many Members of this body, no one has given a single reason why we should leave out of this bill the labor provision upon which I have spoken today and until somebody gives a better explanation, we should accept the substitute amendment offered by the gentleman from Wisconsin.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is unfortunate that during the course of this debate it appears to me, at least, that extraneous questions have been brought into the debate. The character of individuals has been questioned. Be that as it may, I do not think it is part of the debate and certainly has not anything to do with the pending legislation.

The act we are discussing here today was first passed in the depression days back in 1934. There was a provision in the Sugar Act to take care of all elements that are in the pending legislation, labor, the processor, the producer, and the consumer. I think those general elements are all still in this bill.

There is substantially no change. If it was a good bill in 1934 it is a good bill now. If it was a good bill in 1937 it is still a good bill. I may say for the growers of sugar beets, if I can speak for anyone, and they are the only people I am speaking for this afternoon, this sugar legislation to continue the present act is the best legislation that has ever been enacted in the history of the sugar industry.

I think it is undeniable also that it is not only in the best interest of the grower, the laborer, and the processor, but there has not been a single farm commodity that has been held to a more reasonable price to the consumer than

has sugar during the time of war as well as in time of peace. I hope these questions that have been raised, that perhaps could just as well have been left unsaid, will not preclude us from supporting this bill.

I have always been concerned about the people who engage in the production of sugar, the laborers, as well as the processors, and in committee I questioned the Secretary very closely, and he indicated to me that it had never been necessary in the beet-growing areas to argue with anybody about the wage question. There have been questions raised where he had settled wages that were out of harmony with those paid to other farm labor. He just simply wanted to get rid of the responsibility of setting a wage that would be just another step to fix all farm wages. So far as I know this is the only instance in the agricultural program where a wage has been established.

While I sympathize in a general way with the views of the gentleman from Wisconsin [Mr. MURRAY], I think it would be unwise to amend this bill at this time, although I have no objection to it, because it would be ineffective as far as sugar beets are concerned. I think it is a good bill. It takes care of all the people who should be taken care of, and I trust that the bill will pass with a substantial majority.

Mr. SABATH. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Wisconsin.

Mr. Chairman, I fully agree that this legislation is in the interest of the sugar growers, processors, and refiners, and it is also aimed to protect labor. This substitute amendment retains all the advantages of the 1934 and the 1937 acts with the exception of the protective labor provision. I fully realize that the chairman of the committee is aiming to correct the mistake made by his committee and is offering an amendment, but I feel that it does not correct the amendment of the committee. I think the substitute should be adopted because it is the basic law, it has been the law for years, and it has been found to be a just law. I felt originally that we should not extend it for 5 years; that 2 years would have been sufficient.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MARCANTONIO. The substitute is the existing law.

Mr. SABATH. That is the basic law.

Mr. MARCANTONIO. And up to now no one has offered an explanation as to why the existing law should be changed or modified.

Mr. SABATH. I can explain, in view of what I have heard. Though I was not present, I am told that the sugar interests, through their able attorneys and others, helped to draft this bill and have been instrumental in bringing about the report from the committee.

Mr. MARCANTONIO. So that while the amendment takes care of the sugarcane workers in Puerto Rico it leaves entirely unprotected the beet-sugar workers in the various States, and that is the gimmick in the committee amendment. To cure that the safe thing to do in order to protect all sugar workers is to adopt the substitute offered by the gentleman from Wisconsin [Mr. MURRAY].

Mr. SABATH. I fully agree with the gentleman.

In conclusion all I wish to say is this: I agree that this bill is in the interest of the sugarcane growers and the sugar-beet growers, and that six or seven States will be greatly benefited. But I deny that it is in the interest of the consumer. The consumer will again be obliged to pay the increases that will be charged for sugar in the near future. However, as I said, the bill will pass. I realize the situation. Nevertheless I feel it my duty to assert that, in my opinion, it will cost the consumers of this Nation from $200,000,000 to $300,000,000 a year. Consequently I feel that a 2-year extension should suffice.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MARCANTONIO. I hold in my hand a letter dated July 10 signed by N. E. Dodd, Acting Secretary of Agriculture. This is what he says with respect to the labor provisions:

> The Department of Agriculture did not recommend the exclusion of the wage provisions of the present act from the proposed bill. In fact, when representatives of the domestic sugar industry first discussed a draft of the proposed bill with representatives of the Department, the Secretary informed the group that he felt it would be a mistake not to include the wage and fair-price determinations in the bill. However, in view of his understanding that all segments of the domestic sugar industry were in agreement on the proposed bill, the Secretary informed the group that he would not insist upon the inclusion of such provisions.

Mr. SABATH. The mere fact that he did not insist upon it does not bind us. It is the only protection the bill provides for the labor which that produces the sugar.

Mr. MARCANTONIO. I think the Secretary made a serious mistake in not insisting.

Mr. SABATH. I think the substitute offered by the gentleman from Wisconsin should be favorably acted upon.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, had come to no resolution thereon.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that notwithstanding the session of the House over the noon hour tomorrow, the Committee on District of Columbia may be privileged to sit.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include a statement by Hon. Josephus Daniels on the subject Military Conscription Is Contrary to the Spirit and Practice of the American People.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include an address delivered last night over the radio by the Speaker of the House.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an address by Rev. Edward A. Fitzpatrick.

HOUSE JOINT RESOLUTION 205

Mr. HOPE. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report from the Committee on Agriculture on House Joint Resolution 205.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 3 hours on veterans' legislation.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HOPE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 758. An act to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security; to the Committee on Expenditures in the Executive Departments.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found

truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 116. An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin; and

S. 395. An act authorizing the issuance of a patent in fee to Kathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on Enrolled Bills, reported that that committee did on July 9, 1947, present to the President, for his approval bills and a joint resolution of the House of the following titles:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

ADJOURNMENT

Mr. HOPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 11, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

907. A letter from the Secretary of War, transmitting a draft of a proposed bill to prescribe the pay allowances of aviation cadets in the Air Corps, Regular Army, and for other purposes; to the Committee on Armed Services.

908. A letter from the Secretary of State, transmitting a draft of a proposed bill to prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes; to the Committee on Foreign Affairs.

909. A letter from the Acting Postmaster General, transmitting a draft of a proposed bill for the relief of Henry Hill; to the Committee on the Judiciary.

910. A letter from the Under Secretary of the Interior, transmitting a report and findings on the Hayden Lake unit of the Rathdrum Prairie project, Idaho (H. Doc. No. 392); to the Committee on Public Lands and ordered to be printed, with illustrations.

911. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $50,000 for the legislative branch, Architect of the Capitol (H. Doc. No. 393); to the Committee on Appropriations, and ordered to be printed.

912. A letter from the Comptroller General, transmitting a report of the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944; to the Committee on the Judiciary.

913. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for the refund of the taxes deducted pursuant to the provisions of the Railroad Retirement Act of 1937, as amended, from the wages of Mexican railroad workers employed in the United States under the agreement of April 29, 1943, between the United States of America and the United Mexican States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 211. Resolution authorizing and directing the Committee on Public Works to conduct surveys of certain works of improvement; without amendment (Rept. No. 852). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 280. Resolution providing for the consideration of H. R. 1113, a bill to provide for removal of restrictions on property of Indians who serve in the armed forces; with amendment (Rept. No. 853). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3971. A bill to amend section 2455 of the Revised Statutes, as amended, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; without amendment (Rept. No. 855). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3703. A bill to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service; with an amendment (Rept. No. 856). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3684. A bill to provide for the addition of certain revested Oregon & California Railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes; without amendment (Rept. No. 857). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3503. A bill to permit the issuance of unrestricted deeds for town-site lands held by Alaska natives, and for other purposes; without amendment (Rept. No. 858). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R 3416. A bill to provide for the establishment of the Pensacola National Monument; with amendments (Rept. No. 859). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3218. A bill to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power systems; without amendment (Rept. No. 860). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2645. A bill to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympic National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior; without amendment (Rept. No. 861). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2453. A bill to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace; with an amendment (Rept. No. 862). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2096. A bill to amend section 11 of the act approved June 5, 1942 (56 Stat. 317), relating to Mammoth Cave National Park, in the State of Kentucky, and for other purposes; with an amendment (Rept. No. 863). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 4102. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; with an amendment (Rept. No. 864). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1710. A bill to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; without amendment (Rept. No. 865). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1049. A bill to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota; with an amendment (Rept. No. 866). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1185. An act to provide for the disposal of materials on the public lands of the United States; with amendments (Rept. No. 867). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 753. An act to authorize the Secretary of the Interior to defer the collection of certain irrigation construction charges against lands under the Flathead Indian irrigation project; without amendment (Rept. No. 868). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. House Joint Resolution 205. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; with amendments (Rept. No. 873). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; without amendment (Rept. No. 818). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 880. An act for the relief of Rev. John C. Young; without amendment (Rept. No. 819). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 388. A bill for the relief of Bert Harrington, Jr.; without amendment (Rept.

No. 820). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 640. A bill for the relief of Harley Shores; with amendments (Rept. No. 821). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 769. A bill for the relief of the estate of Ruth Horton Hunter; without amendment (Rept. No. 822). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 890. A bill for the relief of Jessie Thompkins; with an amendment (Rept. No. 823). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1085. A bill for the relief of Mrs. Marie Salamone; with an amendment (Rept. No. 824). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1175. A bill for the relief of the estate of Daphne Ward Pope, deceased; with amendments (Rept. No. 825). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1226. A bill for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills; without amendment (Rept. No. 826). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1316. A bill for the relief of Archer C. Gunter; with an amendment (Rept. No. 827). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1319. A bill for the relief of Calvin J. Frederick; with an amendment (Rept. No. 828). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1648. A bill for the relief of Willie P. Goodwin, J. M. Thorud, and W. H. Stokley; with an amendment (Rept. No. 829). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1654. A bill for the relief of the estate of Mrs. Elizabeth Campbell; without amendment (Rept. No. 830). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1730. A bill for the relief of Mrs. Beulah Hart; with an amendment (Rept. No. 831). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1744. A bill for the relief of the estate of Curtis Wilson, deceased; without amendment (Rept. No. 832). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1864. A bill for the relief of Mrs. Raiford D. Smith; with an amendment (Rept. No. 833). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1933. A bill for the relief of Mrs. Elizabeth F. McCombie; without amendment (Rept. No. 834). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1953. A bill for the relief of John F. Reeves; with an amendment (Rept. No. 835). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2012. A bill for the relief of Mrs. Pearl Cole; with an amendment (Rept. No. 836). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2129. A bill for the relief of R. C. Owens; with an amendment (Rept. No. 837). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2192. A bill for the relief of the Massman Construction Co.; with an amendment (Rept. No. 838). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2213. A bill for the relief of A. J. Sprouffske; without amendment (Rept. No. 839). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 2348. A bill for the relief of Charles J. Smith; with an amendment (Rept. No. 840). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2432. A bill for the relief of Harry V. Ball; with an amendment (Rept. No. 841). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2506. A bill for the relief of Louis T. Klauder; with an amendment (Rept. No. 842). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2534. A bill for the relief of James H. Underwood; without amendment (Rept. No. 843). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2633. A bill for the relief of Claude T. Thomas, legal guardian of Elizabeth Ann Mervine, a minor, and the estates of Mary L. Poole, deceased, and Hazel S. Thomas, deceased; with an amendment (Rept. No. 844). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2783. A bill for the relief of Joseph MacGuffie and Eugene Rohrer; without amendment (Rept. No. 845). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3068. A bill for the relief of Alfred Thomas Freitas; without amendment (Rept. No. 846). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3111. A bill for the relief of Louis H. Deaver; without amendment (Rept. No. 847). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3383. A bill for the payment of claims of the Fidelity Trust Co., of Baltimore, Md., and others, covered by findings of fact made by the United States Court of Claims, dated June 5, 1944, and contained in Senate Document No. 229, Seventy-eighth Congress, second session; with an amendment (Rept. No. 848). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3495. A bill for the relief of Andrew C. Extrom and Harry C. Pearson; without amendment (Rept. No. 849). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3499. A bill for the relief of Petrol Corp.; with an amendment (Rept. No. 850). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3845. A bill for the relief of George J. Hiner; with an amendment (Rept. No. 851). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 3064. A bill authorizing and directing the Secretary of the Interior to issue a patent in fee to Thomas Lucas; with an amendment (Rept. No. 869). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land; without amendment (Rept. No. 870). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon; without amendment (Rept. No. 871). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 185. A bill to authorize the sale of certain public lands in Alaska to the Catholic bishop of Alaska, in trust for the Roman Catholic Church; with an amendment (Rept. No. 872). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 4136. A bill to amend the act of July 23, 1946 (60 Stat. 596), entitled "Strategic and Critical Materials Stock Piling Act"; to the Committee on Armed Services.

By Mr. EVINS:

H. R. 4137. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. FERNÓS-ISERN:

H. R. 4138. A bill to provide for the establishment of a national cemetery in Puerto Rico; to the Committee on Public Lands.

By Mr. KILDAY:

H. R. 4139. A bill to amend subsection (d) of section 500 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. MATHEWS:

H. R. 4140. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Joint Toll Bridge Commission, and for other purposes; to the Committee on Public Works.

By Mr. PHILLIPS of Tennessee:

H. R. 4141. A bill to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Florida:

H. R. 4142. A bill to provide for terms of court to be held at West Palm Beach and at Fort Myers in the southern district of Florida; to the Committee on the Judiciary.

By Mr. TOWE:

H. R. 4143. A bill to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. FLETCHER:

H. R. 4144. A bill to provide for slum clearance, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA (by request):

H. R. 4145. A bill to amend the District of Columbia rent-control law so as to provide that schools and universities may recover possession of housing accommodations in certain cases; to the Committee on the District of Columbia.

By Mr. KING:

H. R. 4146. A bill to create an independent Air Safety Board; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 4147. A bill to extend the benefits of title III of the Servicemen's Readjustment Act of 1944 to the veterans of World War I; to the Committee on Veterans' Affairs.

H. R. 4148. A bill to increase the pension payable to war veterans suffering from permanent total non-service-connected disabilities to $75 per month, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 4149. A bill to provide adjusted compensation for veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. COOLEY:

H. R. 4150. A bill to provide for the coordination of agricultural soil and water conservation programs, and for other purposes; to the Committee on Agriculture.

By Mr. HILL:

H. R. 4151. A bill to provide for the coordination of agricultural soil and water conservation programs, and for other purposes; to the Committee on Agriculture.

By Mr. MILLER of California:

H. R. 4152. A bill to authorize the American River Basin development, California, for irrigation and reclamation and other purposes; to the Committee on Public Lands.

By Mr. LANHAM:

H. J. Res. 234. Joint resolution designating the first Sunday in June of each year as "Shut-Ins' Day"; to the Committee on the Judiciary.

By Mr. STIGLER:

H. J. Res. 235. Joint resolution to provide for the issuance of a special postage stamp in honor of Will Rogers; to the Committee on Post Office and Civil Service.

By Mr. GEARHART:

H. J. Res. 236. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. PATMAN:

H. Con. Res. 69. Concurrent resolution providing for the printing of additional copies of the pamphlet entitled "Fascism in Action"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 4153. A bill for the relief of Mrs. Mataniu F. Fonoimoana, to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 4154. A bill for the relief of Gudrun Emma Ericsson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

739. Mr. MARTIN of Massachusetts presented a petition of Lieutenant Albert E. Purrington Post, No. 21, World War Veterans of the United States Merchant Marine, urging enactment of H. R. 476, which was referred to the Committee on Merchant Marine and Fisheries.

SENATE

FRIDAY, JULY 11, 1947

(Legislative day of Thursday, July 10, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast been the refuge of our fathers through many generations, be Thou our refuge in every time and circumstance of need. Be our guide today as we seek to find our way amongst the dark and difficult problems that confront our Nation "ere our footsteps stumble on the twilight hills." Help us ever to remember that the steps of a good man are ordered of the Lord.

So we ask for strength and wisdom for this day according to the promise, "As thy days so shall thy strength be." But we are all mere men, with temptations and cares that are the common lot of man. If any amongst us this day are distressed in spirit, or burdened with some secret anxiety, or if some sorrow has invaded our home and touched the ones we love, teach us how to "cast thy burden on the Lord and He shall sustain thee." Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 10, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 11, 1947, the President had approved and signed the following acts:

S. 715. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Federal Bureau of Investigation who have rendered at least 20 years of service;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946; and

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 564) to provide for the performance of the duties of the office of President in case of removal, resignation, death, or inability both of the President and Vice President, and it was signed by the President pro tempore.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REFUND OF TAXES TO CERTAIN MEXICAN RAILROAD WORKERS

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for the refund of the taxes deducted pursuant to the provisions of the Railroad Retirement Act of 1937, as amended, from the wages of Mexican railroad workers employed in the United States under the agreement of April 29, 1943, between the United States of America and the United Mexican States, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF GENERAL ACCOUNTING OFFICE UNDER CONTRACT SETTLEMENT ACT OF 1944 (S. DOC. NO. 75)

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944 (with accompanying papers); to the Committee on the Judiicary and ordered to be printed as a Senate document.

AMENDMENT OF SOCIAL SECURITY ACT

A letter from the Acting Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to amend the Social Security Act in connection with the payment of postage for unemployment compensation mail and payments to the States which have submitted plans under title I, IV, V, or X of such act, and for other purposes (with an accompanying paper); to the Committee on Finance.

UNIVERSAL MILITARY TRAINING

Mr. CAPPER. Mr. President, I have received a letter from Capitol Post, No. 1, American Legion, Topeka, Kans., in which they urge the passage of the universal military training bill. I ask unanimous consent to present the letter for appropriate reference and to have it printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

CAPITOL POST, NO. 1,
AMERICAN LEGION,
Topeka, Kans., July 5, 1947.

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: At the regular post membership meeting of July 3, 1947, the following resolution was adopted by Capitol Post, No. 1, American Legion, Topeka, Kans.:

"Whereas the American Legion and Capitol Post, No. 1, favor a program of national security for the good of the Nation: Now, therefore, be it

"Resolved by Capitol Post, No. 1, That the universal military training bill is a desirable and necessary part of the program for the security and defense of the United States of America, and that the members of this post individually and collectively urge the passage of said bill by the Congress; be it further

Resolved, That a copy of this resolution be sent to the Senators and Representatives from Kansas.

Very truly yours,
W. W. METZENTHIN,
Commander.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BROOKS, from the Committee on appropriations:

H. R. 3601. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 474).

By Mr. REED, from the Committee on Appropriations:

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 475).

By Mr. ECTON, from the Committee on Civil Service:

S. 1497. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; with amendments (Rept. No. 481).

By Mr. O'CONOR, from the Committee on Civil Service:

S. 416. A bill to extend veterans preference benefits to widowed mothers of certain ex-servicemen; with amendments (Rept. No. 480).

By Mr. MILLIKIN, from the Committee on Finance:

S. 1014. A bill to provide for the disposition of internal revenue collections on articles produced in the Virgin Islands; with an amendment (Rept. No. 476);

H. R. 3818. A bill to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; with amendments (Rept. No. 477);

H. R. 3961. A bill to provide increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents; without amendment (Rept. No. 478);

H. R. 4011. A bill to amend section 1602 of the Federal Unemployment Tax Act; without amendment (Rept. No. 479); and

S. Res. 141. Resolution authorizing an investigation of the social-security program; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. WILEY, from the Committee on the Judiciary:

S. 84. A bill for the relief of Mrs. Clinton R. Sharp; with an amendment (Rept. No. 485);

S. 167. A bill for the relief of Mrs. Yoneko Nakazawa; with an amendment (Rept. No. 486);

S. 185. A bill for the relief of Thomas Abadia; with an amendment (Rept. No. 487);

S. 191. A bill for the relief of Julian Uriarte; without amendment (Rept. No. 482);

S. 316. A bill for the relief of Mary Sungduk Charr; without amendment (Rept. No. 483);

S. 457. A bill for the relief of Anna Kong Mei; without amendment (Rept. No. 484);

S. 1579. A bill for the relief of Damian Gandiaga; with an amendment (Rept. No. 488);

H. R. 84. A bill to amend the Nationality Act of 1940, as amended; without amendment (Rept. No. 489);

H. R. 379. A bill for the relief of Kuo Yu Cheng; without amendment (Rept. No. 490);

H. R. 436. A bill for the relief of Roger Edgar Lapierre; without amendment (Rept. No. 491);

H. R. 553. A bill for the relief of Arsenio Acacio Lewis; without amendment (Rept. No. 492);

H. R. 555. A bill for the relief of Edna Rita Saffron Fidone; without amendment (Rept. No. 494);

H. R. 649. A bill for the relief of Antonio Belaustegui; without amendment (Rept. No. 493);

H. R. 710. A bill for the relief of Fritz Hallquist; without amendment (Rept. No. 495);

H. R. 1015. A bill for the relief of Fred Pittelli; without amendment (Rept. No. 496);

H. R. 1176. A bill for the relief of Mrs. Elizabeth Kempton Bailey; without amendment (Rept. No. 497);

H. R. 1393. A bill for the relief of Donna L. I. Carlisle; without amendment (Rept. No. 498);

H. R. 1493. A bill for the relief of Anna Malama Mark; without amendment (Rept. No. 499);

H. R. 1502. A bill for the relief of Herman Trahn; without amendment (Rept. No. 500);

H. R. 3149. A bill to amend the act approved December 28, 1945 (Public Law 271, 79th Cong.), entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces"; without amendment (Rept. No. 501);

H. R. 3958. A bill to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; without amendment (Rept. No. 502); and

S. Res. 137. Resolution to make an investigation of the immigration system; with an amendment (Rept. No. 503), and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committee on Banking and Currency:

S. 1487. A bill to remove restrictions upon loans by Federal agencies to finance the construction of certain public works; without amendment (Rept. No. 504).

TEMPORARY CONTINUATION OF REGULATION OF CONSUMER CREDIT—REPORT OF A COMMITTEE

Mr. BUCK. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report an original joint resolution to authorize the temporary continuation of regulation of consumer credit, and I submit a report (No. 473) thereon.

There being no objection, the report was received, and the joint resolution (S. J. Res. 148) to authorize the temporary continuation of regulation of consumer credit, was read twice by its title, and ordered to be placed on the calendar.

REORGANIZATION OF DEBTOR RAILROAD CORPORATIONS — MINORITY VIEWS (PT. 2 OF REPT. NO. 432)

Mr. HAWKES. Mr. President, I ask unanimous consent to submit the views of the minority of the Committee on Interstate and Foreign Commerce to accompany the bill (S. 249) to amend the Interstate Commerce Act, as amended, and for other purposes, heretofore reported from that committee.

The PRESIDENT pro tempore. Without objection, the minority views submitted by the Senator from New Jersey will be received and printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 11, 1947, he presented to the President of the United States the enrolled bill (S. 564) to provide for the performance of the duties of the office of President in case of removal, resignation, death, or inability both of the President and Vice President.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERGUSON:

S. 1609. A bill providing for the preservation of Fort Wayne Military Reservation, Detroit, Mich., for park use; to the Committee on Armed Services.

(Mr. REVERCOMB (by request) introduced Senate bill 1610, to incorporate the Society of the First Division, which was referred to the Committee on the Judiciary and appears under a separate heading.)

By Mr. THYE:

S. 1611. A bill to extend the time for completing the construction of a bridge across the Mississippi River at or near Sauk Rapids, Minn.; to the Committee on Public Works.

By Mr. AIKEN:

S. 1612. A bill to reduce expenditures and to promote efficiency and economy in the auditing of customs transactions; to the Committee on Expenditures in the Executive Departments.

By Mr. AIKEN (for himself and Mr. HATCH):

S. 1613. A bill to amend section 313 of the Federal Corrupt Practices Act by repealing the restrictions therein on political expenditures; to the Committee on Rules and Administration.

By Mr. JOHNSON of Colorado:

S. 1614. A bill to authorize the coinage of 50-cent pieces to commemorate the patriotic service of Gen. Maurice Rose and to perpetuate the General Rose Memorial Hospital as a historic shrine; to the Committee on Banking and Currency.

By Mr. COOPER (by request):

S. 1615. A bill for the relief of William L. Cunliffe; to the Committee on the Judiciary.

By Mr. MYERS:

S. 1616. A bill for the relief of Dyonisios Christ Pavlatos; to the Committee on the Judiciary.

(Mr. BUCK, from the Committee on Banking and Currency, reported an original joint resolution (S. J. Res. 148) to authorize the temporary continuation of regulation of consumer credit, which was ordered to be placed on the calendar, and appears under a separate heading.)

INCORPORATION OF SOCIETY OF FIRST DIVISION

Mr. REVERCOMB. Mr. President, I have before me at this time a copy of a bill which I am about to introduce, which bears the title, "A bill to incorporate the Society of the First Division." I am introducing the bill by request. Under it, if it is reported favorably and passed by the Senate, a number of the outstanding leaders of the great and historic First Division of our Army will incorporate their society, for the membership of those who served so gallantly in that division. Among the incorporators are Gen. George C. Marshall, Lt. Gen. Clarence R. Huebner, and many other distinguished soldiers of this country. I now ask unanimous consent at this time to introduce the bill for proper reference.

There being no objection, the bill (S. 1610) to incorporate the Society of the First Division, introduced by Mr. REVERCOMB (by request), was received, read twice by its title, and referred to the Committee on the Judiciary.

JOINT COMMITTEE TO INVESTIGATE HOUSING

Mr. McCARTHY (for himself and Mr. REVERCOMB) submitted the following concurrent resolution (S. Con. Res. 25), which was referred to the Committee on Banking and Currency:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Housing (hereafter referred to as the committee), and to be composed of seven Members of the Senate, of which at least three shall be members of the Senate Committee on Banking and Currency, and at least two shall be members of the Senate Committee on Labor and Public Welfare, to be appointed by the President pro tempore of the Senate and seven Members of the House of Representatives, of which at least three shall be members of the House of Representatives Committee on Banking and Currency, and at least two shall be members of the House of Representatives Committee on Education and Labor, to be appointed by the Speaker of the House of Representatives. A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation of the entire field of housing, including but not limited to—

(1) the extent of the need for housing in the United States as a whole and in all areas thereof;

(2) the extent, if any, to which shortages in building materials are contributing to the shortage of housing;

(3) the reasons for the existing high costs of building materials and housing and the action which may be taken to reduce such costs;

(4) all factors of whatever kind or nature which contribute to the existing high costs of housing and which prevent the speedy construction of adequate housing to satisfy the needs of the Nation; and the action which may be taken to eliminate such factors;

(5) the extent to which archaic building codes contribute to the existing shortage and excessive cost of housing;

(6) the administration and operation of existing Federal laws relating to slum clearance, insurance of mortgages on housing, home loans, guarantees of veterans' housing loans, construction permits, veterans' preference in the renting and purchase of housing, rent control, and all other matters relating to housing;

(7) the availability of private capital and of Government loans to finance the construction of housing;

(8) the organization and operations of Government agencies concerned with housing; and

(9) such other problems and subjects in the field of housing as the committee deems appropriate.

SEC. 3. The committee shall report to the Senate and the House of Representatives not later than March 15, 1948, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable, and shall make its final report not later than January 2, 1949.

SEC. 4. The committee shall have the power, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed $35 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

SEC. 5. The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer oaths, to take such testimony, to have such printing and binding done, and to make such expenditures; as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per one hundred words. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

SEC. 6. The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

SEC. 7. The expenses of the joint committee, which shall not exceed $, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

STUDY OF AGRICULTURAL LEGISLATION AND PROBLEMS

Mr. THYE (for himself, Mr. AIKEN, and Mr. YOUNG) submitted the following resolution (S. Res. 147), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a study and inquiry into existing and pending agricultural legislation and of the trends, needs, and problems of agriculture in the United States.

SEC. 2. The committee shall report to the Senate at the earliest practicable date the results of its study, together with such recommendations as it may deem desirable.

SEC. 3. For the purposes of this resolution, the commitee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $ ———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—AMENDMENTS

Mr. McCLELLAN submitted two amendments intended to be proposed by him to the bill (H. R. 3950) to reduce individual income-tax payments, which were ordered to lie on the table and to be printed.

DEPARTMENT OF HEALTH, EDUCATION, AND SECURITY—AMENDMENT

Mr. AIKEN submitted an amendment intended to be proposed by him to the bill (S. 140) to create an executive department of the Government to be known as the Department of Health, Education, and Security, which was ordered to lie on the table and to be printed.

EXPEDITIOUS DISPOSITION OF CERTAN WAR HOUSING—AMENDMENT

Mr. PEPPER. Mr. President, I ask unanimous consent to submit for appropriate reference an amendment in the nature of a substitute intended to be proposed by me to the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, and I request that a statement made by me before the Senate Committee on Banking and Currency on July 9, 1947, in connection with this matter, may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the amendment submitted by the Senator from Florida will be received, printed, and referred to the Commitee on Banking and Currency; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. PEPPER is as follows:

STATEMENT OF SENATOR CLAUDE PEPPER, OF FLORIDA, ON DISPOSAL OF WAR HOUSING—H. R. 3492—BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY, JULY 9, 1947

Mr. Chairman, I urge this committee not to report the Wolcott bill, H. R. 3492, and any other similar bills which are now before this committee.

The bill has five major provisions:

1. It would transfer responsibility for permanent war housing built under the Lanham Act from the National Housing Agency (where it is now lodged in the Federal Public Housing Authority) to the Federal Works Agency.

2. It would require that all permanent war housing be sold for cash and not later than December 31, 1948.

3. It would make the Federal Housing Administration responsible for appraising the reasonable value of the permanent war housing at the time of sale and would prohibit the FWA from selling at a price lower than this appraisal.

4. It would establish a specific system of preferences governing disposition of the permanent war housing. But the limitations of time within which to exercise preference would bar and prevent the great majority of veterans from benefiting under the act.

5. It would amend title VI of the National Housing Act so as to permit the Federal Housing Administration to insure mortgages on Lanham Act properties up to 90 percent of their appraised reasonable value.

The first of these provisions is quite obviously distinct from the other four. The policies governing disposition could be changed without transferring responsibility; or responsibility for disposition could be transferred without changing the policies.

MAJOR CONSEQUENCES OF THE BILL

If the bill should be enacted in its present form, it would have extremely far-reaching and harmful consequences.

A. It would disrupt a carefully planned program of permanent war-housing disposition which is now going forward on the basis of 2 years of intensive study and lengthy consultations with key officials in hundreds of local communities. Such consultations have now been completed in 234 communities covering 308 permanent projects. Under the bill, they would be wholly disregarded.

B. It would establish an impossibly tight and inflexible deadline for disposition of the 540 permanent projects. By requiring that all permanent war housing be disposed of before December 31, 1948, H. R. 3492 virtually compels the disposition of these properties at an almost frantic pace without regard for local plans or real-estate values, without regard for community wishes and recommendations.

C. The bill would result in a complete wastage of all the experience which the Federal Public Housing Authority has gained over the past 5 years in connection with this housing and transfer responsibility to another agency which has almost no familiarity with it.

It would also cast aside a large part of the preparatory work which FPHA has accomplished over the past 2 years looking toward the disposition of these permanent projects. Another agency would have a great many lessons to learn about these properties and almost no time in which to learn them.

D. The bill would prevent the transfer of permanent war housing to local communities for use in housing low-income families. Under the Lanham Act such transfers are permitted if Congress specifically approves in each case; under H. R. 3492, however, Congress would not even be given an opportunity to pass judgment on the requests of the local communities. Thus far, such requests have been registered by 47 communities covering 72 projects. All of these and any others received would have to be ignored under the terms of H. R. 3492.

E. By splitting off the permanent Lanham Act projects from other housing under Federal jurisdiction, H. R. 3492 would take the Government back to the chaotic conditions that prevailed before consolidation of Federal housing activities under NHA in February, 1942. Approximately 60 percent of the permanent Lanham projects are being managed under leasing arrangements by local housing authorities. Most of these authorities are also managing other types of housing which would be left under NHA's general supervision by the provisions of H. R. 3492. In a considerable number of cases, the housing transferred to FWA and the housing remaining under NHA are located on the same site and even use a common utility system. The inevitable result of the transfer would be a tremendous complication of management relationships and a large amount of administrative duplication and overlapping to say nothing of chaos in occupancy. Local agencies which now deal with one set of Federal officials would henceforth be required to deal with two.

F. The requirement that all the housing must be sold for cash would have the effect of favoring the large-scale operator who can readily command substantial sums of capital and of discriminating against the prospective home owner, or the family who can afford decent shelter only in federally subsidized housing developments.

Even though the bill provides for FHA insurance of 90 percent of the mortgages on these properties, there will undoubtedly be large numbers of veterans who would have difficulty in obtaining the necessary financing or in scraping together the 10 percent cash payment which cannot be insured. In the case of some of the larger projects, which may have to be sold as a unit, this cash payment alone would amount to several hundred thousand dollars.

G. Although the bill purports to give top preference to veterans for purchase of the permanent war housing, it would actually complicate the problem of purchase for a great many home-seeking veterans and might even work directly against their interests. The bill sets up a dual system of preferences. In cases where the projects can be subdivided for sale of the individual buildings, all buildings containing less than five apartments are to be disposed of to purchasers in the following order of priority: (1) occupants who are veterans; (2) prospective occupants who are veterans; and (3) occupants who are nonveterans. In the disposition of projects which cannot be subdivided and of buildings which contain more than four apartments, however, the only preference that is given is to a "private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing" to be purchased. This language is subject to two interpretations.

It may mean that the corporation or society purchasing the housing must be composed exclusively of veterans. In that case, the provision may be a serious handicap since experience indicates that it is extremely difficult to organize a group composed entirely of veterans for the purchase and operation of these projects. On the other hand, the language of the bill may mean that any organization which has itself appointed as the legal agent for a handful of veterans "intending to occupy" is fully qualified to exercise top priority for purchase of a 1,000-unit or even a 2,000-unit project. In that event, the bill would have the effect of freezing out the individual veteran.

H. The time schedule established for disposition of the properties is actually much tighter than might at first appear. At least a month or two, at the very minimum, will have to be allowed for working out the somewhat complicated features of the transfer and for FWA to acquire even an elementary familiarity with the properties. On top of this, many of the projects will have to be held for periods ranging up to 180 days before the priorities have expired. Finally FWA will have to make some allowance for disposing of those projects—and there probably will be many of them—which cannot be sold to the priority holders. Administrative prudence would seem to require at least 2 months to be reserved for this purpose at the end of 1948. As a result of all these deductions, the time schedule established by the bill becomes almost completely unworkable.

I. The requirement that all properties must be appraised by the Federal Housing Administration and that none of them may be sold at less than their appraised reasonable value seems designed to assure an adequate return to the Federal Treasury. In practice, however, this provision will probably prove to be a serious handicap since the responsibility for making the appraisals is placed in one agency and the responsibility for completing the disposition program within the allotted time schedule is centered in another. This division of responsibilities is not only contrary to all sound principles of public administration but might lead to widespread dumping of the properties on the local market. As the dead line approaches, FWA will almost certainly be left with a large number of properties on its hands which it has not been able to sell to priority holders within the established time limits. Investment purchasers, realizing that the Government is required to sell before the December 31 dead line, will undoubtedly make extremely low offers for this housing on a take-it-or-leave-it basis. FWA will then be faced with the equally illegal alternatives of either running beyond the dead line or ignoring the FHA appraisals. If the appraisals should be ignored, the property would be dumped on the market at bargain prices for the large-scale investors and at a heavy sacrifice of the financial interest of the Government.

If H. R. 3492 is enacted into law, there are at least 16 projects in the State of Florida that would be transferred to FWA and sold prior to December 1, 1948. These 16 projects contain 2,853 family dwelling units.

I believe that the passage of H. R. 3492 or any other bill pending before this committee would not be in the best interests of my State of Florida or in the best interests of the Nation as a whole.

Accordingly, I have drafted an amendment in the nature of a substitute to H. R. 3492, which would do the following:

1. Give the authority for sale of war-housing projects to the Commissioner of the Federal Housing Authority.

2. Provide a 5-year period, within which such projects shall be sold.

3. Provide for the insurance of war housing under title 6 of the National Housing Act, so that veterans may be able to purchase these properties with small cash down payments.

4. Give preference to veterans and their families or to veterans' cooperative housing groups to purchase dwellings for occupancy by less than five families.

5. Give preference in the case of dwelling designed for more than four families: first, to local public housing authorities; second, to cooperatives representing veterans; and, third, to towns and cities in the purchase of these properties. Under Public Law 132, Eightieth Congress, the Reconstruction Finance Corporation has power to make loans to States, municipalities, and other public housing authorities to finance the sale of these projects.

6. If the purchase is made by a veteran, then the dwelling cannot be sold for a period of 1 year from the date of purchase. For a period of 5 years from the date of purchase, if such dwelling is offered for sale by the purchaser, it must be offered to veterans in the same manner as prescribed for the original sale.

7. In the case of projects purchased by local housing authorities, preferences for rentals must be given to veterans.

8. Amend the Reconstruction Finance Corporation Act to restore the authority of the Reconstruction Finance Corporation in buying veterans' loans on housing up to 100 percent of the value.

In passing Public Law 132, extending the life of the RFC for 2 years, the Congress took away its authority to buy veterans' loans on housing at 100 percent of the value of the property. This leaves the ex-GI subject to prevailing conditions which are set by private banking. The RFC can no longer guarantee veterans' housing loans at 100 percent. Until the passage of this law, the RFC was purchasing these loans in the amount of $1,500,000 a day at a rate of 4 percent. Now veterans will have to pay at least 5 percent and will only get an 80-percent mortgage loan instead of 100 percent. This means that on a $10,000 home, a veteran will have to put up as much as $1,500 to $2,000 in cash

This maneuver adversely affects millions of our GI's, who are without permanent homes and who are struggling to reestablish their family life.

I wish to call to the attention of the committee that there was a provision in the extension of the RFC bill as passed by the Senate, giving the RFC substantially the authority provided by my bill, but was deleted by the House of Representatives and the bill became law without this authority. There is a grave danger that the appropriate lending institutions may not be able to dispose of mortgages in order that they may continue to make loans to veterans. Lending

institutions in my State have inquired of at least 20 insurance or mortgage companies all over the country as to whether or not they were interested in purchasing their loans. And all, except two, have replied that they have all the loans they care to purchase; they were not interested in acquiring GI loans. This means lending associations in my State must find an outlet for them because they have gone as far as they can under the laws of Florida in assisting veterans to secure homes under the GI bill of rights.

For this reason, I have inserted in my substitute bill a provision to restore this authority to the RFC. I should like to see the committee provide the necessary language to insure that the authority under this provision is not abused by unscrupulous real estate financing institutions, and thus take care of the fears expressed by members of the conference committee on the RFC extension bill.

I recommend that the committee consider the provisions in the Wagner-Ellender-Taft bill, as reported by this committee, as a basis for disposition for low-rent public housing, namely, that the property would be disposed of to a local public housing authority under the following conditions, which are not specifically provided for in my substitute:

1. That the authority would pay as the purchase price all net income to FPHA over a fixed period of years, which fixed period of years shall be determined on the basis of the estimated use for life of the project for decent, safe, and sanitary low-rent-housing purposes.

2. That the authority would utilize the project during the aforesaid fixed period of years for the sole purpose of providing decent, safe, and sanitary low-rent housing.

3. That the authority would not dispose of the project throughout the aforesaid fixed period of years.

4. That the property and assets of the local authority would be exempt from State and local taxation.

I urge the committee to adopt my substitute and recommendations.

WISCONSIN REPRESENTATION IN CONGRESS, 1848–1947 (S. DOC. NO. 76)

Mr. WILEY. Mr. President, on May 29, 1948, my State of Wisconsin will proudly celebrate the one hundredth anniversary of its admission into the Union.

I believe that it would be most interesting to the people of my State and of other States to have readily available a list of Wisconsin's representation in the Halls of Congress during this century.

Accordingly, I asked the Library of Congress to compile such a list, including those Badger legislators who served as committee chairmen.

As a courtesy to my State, I ask unanimous consent to have this list printed as a Senate document. I believe that other States may be interested on the occasion of their centennial in compiling similar lists.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

THE FREE STATE VERSUS THE POLICE STATE—ADDRESS BY JOHN FOSTER DULLES

[Mr. SMITH asked and obtained leave to have printed in the RECORD an address entitled "The Free State Versus the Police State," delivered by John Foster Dulles at the commencement exercises at Northwestern University, Evanston, Ill., on June 18, 1947, which appears in the Appendix.]

ADDRESS BY SENATOR LANGER BEFORE SENATOR LANGER RALLY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by him at Chicago, Ill., on May 25, 1947, under the auspices of the civic committee to welcome Senator LANGER, which appears in the Appendix.]

STATEHOOD FOR HAWAII—EXCERPTS FROM LETTER FROM MRS. GEORGE MELLEN

[Mr. LANGER asked and obtained leave to have printed in the RECORD excerpts from a letter from Mrs. George Mellen, dated June 17, 1947, which appear in the Appendix.]

PENSIONS FOR POSTMEN—EDITORIAL FROM NEW YORK TIMES

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Pensions for Postmen," published in the New York Times of July 10, 1947, which appears in the Appendix.]

NOMINATION OF ROBERT FRANKLIN JONES—EDITORIAL COMMENT

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an editorial entitled "Liars and Their Sponsors," published in the Washington Times-Herald of July 11, 1947, also an editorial from Labor of July 12, 1947, which appear in the Appendix.]

LABOR-MANAGEMENT RELATIONS—LETTER FROM HARRIET LIEBSTER TO SENATOR TAYLOR

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a letter dated June 27, 1947, addressed to him by Harriet Liebster, of Philadelphia, Pa., which appears in the Appendix.]

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the subcommittee on health of the Committee on Labor and Public Welfare be authorized to sit during the session this afternoon.

The PRESIDENT pro tempore. Without objection, the order is made, and, without objection, the Senate Committee on Foreign Relations will be permitted to continue its present session with the Secretary of State until concluded.

Mr. BUCK. Mr. President, I ask unanimous consent that the Committee on the District of Columbia may be authorized to meet at 2 o'clock today.

The PRESIDENT pro tempore. Without objection, the order is made.

NOTICE OF HEARING ON NOMINATION OF ROY W. HARPER TO BE UNITED STATES DISTRICT JUDGE, EASTERN AND WESTERN DISTRICTS OF MISSOURI

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, July 18, 1947, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Roy W. Harper, of Missouri, to be United States district judge for the eastern and western districts of Missouri, vice Hon. John Caskie Collet, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Missouri [Mr. DONNELL], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Mississippi [Mr. EASTLAND].

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

The PRESIDENT pro tempore. House bill 3950 is before the Senate and is open to amendment. If there be no further amendment——

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. The Senator from California [Mr. DOWNEY] is absent by leave of the Senate.

I announce that the Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. THYE in the chair). The Senator will state it.

Mr. MILLIKIN. What is before the Senate at the present time?

The PRESIDING OFFICER. The bill itself, H. R. 3950. The bill is open to amendment.

Mr. MILLIKIN. When we closed this subject temporarily yesterday, the Senator from Arkansas [Mr. MCCLELLAN] was speaking to a community-property amendment which he intends to offer. The understanding was that the junior

Senator from Arkansas [Mr. FULBRIGHT] would resume the discussion this morning. I inquire if the junior Senator from Arkansas is on the floor?

Mr. McCLELLAN. He was, just a moment ago.

Mr. MILLIKIN. Mr. President, it is apparent that if an amendment is not pending it is necessary to proceed to discuss the bill.

Mr. FULBRIGHT entered the Chamber.

Mr. MILLIKIN. I see the Senator from Arkansas [Mr. FULBRIGHT] is now in his seat. May I ask if he is ready to proceed?

Mr. FULBRIGHT. I am ready to proceed. However, I have a luncheon engagement with a constituent, and I had thought I would speak afterward.

Mr. MILLIKIN. Then, I shall yield to the junior Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, before I discuss the amendment, which is to be offered by the senior Senator from Arkansas together with several other Senators, including myself, I wanted to say a few words about the reduction of taxes in general.

Mr. President, on October 26, 1945, I made some remarks on the floor of the Senate with regard to the repeal of the excess-profits tax, at the time we were considering the Revenue Act of 1945. The point I made then, and the point I make now with regard to the reduction of taxes in general, relates primarily to the timing of such reduction. I realize that tax reduction is desirable at any time. It is a popular thing. It is very difficult to persuade people that delay of such desirable action as tax reduction is for their best interest. I think, however, the remarks I made on October 26, 1945, were very appropriate, and I believe the economic development since that time, and particularly during the winter of 1945 and early spring of 1946, justified the reasoning I indulged in at that time. I merely wish to read a few excerpts from the remarks I made then, and I want to emphasize the timing of the remarks with regard to the economic development, especially in labor relations, wages, and the increase in prices that followed the action of the Congress in repealing the excess-profits tax. I quote from the remarks I made at that time:

> Mr. President, the main reasons for high wartime taxes, including the excess-profits tax, were, first, to hold down the deficit and the need for borrowing, particularly from the banking system; second, to reduce inflationary pressures at a time of greatly excessive demands for goods and services relative to supply; and, third, to curb profiteering out of the war.

I think all three of those reasons are still to a very great extent applicable to the present situation. In fact I think the continuation of inflationary conditions to this period is to a great extent attributable to our hasty, premature action in the fall of 1945.

I continue to read from the remarks I made on that occasion:

> These underlying reasons for maintaining high taxes apply with equal or even greater force during the critical period of reconversion, because, first, we still face a heavily unbalanced budget; every dollar of Government expenditures not raised by taxes will have to be borrowed, and to the extent that banks furnish these funds new supplies of money will be added to the already enormous accumulations of liquid funds in the hands of the public as a result of war financing; second, demands, both domestic and foreign, upon our economy are and will continue for an indefinite period to be greatly in excess of supply; and, third, the profits to be made in the next year, at least, will be a direct result of war expenditures and thus just as much war profits as if they were derived while hostilities were still in progress.
>
> Taxation is the last real bulwark against inflationary forces because of the weakening or removal of other controls, such as the War Labor Board exercised over wages and hence prices, or such as the WPB exercised in the construction field.
>
> Since the basic problem today is one of shortages of goods in relation to demand and purchasing power, prudent fiscal policy requires that high taxes be maintained in order to reduce the deficit so far as possible. Not only is the backlog of demand unprecedented, but the supply of money in the hands of prospective customers is at an all-time high and will be further increased as reconversion and employment in peacetime occupations occur. The situation would be entirely different if we were confronted with a progressive deflation and inventories were in excess of effective demand. Then the problem would be to create more demand for goods and to give employment, and fiscal policy would call for first reducing taxes on the lower incomes.

Then I pointed out that repeal of the excess-profits tax at that time was entirely unjustifiable, because we gave the relief in the corporate field to the corporations which were best able to pay, just as the pending bill gives relief primarily to those in the highest income brackets, or, in other words, to those best able to pay the taxes.

There is one other passage in the remarks I made on that occasion which I think is particularly appropriate, as will be realized if Senators will recall the developments which took place in our economy shortly after the passage of the act of 1945. I read:

> To sum up, if any reductions are to be made at this stage, they should benefit primarily those at the bottom of the income scale, not those individuals and corporations best able to pay taxes. Repeal of the excess-profits tax, in particular, not only favors the few and the financially strongest corporations but it would grant them these benefits, including refunds, at the Government's expense, when revenue is of critical importance; it sets an example in pocketing what are, in fact, war profits that makes it difficult to argue that labor should be denied correspondingly large wage increases; and the effect is to invite the familiar wage-price upward spiral.

I submit that is exactly what took place, and began, as a matter of fact, within a month after the passage of that act, and we are still reaping the effects of that action. It will be recalled that it was within a month that the General Motors strike began and lasted for a number of weeks, and that that was the beginning of the breaking of the wage level—of the Little Steel formula. We have had since then a succession of increases all around the circle, and, as Senators know, a similar result came about with the repeal of the law creating the Office of Price Administration.

I continue reading:

> The underlying need at this stage is not to arrest a deflationary spiral and to put funds into the hands of people who will spend them or to offer special tax inducements to business to produce. The basic underlying need is to restore as rapidly as possible a budgetary situation which will maintain faith in the currency and preserve the buying power of the billions invested in Government securities and other savings. This is particularly important in view of the present campaign to sell an additional large number of Government bonds.

Mr. President, I think the action taken by Congress at that time was ill-considered, was premature, and I think we have been paying for that mistake ever since.

Mr. President, I think the timing of the tax-reduction bill now before us is likewise premature, and I think enactment of the bill will contribute to the prolongation of the period of inflation. I believe it will cause a much greater inflation than would result if we should continue the present tax rate. In other words, the argument in connection with the bill is not whether there should be tax reduction at any time. It really comes down to the timing of the reduction.

Mr. President, it seems to me the problem now facing the country is not so much one of increasing production and inducing further investment in productive capacity, but the real problem is to attain some stability in our economy; that is, that every measure affecting our economy should be designed to prevent anything which will contribute to an undue deflation; in other words to try to smooth out the great variations in our level of production and employment.

I think the proposed tax reduction is premature. If the effect of the tax reduction at this time will be what the sponsors say it will be, I do not believe that effect would be a proper one. The sponsors say we now need inducement for further investment of capital to build greater productive capacity. I think that is the wrong result to seek at this time. I think the time will come when the present productive machinery begins to become more obsolete, when production begins to fall, when the much discussed recession takes place, when an incentive to greater profits will be very important, and I think then will be the time to reduce taxes along with other measures designed to increase employment and production. As I say, it is certainly premature at this time.

We have only to notice yesterday's newspapers to see further very tangible signs of the increase in the inflationary spiral. The price of wheat went up yesterday from 3 to 5 cents. Corn went up another 5 cents; and, as Senators know, it has reached an all-time high of $2.25. Wheat likewise is now at an all-time high. So I believe that to add further fuel to the inflationary spiral is bad timing and bad fiscal policy. It seems to me that we are simply "jumping the gun," so to speak, and are losing sight of one of the main objectives of our fiscal policy.

In general, I feel that tax reduction is premature at this time. It was said that

we were going to have deflation after the war. We have had intimations from time to time that deflation was starting in the soft goods industries. However, when we look at the profits of the first quarter of this year—not only profits before taxes, but actual dividends paid by business—they are the highest in the history of the country. So the fears have not materialized, and I am glad of it. But if we were at all sensitive to the present economic conditions of the country we would respond by adapting our fiscal policy to those conditions.

I think the genesis of this proposal was at a time when we really feared a recession. Last fall and last winter we talked a great deal about a recession. I believe that the fact that we were aware of the possibility and discussed it, and that business people were aware of it, contributed to the prevention of its materialization. Businessmen began to let up on their purchases for inventory, and there was a slight recession in the winter. There was little overbuying.

But business has now caught on again, and the evidence of the recession has disappeared. I believe that the recent figures on employment surprised everyone. They surprised everyone with whom I have talked. Members of the Finance Committee and other Members of the Senate were surprised at the great increase in employment revealed by the report at the beginning of this month. So the fears of deflation have not materialized. I think that fact calls for an adjustment of our fiscal policy to take account of the situation.

The decision of the majority party last fall to go through with tax reduction does not seem to me to be justified by the development of events. I think it would be much wiser from the point of view of the welfare of the country to adopt a policy in accord with events. When the signs develop, and there is some evidence that we are going into a period of deflation, at that time I shall certainly support tax reduction.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The Secretary of the Treasury, in his testimony before the House Ways and Means Committee, states that it requires about a year for an income-tax reduction bill to develop its full effects. Does the Senator believe that in the world in which we are living, considering the rapidity of present-day developments, we can anticipate a recession a year in advance?

Mr. FULBRIGHT. No. I should say, in view of our experience, that our anticipation has proved faulty. We cannot anticipate it a year in advance. But I think it would be time enough to correct it when we have some evidence of it. Then we can proceed to correct it by enactment of the reduction—in other words, putting into effect the incentives which are supposed to be the justification for this bill. By this bill we are anticipating a depression or recession, and one argument is that, therefore, we need a tax reduction.

Mr. MILLIKIN. Does the Senator believe that we have a right to compel the income earners of this country to work from 14 days a year to 275 days a year for the tax collector because times are good?

Mr. FULBRIGHT. I do not think there is any arbitrary number of days or hours that anyone could set as a proper number to work for the Government. I think that what is significant is the overall condition. It is what a person has left, his standard of living after he has paid his taxes or performed any of his other duties as a citizen. I believe that the standard of living in this country today is much higher than it is in any other country in the world. If the standard is maintained, I think it is justifiable for the good of the people themselves, in order to prevent a complete blow-out at the top and a complete depression such as we had in 1932, to work for the Government the number of days mentioned by the Senator.

Mr. MILLIKIN. I suggest that there may be a fallacy in the Senator's argument because of a failure to give proper attention to the time lags involved between the effective date of a tax-reduction act and the developing need for capital in small business and large business. I believe that we should have the benefit of protection against recession in advance of the time when the recession comes.

I suggest to the Senator that it is perfectly obvious that when we get into the brackets from which we get our investment money for small businesses, and take away from those in those brackets a third or a half of their income in taxes, they are foolish to engage in risk ventures. We cannot wait until we are confronted with a recession before we commence to plow capital back into business.

I suggest that it is foolhardy to assume that because big business has been running on wartime accumulated surpluses that condition will contine forever. I suggest that our small businesses are now in need of capital. I suggest that the equity part of big business is now clamoring for equity investment. I suggest that the managerial part of our industry is handicapped at the present time because there is no incentive for the acceptance of increased responsibility and increased work.

I suggest that it is too late to wait until the machine is collapsing before we commence to plow back into the economic system those things which will continue to maintain it. I suggest that that is the one-horse-shay philosophy—the philosophy that the wagon is operating all right now, and hence it will continue forever to run all right—as distinguished from the theory of keeping the wagon in good repair as we continue to use it. The distinguished Senator, being in the wagon business, will know exactly what I am talking about. I am sure he will concede that I have made a very happy figure of speech in my argument to him.

Mr. FULBRIGHT. I will say to the Senator that our wagons are of such excellent quality that they will last practically forever. [Laughter.] If we can only manage the fiscal policy properly, we shall not have terrific recessions. The economy will run along smoothly, like a Springfield wagon, from now on. That is exactly what I am trying to achieve.

Mr. MILLIKIN. I have heard of the Senator's fine wagons. They bear a national reputation for their excellence. But in the end even the Senator's wagons will wear out. Even if they do not wear out, it would be a mistake to put the cart before the horse.

Mr. FULBRIGHT. Basic in the Senator's argument is his prophecy that a depression will be upon us next year. I submit that he cannot, with any greater justification than other experts in the Government, prophesy what is going to be the case. At the present time I cannot see a single tangible sign, either in prices or in any other factor of our economic system, which indicates that the depression is beginning. In fact, the signs are all to the contrary. Within the past 2 weeks there has been a new lease on the inflationary spiral.

Mr. MILLIKIN. I am inclined to agree that those who do not predict an early recession have the better of the argument, but in the management of our fiscal policy I suggest that it is only prudent to base calculations on some recession. In the budgetary set-up we are figuring on a recession from the present rate of national income payments of $178,000,000,000 to an average of $170,000,000,000. Obviously, if it were to average out that way, it would take us seven or eight points below $170,000,000,000. That would increase present unemployment of probably 2,000,000 people to four million or four-and-one-half million. An unemployment figure of four million or four-and-one-half million does not denote a cataclysmic state of unemployment. It is not what the technicians call a drastic recession. I suggest, however, that it is a prudent estimate of recession, and if we do not meet it we are all to the good. If it should develop, we have made provision for it.

Mr. FULBRIGHT. My answer to that would be that it is just as prudent to assume that in a recession we will have uncontrolled unemployment.

Mr. MILLIKIN. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. I should like most respectfully to oppose the doctrine that because of fears of inflation we have a right to take money out of the taxpayer's pocketbook on the theory that we can spend it better and in a more lethargic fashion than he himself can spend it.

Mr. FULBRIGHT. The Senator is entirely in error in making such an assumption. What I am in favor of is that the money be not spent at all; that it be applied upon the debt. In that sense it will tend to stabilize our economy. I am in thorough accord with the Senator's ideas about reducing expenditures, but I think that for the good of the taxpayers,

in whom the Senator is interested, they will fare much better in the long run if the money is spent on the debt and if the economy is held as nearly as possible to a stable level, rather than encouraging an inflation, ending up in the ruination of all the middle-class and small investors in this country.

Mr. MILLIKIN. There is a theory that in an era such as that of the present time we should apply to the reduction of the debt all surplus. It has been unanimously decided by the Senate that we ought to apply not less than $2,600,000,000 of surplus annually to the reduction of the debt. Let me make this suggestion to the Senator: There is a great deal of doubt as to the wisdom of concentrating all surplus into debt reduction in times such as the present. The taxpayers and the citizens of this country bought their bonds with 90- and 80- and 70-cent dollars, but an official policy that would pay them off with 50-cent dollars might not be entirely agreeable to those bondholders. I think we can carry those arguments, as we can carry so many arguments, just a little too far, and there is a balanced course that we ought to follow.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, before we get too far away from the discussion of recession against which this plan is made, I should like to call attention to something that I was reading during the discussion. When Mr. Emerson P. Schmidt, director, economic research department of the United States Chamber of Commerce, testified before the Joint Committee on the Economic Report day before yesterday the distinguished Senator from Vermont [Mr. FLANDERS] asked him to comment on tax reduction. My understanding is that the United States Chamber of Commerce has recommended tax reduction. This is their economic research director who is speaking, and in answer to the question of the Senator from Vermont:

How would you criticize the pending new tax bill?

Mr. Schmidt had this to say:

The bill is based probably on the prediction of a recession in 1948. If a recession does take place, which I doubt, I think the tax reduction would be ill advised. Anything that will stimulate capital formation would be well advised. How that works out is a very complicated matter.

Then a little later I pursued the matter a little further and asked him this question:

Did I understand you correctly to say that the proper form of tax legislation would be that that would create incentive capital or would give an incentive for capital investment?

Mr. Schmidt replied:

That is right.

Senator SPARKMAN. And you mentioned about three things there. Will you repeat them? One I know is double taxation of dividends. Is that one?

Mr. SCHMIDT. Yes, capital gains tax and corporate tax, and of course you have to think of the buyer or the consumer. After all he has to take the produce off the market.

Then he went on.

I think it would be well to read this discussion, because we hear a great deal about the justification of a tax reduction, that it will increase purchasing power, that it will give people more money with which to buy goods. But this is what Mr. Schmidt said about it:

My own conviction has been all during the war and subsequently, that then, to this day, I do not think we have quite lived up to our money supply, our currency and bank deposit plus other liquid sorts of money or near money. I do not think we have quite lived up to it, because normally we had a dollar of money for each two or three dollars of national income and the national income has grown enormously. The prewar norms prevail, our price level is still too low considering the money supply, and sometime we have got to increase our productive capacity per man-hour so we can adjust the present wage structure, because I think wages are too high for prices.

He went on and elaborated on that, to the effect that we have an excess of purchasing power today; that any tax reduction program based upon increasing purchasing power is wrong; that the right kind would be to furnish incentive capital. He mentioned three things specifically, not one of which is included in this bill. He mentioned the double taxation of dividends, corporate taxes, and one other that I mentioned a few minutes ago. He specifically excluded any tax legislation that would increase the purchasing power of consumer goods.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. I am quite sure that if this bill contained provisions doing away with the double taxation on dividends and if it contained provisions for more benefits to corporations in the way of capital gains, the excitement on the Democratic side of the aisle in this Chamber would be 10 times what it is now.

So far as Mr. Schmidt's economic theories are concerned, I should like to study them in toto before taking the liberty of making a criticism. But the President himself in a recent speech said that the mass consumer purchasing power is running out, as is evidenced by the demand that we extend the period within which installment payments may be made.

This bill has a two-pronged effect. It releases the greater part of its benefit to what might be called the mass consumers. It releases the rest to people who may be in position to make investments. I think we have balanced the two as well as can be done in a practical measure. A tax bill is not an exercise in logic; it is not a syllogism. Many practical things must be considered, as everyone within the hearing of my voice knows.

We have tried to present a well-balanced bill. I repeat that if we have no recession, that will be all to the good; but if we do have a recession, then by enacting this bill we shall have adopted a far-sighted position to ameliorate its effects.

Mr. FULBRIGHT. Mr. President, what if we have an inflation?

Mr. MILLIKIN. I think the answer to an inflation in the true sense of the word is to be found in one of the remarks which was made by Mr. Schmidt. If we keep on, if the price of goods continues to rise in relation to the supply of money, it is perfectly apparent that we either have to have less money or we have to have more goods for the money. The way to get more goods for the money is to have a constant reduction in the unit price of goods, and that is a matter completely out of the control of the Government. The Congress cannot legislate a decrease in the unit price of goods. That is a problem, I suggest, for management and labor. If they cannot meet it, we have no magic formulas here with which to meet it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I do not wish to disillusion my friend, the Senator from Alabama [Mr. SPARKMAN], after he has quoted from Mr. Emerson Schmidt, of the Chamber of Commerce of the United States; but I distinctly recall that in 1945 when the unemployment compensation bill was under consideration by the Finance Committee, of which the able Senator from Colorado was then a member, we heard Mr. Schmidt testify that in his opinion by the following spring of 1946 we would have from fifteen million to twenty million persons out of employment. Mr. Schmidt placed the unemployment figures higher than did any other expert who appeared before our Finance Committee. As a result of that testimony, I must confess that I have had little confidence in Mr. Schmidt's estimates since that time.

The truth of the matter is, Mr. President, that the more I see of experts, the less confidence I have in them. We cannot get two experts to agree upon anything. We have had that experience before the Finance Committee in regard to this tax bill, as the Senator from Colorado well knows.

I merely make that little observation because the testimony of Mr. Schmidt would not impress me one way or the other.

Mr. FULBRIGHT. Mr. President, I thank the Senator for his observation. I am not acquainted with Mr. Schmidt.

Mr. LUCAS. He is a fine gentleman, but he is like nearly all the experts, in having a lot of mystic theories about almost everything.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. I wish to make it clear that I was not offering Mr. Schmidt as an authority for my standpoint, but he is the one who came before the committee in response to the invitation to the Chamber of Commerce of the United States to send a witness to testify. We have had so much of that in support of this tax bill that I have wondered just whom we could depend upon for what.

Mr. LUCAS. I have never had very much faith in the Chamber of Com-

merce of the United States from the beginning, and every time Mr. Schmidt testifies in its behalf, I have less faith in its prognostications and its advice and counsel to the country and to the Senate about economics and about what we should do in regard to important measures before us.

Mr. FULBRIGHT. Mr. President, one point brought out by the Senator from Colorado was about the reaction of Senators on this side of the aisle to any suggestions about eliminating double taxation on corporate dividends, and so forth. However, I wish to remind the Senator that I was strongly in favor, and I think the majority of Senators on this side of the aisle were strongly in favor, of the exemption for small corporations under the excess-profits tax. We voted to increase it, first, to $25,000, as I recall, and then to $50,000.

If the Senator is concerned about the bringing of capital into the small corporations, let me say that to my mind that is the best way I know of to give some incentive to small corporations, which I think are the beginning of the large corporations. In other words, I consider the small corporations to be the backbone of our economic system, and I certainly would support them now, for reasons which are very similar to the reasons for which I am supporting the amendment offered in regard to the equalization of payments. In other words, its motive is not tax reduction as such from the national viewpoint, but it has a specialized objective, namely, to encourage investments in small corporations and to enable them to compete as well as possible with the larger corporations. In that respect, there are specific measures which can be taken to encourage the investment of risk capital.

But coming back to the general proposition of the effect of this bill on our economy, let me say I still believe that it is bad timing to reduce taxes on personal incomes at this time.

Although I know that I, as well as other Senators, have constituents who would like to have income taxes reduced, on the other hand I am quite gratified by the small number of letters I have received from my State during the discussions of this bill. If persons who favored this bill were ever going to write letters to me, they would be writing them now. I have received only a few letters. I think that is sufficient testimony to the good sense of those persons who know that they are relatively well off, not only in terms of past conditions in this country, going back to the early thirties, as compared to conditions in any other country in the world, but in terms of present conditions and future prospects. I think they are interested, not in trying to make greater and greater profits now, but in some way in maintaining as nearly as possible the level they have achieved; and I think they are perfectly willing to pay taxes or to make other sacrifices if they beliieve that will contribute to the maintenance of the standard of living somewhere near to what they now have.

If we reduce taxes now in a substantial way, I fear that action will contribute to the already existing inflationary period and will make the depression only that much more severe and will make it last longer and cause the same destruction of values and the loss of homes and all the other things which we experienced in 1930 and 1932. It seems to me that if we take the proposed step, we shall simply be following the same old road; and I believe that if we do that in relation to our fiscal policy, such action will be bound to result in the same conditions which existed at the end of the 1920's.

I am only asking that we try to be a little more farsighted and make some sacrifice now in order to prevent that extreme variation in the level of industry and the standard of living in this country. That is really what it comes down to—a matter of timing.

I understand from the remarks of the chairman of the Committee on Finance that the bill is based on the assumption that there will be a depression next year. He said I could not anticipate there would be inflation, and I do not think he is any more justified in making his assumption than I am in arriving at mine. The signs today, especially in the home town of the Senator from Illinois, Chicago, all indicate the opposite of his prediction.

Mr. LUCAS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I confess I did not hear all the debate between the able Senator from Arkansas and the able Senator from Colorado, but a part of the evidence that was submitted before the Committee on Finance, and the arguments that were made before that committee by the majority party, were based upon the fact that we are going to have an income of $176,000,000,000 for the fiscal year 1948. That was the real basis for the tax bill, as I understood the arguments presented before the Committee on Finance of the Senate.

In other words, the majority party is constantly raising the issue of the amount of money the Treasury will receive for the fiscal year 1948, and, as everyone knows, the Treasury is now receiving income based on a national income of $176,000,000,000 per annum, according to the last report.

I undertake to say that any tax bill based upon that kind of premise is based upon a false premise, because no one knows what may happen to that income before the year expires. I am grateful to the Republicans of the Senate for basing an income tax on an income such as that now being produced under a Democratic administration. It is a great tribute to the Democrats, who are in power at the present time, that the majority party can base a tax bill upon the revenues now being produced.

As was stated a moment ago, I should add that the employment in this country is at the highest peak ever reached in the peacetime history of the United States. There are comparatively few people out of employment at the present time, which also speaks well for this administration.

Mr. FULBRIGHT. I take it that the Senator from Illinois thinks the Republicans have great confidence in the ability of the Democrats to manage affairs.

Mr. LUCAS. There cannot be any question about it. They have not indulged in any talk before the committee about a recession. The able Senator from New Jersey [Mr. HAWKES] even argued before the committee that he thought there would be a national income next year of at least $180,000,000,000. It speaks well for the confidence the majority have in the Democratic administration for being able to keep employment at an all-time high in the history of the Nation, and the receipts from income taxes and other taxes at an all-time high, as well.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. The Senator from Arkansas has stated over and over again that this is not the right time to reduce taxes. What I wish to ascertain is when will be the time. Will it be sometime after January 20, 1949?

Mr. FULBRIGHT. I cannot say when is the right time, and I do not think the chairman of the Committee on Finance or anyone else can say just when the conditions will come about which will justify tax reduction. My idea is that tax reduction should be responsive to the economic conditions in the country.

I do not say that without regard to the fact that we have the present great national debt. That is certainly something to consider. I do not think we can regard merely the immediate business conditions. But in view of the debt, and taking into consideration the great activity at present, I think the time to reduce taxes would be when we believed there was evidence of a drop in the national income and of a recession coming. I think in order to achieve the purpose of increased incentive and increased investment, and the like, we should have not only reduction as a general matter but the specific things we discussed a moment ago, such as special exemption for small business. We had discussion back in 1945 about increasing the exemptions in the collection of excess-profits taxes. I think that is a tool which could be very helpful in preventing the great gyrations in our economy. I think the No. 1 objective is to prevent going clear up to the top and then down to the bottom. It is stabilization in which I am directly interested.

Mr. JOHNSON of Colorado. Mr. President, if the Senator will yield, let me say that I have always been disturbed about the time to reduce taxes, and unable to understand just why a good time is when we have a depression. Tax revenue is brought about by two things: One is a levy, and that is what we are talking about today; the other is the volume of the income. The levy must be used against the volume, and when there is a depression, if income drops off, as it will drop off, then if we reduce the levy at the same time we are going to have a double reduction in the revenue produced.

I wonder if there ever is a good time to reduce the levy. My understanding is that the best time to reduce the levy is when the levy is unnecessarily high. I think we are in that sort of condition today, and I think the American people, by a tremendous majority, feel that the tax levy today is too high, and that therefore this is the time to reduce the levy. Whether the best time is in a time of depression or in a time of high employment, it seems to me it would be pretty hard to have a tax levy that would be adjustable on that kind of a basis because, as we know, the waves of employment come and go, and we cannot follow them and keep up with them in our tax levy. We have to establish our levy and then the revenue will depend upon the income.

Mr. FULBRIGHT. The Senator and I probably disagree about the use of the fiscal policy for achieving any purpose other than the collection of a net amount of money. I think there was a time, certainly before the First World War, when that was the proper theory, but under present conditions, with the debt as it is, and with the interrelationship of the influences of the fiscal policy, the one assumption on which I proceed is that the fiscal policy has an influence, and is a legitimate tool to be adjusted to prevent wild gyrations.

I take it, from what the Senator has said, that he believes that is not a proper thesis at all. If that is true, we simply disagree as to one of the considerations in arriving at the use of the tax policy, or how to use it. I said it should be responsive to the conditions in some degree. In the twenties taxes were reduced and a part of the debt was paid off and we had a terrible inflation. Then those in power tried to increase taxes, at least to maintain them. I think that only emphasized the depression and made it that much worse. I think it would have been perfectly proper to maintain the taxes and pay off even more of the debt, the great benefit in that case being not so much the reduction of the debt, but the fact that wild deflation of securities like that which occurred in 1929 would be prevented. The destruction of values throughout the country in the depression was so much greater than anything involved in the fiscal policy at that time.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator.

Mr. FLANDERS. I should like to ask the Senator from Arkansas if I understand him rightly to feel that high taxes should accompany inflation, and low taxes, deflation?

Mr. FULBRIGHT. I do not think it is the last word. It is one of the elements when an inflationary boom, so to speak, exists, as I consider it to exist at the present time, and in view of the great debt that exists, I feel that if taxes are maintained at a high level, not only can the people appear to pay without feeling the pinch, but the effect is to some extent to prevent further accentuation of the boom. The stream of purchasing power, at least in the hands of consumers, is lessened and the debt which usually accrues is paid into banks and into the monetary system. I admit that is not ironclad, and that a portion of the money resulting from reduction of the debt gets back into the investment stream, but I think there is a certain influence upon control of the purchasing power.

Mr. FLANDERS. I should like to say to the Senator from Arkansas that I received this morning a copy of an interesting letter from a member of the Joint Committee on the Economic Report or from a member of the staff; I am unable to identify him immediately. The letter is addressed to the chairman of the Joint Committee on the Economic Report. In it the writer criticized what he felt to be the assumption on the part of, we will say, certain members of the committee, that we were headed toward a continued inflation. He stated that, on the contrary, there was great probability of an early deflation. If that prophecy is correct—and I do not, myself, place on my own shoulders the mantle of prophecy he did—I would suggest that perhaps tax reduction is timely on the basis of the Senator's analysis.

Mr. FULBRIGHT. As I understand it, though, the Senator is not assuming to prophesy that those conditions will come to pass. If the conditions should materialize, I would agree, if I believed, and if there were signs, other than the testimony of expert witnesses such as Mr. Schmidt and others, and if there were anything taking place in the economic field to substantiate it; in other words, if prices of commodities and the demand for automobiles were slackening off, I should then have nothing to say; I would agree that the bill is timely. That is the only difference. Not long ago I inquired as to the possibility of buying a new Dodge automobile, locally. I was told there would be a delay of a year and a half, that I could place an order, but that the prospect of delivery was so remote that a deposit would not be accepted. That is the condition that prevails at least in the local automobile market. Senators know what is happening in the commodity market. What evidence is there today in any field of business activity that the deflation will occur in the near future? It seems to me it is more apt to parallel the condition in 1926 and 1927, requiring 2 or 3 years. Coupled with that is the tremendous debt. If the country is to be faced with unemployment, with benefit payments, with demands for pump priming, and so on, in connection with Federal works, which are being delayed under the present appropriation bills, what would be better than to collect a little money during the boom and have it available and ready to be used for that purpose, when the depression comes? I admit I think it is very likely to come, but I do not see signs of it as yet. My theory is that it is a matter of timing; it is not that taxes should never be reduced. I have never said that.

FLOODS IN THE REPUBLICAN RIVER BASIN AND THE MISSOURI RIVER VALLEY

Mr. WHERRY. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. WHERRY. Mr. President, I wish to make a brief statement relative to flood losses through the entire area of the Republican River Basin and the Missouri River Valley. On June 23 the senior Senator from Nebraska and I reported the loss of lives and the billions of dollars in property damage which had been sustained at Cambridge, Nebr., and adjoining points in the basin of the Republican River, from a disastrous flood which brought a 5-foot wall of water down Medicine Creek at 5:30 a. m. on Sunday, June 22. Medicine Creek is a tributary of the Republican River.

I am appealing to the conferees on the Interior Department appropriation bill and to the Senate Appropriations Committee, especially the Army Civil Functions Subcommittee, now considering flood control and relief, to give all possible consideration to the emergency needs of the area described under the program authorized by Congress in the 1944 flood-control bill.

I should like to call to the attention of the present occupant of the chair and other Senators the fact that in the testimony adduced yesterday before the Civil Functions Subcommittee, of which I am a member, the Army engineers, through General Wheeler, the head of that great organization, the loss sustained in the June flood in the Missouri River area was said to have exceeded $110,000,000. Some of the finest soil of Middle Western States went down the river. In addition, there was loss of life. The amount included damage to sewer system, electric light lines, railroads, and farm lands. An independent agency, of Kansas City, Mo., which conducts surveys, was employed by the chambers of commerce of Kansas City, Mo., Kansas City, Kans., and other important cities along the Missouri River to make a survey of the flood damage. Their report showed that the damage exceeded $120,000,000. The figures therefore are not fictitious; they are very reliable. They afford some idea of the problem that confronts the Senate as we vote on appropriations to continue the program already authorized, to prevent floods, which cause such great damage not only to personal property but to the real value of States included in the Missouri River Basin.

This morning, I received a telegram advising that another flash flood occurred at Culbertson, Nebr., late yesterday, when a 5-inch rain, lasting only 45 minutes, nearly washed that town off the map. Think of it—one flood right on top of the other. A flood was also caused in the basin of Medicine Creek, a tributary of the Republican River. Let me read into the RECORD the report from H. D. Strunk, president of the Republican Valley Conservation Association, of McCook, Nebr., giving preliminary reports of damage from this latest flood.

Mr. President, I ask unanimous consent that the telegram be printed at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

McCOOK, NEBR., *July 11, 1947.*

Senator KENNETH WHERRY:

Just made trip west. Water over highway seven places from McCook to Culbertson.

Every dry canyon and creek overflowing over lowlands and highways. River running full bank to bank here 2 hours ago. Flash rains all the way from 2 to 6 inches. Cambridge basements now filled with water and people evacuating the town. Six inches of water reported north of Cambridge late this afternoon with about same fall in some localities west. All communications out in that territory. Lester Simes, highway department, says Fox Creek and Curtis Creek highest in history which dumps into Medicine Creek. Both creeks sending water over highway bridges. Small dikes built by people of Cambridge washed out, and people moving again after trying to rehabilitate themselves. Dry creeks running full and out over lowlands west of McCook destroying farm lands and destroying crops and threatening lives. This is the picture this morning at 2:15 by a damn good reporter. Nobody knows what conditions are on headwaters of Red Willow, Medicine, and other tributaries because of lack of communication.

H. D. STRUNK.

Mr. WHERRY. Mr. President, it is indeed unfortunate that the Engineer Corps is prevented by statutory prohibition from aiding flood-stricken communities like Cambridge and Culbertson, and other cities in Nebraska and elsewhere, unless damage has been sustained by reason of breaks in existing dikes and levees erected by the Engineer Corps under previous authorization of Congress.

We can and do vote flood-relief funds, as the Congress did several weeks ago when we appropriated $12,000,000, but we cannot say: "Here, Army engineers, is a sum of money in the civil functions appropriation bill with which we expect you to repair immediate damage, and then proceed to spend a portion of that fund to prevent a recurrence of the flood damage the very next day."

Actually, some of our Nebraska cities and towns already have had heavy flood damages three and four times this year.

Since the Bureau of Reclamation has been assigned the task of building multiple-purpose reservoirs for flood control and irrigation in the Republican Basin, aside from the Harlan County Dam, we have to get all our funds from the Bureau of Reclamation, and the Congress does not appreciate that such funds are vital to the very protection of lives. Nor do the residents of our flood-stricken States understand why flood-control funds do not come from the flood-control bill.

I feel that Congress will want to realine these functions at the first opportunity. We are now in the awkward position of being willing to spend any necessary funds after the horse is stolen, but unable to spend anything to buy a lock for the barn door to prevent the theft. That does not make sense.

Mr. President, I thank the distinguished Senator from Arkansas for having given me the opportunity to make my statement because as committees meet and consider the reclamation policy in connection with the War Department civil-functions bill, it seems to me that not only should a correction in legislation be made respecting purposes for which money might be spent but also we should consider further appropriations based upon the recommendations of the Army engineers in a program which I feel is absolutely necessary for the protection of life, limb, and property in this wide area in which great floods have occurred not only during the present year but annually in the past.

Mr. FULBRIGHT. Mr. President, I want to commend the Senator from Nebraska for the remarks he has just made concerning the floods on the Missouri River. On the Arkansas River and the White River in my State floods have been occurring for years. We are thoroughly in sympathy with the people of the flooded areas on the Missouri River. We understand the terrible conditions that exist there. So far as I am concerned I am willing to do all I can to formulate proper measures for the prevention of floods in the future. It seems to me to be perfectly senseless that a policy be followed which results in subjecting large areas of the country to disastrous floods year after year.

Mr. WHERRY. I thank the Senator from Arkansas for his remarks. I know he is in total sympathy with the areas I am speaking of because he himself has had similar experience in his State. The reason I rose to speak at this time was to call attention to another disastrous flood which has come on top of the other floods that have occurred in the Missouri River Basin. I am appealing not only to the committees handling the reclamation features for the Missouri River contained in the civil-functions bill but to all committees which have in charge legislation dealing with flood control.

Mr. FULBRIGHT. There are many bad things in connection with floods, but the one good thing about them is that they call attention to the need for flood prevention. Flood prevention, of course, we all agree, is of far greater importance than providing relief for those who suffer from floods.

ECONOMY—REAL AND IMAGINED

Mr. MYERS. Mr. President, I had prepared certain remarks that I had hoped to deliver today on the floor. Unfortunately, I have developed a heavy cold and a bad throat. I therefore ask unanimous consent that my remarks, including newspaper articles and tables, may be printed in the RECORD at this point.

There being no objection, the remarks of Mr. MYERS were ordered to be printed in the RECORD, as follows:

Mr. President, I can understand the concern voiced here the other day by some of the Members of the majority party over the President's action in recent weeks in sending messages to Congress on some of the bills which he has signed, as well as on those he has vetoed. The implication was even made that such action on the President's part is in some way unconstitutional, perhaps. I would say his action certainly shows a lack of appreciation on the part of the President for the discomfiture of the Republican Party. It is only natural that the Republican leadership should scream in anguish.

But what are the facts which the President has called to the attention of Congress—and, of course, to the people of America—in his messages on these bills? Are his facts wrong? No. The complaints are lodged not against his facts—and I am speaking now of the messages in connection with the phony and larcenous rent-control bill and the one on the Treasury-Post Office appropriation. The facts the President cited were not disputed; they were merely brushed aside as unfair and political.

The message he sent us on the bill to decontrol rents as of March 1 and to raise the rents of the Nation's renters between now and then by 15 percent—with the alternative of tremendous increases after March 1 if they do not give in to the coercive 15-percent demand now—that message, I repeat, was designed to give the facts and not to assuage any of the qualms of conscience which Members of the majority party must have felt at the time they jammed through that iniquitous measure. In addition to investigating lobbyists' influence on this legislation, we would do well to look into our own hearts and consciences.

Mr. President, we do not need any soothsayers or star-gazers to tell us what will happen next March. Last Thursday's newspapers carried an Associated Press story which tells factually, objectively, and unimpassionately, what is happening, already.

The rent-decontrol bill removed controls from hotels. Here is what the AP story in the Washington Star said about the result:

"Permanent residents in many hotels throughout the Nation have received notices their rents are to be increased—ranging upward"—

Mr. President, I repeat, upward—

"from 15 percent."

The Washington Star headline said: "Hotels in many cities boost resident rents 15 to 300 percent."

Permanent guests paying monthly rates were immediately notified they were going to be put on daily rates, at an increase in many cases of 100 percent or more. Increases of 150 percent, 200 percent, and so on, were not rare, according to this article.

This all happened, Mr. President, immediately after the new rent-decontrol bill became effective last Tuesday.

The complete article reads as follows:

[From the Washington Star of July 2, 1947]

"HOTELS IN MANY CITIES BOOST RESIDENT RENTS 15 TO 300 PERCENT

"Permanent residents in many hotels throughout the Nation have received notices their rents are to be increased—ranging upward from 15 percent.

"Although an increase of 15 percent was the most frequently reported as the hotels were freed from controls under the new Federal rent law, there were instances of rent increases of from 25 to 165 percent.

"There also were reported isolated cases of extreme increases—of 300 percent for a resident of a Denver tourist camp, and 200 percent at a St. Louis hotel. New York City reported increases up to 50 percent were fairly common and one hostelry raised rates 125 percent.

"In contrast to increases by some hotels, there were others in some cities which announced there would be no increases in rents for permanent residents. These included the Stevens in Chicago, the world's largest; the Somerset in Boston and the White Plaza in Dallas, Tex.

"SOME CONFUSION REPORTED

"In some cities many hotels did not disclose their immediate plans under the new law. Some confusion was reported among tenants and landlords alike as they sought interpretation of the act. Federal rent offices were swamped by callers seeking explanation.

"In Denver, Gov. Lee Knous, of Colorado, said he had received reports of several 'sharp' rent jumps, including the tourist-camp resident whose rent was raised to $240 a month.

In Los Angeles, H. K. D. Peachy, acting area rent director, said there was evidence of eviction notices in wholesale quantities over Los Angeles County. He advised tenants to await court action.

"Most of New York's hotels started increasing rents 15 percent, but realty interests in the Nation's largest city expressed alarm over the size of some increases in residential and apartment hotels. A tenant in a fashionable midtown hotel was advised his rent would be raised from $80 a month to $180.

"Hotels in some cities, including New York, Chicago, Atlanta, and Philadelphia, advised permanent residents who have been paying a monthly rental at reduced rates that they would be billed on a daily basis. In some cases this would more than double rent payments.

"EVICTION NOTICES SERVED

"In Chicago, where hotel officials said 15 percent was the average increase with a few cases of increases up to 100 percent or higher, some hostelries served eviction notices on tenants, using that method to have undesirable guests vacate.

"In Los Angeles, residents of one fashionable apartment house on Sunset Boulevard said they had received rent raises of 100 to 165 percent with notices that their building had been converted into a hotel.

"Philadelphia reported most hotels planned 15 percent rate increases and elimination of inequalities which favored some tenants paying less than others for comparable quarters. One hotel increased rates 50 percent, from $100 monthly to a straight $5 daily rate."

One of the witnesses appearing before the Joint Committee on the Economic Report, a businessman who has no time for any kind of Government controls in the economic field at any time other than in time of total war, told us he was all for repeal of all rent controls now, and predicted that, if that were done, the housing situation would clear up nicely—in several years.

I asked what would happen to the tenants in the meantime. He said some would suffer, of course, but that, after all, very few would really be taken advantage of because the real-estate industry would treat them kindly.

Mr. President, everyone in the hearing room just smiled at that.

The rent-decontrol bill has been rather thoroughly discussed here, and I do not at this time want to go much further in the discussion. What I really want to discuss is the bill the President signed to appropriate funds for the Treasury and Post Office Departments.

As in his message on the rent measure, the President in this instance sent us a message which went directly to the heart of this legislation and made straight and courageous and incisive analyses of its features.

This appropriation bill, and particularly its cut of $20,000,000 in enforcement funds for the Bureau of Internal Revenue, has been characterized by the Philadelphia Bulletin as a "gift to tax chiselers." The Bulletin, which is not a New Deal newspaper and which is not insofar as I know, particularly anxious to help the Democratic Party, states in an editorial July 1, that, looked at from the narrow viewpoint of a smaller Federal pay roll, in the dropping of income-tax investigators, the bill does save some money for the taxpayers. But, it adds, "The trouble is that it saves chiseled money for tax chiselers, and forces honest taxpayers to make up the difference."

This editorial, which I shall insert in the RECORD following my remarks, states that experience has proved the wisdom of the Government in putting a corps of special income-tax investigators to work and says this has resulted in collecting hundreds of millions of dollars in taxes which otherwise would not have been collected. (See exhibit A.)

The editorial also declares that as a result of this bill and the cut in internal-revenue funds, 52 agents in Philadelphia will be dropped, with a probable cost to the Government in uncollected taxes of about $4,000,000 a year. I have checked into this matter and I think the Bulletin took or was given a figure on the number of dismissals which falls far short of the actual number. The figure of 52 cited in the editorial refers, according to my information, to employees in the main office of the Internal Revenue Bureau in Philadelphia, and among them may be a number of stenographers and other clerical help, in addition to tax-collection and audit specialists. Of course, all of these employees are important to the service and the service will suffer and so will tax collections as a result of their dismissals. The real damage to the tax-collection program, however, and the open invitation to the tax chiselers, arises largely in the field, where the Philadelphia collection district must drop 142 of its 435 field deputies. These field deputies are the tax experts who go out and dig into the individual cases of persons who either fail to file on their incomes and to pay their taxes or who file returns which indicate the need for special auditing. This is the front line of your enforcement army.

Based on their 1946 fiscal year performance, these 142 deputies in the Philadelphia region field offices would bring in $5,919,696 in taxes in the next year, taxes which otherwise would not be paid.

Yes, firing them is economy, all right. It saves the Government about $454,400 in salaries for these 142 men and costs the Government nearly $6,000,000 in taxes, or a net loss of $5,465,296.

That is really cutting the budget all right—at both ends. The only trouble is that it cuts the receipts part of the budget a whole lot more than it cuts the expenditures part.

Over the entire country, the $20,000,000 cut in internal revenue enforcement funds—mind you, Mr. President, this is supposed to be a reduction in Government extravagance—will cost the Government in taxes just about 20 times that much or $400,000,000. To save a dollar in order to lose $20 is hardly my idea of economy and good business in government, but it is the type of economy the majority party is determined to pursue.

In my State alone, in Pennsylvania, which pays on the average about 7.88 percent of all Federal taxes, the Government will save $1,514,000, in tax-collection expenses as a result of this bill, and then lose about $30,000,000 in uncollected taxes, using that same ratio of 20 to 1 which has stood up steadily in internal revenue experience.

The Government has been spending altogether in Pennsylvania in recent years, about $13,706,000 to collect taxes, and this has brought back to the Treasury in taxes the grand total in the 1946 fiscal year of $3,207,000,000. Most of this return has come in properly and voluntarily from the patriotic citizens of Pennsylvania. But the field deputies, 265 of whom in all of Pennsylvania were fired as a result of this false economy in the Treasury appropriation bill, brought in $11,662,020 of that at a modest cost in salaries and expenses. The average deputy in the field brought in much more each month than his total salary for an entire year. Would any other business that you could think of fire producers like that in order to save the cost of their salaries?

No wonder, when the House first passed its original bill cutting the Bureau of Internal Revenue $30,000,000, foreshadowing losses in tax collections of about $600,000,000, that the Philadelphia Inquirer, also a conservative Philadelphia newspaper and vigorously pro-Republican, described the cut as inexcusable and demanded, in an editorial which I inserted in the Appendix of the RECORD March 19, on page A1115, that rather than a cut in internal revenue collection funds, the Congress should increase these funds and provide even more money than the President asked for so that collection is assured of every dollar justly due the Government.

The Senate, when it first acted on this bill, recognized the validity of spending a dollar to collect $20 in chiseled taxes and restored $25,000,000 of the $30,000,000 cut out by the House. The bill went to conference.

When it came back it represented a great victory, a tremendous achievement for the Senate position. The conference bill threw out $15,000,000 of the $25,000,000 put in by the Senate and allowed only $10,000,000 of the original $30,000,000 House cut to be restored. The Senate conferees said the House conferees wouldn't budge another nickel's worth, and so the Senate of the United States, although recognizing the utter ridiculousness, and the poor business reflected in the House position, caved in and gave in and now the Republican Party can boast of cutting bureaucracy and Government spending in the Internal Revenue Bureau to the magnificent tune of $20,000,000, a substantial amount, but an amount which will hurt us twentyfold.

I have a break-down on how this cut will operate in Pennsylvania, in each of the three collection districts there. In the Philadelphia district, the first collection district, 3,045,093 persons filed returns during the 1946 calendar year. The total collections in the 1946 fiscal year—they are not yet available for the 1947 fiscal year—amounted to $1,729,686,082.77—a sizable proportion, out of southeastern Pennsylvania alone, of the entire national collections, and more, I am sure, than many States.

They had 782 employees in the collector's office and 435 in the field when they rolled up this total, or, altogether, 1,217 employees. Under this bill, they will be reduced by 194 employees, including the 142 deputy field collectors I mentioned earlier.

These field collectors, of which there were 435 last year, brought in, during the 1946 calendar year, in delinquent or evaded taxes, in 145,045 cases, the grand total of $17,958,931—a lot of taxes. This is money the Government would not otherwise have received.

Each of these field deputies averaged 28 cases a month and brought in an average of $3,474 a month. This is more than their average yearly salaries. For the entire year, each of the field deputies averaged 336 cases, for a return to the Government in otherwise uncollected taxes of $41,688. The total amount of taxes, otherwise uncollected or uncollectible, which these 435 deputies brought in that year, as I said earlier, was $17,958,931. The 142 which are now dismissed brought in nearly $6,000,000 of that amount.

The production of these deputies per man was likewise splendid in the western end of the State, in the twenty-third collection district at Pittsburgh. There 304 deputies in the field handled 84,114 cases in the 1946 calendar year, averaging 26 cases per man per month for a return of $4,225 per man per month, and now 96 of those 304 have been dismissed at a cost of about $5,000,000 in taxes they would have collected, or an average for each for the year of 312 cases and $50,700. The total collections in this area of Pennsylvania in the 1946 fiscal year were $1,162,468.04.

In the twelfth collection district of Pennsylvania, at Scranton, where collections in the 1946 fiscal year were $314,812,720.64, a staff of 111 field deputies handled 31,276 cases for the 1946 calendar year for a total of $3,516,887 in otherwise uncollected taxes,

or an average of 24 cases per deputy per month for a return of $2,701 per man per month or a total average for the year of 288 cases per man and $32,412. Twenty-seven of these 111 field deputies have been fired. The result will be a loss of $875,124 in taxes in this part of Pennsylvania.

The total of tax losses throughout the State as a result of cutting the funds for collection purposes in Pennsylvania by $1,500,000 or so will run about $30,000,000, as I said earlier. This includes production from all the employees who have been dismissed—not only those out in the field who dig up the facts but those who process the cases in the offices.

Any business which practiced this sort of economy would soon economize itself into bankruptcy.

The insidious thing about this reduction in income-tax enforcement funds is that, as the Philadelphia Bulletin says, it invites the chiseler to take a chance. We all know that the Bureau cannot process every single return and only hits a certain percentage of them. Knowing that the odds against his return being studied carefully will go up tremendously as a result of this bill, the chiseler might well take a chance. This is bad from an enforcement standpoint; it is tragic, however, from a moral standpoint. The utter disregard of law we saw become so widespread during the prohibition era would, if revived in connection with this solemn and vitally urgent problem of income-tax collections, cause a complete break-down of American civic responsibility.

The wage earner, whose taxes are deducted from his pay each week, would see others flagrantly evading their tax responsibilities merely because the Government won't spend the money to enforce the tax laws.

Yes, Mr. President, we will, under this bill, really be making good the Republican campaign promises of tax reduction, effective immediately. What could not be done in a bill to reduce taxes would now be accomplished by default, by letting the taxpayer take a chance on evading his taxes. The element in our population least entitled to any consideration on income taxes, the chiselers and the wartime black marketeers, would indeed reap a harvest from the Republican performance on this campaign promise.

In addition to crippling Internal Revenue Bureau enforcement, the bill shoved through by the majority party makes a substantial cut—one of those Republican phony cuts—of $800,000,000 in tax refunds. This is a big saving in the budget, no doubt. But we all heard the other day that in the fiscal year just ended the Treasury had to pay back more than twice as much as the Congress has provided for refunds this year. The figure was $3,000,000,000 of refunds—the same as the figure for the previous year. The Treasury estimated it would need about $2,108,000,000 this year for refunds, and the Congress has provided only $1,200,000,000. This will run out probably about April 1. Unless the Congress then provides the money, all refunds—refunds required by law—will automatically stop and the claims against the Government will begin drawing 6 percent interest until the refund money is available for payment.

It is good business to avoid paying 6 percent interest, if you can, on an obligation you have to pay, anyway, and might as well pay quickly if you have the money to pay it. We save nothing by deferring these refunds at a cost of 6 percent interest. We lose money that way.

In the past year the Treasury saved something like $3,300,000 in interest charges on tax refunds, as compared to the previous year, by acting promptly to pay the claims for refunds before they rolled up interest.

Mr. President, I shall insert here in the RECORD the tables I had prepared showing the tax returns from each of the three Pennsylvania collection districts, the personnel figures, and the production—total and average per man—of the field deputies.

TABLE 1.—*First collection district of Pennsylvania: Philadelphia*

Returns filed all classes, 1946 (calendar year) 3,045,093
Total collections, 1946 (fiscal year) $1,729,686,082.77

Personnel	Original	Adjusted	Decrease
Office	782	730	52
Field	435	293	142
Total	1,217	1,023	194

	Cases	Amount
Total field production, calendar year 1946	145,045	$17,958,931
Average per deputy per month	28	3,474
Average per deputy per year (1946)	336	41,688

Estimated loss in taxes this year as a result of dismissing 142 field deputies $5,919,696

TABLE 2.—*Twelfth collection district of Pennsylvania: Scranton*

Returns filed, all classes, 1946 (calendar year) 875,267
Total collections, 1946 (fiscal year) $314,812,720.64

Personnel	Original	Adjusted	Decrease
Office	229	210	19
Field	111	84	27
Total	340	294	46

	Cases	Amount
Total field production, calendar year 1946	31,276	$3,516,887
Average per deputy per month	24	2,701
Average per deputy per year (1946)	288	32,412

Estimated loss in taxes this year as a result of dismissing 27 field deputies $875,124

TABLE 3.—*Twenty-third collection district of Pennsylvania: Pittsburgh*

Returns filed, all classes, 1946 (calendar year) 2,186,326
Total collections, 1946 (fiscal year) $1,162,063,468.04

Personnel	Original	Adjusted	Decrease
Office	554	517	37
Field	304	208	96
Total	858	725	133

	Cases	Amount
Total field production, calendar year 1946	84,114	$13,505,826
Average per deputy per month	26	4,225
Average per deputy per year (1946)	312	50,700

Estimated loss in taxes this year as a result of dismissing 96 field deputies $4,867,200

TABLE 4.—*Totals for Pennsylvania*

Total tax collections in the 1946 fiscal year	$3,207,000,000
Amount of appropriation spent in Pennsylvania in 1947 fiscal year	13,706,000
Amount of $20,000,000 Internal Revenue Bureau cut to be applied in Pennsylvania	1,514,000
Estimated loss in taxes as a result	30,280,000

EXHIBIT A

[From the Philadelphia Bulletin of July 1, 1947]

GIFT TO TAX CHISELERS

Stories that have been cropping up regularly all over the country in recent months have shown the wisdom of the Government action in putting a corps of special income-tax investigators to work in 1942.

Treasury reports show that these investigators have brought the Government hundreds of millions of dollars that otherwise wouldn't have been collected.

Now 52 members of the local force are to be dropped, and the head of the unit estimates that with their departure hope of collecting $4,000,000 of taxes will also disappear. This is of a piece with other congressional "economies" recently revealed.

Dropping one of these investigators cuts $3,500 out of the salary budget. Dropping 52 men cuts out $282,000 in salaries. Extend the cut to the whole country and the figure looks big enough to justify Congressmen in calling attention to their passion for saving the taxpayers' money.

As to the vastly larger amounts that will be lost on the income side—well, if they aren't collected nobody will know about them. All the public will see is the saving in salaries.

Looked at one way, the reduced corps of investigators does save money for taxpayers. The trouble is that it saves chiseled money for tax chiselers, and forces honest taxpayers to make up the difference.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT AND THE EXPORT CONTROL ACT—CONFERENCE REPORT

Mr. WILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act shall be cited as the 'Second Decontrol Act of 1947.'

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

"(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

"TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

"SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"'SEC. 1501. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled "An Act to expedite national defense, and for other purposes", approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"'(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"'(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"'(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"'(B) Antimony;

"'(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"'(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"'(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"'(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"'(2) The use of transportation equipment and facilities by rail carriers.

"'(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947 any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled "An Act to expedite national defense and for other purposes", approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.'

"TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

"SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"'(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate.'

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

"ADMINISTRATION BY SECRETARY OF COMMERCE

"SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

"(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended.

"PERSONNEL

"SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

"APPROPRIATIONS

"SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"EFFECTIVE DATE

"SEC. 9. This Act shall take effect on July 16, 1947."

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,
Managers on the Part of the Senate.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. WILEY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. WILEY. Mr. President, I move the adoption of the report.

The report was agreed to.

Mr. COOPER. Mr. President, I should like to make a brief statement to correct some statements made during the debate on this measure. During the debate last Thursday, a great deal of interest was indicated in the practice of the Department of Commerce with respect to the distribution of licenses upon the so-called historical basis. Questions about the practice were asked by the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Washington [Mr. MAGNUSON], the Senator from New Jersey [Mr. SMITH], the Senator from Colorado [Mr. JOHNSON], and the Senator from Oklahoma [Mr. THOMAS]. The Senator from Oklahoma offered an amendment to prohibit the use of the so-called historical basis rule. In support of his amendment, he suggested that certain decisions of the Federal courts had made that practice invalid. In resisting his amendment, I agreed with his conclusion. At this time I should like to clear up some misstatements which were made at that time, because I believe that in part the statements made at that time were in error.

As I have said, Mr. President, the Senator from Oklahoma [Mr. THOMAS] offered an amendment to prohibit the use of the so-called historical basis rule in the distribution of export licenses under the Export Control Act. When the amendment was proposed I objected to its adoption, among other reasons, on the ground that the historical basis rule had been held invalid, and that there could be no arbitrary division of export licenses in the future. I felt at that time that the provision in section 5 of the Senate bill permitting judicial review of

administrative action in accordance with the provisions of section 10 of the Administrative Procedure Act granted sufficient safeguards in the event of arbitrary administrative action.

Since that time I have reexamined the question and I am of the opinion that the cases cited by the Senator from Oklahoma which held the historical basis rule to be invalid are not applicable to the situation presented here, namely, the distribution of export licenses on the historical basis. The reasons why I have come to that conclusion are as follows:

Section 203 (b) of the War Mobilization and Reconversion Act of 1944—which was the statute at issue in the cases cited by the Senator from Oklahoma—provides that executive agencies exercising control over materials shall permit the expansion of production for nonwar use of such materials without regard to the historical basis rule. The President, through the Secretary of Commerce, does not determine allocations for production under the Export Control Act as contemplated in such section 203 (b). He simply distributes among applicants, in as fair and equitable a manner as possible, licenses to export materials within the amount allocated therefor. The cases cited by the Senator from Oklahoma were cases in which the historical basis had been used by certain executive agencies in connection with production of materials for nonwar use and section 203 (b) clearly prohibited the use of such rule in such cases.

That was not the situation which confronted the Senate last Thursday. I stated that I did not endorse the use of any particular ratio such as 85 to 15, which happens to be the rule used in the case cited by the Senator from Oklahoma. I also stated that I did not think the Senate was in any position to suggest what division would be the most just and equitable division.

I am advised by officials of the Department of Commerce that in some instances where the materials available for export are sufficient to cover all applications made, they are divided up equally among the applicants. In other cases, where the applications far exceed the quantity of materials available for export, it has been the policy of the Department to foster and help reestablish prewar trade channels and enterprises, and to promote as many new enterprises in the export field as possible within the limits of available supplies for export. In my opinion it is an administrative problem with which Congress is unable to deal effectively.

I also stated during the debate that a right of appeal under section 10 of the Administrative Procedure Act would probably lie in any case in which an arbitrary division of export licenses was made. While I do not wish to express it as my firm opinion as to whether that is a correct or an incorrect statement, I should like to point out to the Senate that judicial review under section 10 of the act does not lie from agency action where such "action is by law committed to agency discretion."

The Export Control Act delegates a broad authority to the President "to prohibit or curtail the exportation of any articles, technical data, materials, or supplies, except under such rules and regulations as he shall prescribe." It seems to me that this broad delegation of authority, which, by the way, has been held constitutional in *United States* v. *Bareno* (50 Fed. Supp. 520), leaves the method of export licensing completely in the discretion of the President, which he has in turn delegated to the Secretary of Commerce.

If it is subsequently held that the action of the Secretary of Commerce in using the historical basis rule is action which is by law committed to agency discretion, such action will not be subject to judicial review under the Administrative Procedure Act. But irrespective of that, injunctive relief is always available in the case of arbitrary administrative action, and that was the relief sought and granted in the cases referred to by the Senator from Oklahoma.

As I stated during the course of the debate, the following facts were brought out in the hearings: In this year, it is estimated, exports will approximate $15,000,000,000 to $17,000,000,000 in value. Controlled exports will amount to about $4,500,000,000. There is a field between the total exports and the controlled exports of approximately $12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

I make this statement because I think in all fairness it should be made to those who question this policy, and I state again that it was a finding of the committee, and it was stated in the report that the committee believed that this practice, based upon the historical basis, was unjust and inequitable, and in the report the committee recommended that the changes be made.

Mr. THOMAS of Oklahoma. Mr. President, in response to what has been said by the junior Senator from Kentucky, I should like to relate what has happened since the discussion was had last week.

Because of the publicity given to this matter by the CONGRESSIONAL RECORD, the historical record, persons who have the export licenses approached those who had the contract to sell flour to Sao Paulo, Brazil, and offered to furnish export licenses covering 200,000 sacks of flour at 10 cents a sack, or $20,000 in currency. I had an intimation of that when I offered the amendment, and I was seeking to prevent that sort of a practice being followed in Washington. Since the matter was not acted upon in connection with the bill, and because it is not illegal, so far as I know, the Department is still, I am advised, issuing these export licenses to ABC or XYZ, and the persons obtaining the export licenses are peddling them—a purely black-market operation.

Mr. President, I do not think that should be tolerated, I do not think it should be countenanced, and that was why I offered the amendment. So far the matter is unsettled, and the practice is continuing, I am advised.

Mr. COOPER. Mr. President, I may say to the Senator from Oklahoma that on the facts he has stated, if it is indicated that arbitrary and discriminatory action has been taken, there is the possibility of injunctive relief, as was had in the cases which the Senator cited last Thursday.

I will say further that if that is not effective, and if the Department of Commerce will not take the recommendations which were made in the committee report to correct the situation, so far as I am concerned, I shall be very happy to join with the Senator in any legislation which he thinks would correct the condition.

Mr. WILEY. Mr. President, the Senate bill contained language to the effect that the administration of these controls "shall be subject" to section 10 of the Administrative Procedure Act. The conference bill used the language "shall be excepted from" the act, except as to sections 3 and 10. It is my understanding by the change in the language no change in meaning was intended.

THE ANGLO-AMERICAN OIL TREATY

Mr. O'DANIEL. Mr. President, the New Deal administration has for many years endeavored to nationalize and control the oil industry of this Nation. Having failed to completely accomplish their dastardly task, they have now enlisted the aid of England because of the experience that socialistic government is having in nationalizing industry. They have sought this round-about aid of England to help nationalize and degenerate this Nation by means of a so-called petroleum agreement with Great Britain.

This pink paper is now on the Executive Calendar of this United States Senate in the form of a so-called treaty. Ratification by this Senate is sought. If and when that so-called treaty becomes the pending business of this Senate I can assure Senators that it will have the uncompromising opposition of the junior Senator from Texas.

Our Nation produces the major part of the world's oil, and my State of Texas produces more than one-half of our Nation's supply. We developed our oil business in Texas without any help or advice of the United States Government, and without the help or advice of Great Britain. We do not care to have either of these nations try to stick their noses into the internal affairs of our sovereign State at this time.

We are using the revenue of the oil in Texas for one of the greatest and most noble purposes yet known to man, the education of our children. In 1944 our State collected more than $75,000,000 in taxes from the production of oil, more than $32,000,000 of which went to the available school fund. Our great University of Texas is forging ahead as one of the greatest institutions of higher education in the Nation. It is supported largely by royalties, rentals, and bonuses from oil. Our old folks, our dependent children, and indigent blind receive the

benefit of millions of dollars derived from oil. Our teachers retirement fund is likewise replenished from this source.

Our little farmers, who found it difficult to make a living from the production of crops, have been benefited by royalties. This has placed them in higher brackets of living, and has enabled many of them to give advantages to their children which they otherwise would not have received.

During the war, Texas furnished most of the oil, gasoline, and other oil products needed by our fighting forces on land, sea, and in the air all over the world, and kept our factories running here at home. And, Mr. President, we did this at fully $1,000,000 per day loss to the industry. We did it without a whimper because we were in war.

But now that the war is over, if the administration in Washington thinks it can keep on cramming insults down the throat of Texas, by trying to turn us back to the royal Crown via the treaty system, it will be found, Mr. President, that, so far as I am concerned, we have not yet started to fight.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Indiana, Mr. TIBBOTT, Mr. CANFIELD, Mr. GRIFFITHS, Mr. CANNON, Mr. KIRWAN, and Mr. ANDREWS of Alabama were appointed managers on the part of the House at the conference.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. ROBERTSON of Virginia. I have been very much interested in the discussion by the distinguished Senator from Arkansas [Mr. FULBRIGHT] of the fundamental issue that this is not a propitious time to grant tax relief. I should like now to comment on that phase of the problem, as well as to make some general observations on what I think is involved in the pending tax bill.

During a period of service of 10 years on the Ways and Means Committee of the House, I participated in the framing of 12 revenue measures, each one of which increased the tax burden of the people of the Nation. I naturally longed for the time to come when I would feel justified in participating in the framing of a bill to ease the tax burden. But when we were presented with the tax bill last May, I shared the position taken then by the distinguished Senator from Arkansas, that the time then was not propitious to pass a bill which would have reduced the revenue of the Government for the fiscal year 1948 by the sum of $4,000,000,000, at a time when action on not a single appropriation bill had been completed, and we did not know whether the final budget for the fiscal year 1948 would be $35,000,000,000 or $36,000,000,000, $37,000,000,000, or the full amount the President had recommended.

In May 1947, we knew that the national income in the previous months of December, January, and February had been running at a rate of $175,000,000,000, but at that time there were some economists who predicted a price readjustment in the last half of 1947, and no one knew for sure just what the last half of 1947 held in store for us.

We now, Mr. President, have a clearer picture of the last half of 1947 than we had 2 months ago. We know, for instance, that the national income for May was running at the unprecedented figure of $178,400,000,000. We have completed action on some of the appropriation bills, and the Senate Appropriations Committee has acted on those likely to carry the largest increase over the House appropriations, namely, the War Department bill and the Department of Agriculture supply bill.

On yesterday we approved an increase in the War Department bill, and I understand that the subcommittee of the Committee on Agriculture—I am not sure whether the full committee has acted yet or not—has proposed an addition of $199,000,000 to the appropriation for the Department of Agriculture for the current fiscal year. No one knows yet and will not definitely know until all the appropriation bills have been finally acted upon, the exact amount of the budget for the fiscal year 1948, but the best estimate I have been able to obtain from those on the Appropriations Committees, and from the clerks of the House and Senate Appropriations Committees, is that the total budget for the fiscal year 1948 will be in the neighborhood of $35,000,000,000, or $2,500,000,000 less than the estimates of the Budget Bureau.

It is possible that some later changes may add $100,000,000, $200,000,000, or $300,000,000 to these tentative estimates; but at least we have that much that is rather definite to act upon, which we did not have in May of this year. In May of this year we had presented to us the Treasury estimate of revenue for the fiscal year 1948 of $38,800,000,000. That estimate was based upon computations made in December 1946, at which time the actual returns from corporations which were filed in March 1947 reflecting the net taxable earnings by corporations in the calendar year 1946, were not available. Since then they have become available, and we find that the Treasury's estimate of what those returns would be underestimated the amount.

In December 1946 the Treasury estimated that the national income for the fiscal year 1948 would be $168,000,000,000. We now know that for the first month of that fiscal year that figure is very erroneous. I have indicated that the last figures available, which were for the month of May, showed a produced national income of $178,400,000,000. I do not know of anything that has happened during June which would lead me to believe that the income for June or the income for July will be substantially less than the known figures for May.

Since May there have been some developments which indicate increased prices and increased inflation, rather than decreased prices and a lower national income. One of those factors, which has but recently occurred, was the new working contract between the bituminous-coal operators and the miners, under which they agreed to a wage scale which I understand will amount to substantially 45 cents an hour more than was previously paid, and a 100-percent increase in the royalty payments, which, on the basis of production of 600,000,000 tons of coal, would add an additional $30,000,000 to the welfare fund and $30,000,000 to the cost of coal. No one knows exactly how much the operators will increase the price of coal to the consumers, but I feel safe in saying that the increase will be not less than 50 cents a ton if they absorb a part of the increased cost of production; and it might run—at least to the domestic consumer—as high as a dollar a ton. Since 2 tons of coal are required to make a ton of steel, we can readily see that the increased cost of coal is going to increase the cost of steel; and steel enters into so many fabricated articles that the inflationary effect is bound to be felt in many different lines.

Therefore, our Joint Committee on Internal Revenue Taxation, in formulating in May its estimate of revenue, elected to take the figure of $170,000,000,000 as the probable national income for that fiscal period. It will be observed that the difference between the estimate of the Treasury Department and the estimate of our joint staff of revenue for fiscal 1948 is that the estimate of the Treasury Department was $4,500,000,000 less for the coming fiscal year than the actual receipts for the fiscal year which closed in June 1947, and that our staff estimates $1,900,000,000 less in the coming fiscal year than we actually received in the fiscal year 1947.

I am convinced that an estimate of the national income of $170,000,000,000 for the fiscal year 1948 is not unreasonable. I concede that many things could happen. We could go into uncontrolled inflation, and then suddenly turn into uncontrolled deflation, which would radically alter the picture even in a 12-month period. But, frankly, at the moment I do not see any factors which are calculated suddenly to turn the present trend upward into a sharp trend downward. I invite attention to the fact that in assuming that we shall have a revenue in the coming fiscal year of $41,400,000,000, our joint staff is assuming a shake-down of prices, and possibly of production in that period, of approximately $8,000,000,000 from present levels. That in itself would be a major readjustment.

I concede to my distinguished friend from Arkansas [Mr. FULBRIGHT] the fundamental proposition that, however much we may want to give tax relief to the people, the Government should be in a position to do it. That comes under the general category of timeliness.

In taking a position now which is different from the one I took last May on the subject of timeliness, I feel that I owe it to my constituents to indicate the change which I feel has occurred in the factors which would make it safe for the

Government to absorb the proposed reduction in revenue. I have already called attention to the fact that the proposed tax cut in the fiscal year in question will be two and one-half billion dollars less than the proposed cut last May. I have called attention to the fact that the estimate of $168,000,000,000 of income used by the Treasury Department no longer adequately reflects existing conditions. The Assistant Secretary of the Treasury, who is in charge of taxes for that department, told me that the Treasury Department has a rule-of-thumb rough gage, according to which it estimates an increase of $300,000,000 of revenue for each increase of $1,000,000,000 in national income.

So we now have this situation with respect to the ability of the Government to sustain its definite commitments and its anticipated commitments, while permitting us to make some reduction in the tax burden: We contemplate a budget of $35,000,000,000. It may be a little more than that. We contemplate a revenue of $41,400,000,000. That would leave us a leeway, unless something unexpected should occur to change the picture, of $6,400,000,000. If we take from that $1,500,000,000 of revenue we will still have left about $5,000,000,000 which could be used for a substantial payment on the national debt and leave a reserve fund to meet the cost of international cooperation which some contemplate we may be called upon to provide within the near future as the result of the conferences now going on in Paris pursuant to the suggestion made in June at Harvard by Secretary of State Marshall that the nations of Europe should get together and work out a plan for self-help and find out the maximum by which, through the exchange of raw materials and the lowering of trade barriers, they can help themselves, and then report what additional help they may need from us, and at that time we will give consideration to the proposals which they may make.

It has been intimated in this debate, Mr. President, that some Democrats are not so anxious to give the people tax relief as are some of their Republican colleagues. I can find no sentiment of that kind on this side of the aisle. I believe every Democratic Member of this distinguished body would welcome an opportunity to give the people tax relief; but my distinguished colleague from Arkansas [Mr. FULBRIGHT] and others have taken the position that we cannot afford to do it now. I have indicated to the Senate why I think we can afford to do it now. We are dealing with a prospective surplus of between $6,000,000,000 and $6,400,000,000, which would be sufficient to finance some tax reduction, some payment on the debt, and a reserve fund for contingencies in the nature of international cooperation.

It has been intimated, Mr. President, that if we act on this tax bill at this session it may prevent us from giving full and fair consideration to any of the requests the President may subsequently submit to us to help finance international rehabilitation. In my humble opinion, to postpone action until next year would more likely have that effect than would action taken now.

A Member of the Senate asked the distinguished Senator from Arkansas when he thought it would be timely to take action to reduce taxes. Another colleague suggested that that time would be when the national income had gone down. We should be frank with ourselves, with each other, and with the country. I do not believe there is a single Member of the Congress who thinks that if our national income stays substantially where it is today and we continue to collect from the people six or seven billions of dollars a year more than the necessary and proper expenditures of the Government we shall not have a tax reduction bill next year. If we have a tax bill next year, and if requests for international cooperation come ahead of the tax bill, as inevitably they will, if they come at all, there will be those who will be fearful that the amount appropriated for foreign relief may impinge upon the opportunities of the Congress to give tax relief.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. MILLIKIN. Does not the distinguished Senator regard it as completely unrealistic to say that we should wait until we have hard times and lessened income before we reduce taxes, just at a time when we need every penny of revenue that we can get our hands on to sustain the aid and relief programs which then become necessary?

Mr. ROBERTSON of Virginia. The Senator is correct. I served on the Ways and Means Committee of the House during hard times, when we were engaged in deficit financing and when we had to increase taxes because the national income was not sufficiently high to produce, on the existing rates, an amount of money adequate to meet our expenditures.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. MILLIKIN. That is the precise reason for the five or six increases in taxes we have had in the past dozen years.

Mr. ROBERTSON of Virginia. It has been pointed out already in the debate that we have had 17 years of deficit financing, and that this year, for the first time in that period, we have a surplus. I think the surplus amounted to $780,000,000. I think the Secretary of the Treasury has said that he intends to apply that surplus to the reduction of the national debt. Just before the end of the past fiscal year, it was about $254,000,000,000, and then it crept up again, and reached almost $260,000,000,000, and now I am told that a few days ago it had leveled off again at the figure at which it stood several weeks ago, namely, $258,400,000,000.

As will be recalled, I supported the joint resolution which was passed in the Senate in January to apply, out of the anticipated surplus, not less than $2,600,000,000 on the national debt. I am still in favor of that program, and I have insisted to my friends in the House of Representatives that the House should also pass the resolution and should commit the House to that program, because I think such payments on the national debt will have a deflationary rather than an inflationary effect, and they will reduce the interest charges, which last year amounted to more than the entire cost of the Government when I first served in the Congress. I think it will have a reassuring effect upon the millions of United States bondholders.

But I am trying to develop the fact that action taken now on a tax bill which will affect the situation in the fiscal year 1948 by only a billion and one-half dollars, in my opinion will leave a sufficient surplus to permit the Congress to pay on the national debt more than I believe the Congress is going to pay on it, and will leave in the hands of the Congress a very substantial balance which, if the Congress sees fit to use funds in implementing the so-called Marshall plan, will be available as money with which to do that.

So, Mr. President, I have at least convinced myself, although I do not flatter myself that I can change any votes on this question, that from the standpoint of timeliness we are now in a position to give some relief to the taxpayers. I am also convinced that if we do not do it this year, we shall do it next year, and that if we do it next year the bill will be retroactive, which is always a bad principle in revenue legislation, and creates many problems of refunding and other troubles. I am also convinced that if we wait until next year for tax reduction action, we shall be confronted with demands for tax relief that will go far beyond anything we are now contemplating.

We heard the Senator from Alabama [Mr. SPARKMAN] read the testimony given for the Chamber of Commerce of the United States by an economist who, in testifying before the Committee on the Economic Report, stressed the need for tax relief for corporations. Of course a good point can be made in that connection. I was a member of the Ways and Means Committee of the House of Representatives in 1937 when for the first time we placed a tax on corporate dividends, thus establishing the principle of double taxation on corporate income. Such a principle never has been sound, but we took that action as a depression emergency step, to obtain more money for the Government. We had no other justification for it, and sooner or later it must be modified.

I shall shortly take up the drastic changes which have been made since war spending began, in the taxation of persons of small incomes, and I shall show the Senate how by decreasing the personal exemptions each time we passed a war tax bill, we have placed a tremendous new burden, in the name of defense and in the name of winning the war, upon a group of our people, many of whom now are just at the subsistence level. I shall mention those figures, but I ask the Senate not to think for a minute that that subject will not be fully explored next year in connection with another tax bill.

The senior Senator from Arkansas [Mr. MCCLELLAN] has pending or will offer to the bill now before us an amendment which I do not anticipate will be

adopted, but I believe it will receive a number of votes, because it has merit. That amendment provides for extending to the non-community-property States the privilege now enjoyed by some nine or ten States which have the community property law. Of course that will mean, in terms of revision of tax liability in that respect, possibly $800,000,000, according to the estimates. However, we are told that will not be provided by this bill, but will be very carefully considered next year.

So I am saying that if we do not take any action this year and if we let this matter go over for action next year, next year we certainly shall have a tax-reduction bill presented to us; and in my opinion, as we anticipate the size and scope of that bill, it will be more calculated to impinge upon what we may decide to do for foreign relief than the bill now before us. That is the situation as I see it.

Mr. President, during the debate it has been suggested that immediate action is not timely because the effect of tax reduction in January 1948, would be inflationary. I am told that a majority of the Members of this body will concur in the action recently taken by the House of Representatives in making immediately available to our veterans approximately $2,000,000,000, which is involved in the cashing of their terminal-leave bonds. That money will go to approximately 8,000,000 veterans, I understand, this fall—not next year; and it will not be current earnings from their employment, but will be in the nature of a bonus for past services.

Certainly, Mr. President, it is not consistent to say that the immediate distribution of $2,000,000,000 over and above current earnings, to a very limited group, will not be inflationary, while the gradual distribution, from January through to June, of a billion and a half dollars among forty-nine and a half million taxpayers, will be highly inflationary. If we are going to cash the terminal-leave bonds—and, as I have said, I understand we are—there certainly would not be any point in arguing that we cannot proceed with the distribution of a billion and a half dollars to forty-nine and a half million taxpayers without running the risk of immeasurably increased inflation.

To what extent this tax relief would be inflationary I frankly do not know, but I believe that most of the savings will be spent by those in the lower and middle income groups, who are finding that high prices have already made it difficult for them to make buckle and tongue meet, and this proposed relief from contribution to the expenses of Government may come in very handy for many of them.

Mr. MILLIKIN. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON of Virginia. I yield to the Senator from Colorado.

Mr. MILLIKIN. I am very much interested in the Senator's development of the inflationary theme. Does not the distinguished Senator think that one of the principal inflationary elements that is affecting our economy is the high price of Government, to which the people are contributing about 30 or 35 percent of the national income?

Mr. ROBERTSON of Virginia. Of course, when the Government expends 30 or 35 or 40 billion dollars the money it expends swells the total of the produced national income.

Mr. MILLIKIN. If the Senator will yield further, is it not perfectly apparent that the cost of Government enters into the cost of living, that the higher we increase the cost of Government the higher we are increasing the cost of living, which brings us into the inflationary cycle, about which many are talking?

Mr. ROBERTSON of Virginia. Throughout my service in the Congress I have always stood for economy. I think it was a fundamental principle of Thomas Jefferson, and one from which we have to a degree departed. It is a principle to which we should return as rapidly as possible.

I will say to my distinguished colleague from Colorado that I have also made some estimate, at times, of the value returned to the locality of a Government dollar spent, not for the essential services which only the Government could render, but to help some one in the local community. I cite, for instance, the CCC camps, in which I was very much interested, developing our national forests, rehabilitating the city boys, putting a little iron in their blood. I thought that was a good program, and I supported it, and made one of the original speeches for the bill when it was first presented in the House of Representatives. But I was convinced, in analyzing those expenditures, that we did not get back more than 50 cents on the dollar for what we spent, and I think in many instances the community or the individual gets back, when the Government renders that kind of assistance, about 50 cents on the dollar, and it is much better to leave the money in the individual's own pocket, and let him determine how it is to be spent.

What I said about the possible need of the low-income group in 1948 of some help in purchasing necessities of life brings me to the chief criticism I have to make of the form in which the pending bill comes before us today. As I pointed out, I helped frame 12 tax bills, and I recognize that a man serving on the tax committee, hearing what the witnesses have to say, has a much better chance to know what it is all about than one situated as I am now, with membership on two other committees which take all my time. I have had no adequate opportunity to study the new angles involved in the pending tax proposal. But I remember what happened when we were increasing taxes, and I think it would be well for us to have that in the RECORD before us as the basis of judging whether or not we now have the right approach to tax relief.

As a matter of fact, I understand only three witnesses appeared before the Ways and Means Committee on the first tax bill, and none, so far as I know, on the second. Those three witnesses were the Secretary of the Treasury, who recommended no action at all, stating that it was not timely, and also opposed the approach. Then there were two former Under Secretaries of the Treasury, Dr. Roswell Magill and Mr. John W. Hanes, both very fine men, both close friends of mine, both men I greatly esteem.

Mr. Hanes recommended immediate action along the lines proposed in the House bill. Dr. Magill, I understand, endorsed the theory of the House bill, but said, in effect, that if we could not make a substantial payment on the national debt and give tax relief at the same time he would prefer payment on the national debt. Those were the three witnesses.

Then the bill came to the Senate, and the distinguished chairman of the Committee on Finance I think did a fine job in giving those who wanted to be heard an opportunity. He conducted hearings for 9 days, and during that time I understand he permitted 31 witnesses to be heard, and a number of others had the privileges of submitting statements for the record. Those witnesses presented conflicting viewpoints: First, that it was not timely and no action should be taken at this time; second, that relief should be centered primarily in the lower income groups and coupled, perhaps, with a percentage cut; but if we could not do complete justice at this time, lowering the high surtaxes and relieving the small income group from the pressure of taxes, on the one hand, and the high cost of living, on the other, we should give priority, in equity, to the fundamental principle of ability to pay, and give the major relief at the start to those who financially need it the most.

Then there were witnesses who sustained the horizontal cut, although some of them suggested that it was wise to modify the percentage of relief to give a little more in the lower brackets, and that action was taken by the Senate committee.

Then the bill came back to us a second time. I do not believe there were any hearings by either committee on that occasion. I understand that all the members of the Senate Committee on Finance, except three, voted for the bill which is now before us. That in itself is evidence that the bill has merit, and I do not challenge the fact that there is substantial equity in giving reduction to those paying the very high surtax rates.

I desire to bring to the attention of the Senate, however, the fact that during the taxable years from 1932 to 1939, both inclusive, the personal exemptions for single persons were $1,000, for married persons $2,500, and they were allowed $400 for each dependent. Up to 1939, therefore, the average American family of four had to have a net taxable income in excess of $2,900, which the average family did not have, before being subject and liable to any income tax at all. That was on the theory that we would not go down to the low-income groups who are using their entire income for the necessities of life, and make them contribute to the expenses of the Government through a direct personal income tax, because we all knew, whether they knew it or not, that they were helping to pay the taxes which were collected from corporations; they pass them on whenever they can, and they usually can. They were also helping to pay the increase in prices at which domestic goods

were sold behind any tariff protection against foreign competitive items. To that extent, all of us have been paying some taxes, but many people did not know what they were paying. Then, of course, there were direct excise taxes on items such as liquor and tobacco, and, for a number of years, on automobile tires and articles of that kind, which taxes were imposed during the early part of the depression. In 1940 the personal exemption for a single person was reduced to $800; for a married person, it was reduced to $2,000. For the taxable year 1941, the exemptions were $750 for a single person, $1,500 for a married person. Defense spending began in 1940, and that is when the increase in tax rates began. We entered the war in December 1941. We were spending in a large way in that year. Married persons were allowed deductions of $1,500, with a credit of $400 for each dependent. That was true for the taxable years 1940 and 1941. In 1942, we were in the war, and we had to tighten up. We were spending twice as much as we were receiving; we were incurring a big deficit. An effort was made to finance half the war cost directly, and to borrow the other half. That was roughly the goal, and so in 1942 and 1943 exemptions were reduced for single persons to $500, though the exemption for married persons remained at $1,200. The credit for dependents was reduced from $400 to $350. In addition to the normal tax and surtax for 1943, the victory tax of 5 percent was imposed on gross income in excess of $624. For the years 1944 and 1945, the per capita exemption was reduced to $500. The credit for dependents was increased to $500. A boy still in college was declared to be a dependent. Within certain degrees of consanguinity, a person having an income not in excess of $500, who received a contribution of more than half his income, could be treated as a dependent.

In the 4-year period, 1940–44, an effort was being made to attain maximum tax payments. The receipts for the last of those years amounted to $43,300,000,000. We reached down into the small income group, because that is where the bulk of the earnings was. The exemption granted to a married couple was reduced from $2,500 to $1,000. For that reason, knowing the manner in which we went up the hill to impose the tax burden, I should have been greatly pleased, if commitments made in the heat of the campaign last fall had not apparently frozen two great committees to the consideration of a single method of giving tax relief, and they had been able to more fully explore the equities of cutting something from the surtax rates and increasing somewhat the personal exemption, to the end that the benefits might be more equitably distributed, in keeping with the method by which previously they had been increased.

The distinguished Senator from Illinois [Mr. LUCAS] offered an amendment to the pending bill, to increase exemptions to $650. I regret to learn that the Senator does not intend to press that amendment. I can understand, of course, that one may not say it is timely to give tax relief, if it is done by giving the benefit to the low-income groups, but not timely, if it is done by way of percentage cut resulting in greater financial aid to those in the higher brackets than to those in the lower brackets.

I shall not take the time of the Senate to place in the RECORD all the surtax rates and exemptions. Suffice it to say that they were raised, and measurably raised. I concede the merit of the position taken by the majority party that the surtax rates now are too high for a permanent peacetime program. I should welcome an opportunity to help lower them. But I must say that it would have been more pleasing to me, had the privilege been afforded me, in the first bill that I vote for in 10 years to reduce taxes, had it been possible to give more adequate relief to the lower-income group, by way of increasing exemptions, than is done by the pending bill. I think experience in the next 6 months will prove that a bill framed along those lines would have been more popular in the country than the bill that is to be passed by the Senate, today or tomorrow, or whenever I and other Senators quit talking about it.

I do not recall the statistics now, but before we got into astronomical figures in the national income, one hundred and seventy, one hundred and seventy-five, and one hundred and seventy-eight billion dollars—and it is not known who is receiving that money now—only one-tenth of 1 percent of the people had a taxable income of as much as $10,000; only 5 percent had incomes from $5,000 to $10,000. The incomes of the great bulk of the people fell below those amounts. When the idea is entertained now of giving relief to 49,500,000 taxpayers, it must be borne in mind that the overwhelming majority of the taxpayers are those who would have received a greater benefit through an increase of personal exemptions than they will receive by the horizontal percentage cut of 10 to 30 percent that will be carried in the bill. I repeat, I regret that apparently I shall not have the opportunity to vote on that. I frankly admit that when there were 15 Democrats and 10 Republicans on the Ways and Means Committee, when any really taut situation arose, we wrote the bill. I hasten to add, however, that for 10 years there was a minimum of politics, there was great cordiality, great friendliness, and cooperation in that committee. But, after all, there were times when the Democrats, having the responsibility, took it and presented a bill to the Congress. I cannot tell the Republicans what they should have done in the present case.

My choice now is limited to supporting the bill they have brought forth. For the reasons I have most imperfectly outlined today, that is, from the standpoint, as I see it, of timeliness, from the standpoint of the ability of the Government to sustain a reduction of one and one-half billion dollars and still pay something on the national debt, and also meet foreign commitments, from the standpoint of preferring some action now to what I fear will be a terrible jam next year over a general and enlarged bill, I intend to vote for the pending bill.

I hope to be privileged to stay in the Congress long enough to see adopted the plan to overhaul our entire tax structure, which we discussed at the last meeting of the Ways and Means Committee I attended. That tax structure has been built up piecemeal, and it is not perfect. I have had enough experience with taxes to know that we cannot pass a law which affects millions of people without the law containing some inequities. We cannot pass a law which affects 450,000 corporations without having some imperfections in the law. We cannot pass any general tax legislation without there ultimately being found some loophole in it which some smart lawyer can find his way through, and thus get his client out from under the necessity of paying some taxes.

But I hope that when we can stabilize our economy, and do not have to guess as to whether the national income will be $10,000,000,000 or $15,000,000,000 more or less in a 12 months' period; when we can lie down at night without the haunting fear that maybe before we wake up in the morning somebody has dropped a bomb on our heads; when world peace can be established and nations can dedicate their thoughts and their energies and their productive capacities not to the destruction of human beings but to the creation of a cleaner, greener land and a higher standard of living—I hope that then the great committees of the Congress, the Ways and Means Committee of the House and the Finance Committee of the Senate, will set aside a period of time, and that it will not be a short period, for a general overhauling of our entire tax structure, and attempt to bring to the floor of the House and the Senate a bill of which they can say, "We have heard all the pressure groups, we have reconciled their conflicting claims, and we have submitted to the Congress a bill which we can present with assurance that it comes as near doing even-handed justice to all types of taxpayers as our limited knowledge and facilities will permit us to prepare." Until such time, Mr. President, we have to do an imperfect job. We have to cut a little here and cut a little there. The first proposal, as I say, is to cut a little, $1,500,000,000, now, and on that I intend to vote "yea."

Mr. MORSE. Mr. President, I expect to speak at some length, I estimate 2 hours, and in the interest of saving time and in the interest of continuity, and for the reason that I intend to have this speech reprinted for future campaign purposes, I shall decline to yield during the course of the speech. I shall be glad at a later time when I present the individual amendments, to yield and answer questions in regard to them.

At the outset I want to say, Mr. President, that I deeply regret to find myself once again in the present session of Congress holding a difference of opinion with the Republican leadership of my party on another one of the major and vital issues before the Congress. However, I do not think that those differences of opinion are unfortunate in any respect except to those in the progressive Republican minority. I think it somewhat

unfortunate for them from the standpoint of their personal, selfish political interests. But I happen to be one who means it when he says that in times as critical as these any man in public office who will subordinate his convictions as to what is in the public interest to personal political advantage is not entitled to hold public office.

In the Seventy-ninth Congress and the Eightieth Congress I have attempted to represent what I consider to be the point of view of several million progressive independent Republican voters in the United States, and by doing it I think that those of us who have shared those views have made a distinct contribution to the Republican Party. Perhaps we have performed a service, from the standpoint of loyalty to our party, equal to the loyalty of those who believe that party conformity should be placed prior to every other consideration when it comes to taking a position on party issues.

For the RECORD, because there are those who disagree with us and who would give the impression, if they could get away with it, that progressive Republicans are negativists, in that they take only a critical position but themselves offer nothing constructive, I should like to run over very quickly some of the positions the progressive Republicans have taken in the Seventy-ninth and Eightieth Congresses, positions which in my judgment answer the question: "What do liberal Republicans stand for?" Of course, the RECORD does not bear out that criticism. The difficulty is that we do not have the means and the forces whereby we can make as clearly known to the American people what we stand for within the Party as those who represent a predominant majority in the Congress.

We have taken the position, Mr. President, throughout the Seventy-ninth Congress and throughout the Eightieth Congress, that on grave international issues and on questions of foreign policy there can be no place for division between the parties; that on such issues we must stand as united servants of the people to the end of seeing to it that the bipartisan foreign policy of our country is carried out. It is our view that we must oppose any attempt to introduce partisan politics into the issue of foreign policy. Hence I make no apology for taking the position on a Nation-wide radio hook-up within 20 minutes after the President finished his speech on the Truman doctrine to the joint Congress that he is our President, that the die had been cast, and it called for a united American public opinion behind the President and the bipartisan foreign policy which he had presented. Within an hour after that speech I took the same position on the floor of the Senate. I was the first to back the President on that issue in a statement on the floor of the Senate. I think it is also true that by doing so I took a position quite contrary to the public opinion of a majority of my constituents in my State at that time. But public opinion changes.

As I have said before—for which I have been subjected to considerable criticism—I happen to believe that it is the duty and obligation of a Member of the United States Senate to vote for what he thinks is in the public interest, even though at that moment it does not conform to majority opinion in the country at the time. It is his responsibility of political leadership in accordance with our representative form of government to do what he believes to be in the public interest, giving due weight and consideration to the views of the public at the time, but never hesitating to tell the people why he takes the position he takes. Then it is for them to pass judgment upon him at the next election. That has been and will continue to be, irrespective of criticism that comes my way, the motivating principle that will direct my votes in the Senate.

Thus it seems to me that we are seeing—particularly because of the fact that we demonstrated a remarkable unity in the United States Senate in support of a bipartisan foreign policy—a rapid shift of public opinion, not only in my State but throughout the country, with the result that I think today public opinion in this country is overwhelmingly in support of the Truman doctrine as now modified by the Marshall doctrine.

In support of our bipartisan foreign policy in the Seventy-ninth Congress I introduced a resolution—and fought through to a successful conclusion—calling upon the United States to accept the compulsory jurisdiction of the World Court. If I remain in the United States Senate for 20 years and succeed only in getting that resolution passed in the 20 years, I shall feel that I have performed a worth-while service for my country.

I mention this point about foreign policy because I wish to say from this forum today to the people of the country that it is my conception that progressive Republicans stand for a bipartisan foreign policy which makes perfectly clear to the other nations of the world, including Russia, that we intend to preserve the peace, that we intend to keep ourselves nationally strong from the standpoint of security so that we can preserve the peace, and that we intend to work through the United Nations in carrying out the objectives of that great charter written in San Francisco, which I consider to be the greatest proclamation of human rights ever penned by man.

On domestic issues I think the progressive Republicans have made perfectly clear, in the Seventy-ninth and Eightieth Congresses, that we believe that one of the greatest threats to our domestic economy is the rapidly increasing concentration of wealth under the domination of a few great corporations in America. Thus, in the Seventy-ninth Congress and again in this, I introduced, along with colleague-sponsors, the most drastic antimonopoly bill that has been introduced in the Congress of the United States since the Sherman and Clayton Acts were passed. I regret that thus far I have not been very successful in moving that bill along to the calendar of the Senate; but I am not easily discouraged. I am aware of the fact that it will take time to educate the American people to an understanding of the great danger which confronts them in the matter of the concentration of wealth, and monopolistic practices on the part of American big business. So long as I shall remain in the Senate I shall press forward for the passage of that bill. If and when I leave the Senate, if it is not passed by then, I am satisfied that others will take up the torch. I am enough of a realist to know full well that it is not important that I or any other Member of the Senate remain here. But it is important that at all times whoever is here shall see to it that the torch of progressive action toward the development of a sound social legislative program is kept burning brightly.

I believe that our antimonopoly bill is one of the most important pieces of legislation pending before the Congress; and I hope that in due course of time all the leaders of my party will see its importance and will press forward to its final passage. Of course, I shall do what I can from campaign to campaign, including that in 1948, to inform the American people as to this great threat to our private-property economy.

We talk a great deal about free enterprise; but there can be no real free enterprise in America until we take the stranglehold of monopoly off the throats of the businessmen of America. The small businessman seems to think—and certainly talks—in terms of being a part of a free enterprise system, when in fact he is but a day worker for the great monopolies of America. He gets his goods in such quantities as the monopolies permit him to get them, and he must charge such prices as they allow, because of their great monopolistic stranglehold on the economy of the country. True, he can pass it on to the consumer; but because of that control he, too, sooner or later finds himself in the depths of a depression. He and thousands like him go bankrupt.

So I say to my party, if it is going to develop an economic program in the interests of all the people, in accordance with the doctrine of doing the greatest good for the greatest number, it dare not ignore, and cannot justify ignoring, the problem of monopoly.

Next, we progressive Republicans call the attention of the Congress to the importance of living up to our moral obligations to the veterans. We would not be here today as freemen if it were not for the sacrifices of veterans, living and dead. But how soon we can forget; how quickly the American people, once taken up in the turmoil of economic competition, can forget that in the dark days of the war, at the time of the Battle of the Bulge, we were ready to promise to do anything in justice to the veterans.

What about the Eightieth Congress? In the Eightieth Congress how far have we gone in doing equity for the claims and the rights of the veterans? I am chairman of a subcommittee of the Committee on Labor and Public Welfare dealing with veterans' legislation. There have been placed on the calendar three bills in behalf of veterans. The Unanimous Consent Calendar was called last week and to my great shock these bills, which were voted to the calendar by a committee of 13—one bill having only one vote against it in committee, another bill

having two votes against it in committee, and a third bill having three votes against it in committee—were objected to on the floor of the Senate, not by one but by several Senators. I was willing to accept an objection on the ground that some Senators had not had an opportunity to inform themselves as to the contents of the bills. But days have elapsed, Mr. President; the bills are still pending, supported by a committee report and a record of hearings that are unanswerable in justification of the legislation.

In my recent speech on the floor of the Senate I said, and I now repeat, that I intend to take advantage of every opportunity from now until adjournment to do what I can to force a vote on those measures. I want to know whether the leadership of my party in this session of the Congress will permit a vote upon veterans' legislation which is clearly due the veterans.

Yes, progressive Republicans recognize their responsibility to the veterans for the great sacrifices they have made. More than that, Mr. President, they believe that 140,000,000 American people, once the matter is called to their attention, will also, as they always have in the past, recognize those great moral obligations, and say to my party, as they should, "You have an obligation to go forward and do justice to veterans by the passage of such reasonable legislation as the Committee on Labor and Public Welfare has reported to the floor of the Senate."

To show how reasonable it is, Mr. President, I do not know of a single person who voted against the legislation in committee who would not say that if we are going to do anything we should not do less than that which the committee has recommended. There is no question in my mind about whether we should do something. We have three bills, the total cost of which will not exceed $300,000,000, representing the conscionable compromises which took place in the committee, as they should, in the interest of securing action on legislation that would be fair, reasonable, and equitable and, at the same time, would do justice. We started in committee with legislation which, if it had all been recommended, would have totaled more than $3,000,000,000. Out of legislative proposals that exceeded the amount of $3,000,000,000, we have come forward with veterans' legislation which does not exceed in cost $300,000,000.

I say to the leadership of my party that it cannot justify adjourning on July 26 without voting upon that legislation, and doing it soon enough so that it can go to the House of Representatives and be voted upon there and sent to the White House. The argument is made that the President of the United States said in his message on the State of the Union that he did not favor increasing any of the benefits to the veterans and that, therefore, the legislation is inconsistent with the recommendation of the President, and that it might be headed for a veto. Mr. President, I am perfectly willing to take my risks on that. I am perfectly willing to give the President of the United States an opportunity to veto that legislation. I happen to be of the opinion that he will not veto it; but if he does, I also happen to be of the opinion that there are sufficient votes in both Houses of Congress to override the veto.

But let me tell the Senate that the worst treatment that could be given this veteran legislation would be to let it die on the calendar and continue to frustrate attempts to get it up for a vote.

So I say, Mr. President, progressive Republicans have demonstrated on the record their determination to do justice to the veterans, and they will not be diverted by any argument of false economy or any argument that it may cost tax dollars. Of course it will, and it should. The American people should be perfectly willing to pay those tax dollars in fulfillment of their clear obligation to the veterans.

In the Seventy-ninth and Eightieth Congresses we have stood for other pieces of social legislation. The record is perfectly clear that we believe that the social-security laws should be drastically revised and that the benefits of social security should be extended to all our people and not simply to a few; that if we are going to maintain economic stability, if we are going to avoid the serious psychological dangers of insecurity of thousands of our citizens, we must be willing to broaden the coverage of social security.

Closely related to it, we have taken the position, and the record is clear, that the aged in this country should have something more to look forward to than reliance in their old age upon the charity of the State or of relatives. So we have stood not for any particular pension scheme, not for any single pension label, but for the proposition that a free-enterprise economy is strong enough to support the aged on the basis of health and decency and not on the basis of charity.

Mr. President, I recommend that program to my party.

We have stood also for a fair and square minimum wage bill—not a minimum wage bill that constitutes merely a political gesture, not a minimum wage bill which will increase the wages of only 1,000,000 employees who now are not getting 60 cents an hour, but a minimum wage bill that will accomplish two things: First, put the minimum ceiling where it ought to be so that American workers can maintain a standard of living of health and decency. I think that one of the primary justifications and strengths of the private property economic system is its ability to pay wages which will make it possible for free workers to maintain a standard of living of health and decency. They cannot do it on 40 cents an hour and they cannot do it on 60 cents an hour. Therefore, Mr. President, progressive Republicans have taken the position that we should begin at 65 cents an hour, should go to 70 cents an hour, and then should go to 75 cents an hour, within a 2-year period, and also should broaden the coverage of that act so that it will cover all workers.

So, Mr. President, I happen to be one who is not particularly moved by a minimum wage bill offered by some Senators which does not in fact increase the wages of any considerable number of low-paid workers in this country, and which fails to extend the coverage of the act to any additional workers. However if that is the best bill we can obtain at this session of Congress, I shall vote for it. I call such a bill a political gesture, and I think the workers of the country see through it.

Next, Mr. President, the record is clear that the progressive Republicans of the Seventy-ninth and Eightieth Congresses have stood for adequate Federal aid to education, recognizing, as we do, that the strength of our democracy can be no greater than the enlightenment of our people. With the world moving forward at the rapid rate at which it is moving in the fields of science and technology, with great challenges being raised the globe around to the democratic concepts, we cannot afford to have ever so small a number of the American people denied the advantages of a high minimum standard of education. Today, Mr. President, the educational situation in this country is a disgrace. I am reliably informed that there are States in which the average salary of the teachers in the secondary-school system is less than $1,100 a year. We turn over to those teachers the most precious possessions we have—our children. We turn them over to those teachers during their formative years, when, as the psychologists point out to us, the conditioning factors to which those children are subjected during those years will mold and mark their lives. In hundreds upon hundreds of schoolrooms in America we are turning those children over to conscientious public servants, I admit, but to public servants who do not have the quality of training and, in many instances, the intellectual capacity that they should have if they are to serve as educational guardians of our children. That situation cannot be rectified until the Congress of the United States recognizes its special responsibilities to the youth of this country and is willing to appropriate the necessary Federal-aid funds so that the boys and girls of America can have the best teachers that it is possible to provide by paying decent salaries. Mr. President, progressive Republicans stand for that type of Federal-aid program to education, and I recommend it today to my party, as I have done many times in the past.

We stand for another great piece of social legislation—another principle which, it seems to me, the politicians and the rest of the country might just as well recognize now is a principle, the accomplishment of which is inevitable, no matter how long a period of time it may take to accomplish it: We take the position that the health of the American people and the state of their health will determine whether we are a nation of great assets or a nation of great liabilities. We take the position that the potential medical mortgage that hangs over the heads of the so-called middle-class people in America—and by that I mean those of moderate incomes, incomes from $2,500 to $5,000—is another great threat to our ecomonic security.

Mr. TAYLOR. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. MALONE in the chair). Does the Senator from Oregon yield to the Senator from Idaho?

Mr. MORSE. I am sorry, Mr. President; but as I said at the beginning of my remarks, I shall not yield until this speech is completed.

Mr. President, it has been the position of the progressive Republicans in these two Congresses that we should endeavor to work out for the country a medical program that avoids the danger of socialized medicine. That is why we have not become parties to any particular medical health bill which seeks in essence to have the Government itself supply the medical care. I do not think that such a program is desirable, and I do not think it is necessary. But we cannot for long avoid adopting a sound program to give the health protection to which the American people are entitled and to remove from the households of America the deadening psychological fear that their life savings may be eaten up in one serious illness in the household. We progressive Republicans have said over and over again to the medical profession, and I repeat it now, that it is up to the doctors of this country to come forward with a health program that will remove that fear and at the same time will keep medical practice on the basis of private initiative. Irrespective of the unfair criticisms that many of the medical associations have heaped upon the progressive Republicans, I think they will find that their best, long-time friends are those of us who have been pleading for the type of health program that is based upon the principle I have mentioned this afternoon.

We have taken the position, Mr. President, that the fiscal affairs of the Federal Government should be operated on a businesslike basis. We have taken the position that sound business practices should also characterize the practices of the Government. We have urged that consideration be given to the great differences—every corporation gives consideration to them—between capital investment and operating costs. Yesterday was the last time I discussed that particular issue and I shall not dwell on it at length this afternoon, except to mention it. What I said yesterday will speak for itself.

Suffice it to say, Mr. President, that I think it is important—and this has a close relationship to the whole tax problem—that we recognize, when we come to deal with these problems of economy, that there is a great difference between a capital investment involving a wealth-creating project, such as our great power developments in the West, our flood-control program, our soil-conservation program, our scientific-forestry program, and the administrative costs of operating them. We progressive Republicans have taken the position that in the building up of our budget program, and in the fiscal policies of this Government, we should recognize that great difference, as great corporations do, and that we should not economize at the expense of all the people by a penny-wise and pound-foolish policy of cutting down on great wealth-creating, self-liquidating programs that will return many more dollars to the people of this country and to the economy of this country than the investment in their original costs.

True economy should be made on that side of the budget, too, but in the administration of those projects, not in their development, not in their expansion to meet the economic needs of the country. Great economies should and can be made, and I have supported those economies on the side of administrative costs of government.

For example, that is why I shall support one of the pending proposals for economy submitted by the senior Senator from Virginia [Mr. BYRD] in regard to the question of ceilings on civilian employees under the War Department. That is why a few days ago, when the vote was so close that one vote made the difference, I supported the Senator from Minnesota [Mr. BALL] in the economy program he proposed in his subcommittee in regard to airports, because I felt that the record was perfectly clear that the economy could be made without any sacrifice of the type of principle for which I have been pleading here this afternoon. I shall not support wastes and unnecessary expenses in government.

So I say, I recommend to my party that it differentiate in its budget policies between capital investments and administrative operation costs. Of course, if my suggestion were to be adopted, then the party would not press forward at this time with the present tax program, because until it first had the facts, which such a budget approach would elicit, it could not very soundly, it seems to me, recommend the tax program it is recommending today.

We progressive Republicans have had some differences with our party leadership in regard to labor legislation. We have not been at odds with our party leadership in regard to the importance of checking labor abuses, but we have been at odds with our leadership in regard to the legislation that was finally passed, because we were satisfied that such legislation would not check the abuses. Not only that, we were convinced that it would create greater abuses; that it would be unwise; that it would be unworkable; that it contained unconstitutional provisions, and that it would promote rather than prevent industrial stife. We are perfectly willing to let time pass judgment on whether we were right, or our leadership was right.

It is our position that in the field of labor legislation it is not possible to legislate good faith, it is not possible to legislate into the hearts of men a determination to work cooperatively together around a free-collective-bargaining table, in the interest of preserving the only economy which, in my judgment, can keep workers free, and employers, as well.

I hope that soon, because it is not yet too late, American employers and American workers will see the importance of getting the Government out of the business of controlling and regulating industrial relations. I hope they will recognize soon, before it is too late, that one of the surest roads to totalitarianism is the control of the economy of a country through the control of the relationship between employers and workers. They ought to take a little lesson from history, and recall that in the early days of Nazi Germany the unions and the employers worked in collusion against the public interest, with the result that finally they were both taken over.

We progressive Republicans take the position that in this country if freedom means anything, we should reduce to the minimum legislative control over the employers and the workers, maintaining only such minimum governmental checks as are necessary to protect the public from the abuses of labor and employers.

We have taken some definite positions in the last two sessions of Congress on several proposals from social legislation, against a considerable amount of opposition, I may say, on both sides of the aisle. We believe that if the Bill of Rights in the Constitution means anything it should be put into practice. We believe that if our pratings about the dignity of the individual, and the right of the individual to a free and fair trial, the right of the individual to exercise the franchise, yes, if all the other precious human rights written by our forefathers into the Bill of Rights, mean anything, we should put them into practice.

So we progressive Republicans have taken the very consistent position, against very vigorous opposition on both sides of the aisle, that we should stop talking about an anti-poll-tax bill and should pass one; that we should stop talking about an antilynch bill, when lynching simply cannot be reconciled with the guaranties of the Constitution and pass a Federal antilynch bill; that we should stop talking about the rights of American citizens to be protected against discrimination because of race, color, sex, or creed, and pass a fair and reasonable antidiscrimination law; that we should stop talking about equal rights for women, and pass a law which would make perfectly clear that American employers cannot exploit them by paying them lower wages for the identical work performed by men. Progressive Republicans take the position, Mr. President, that political talk should be followed up with action. We have made our record. It is in cold print in the CONGRESSIONAL RECORD of the two Congresses. It is a clear, unequivocal answer to the question: What do liberal Republicans stand for? It is a complete rebuttal of the oft-repeated charge that progressive Republicans criticize but offer nothing constructive. The trouble is, Mr. President, our program is too constructive for the partisan politics of reactionaries in both parties.

We have also taken the position that the natural resources of America do not belong to a few people, they belong to all the people; and that no special interests, I care not who they are, have any right to waste those resources. We liberal Republicans say that it is a responsibility of the Congress to see to it that the necessary regulations are passed, and appropriations sufficient to carry out those

regulations granted in order to preserve those resources for generations of Americans yet to be born; and at the same time to permit of an equitable use of them by the present generation. We bear the label of conservationists; and we are proud of it. Yet there are some vested interests of America that would make Socialists of us, because we say to them, "We believe we have the right to tell you that there is a limit beyond which you cannot go in using, in wasting, in destroying the God-given natural resources of this country, belonging to all the people." Thus, I have fought, and I shall fight again, many times, as long as I am here, for a conservation program, which, in my judgment, this Congress has not supported to the degree that it should. I do not have the figures; I do not know how many hundreds of millions of dollars have been lost to the future generations of America as a result of the tremendous floods in the Middle West in recent weeks. I do not think it can be evaluated. I do not think it would be possible to put a valuation on it, because an acre of fertile soil, once gone, is gone forever. What is 10,000 years' time value of an acre of land worth in money? I do not know. But it is gone, not only for 10,000 years; it is gone for eternity when a flood sweeps it away. We, the Congress, must admit, it seems to me—Congresses that have gone by, too—that our short-sighted, false-economy attitude toward a sound conservation program has wasted billions upon billions upon billions of dollars of America's precious natural resources.

Mark my word, Mr. President, history will record that if we continue this course of action we shall truly develop in the Middle West and in the Far West another eroded China. That bears, Mr. President, on a fallacy that has been running through the debates of this Congress in weeks past, on appropriation bills, on tax bills—a plausible argument, but thoroughly fallacious, Mr. President, and misleading. It fools people when they first hear it. What is this argument? It goes like this: "When are we going to stop having the American people work 4 days out of 10 for the Government?" Ah, that is catching. The taxpayer reaches in his pocket, recognizing that he has no great surplus in that pocket; appreciative of the fact that he would like to have more in the pocket he is caught up by the plausibility of the argument. He says, "That fellow is right. We should not work 4 days out of 10 for the Government." And I say to the citizen and taxpayer that the person who resorts to that argument is dead wrong. Why do I say it? I want to say to the farmer, when the Federal Government builds a great highway through his State and near his farm, for which he pays his share of taxes, is he working for the Government, or for himself? I want to say to the taxpayer, when the Federal Government through the Public Health Administration spends money to protect not only his health but that of his loved ones and of the citizens of his community, and he pays taxes to support the program, is he working for the Government, or for himself? I say to the taxpayer, when the Government builds a great, wealth-creating project in his section of the country, that makes possible the increasing of the standards of living of himself, his family, and his friends, is that taxpayer working for the Government, or for himself? It is a fallacious argument to say that something needs to be done, because of a statistical showing that taxpayers are working 4 days out of 10 for the Government. It is a hard argument to answer, I admit, because it is supported by selfish impulses that have a tremendous appeal to the taxpayer; and it is also supported by many years of political conditioning in this country. Our people expect politicians to promise them tax reduction. It is a stereotyped American political pattern. It has won many elections in the past, and I have no doubt it will again in the future. My party is using it to help win the election of 1948. However, the argument may boomerang. It has elevated many men to political office, and removed others. Yet here again is raised that old principle, Should we play politics with the tax issue or should we tell the American people that in our opinion now is not the time for tax reduction? Should we point out to them that after all they are working for themselves? It is unfortunate that so many of them do not appreciate that when they pay the necessary taxes to maintain the military forces of the country in this critical hour in the world's history, when no one can be certain what the destiny of America is so far as future international relations are concerned, they are working for themselves as much as they are working for themselves if they are cultivating corn in their cornfield.

Mr. President, no vote of mine is going to be cast in the Senate of the United States for tax reduction at the expense of our living up to our full obligations of national security and our international obligations to the winning of the peace. Our people are working for the Government 4 days out of 10, are they? They are working for themselves, Mr. President. All of us are working for ourselves when we pay the taxes that are going to be necessary to implement and effectuate the Truman-Marshall bipartisan foreign policy.

How much is it going to take? There is not a man in the Senate nor in the country who knows what this peace is going to cost, but the cost to us will be much less than if we fail to win it. If we fail to win the peace we will pay the cost of another war as surely as you and I are here this afternoon. If that comes to pass, then will be the time to listen to the American taxpayer, who in my judgment will point a finger of scorn at us in Congress and say, "Why did you not stand up against a proposal to reduce taxes at the time when we ought to have been willing to continue our then existing tax structure, yes, and even to pay more?"

I recognize that a vital difference of opinion exists in this country today over taxes. I am perfectly aware of the fact that in taking the position I do I take a position contrary, I believe, to the present prevailing majority opinion in America. But I do not think the American people have the facts. I do not think they have been sufficiently awakened and educated to the seriousness of the hour. I do not think they fully understand the importance of maintaining high taxes for a time in order to preserve the very liberties they hold dear. Those liberties, and the political and economic democracy resting upon the foundation of the private property economy I say, Mr. President, are worth paying taxes to preserve. If for no other reason, I will be no party, Mr. President, to the present tax bill, because I am sincerely and deeply convinced that it is not in the interest either of our domestic or international welfare.

Mr. President, the progressive Republicans have taken an unequivocal position on this issue, and we are perfectly willing to take it to the country, too. We are perfectly willing to lose our political heads, but live with our convictions. We are so certain we are right—and, of course, if we do not have certainty in our own convictions then our position is an impossible one—we are so certain we are right that we are willing to take our chances even on the level of politics.

I have already mentioned the stand of the progressive Republicans, Mr. President, on such issues as conservation, and, I would add to it, of course, power development, flood control, and forest conservation, and a sound agricultural program, because we are dealing in those problems with great national wealth resources. We cannot maintain the private economy in America unless it remains an expanding economy.

Mr. President, I am not one of those who has any fear as to the upper limits of the expanding potentialities of our private-property economy. I think we are still in the pioneering stage in America so far as our economic system is concerned. I do not share the pessimism of those who fear the type of wealth-creating, project-expansion program for which I have raised my voice so many times in the Senate. What it can do to the great western and southern areas almost defies imagination. We have not scratched the surface of the economic potentialities of the South. The West is still a great uncharted economic area for rich development, and with an expanding economy the great industrial centers of the East and Midwest will reap tremendous profits and prosperity if—only if they eliminate fear from their consideration of legislative proposals that seek to expand the wealth-creating developments of the country.

I recommend my program to the Republican Party, Mr. President, because it is a sound economic program, and because, incidentally, being a sound economic program, it is also a good political program. I think my party is going to learn that in the West, though maybe not in 1948, Mr. President, because we are in the midst of a very interesting political cycle. I do not believe anything can beat the Republicans for the Presidency in 1948. I think it is in the bag as a product of a very understandable and normal war reaction, as a part of a swing of the political pendulum. I do not think it is going to swing as far back as it did after the last World War, but we

are in that pendulum swing, and there is going to be a continuation of the change of 1946 through 1948. I only hope it will be a better change than some of the changes in 1946 proved to be. I hope that in that change we shall be able to see the start of the swing of the pendulum back to a sound middle-of-the-road, progressive course of political action in America. Hence I shall work for the election of liberal Republicans.

Of course I am biased—I admit it. I am biased from the point of view that there is no hope for the long-time survival of my party unless my party follows a middle-of-the-road course of action, recognizing that either leftism or reactionary policies will certainly bring the doom of the American system. I want to see my party win in 1948; and I will be in there pitching—critical where criticism is due of any stand my party takes in support of a program which does not meet the tests I am laying down in this speech this afternoon. But I believe that the place to fight for my principles is within the party and not outside. I have complete confidence that, given time, those principles will win within my party, because I believe that something is happening to the thinking of the American people. I think they recognize that never again can we go back to a laissez faire economy, which depends entirely upon the benevolent paternalism of big business. We shall win in 1948; but if we are to continue to win in 1952, then I believe that by that time my party will have to come to the program which I have outlined here this afternoon, because unless it can deliver on that program by 1952, I am convinced that the American electorate will fail to support it in 1952—and should.

I say these things as an introduction to my speech on the tax bill, because I think they involve very fundamental political principles which cannot be separated from the fiscal program of the Government. They raise the issue very clearly as to whether or not we are to have the Government cooperate and participate in a sound social legislative program, or whether we are to deny the rights and benefits of that program to the great mass of the American people. I think it would be the height of intellectual dishonesty for any progressive Republican to tell the American people that they can have a program of needed social legislation and great reductions in taxation at the same time. But unless they have that program, then, Mr. President, we are going back to the old patterns of the 1920's, with the inevitable boom-and-bust cycle, and another depression, with all the suffering and cruelty that it entails. Then there will be a great challenge to the preservation of the private-property system itself.

So I say to American businessmen, American farmers, workers, and consumers generally, that I believe, on the basis of the facts in the RECORD, that it is clear that the fighting champions of our private-property system in this country are to be found in the ranks of progressive Republicans. We recognize that if we are to make economic and political democracy work in this country we must be willing to be perfectly honest with our electorate, and tell them that they must either make a choice for a friendly cooperative Government, working in conjunction with industry, labor, and farmers, the white-collar workers, the professions, and all the rest of those who make up the great economic producers of America, or go back to a catch-as-catch-can arrangement whereby the economically strong will once again be allowed to take advantage of the economically weak.

There are many other pieces of social legislation which I might mention, for which we progressive Republicans have stood in these two Congresses. But those I have mentioned will suffice to make clear what I consider to be the underlying and fundamental approach of the progressives to legislation, in contrast with those who do not share our views.

Let me say a word about the question of differences within the party. I do not believe that they are a bad thing, because our differences are professional and not personal. I think my opponents in the Senate—so far as my views are concerned—know that I have the highest personal regard and friendship for them. Our job seems to me to be within the party, to draw the issues and then let the voters decide them. I am always willing to face that test, knowing that sooner or later, for a multitude of reasons, the risk of political survival is so great that when one leads as often as I do with my point of view, over a period of time he will arouse sufficient opposition to give him the political knock-out punch. But what is the difference? Someone else will follow, because those ideas will never die. Such a fight in American politics and within the Republican Party is going on, and I believe that by 1952—and certainly not later than 1956—the principles of the program of progressive Republicans will prevail.

As I stated the other day, it is not pleasant or always politically comfortable to be in the minority. There is always the hope and the fighting chance, Mr. President, that one may be in the majority, and, from a personal standpoint, that makes the fight interesting. From the standpoint of my party, I am convinced it is desirable that we liberals work for our views within the party.

I have been "getting it" recently. How I have been "getting it." First, from a great newspaper in my State which supported me in the last campaign, and which now would have me resign. I am not in the habit of accommodating editors when they are wrong, Mr. President. Therefore I have not resigned and have no intention of resigning.

To those who have not read the RECORD and know nothing about my views, judging from their unfair criticisms, my position on the Taft-Hartley Act certainly makes a Communist out of me. There is no doubt about it in the minds of those critics. My answer to those critics is that I will compare my record in the Senate with that of any man in this body for opposition to everything for which communism stands.

I have been "getting it" from those who take the position that because they send me a telegram and tell me that the majority of the people of my State want me to vote a certain way on a particular issue, that settles it—I should vote that way. When I take orders from a pressure group, I shall resign out of a lack of self-respect. But do not worry; there will never be any resignation forthcoming on that ground.

I have a great friend in my State who is a banker. It is surprising how many bankers support me. They are very discerning men. They know that this private-property economy, so vital to the prosperity of all of our people and so essential to the economic interests of the bankers, will never survive under a laissez faire economy. I have found that the bankers as a group are much more liberal in the field of economics than are many of my beloved colleagues. They become a little disturbed once in a while and write and say, "Can you not stay out of just one fight? We are having an awful time at home defending you." To which I reply, "I wish I could, but, unfortunately, there are so few of us in the Congress of the United States who are progressive Republicans that we have to spread ourselves out thinly and participate in many more battles than we should like to participate in. If we fail to do it the things we think should be said will not be said, and the record we think should be made will not be made."

Progressive Republicans are constantly up against the problem of having to battle too frequenly on too many issues.

Thus I say to my banker friends: "If you really want to help me with my program, get your banker friends throughout the country to help give some campaign support to liberal Republicans who are really fighting for your best interests."

I received a letter from a banker recently, and I should like to read part of my reply to that letter as being sort of a summary of this portion of my speech, because it best shows how I feel regarding the obligations and principles about which I have been speaking. He is a very kindly and friendly man. He would like to see me return to the Senate, but he is not so sure right now that such is possible. Neither am I. But I shall put on a strong campaign—do not forget. My confidence in the common-sense judgment of the individual voter, when he walks into the voting booth, is so great that I am going to meet reactionary opposition with pleasure. I said to this banker in reply to his "Dutch uncle" letter, these things:

I am sure I need not tell you that the going is pretty rough and tough for me back here these days and I understand in Oregon as well. However, I am not at all surprised because it is not to be expected that if one does what he thinks is right on political issues he is going to be free of severe criticism when his votes on major issues are not in line with the party line. My experience in this particular doesn't differ one whit from that of many other progressives in

times past who have refused to accept the fallacious political doctrine that one should vote with his party, right or wrong.

I judge from my mail that those friends who do not think that I am just plain foolhardy think that my course of action has been a courageous one. Both groups of friends who entertain those two ideas, in my opinion, are wrong. I do not think I have been either foolhardy or courageous but rather just plain honest with myself. I have always said that representative government in this country will be really threatened when officeholders vote the dictates of pressure groups which place their selfish interests above the public welfare and then rationalize themselves into thinking that they are carrying out the wishes of a majority of their constituents. That is a very real threat to representative government in this country today.

It is so easy for politicians to cast a vote, which their own intellects tell them is a bad vote, by hiding behind the alibi that the majority of their constituents want them to vote that way. In the first place, they, in fact, do not know that to be a fact because every scientific check upon a Senator's mail shows no correlation between the mail and what the people really want when they have the facts. In the second place, I think it is a wrong principle because it ignores the true nature of representative government. We use the term "democracy" so loosely in this country that the average citizen does not recognize that the founders of our Constitution so framed it as to set up a system of checks and balances devised to protect us from some of the shortcomings of a pure democracy and gave us instead a representative system of government. I know that it is not good politics to tell the people that their system of government was not devised as a pure democracy in the theoretical sense but rather as a government of the people through the checks and balances of a representative republican form of government.

It is difficult to get them to see that one reason for the great stability of our form of government, is contrast to the instability of attempts in other countries in setting up so-called pure democracies, or in contrast with the tyranny of police states, be they Fascist, such as Hitler Germany was, or Communist, such as Russia, is to be found in the checks upon hasty majority action which are provided for in our representative system.

I recognize that there are many other angles that cannot be eliminated from consideration when one is trying to figure out his obligations in performing the duties of a job such as the one I now hold. For example, I appreciate that we cannot have a strong Republican Party unless we have some reasonable conformity on the part of Republican officeholders in carrying out a party program. Thus, when one dissents from any considerable number of Republican proposals, as I have in this session of Congress he must expect to be severely criticized as a maverick and his loyalty to his party questioned. However, when he is satisfied, as I am, that the present leadership of the Republican Party in the Congress is doing the party great injury by advancing proposals with which a great many rank-and-file members of the Republican Party are entirely out of sympathy, and when he is convinced that those proposals involve a repetition of some of the very same mistakes that our party made in the 1920's, he has to be willing to run all the risks of political sacrifice. I think that is a type of party loyalty that my critics, on this particular score, haven't seen at all. It is a greater loyalty than one of blind conformity.

I am sending under separate cover some of my recent speeches, including a copy of the speech of June 5 which has caused such a critical storm in Oregon. That was the one in regard to which the AP took out of context that part of a sentence in which I said that if I knew everyone in Oregon wanted me to vote for the Taft-Hartley bill, I would still vote against it. When you read the speech, I think you will see that my statement was a rhetorical statement aimed to emphasize the point that the duty of a Senator is to vote only for legislation which will carry out the objectives the people want to accomplish but to do it in a legislative form which will be both constitutional and workable. I voted against the Taft-Hartley bill because I knew from my experience in the field of labor relations and as a teacher of a law-school course in legislation for more than 12 years that the bill is unworkable and in some respects unconstitutional. I am greatly amused at the way the proponents of the bill in Congress, many newspapers, and many men in the business fraternity are trying to cover up and alibi for the serious defects of the bill now that they have discovered so soon after its passage that it is as full of holes as a Swiss cheese.

The time has come and, in fact, is long overdue for checking the abuses of labor, but you do not help government by law any by urging upon your representatives in Congress the passage of a law, the defects of which you obviously know nothing about and the unworkability of which will prove in the long run to be exceedingly unfair to American laborers. As I said before the law was passed, many employers and unions will participate in bootlegging tactics in order to get around the law. That is exactly what is happening all over the country and it is happening in our own State of Oregon. I have been in communication with many Oregon employers since the law was passed and they have asked me how far I think they can go in ignoring the provisions of the Taft-Hartley bill in working out off-the-record and sub rosa understandings with labor.

I do not approve of such tactics and I have told them so, and likewise I have told labor so, but you and I can't change human nature. The fact is that both employers and labor will enter into many bootleg contracts in order to avoid what they frankly admit are the unfair and unworkable provisions of the Taft-Hartley bill. You can support that sort of evasion of law if you want to, but whether you believe it or not there is nothing in my record that shows that I ever condoned such undermining of government by law.

So, Mr. President, I have taken this time today for the purpose of future reference, to discuss in broad outlines some of my conceptions of a progressive Republican program and some of my convictions as to why I think it is the duty of a Member of this body to practice the principles of representative government that were laid down by the founding fathers when the Constitution was drafted. If we keep in mind the fact that this is a representative republican form of government, then I think we shall not hesitate as individual Senators to stand out against a temporary majority opinion when we are satisfied that that opinion will not, if carried out, support the public interest.

Mr. President, in practicing that principle, I now turn my attention to the reasons for my opposition to the pending tax bill, which is supported by the leadership of my party. Not only do I turn my attention to the reasons why I am opposed to it, but I shall offer what I believe are constructive suggestions by way of amendments that will make it a program that certainly progressive Republicans can support, and a program which I think recommends itself to the Republican Party.

It is my conviction, Mr. President, that the tax philosophy expressed in the pending measure is but a revival in new form of the same bankrupt philosophy that led us into the boom-and-bust tragedy of the 1920's and 1930's.

This legislation is based upon the theory that our economy will thrive and the Republican Party will prosper if our tax laws are shaped in such a manner as to protect the wealthy and promote the accumulation of vast aggregations of capital irrespective of the effect on the purchasing power of the great majority of American businessmen, workers, and farmers.

But this theory has just one defect—it will not work. If the pending measure is enacted into law, our economy will once again be put on the primrose path to economic collapse. The Republican Party will once again be headed for repudiation by the American electorate.

Accordingly, I have drafted a set of amendments to change the philosophy of the pending measure—a set of amendments designed to promote economic stability in the years to come and to provide a genuine basis for public confidence in the Republican Party, a set of amendments which I think are in line with sound progressive Republican principle, a set of amendments which I recommend to my party.

The purposes of these amendments are as follows:

First. To provide for flexibility in the tax structure, so that Congress today can plan ahead for tax reductions that will become effective when economic conditions warrant;

Second. To provide for the reduction of personal-income taxes in a manner that will provide relief on the basis of need without removing additional people from the tax rolls;

Third. To improve the present carry-back and carry-forward provisions of our tax laws;

Fourth. To relieve the small corporation from the burden of double taxation;

Fifth. To provide proper equity in the treatment of earned income and capital-gains income;

Sixth. To improve the balance between personal-income taxes on the one hand and estate and gift taxes on the other hand;

Seventh. To prevent the future use of tax-exempt securities as a means of escaping income taxes; and

Eighth. To provide for dealing with the long-neglected problem of coordinating the tax program of the Federal Government with the tax programs of our State and local governments.

These separate amendments, Mr. President, are not a set of unconnected proposals. They fit together. They add up. They provide a program geared toward expanding consumer purchasing power without injury to business investment—a program based upon the principle of the ability to pay, but not to the point of confiscation or injury to the

profit motive—a program to encourage business investment and business expansion without encouraging a speculative orgy.

I do not claim that these eight amendments offer a complete tax program. They do not pretend to deal with all of the many long-range problems that confront us in this complex field. I believe, however, they do deal only with the minimum essentials that should be handled at this time.

It is a matter of profound regret to me that the leadership of my party in Congress has not seen fit to deal thus far with the subjects I have listed. In the haste to obtain action upon an ill-conceived program of tax reduction, the majority leadership has thus far failed to address itself to crucial problems that could have been handled—and can still be handled, and should be handled—at this first session of the Eightieth Congress.

The administration also is to be criticized for not having presented to the Congress proposals dealing with such matters as improvement of the carry-forward provisions, the problem of double taxation, the treatment of capital-gains income, the extension of estate and gift taxes, the problem of tax-exempt securities, and the problem of coordinating Federal, State, and local revenue policies.

So that my Republican brethren will have no misunderstanding at all, Mr. President, as to my views concerning the administration's tax program, let me make clear that I am just as critical of the administration for failing to cover the topics of my amendment as I am of the Republican leadership for failing to cover them in its tax program. However, nonpartisan honesty compels me to say that I think on one score the administration's position is far preferable to that of the Republican leadership in the Congress, and that is when it takes the position that now is not the time for tax reduction. If I understand the position taken by the President yesterday, as expressed by the minority leader in a statement reported in the press, the President is correct when he takes the position, if it is his position, that January 1 next is not the time, either, for tax reduction. But it is time now, Mr. President, for us to prepare a tax program which eliminates the injustices and the inequities of the present tax structure, which seeks to accomplish the ends of my amendments, and which seeks to adjust the taxation program of the country on a flexible basis as economic conditions in the country change from period to period.

Mr. President, it would have been perfectly possible for me to combine my eight amendments into one omnibus measure. However, I have chosen to present each provision separately so that each of these problems may receive more adequate attention, so that here on the floor of the Senate the Members of the Senate may endeavor to come to grips with basic problems that have too long been ignored.

Therefore, Mr. President, if it is in order, I wish to offer at this time what I have labeled my amendment No. 1.

The PRESIDING OFFICER (Mr. THYE in the chair). The amendment is in order. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert the following new sections 2 and 3 in the bill, strike out present sections 2 (d), 3 (b), 4 (c), 5 (c) and 6 of the bill, and renumber present sections 2, 3, 4, and 5 of the bill accordingly:

SEC. 2. Declaration of policy and purpose. It is hereby declared to be in the interest of the national welfare and necessary to the maintenance of a prosperous and stable economy, and the continuing policy of the Congress is, that Federal taxes shall not be reduced so long as employment and production remain at high levels; but that in the event of an actual or imminent decline of substantial proportions in the level of employment and production, Federal taxes shall be promptly reduced. It is the purpose of this act to provide, to the fullest extent practicable, as preparation against any possible decline of substantial proportions in employment and production, a tax reduction plan which will be available as soon as the need therefor arises.

SEC. 3. Effective date.

(a) In general: The provisions of sections 4, 5, and 6 shall be applicable with respect to taxable years beginning after December 31 of the determination year, as defined in subsection (d) of this section.

(b) Withholding of wages: The provisions of section 7 shall be applicable only with respect to wages paid on or after January 1 of the year immediately following the determination year, as defined in subsection (d) of this section.

(c) Fiscal year taxpayers: Section 108 of the Internal Revenue Code is hereby amended by striking out "(d)" at the beginning of subsection (d) and inserting in lieu therefor "(e)", and by inserting after subsection (c) the following:

"(d) Taxable years of individuals beginning in the determination year and ending in the following year: In the case of a taxable year of an individual beginning in the determination year (as defined in sec. 3 (d) of the Individual Income Tax Reduction Act of 1947) and ending in the year immediately following such determination year, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1 of the year immediately following such determination year, were applicable to such taxable year, which the number of days in such taxable year prior to January 1 of the year immediately following such determination year, bears to the total number of days in such taxable year, plus

"(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1 of the year immediately following such determination year, were applicable to such taxable year, which the number of days in such taxable year after December 31 of such determination year, bears to the total number of days in such taxable year."

(d) Definition: As used in this section, the term "determination year" shall be the year in which a determination is made that the level of employment and production has declined, or is about to decline, to a substantial extent. Such determination shall be made in a joint resolution or in an economic report transmitted by the President to the Congress: *Provided, however,* That a determination in such an economic report shall have no force and effect if, between the date of transmittal of the report and the first period of 30 calendar days of continuous session of the Congress, a concurrent resolution by the two Houses of Congress is passed disapproving such determination. For the purposes of this subsection—

(1) continuity of session shall be considered as broken only by an adjournment of Congress sine die;

(2) there shall be excluded, in the computation of the 30-day period, the days on which either House is not in session because of an adjournment of more than 3 days to a day certain; except that if a resolution with respect to such determination has been passed by one House and sent to the other, no exclusion under this subsection shall be made by reason of adjournment of the first House taken thereafter.

Mr. MORSE. Mr. President, in the interest of continuity and for the purposes I announced at the beginning of my speech, I shall proceed to discuss the amendment, and then I shall also discuss the other amendment, without offering them at this time, but I will offer them later. I want however, to have the amendments all tied together so far as my explanation of them is concerned, in this one continuous speech.

The purpose of the amendment is to provide a solution to the vexing problem of how to determine the proper time for reducing taxes.

On the one hand, there are those who say that this is the time for tax reductions. I cannot agree with that school of thought.

From the viewpoint of domestic affairs, there is no excuse whatsoever for reducing taxes now. There are still strong inflationary pressures in our economy. There is no immediate threat of any substantial decline in employment and production. The Federal Government has vast obligations which must be met—obligations to make payments on the public debt, to help our veterans adjust to civilian life, to promote American agriculture, to develop our natural resources, and many others which I have heretofore mentioned in my speech.

In regard to the national debt, I may say, Mr. President, that I was brought up on the old thrifty principle that when an individual has the money, that is the time for him to pay his debts. Even though they do not like to be told so, I fear the fact is that the American people and the American economy have surplus funds now with which to pay a substantial amount on the debt. The record is perfectly clear that at the time the measure was before the Senate calling for some $2,600,000,000 for debt payment I said, "That is not enough." I say so now. When the argument is now made that perchance or maybe we will have somewhere between $4,000,000,000 and $5,000,000,000 to pay on the debt and still be able to carry out the tax program, I say, "That is not enough." We have $255,000,000,000 of debt, and great, inevitable, potential obligations yet to come if we are to win the peace. As I have said once before on the floor of the Senate, the country is saturated with blood money, made from profiteering on the economic dislocations of a war—and we talk about a $5,000,000,000 maximum payment on the debt. It is ridiculous. It is good politics, but it is not sound economic principle. If we can pay seven, eight, or nine billion dollars on the debt

without a tax reduction, we should pay it. Why? Because we do not save the American taxpayers a single dollar if we cheapen their dollar. Mark my word, Mr. President, we are going to cheapen the dollar, and before very long. As soon as we come out of this boom, which is a false boom based, as I say, upon the economic distortions of a war, with a national debt of $255,000,000,000, what is going to happen to the value of the American dollar? I will not be a party to tax reduction at this time at the expense of cheapening the value of the dollar. The American dollar, which is worth somewhere between 60 and 65 cents, will become a 30- or 35-cent dollar in the midst of a depression. We must pay heavily on the debt to save the value of our dollar. We shall never pay a debt of $255,000,000,000 with cheap dollars. We shall never protect the economic security of 140,000,000 American people by taking advantage of the present political swing and appeasing a mistaken public opinion that now thinks this is the time for tax reduction.

What do you think would happen, Mr. President, to the thinking people of this country if 96 United States Senators dared to say to the American people, "Now is the time for you to pay on the national debt until it hurts." They would stop, look, and listen. They would do a type of thinking which they are not now doing. They would respond to that type of leadership, and they would recognize the economic soundness of it. They would say, "You 96 Senators demonstrate to us that you have squeezed out of the Federal budget every wasted dollar; demonstrate to us that you have economized to the greatest extent possible in the elimination of unnecessary expenditures and waste, and we will pay the taxes necessary to reduce the $255,000,000,000 debt by much more than $5,000,000,000," which is the greatest sum I have heard suggested in this debate.

That is what I think the American people would do. I happen to be of the opinion that as their representatives that is our responsibility. I happen to be of the opinion that if we took that position, even on the political level, it would not make a single bit of change in the 1948 elections.

There is the issue. That is the great difference which exists in this debate—whether or not, when we are at the height of prosperity in this country, with full employment apparently equal to that of the highest peak in the war, we should pay high taxes to reduce the debt. I shall stand on that issue in the full confidence that I am right. My position is completely in line with the training given to me by my parents when, by their own practices they demonstrated and by their own teachings they urged, "When you have the money, that is the time to pay your debts." I say to the American people, tough as the times may seem to them to be because of the cost-of-living problems which confront them, nevertheless their obligations of loyalty to our system should make it perfectly clear to them that now is the time to reduce the debt, certainly by whatever amount of tax reduction is sought for them by this unfortunate bill.

So I shall vote to sustain the veto if the bill is vetoed. I shall vote to sustain it because I think such a vote would be decidedly in the economic interest of my country.

From the viewpoint of foreign affairs, this would be the worst possible time to reduce taxes. Secretary of State Marshall has asked the nations of Europe to survey their reconstruction needs, to find out to what extent they can help themselves, and then tell America how much help from us will be needed. Until such time as we have heard from those European nations that accept the Marshall proposal, until such time as we may know the need for increased foreign aid, a reduction in taxes can be classed as little short of a betrayal of our foreign policy and a congressional nullification of the Marshall plan.

On the other hand, there are those who say that this is no time for tax legislation. According to this school of thought, tax-reduction legislation should be held up until an economic decline has already set in, business is on the skids, and men are walking the streets looking for work.

I cannot agree with this school of thought. To delay legislation until the time when reductions are essential means that before any reductions will be forthcoming, we will have instead a protracted period of delay and debate. It is just as though one were to say that all legislation authorizing future programs of public works should be held up until we have an unemployment crisis.

The purpose of my first amendment is to provide a method whereby the Congress today, at this moment, when reductions are not yet necessary, can prepare advance plans for reductions that may be needed in the future. The purpose of this amendment is to apply in the field of taxation the same sound principle of advance planning that has for so many years been taken for granted with respect to public works.

Every Member of the Senate will agree, I think, that the time to build up a shelf of public-works projects is while our economy is still running at high gear. Is it not simple common sense to apply this same true and tested principle to the tax program?

Is it not plain and businesslike common sense to enact a tax-reduction program now, make it complete in every respect except as to its effective date, and then put it on the shelf for use when the time comes?

The amendment that I have offered does just that. It sets forth a declaration of policy which includes three points:

First. That so long as production and employment remain at high levels, there should be no reduction in taxes.

Second. That in the event of an actual or imminent decline of substantial proportions in the level of production and employment, taxes be then promptly reduced.

Third. That to the fullest extent practicable as preparation against any possible decline of substantial proportions in employment and production, advance plans for such tax reduction be set forth in legislation.

Under this amendment the character of the tax reduction will be determined by Congress now. The effective date of the tax reduction, which could not come before January 1, 1949, would be determined later.

This determination could be made either by a joint resolution or by the President in an economic report transmitted to the Congress. If the President makes such a determination in a report to Congress, it shall be effective only if Congress does not override the President's plan by a concurrent resolution. The Congress is given 30 days to take such action—30 days between the date on which the President's data is transmitted to Congress and the expiration of the first period of 30 calendar days of continuous session of Congress.

This provision is modeled to some extent after the so-called legislative veto provisions of the Reorganization Act of 1945, under which a concurrent resolution can nullify a Presidential reorganization plan. But the amendment goes much further than does the Reorganization Act of 1945 in protecting the prerogatives of Congress. The Congress need not wait for a Presidential plan. It can initiate action on its own through a joint resolution. Since we now have a Joint Economic Committee charged with the responsibility of watching economic trends, I have no doubt whatsoever that once that committee's surveys conclusively show an imminent decline in employment and production a joint resolution taking the tax-reduction program off the shelf will promptly be passed by any Congress then in session.

I now desire to discuss my second amendment.

The second amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950) to reduce individual income-tax payments is as follows:

Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'

"SEC. 2. Reduction in normal tax and surtax.

"(a) Section 11 of the Internal Revenue Code (relating to normal tax on individuals) is hereby amended to read as follows:

" 'There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25 (a). For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T.'

"(b) Section 12 (b) of the Internal Revenue Code (relating to rates of surtax) is hereby amended to read as follows:

" '(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual the surtax shown in the following table:

" 'If the surtax net income is:	The surtax shall be:
Not over $500	7 percent of the surtax net income.
Over $500 but not over $1,000.	$35, plus 9 percent of the excess over $500.
Over $1,000 but not over $1,500.	$80, plus 11 percent of the excess over $1,000.
Over $1,500 but not over $2,000.	$135, plus 13 percent of the excess over $1,500.

"'If the surtax net income is:	The surtax shall be:
Over $2,000 but not over $4,000.	$200, plus 15 percent of the excess over $2,000.
Over $4,000 but not over $6,000.	$500, plus 18 percent of the excess over $4,000.
Over $6,000 but not over $8,000.	$860, plus 22 percent of the excess over $6,000.
Over $8,000 but not over $10,000.	$1,300, plus 26 percent of the excess over $8,000.
Over $10,000 but not over $12,000.	$1,820, plus 30 percent of the excess over $10,000.
Over $12,000 but not over $14,000.	$2,420, plus 35 percent of the excess over $12,000.
Over $14,000 but not over $16,000.	$3,120, plus 38 percent of the excess over $14,000.
Over $16,000 but not over $18,000.	$3,880, plus 41 percent of the excess over $16,000.
Over $18,000 but not over $20,000.	$4,700, plus 44 percent of the excess over $18,000.
Over $20,000 but not over $22,000.	$5,580, plus 47 percent of the excess over $20,000.
Over $22,000 but not over $26,000.	$6,520, plus 50 percent of the excess over $22,000.
Over $26,000 but not over $32,000.	$8,520, plus 53 percent of the excess over $26,000.
Over $32,000 but not over $38,000.	$11,700, plus 56 percent of the excess over $32,000.
Over $38,000 but not over $44,000.	$15,060, plus 59 percent of the excess over $38,000.
Over $44,000 but not over $50,000.	$18,000, plus 62 percent of the excess over $44,000.
Over $50,000 but not over $60,000.	$22,320, plus 65 percent of the excess over $50,000.
Over $60,000 but not over $70,000.	$28,820, plus 68 percent of the excess over $60,000.
Over $70,000 but not over $80,000.	$35,620, plus 71 percent of the excess over $70,000.
Over $80,000 but not over $90,000.	$42,720, plus 74 percent of the excess over $80,000.
Over $90,000 but not over $100,000.	$50,000, plus 76 percent of the excess over $90,000.
Over $100,000 but not over $150,000.	$57,720, plus 78 percent of the excess over $100,000.
Over $150,000 but not over $200,000.	$96,720, plus 79 percent of the excess over $150,000.
Over $200,000	$136,220, plus 80 percent of the excess over $200,000.'

"SEC. 3. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (Optional Tax Table) and section 1622 (Withholding Tables) as may be necessary to reflect the reduction in taxes provided for in section 2 of this act.

"SEC. 4. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

SCHEDULE OF INDIVIDUAL INCOME NORMAL TAX AND SURTAX RATES

Mr. MORSE. The attached schedule of normal tax and surtax rates would reduce the individual income tax revenues by approximately $4,100,000,000, assuming income payments of $166,000,000,000 in calendar year 1947. The rates in the attached schedule are not tentative but are net rates as compared with present law tentative rates.

Under this schedule, the combined normal and surtax rates would be reduced by about 3 percentage points for net incomes after personal exemptions above $2,000. For net incomes after personal exemptions of less than $2,000, 4 new brackets of $500 each would be provided. On the first $500 of net income after exemptions, the combined normal and surtax rate would be 10 percent or 9 percentage points less than the present law combined rate of 19 percent. From $500 to $1,000 the combined rate would be 12 percent or 7 percentage points less than the present law rate. From $1,000 to $1,500, the combined rate would be 14 percent, and from $1,500 to $2,000, the rate would be 16 percent in comparison with the combined rate of 19 percent under present law.

This schedule would reduce the taxes of low-income taxpayers proportionately more than the taxes of high-income taxpayers. For example, a married person with no dependents would receive a 63-percent tax reduction at the $1,500 net income level, a 37-percent reduction at the $5,000 level, and a 12-percent reduction at the $50,000 level.

I now desire to discuss my third amendment.

The third amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950), to reduce individual income tax payments, is as follows:

"SEC. —. Carry-overs of net operating loss.

"(a) Section 122 (a) of the Internal Revenue Code (relating to definition of net operating loss) is amended to read as follows:

"'(a) Definition of net operating loss: As used in this section, the term "net operating loss" means the excess of the deductions allowed by this chapter over the gross income, with the adjustments provided in subsection (d). For such purpose a net operating loss is to be computed under the law applicable to the taxable year of such net operating loss.'

"(b) Section 122 (b) of the Internal Revenue Code (relating to amount of carry-back and carry-over) is amended to read as follows:

"'(b) Amount of net operating loss carry-over: If for any taxable year beginning after December 31, 1947, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the five succeeding taxable years, except that the carry-over in the case of each of the succeeding taxable years after the first succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year or years computed, under the law applicable to such years, (A) with the adjustments provided in subsection (d) (1), (2) and (4) and (B) by determining the net operating loss deductions for such intervening taxable year or years without regard to such net operating loss or the net operating loss of a year subsequent to the taxable year, and without regard to any reduction specified in subsection (c).'

"(c) Section 122 (c) of the Internal Revenue Code (relating to amount of net operating loss deduction) is amended to read as follows:

"'(c) Amount of net operating loss deduction: The amount of the net operating loss deduction shall be the aggregate of the amounts of the net operating loss carry-overs to the taxable year reduced by the amount, if any, by which the net income computed with the adjustments provided in subsection (d) (1), (2), (3), and (4) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction).'

"(d) Section 122 (d) of the Internal Revenue Code (relating to exceptions, additions, and limitations) is amended—

"(1) By striking out "The exemptions, additions, and limitations referred to in subsections (a), (b), and (c) shall be as follows:" and inserting in lieu thereof "The adjustments referred to in subsections (a), (b), and (c) shall include the following exceptions, additions, and limitations:"; and

"(2) By striking out paragraph (6).

"(e) Carry-backs and carry-overs from years beginning before January 1, 1948: Despite the provisions of subsection (b) of this section the provisions of section 122 (b) prior to its amendment by this section shall remain in force for the purposes of the determination of the carry-backs and carry-overs of a net operating loss from any taxable year beginning before January 1, 1948; such determination to be made as if subsection (b) had not been enacted."

BUSINESS LOSS CARRY-FORWARDS

Mr. MORSE. Opportunities to offset business operating losses sustained in 1 year against taxable income of other years is very important for both the equity and economic effects of the income tax. Unless adequate loss offsets are allowed, the income tax may become in part a tax on capital rather than on true net income, and this will be unfair and will damage the incentive to invest. Adequate loss offsets are especially important for small, undiversified firms.

Under present law, net operating losses of both incorporated and unincorporated businesses may be carried back and applied against the income of the two preceding years, and any unabsorbed balance may be carried forward against the income of the two following years.

Consideration should be given to two questions: First, whether the present loss offset period is long enough, and, second, whether the emphasis should be on carry-forwards or carry-backs.

There is no conclusive evidence as to length of loss offset period needed. There is, however, or seems to be, among tax experts, rather general agreement that at least a moderate lengthening of the present 4-year period is desirable. The administrative difficulties associated with very long offset periods argue against any great extension of the period, unless further experience demonstrates its desirability. A 5-year offset period would seem to be sufficient to allow most depression losses to be offset against income of more prosperous years.

It would be desirable to shift from the present combination of carry-backs and carry-forwards to a 5-year carry-forward with no carry-back, as my amendment seeks to accomplish. A carry-forward is preferable to a carry-back, because a carry-back is of no benefit to new businesses and may even give their established competitors an unfair advantage. Moreover, a carry-forward is administratively simpler. Unlike a carry-

back, a carry-forward does not require that returns of prior years be kept open and that old transactions be audited.

I now desire to discuss my fourth amendment.

The fourth amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950) to reduce individual income-tax payments, is as follows:

At the proper place in the bill insert the following:

"SEC. —. Optional tax in case of small corporations and shareholders therein.

"(a) The Internal Revenue Code is hereby amended by adding after section 15, the following new section:

" 'SEC. 16. Tax on small corporations.

" 'If a small corporation (as defined in Supplement V) signifies in its return under this chapter, under the conditions specified in Supplement V, its desire not to be subject to the tax imposed by section 13 (b), section 14 (a), section 14 (b), or section 15, it shall be exempt from such tax for the taxable year, and the provisions of Supplement V shall apply to the shareholders in such corporation who were shareholders on the last day of such taxable year of the corporation. Such corporation shall not be exempt for such year if it is a member of an affiliated group of corporations filing consolidated returns under section 141.'

"(b) The Internal Revenue Code is hereby amended by adding after section 421, the following:

" 'SUPPLEMENT V—TAX ON SHAREHOLDERS OF SMALL CORPORATIONS

" 'SEC. 422. Applicability of supplement.

" 'If a small corporation (as defined in section 423) is exempt under section 16 for a taxable year from income tax under Chapter 1, the provisions of this supplement shall be applicable with respect to each shareholder of such corporation who was a shareholder in such corporation on the last day of such taxable year of the corporation.

" 'SEC. 423. Definition of small corporations.

" 'As used in this supplement, the term "small corporation" means a corporation which has—

" '(A) no more than five stockholders of record at any one time during the taxable year next preceding the taxable year in which such corporation signifies its desire to be exempt under section 16, or has more than five such stockholders and submits to the Commissioner under regulations prescribed by the Commissioner with the approval of the Secretary, the written consent of individuals owning at least 95 percent of the stock outstanding on the 15th day of the last month of the corporation's taxable year for such corporation to signify its desire to be exempt under section 16;

" '(B) only common stock outstanding;

" '(C) only individuals who are citizens or residents of the United States as shareholders;

" '(D) no securities registered at any securities exchange; and

" '(E) sold none of its securities to an insurance company or another financial institution (other than a local development bank chartered to aid small business).

" 'SEC. 424. Termination of election.

" 'If a corporation signifies its desire to elect the provisions of section 16 and this supplement, such election shall continue in effect until such corporation shall no longer be eligible for taxation as a small corporation, or such corporation indicates under regulations prescribed by the Commissioner with the approval of the Secretary that it no longer desires to be taxed under the provisions of section 16 and this supplement. A corporation which terminates its election, shall not be eligible for taxation as a small corporation for any taxable year subsequent to the taxable year in which such election is terminated.

" 'SEC. 425. Undistributed Supplement V net income.

" 'For the purposes of this chapter, the term "undistributed Supplement V net income" means the Supplement V net income (as defined in section 426) minus the amount of dividends paid during the taxable year. For the purposes of this section the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27.

" 'SEC. 426. Supplement V net income.

" 'For the purposes of this chapter, the term "Supplement V net income" means the net income except that the following shall not be allowed:

" '(A) The credit for dividends received provided in section 26 (b);

" '(B) The deduction for charitable and other contributions provided by section 23 (g); and

" '(C) The credit for taxes of foreign countries and possessions of the United States provided by section 131.

" 'SEC. 427. Corporation income taxed to shareholders.

" '(a) General rule: The undistributed Supplement V net income (but not net loss) of a small corporation shall be included in the gross income of the shareholders in the manner and to the extent set forth in this Supplement.

" '(b) Amount included in gross income: Each shareholder who, on the last day of the taxable year of the corporation, was a shareholder in such corporation shall include in his gross income, as a dividend, for the taxable year in which or with which the taxable year of the corporation ends, the amount he would have received as a dividend if on such last day there had been distributed by the corporation, and received by the shareholders, an amount equal to the undistributed Supplement V net income of the corporation for its taxable year.

" '(c) Effect on capital account of small corporation: An amount equal to the undistributed Supplement V net income of the small corporation for its taxable year shall be considered as paid-in surplus or as a contribution to capital, and the accumulated earnings and profits as of the close of such taxable year shall be correspondingly reduced, if such amount is included as a dividend in the gross income of the shareholders.

" '(d) Basis of stock in hands of shareholders: The amount required to be included in the gross income of the shareholder under subsection (b) shall, for the purpose of adjusting the basis of his stock with respect to which the distribution would have been made (if it had been made), be treated as having been reinvested by the shareholder as a contribution to the capital of the corporation, to the extent to which such amount is included in his gross income in his return, increased or decreased by any adjustment of such amount in the last determination of the shareholder's tax liability, made before the expiration of 7 years after the date prescribed by law for filing the return.

" '(e) Period of limitation on assessment and collection: For period of limitation on assessment and collection without assessment, in the case of failure to include in gross income the amount properly includible therein under subsection (b), see section 275 (d).'

"(c) Section 275 (d) of the Internal Revenue Code is hereby amended by adding after subparagraph (2) the following new subparagraph:

" '(3) Small corporations: Under section 427 (b) (relating to the inclusion in the gross income of shareholders of their distributive shares of undistributed Supplement V net income of a small corporation).' "

THE PROBLEM OF DOUBLE TAXATION OF CORPORATE PROFITS AND METHODS OF REDUCING OR ELIMINATING DOUBLE TAXATION

Mr. MORSE. The problem as I see it is as follows:

Corporations are now taxed on their net income at rates ranging from 21 percent for small corporations to 38 percent for corporations with net incomes in excess of $50,000. Individual stockholders are taxed on their dividend income at the regular individual income-tax rates. The application of both the corporate and individual income tax results in what is commonly called double taxation of distributed profits. This is held to be both inequitable and damaging to the incentive to invest.

The problem arises only with respect to the distributed part of corporate profits, since only the corporate income tax is applied to profits retained in the enterprise for reasonable business purposes. Moreover, the problem is not simply a matter of double taxation in the literal sense of imposition of two separate taxes on the same income. More generally stated, it is a problem of taxation of dividends at higher rates than other kinds of income. Profits distributed to stockholders whose incomes are too small to be subject to the individual income tax are, nevertheless, subject to the corporate income tax and are hence taxed more heavily than other kinds of income going to the same individuals. In fact, the relative overtaxation is greater in the case of these low-income stockholders than in the case of high-income stockholders. This is so because in the case of high-income stockholders who are subject to the upper brackets of the individual income tax, a considerable part of the corporate tax merely takes the place of the individual income tax that would otherwise be due on dividend income.

GENERAL METHODS OF REDUCING OR ELIMINATING DOUBLE TAXATION

The existing double taxation of distributed corporate profits could be reduced or eliminated either by an adjustment in the tax paid by stockholders on dividend income or by an adjustment in the tax paid by corporations on the distributed part of profits. Two types of plans that have been advanced are briefly outlined here:

A. WITHHOLDING PLAN (CED PROPOSAL)

The Committee for Economic Development and others have recommended a withholding plan for reducing or eliminating double taxation. This approach is used in Great Britain, and is sometimes called the British system. Corporations would pay a tax on their whole net income, but part or all of the tax would be regarded as advance withholding of stockholders' taxes on dividend income. When dividends were declared, stockholders would include in their taxable income cash dividends received, plus the withholding tax on the income from which they were declared. In paying their individual income tax, however, stockholders would take credit for the withholding tax. In cases where the amount withheld exceeded the stockholder's individual income-tax liability,

he would receive a refund from the Treasury. In operation, the withholding plan would be rather similar to the present withholding on salaries and wages, but the amount withheld would not be adjusted to take account of the stockholder's personal exemption and credit for dependents.

B. REDUCTION OR ELIMINATION OF THE CORPORATE TAX ON DISTRIBUTED PROFITS (RUML-SONNE PLAN)

Another approach to the double-taxation problem, which has been recommended by Beardsley Ruml and H. Chr. Sonne—Fiscal and Monetary Policy, Planning Pamphlet No. 35, National Planning Association, 1944; see also Mr. Ruml's article, Fiscal Policy and Taxation and Discussion, proceedings of the National Tax Association, 1944, pages 167–173, 181–187—among others, is to reduce or eliminate the corporate tax on distributed profits but not on undistributed profits. This could be accomplished either by continuing the corporate income tax and allowing corporations a credit or deduction for dividends paid, or by eliminating the corporate income tax and imposing a tax on undistributed profits. This approach would eliminate or reduce the double taxation of distributed profits, but would keep a tax on undistributed profits in order to prevent tax avoidance and undue revenue loss. This approach could achieve exactly the same allocation of taxes on dividend recipients as the withholding method.

C. OTHER PLANS

Other plans that have been advanced include exemption of all dividends received from the first-bracket rate of the individual income tax and exemption of a part of dividends from all brackets of the individual income tax. These plans could reduce the extent of double taxation, but in general they would be less exact and less equitable than the withholding method and the Ruml-Sonne type of proposal. They would offer no benefit to stockholders whose incomes are too small to be subject to the individual income tax, but would reduce the tax on dividends received by high-income stockholders below the rate paid on other kinds of income.

PARTNERSHIP TAX TREATMENT FOR CERTAIN CORPORATIONS

The plans discussed above are general methods of reducing or eliminating double taxation for all corporations. A special approach has been suggested, however, for certain corporations which closely resemble partnerships in many respects, and which are in direct competition with unincorporated enterprises.

It has been suggested that corporations with simple capital structures and a small number of stockholders be given the option of being taxed like partnerships. Under the partnership treatment, the corporate income tax would be completely eliminated, and stockholders would be taxed at the regular individual income-tax rates on their part of both distributed and undistributed profits. For tax purposes, the corporate form would be largely disregarded.

The partnership option would not be formally restricted to small corporations, but in practice most of the corporations eligible would be small concerns. It is unlikely that the few large corporations that would be eligible would choose the option. The corporations eligible for the partnership treatment would be the vast majority of all corporations, but they earn only a small part of total corporate profits.

The partnership treatment would be an effective and equitable means of eliminating double taxation in a certain area. It would also reduce taxes on reinvested earnings in the case of corporations owned by low-income stockholders. The partnership treatment would eliminate any tax discrimination between incorporated and unincorporated businesses.

COMMENTS ON REVISED TREATMENT OF CAPITAL GAINS

Mr. President, I now wish to comment on my fifth amendment, dealing with a revised treatment of capital gains.

The fifth amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950) to reduce individual income-tax payments is as follows:

At the proper place in the bill insert the following:

"SEC. —. Capital gains and losses.

"(a) Holding period, short- and long-term gains and losses: Section 117 is amended by striking out '6 months' wherever occurring therein and inserting in lieu thereof '12 months.'

"(b) Definitions: Section 117 (a) is amended by inserting at the end thereof the following new paragraphs:

"'(12) Net alternative-tax capital loss: The term "net alternative-tax capital loss" means the excess of the losses for the taxable year from sales or exchanges of capital assets held for not more than 36 months over the gains for such taxable year from sales or exchanges of capital assets held for not more than 36 months, if and to the extent such losses and gains are taken into account in computing net income.

"'(13) Net alternative-tax capital gain: The term "net alternative-tax capital gain" means the excess of the gains for the taxable year from sales or exchanges of capital assets held for more than 36 months over losses for such taxable year from sales or exchanges of capital assets held for more than 36 months, if and to the extent such gains and losses are taken into account in computing net income.'

"(c) Percentage taken into account: Section 117 (b) is amended to read as follows:

"'(b) In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net capital gain, net capital loss, and net income:

"'100 percent if the capital asset has been held for not more than 12 months;

"'75 percent if the capital asset has been held for more than 12 months but not more than 24 months;

"'50 percent if the capital asset has been held for more than 24 months.'

"(d) Alternative taxes.

"(1) Section 117 (c) is amended to read as follows:

"'(c) Alternative taxes.

"'(1) Cooperations: If for any taxable year the net alternative tax capital gain of any corporation exceeds the net alternative tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 13, 14, 15, 204, 207 (a) (1) or (3), and 500, a tax determined as follows, if and only such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 25 per centum of such excess.

"'(2) Other taxpayers: If for any taxable year the net alternative tax capital gain of any taxpayer (other than a corporation) exceeds the net alternative tax capital loss there shall be levied, collected, and paid, in lieu of the tax imposed by sections 11 and 12, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 50 percent of such excess.'

"(2) Section 12 (c) is amended by striking out 'six' therein and inserting in lieu 'thirty-six.'

"(e) Capital gains and losses of common trust funds: Section 169 (c) (1) is amended by striking out '6 months' wherever occurring and inserting in lieu thereof '12 months.'

"(f) Capital gains and losses of partners: Section 182 is amended by striking out '6 months' wherever occurring therein and inserting in lieu thereof '12 months.'

"(g) Effective date: This section shall be applicable to taxable years beginning after December 31, 1948."

Mr. MORSE. Mr. President, it has been proposed that the existing treatment of capital gains and losses be revised. The present law provides that short term gains and losses are those from the sale or exchange of assets held for not more than 6 months, and that long term gains and losses are those from the sale or exchange of assets held more than 6 months. For individual income tax purposes, 100 percent of short term gains and losses are included in income, while 50 percent of long-term gains and losses are recognized. Under the proposed revisions there would be several holding periods, instead of two sharply distinct holding periods. One hundred percent gains and losses from assets held not more than 12 months would be included in ordinary income; 75 percent of those from assets held more than 12, but not more than 24 months, would be included; and 50 percent of those from assets held more than 24 months, but not more than 36 months, would be included.

The lengthening of the first holding period from 6 to 12 months is necessary in order that speculative income be put on the same footing as earned and business incomes. Under present law, speculative income from assets held more than 6 months is given long-term capital gains treatment, and is not made subject to full income tax rates, as is earned and business income. That is, so the tax experts tell me, only 50 percent of income from speculation may be included in taxable income, and, if the alternative tax is applied, such speculative income may be taxed at only 25 percent. It is difficult for me to see why speculative income earned over the period of one taxable year should not be subject to the same rate of tax as wages, salaries, and business incomes earned over the period of one taxable year.

A short holding period of 6 months encourages the conversion of ordinary speculative income into long term gains and leads to a loss of revenue to the

Government. A 12-month holding period would allow the securities markets to take their normal course without the presence of a non-economic factor in the form of a 6-month holding period. The 12-month holding period would mean there is less inducement to short-selling and to dumping securities on which losses have accumulated in less than 6 months. There would then be less danger of sudden depressions of the securities markets.

Finally, there is ample historical precedent for an initial holding period of at least 1 year. From 1922 to 1933, there was a single holding period of 2 years. From 1934 to 1937 there were five holding periods, 100 percent inclusion on income and full income-tax treatment being extended to gains and losses from assets held 1 year or less. Between 1938 and 1941, speculative gains and losses, which were treated as ordinary income, were gains and losses from the sale and exchange of assets held not more than 18 months.

The revised treatment of capital gains and losses would include in ordinary income 75 percent of gains and losses from assets held over 12 months but not over 24 months, and 50 percent of gains and losses from assets held more than 24 months but not more than 36 months. These gradual step-downs of recognition of gain or loss are in contrast to the sharp distinction between short-term and long-term gain of present law. Provision for these intermediate-length gains and losses improves the equity of treatment between short- and long-term gains and losses. In addition, the gradualness of the step-down reduces the incentive to hold assets for a short while longer just to get a sizable tax advantage. The length of time, 3 years, over which the step-down is spread also reduces the tendency to hold. This encouragement of earlier realization embodied in the multiple-holding-period system would thus minimize the loss in revenue to the Government from the treatment of capital gains. Finally, there is historical precedent in the entire treatment of capital gains through the 1930's for recognizing that capital gains are accumulated over long periods of time even though they are realized at one particular point of time. The acts of 1934 and 1938 provided for recognition of a smaller proportion of gain or loss from assets held for longer periods of time.

The revised capital-gains tax would apply an alternative tax of 25 percent of the net gain on assets held more than 36 months as compared to the present alternative tax of 25 percent of the net gain on assets held more than 6 months. The present alternative tax is inequitable in that it enables high-income individuals to get a preferential rate of 25 percent even on speculative gains accrued in less than a year. The new alternative tax is a supplement to the step-down of recognition provided in the multiple-holding period. It recognizes that a large gain accumulated over more than 3 years might bring a person into a high tax bracket when the gain is realized. It constitutes an attempt to tax the gain as if it were realized over smaller successive intervals of time.

The loss offset provisions of present law would continue in the revised treatment. Short-term gains and losses would be gains and losses from the sale or exchange of assets held not more than 12 months. Long-term gains and losses would be gains and losses on assets held more than 12 months. The provisions of present law with respect to loss offsets and carry-overs of capital losses are generally satisfactory.

I now desire to discuss my sixth amendment.

The sixth amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950) to reduce individual income-tax payments, is as follows:

At the proper place in the bill insert the following:

"SEC. —. Estate and gift taxes.

"(a) Reduction in estate tax rates and exemption.

"(1) Estate tax rates: Section 935 (b), relating to the computation of the tentative estate tax, is amended to read as follows:

"'(b) The tentative tax referred to in subsection (a) (1) of this section shall be the tentative tax shown in the following table:

"'If the net estate is:	The tentative tax shall be:
Not over $5,000	2 percent of the net estate.
Over $5,000 but not over $10,000	$100, plus 5 percent of excess over $5,000
Over $10,000 but not over $20,000	$350, plus 9 percent of excess over $10,000.
Over $20,000 but not over $30,000	$1,250, plus 13 percent of excess over $20,000.
Over $30,000 but not over $40,000	$2,550, plus 17 percent of excess over $30,000.
Over $40,000 but not over $50,000	$4,250, plus 21 percent of excess over $40,000.
Over $50,000 but not over $60,000	$6,350, plus 24 percent of excess over $50,000.
Over $60,000 but not over $100,000	$8,750, plus 26 percent of excess over $60,000
Over $100,000 but not over $200,000	$19,150, plus 28 percent of excess over $100,000.
Over $200,000 but not over $300,000	$47,150, plus 30 percent of excess over $200,000.
Over $300,000 but not over $500,000	$77,150, plus 32 percent of excess over $300,000.
Over $500,000 but not over $750,000	$141,150, plus 34 percent of excess over $500,000.
Over $750,000 but not over $1,000,000	$226,150, plus 36 percent of excess over $750,000.
Over $1,000,000 but not over $1,250,000	$316,150, plus 38 percent of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$411,150, plus 41 percent of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$513,650, plus 44 percent of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$733,650, plus 47 percent of excess over $2,000,000.
Over $2,500,000 but not over $3,000,000	$968,650, plus 50 percent of excess over $2,500,000.
Over $3,000,000 but not over $4,000,000	$1,218,650, plus 53 percent of excess over $3,000,000.
Over $4,000,000 but not over $5,000,000	$1,748,650, plus 56 percent of excess over $4,000,000.
Over $5,000,000 but not over $6,000,000	$2,308,650, plus 59 percent of excess over $5,000,000.
Over $6,000,000 but not over $7,000,000	$2,898,650, plus 61 percent of excess over $6,000,000.
Over $7,000,000 but not over $8,000,000	$3,508,650, plus 63 percent of excess over $7,000,000.
Over $8,000,000 but not over $10,000,000	$4,138,650, plus 65 percent of excess over $8,000,000.
Over $10,000,000	$5,438,650, plus 67 percent of excess over $10,000,000.'

"(2) Estate tax exemption: Section 935 (c), relating to the exemption for purposes of the additional estate tax, is amended by striking out '$60,000' and inserting in lieu thereof '$40,000.'

"(3) Effective date: The amendments made by this subsection shall be effective with respect to the estates of decedents dying after the date of enactment of this act.

"(b) Reduction in gift tax rates, exclusion and specific exemption.

"(1) Gift tax rate schedule.

"(A) The rate schedule contained in section 1001 (a) is amended to read as follows:

"'*Rate schedule*

"'It the net gifts are:	The tax shall be:
Not over $5,000	1½ percent of the net gifts.
Over $5,000 but not over $10,000	$75, plus 3¾ percent of excess over $5,000.
Over $10,000 but not over $20,000	$262, plus 6¾ percent of excess over $10,000.
Over $20,000 but not over $30,000	$937, plus 9¾ percent of excess over $20,000.
Over $30,000 but not over $40,000	$1,912, plus 12¾ percent of excess over $30,000.
Over $40,000 but not over $50,000	$3,187, plus 15¾ percent of excess over $40,000.
Over $50,000 but not over $60,000	$4,762, plus 18 percent of excess over $50,000.
Over $60,000 but not over $100,000	$6,562, plus 19½ percent of excess over $60,000.
Over $100,000 but not over $200,000	$14,362, plus 21 percent of excess over $100,000.
Over $200,000 but not over $300,000	$35,362, plus 22½ percent of excess over $200,000.
Over $300,000 but not over $500,000	$57,862, plus 24 percent of excess over $300,000.
Over $500,000 but not over $750,000	$105,862, plus 25½ percent of excess over $500,000.
Over $750,000 but not over $1,000,000	$169,612, plus 27 percent of excess over $750,000.
Over $1,000,000 but not over $1,250,000	$237,112, plus 28½ percent of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$308,362, plus 30¾ percent of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$385,237, plus 33 percent of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$550,237, plus 35¼ percent of excess over $2,000,000.

"'If the net gifts are: The tax shall be:

Over $2,500,000 but not over $3,000,000	$726,487, plus 37½ percent of excess over $2,500,000.
Over $3,000,000 but not over $4,000,000	$913,987, plus 39¾ percent of excess over $3,000,000.
Over $4,000,000 but not over $5,000,000	$1,311,487, plus 42 percent of excess over $4,000,000.
Over $5,000,000 but not over $6,000,000	$1,731,487, plus 44¼ percent of excess over $5,000,000.
Over $6,000,000 but not over $7,000,000	$2,173,987, plus 45¾ percent of excess over $6,000,000.
Over $7,000,000 but not over $8,000,000	$2,631,487, plus 47¼ percent of excess over $7,000,000.
Over $8,000,000 but not over $10,000,000	$3,103,987, plus 48¾ percent of excess over $8,000,000.
Over $10,000,000	$4,078,987, plus 50¼ percent of excess over $10,000,000.'

"(B) The amendments made by this paragraph shall be applied in computing the tax for the calendar year 1948 and subsequent calendar years, and shall be applied in all computations in respect of the calendar year 1947 and previous calendar years for the purpose of computing the tax for the calendar year 1948 and subsequent calendar years.

"(2) Gift-tax exclusion: Section 1003 (b) (3), relating to the exclusion of gifts, is amended to read as follows:

"'(3) Gifts after 1942 and prior to 1948: In the case of gifts (other than the gifts of future interests in property) made to any person by the donor during the calendar year 1943 and subsequent calendar years prior to 1948, the first $3,000 of such gifts to such person shall not, for the purposes of subsection (a) be included in the total amount of gifts made during such year.

"'(4) Gifts after 1947: In the case of gifts (other than the gifts of future interests in property) made to any person by the donor during the calendar year 1948 and subsequent calendar years, the first $2,000 of such gifts to such person shall not, for the purposes of subsection (a), be included in the total amount of gifts made during such year.'

"(3) Gift tax exemption.

"(A) That part of section 1004 which precedes subsection (a) is amended by striking out '1942' and inserting '1947' and by striking out '1943' and inserting '1948.'

"(B) Section 1004 (a) (1), relating to the specific exemption of gifts, is amended by striking out '$30,000' and inserting in lieu thereof '$20,000' and by striking out '1943' and inserting in lieu thereof '1948.'"

Mr. MORSE. Mr. President, the proposed changes in the estate tax include a reduction in the exemption from $60,000 to $40,000, and a revision in the rate schedule. The total yield from this tax would remain substantially unchanged. The decrease in revenue from the rate reductions is approximately offset by the increase resulting from the lower exemptions.

The top rate is lowered from 77 percent to 67 percent, and the starting rate is reduced from 3 percent to 2 percent, as indicated in table I, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Comparison of estate-tax rate under present law and under proposal* [1]

Net estate after specific exemption (in thousands) [2]	Bracket rate		Total estate tax cumulative	
	Present law [3]	Proposal	Present law [3]	Proposal
	Percent	*Percent*		
Not over $5	3	2	$150	$100
$5 to $10	7	5	500	350
$10 to $20	11	9	1,600	1,250
$20 to $30	14	13	3,000	2,550
$30 to $40	18	17	4,800	4,250
$40 to $50	22	21	7,000	6,350
$50 to $60	25	24	9,500	8,750
$60 to $100	28	26	20,700	19,150
$100 to $200	30	28	50,700	47,150
$200 to $300	30-32	30	81,700	77,150
$300 to $500	32	32	145,700	141,150
$500 to $750	35	34	233,200	226,150
$750 to $1,000	37	36	325,700	316,150
$1,000 to $1,250	39	38	423,200	411,150
$1,250 to $1,500	42	41	528,200	513,650
$1,500 to $2,000	45	44	753,200	733,650
$2,000 to $2,500	49	47	998,200	968,650
$2,500 to $3,000	53	50	1,263,200	1,218,650
$3,000 to $4,000	56-59	53	1,838,200	1,748,650
$4,000 to $5,000	63	56	2,468,200	2,308,650
$5,000 to $6,000	67	59	3,138,200	2,898,650
$6,000 to $7,000	70	61	3,838,200	3,508,650
$7,000 to $8,000	73	63	4,568,200	4,138,650
$8,000 to $10,000	76	65	6,088,200	5,438,650
Over $10,000	77	67		

[1] Before deduction of credit for State death taxes.
[2] The specific exemption under present law is $60,000 and under the proposal $40,000.
[3] Revenue Act of 1941 as amended by the Revenue Act of 1942.

Mr. MORSE. Mr. President, on a net estate of $20,000,000 before exemption the present tax is $13,700,000 and under the proposal would be reduced by $1,600,000. The tax reduction on a net estate of $10,000,000 would be about $600,000 and smaller decreases would be made on estate down to $800,000, as indicated in table II, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Amount of estate taxes and effective rates under present law and under proposal* [1]

Net estate before specific exemption [2] (in thousands)	Amount of tax			Effective rate		
	Present law [3]	Proposal	Increase or decrease (—) under proposal	Present law [3]	Proposal	Increase or decrease (—) under proposal
				Percent	*Percent*	*Percent*
$50	0	$350	$350	----------	0.7	0.7
$60	0	1,250	1,250	----------	2.1	2.1
$80	$1,600	4,250	2,650	2.0	5.3	3.3
$100	4,800	8,750	3,950	4.8	8.8	4.0
$150	17,900	21,950	4,050	11.9	14.6	2.7
$200	32,700	35,950	3,250	16.4	18.0	1.6
$250	47,700	50,150	2,450	19.1	20.1	1.0
$400	94,500	96,350	1,850	23.6	24.1	.5
$500	126,500	128,350	1,850	25.3	25.7	.4
$600	159,700	161,550	1,850	26.6	26.9	.3
$800	229,700	229,750	50	28.7	28.7	[4]
$1,000	303,500	301,750	−1,750	30.4	30.2	−.2
$2,000	726,200	716,050	−10,150	36.3	35.8	−.5
$4,000	1,802,800	1,727,450	−75,350	45.1	43.2	−1.9
$5,000	2,430,400	2,286,250	−144,150	48.6	45.7	−2.9
$6,000	3,098,000	2,875,050	−222,950	51.6	47.9	−3.7
$10,000	6,042,000	5,412,050	−629,950	60.4	54.1	−6.3
$20,000	13,742,000	12,111,850	−1,630,150	68.7	60.6	−8.2
$40,000	29,142,000	25,511,850	−3,630,150	72.9	63.8	−9.1
$100,000	75,342,000	65,711,850	−9,630,150	75.3	65.7	−9.6

[1] Before deduction of credit for State death taxes.
[2] The specific exemption under the present law is $60,000, and under the proposal $40,000.
[3] Revenue Act of 1941, as amended by Revenue Act of 1942.
[4] Less than 0.05 percent.

Mr. MORSE. Mr. President, the tax on the smaller estates is increased. On a net estate of $50,000 before exemption, which bears no tax under present law, the tax under my proposal would be $350. On a net estate of $100,000 before exemption the tax would be increased from $4,800 to $8,750.

Under my proposal, the gift-tax exemption would be reduced from $30,000 to $20,000, and the annual exclusion from $3,000 to $2,000 for each donee. The rates would be three-fourths of the proposed estate-tax rates.

Now, Mr. President, I wish to discuss my seventh admendment.

The seventh amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950) to reduce individual income-tax payments, is as follows:

At the proper place in the bill insert the following:

"SEC. —. Taxability of interest on future Federal, State, and local obligations, and so forth.

"(a) Limitation on tax-free interest: Section 22 (b) (4) of the Internal Revenue Code (relating to tax-free interest) is hereby amended by inserting after the word 'obligations' in clause (A) of the first sentence thereof the following: 'issued before January 1, 1948'.

"(b) Consent to State and local taxation: The United States hereby consents to the taxation, under an income tax of interest upon obligations, issued on or after January 1, 1948, of the United States, any Territory, possession, or political subdivision thereof, or the District of Columbia, by any duly constituted taxing authority having jurisdiction to tax such interest if such taxation does not discriminate against such interest because of its source. The provisions of this subsection shall, with respect to any such obligations, be considered as amendatory of and supplementary to the respective act or acts authorizing the issue of such obligations, as amended and supplemented.

"(c) Amendment to the Public Debt Act of 1941: Section 4 (a) of the Public Debt Act of 1941, as amended, is hereby amended by inserting in the first sentence thereof, after the words 'agency or instrumentality thereof' the following: "or on or after January 1, 1948, by any Territory, possession, or political subdivision thereof, or the District of Columbia'."

Mr. MORSE. Mr. President, the proposed amendment would terminate, effective January 1, 1948, the issuance of State and local governmental securities exempt from Federal income taxes and Federal securities exempt from State and local income taxes. It would leave the tax-exempt status of securities issued prior to that date and outstanding on that date unaffected. To clear the way for extending the benefits of this legislation to State and local governments the language of this amendment would give the Federal Government's consent to nondiscriminatory State and local income taxation of securities issued after the end of this year by the United States, its Territories, and the District of Columbia.

This reform in our tax structure is long overdue, in my opinion, and has been urged repeatedly by men and women in all walks of life, in all sections of the country, and without regard to political affiliation. The arguments in support of this overdue tax reform are numerous, but I will mention at this time only three.

First. Tax-exempt securities prevent the equitable distribution of the tax burden because they make it possible for some people, especially those with large and very large incomes, to escape all or part of their income-tax liability. As a result, Federal and State governments are prevented from giving full application to the principle of ability to pay in their taxes. To make matters worse, the tax benefit derived from tax exemption is not uniformly distributed among those who avail themselves of it. Its value increases as the individual's income increases.

It is a rich man's escape. It is an escape for the very, very rich man. It is a hole in our tax structure which should be plugged, and plugged quickly by Congress at this session, by the adoption of my amendment.

The resulting loss in income tax revenue both to the Federal Government and the States has to be made up from other sources, including some taxes which fall with particular weight on people in very small incomes.

This is another example showing that the incidence of tax rates really places an undue burden upon the poor man. I say that if we are really going to put into effect the principle of ability to pay, then this type of amendment, long overdue, should be enacted without further delay.

Second. Another important argument in favor of this legislation concerns the effect of tax exemption on the general functioning of our economy. So long as individuals with large incomes are able to invest their capital in tax-exempt securities, they are discouraged from making investments in enterprise involving risks.

I take the position that if people of the United States enjoy the right and the advantage of making great profits out of our private-property economy, they owe something to that economy. They certainly should not be encouraged by this type of loophole to sink their money in tax-exempt securities, which in a certain sense becomes frozen money, and, in a certain sense—and to a degree only I admit, but to that degree—nonproductive money. I think we are going to obtain, in the years to come, as I said earlier this afternoon, greater and greater support for an ever-expanding economy. I think it is not unreasonable in building up our tax structure to say to the people of wealth of America, "We expect you to make your money work. We expect you to make your money productive. We think it is your obligation to your country to see to it that your financial resources are used to the end of bringing the products of labor to an ever-increasing number of people, and to an ever larger degree." That is why, on principle, I am wholly and completely opposed to the loopholes in our tax system that permit the wealthy to escape their due tax burden by investing their money in tax-exempt securities. I say, Mr. President, that in the interest of the system itself—and I refer to the private-property system, which the politicians so glibly talk about as the free enterprise system—the men of wealth of America have an obligation to keep that system working for the benefit of all our people, by making their money work in productive enterprises. They should not be allowed to take a run-out on their obligations to promote an ever-expanding economy, by sinking their dollars in tax-exempt securities.

I say, Mr. President, that industry finds it difficult to compete with tax-exempt securities in attracting the income of individuals in the higher income-tax brackets. Why should it not have difficulty? Of the wealthier humans as well as of the poor, it is to be expected that, if given an out, by way of relieving themselves of their tax obligations owed the country, by putting their money in tax-exempt securities, they will put it there and not in productive business, the constant expansion of which is necessary to preserve the American system of private enterprise. This has important effects on the reconversion of industry from war to peace and interferes with the flow of capital to the new enterprises which are ready to get under way in the wake of the technological progress made during the war. Finally, this amendment would increase Federal and State income tax revenue gradually over the years as the volume of tax-exempt securities already outstanding diminished and would reach a peak when all presently outstanding tax-free securities matured and were redeemed. The increased income tax revenue would afford an opportunity for eliminating some of the more inequitable taxes in our tax system.

The last amendment, Mr. President, on which I want to make a brief comment, in closing, is amendment No. 8.

The eighth amendment intended to be proposed by Mr. MORSE to the bill (H. R. 3950), to reduce individual income-tax payments, is as follows:

At the proper place in the bill insert the following:

"SEC. —. Integration of Federal, State, and local tax programs.

"The President shall present to the Congress in his economic report transmitted at the opening of the second session of the Eightieth Congress, such recommendations for legislative action and for action by State and local governments as he may deem necsary or desirable for the purpose of obtaining improved integration of Federal, State, and local tax programs. Such recommendation shall be made after the Secretary of the Treasury has, to such extent as he determines to be practicable, consulted with State and local officials concerned with tax matters."

Mr. MORSE. Mr. President, this amendment would call upon the President to lay before the Congress the suggestions of the State and local governments and of the executive branch of the Federal Government for the solution of one of the major American tax problems, namely, the conflict between Federal, State, and local taxation. The lack of coordination and integration between the taxing activities of the Federal Government and of the States and local governments, which first became apparent after the First World War and became progressively worse during the interwar period, reached a climax during World War II. Today, the Federal and the State governments derive about 90 percent of their tax revenues from the same tax sources; they tap these tax sources without much regard for one another's activities or policies. Both governments use income, estate, liquor, tobacco, and gasoline taxes, to mention only the most important areas of duplication. The result is wasteful expenditure for duplicate tax administration, expense and annoyance to taxpayers, and a haphazard distribution of the tax burden. Tax jurisdictional conflicts between the States and friction over the taxation of each other's activities by the Federal Government and the States are additional consequences.

The over-all problem of intergovernmental tax coordination has already been studied in great detail both by the Federal Government and State-local governments, and there is not too much mystery about its solution. This amendment would call upon the President to

assemble and pass on to the Congress the best thought on this problem in order that the Congress might have it at its disposal in proceeding to develop an integrated Federal-State-local tax coordination program.

Mr. President, I appreciate the fact that I have spoken at considerable length, but I have spoken out of a sincere desire to make a record, in behalf of progressive Republicans, for the type of tax program which we think our party and Congress should adopt in this session, in preference to the tax bill now pending before the Senate. I do not imagine I shall succeed in having all the amendments adopted, Mr. President; I am not sure I shall succeed in having any one of them adopted. I am satisfied, however, that if the Republican leadership in the Senate of the United States at the present time would only take my eight amendments to the business leaders of America, they would be surprised to discover how many business leaders would endorse the eight amendments, or portions of them, or most of them.

I have not been talking this afternoon just for the record. True, I have been talking for future reference; but I have also been talking out of a sincere conviction that my party owes it to the country at this time to pass tax legislation of the type I have discussed, rather than the tax bill which it is proposed. The pending bill in my judgment is a tax bill which gives undue preference to the wealthy and too little consideration to the poor. I cannot support it. As a progressive Republican, I recommend to my party the tax program I have discussed. I shall plead for it again and again on the platforms of America, in 1948, 1952, and 1956, if it takes that long to get my party to adopt the type of tax program which has been too long overdue in America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes, and it was signed by the President pro tempore.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Oregon [Mr. MORSE].

Mr. MILLIKIN. Mr. President, I understood the Senator from Florida [Mr. HOLLAND] wanted to speak tonight. Is the Senator prepared to proceed at this time?

Mr. HOLLAND. I am prepared. My understanding from the Senator from Colorado and the Senator from Nebraska was that they preferred to have certain votes tonight, so I sent the speech away.

Mr. MILLIKIN. Mr. President, the understanding was that the Senator from Oregon [Mr. MORSE] was to start offering his amendments after he finished speaking. He is not ready to do that. I had understood the Senator from Florida would want to talk for about 45 minutes. It occurred to me that this was a very good time for the Senator to speak.

Mr. MORSE and Mr. HOLLAND addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to comment on the statement made by the Senator from Colorado. I did not know that there was any understanding that I should proceed with my amendments tonight, but if it is the pleasure of those who have the bill in charge that I should do so, I have no objection. I was under the impression that what was desired was that I should make my major speech this afternoon on my whole approach to the tax program, and offer my first amendment, but that we would vote first, I thought—I may have misunderstood or misinterpreted remarks made to me, not by the Senator from Colorado, but in general conversation on the floor—on the community-property amendment offered by the Senator from Arkansas.

I have no objection, Mr. President, to advancing my amendments tonight, but I want to say that I should like to have them go over, unless an effort is to be made to have a vote on the bill tonight. I have no objection if it is desired that the Senate stay in session to vote on the bill tonight, because it is my desire to have a vote on it as quickly as possible. But if it is proposed to meet tomorrow, Mr. President, I should like to have my amendments go over so that the Members of the Senate may have an opportunity to read the CONGRESSIONAL RECORD and determine for themselves what merit they may believe is to be found in my amendments.

Mr. MILLIKIN. Let me ask the distinguished Senator from Oregon, if the Senate were to recess until tomorrow, would he then bring up his amendments, so we could proceed and act upon them?

Mr. MORSE. I shall be glad to accede to whatever order the leadership desires. If the leadership wish me to proceed with my amendment first, and then take up the amendment offered by the Senator from Arkansas, and after that the amendment to be proposed by the Senator from West Virginia, that is all right with me.

Mr. LANGER and Mr. TAYLOR addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and if so, to whom?

Mr. MILLIKIN. I am informed the Senator from Idaho was on his feet first. I yield to him.

Mr. TAYLOR. Mr. President, I wish to speak for about 15 minutes.

Mr. LANGER. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. LANGER. I wish the RECORD to show that I support each and every amendment proposed by the distinguished Senator from Oregon; that I agree totally with the argument he has presented upon the floor this afternoon; and that I expect to be associated with him, if necessary, upon the platforms in 1948, 1952, 1956, and, if necessary, in 1960.

Mr. TAYLOR obtained the floor.

Mr. MORSE. Mr. President, will the Senator from Idaho yield to me for one comment?

Mr. TAYLOR. I yield.

Mr. MORSE. I want to say that I deeply appreciate the remarks made by the Senator from North Dakota. He is one of the progressive Republicans I was talking about this afternoon. I shall be very happy to join with him in a campaign for the adoption of the type of tax program I have discussed.

Mr. MILLIKIN. Mr. President, will the Senator from Idaho yield to me?

Mr. TAYLOR. I yield.

Mr. MILLIKIN. I desire to address an inquiry to the distinguished majority leader. It is my understanding that after the Senator from Idaho completes his speech, or at about 6 o'clock, the Senate will recess until 11 o'clock tomorrow morning, and that the Senate will remain in continuous session tomorrow and tomorrow night, if necessary, to try to complete action on the tax bill.

Mr. WHITE. Mr. President, will the Senator from Idaho yield to me?

Mr. TAYLOR. I yield.

Mr. WHITE. That does not agree exactly with my understanding. I had thought that the Senate would continue consideration of the bill until half past five or somewhere in that neighborhood. It was then understood that there would be an executive session, and that an opportunity would be given the Senator from North Dakota [Mr. LANGER] to discuss the nomination of James Bruce, of Maryland, to be Ambassador to Argentina. It was my hope, and I believe it was the hope of the Senator from Kentucky [Mr. BARKLEY], that we could dispose of the Bruce nomination today, and possibly proceed to other nominations on the executive calendar. If that arrangement could be agreed to, I would be perfectly willing to recess then until 11 o'clock tomorrow, if that is the desire of the Senator from Colorado, who is in charge of the pending legislation.

Mr. MILLIKIN. Mr. President, it certainly is not the desire of the junior Senator from Colorado to have anything interfere with consideration of the tax bill tomorrow; but that discussion shall begin at 11 o'clock and that it be continued thereafter until final action upon the bill is taken, if that is at all possible.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BARKLEY. My understanding accords with that of the Senator from Maine. We have been trying to have an executive session for a week to consider the nomination of Mr. Bruce to be Ambassador to Argentina. There is a vacancy in that post, and it is important that the nomination be acted upon soon. The Senator from North Dakota desires to make some remarks regarding the nomination, and we have tried to accommodate ourselves to him. I

understand he is now ready to proceed. I hope that even now, if the Senator from Idaho will postpone his remarks until tomorrow, we may proceed with consideration of that nomination.

Mr. TAYLOR. Mr. President, I should like to have about 2 minutes, and then I can put off my speech until tomorrow. I wanted to say something which I was desirous that the Senator from Oregon should hear. I want to be sure that he is present when I make the statement, and he is here now.

Mr. President, I want to say that the address delivered by the distinguished and able Senator from Oregon today has been an inspiration to me, and it should be to all liberal-minded people in our country. I agree with practically everything he said. I will go on record with the Senator from North Dakota [Mr. LANGER] in saying that I shall support the amendments of the Senator from Oregon right down the line. I think they are very fine.

There is only one thing for which I wanted to take the Senator from Oregon to task. The Senator from Oregon has built himself up a wonderful reputation as a great liberal, and it is a deserved reputation, Mr. President, but I feel that at times he abuses it, because whenever the Senator from Oregon speaks or whenever he appears before gatherings of common people they take his word as gospel.

During the last campaign the Senator from Oregon went forth and campaigned for individuals to be elected to the United States Senate who have practically never voted with him. I am afraid he sort of sold the folks who believe in him down the river. I do not think he did so intentionally. He campaigned with a prayer in his heart that they would be more or less liberal—he probably thought less and hoped more—but it did not turn out that way.

Today, Mr. President, the Senator from Oregon has repeatedly used the expression, "We liberal Republicans." At one time I asked him to yield. I was going to ask him to take about 10 seconds out and name the liberal Republicans, so we would know whom he was talking about, and so the people, when they read his speech, would know to whom he referred. Ten seconds would have been overly long, because one can name one a second, and at that rate he could probably have used about 4 seconds. But I think the Senator from Oregon has a sort of a "Harvey" complex. Perhaps Senators have heard of the play on Broadway in which the principal actor has a friend, a large, invisible rabbit. It is not an ordinary rabbit; it is a very large rabbit, but it is invisible. I think the liberal Republicans to whom the Senator refers are his "Harvey." He likes to talk about them, and I suppose in his estimation they are big, but when we get down to bare facts "Harvey" just is not there, Mr. President. [Laughter.] He is a figment of the imagination. So I wanted to make these few remarks in order to keep the record straight when the people read the speech and all the talk about the "liberal Republicans." I admit that the program is fine. I am for it; but I will warrant that it will receive four or five or six times as much support on the Democratic side of the aisle as it will from all the liberal Republicans to whom the Senator from Oregon has referred.

Mr. President, that is all I wish to say at this time. I can say the rest of what I have to say tomorrow.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. MORSE. Let me say to the Senator from Idaho that I know when I have taken a masterful shellacking. I want to assure him that my conceptions of political ethics are such that in 1948 I will be in there fighting for the Republican Party.

Mr. TAYLOR. Mr. President, I am disappointed to hear that. If the Senator had said that he would be in there fighting for liberal Republicans, I would have cheered him, and he would have had a much easier job, because he would not have to do so much fighting in so many different places. But when he says that he will be in there fighting for Republicans, regardless of who they may be, then I am afraid I shall have to follow the Senator from Oregon around everywhere he goes and make a speech following his, telling the people what he did in 1946, and that he is trying to do the same thing to them again. [Laughter.]

EXECUTIVE SESSION

Mr. WHITE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Max M. Bulkeley, of Colorado, to be United States attorney for the district of Colorado, vice Thomas J. Morrissey, resigned.

By Mr. MILLIKIN, from the Committee on Finance:

Nora M. Harris, of Connecticut, as collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn., to fill an existing vacancy.

William J. Storen to be collector of customs for customs collection district No. 16, with headquarters at Charleston, S. C. (reappointment); and

Abe D. Waldauer to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn. (reappointment).

PROTOCOL RELATING TO AN AMENDMENT TO CONVENTION ON INTERNATIONAL CIVIL AVIATION—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, transmitting Executive GG, Eightieth Congress, first session, a certified copy of a protocol dated at Montreal, May 27, 1947, relating to an amendment to the Convention on International Civil Aviation. Without objection, the injunction of secrecy will be removed from the protocol, and, without objection, the message together with the protocol will be printed in the RECORD and referred to the Committee on Foreign Relations. The Chair hears no objection.

The message and protocol are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol, dated at Montreal May 27, 1947, relating to an amendment to the Convention on International Civil Aviation.

The protocol, embodying a proposed amendment to the convention, establishes the bases upon which members of the International Civil Aviation Organization shall be debarred from, and may be readmitted to, membership therein.

The Convention on International Civil Aviation, formulated at the International Civil Aviation Conference in Chicago on December 7, 1944, was ratified by me on August 6, 1946, pursuant to the Senate resolution of July 25, 1946, and came into force on April 4, 1947. It is now in force with respect to 43 countries, including the United States of America.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 11, 1947.*

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol, dated at Montreal May 27, 1947, relating to the Convention on International Civil Aviation.)

DEPARTMENT OF STATE,
Washington, July 10, 1947.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol, dated at Montreal May 27, 1947, relating to the Convention on International Civil Aviation.

The Convention on International Civil Aviation was formulated at the International Civil Aviation Conference in Chicago on December 7, 1944, and was submitted to the Senate for its approval on March 12, 1945 (Senate Executive A, 79th Cong., 1st sess.). Advice and consent to the ratification of the convention was given by the Senate on July 25, 1946, and the convention was ratified by you on August 6, 1946. It came into force on April 4, 1947, and at the present date is in force with respect to 43 countries, including the United States of America.

Under the terms of the convention there came into being the permanent International Civil Aviation Organization (ICAO), the first Assembly of which met in Montreal from May 6 to June 27, 1947. At that first meeting of the Assembly, one of the most important items on the agenda was the bringing of ICAO into formal relationship with the United Nations as a specialized agency of the latter Organization.

The following factors were involved in the question of establishing a relationship with the United Nations:

1. A draft agreement of relationship between ICAO and the United Nations was approved by the United Nations General Assembly on December 14, 1946, subject, however, to compliance by ICAO with any decision of the General Assembly regarding the Franco government of Spain.

2. The General Assembly on December 12, 1946, had adopted a resolution recommending "that the Franco government of Spain be debarred from membership in international agencies established by or brought into relationship with the United Nations, and from participation in conferences or other activities which may be arranged by the United Nations or by those agencies, until a new and acceptable government is formed in Spain."

3. As a signatory of the Convention on International Civil Aviation, Spain had ratified the convention and deposited its instrument of ratification thereof on March 5, 1947, thereby becoming a party to the convention, upon its entry into force, and a member of ICAO.

The establishment of the relationship of ICAO with the United Nations involved a question, therefore, whether Spain should be expelled from ICAO in order to comply with the proviso in the draft agreement of relationship, or should be permitted to remain a member of ICAO and the idea relinquished of relating ICAO to the United Nations.

Since the Convention on International Civil Aviation did not provide for expulsion of any of its members from ICAO, it was decided at the first assembly of ICAO that amendment of the Convention was necessary so as to make possible the debarment of Spain. A proposed amendment setting up the bases for debarment and readmission of member states, together with the question of the approval of the draft agreement with the United Nations and the acceptance of the condition of the General Assembly resolution of December 12, 1946, was considered initially at the first assembly of ICAO by a Commission of the Assembly, and subsequently at a plenary meeting of the Assembly.

In the debates, the delegates of Argentina, Ireland, Portugal, Switzerland, and the Union of South Africa joined Spain in opposition to a proposed amendment to the Convention which would enable compliance with the condition in the draft agreement of relationship with the United Nations. Their opposition was based on the view that ICAO is a technical organization which should not be subject to political considerations and which would lose its effectiveness if politics were permitted to interfere.

The delegates of the United States, the United Kingdom, France, China, Czechoslovakia, Canada, and a number of other governments contended that support of a recommendation of the United Nations General Assembly and affiliation of ICAO with the United Nations were far more important than the technical advantage of retaining Spain as a member of ICAO and not having a relationship agreement between ICAO and the United Nations.

On May 13, 1947, at the third plenary meeting of the first Assembly of ICAO, there was adopted a resolution approving the agreement of relationship between ICAO and the United Nations and acceptance of the condition imposed by the General Assembly of December 12, 1946, with respect to Franco Spain. The resolution was carried by a vote of 32 to 0, with two absences (Spain and the Dominican Republic).

A second resolution approving the proposed amendment to the convention was adopted by a vote of 27 to 3, with two abstentions and two absences. The vote was as follows:

For the resolution: The United States, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Czechoslovakia, Denmark, Egypt, France, Greece, Guatemala, Iceland, India, Liberia, Mexico, the Netherlands, New Zealand, Norway, Peru, the Philippines, Sweden, Turkey, the United Kingdom, and Venezuela.

Against: Ireland, Portugal, and Switzerland.

Abstained: Argentina, Union of South Africa.

Absent: Dominican Republic, Spain.

After having specified that the protocol would come into force on the date on which the twenty-eighth instrument of ratification is deposited, the ICAO Assembly, on May 16, 1947, instructed the Secretary General to draw up for ratification a protocol of amendment to be signed by the President and Secretary General of the Assembly. Their signatures were affixed to the original of the protocol at Montreal on May 27, 1947. It is this protocol of which a certified copy is inclosed herewith.

Respectfully submitted.

G. C. MARSHALL.

THE PRESIDENT,
The White House.

PROTOCOL RELATING TO AN AMENDMENT TO THE CONVENTION ON INTERNATIONAL CIVIL AVIATION

The Assembly of the International Civil Aviation Organization,

Having been convened at Montreal by the Interim Council of the Provisional International Civil Aviation Organization, and having met in its First Session on May 6th 1947, and

Having considered it advisable to amend the Convention on International Civil Aviation done at Chicago on December 7th 1944,

Approved on the thirteenth day of May of the year one thousand nine hundred and forty-seven, in accordance with the provisions of Article 94 (a) of the Convention on International Civil Aviation done at Chicago on December 7th 1944, the following proposed amendment to the said Convention which shall be numbered as "Article 93 bis":

"ARTICLE 93 BIS

"(A) Notwithstanding the provisions of Articles 91, 92, and 93, above,

"(1) A State whose government the General Assembly of the United Nations has recommended be debarred from membership in international agencies established by or brought into relationship with the United Nations shall automatically cease to be a member of the International Civil Aviation Organization;

"(2) A State which has been expelled from membership in the United Nations shall automatically cease to be a member of the International Civil Aviation Organization unless the General Assembly of the United Nations attaches to its act of expulsion a recommendation to the contrary.

"(B) A State which ceases to be a member of the International Civil Aviation Organization as a result of the provisions of paragraph (A) above may, after approval by the General Assembly of the United Nations, be readmitted to the International Civil Aviation Organization upon application and upon approval by a majority of the Council.

"(C) Members of the Organization which are suspended from the exercise of the rights and privileges of membership of the United Nations shall, upon the request of the latter, be suspended from the rights and privileges of membership in this Organization",

Specified on the sixteenth day of May of the year one thousand nine hundred and forty-seven, pursuant to the provisions of the said Article 94 (a) of the said Convention, that the above mentioned amendment shall come into force when ratified by twenty-eight Contracting States, and

Instructed at the same date the Secretary General of the International Civil Aviation Organization to draw up a Protocol embodying this proposed amendment and to the following effect, which Protocol shall be signed by the President and the Secretary General of the First Assembly.

Consequently, pursuant to the aforesaid action of the Assembly,

The present Protocol shall be subject to ratification by any State which has ratified or adhered to the said Convention. The instruments of ratification shall be transmitted to the Secretary General of the International Civil Aviation Organization for deposit in the archives of the Organization; the Secretary General of the Organization shall immediately notify all Contracting States of the date of deposit of each ratification;

The aforesaid proposed amendment of the Convention shall come into force, in respect of the States which have ratified this Protocol, on the date on which the twenty-eighth instrument of ratification is deposited. The Secretary General of the Organization shall immediately notify all the States parties to or signatories of the said Convention of the date on which the proposed amendment comes into force;

The aforesaid proposed amendment shall come into force in respect of each State ratifying after that date upon deposit of its instrument of ratification in the archives of the Organization.

In faith whereof the President and the Secretary General of the First Assembly of the International Civil Aviation Organization, being authorized thereto by the Assembly, sign this present Protocol.

Done at Montreal on the twenty-seventh day of May of the year one thousand nine hundred and forty-seven in a single document in the English, French, and Spanish languages, each being equally authentic. This Protocol shall remain deposited in the archives of the International Civil Aviation Organization; and certified copies thereof shall be transmitted by the Secretary General of the Organization to all States parties to or signatories of the Convention on International Civil Aviation done at Chicago on December 7th, 1944.

(S.) ARTHUR S. DRAKEFORD,
President of the First Assembly.
(S.) ALBERT ROPER,
Secretary General of the First Assembly.

I hereby certify that the present document is a full, true and correct copy of the Protocol deposited in the Archives of the International Civil Aviation Organization.

ALBERT ROPER.

The PRESIDENT pro tempore. Without objection, the various resolutions lying on the table which refer to instructions to discharge various committees, and other subjects, will be passed over for today.

If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Frank B. Potter to be United States attorney for the northern district of Texas, which has been previously passed over.

Mr. WHITE. Mr. President, I understand that the two nominations under this heading were previously passed over.

Mr. BARKLEY. Mr. President, they were passed over yesterday, or 2 or 3 days ago, but I do not understand that the Senator from Texas desires to have them passed over further.

Mr. WHITE. I did not understand that the Senator from Texas wished to have them passed over further.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Frank B. Potter to be United States attorney for the northern district of Texas?

The nomination was confirmed.

The legislative clerk read the nomination of Henry W. Moursund to be United States attorney for the western district of Texas.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of James Bruce to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Mr. BREWSTER. Mr. President, I ask whether we can take up out of order the remaining nominations on the calendar, after that of Mr. Bruce. I think there will be no difficulty about them.

The PRESIDENT pro tempore. The Senator from Maine asks that the one controversial nomination be passed over, and that the remaining nominations on the calendar be considered. Is there objection? The Chair hears none, and it is so ordered.

The legislative clerk proceeded to read sundry other nominations in the Diplomatic and Foreign Service.

The PRESIDENT pro tempore. Without objection, the nominations in the Diplomatic and Foreign Service, aside from that of James Bruce, are confirmed en bloc and, without objection, the President will be immediately notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc; and, without objection, the President will be immediately notified.

THE ARMY

The legislative clerk read the nomination of Maj. Gen. Kenneth Frank Cramer to be Chief of the National Guard Bureau, with the rank of major general, for a period of 4 years from date of acceptance.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy are confirmed en bloc; and, without objection, the President will be notified forthwith.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDENT pro tempore. Without objection, the nominations in the Marine Corps are confirmed en bloc; and, without objection, the President will be notified forthwith.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Harley Hise to be a member of the Board of Directors of the Reconstruction Finance Corporation.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of ROBERT FRANKLIN JONES to be a member of the Federal Communications Commission.

Mr. PEPPER. Mr. President, this nomination has apparently been thoroughly considered by the committee. I know that the committee has appraised the evidence for and against Mr. JONES in a thorough and comprehensive way. I have no disposition whatever to take exception to the decision rendered by the committee.

However, before the nomination is confirmed, I think it is only proper to say that I am sure that the Senate likewise has no criticism of those who, having some evidence against the nominee, presented to the best of their ability, that evidence, together with the sources of it, to the committee for consideration.

I have in mind particularly the action of Mr. Drew Pearson, who I understand was informed by persons whom he had the right to regard as responsible that there might be certain association on the part of Mr. JONES which should be brought to the notice of the public and to the attention of the committee, and should have proper consideration. I understand that Mr. Pearson brought before the committee the evidence which he had on the subject, and submitted it to the committee for its consideration. He submitted his own data and opinions on the subject, and, of course, in the tradition of a good American, left it to the committee for decision.

I believe that the action of Mr. Pearson as a newspaperman was in accord with the highest traditions of the newspaper profession in rooting out anything which he thought contrary to the public interest and bringing it to the attention of the proper tribunal for decision. While I am glad that Mr. JONES has been exculpated by the distinguished committee of any reprehensible conduct or associations, I thought it not an impropriety to say that I think Mr. Pearson has rendered a public service by bringing this matter out into the open and having it fairly and publicly considered, so that the matter could be concluded by a competent committee of the Congress. While we are ready to confirm Mr. JONES' nomination, we are in no sense of the word condemning those who brought to the attention of the committee any matter concerning this nomination which they thought affected the public interest.

Mr. BREWSTER. Mr. President, I shall not delay the Senate at this time. Mr. Pearson is not before the Senate for confirmation. The nomination of Mr. JONES is. I understand that there is unanimous agreement in the committee. The question has been widely discussed in the public press. The record is available so that any who care to do so may read it. After 3 days of hearings, the committee was unanimous in its conclusion. Any discussion of other personalities involved may well await another occasion.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of ROBERT FRANKLIN JONES to be a member of the Federal Communications Commission?

The nomination was confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

DIPLOMATIC AND FOREIGN SERVICE—NOMINATION OF JAMES BRUCE

The PRESIDENT pro tempore. The question recurs on the nomination of James Bruce to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Mr. LANGER. Mr. President, I rise to speak in opposition to the confirmation of the nomination of James Bruce, of Maryland, realizing that, in view of the fact that the nomination has been reported unanimously, there is very little chance of the confirmation of the nomination being stopped. However, Mr. President, I deem it my duty to speak in opposition to this confirmation, for numerous reasons which I shall enumerate.

Ever since I have been a Member of the Senate I have received every little while a resolution adopted by farmers or by consumers in various portions of the United States protesting against the concentration of wealth. I have one such resolution in my hand. This is a typical paragraph:

> Whereas the continued concentration of corporate wealth in private monopolies constitutes a serious threat to the economic stability of the Nation, and to the prosperity and living standards of all American consumers, but the potential benefits of large-scale production and distribution should be obtained for consumers; and
>
> Whereas a concerted effort is being made by some entrenched enterprises to cripple the growth and effectiveness of producers' and consumers' cooperatives, which seek to get for consumers the benefits of large-scale production and distribution: Therefore
>
> We ask that something be done about it.

Mr. President, I object to the confirmation of this nomination, as I have said before, for various reasons. Mr. Bruce has been nominated for the position of Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina. Such a nomination is never made of some common, ordinary citizen of the United States. One looks over the record of persons who have been nominated to represent this country as ministers or ambassadors and almost invariably finds that they are millionaires. This case is no exception.

I am not against a millionaire simply because he may be honest and hard-working and has built his way up by hard work until he has accumulated much of this world's goods. Under our free-enterprise system I think that is most commendable. But when we find we have confirmed the nominations of Rockefellers, Armours, Cudahys, and other people who have lived off the consumers all over this country, and especially in the instant case, in which we find that the man has become extraordinarily wealthy by being the head of an organization which has raised the price of milk to little children.

According to the official record prepared by the Federal Trade Commission, he is an officer of the National Dairy Products Corp., about which I shall have

considerable to say in a few moments. We find that this man has for many years been interested in only one thing, and that is absorbing small competitors all over the country, going into towns where there was competition and where little children were able to get milk, ice cream, and butter at a fair rate, and gathering into one vast corporation those competing companies. I submit that before I conclude my remarks it will be shown that that is not the kind of a man we want to send to Argentina to represent the United States.

One of the criticisms which I have had of the foreign policy of the United States is that we do not send a representative to Puerto Rico, for instance, who says to those 2,000,000 people in that Territory, "You are citizens of the United States, and we will build you up so that you will have economic independence." On the contrary, we find a branch of the National City Bank of New York City in Puerto Rico. It is not there to help the country; it is not there to help the people of Puerto Rico to work out their own economic independence; it is there to get every single dollar it can sweat out of the blood of the people of Puerto Rico and to take the money out of that country.

Referring to the nomination of Mr. Bruce, I have in my hand an exhibit prepared by the Federal Trade Commission. It is a list of dairy products companies whose capital stocks or assets have been acquired in whole or in part by the National Dairy Products Corp., printed in chronological order from the date of organization until November 15, 1938.

I call attention to the fact that Mr. Bruce is one of the men in charge of the affairs of that corporation.

On the 8th of December 1923, that corporation bought the stock of the Hydrox Corp., of Chicago, Ill. On the same date it bought the stock of the Hydrox Corp. of Indiana, at Hammond, Ind. On the same date it bought Sheevers Ice Cream Co., Inc., at Long Island City, N. Y.

On the 12th day of January 1924, this corporation, of which, as I said, Mr. Bruce is one of the leading lights, bought the Rieck-McJunkin Dairy Co., of Pittsburgh, Pa. These concerns are all manufacturers of ice cream. The Pittsburgh company dealt in milk, cream, ice cream, and other milk products.

On the same date, the 12th day of January 1924, this millionaire outfit bought the Pittsburgh Ice Cream Co., of Pittsburgh, Pa., a manufacturer of ice cream.

On the same date it bought the Rieck Certified Farm Co., of Rootstown, Ohio. Some of these concerns were bought in violation of the laws of this country. The company was thoroughly familiar with the fact that under the Antitrust Act it could not buy, in certain instances, the stock of a company, so it bought the assets and thereby evaded the antitrust laws of the United States.

On the 14th day of May 1924, they bought the Castles Ice Cream Co., of Perth Amboy, N. J.

On June 1, 1924, they bought the W. E. Hoffman Co., of Altoona, Pa.

On September 1, 1924, they bought the Durkin Ice Cream Co., of Waukegan, Ill.

On the 20th of November, they bought out Moore Bros. Co., of Oil City, Pa. In that case they bought the stock. That company dealt in milk, cream, ice cream, butter, and cheese.

On January 8, 1925, they bought the Chapell Ice Cream Co., Inc., of Chicago. That company dealt in ice cream.

On January 8, 1925, the same day, they bought the Thompson Ice Cream Co., Inc., of Chicago. Those two companies were competitors, and they bought both of them on the same day.

On January 15, 1925, they bought the William Olhaver Co. of Aurora, Ill., dealers in ice cream. In that case they bought the assets, to circumvent the law.

On February 2, 1925, they bought the C. E. Clark Co. of Indiana, Pa., dealers in ice cream. In order to circumvent the antitrust laws, they bought the assets of that company and merged it with the W. E. Hoffman Co., one of their subsidiaries.

On March 3, 1925, they bought the Bridgeman-Russell Co., Inc., of Long Island City, N. Y., and prior thereto they had bought one of its competitors on Long Island that dealt in ice cream.

On April 30, they bought the stock of the Clover Farm Dairy Co., of Memphis, Tenn., dealers in milk, cream, ice cream, and other products.

On the same day, April 30, in order to wipe out competition in Memphis, Tenn., they bought the Lily Ice Cream Co. of Memphis. In that case they also bought the stock.

On the 16th day of May 1925, they bought the Erie County Milk Association, of Erie, Pa., dealers in milk, cream, ice cream, and other milk products.

On May 29th, they bought the Allen Ice Cream Co., of Rockford, Ill., dealers in ice cream.

On June 1, 1925, they bought the American Ice Cream and Baking Co., manufacturers of ice cream; and there again they bought the assets, in order to circumvent the antitrust laws.

On June 13, they bought out Louis Mogolia, of Morristown, N. J. There, again, they bought the assets, and merged that company with one of their other subsidiaries. Those companies dealt exclusively in ice cream.

On August 1, they bought the Humphries-Philadelphia Ice Cream Co., of Brooklyn, N. Y., and there again in order to circumvent the antitrust laws, they purchased only the assets. That company also dealt exclusively in the manufacture of ice cream.

On August 11, 1925, they bought the stock of the Carpenter Ice Cream Co., of St. Louis, Mo., manufacturers of ice cream.

On August 17, 1925, they bought the Lake City Ice Cream Co., of Jamestown, N. Y., manufacturers of ice cream.

On August 31, they bought the Levant Ice Cream Co., of Jamestown, N. Y. I call attention to the fact that a year and a half before that time they had gone to Jamestown, N. Y., and had purchased a competitor of that company. So finally they had a practical monopoly in Jamestown, N. Y., insofar as the manufacture of ice cream was concerned. Again, to circumvent the antitrust laws, they bought only the assets, so that the Federal Trade Commission would not have any jurisdiction, because of the wording of the law and the opinion or decision of the Supreme Court of the United States.

On the 2d day of September 1925, they bought the Jamestown Ice Cream Co., Inc., a third ice cream company in Jamestown, N. Y. It also manufactured ice cream and other milk products. That was the third ice cream and milk-products company they purchased in Jamestown, N. Y., in order to control that industry in Jamestown.

On September 29, they bought the Nashville Pure Milk Co., of Nashville, Tenn., manufacturers of cream, milk, butter, and milk products. At that time they bought the stock.

On September 30, 1925, they bought out Albert Benomo, of Brooklyn, N. Y.; and in that case, again to circumvent the antitrust laws, they bought only the assets of that company, which was engaged in the manufacture of ice cream.

On November 6, they bought out the Supplee-Wills-Jones Milk Co., of Philadelphia, Pa., manufacturers of milk, cream, ice cream, and other milk products; and on the same day they also bought the Newark Milk Co., of Newark, N. J., manufacturers of milk, cheese, and condensed milk.

On December 1, they bought all the stock of the Sheffield Farms Co., of New York City, manufacturers and dealers in milk, cream, butter, cheese, and other milk products; and on the same day they also bought the Sheffield Condensed Milk Co., of New York City. At that time they bought the stock. That company manufactured evaporated and condensed milk. On the same day they also bought out the Sheffield By-Products Co., Inc., of New York. They bought the stock of that company, which manufactured casein, milk sugar, and other milk products.

On December 10, they bought the stock of the Union Ice Cream Co., of Nashville, Tenn., manufacturers of ice cream, and on the same day one of the leading lights or officials of the company bought the Franklin Ice Cream Co., of Kansas City, Mo. At that time, when they bought those two plants, again to circumvent the antitrust laws, they bought only the assets. Those two companies were manufacturers of ice cream, cream, and condensed milk.

On December 18 of the same year, they went farther West, and bought out the Harding Cream Co., of Omaha, Nebr. They bought the stock of that company, which manufactured butter, ice cream, and other milk products.

On the 28th day of December, 10 days later, they bought the Breyer Corp., of Philadelphia, Pa., and, again to circumvent the antitrust laws, they bought the assets. That company was manufacturing ice cream and was dealing in milk, cream, and butter.

On the same day, they also bought the Breyer Ice Cream Co., the fourth concern in the Long Island area that they bought in a short space of time. Again to circumvent the antitrust laws, they bought only the assets. That concern dealt only in ice cream. And on the same day they also bought the Crescent Ice

Cream Co., of Rockford, Ill., and again to circumvent the antitrust laws they bought only the assets of that company, which dealt in the manufacture of ice cream.

Mr. President, I call attention to the fact that on the same day they bought a concern in Philadelphia, Pa., and another one in Long Island, N. Y., and one in Rockford, Ill., and again to circumvent the antitrust laws, they bought only the assets of those companies, which dealt in the manufacture of ice cream; and also on the same day they bought out the Titusville Butter & Egg Co., of Titusville, Pa., and again, in order to circumvent the antitrust laws, they bought only the assets. That concern dealt in butter and eggs.

On January 20, 1926, they bought the Consolidated Buttermilk Corp., of Chicago, Ill., a holding company which had charge of a great many other concerns which dealt in milk, butter, and ice cream. On the same day they bought the Consolidated Products Co. of Chicago, Ill. In that case they bought the stock. That concern dealt in semisolid buttermilk. On the same day they also bought the Canadian United Products Co., Ltd., going all the way to Canada, and becoming an international concern. At that time they also bought the stock; and, strangely enough, that company also was engaged only in the manufacture of semisolid buttermilk.

On March 26, 1926, they bought the Laher Ice Cream Co., of Bedford, Pa. They bought the stock of that company, which manufactured ice cream and dealt in milk products.

On the 13th day of August they bought the Luick Ice Cream Co., of Milwaukee; and again to circumvent the antitrust laws they bought only the assets. That concern was interested only in the manufacture of ice cream.

On December 31, they bought the Oak Brand Ice Cream Co., of Rockford, Ill. I call attention to the fact that that is the third concern in Rockford, Ill., which they bought in order to eliminate competition; and again, in order to circumvent the antitrust laws passed by the Congress, which had been in force for some years at that time, they bought only the assets, and they promptly put that concern out of business, after they purchased it, by merging it with the Allen Ice Cream Co.

On the 25th day of May, they bought the Collis Products Co. at Clinton, Pa., a concern manufacturing dry buttermilk. On the 27th day of June 1927, they bought the Highland Dairies, Inc., at Bryn Mawr, Pa., and again to circumvent the antitrust statutes, bought only the assets, and consolidated them with the assets of one of their subsidiaries, and put out of business this concern which was engaged in dealing only in milk.

On the 5th day of October, they bought the Trapp Bros. Dairy Co. at Milwaukee, Wis., which was engaged in the milk, cream, and other milk-products business.

On the 19th day of December, they bought the Real Ice Cream Co., of Omaha, Nebr., and to circumvent the antitrust law, again, they bought all of the assets, and merged them with the Harding Cream Co., which I previously mentioned.

On the 12th day of January 1928, they bought the Breakstone Bros., Inc., of New York City, and again to circumvent the antitrust statute they bought the assets only. This concern was engaged in the business of manufacturing cheese, butter, cream, and other milk products.

On the same day, the 12th day of January 1928, this tremendous monopoly, headed by this man we are about to send to the Argentine, bought another company. I wish to say to the distinguished junior Senator from Nebraska [Mr. WHERRY], sitting near me, that I am coming to the State of Nebraska, in which he is interested, and show what happened in his State. They have already bought two companies in Omaha.

The Palisade Cheese Co., of New York, was acquired on the 12th day of January, and that concern was engaged in the business of manufacturing cheese and other milk products.

On the 28th day of February, this monopoly bought the St. Louis Dairy Co., of St. Louis, Mo., and, again, to circumvent the antitrust laws they bought only the assets. This concern was engaged, when they bought it, in the manufacture of milk, butter, cream, ice cream, and other milk products.

On the 21st day of March, they bought the South Side Dairy Products Co., of Oil City, Pa. That is the second concern they bought in Oil City, Pa., and again to circumvent the law and get away from the antitrust statutes, they bought only the assets. It is very significant that no Republican Attorney General, and that no Democratic Attorney General, ever has enforced the criminal provisions of the Antitrust Act against anyone. The law provides that where there is a trust of this kind, the men guilty can be put in jail. No Attorney General, until Tom Clark came along, attempted to carry out the law. Attorney General Tom Clark is the first Attorney General in the history of America who ever announced that he was going to put men who violated the antitrust laws in jail if he could possibly do so. It is significant. By the way, the only person who was ever put in jail for violating the antitrust law—and he was incarcerated for violating an injunction—was Eugene Debs, the great leader of some 30 or 35 years ago.

Mr. President, this monopoly, of which Mr. Bruce is one of the heads, on the 23d day of March bought the Jersey Ice Cream Co., of Columbus, Nebr. The Senator from Nebraska no doubt knows where Columbus is located. Again to circumvent the antitrust statutes—and I am addressing myself to the distinguished junior Senator from Nebraska—to circumvent the antitrust statute both of the State and of the Federal Government, they bought only the assets, and they merged them with those of the Harding Cream Co. The Jersey Ice Cream Co., of Columbus, Nebr., was engaged at that time in the manufacture of ice cream.

On the 26th day of April, they bought the Telling-Belle-Vernon Co., of Cleveland, Ohio. That company was engaged in the buying of milk and cream and in the manufacture of ice cream and other milk products.

I call attention to this significant fact to show how men greedy for money will act. On the same day, the 26th day of April, this outfit went to Cleveland, Ohio, and in order to wipe out competition, bought the Telling-Belle-Vernon Co., of Cleveland. They bought the Baker-Tabor Co., of Cleveland, they bought the Peerless Ice Cream Co., of Cleveland, they bought the Bell-Vernon-Mapes Co., of Cleveland, they bought the Telling Brothers Co., of Cleveland, all on the 26th day of April. Six companies they bought on the same day in Cleveland, Ohio. Three of those companies were engaged in the manufacture of ice cream alone. The other three were engaged in handling cream, milk, and other milk products. This multimillionaire concern bought up six companies.

On the 27th day of April 1928, they bought the Roberts Dairy Co., of Brooklyn, N. Y., and again to circumvent the antitrust statute they bought only the assets. That company was engaged in the manufacture of ice cream.

On the 12th day of May, they bought two concerns at the same time in Cincinnati, the Tri-State Butter Co., of Cincinnati, and the Charles H. Hess Co., of Cincinnati. Again to circumvent the antitrust statute they bought only the assets, and they merged those with the assets of the Tri-State Butter Co. Both these companies at that time were engaged in manufacturing and dealing in butter and buttermilk.

On the 4th day of September, they bought Alex Grossman & Co., New York City, and again to circumvent the laws bought only the assets. That concern dealt in butter and buttermilk.

Two days later they bought out the Peoples Sanitary Dairy Co., of Norristown, Pa., and again to circumvent the law they bought only the assets. That company was engaged in dealing in milk and milk products.

On the 1st day of October, they bought two concerns, both in New Jersey, one the Consumers Dairy Co., of Uniontown, N. J., the other the Keystone Dairy Co., of Hoboken, N. J. Again to get away from being sued they bought only the assets of those two companies, and both of them were engaged in the milk, cream, butter, cheese, and other milk products business.

On the 29th day of October 1928, they went to Michigan. For the first time we find this outfit in Michigan. They went to the city of Detroit and there they bought out the Arctic Dairy Products Co. Then they went to the city of Grand Rapids, Mich., and bought out the Rockford Ice Cream Co. The latter company was engaged in the manufacture of ice cream only. The other company was engaged in the business of handling cream, milk, butter, and other milk products.

On the 5th day of November, they bought all the stock of the General Ice Cream Corp., of Schenectady, N. Y. On

the same day they bought 35 other concerns. Talk about monopoly and raising the price of milk and ice cream to little children. On that one day Mr. Bruce and his associates bought the General Ice Cream Corp., Schenectady, N. Y.; the Albany Ice Cream Co., of Albany, N. Y.; the Amsterdam Ice Cream Co., of Amsterdam, N. Y.; the Binghamton Ice Cream Co., of Binghamton, N. Y.; the Cataract Ice Cream Co., of Niagara Falls; the Clayton Ice Cream Co.—it does not say what town that is in, so I assume Clayton. They bought the Coon Ice Cream Co., of Lewiston, N. Y.; they bought the Dolbey Ice Cream Co., of Providence, R. I.; the Eastern Dairies, Inc., of Springfield, Mass.; the Elmira Ice Cream Co., of Elmira, N. Y.; the Franklin Creameries Co., of Springfield, Mass.; the Geneva Ice Cream Co., of Geneva, N. Y.; the Hoefler Ice Cream Co., of Buffalo, N. Y.; the Hawe Ice Cream Co., of Rutland, Vt.; the International Ice Cream Co., of Schenectady—two in that town.

They bought the Kent Ice Cream Co., in Burlington, Vt.; Kirk-Maher Ice Cream Co., of Watertown, N. Y.; the Lake Shore Ice Cream Co., of Erie, Pa.; the Made-Rite Ice Cream Co., of New Bedford, Pa.; the Mansion House Ice Cream Co., of East Cambridge, Mass.; New Haven Dairy Co., of New Haven, Conn.; the Norton Ice Cream Co., of Rutland, Vt. I call attention to the fact that they bought two companies in Rutland. They bought the O. K. Ice Cream Co., in Binghamton, N. Y.; that made two they bought there.

They bought the Oneonta Ice Cream Co., of Oneonta, N. Y.; the Peerless Ice Cream Co., of Niagara Falls—there were two of them in Niagara Falls; the Rochester Ice Cream Co., at Rochester, N. Y.; also, the Lemon Ice Cream Co., of New Haven, Conn.; the Syracuse Ice Cream Co., of Syracuse, N. Y.; also, on the same day, the 5th of November, Tait Bros., Inc., Springfield, Mass.; three of them in Springfield on the same day; the Taylor Creameries, Inc., at Buffalo; two at Buffalo on the same day; the Utica Cream Co., at Utica, N. Y.; Wagars', Inc., at Troy, N. Y.; What Cheer Creamery Co., at Providence, R. I.—that is the second one in Providence; Wheat's Ice Cream Co., of Buffalo—two of them in Buffalo on the same day; the Fro-Joy Ice Cream Co., at Schenectady—three at Schenectady on that one day; General Ice Cream Corp., Ontario, Canada—going over into Canada again, all in the same day, 35 altogether.

In what business were all these concerns engaged? The first, dealing in ice cream and milk; the second, in ice cream; the third, in ice cream; the fourth, in ice cream; the fifth, in ice cream; the sixth, in ice cream; the seventh, in ice cream; the eighth, in ice cream; the ninth, in ice cream; the tenth, in ice cream; the eleventh, in milk, cream, and condensed milk; the twelfth, in ice cream; the thirteenth, in ice cream; the fourteenth, in ice cream; the fifteenth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth, all in ice cream; the twenty-first, dealing in milk and ice cream; the twenty-second, in ice cream; the twenty-third, in ice cream, the twenty-fourth in ice cream; the twenty-fifth in ice cream; the twenty-sixth in ice cream; the twenty-seventh, in ice cream; the twenty-eighth, in milk, cream, and other milk products. They made them all a part of this great monopoly.

Then, 7 days later, they bought the Wilson Ice Cream Co., at Huntington, W. Va., engaged in the business of manufacturing ice cream, and again, to circumvent the antitrust law, they bought only the assets of that corporation. Then they went back to Ohio again. There they bought the Akron Pure Milk Co., of Akron, Ohio, and again, to circumvent the law, they bought only the assets. That concern likewise was engaged in handling milk, cream, and other milk products. On the 23d day they bought the Sanitary Milk Co., of Canton, Ohio, and again to circumvent the law, they bought only the assets. That concern was engaged in the business of handling milk, cream, ice cream, and other milk products. On December 21—that is, 28 days later—they bought Simmons & Hammond Manufacturing Co., away up in Maine, at Portland; and again, to circumvent the law, they bought only the assets. That concern dealt in ice cream and cream. Six days later they bought out W. R. Bell, of Homer City, Pa., and again to circumvent the law, the antitrust statute, they bought only the assets. This concern was engaged in the business of handling milk alone.

Then they went back to Pennsylvania, Mr. President. Seven days later, at Everett, Pa., they bought out O. P. Laufer, and again only bought the assets, to get away from the antitrust statute. That concern was engaged in the manufacture of ice cream. On the 10th day of January 1929 they bought the Ohio Cloverleaf Dairy Co., of Toledo, Ohio, and again to circumvent the law, they bought just the assets. That concern was engaged in the business of handling milk, cream, butter, and buttermilk.

Five days later, they bought the Chestnut Farms Dairy here in Washington, D. C., and again, to get away from the law, they bought only the assets. That concern was engaged in the business of handling milk, cream, and other milk products. On the same day they bought out J. D. Roszell Co., of Peoria, Ill. Again, to get away from the antitrust statute, they bought only the assets. That concern was also engaged in the business of milk, ice cream, and other milk products.

Three days later, they bought out the Wisconsin Creamery Co., Inc., of Milwaukee, Wis. That concern was engaged in the business of dealing in milk, cream, ice cream, butter, and other milk products. On the same day, the 18th day of January, they also bought out the American Ice Cream Co., of Madison, Wis. So we find them buying out the big concern in Milwaukee, and on the same day, a concern in Madison, and on that day they bought out the American Ice Cream Co., that dealt only in ice cream. On the same day, in Wisconsin, they bought out the Bendfelt Ice Cream Co., engaged in the business of manufacturing ice cream. On the same day, in Milwaukee, they bought out the Blommer Ice Cream Co., Milwaukee, Wis., engaged in the manufacture of ice cream. On the same day, they bought out the Cedarburg Dairy Co., of Cedarburg, Wis.

On the same day, Mr. President, they bought out the Waukesha Milk Co., of Waukesha, Wis.—all of them on the same day—six of the big concerns, all located in Wisconsin, all of them engaged in the manufacture of ice cream, and all of them also engaged in the milk business. Then, 6 days later, they went back to the great State of Michigan. There they bought out the Consumers Dairy, in Jackson, Mich., a concern that was engaged in the business of dealing in milk, cream, and other milk products. Two days later there was another great day in the history of this monopoly. On that day, they were still doing business in that wonderful State of Michigan. On that day they bought out the Ebling Creamery Co., of Detroit, Mich., a concern engaged in the business of milk, cream, butter, and other milk products. On the same day, in Detroit, they bought out the City Dairies. On that same day they bought out the Highland Park-Schlaff-Wilson Co., in Detroit. On the same day, they bought out the Highland Park Creamery Co., in Detroit; they bought out the John Schlaff Creamery Co., in Detroit, also the Wilson Creamery Co., in Detroit. So, on one day, this great monopoly in the city of Detroit alone bought out six competitors in one city, the city of Detroit.

Two days after that they moved back into Pennsylvania. There they bought out the Mayflower Ice Cream Co., Altoona, Pa., and to get away from the antitrust statute, Mr. Bruce and his associates bought only the assets. That concern was engaged in the ice-cream business. The next day they went back to Michigan again, and they bought out the Citizens Dairy Co., at Flint, Mich. To get away from the antitrust statute they bought only the assets. That concern also was engaged in the business of handling milk, cream, butter, and buttermilk. The next day they went to Delaware, to the great city of Wilmington. There they bought out the Clover Dairy Co. The business of that concern was handling milk, cream, butter, and other milk products.

The next day they went back to Flint, Mich. Two days before, they bought out the Citizens Dairy Co. at Flint, Mich., and they were back 2 days later. This time they bought out the Bridgeman Dairy Co., of Flint, Mich. In order to get away from the antitrust statute, they only bought the assets. That concern was engaged in the business of dairy products.

Then, Mr. President, on the same day, the 1st day of February, they also went to Massachusetts. There they bought out the Jersey Ice Cream Co., of Lawrence, Mass., and the National Creamery Co. of Boston, Mass. Again, to get away from the antitrust statute, they bought only the assets. The first company was engaged in the manufacture of ice cream; the second, dealing in butter,

cheese, and eggs. They then returned to Ohio. There, 18 days later, they bought the Dies-Fertig Co., of Dover, Ohio. That company was acquired by turning it over to the Telling-Belle-Vernon Co., a subsidiary. Again, to get away from the antitrust statute, they bought only the assets. That company was engaged in the manufacture of cheese.

The next day they went to New York City again. This time they bought out John H. Muller Dairies, Inc., and to get away from the antitrust statute, Jim Bruce and his associates bought only the assets. That concern was engaged in the business of milk, cream, and other milk products. On the same day, they went back and bought the fifth place in Long Island, the fifth competitor, there. At that place they bought Fred H. Muller. Again, to get away from the antitrust laws, so that nobody could prosecute them, nobody could put them in jail, they bought only the assets. That company, at the time they bought it, was engaged in the business of dealing in milk, cream, and other milk products.

Then they go back to Ohio on the 4th day of March and buy up the assets of the Shetler Ice Cream Co., of Bellaire, Ohio. By reason of the fact that they already have a dozen concerns in Ohio, in order to get away from the antitrust laws they buy only the assets. That concern was engaged in the manufacture only of ice cream.

Six days later they go back to New Jersey. There they buy the Sussex Dairy Farms Products, Inc., at Westwood, N. J., and again, in order to get away from the antitrust statutes they buy only the assets. That concern was engaged in the business of milk and milk products.

On the 11th day of April, the next day after they were in New Jersey, they went back to New York, to the city of Batavia, and bought out the assets of the Batavia Ice Cream Co., which was engaged in the business of manufacturing ice cream.

Two days later they put over two huge deals. Mr. William Bruce and his associates bought two concerns in Youngstown, Ohio. The first was the Youngstown Sanitary Milk Corp. Again, in order to circumvent the law they bought only the assets. They also bought the assets only of the Ohio Pure Milk Co., of Youngstown. Both concerns were engaged in dealing in milk, cream, ice cream, and other milk products.

On the same day, in Toledo, Ohio, they bought the assets of W. R. Ruhlman & Son, Inc., of Toledo, Ohio. They bought only the assets, in order to get away from the antitrust law. That concern was engaged in the business of milk, cream, butter, and other products.

Five days later they are still in Ohio. They had already bought three concerns in Toledo, Ohio, but on that day they bought the assets of the Ohio-Toledo Ice Cream Co., of Toledo, Ohio, which was engaged in the business of manufacturing ice cream and also bought the assets of the Findlay Dairy Co., of Toledo, Ohio, engaged in the business of ice cream, milk, butter, and other milk products. In both cases, in order to get away from the antitrust laws they bought only the assets.

Then Mr. Bruce and his associates moved back to Pennsylvania, and there, 12 days later they bought the assets of Hall's Ice Cream Co., of Juniata, Pa., engaged in the manufacture of ice cream. In order to circumvent the law they bought only the assets, and in order further to circumvent the law they merged it with the W. E. Hoffman Co.

Two days later, in Buffalo, they bought the assets of two new concerns. They already had bought the assets of seven or eight concerns in Buffalo, but on that day they bought the assets of the Dodds-Alderney Dairy, Inc., a business engaged in selling milk and cream. They also bought the assets of the Queen City Dairy Co., of Buffalo, which was also engaged in the business of selling milk and cream.

Two days later they went to the great State which is so ably represented by the distinguished Republican whip, the Senator from Nebraska [Mr. WHERRY]. They went to Fremont, Nebr., and there bought the assets of the Arctic Cream Co. But the State of Nebraska has some good antitrust legislation, so in order to circumvent the State and Federal statutes they bought only the assets. That concern was also engaged in the business of manufacturing ice cream. That, Mr. President, was on the 4th day of May 1929.

Four days later where do we find Mr. Bruce and his associates? They are over in Michigan, and there they bought the assets of the Piper Ice Cream Co., of Muskegon, Mich., and again, in order to circumvent the law, they bought only the assets. The concern was engaged in the manufacture of ice cream.

Five days later we find Mr. Bruce and his associates still in Michigan, in the great city of Detroit, in which they already had bought the assets of eight outfits. There they bought the assets of the Supreme Ice Cream Co., of Detroit, engaged in the manufacture of ice cream.

Three days later they bought the assets of Louis M. Sagal, of New Haven, Conn. In order to circumvent the law they bought only the assets. That concern was engaged in the business of selling milk and ice cream.

Seven days later we find them in Illinois. They jumped all the way from Connecticut to Illinois. On the twenty-third we find them buying the Decatur Ice Cream Co., of Decatur, Ill., and again, in order to circumvent the law, they bought only the assets. That concern was engaged in the milk, ice cream and butter, and other milk products business.

Six days later we find them still in Illinois. This time the poor little town of Peoria was about to be seized by this monopoly. So in this town they buy up Foster's Dairy Products, a corporation. They also bought up the Washington Dairy Co., a corporation. The first was engaged in the manufacture of ice cream; the second dealt in milk, ice cream, butter, and other milk products. In both cases, in order to circumvent the antitrust statutes, they bought only the assets.

Two days later we find them back in New York. This time they bought up the assets of Louis Feingold, of Bronx, N. Y. In order to circumvent the antitrust statute they bought only the assets of that concern, which was engaged in selling whipped butter.

On the same day we find them back in Michigan, in the town made famous by Father Coughlin, Royal Oak, Mich. There in order to circumvent the antitrust laws they bought only the assets of Loren D. Vidder. That concern was engaged in dealing in milk.

Nine days later we find them back in Peoria, where they had bought two plants a few days before. This time they bought out the assets only of the Cream Products Co., engaged in the manufacture of ice cream. They bought the assets only in order to circumvent the law.

On the same day we find Mr. Bruce and his associates back in Detroit, Mich. This time they bought the assets of the Detroit Creamery Co. That makes 10 outfits they bought in Detroit. That concern was engaged in dealing in milk, cream, ice cream, butter and other milk products.

On the same day they went to the town of Elsie, Mich., and in order to circumvent the law bought only the assets of the Clinton Creamery Co., engaged in the business of milk, cream, condensed cream and other milk products.

They had already bought three concerns on that day, one in Illinois and two in Michigan, but on the same day they bought another concern in Michigan. They went to the town of Jackson, Mich., and bought the assets of the Fleming Ice Cream Co., which deal in ice cream. They bought the assets only in order to circumvent the law.

On the same day they went back to the great city of Grand Rapids, where they already had bought several concerns. In that great city of Grand Rapids they bought the Grand Rapids Creamery Co. In order to circumvent the law they bought the stock only. That concern was engaged in the business of milk, cream, butter and other milk products.

On the same day they went to another city in Michigan, the city of Allendale, and bought the Allendale Creamery Co., engaged in selling milk and butter. Again they bought only the assets.

Mr. Bruce and his associates apparently liked the great city of Grand Rapids, for on the same day they bought the Sanitary Milk Co. of Grand Rapids.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. The Senator seems to have a considerable list of transactions. I wonder if he would be willing to have them printed in the RECORD.

Mr. LANGER. No; I want to read them. If the Senator does not mind, I should like to read them.

Mr. BARKLEY. I enjoy listening to the Senator read anything, but I thought I might save him time and effort.

Mr. LANGER. I think the Senator will find it very entertaining as we go along. After a while, having bought out everything they can in the East, they move out West, and then they go into South Dakota and North Dakota, and Washington. They are already up in Canada. They are paying the farmers as little as they can for what they buy from the farmer and, as I will show, they are making enormous profits, up in the hundreds of millions of dollars. I will show from the report that the concerns they own in these towns would buy from the farmer at as low a price as possible, and sell at high prices.

We find them again in the city of Grand Rapids. There they bought the Sanitary Milk Co. on the 10th day of June. That concern was engaged in the manufacture of milk, cream, butter, and cheese.

Then they went back to the great city of Detroit. There was another outfit operating in Detroit which they wanted to buy. So they bought the Square Deal Milk Co. in Detroit, Mich. That concern was engaged in the business of milk and milk products.

Then, strangely enough, they went back to Grand Rapids again. In Grand Rapids they bought the Valley City Creamery, a concern engaged in the business of milk and cream.

Then they went to another little town on the same day. They went to the town of Pontiac, Mich., and bought the Pontiac Dairy Co.

The PRESIDENT pro tempore. A point of order. What does the Senator mean by "another little town"? [Laughter.]

Mr. LANGER. I will say another very fine town. There they bought the Pontiac Dairy Co., a concern engaged in the business of milk, ice cream, butter, and other milk products.

On the same day, in Michigan, they bought the White Ice Cream Co., of Flint, Mich. They already had two concerns in Flint, Mich. This made the third. That concern was engaged in the manufacture of ice cream.

They liked the State of Michigan, so they went to Saginaw, Mich., and there they bought, on the same day, the Williams Ice Cream Co. of Saginaw, Mich., a concern engaged in the business of dealing in ice cream, ice cream mix, milk, and cream.

On the same day, at Port Huron, Mich., they bought the Wilson Ice Cream Co.

So on that day, the tenth day of June, 1929, they bought 16 different competitors; and I suppose Mr. Bruce and his associates called that a good day's work.

The next day they went back to Massachusetts, and there they bought the Deerfoot Farms Co., in Southboro, Mass., a concern dealing in milk, cream, and other milk products and pork products.

The day after that they went to Lowell, Mass., and bought the Cameron Ice Cream Co.; and to get away from the antitrust statutes they bought only the assets, so that Jim Bruce and the others could not be prosecuted under the antitrust laws.

Three days later, on the 15th of June, they went to Pittsburgh, Pa., and there they bought out Sam Altschuler. Again, to get away from the statutes, they bought only the assets.

Two days later they were back in Massachusetts, and bought out Anderson & Patterson, Inc., at Worcester, Mass., a concern engaged in the ice cream business.

Then they moved to Illinois, 5 days later, and bought out the Sinclair Ice Cream Co., of Galesburg, Ill., a concern engaged in the manufacture of ice cream. In order to get away from the Federal statutes, again they bought only the assets.

Three days later they went back again and bought the Bryant & Chapman Co., of Hartford, Conn.; and again they bought only the assets. That concern was engaged in dealing in milk, cream, and other milk products.

Six days later they went to Buffalo, N. Y. They already had four concerns in Buffalo, but they went back to Buffalo again, and on that day bought out the Schupp Dairy Co. Again, to get away from the antitrust acts, they bought only the assets. That concern, strangely enough, was engaged only in the milk business.

Two days later they were back in New York, and bought the John H. Doscher Co. Again, to get away from the antitrust statutes, they bought only the assets of a concern engaged in the milk business.

Then they went back to the State of Michigan. This time they went to Ann Arbor and bought out the Ann Arbor Dairy, doing business at Ann Arbor, Mich. That concern was engaged in dealing in milk, cream, ice cream, butter, and other milk products.

Then they went back to the State of Illinois. On the next day they bought Bowman Priebe Ovson Co., of Chicago, Ill., a concern engaged in the egg business.

Two days later they went to Louisville, Ky. For the first time we find them in Kentucky. In Louisville, Ky., they bought out the National Ice Cream Co., a concern engaged in dealing in milk, cream, ice cream, and skim milk.

Two days later they were back in New York. This time Mr. Bruce and his patriotic compatriots bought out the Maple Grove Farms, in New York. Again, to get away from the antitrust statutes, they bought only the assets.

Then they went back to Ohio again. This time they bought the Matthews Selected Dairies Co., of Cincinnati. That made five outfits in Ohio. Again, to get away from the antitrust statutes, they bought only the assets. Strangely enough, this concern was also dealing in milk, cream, butter, and other milk products.

Then they went back to Wisconsin. Eight days later they bought the Westpahl & Sons Milk Products Co., a corporation of Hartford, Wis. Again they bought only the assets. That concern was engaged in dealing in milk, cream, butter, and cheese.

Twelve days later we find them back in Nebraska. They went back to Omaha.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. When did they get back to Grand Rapids? [Laughter.]

Mr. LANGER. I do not know, but right now they are in Nebraska. They already have three plants in Omaha. Now they buy a fourth plant, the Satin Ice Cream Co. Again, to get away from the antitrust statutes, they bought only the assets. That concern was engaged in the manufacture of ice cream.

Then they went back to Kentucky. This time they went down to Newport, Ky. Five days later they bought the Hiland Dairy Co., of Newport, Ky. That concern was engaged in the manufacture of milk, cream, butter, and cheese.

Four days later we find them in Ohio. There they bought out the Frechtling Dairy Co. of Hamilton, Ohio; and to get away from the antitrust statutes they bought only the assets. That concern was engaged in the business of milk, cream, ice cream, and other milk products.

Then they went back to Illinois——

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MILLIKIN. I was born and raised at Hamilton, Ohio. That was a pretty good milk company when I was there.

Mr. LANGER. Yes; but now it belongs to a monopoly. Think what fine men that milk raised when it was real milk, before they mixed it with water. Look at the fine specimen of manhood before us.

Mr. MILLIKIN. I am glad they did not reduce the size of Hamilton. [Laughter.]

Mr. LANGER. We are back now to Belleville, Ill. There, three days later, they bought out the A. & L. White Lily Dairy Co., and again, to get away from the antitrust statutes, they bought only the assets.

On the same day, in Pittsburgh, Pa., they bought out Walter Burke. In that case they bought only the assets. He was engaged in the milk business. Then they went back to Utica, N. Y., and bought out the A. L. Lockwood Ice Cream Corp.

Seven days later they were back in Kentucky. They went back to Newport, the same place where they already had one of these plants.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. It is hard for anybody to stay away from Kentucky long. [Laughter.]

Mr. LANGER. Apparently Jim Bruce likes it down there, so far as profits are concerned. This time they bought the Feldman Milk and Cream Co. at Newport; but to get away from the antitrust statutes they bought only the assets.

Then they went back to Louisville, Ky., where they already had a plant, and bought out the Frozenpure Ice Cream Co., of Louisville; and to get away from the antitrust statutes Jim Bruce and his crowd bought only the assets.

Then they went back to Ohio, on the same day. They got out of Kentucky and moved over to Ohio on the same day. They did not stay there long. At Kenmore, Ohio, they bought the Kenmore-Barberton Milk Co.; but again bought only the assets.

The next day they went back to Illinois and bought the Sugar Creek Creamery Co. at Danville, Ill.

On the same day, Mr. President, they were in five other places. They went to Danville, Ill., and bought the Sugar Creek Creamery Co. Then they went to Missouri, for the first time, and bought the Golden Grain Butter Co., at Cape Girardeau.

Then they went back to Omaha, Nebr., and found another place in Omaha and bought that. That was called the Lange Creamery Co.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. What is the name of the company?

Mr. LANGER. The National Dairy Products Co. It is Jim Bruce's company.

Mr. WHERRY. Is he the president of that company?

Mr. LANGER. He is one of the leading officers of it.

With reference to the last five companies I have mentioned, this company bought only the assets. All of the companies were engaged in the business of producing butter, milk, cream, and other milk products.

Then they go to Florida, for the first time. They arrived in Florida on the 19th day of November 1929, and Jim Bruce and his associates bought the Sugar Creek Butter Co., at Orlando, Fla. They did not stay there long, because they found another concern in Kentucky. They went to Louisville, Ky., and bought the Gray Von Allman Sanitary Milk Co., a concern engaged in producing milk and milk products. Then they went back to Belleville, Ill., where they bought the Belleville Pure Milk & Ice Cream Co. They went back to Louisville, Ky., again, where they bought D. H. Ewing's Sons, Inc., a concern which, by coincidence, was engaged in dealing in butter, cream, cheese, and other dairy products. They went then to Cleveland, Ohio, and bought the Ott Dairy Co., a concern engaged in the same business. Three days later they were in St. Louis, Mo., and bought the Highland Dairy Farms Co., a concern there dealing in the same products. Two days later they are at Jamaica Plains, in Massachusetts, where they bought an ice-cream company, Creme-Freez, Inc. On the same day they bought the Creme-Freez, Inc., at Lynn, Mass. Fourteen days later they went to Kankakee, Ill., and bought out the Ideal Sweets Co. The next day they went back to Massachusetts and bought the Plymouth Rock Ice Cream Co., in North Abingdon. The next day they bought out E. P. Kaufman, at Youngstown, Ohio, but in order to evade the Antitrust Act they bought only the assets of that company.

On the 9th day of January, they go to New Milford, Pa., and buy the New Milford Milk Co., a concern dealing in dairy products.

Two days later they are in Crafton, Pa., where they bought the Schorr-Heimlein Dairy. Fifteen days later they are back in Monroe, Wis., where they bought the Blumer Products Co. Two months later they bought, in Chicago, Ill., the Kraft-Phenix Cheese Corp. In that case they bought the assets in order to evade the antitrust laws of the United States.

I am dealing, now, with the 17th day of March 1930, which was a great day for Jim Bruce and his outfit.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. McMAHON. Did the Senator say that that was on the 17th of March?

Mr. LANGER. Yes; the day which the Senator holds so sacred.

Mr. McMAHON. Did they go to Dublin? Did they operate in Dublin at all?

Mr. LANGER. I do not know.

On the 17th day of March, they were in Chicago, where they bought the Kraft-Phenix Cheese Corp. On the same day they were in Chico, Calif., where they bought out the Atlas Dry Milk Co. Then they went back to Monroe, Wis., again and bought the Badger-Brodhead Cheese Co. On the same day they went to Holland. They are getting nearer to Dublin. They went to Rotterdam, Holland, and bought out Betz & Jay N. V. Kasshandl, dealers in cheese. Then they went back to Montana. They had been there before. They bought out the Bitter-Root-Ravalli Co., all on that same day, the 17th day of March. That concern dealt in butter, cheese, and other milk products.

They then went back to Pittsburgh, and were in Pittsburgh on that same day and bought out the Bradley Cheese Co. Then to Los Angeles, on the 17th day of March, and this time they bought out the C. R. Chaney Co.

The concerns they were buying were dealing in butter, milk, and other milk products, but now they bought a mayonnaise concern. They bought out the Cloverleaf Creameries, Inc., Co., at Decatur, Ind.

On the same day, they bought out the Food Specialties Distributing Co., in Dayton, Ohio. When in Dayton they also bought a mayonnaise concern. They are going in for mayonnaise, now. Then on the same day, the 17th of March, they bought out the Greenwood Dairy, at Salem, Oreg.

In Baltimore, Md., on the same day they bought Gelfand Manufacturing Co., makers of mayonnaise. On St. Patrick's Day they were also in Toledo, Ohio, where they bought out the Grover-Ansted Cheese Co., a concern engaged in the manufacture of cheese and mayonnaise.

On the same day, they were in Nashville, Tenn., and bought out another mayonnaise company, the Henard Mayonnaise Co. On the same day they were in Rome, N. Y., where they bought out the Karlem-Bickelhaupt Co., a concern engaged in the manufacture of cheese. On the same day they were in Hayes, in England—nearer Dublin—where they bought the Hayes Cheese Co., Ltd. Of course, the United States antitrust statutes do not apply in England, so there they bought the stock of that concern. Then they went to Germany and bought the Kraft Cheese Co., in Hamburg.

On the same day, the 17th day of March, they were in Montreal, Canada, where they bought the Kraft-Phenix Cheese Co., Ltd., and on the same day they were in Habana, Cuba, buying the Kraft-Phenix Cheese Co. of Cuba. On the same day they were back in Chicago where they bought the Kraft-Phenix Cheese Co. On the same day they were in Plymouth, Wis., buying the Kraft-Phenix Cheese Co., and on the same day, the 17 day of March, they were in Wausau, Wis., where they bought the Kraft-Phenix Cheese Co. On the same day they were in Melbourne, in Australia, where they bought out the Kraft-Walker Cheese Co.

On the same day, the 17th of March, they were in Curtiss, Wis., where they bought the Laabs Cheese Co., and on the same day they were in San Francisco, Calif., buying out the Maher Cheese Co. On the same day they were at Lowville, N. Y., buying out the Miller-Richardson Co. On the same day they were in Missoula, Mont., buying the Missoula Creamery Co. On the same day they bought the National Cheese Co., in Chicago, Ill., and the Oakdale Dairy Co., New York, N. Y.

On the same day, they were in London, England, buying out the Phenix Cheese Co., Ltd. On the same day, the 17th day of March, they bought out the Porter Cheese Co., of Somerville, Mass., the Purity Creamery Products, Inc., of New York, N. Y., and on the same day they were in Oregon again. This time they were in Portland, where they bought out the Red Rock Dairy. On the same day they went, for the first time, to the great State of Washington, to the town of Kent, where they bought the Red Rock Creamery, dealing in cheese and butter. On the same day, the 17th day of March, they were in Chicago, where they bought out the Sanchez Cheese Co.

Then they were in Utica, N. Y., where they bought out the Sauquoit Valley Dairy Co., Inc. On the same day they were back in Missoula, Mont., where they

bought out the Sentinel Creamery, Inc. On the same day they were in Sheboygan, Wis., where they bought out the Sheboygan Cheese Co.

They bought out on the same day the C. A. Straubel Co. of Green Bay, Wis., and the Southern Dairies, Inc., in the city of Washington.

Then they went to Richmond, Va., and bought out the Chapin-Saks Co. in that city; and they also, on the same day bought the Chapin-Saks Co. in Washington, D. C. They were in Florida on the same day, at Jacksonville, and bought out the Purity Ice Cream & Dairy Co. of Florida. Then they were back in Richmond, Va., and bought out the Southern Dairies, Inc.

Then they went to Habana, Cuba, on the same day, the 17th day of March, and bought the Southern Dairies of Cuba. On the same day they were in Jacksonville, Fla., again, buying the Southern Dairies of Florida, Inc., in that city.

Then they went to Alabama, and on the same day, the 17th of March, 1930, they bought out the Southern Dairies of Alabama, at Montgomery, Ala.

On the same day, in Oakland, Calif., they bought the Tuttle Cheese Co.; and on the same day, in Cincinnati, Ohio, they bought the Valley Cheese Co., of Cincinnati, Ohio.

Then, at St. Paul, Minn., they bought the Ward Dry Milk Co.; and still on the same day, the 17th of March, they bought another company. By this time they were tired, because it was the last company they bought on that day—the Wheeler Cheese Co., of Brooklyn, N. Y.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MYERS. I think that now that the Senator from North Dakota has so pointedly demonstrated what a great day the 17th of March was, he can conclude his remarks, because I believe he has clearly demonstrated that that day was a great one.

Mr. LANGER. Mr. President, I thank the Senator from Pennsylvania for that remark. I think he is entirely correct.

Seven days later, Mr. President, that concern went back to Detroit, Mich., and bought the Howard Moore Co. Of course, in order to get away from the antitrust laws, they bought only the assets.

Then, 2 days later, they went to Red Oak, Iowa, and bought the Lee Blue Ice Cream & Bottling Co.

Every one of the concerns they bought dealt either in milk, cheese, mayonnaise, dry milk, dry buttermilk, sweet milk, condensed milk, or skim milk.

Then, after they had gone to those various places, they went to Toledo, Ohio, and bought the eighth concern they had purchased there, the Jersey Ice Cream Co.

On the 1st of April, they went back to Detroit, Mich., and bought the assets of the Erwin E. Knapp Co.; and on the same day they bought the Sanitary Dairy Co., of O'Neill, Nebr.

On the 25th of that month, they bought the Chapman Dairy Co., of Kansas City, Mo.; and on the next day they went back to Detroit, Mich., and bought the Theodore Korte Co.; and in order to get away from the antitrust laws, they bought only the assets.

On the 1st of May, in Rochester, N. Y., they bought the Brighton Place Dairy Co., and 15 days later they went to Akron, Ohio, and bought the Puritan Dairy Co.

In the next month, they bought the Charles H. Schellenburger Co., at Youngstown, Ohio, where they already had purchased four plants; and in that case, also, in order to circumvent the application of the antitrust laws, they purchased only the assets.

Fifteen days later they went back to Louisville, Ky. They already had purchased a number of milk or ice cream companies there, but at that time they bought out Lee Lewis, Inc.; and again to circumvent the antitrust laws they purchased only the assets.

Four days later, at Pittsburgh, Pa., they bought the Nauman's Dairy, a concern dealing in milk.

In the next month, they went to Hartford, Conn., and purchased R. G. Miller & Sons, Inc.

In the next month they went to Schenectady, N. Y., where they already had two plants, and bought the Jersey Ice Cream Co., Inc.

Nine days later they went back to Detroit, Mich., and bought the Harry J. Sloan Co. Of course, in order to circumvent the antitrust laws, they purchased only the assets.

Following that, they went back to Omaha, Nebr; and on the 30th of August, 1930, they bought the Omaha Ice Cream Co.

On the 17th of September, they went to Princeton, N. J., and bought the Province Line Dairy Co., purchasing only the assets.

A week later they purchased the Western Maryland Dairy Corp., including the Fairfield Farms Co., in Baltimore. That made three concerns which they had purchased in Baltimore.

On the same day, they bought the Millers Dairy Co., of Baltimore, a concern dealing in milk and cream.

On the 11th of October, they went to Michigan, at Dowagiac, and bought the Barrett Riedoni Co. At that time they purchased only the assets of that company.

Then they came to Washington, D. C., and bought the Chevy Chase Dairy, Inc., a concern dealing in milk, cream, butter, cheese, and other milk products.

On the same day, in New York, they bought the Murray Hill Farms Dairy, Inc.

Five days later, at Detroit, Mich., they bought the Cyrus G. Lathers Co., a concern dealing in milk.

In the next month, they went to New York City and bought the Luxury Mayonnaise Co., a concern engaged in the manufacture of mayonnaise.

Eight days later they bought the Ladysmith Cheese Co., of Freeport, Ill.

Seven days later they went to Youngstown, Ohio, where they already had purchased four concerns, and bought the Henry Dister Co., of Youngstown. Again, in order to circumvent the antitrust laws, they purchased only the assets.

On the 10th of January, they went to Dallas, Tex.; for the first time they went to Texas. There they purchased the Capital Food Products Co., a concern engaged in the manufacture of mayonnaise.

In the same month, they bought the W. H. Taro Co., of Malone, N. Y., a concern engaged in the ice-cream business.

Two days later they bought the Purity Ice Cream Co., at Rome, Ga.; and they seemed to like that section of the country, because they also bought the Dalton Creamery Co., Inc.; and to circumvent the application of the antitrust laws, they purchased only the assets of both of those concerns.

On the 4th of February, they returned to Baltimore, where they already owned five concerns, and bought the Acme Dairy, of Baltimore; and in order to get away from being arrested or sued under the antitrust laws, they bought only the assets of that company, which was engaged in the milk business.

Then they returned to Rochester——

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. LANGER. I yield.

Mr. CHAVEZ. The Senator from North Dakota keeps on repeating that that concern wished to avoid or circumvent the antitrust laws.

Mr. LANGER. Yes.

Mr. CHAVEZ. Very well, but what they did was within the law, was it not?

Mr. LANGER. Yes. If only the assets of such companies are purchased, that is within the law, according to a Supreme Court 5-to-4 decision.

Mr. CHAVEZ. So everything they did was within the law, was it not?

Mr. LANGER. That is correct.

Mr. CHAVEZ. In other words, they did not want to violate the antitrust law, and they did not violate it.

Mr. LANGER. That is right; they did not want to violate the antitrust law, and therefore they bought only the assets of those concerns. But I call the attention of the distinguished Senator from New Mexico to the fact that during all those years no Attorney General, whether a Republican or a Democrat, at any time prosecuted that concern for being a monopoly. No Attorney General did so until we come to Tom Clark, the present Attorney General.

Mr. CHAVEZ. But why should an Attorney General bother a United States citizen or corporation that did not violate the law?

Mr. LANGER. But they do violate the law when they organize a monopoly or a trust.

Mr. CHAVEZ. The Senator from North Dakota has stated again and again that the reason they bought only

the assets of these concerns was because they wanted to keep within the law, and that in acting as they did, they did keep within the law.

Mr. LANGER. But when they bought the stock, they violated the law.

Mr. CHAVEZ. Then why were not they punished?

Mr. LANGER. I have asked that question; I have asked it of Wendell Berge.

Mr. CHAVEZ. The Senator has said they bought only the assets of the corporations or companies he has named, and that they did so because they did not want to violate the antitrust law.

Mr. LANGER. That is correct. The Supreme Court has held, in a 5-to-4 decision, that when only the assets are purchased, that does not violate the antitrust laws.

But, Mr. President, time and time and time again no prosecution was brought. As the Senator from New Mexico well knows, no prosecution was brought by any Attorney General until Tom Clark came along; and he has told the National Association of Manufacturers, straight to their teeth—he did so 2 months ago—that he intends to prosecute as criminal a man or an organization that organizes a monopoly or a cartel.

Mr. CHAVEZ. Mr. President, if the person who has been under consideration this evening has violated any law, he should be punished.

Mr. LANGER. Of course.

Mr. CHAVEZ. But because he, as an officer of the concern with which he was connected or associated, did certain things that were within the law, what is wrong with that?

Mr. LANGER. Does the Senator from New Mexico think that to raise the price of milk and the price of ice cream to little children is wrong?

Mr. CHAVEZ. Of course.

Mr. LANGER. Is the Senator from New Mexico in favor of sending such a man to Argentina, to be our ambassador there, where perhaps he will continue to carry on the nefarious practice of organizing and extending such cartels, perhaps in Argentina, and perhaps also in England and Germany?

Mr. CHAVEZ. Mr. President, I should like to answer that question.

Mr. LANGER. I should like to have the Senator from New Mexico answer it.

Mr. CHAVEZ. Yes; I should like to answer it. I do not take a back seat to anyone in trying to protect the people who should be protected, including all United States citizens, and including the babies to whom the Senator from North Dakota has been referring. But we are a country of laws, and not of men. If something is the matter with the law, why does not the Senator and why do not the rest of us get busy and change the law until we get the protection desired? As long as it is the law, how can we complain?

Mr. LANGER. Has the Senator ever read the report of the Senator from Wyoming [Mr. O'MAHONEY], after that great investigation made under his direction, showing violations of law by life insurance companies, showing violations of law by one corporation after another? I challenge the Senator to cite just one criminal prosecution for violation of the antitrust law, which was passed in 1890.

Mr. CHAVEZ. Probably that is correct, but I challenge the Senator right now to give us one single instance in which the nominee who is being considered has violated the law.

Mr. LANGER. I say he has violated the law, this concern of which he is an officer has, every time they bought the stock of these companies and created a monopoly. I realize, of course, that there has not been prosecution. Perhaps Mr. Bruce is not any more guilty than anybody else, the General Electric, or anybody else. Read the book in which is given the account of how the General Electric bought tungsten at $24 a pound and what they did when they came to the cartel in Germany. They took what cost them $24 and raised the price to $403 a pound. Nobody was prosecuted in that case.

The Senator is familiar with the oil company cases. The Senator heard Senator Gillette give as fine a speech as was ever delivered on this floor, discussing the oil companies which were prosecuted right here in the city of Washington, how complaint was served at 10 o'clock in the morning and at 2 o'clock they plead nolo contendere, after the Assistant Attorney General, Mr. Black, of Yale University, had said the Government had a billion dollars coming from the oil companies, that it had a good tight case.

There has not been any prosecution, by a Republican Attorney General or a Democratic Attorney General, until now, when Tom Clark says he is going to prosecute.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. LANGER. I yield.

Mr. BARKLEY. The Senator is not accurate in his statement, for this reason. I happen to be familiar with a case in which a Federal grand jury indicted 41 tobacco companies and their officers in the Federal court at Lexington, Ky., for violating the antitrust laws. There was a long drawn out trial, in which the jury convicted practically every one of the defendants. There were 15 or 20 indictments against the companies and 15 or 20 people. I think as to three or four it was probably discovered they had no case, and dismissed them, but after a long trial the jury inflicted not only heavy fines, but brought in sentences of imprisonment against a number of the defendants.

Mr. LANGER. Let me ask the Senator one question. Did a single one of those men go to jail?

Mr. BARKLEY. I do not know, because the cases were appealed, of course, as the defendants had a right to appeal them, and I do not think the appeals have been passed upon yet.

Mr. LANGER. I wrote a letter to the Attorney General of the United States, and have his reply saying that, so far as he knows, no one man has gone to jail, under the antitrust laws, except Eugene Debs.

Mr. BARKLEY. The Senator said no one had been prosecuted, and I thought I ought to make the statement I have made, because that was not accurate.

Mr. LANGER. No one has been put in jail or the penitentiary. If these men were prosecuted, it happened only a few years ago. I remember it well. At the same time the oil suit was brought, and was tried in Wisconsin, as I remember. The distinguished Senator well remembers that some defendants were dismissed, but, so far as I know, no one ever went to jail.

Mr. CHAVEZ. Mr. President, I feel exactly as does the Senator from North Dakota about these monopolies, and people who try to get outrageous prices for something that is not worth the price they get. But should the man being considered now be punished for them, or should it be the officials who the Senator says have neglected their duty?

Mr. LANGER. Does the Senator think a man who assisted in organizing these monopolies, and cartels, and all these companies I have mentioned, should be sent to the Argentine as ambassador?

Mr. CHAVEZ. If the gentleman who has been nominated, and whom we are now considering, has, within the law, been associated with an American corporation that is doing business under permission of law, if he is that good—and I did not know any of the things the Senator has been mentioning up to now, but I do happen to know the gentleman—I think he would make an ideal Ambassador to the Argentine Republic, notwithstanding the fact that he is interested in a big corporation. He has American common sense, which is actually what is needed now in dealing with the world.

Mr. LANGER. Does the Senator think he is a great business man because he is a director of 14 corporations?

Mr. CHAVEZ. I would say he is a great man because of these tremendous pieces of work he has been able to do, as the Senator has been outlining them, in Kentucky, Illinois, Michigan, and even in the State of the Presiding Officer, the State of Washington. But why should anyone be punished? I might agree with the Senator in his philosophy as to corporations and monopolies, but, whether we like it or not, they are permissible under the law.

Mr. LANGER. Why should one man out of 140,000,000 in the country, a man who would raise the price of milk handled by his company just as high as he could raise it, giving people just as little as possible, because that is good business—why, of all men in America, should a man like that be picked out to be Ambassador to a South American country, where people are looking to the United States for leadership, a man who is one day over in Holland, the next day in Canada, and the next day in England? I

think the Senator from New Mexico must be facetious when he says that kind of a man would be a good ambassador to the Argentine.

Mr. CHAVEZ. The Senator is not facetious, but he does want to be fair, and because a man is a success under the American system I am not going to condemn him. I know this particular gentleman, and if there is one man in the United States who would get along with the Argentine, with which we want to get along, it will be the gentleman who has been nominated.

Mr. LANGER. The Senator says he has been a success?

Mr. CHAVEZ. According to what the Senator has been telling us all afternoon, yes.

Mr. LANGER. What about his record as president of the Baltimore Trust Co.? What about his record as president of one of the banks that went broke, with a loss of millions of dollars to the depositors?

Mr. CHAVEZ. What about it?

Mr. LANGER. The Senator says he knows him?

Mr. CHAVEZ. Yes.

Mr. LANGER. A man who is immensely wealthy. Has he paid back any money to those poor depositors?

Mr. CHAVEZ. The Senator from New Mexico is as poor as a church mouse, but just because a man is wealthy I am not going to condemn him.

Mr. LANGER. I am not condemning a man because he is wealthy. Many men make their money honestly and become fabulously rich, and I am for them. If an American is honestly worth a million or a billion dollars, I am for him. But I am against a man who has made his money the way this man has made his—by raising the price of milk that babies drink.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. Does the Senator know what proportion or percentage of the stock in the National Dairy Products Corp. is owned by Mr. Bruce?

Mr. LANGER. I do not know.

Mr. BARKLEY. The Senator knows that the price of milk all over this country—at least during the war—until the price controls were lifted, was fixed by the Government.

Mr. LANGER. It is not fixed in ordinary times.

Mr. BARKLEY. It could not be raised except with the consent of the Office of Price Administration.

Mr. LANGER. That was during the war. I am talking about the increase before the war, up to 1938. I have here the records of the Federal Trade Commission.

Mr. BARKLEY. The Senator has not given us any statement with respect to the increase in the price of milk during that period. He has been talking about the purchase of assets of other corporations. I am not justifying any unjustifiable increase in milk prices, because I am just as much a victim as is the Senator, or anyone else, but we do know that the cost of producing these commodities has gradually increased, and naturally there had to be an increase in cost to those who purchased them ultimately. I do not think that because economic conditions have brought about increases of prices of agricultural products a man who is engaged in the purchase and the processing of agricultural products should be pilloried here because he has a company that did the same thing.

Mr. LANGER. I might say, Mr. President, I can appreciate the fact that different men have different views, but as I said at the beginning of my talk, I might be the only man on the floor of the Senate who would vote against Mr. Bruce, yet I want the record made that when a man is a part of a huge monopoly that raises the price of milk to babies, pays farmers as little as it can possibly pay them, until the farmers have to go on strike in order to get a little more so that their wives and children can live, and then sells it at the highest price it can get, I do not believe that is the kind of man to send to Argentina to instruct the rank and file of the people of Argentina as to the kind of citizenship we have in this country. I say that among 140,000,000 people the President could have found a man who much more truly represented American citizenship than a cartelist or a monopolist.

Mr. President, that is not all; but, as one who has gone through life as I have, I have found that whether the Republican Party is in power or the Democratic Party is in power, when ambassadorships come along, one reads that someone has contributed $25,000, $50,000, or $100,000 to a campaign fund, and that the ambassadorship is simply a reward. I do not know whether Mr. Bruce contributed one nickel; I was not on the committee, and I did not ask. I have understood that he is very much interested in the coming election, and that he intends to take part in it. I am not going to be in the position of voting to confirm a man here on the Senate floor, and then, when the election gets red hot, get up on the stump and condemn him because he is assistant treasurer or treasurer of the Democratic National Committee. I simply will not do that. I want to make my record on it, and I want to make it now.

I do not know Mr. Bruce. I never saw the man. I would not know him if he were sitting in the Senate gallery; but I do know I am not going to vote for a man of that kind to be Ambassador to Argentina or any other country.

I do not want to detain the Senate a long, long time, and therefore I ask unanimous consent to place in the RECORD the list of other places where the National Dairy Products Corp. operated.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Name and location of company acquired	Acquisition		Commodities handled
	Date	Type	
E. J. Schwartz Distributing Co., Rochester, N. Y. (acquired by Kraft-Phenix Cheese Corp.).	Feb. 7, 1931	Assets transferred to new company; same name.	Cheese and mayonnaise.
Jodrie Distributing Co., Springfield Mass. (acquired by Kraft-Phenix Cheese Corp.).	Mar. 7, 1931	Assets merged with Kraft-Phenix Cheese Corp.	Do.
Joseph J. Senesky, Detroit, Mich. (acquired by Ebling Creamery Co.)	do	Assets merged with Ebling Creamery Co.	Milk.
Frederick Griesner, New York, N. Y. (acquired by Oakdale Dairy Co., Inc.)	Mar. 11, 1931	Assets merged with Oakdale Dairy Co.	Cheese.
The Echo Vale Creamery Co., Inc., Bedford, Pa. (acquired by Laher Ice Cream Co.).	Mar. 26, 1931	Assets merged with Lakes Ice Cream Co.	Milk and milk products.
New Kingston Cheese Co. Inc., New York, N. Y. (acquired by Breakstone Bros., Inc.).	Apr. 1, 1931	Stock	Cream, butter, other milk products, and eggs.
Eck & Fisher Ice Cream Co., Allentown, Pa. (acquired by Supplee-Wills-Jones Milk Co.).	Apr. 20, 1931	Assets merged with Supplee Wills-Jones Milk Co.	Ice cream.
Richmond Cooperative Association, Inc., Richmond, Vt. (acquired by General Ice Cream Corp.).	Apr. 25, 1931	Assets, ice cream business only, merged with General Ice Cream Co.	Do.
The Miller Dairy Co., New Canaan, Conn. (acquired by NDP Corp.)	May 1, 1931	Assets, company dissolved; assets transferred to new company; same name.	Milk and cream.
Ashtabula Pure Milk Co., Ashtabula, Ohio (acquired by the Telling-Belle-Vernon Co.).	May 25, 1931	Assets; certain assets from receiver, merged with Telling-Belle-Vernon Milk Co.	Do.
Consolidated Dairy Products Co., Long Island City, N. Y. (acquired by NDP Corp.).	June 17, 1931	Assets, company dissolved; assets transferred and new company; same name.	Ice cream.
Consolidated Dairy Products Co., Passaic, N. J. (acquired by NDP Corp.)	do	do	Do.
Malden Ice Cream Co., Malden, Mass. (acquired by NDP Corp.)	June 26, 1931	Assets, company dissolved; assets transferred to General Ice Cream Corp.	Do.
D. W. Whitmore & Co., Inc., New York, N. Y. (acquired by Kraft-Phenix Cheese Corp.).	July 28, 1931	Assets, company dissolved; assets transferred to Kraft-Phenix Cheese Co.	Cheese and butter.
Fort Schuyler Farms, Inc., Utica, N. Y. (acquired by Sheffield Farms Co., Inc.)	Aug. 6, 1931	Assets, part of assets only, merged with Sheffield Farms Co., Inc.	Milk and cream.

Name and location of company acquired	Acquisition		Commodities handled
	Date	Type	
Carl L. Kelley, Lexington, Ky. (acquired by Kraft-Phenix Cheese Corp.)	Aug. 27, 1931	Assets merged with Kraft-Phenix Cheese Co.	Cheese.
The Manchester Dairy Ice Cream Co., South Manchester, Conn. (acquired by General Ice Cream Corp.)	Sept. 2, 1931	Assets merged with General Ice Cream Corp.	Ice cream.
Marley Farm Products Co., Newark, N. J. (acquired by Breakstone Bros., Inc.)	Sept. 24, 1931	Stock	Milk and milk products.
Rogers Ice Cream Co., Inc., Poughkeepsie, N. Y. (acquired by General Ice Cream Corp.).	Feb. 15, 1932	Assets merged with General Ice Cream Corp.	Ice cream.
Dake Dairy Products Co., Inc., Greenfield, N. Y. (acquired by General Ice Cream Corp.).	Mar. 22, 1932	Stock	Do.
Quality Ice Creams, Inc., Cleveland, Ohio (acquired by the Telling Belle-Vernon Co.)	Nov. 16, 1932	Assets transferred to new company; same name.	Do.
Davis Cheese Co., Plymouth, Wis. (acquired by Kraft-Phenix Cheese Corp.)	Jan. 1, 1933	do	Cheese.
Shore Dairy Products, Inc., Brooklyn, N. Y. (acquired by Merit Dairy Products Corp.).	Apr. 17, 1933	Assets merged with Merit Dairy Products Corp.	Cream and cheese.
Dairy Valley Cheese, Ltd., London, Ontario, Canada (acquired by Kraft-Phenix Cheese Corp.).	Apr. 29, 1933	Assets transferred to Daifarm Cheese Co., Ltd.	Cheese.
A. Quinn's Sons, Brooklyn, N. Y. (acquired by Merit Dairy Products Corp.)	May 22, 1933	Assets merged with Merit Dairy Products Corp.	Cheese and sour cream.
Columbine Creamery Co., Ltd., Long Beach, Calif. (acquired by Kraft-Phenix Cheese Corp.).	June 1, 1933	Stock	Cheese and mayonnaise.
Columbine Creamery Co. of Arizona, Phoenix, Ariz. (acquired by Kraft-Phenix Cheese Corp.).	June 1, 1933	Stock	Do.
Weidman Ice Cream Co., Inc., Olean, N. Y. (acquired by Roberts Dairy, Inc.)	June 13, 1933	Certain assets merged with Roberts Dairy, Inc., in Buffalo only.	Ice cream.
Meyer Schurr Dairy Products, Inc., Brooklyn, N. Y. (acquired by Merit Dairy Products Corp.).	July 26, 1933	Certain assets merged with Merit Dairy Products Corp.	Wholesale cream, cheese, and butter.
Premier-Pabst Corp., Milwaukee, Wis. (acquired by Kraft-Phenix Cheese Corp.)	Oct. 19, 1933	Assets, cheese business only, assets to Davis Chelle Co.; name changed to Pabst-ett Corp.	Cheese.
Mose Deyo, Cairo, N. Y. (acquired by General Ice Cream Corp.)	Dec. 14, 1933	Assets merged with General Ice Cream Corp.	Ice cream.
Hodgson-Rowson Co., Ltd., Montreal, Canada (acquired by Kraft-Phenix Cheese Co., Ltd.).	do	Stock	Cheese.
Seaboard Creameries, Inc., Norfolk, Va. (acquired by Southern Dairies, Inc.)	Nov. 28, 1933	Assets, ice-cream business in Newport News, Va., only, combined with business of Southern Dairies.	Ice cream.
Lang's Ice Cream, Inc., Buffalo, N. Y. (acquired by General Ice Cream Corp.)	Mar. 5, 1934	Assets, combined with business of General Ice Cream Corp.	Do.
Claire R. Quereau, Inc., Philadelphia, Pa. (acquired by Kraft-Phenix Cheese Corp.)	May 25, 1934	Assets sold to and combined with business of Kraft-Associated Distributors, Inc.	Cheese.
Allentown Cheese Co. (formerly C. S. Kleppinger, Inc.), Allentown, Pa. (acquired by Kraft-Phenix Cheese Corp.).	June 6, 1934	Assets sold to and combined with business of Kraft Associated Distributors, Inc.	Do.
Dutchland Farms, Inc., Brockton, Mass. (acquired by General Ice Cream Corp.)	June 29, 1934	Assets, certain ice cream business only, combined with business of General Ice Cream Corp.	Ice cream and other milk products.
Elmhurst Special Milk Co. Inc., Buffalo, N. Y. (acquired by Dodds Alderney Dairy, Inc.).	do	Assets, milk distribution only, combined with business of Dodds Alderney Diary, Inc.	Milk.
George E. Trask, Inc., East Hartford, Conn. (acquired by Kraft-Phenix Cheese Corp.).	June 30, 1934	Assets sold to and combined with business of Kraft Associated Distributors, Inc.	Cheese.
Plummer & Silverman, Inc., Providence, R. I. (acquired by Kraft-Phenix Cheese Corp.).	June 30, 1934	Assets sold to and combined with business of Kraft Associated Distributors, Inc.	Do.
Maloney-Davidson Co., Inc., Louisville, Ky. (acquired by M-D Foods Service Co.)	Aug. 1, 1934	do	Cheese.
Pyburn Co., Atlanta, Ga. (acquired by Kraft-Phenix Cheese Corp)	Oct. 20, 1934	do	Do.
P. E. Sharpless Co., Philadelphia, Pa. (acquired by Kraft-Phenix Cheese Corp.)	Oct. 31, 1934	Assets transferred to and combined with business of Kraft-Associated Distributors, Inc.	Cheese and dairy products.
The Harold Graham Dairies, Inc., Hartford, Conn. (acquired by R. G. Miller & Sons, Inc.).	Jan. 7, 1935	Assets combined with business of R. G. Miller & Sons, Inc.	Milk and milk products.
Caum Ice Cream Co., Altoona, Pa. (acquired by Rieck-McJunkin Dairy Co.)	Mar. 27, 1935	Assets combined with business of Rieck-McJunkin Dairy Co.	Ice cream and milk.
Southland Diary Products Co., Inc., Jacksonville, Fla. (acquired by Southern Dairies, Inc.).	Apr. 25, 1935	Assets combined with business of Southern Dairies, Inc.	Do.
Frank M. Ferguson Co. Inc., Oakland, Calif. (acquired by Kraft Associated Distributors, Inc.).	June 1, 1935	Assets of cheese distributing business only combined with business of Kraft Associated Distributors, Inc.	Cheese.
Disher Cheese Co., Inc., Syracuse, N. Y. (acquired by Kraft-Phenix Cheese Corp.)	June 12, 1935	Assets sold to and combined with business of Kraft Associated Distributors, Inc.	Cheese and other milk products.
Colonial Ice Cream Co., East Providence, R. I. (acquired by General Ice Cream Corp.).	Aug. 6, 1935	Assets transferred to new company same name.	Ice cream.
Colonial Ice Cream Co. Inc., Norfolk, Va. (acquired by Southern Dairies, Inc.)	Nov. 7, 1935	Assets combined with business of Southern Dairies, Inc.	Do.
Utica Cheese Co., Inc., Utica, N. Y. (acquired by Kraft-Phenix Cheese Corp.)	Nov. 12, 1935	Assets sold to and combined with Kraft Associated Distributors, Inc.	Cheese.
Gray Gables Dairy (partnership) Kansas City, Mo. (acquired by Chapman Dairy Co.).	Nov. 20, 1935	Assets, wholesale business only, combined with business of Chapman Dairy Co.	Milk and milk products.
Meyer's Frozen Delicacies, Inc., Buffalo, N. Y. (acquired by Roberts' Dairy, Inc.)	Dec. 23, 1935	Assets combined with business of Roberts' Dairy, Inc.	Ice cream.
Flint & Fulton, Inc., trading as Monmouth Ice Cream Co., Asbury Park, N. J. (acquired by Breyer Ice Cream Co.).	Jan. 2, 1936	Assets sold to and combined with business of Casteles Ice Cream Co.	Do.
Piedmont Ice Cream Co. Inc., Salisbury, N. C. (acquired by Southern Dairies, Inc.)	Jan. 3, 1936	Assets combined with business of Southern Dairies, Inc.	Do.
Local Milk Products, Inc., Brooklyn, N. Y. (acquired by Muller Dairies, Inc.)	Jan. 13, 1936	Assets, portion of business only, combined with business of Muller Dairies, Inc.	Milk.
Rutland Ice Cream Co., Rutland, Vt. (acquired by General Ice Cream Corp.)	Jan. 28, 1936	Assets transferred to new company Rutland Ice Cream Corp.	Ice cream.
The Annapolis Dairy Product Co., Annapolis, Md. (acquired by the Annapolis Maid Ice Cream Co.).	Apr. 24, 1936	Assets, ice cream business only, sold to and combined with business of Southern Dairies, Inc.	Do.
Yerdon Ice Cream Co., Utica, N. Y. (acquired by General Ice Cream Corp.)	May 28, 1936	Stock	Do.
Windsor Evaporated Milk Co., Cleveland, Ohio	July 2, 1936	do	Fluid milk and cream.
Macomber Ice Cream Co., New Bedford, Mass.	Aug. 1, 1936	do	Ice cream.
Bushway-Whiting Ice Cream Co., Boston, Mass.	Oct. 31, 1936	do	Do.
Maple Brook Dairy Co., Painesville, Ohio	Apr. 1, 1937	do	Fluid milk and cream.

Mr. LANGER. Mr. President, I also wish to state for the RECORD that Mr. Bruce is hooked up with 13 other huge corporations in America.

I also desire to put in the RECORD a statement showing the dividends that were received by the National Dairy Products Corp., in what is known as exhibit 2. I ask unanimous consent that that be incorporated as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXHIBIT No. II.—*Dividends received by National Dairy Products Corp. from its subsidiaries*

	1935	1936	1937
Akron Pure Milk Co., the	$75,000.00	$41,000.00	$40,000.00
Allen Ice Cream Co		15,000.00	10,612.50
Arctic Dairy Products Co		110,500.00	
Breakstone Brothers, Inc	150,000.00	106,000.00	74,800.00
Breyer Ice Cream Co	900,000.00	780,000.00	743,050.00
Breyer Ice Cream Co., Inc	1,375,000.00	625,000.00	568,725.00
Bushway-Whiting Ice Cream Co			91,100.00
Castles Ice Cream Co., Inc		17,600.00	7,000.00
Chapell Ice Cream Co., Inc	130,600.00	50,000.00	59,400.00
Chestnut Farms-Chevy Chase Dairy Co	270,000.00	457,500.00	286,350.00
Clover Dairy Co., the	76,500.00	34,500.00	22,800.00
Clover Farm Dairy Co	191,760.00	67,915.00	77,503.00
Collis Products Co		6,000.00	
Consolidated Dairy Products Co., Inc		58,000.00	35,750.00
Consolidated Products Co		326,250.00	132,187.50
Consumers Dairy Co	250,000.00	110,000.00	79,150.00
Dairyland, Inc		2,700.00	
Detroit Creamery Co		230,520.30	120,000.00
Ebling Creamery Co	365,500.00	119,000.00	12,750.00
Empire Account Corp		55,000.00	17,885.00
Ewing-Von Allmen Dairy Co		13,125.00	
Fairfield Western Maryland Dairy Corp	120,762.00	343,914.00	157,981.50
Findlay Evaporated Milk Co		23,000.00	
Food Sales Co., Inc		32,000.00	52,604.00
Franklin Ice Cream Corp	215,000.00	82,500.00	
Frechtling Dairy Co	130,000.00	50,000.00	57,500.00
General Ice Cream Corp	2,061,681.65	774,269.25	640,669.85
Harding Cream Co., Inc			50,000.00
Highland Dairy Farms Co		44,000.00	
Hiland Dairy Co	6,000.00	27,500.00	30,000.00
Hydrox Corp	220,000.00	82,500.00	25,300.00
Hydrox Ice Cream Co	39,900.00	13,300.00	
Hydrox Ice Cream Co., Inc	200,600.00	185,000.00	43,350.00
Keystone Dairy Co		11,500.00	4,360.00
Kraft-Phenix Cheese Corp	5,300,000.00	3,850,000.00	2,983,000.00
Luick Dairy Co			5,000.00
Luick Ice Cream Co	240,000.00	6,000.00	
Matthews-Frechtling Dairy Co., the	50,000.00	61,000.00	29,500.00
Merchants Cold Storage Co	210,000.00	90,000.00	93,500.00
Muller Dairies, Inc	265,000.00	47,000.00	10,000.00
Nashville Pure Milk Co	125,000.00	5,000.00	
National Butter Co. of Iowa			48,050.00
Ohio Clover Leaf Dairy Co		61,000.00	73,200.00
Ovson Egg Co	142,000.00	39,050.00	71,000.00
Quality Ice Cream Co		2,500.00	
Rieck-McJunkin Dairy Co		264,000.00	290,000.00
J. D. Roszell Co	110,000.00	110,000.00	68,900.00
St. Louis Dairy Co	185,000.00		
Sanitary Milk Co., the	40,000.00	31,000.00	24,850.00
Sheffield By-Products Co	331,400.00	351,284.00	224,026.40
Sheffield Condensed Milk Co., Inc	609,800.00	822,204.00	365,225.40
Sheffield Farms Co., Inc	1,870,840.00	1,276,848.30	
Southern Dairies, Inc		277,779.05	169,194.90
Sugar Creek Creamery Co	100,000.00	75,000.00	148,495.00
Supplee-Wills-Jones Milk Co	1,563,655.00	1,023,174.25	193,757.25
Telling-Belle Vernon Co., the	745,605.00	426,704.85	287,464.32
Thompson Ice Cream Co		39,000.00	31,920.00
Tri-State Butter Co., the	200,000.00	65,000.00	85,000.00
Union Ice Cream Co. (Tennessee)	20,000.00	4,000.00	
Youngstown Sanitary Milk Co	24,000.00	24,000.00	47,300.00
Total	18,912,403.65	13,841,638.00	8,690,211.62

Mr. LANGER. Also, Mr. President, I should like to have in the RECORD exhibit 3, showing the operating subsidiaries of the National Dairy Products Corp., with the location of the plants, classed as to principal products received, processed, manufactured, or handled, as of November 15, 1938.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT III

OPERATING SUBSIDIARIES OF NATIONAL DAIRY PRODUCTS CORP., WITH LOCATION OF THEIR PLANTS, CLASSIFIED AS TO PRINCIPAL PRODUCTS RECEIVED, PROCESSED, MANUFACTURED, OR HANDLED, AS OF NOVEMBER 15, 1938

FLUID MILK

Akron Pure Milk Co., Akron, Ohio; Chapman Dairy Co., Kansas City, Mo.; Chestnut Farms-Chevy Chase Dairy Co., Washington, D. C.; Clover Dairy Co., Wilmington, Del.; Clover Farm Dairy Co., Memphis, Tenn.; Consumers Dairy Co., Union City, N. J.; Deerfoot Farms Co., Southboro, Mass.; Detroit Creamery Co., Detroit, Grand Rapids, Ann Arbor, Lansing, Flint, Pontiac, Mich.

Ebling Creamery Co., Detroit, Mich.; Ewing-Von Allmen Dairy Co., Louisville, Ky.; Fairfield Western Maryland Dairy Corp., Baltimore, Md.; Frechtling Dairy Co., Hamilton, Ohio; Brighton Place Dairy Co., Inc., Rochester, N. Y.; Bryant & Chapman Co., Hartford, Conn.; Dodds Alderney Dairy, Inc., Buffalo, N. Y.; Erie County Milk Association, Erie, Pa.; R. G. Miller & Sons, Inc., Hartford, Conn.; Hiland Dairy Co., Newport, Ky., Luick Dairy Co, Milwaukee, Wis.; Maple Brook Dairy Co., Painesville, Ohio.

Matthews-Frechtling Dairy Co., Cincinnati, Ohio; Muller Dairies, Inc., New York, N. Y.; Nashville Pure Milk Co., Nashville, Tenn.; Ohio Clover Leaf Dairy Co., Toledo, Ohio; Rieck-McJunkin Dairy, Pittsburgh, Altoona, Butler, Charleroi, Meadville, New Castle, Pa.

J. D. Roszell Co., Peoria, Ill.; St. Louis Dairy Co., St. Louis, Mo.; Sanitary Milk Co., Canton, Ohio; Sheffield Farms Co., Inc., Webster Avenue, 524 West Fifty-seventh Street, 623 West One Hundred and Twenty-fifth Street (Harlem), Fulton Street, New York, N. Y.; Jamaica, N. Y.; New Canaan, Conn.; West End, N. J.; Southern Dairies, Inc., Rocky Mount, N. C.; Supplee-Wills-Jones Milk Co., 1523 North Twenty-sixth Street, 4701 Lancaster Avenue, Philadelphia, Pa.; Camden, N. J.; Telling-Belle Vernon Co., Cleveland, Ohio; Youngstown Sanitary Milk Co., Youngstown, Ohio.

FLUID-MILK RECEIVING PLANTS

Breyer Ice Cream Co. of Delaware, Kenton, Del.; Millington, Ridgely, Md.; Port Royal, Millerstown, Pa.; Elton, Houghton, Franklinville, N. Y.; Chapman Dairy Co., Butler, Mo.; Chestnut Farms-Chevy Chase Dairy Co., Frederick, Md.; Consumers Dairy Co., Earlville, Hancock, Spencer, N. Y.; Detroit Creamery Co., Ovid, Brighton, Fowlerville, Vassar, Willis, Alma, Allendale, Mich.

Ebling Creamery Co., Grass Lake, Saline, Clinton, Hillsdale, Brown City, Maybee, Parma, Mich.; Ewing-Von Allmen Dairy Co., Madison, Ind.; Taylorsville, Ky.; Fairfield Western Maryland Dairy Corp., Brodbeck, Churchville, Woodbine, Pa.; Detour, Dublin, Fowblesburg, Mt. Airy, Pylesville, New Windsor, Taneytown, Union Bridge, Unionville, Md.; Findlay Evaporated Milk Co., Attica, Ohio; Franklin Ice Cream Corp., Tonganoxie, Kans.; General Ice Cream Corp., Leon, North Bangor, Fort Covington, N. Y.

Bryant & Chapman Co., Cambridge, Vt.; Ohio Evaporated Milk Co., East Rochester, Ohio; Rieck-McJunkin Dairy Co., Bedford, Indiana, Linesville, Punxsutawney, Pa.; J. D. Roszell Co., Pontiac, Ill.; St. Louis Dairy Co., Highland, Sparta, Venedy, Altamont, Hecker, Coffeen, Ill.; Vandalia, Mo.; Sheffield Condensed Milk Co., Inc., Rising Sun, Md.; Harkness, Heuvelton, Ellenburg, Lisbon, Malone, N. Y.

Sheffield Farms Co., Inc., Amenia, Bainbridge, Billings, Black River, Blooming Grove, Bloomville, Boonville, Bullville, Cambridge, Center Lisle, Central Bridge, Clyde, Cobleskill, Cooperstown, Davenport Center, Douglass Crossing, East Worcester, Eaton, Edmeston, Grand Gorge, Halcottville, Hillsdale, Homer, Interlaken, Lacona, Limerick, Locke, MacDougall, Moravia, Mount Upton, New Berlin, North Chatham, Oneonta, Pawling, Peruton, Portlandville, Pulaski, Richmondville, Roxbury, Seward, Smithboro, Smiths Basin, Smyrna, South Kortright, Stamford, Stephentown, Throop, Truxton, Tully, Walton, West Edmeston, Woods Corners, N. Y.; Bellefonte, Canton, Coburn, Cowley, Foster, Howard Lakewood, Lewisburg, Middleburg, Mill Hall, New Milford, Roaring Branch, Spring Mills, Starrucca, Tioga, Ulster, Wysox, Pa.; Hamburg, Johnsonburg, N. J.; Charlotte, Florence, Middlebury, New Haven Junction, Vergennes, Whiting, Vt.

Southern Dairies, Inc., Gallion, Ala.; Sugar Creek Creamry, New Albany, Ind.; Jonesboro, Prescott, Ark.; Poplar Bluff, Thayer, Mo.

Supple-Wills-Jones Milk Co., Bedford, Centerville, Chambersburg, Duneannon, Huntingdon, Leaman Place, Lewistown, Mercersburg, Red Hill, Waynesboro, Zieglersville, Chestertown, Pa.; Kennedyville, Princess Anne, Hagerstown, Md.; Mount Pleasant, Nassau, Townsend, Del.; Telling-Belle Vernon Co., Beloit, Jefferson, Rome, Wellington, Ohio.

BUTTER

National Butter Co. of Iowa, Dubuque, Iowa; Rieck-McJunkin Dairy Co., Huntingdon, Pa.; Sheffield Farms Co., Inc., Hobart, N. Y.; Sugar Creek Creamery Co., Danville, Pana, Ill.; Louisville, Ky.; Cape Girardeau, Kansas City, Marshfield, St. Louis, Mo.; Indianapolis, Evansville, Ind.; Bristol, S. Dak.; Knoxville, Tenn.; Omaha, O'Neill, Nebr.; Salina, Kans.; The Tri-State Butter Co., Cincinnati, Ohio.

CHEESE

Breakstone Bros., Inc., New York, Walton, Franklinville, N. Y.; National Cheese Co., Chicago, Ill.; Campbellsport, Lomira, West De Pere, Wis.

National Creamery Co., Somerville, Mass.; Kraft-Phenix Cheese Corp., Chicago, Aledo, Freeport, Marshall, Milledgeville, Stockton, Ill.; Bloomfield, Dale, Marshall, Paoli, Ridgeville, Salem, Sharpsville, Shirley, Sullivan, Summitville, Sweetser, Ind.; Hartville, Mansfield, Mountain Grove, Moberly, Nevada, Mo.; Uniontown, Ala.; Carlisle, Hope, Searcy, Marion, Ark.; Emporia, Larned, McPherson, Oswego, Kans.; Lawrenceburg, Owenton, Ky.; Booneville, Brooksville, Calhoun City, Columbus, Corinth, Houston, Newton, Water Valley, Winona, Miss.; Gallatin, McEwen, Surgoinsville, Tenn.; Glen Karn, Ohio; Clare, Gladwin, Pinconning, Scottville, Mich.; Antigo, Beaver Dam, Green Bay, Wis.; Moorefield, W. Va.; Jersey City, N. J.; Kent, Wash.; Manteca, Los Angeles, San Francisco, Tulare, Calif.; Aberdeen, Arco, Blackfoot, Carey, Grace, Lewisville, Paul, Pocatello, Ririe, Rockland, Rupert, Idaho; Denison, Bonham, Cameron, Grapeland, Sulphur Springs, Victoria, Winnsboro, Tex.; Atlanta, Ga.; Shawnee, Sulphur, Okla.; Tigard, Oreg.; Greenwood, S. C.; South Edmeston, N. Y.; West Jefferson, N. C.; Cloverleaf Creameries, Inc., Decatur, Huntington, Ind.

Miller Richardson Co., Inc., Western (Webster Hill factory), Annsville (Blake factory), Verona (Churchville factory), Western (Brick Hill factory), Western (Hillside factory), Floyd (Camraden factory), Rome (Tuescher factory), Verona (Schraeder factory, Verona (New London factory), Hammond (King factory), Alexandria (Alexandria factory), Theresa (Howland factory), Alexandria (Creek Road factory), Alexandria (Thistle factory), Clayton (Bluff factory), Clayton (Wetterhan factory), Pickney (Barnes Corners factory), Montague (Rector factory), Champion (South Champion factory), Lowville, N. Y.; Pabst-ett Corp., Plymouth, Wis.; C. A. Straubel Co., Pulaski, Wis.

ICE CREAM

Allen Ice Cream Co., Rockford, Ill.; Breyer Ice Cream Co. (Delaware), Philadelphia, Pa.; Newark, N. J.; Breyer Ice Cream Co., Inc., Long Island City, N. Y.; Bushway-Whiting Ice Cream Co., Somerville, Mass.; Castles Ice Cream Co., Garfield, N. J.; Consolidated Dairy Products Co., Inc., Long Island City, N. Y.; Detroit Creamery Co., Detroit, Lansing, Kalamazoo, Grand Rapids, Mich.; Franklin Ice Cream Corp., Kansas City, Mo.; General Ice Cream Corp., Schenectady, Albany, Amsterdam, Binghamton, Buffalo, Elmira, Geneva, Jamestown, Malone, Poughkeepsie, Rochester, Syracuse, Utica, Watertown, Worcester, N. Y.; Springfield, East Cambridge, Lawrence, Mass.; New Haven, Bridgeport, Hartford, South Manchester, Conn.; Pawtucket, Providence, R. I.; Burlington, Manchester, Vt.; Bangor, Portland, Maine, Erie, Pa.

Jersey Ice Cream Co., Lawrence, Mass.; Plymouth Rock Ice Cream Co., North Abington, Mass.; Sagal Lou Products Co., New Haven, Conn.; Wagars', Inc., Troy, N. Y.; the Harding Co., Omaha, Nebr.; Hydrox Corp., Chicago, Ill.; Hydrox Ice Cream Co., Inc., Long Island City, N. Y.; Luick Ice Cream Co., Milwaukee, Wis.; Macomber Ice Cream Co., New Bedford, Mass.; Ohio Clover Leaf Dairy Co., Toledo, Ohio; Quality Ice Cream Co., Cleveland, Ohio.

Southern Dairies, Inc., Washington, D. C.; Richmond, Norfolk, Va.; Greensboro, Wilson, Charlotte, Asheville, Winston-Salem, N. C.; Atlanta, Ga.; Cambria, Va.; Chattanooga, Knoxville, Tenn.; Birmingham, Montgomery, Mobile, Ala.; Jacksonville, Miami, West Palm Beach, St. Petersburg, Fla.

Supplee-Wills-Jones Milk Co., Philadelphia, Pa.; Telling-Belle Vernon Co., Cleveland, Akron, Columbus, Dayton, Ohio; Wheeling, W. Va.; Union Ice Cream Co., Nashville, Tenn.

EVAPORATED AND CONDENSED MILK

Consolidated Products Co., Danville, Chicago, Champaign, Galesburg, Pana, Peoria, Ill.; Akron, Cincinnati, New Bremen, Washington C. H., Ohio; Des Moines, Davenport, Iowa; Evansville, Rochester, Vincennes, Ind.; Marshfield, St. Louis, Carthage, Mo.; Hutchinson, Kansas City, Sabetha, Topeka, Winfield, Wichita, Kans.; Lincoln, Omaha, Nebr.; Bristol, S. Dak.; Bismarck, Grand Forks, Jamestown, N. Dak.; Louisville, Ky.; Oklahoma City, Vinita, Okla.; Portales, N. Mex.; Trinidad, Colo.; Sacramento, Tulare, Calif.

Findlay Evaporated Milk Co., Findlay, Ohio; Keystone Dairy Co., Lakeville, Nunda, Portville, Potsdam, N. Y.; Kraft-Phenix Cheese Corp., Kendallville, Ind.; Wittenberg, Wis.; Ohio Evaporated Milk Co., Lockwood, Ohio; Sheffield Condensed Milk Co., Inc., Canton, Chateaugay, N. Y.; Windsor Evaporated Milk Co., Carrollton, Ohio.

OTHER MILK PRODUCTS

Breakstone Bros., Inc., New York, N. Y.; Jersey City, N. J.; Collis Products Co., St. Paul, Minn.; Orleans, Nebr.; Kraft-Phenix Cheese Corp., Wausau, Hartford, Wittenberg, Wis.; Ohio Evaporated Milk Co., Farmdale, Ohio; Rieck-McJunkin Dairy Co., Springboro, Pa.; Rock Creek Dairy, Inc., Walkersville, Md.; Sheffield By-Products Co., Inc., Hobart, N. Y.; Ward Dry Milk Co., St. Paul, Albany, Albert Lea, Hutchinson, Minn.; Akron, N. Y.

Mr. LANGER. Mr. President, I purposely did not go into that portion of this man's record which comprises the war years. I can understand, of course, that war will cause a rise in prices. I have not said one word about the profits that accrued after the war began. But in addition to that, I also want the RECORD to show that independents, farmers, tried to organize cooperatives to bring milk into certain towns, and that they were kept out, according to the report of the Federal Trade Commission. Farmers tried to organize cooperatives, and were unable to market their milk, even so. That was true not only as to milk, but also as to butter.

Then, Mr. President, I submit a statement to show that the National Dairy Products Corp. is a holding corporation, organized for the purpose of acquiring and holding the capital stock of other corporations engaged in the milk and dairy products industry, and I ask unanimous consent to place in the RECORD that portion of the report prepared by the Federal Trade Commission dealing with that subject.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

NATIONAL DAIRY PRODUCTS CORP.

National Dairy Products Corp. is a holding company organized for the purpose of acquiring and holding the capital stock of other corporations engaged in milk and dairy products industries. It was incorporated December 8, 1923, and immediately thereafter acquired the capital stock of Hydrox Corp. primarily engaged in the manufacture and sale of ice cream in Chicago, Ill. It also acquired all of the capital stock of the Rieck-McJunkin Dairy Co. primarily engaged in the distribution of fluid milk in Pittsburgh, Pa., but also engaged in the manufacture and sale of numerous milk products. The business of these two subsidiaries formed a nucleous around which many acquisitions have been made. Since its organization, National Dairy Products Corp. has acquired the capital stock or the assets in whole or in part of more than 360 concerns engaged in the various branches of milk and milk products industries.

Of the 362 companies acquired, 176 were capital stock acquisitions; 135 were asset acquisitions, wherein the assets were assigned to and merged with the assets of existing subsidiaries, and 51 were asset acquisitions in which the old company was dissolved and the assets transferred to a new company organized under the same or similar name.

It was the practice of National Dairy Products Corp. to investigate each proposed acquisition, and if it was found there was no competition between the company whose acquisition was being considered and any existing subsidiary of National Dairy Products Corp., the capital stock was acquired. If, however, there was competition, and if acquisition of the capital stock might involve a possible violation of section 7 of the Clayton Act, the assets were acquired, thus avoiding the provisions of the Clayton Act, which declares that—

"No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or to create a monopoly of any line of commerce."

It was also a general policy of National Dairy Products Corp., especially where assets instead of capital stock were acquired, to cause the old corporation to be dissolved and a new corporation to be organized under the same or similar name to take over and operate the assets. Such new corporations were usually organized with a nominal capitalization, the holding company subscribing to and holding all of the issued and outstanding capital stock. In many instances only a portion of the assets were acquired, in which cases they were transferred to an appropriate existing subsidiary. This was true, for instance, where only the fluid milk distributing business or the ice cream business was desired. In some cases the individuals controlling or managing the company acquired were bound by contracts not to engage in business in competition with the acquired company for a fixed number of years.

EXTENT OF OPERATIONS

National Dairy Products Corp., through expansion by acquisition of established concerns, has extended its operations throughout the United States and the Dominion of Canada. It is the largest distributor of milk and other dairy products in the United States. The total sales of the corporation for 1937 amounted to $351,015,643.84. The consolidated net profit of National Dairy Products Corp. and its subsidiaries after making provisions for interest depreciation and all Federal and State taxes during 1937, amounted to $10,290,731.52, equivalent to $1.53 per share on 6,263,880 shares of no par common stock after provisions were made for preferred stock dividends. The authorized capital stock of National Dairy Products Corp. as of December 31, 1937, consisted of 8,000,000 shares of par common stock, 69,244 shares of class A 7-percent cumulative preferred stock, and 50,000 shares of class B cumulative preferred stock; of which 6,263,880 shares of the common, 57,339 shares of the class A preferred stock and 41,370 shares of the Class B preferred issued and outstanding.

The principal income to National Dairy Products Corp. is in the form of dividends received from subsidiary companies. During 1935, 1936, and 1937, 60 subsidiaries paid dividends to the parent company amounting to $18,912,403.65 during 1935; $13,841,638 during 1936; and $8,690,211.62 during 1937.

The National Dairy Products Corp. paid dividends on its capital stock as follows:

1936	$8,196,704.40
1937	8,197,259.40
1938 (to Oct. 1, 1938)	5,522,419.85

Acquisitions by National Dairy Products Corp. were usually financed by the issuance of stock in the holding company with comparatively little outlay of actual cash. The preferred stocks of both classes were issued in part payment for assets or capital stock acquired. All of the class A preferred stock was issued for an equal number of shares of preferred stock in Supplee-Wills-Jones Milk Co., of Philadelphia, Pa., and all of the class B preferred stock was issued in part payment for the assets of Breyer Ice Cream Co., also of Philadelphia, Pa. Up to May 21, 1936, 3,044,269 shares of the then outstanding common stock (6,263,165 shares as of January 1936) of National Dairy Products Corp. had been issued in exchange for stock or assets of acquired companies.

Subsequent to their acquisition, several of the companies acquired were reorganized and consolidated. On November 15, 1938, there were 96 active subsidiaries whose stock was held directly by National Dairy Products Corp. or by one or more of its subsidiary corporations, of which 77 were actively engaged in the milk and dairy products industries within the United States. The remaining active corporations were either engaged in other allied lines of business or were foreign corporations whose activities were not reported by the company. There were also 63 inactive corporations whose stocks were held by the National Dairy Products Corp. or one of its subsidiaries. The inactive corporations were kept alive, in some cases at least, to protect the names of companies whose stock or assets including good will, had been acquired.

Seventy-three subsidiaries operate 504 plants located in 41 States and the District of Columbia, are engaged in receiving, processing, and/or manufacturing milk and milk products. Thirty-three of them, operating 52 pasteurizing and distributing plants are primarily engaged in the distribution of fluid milk, and distributed 204,486,212 gallons of milk for consumption in fluid form during 1937. The fluid milk companies operated 171 country receiving plants in 15 States, for the purpose of assembling milk for preparation and shipment to city pasteurization plants. Five subsidiaries operated 18 plants in 12 States for the production of creamery butter and produced 102,139,974 pounds during 1937. Nine companies, operating 120 plants in 25 States, are engaged in the manufacture of cheese and produced 291,166,676 pounds during 1937. Twenty-four companies operate 80 plants in 22 States manufacturing ice cream and produced 47,484,967 gallons of ice-cream mix during 1937. Seven companies operated 47 plants in 15 States producing condensed and evaporated milk, and produced 2,583,572 gallons of whole and skim plain condensed milk, 2,731,822 gallons of evaporated milk, and 21,120,368 pounds of whole skim sweet condensed milk during 1937.

Mr. LANGER. Finally, Mr. President, I wish to say that I feel strongly about this matter, as an individual. I voted alone against the confirmation of Mr. Stettinius. The vote, as I remember it, was 91 or 92 to 1. I was told upon the Senate floor what a great man Stettinius was. He did not remain long as Secretary of State. I have always been proud of my vote against Edward Stettinius. I believe that if in this case the nominee is confirmed and goes to Argentina, he will not do any better in Argentina than Mr. Stettinius did as Secretary of State.

Having made my record, Mr. President, I rest.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination?

Mr. BARKLEY. Mr. President, I am not going to take much of the time of the Senate. I wish merely to state that Mr. Bruce is, it is true, an able businessman. He has not engaged in any activity that is in violation of the laws of his country, in my opinion. He is the son of a former Senator who served from Maryland, former Senator William Cabell Bruce, I believe. I did not always agree with Mr. Bruce, although he was a Democrat, and so was I. But I have known "Jim" Bruce for a long time.

It may be unfortunate that in searching for ambassadors from this country to others, because of the comparatively low pay and small amount allowed them for expenses in other countries, we are required in a way to limit the appointments of our important diplomatic posts to men of independent means. That, I have often thought, was unfortunate, and I have often condemned it. But it is a condition Congress has not remedied, and which, from the present viewpoint, it is not likely to remedy in the very near future.

I hope the nomination will be confirmed, because I believe Mr. Bruce will make an able, conscientious representative of the United States in this particular part of South America.

Mr. CHAVEZ. Mr. President, I believe that anyone who knows my voting record in matters affecting the welfare of the people of the country as a whole will appreciate and realize that I am generally on the side of my good friend, the Senator from North Dakota, on basic law, and on the matter of philosophy of government. I also appreciate the fact that America is a great country, and that it is the land of opportunity.

Economically I have nothing in common with the individual who is now being considered for the post of Ambassador to Argentina. The very fact, however, that he has become the beneficiary of American opportunity and has made economic progress, the very fact that he is even being considered for the post of Ambassador, after his past record has been fully investigated, proves to me at least that such a person will certainly get along with the Argentinians. I believe I know the Argentine about as well as anyone. Such an individual as the nominee, from what I know of him, can get along with the people of the Argentine, and I honestly believe he will be an excellent ambassador. That is why I shall vote for his confirmation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of James Bruce, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina?

The nomination was confirmed.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I should like to make an announcement for the benefit of Senators present, and for the RECORD. In keeping with the policy of the majority in conducting the legislative program, the handling of a piece of legislation is left to the judgment of the chairman of the committee which has reported the legislation. I call the attention of the Senate to the fact that the Senator from Colorado [Mr. MILLIKIN] is in charge of the tax bill. He has requested that consideration be given the bill tomorrow, in the hope that it may be concluded some time tomorrow afternoon, but in the event that it is not concluded during the afternoon, that the Senate remains in continuous session until action on it shall be concluded. I think it proper that Senators should be advised that, if necessary, a night session will be held tomorrow to conclude action on the bill.

Mr. BARKLEY. But we will not have a session on Sunday?

Mr. WHERRY. Mr. President, the minority leader knows as well as I do that the Senate should conclude action upon the tax legislation at as early a moment as possible, if possible tomorrow night; and I know the Senator from Kentucky will cooperate to that end. I will say that we will cross the hurdles when we come to them. It is our intention, if it meets with the approval of the Members of the Senate, especially the minority leader, to conclude action on the tax bill tomorrow.

Mr. BARKLEY. I am anxious that action on the bill may be concluded tomorrow, and, of course, will cooperate fully to that end. I hope it will not be necessary to have a session running into tomorrow night.

Mr. WHERRY. When that time comes I know the minority leader will cooperate with us to determine what shall be done by way of concluding debate on the tax bill.

Mr. BARKLEY. I shall be glad to cooperate.

RECESS

Mr. WHERRY. With that announcement, Mr. President, and, I hope, a clear understanding of our intention, I now move, as in legislative session, that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 23 minutes p. m.) the Senate, as in legislative session, took a recess until tomorrow, Saturday, July 12, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 11 (legislative day of July 10), 1947:

UNITED STATES DISTRICT JUDGE

Herbert W. Christenberry, of Louisiana, to be United States district judge for the eastern district of Louisiana, vice Hon. Adrian J. Caillouet, deceased.

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES

TO BE PROFESSOR OF MATHEMATICS AT THE UNITED STATES MILITARY ACADEMY, WITH RANK FROM DATE OF APPOINTMENT

Brig. Gen. William Weston Bessell, Jr. (lieutenant colonel, Corps of Engineers).

CONFIRMATIONS

Executive nominations confirmed by the Senate July 11 (legislative day of July 10), 1947:

DIPLOMATIC AND FOREIGN SERVICE

TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ARGENTINA

James Bruce

TO BE A FOREIGN SERVICE OFFICER OF CLASS 2, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Abbot Low Moffat

TO BE A FOREIGN SERVICE OFFICER OF CLASS 3, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

William A. Conkright

TO BE A FOREIGN SERVICE OFFICER OF CLASS 4, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Robert B. Elwood

TO BE A FOREIGN SERVICE OFFICER OF CLASS 5, A VICE CONSUL OF CAREER, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Neil M. Ruge

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Hugh G. Appling	James A. May
Richard W. Carlson	John L. Murphy
Henry L. Coster	Joseph W. Neubert
William R. Duggan	John M. Perry
John M. Farrior	Harold C. Roser, Jr.
E. Allen Fidel	Sidney Sober
Richard E. Funkhouser	Edmund Owen Stillman
Harold G. Josif	George S. Vest
Abbott Judd	Elmer E. Yelton

RECONSTRUCTION FINANCE CORPORATION

TO BE A MEMBER, BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION, FOR THE UNEXPIRED TERM OF 2 YEARS FROM JANUARY 22, 1946

Harley Hise

FEDERAL COMMUNICATIONS COMMISSION

TO BE A MEMBER, FEDERAL COMMUNICATIONS COMMISSION, FOR A TERM OF 7 YEARS FROM JULY 1, 1947

Robert Franklin Jones

UNITED STATES ATTORNEYS

TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF TEXAS

Frank B. Potter

TO BE A UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF TEXAS

Henry W. Moursund

IN THE ARMY

NATIONAL GUARD OF THE UNITED STATES, ARMY OF THE UNITED STATES

Maj. Gen. Kenneth Frank Cramer to be Chief of the National Guard Bureau, with the rank of major general, for a period of 4 years from date of acceptance.

IN THE NAVY

APPOINTMENTS IN THE NAVY

To be ensigns from June 6, 1947

David M. Arter	James C. Greenlees, Jr.
Douglas D. Decker	Sumner Gurney
Lawrence A. Ferrara, Jr.	George R. Hugman, Jr.
	William B. Keepin
John L. Gehrig	Homer G. Sanborn III
William W. Gentry	Charles I. Williams

To be assistant paymasters with rank of ensign from June 6, 1947

Jerry W. Bates	Donald R. Haines
Darrell N. Coba	Jack M. Park
Paul F. Griffith	Richard A. Sodowsky

To be assistant paymasters in the Navy with the rank of ensign

John D. Graziadei
John N. McCabe
Richard D. Willey

To be assistant civil engineers in the Navy with the rank of ensign

James L. Paulk	William C. Stookey
Eugene L. Pickett	Richard W. Trompeter

ADDITIONAL APPOINTMENTS IN THE NAVY

(NOTE.—*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment.)

To be ensigns

*Beaudoin, Amedee J.	Peters, James C.
*Bodziak, Edmund J.	Popoff, Alec N.
*Gallup, Herbert H.	*Rura, Michael J.
Grimm, George J.	Vitostko, Joseph J.
Keen, Timothy J.	Wicks, William F.
Nagle, Millard H. Jr.	

To be assistant surgeons, Medical Corps, with the rank of lieutenant (junior grade)

Bates, Phillips L.	Lykins, Robert W.
Berman, Herbert R.	Montgomery, Robert H.
Garland, Charles M., Jr.	Mount, Houston F.
Holman, Bruce C.	Rhoades, Albert L.
Lonsdorf, Richard G.	Sherer, Bernard D.

To be assistant paymaster, Supply Corps, with the rank of lieutenant (junior grade)

Pabst, Avery A.

To be assistant paymasters, Supply Corps, with the rank of ensign

Frushtick, William J.	Howard, Garnett E.
Gallagher, Edward C.	Paquette, Martin W.
Galligan, Charles H., Jr.	Swan, Alfred W.
	Schaer, Frederick D.
Marx, James H.	Whitsell, John D.
Banks, Richard A.	Windsor, James M.

To be assistant civil engineer, Civil Engineer Corps, with the rank of lieutenant (junior grade)

Robinson, James B.

To be passed assistant dental surgeon, Dental Corps, with the rank of lieutenant

Fisher, Alton K.

To be assistant dental surgeons, Dental Corps, with the rank of lieutenant (junior grade)

Garton, William C.
Walsh, Eugene A.

To be chief pharmacist, with rank of commissioned warrant officer

Williams, Lindley

IN THE MARINE CORPS

To be second lieutenants from June 6, 1947

Ralph H. Blaylock
Michael M. Spark

POSTMASTERS

ALABAMA

William S. McArthur, Ashford.
Richard J. Ozley, Columbiana.
William D. Griffin, Covin.
James H. Pittman, Crane Hill.
William P. Gilbert, Geraldine.
Edward B. Grigg, Navco.
George W. Carroll, Ozark.
Matthew J. Semrick, St. Bernard.
Jesse C. Mitchell, Toney.
James H. Meadors, Tuskegee.

ALASKA

Ronald L. Gillis, Candle.
Retha M. Young, Haines.
Maurice L. Briggs, Kodiak.
Lilly V. Clark, Nenana.

ARIZONA

William L. Conger, Ashfork.
Louis F. Skubitz, Avondale.
William D. McKale, Emery Park.
Edith C. Ryan, Fort Huachuca.
Christine Atkins, Goodyear.
Wilfrid G. Humbert, St. Michaels.
Esther Eshelman, Wellton.

ARKANSAS

Elwin K. Hurley, Alpena Pass.
Clarence W. Chalfant, Augusta.
Tom C. Morris, Berryville.
Clarence N. Wood, Colt.
Dudley C. Humphry, Jr., Delight.
Clayton C. Smith, Hatfield.
Edith L. Roberts, Humphrey.
Dwight B. Witherspoon, Hunter.
F. Penn Kimbrough, New Edinburg.
Myrtle H. Dowell, Tuckerman.
Rubye I. Bostick, Vanndale.
George W. Henderson, Waldron.
Nannie Mae Smith, Winchester.

COLORADO

Agnes G. Smith, Branson.
Howard F. Wade, Cheraw.
Paul A. Lemke, Creede.
Floyd R. Duncan, Del Norte.
Robert L. May, Eckley.
Richard M. Teilborg, Fowler.
Genevieve B. Bragg, Gilman.
Frances L. Larrabee, Henderson.
John V. Twomey, Julesburg.
Raymond D. Woolley, Meeker.
William F. Luedke, Oak Creek.
Mabel C. White, Rangely.

FLORIDA

Hazen M. Benson, Bunnell.
Robert O. Seaver, Clermont.
Mattie Ferrell, Foley.
Louie C. Wadsworth, Live Oak.
Henry S. Thompson, Perry.
Clyde L. Hillhouse, White Springs.

GEORGIA

Calvin C. Ray, Arlington.
George A. Bowen, Chester.
Carrilee O. Sanders, Culloden.
James M. Lindsey, Jr., Danburg.
William C. Dalton, Desoto.
Miriam R. Boykin, Halcyon Dale.
J. Storey Ellington, Jefferson.
Velna P. Pittman, Meigs.
Myrtice T. Skinner, Midland.
Lena T. Woods, Newington.
Jeane B. Butler, Odum.
Jessie N. Hope, Pembroke.
Eda M. McDonell, Thunderbolt.
Sam D. Williams, Vidalia.
W. Cecil Crew, Whigham.

KENTUCKY

Harry Medlock, Annville,
Lynn R. Rich, Jr., Barlow.
Bonnye B. Davidson, Hardyville.
Earl J. Lovitt, Highsplint.
William S. T. Johnson, Lawrenceburg.
Mary R. Meredith, Mammoth Cave.
Denzil F. Stumbo, Martin.
Victor J. Kramer, Melbourne.
Hiter Q. Kennady, Munfordville.
Katie Lee Walker, Paint Lick.
Thomas M. Murray, Prospect.

LOUISIANA

Ernest B. Martin, Baldwin.
T. Oliver Thibodaux, Donaldsonville.
William O. Woodward, Dubach.
Newton H. Nelson, Forest Hill.
Clarfie J. Trosclair, Harvey.
Elmer Wyble, Sr., Port Barre.
Willie L. Hazlip, Water Proof.

MAINE

William B. French, Andover.
Robert M. Dolloff, Brooks.
Chandler S. Bunker, Franklin.
Emma L. Davis, Hampden.
Doretha C. Bridgham, Jonesboro.
Chester C. Tuttle, Kennebunk.
Ellis H. Parlin, Machias.
Donald N. Coombs, Stonington.
Mabelle F. Rose, Tenants Harbor.
Donald W. McIntire, Weld.
Frank Scott, Wilton.

MASSACHUSETTS

Arthur G. Dodge, Charlton.
Gertrude M. Fallon, North Chelmsford.
Francis A. Webb, Osterville.
Maxwell S. Gifford, Rochester.
Martha L. O'Toole, South Barre.
Albert O. Bullard, Jr., Sterling Junction.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 11, 1947

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of all goodness, we are lifting our hearts unto Thee in prayer, compelled by many needs which Thou alone art able to supply.

When we think and plan for greater national prosperity and well-being, let us never forget that "righteousness exalteth a nation and that a nation is great whose God is the Lord."

Fill us with an earnest desire to make the struggle of life less difficult for all the members of the human family.

Kindle within us a keener sense of social responsibility. Help us to understand more clearly that the question, "Am I my brother's keeper?" must be answered conclusively in the affirmative.

Hear us for the sake of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YOUNG, Mr. BRIDGES, Mr. SALTONSTALL, Mr. DWORSHAK, Mr. OVERTON, Mr. TYDINGS, and Mr. GREEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 493) entitled "An act to amend section 4 of the act entitled 'An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia,' approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.)," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KEM, Mr. COOPER, and Mr. HOLLAND to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. GRAHAM asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include a letter from the commander of the American Legion, Col. Paul Griffiths.

Mr. REEVES asked and was granted permission to extend his remarks in the Appendix and include an editorial.

Mr. LEFEVRE asked and was granted permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

THE HOUSING SHORTAGE

Mr. RABIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RABIN. Mr. Speaker, despite all of the talk that we have had since the end of the war about the housing shortage, that shortage is still with us.

It would serve no useful purpose to enter into a discussion as to why it has not been solved. The fact remains that it has not been solved.

I firmly believe that H. R. 285, which I introduced, offers a surgical remedy for the shortage rather than a protracted and uncertain cure. It proceeds on the theory that if we were at war today and if a war could be won merely by building houses, we would soon build our way out of the shortage. It, in effect, lends to private industry the war powers of the Government to help solve the critical housing situation.

However, I now wish to suggest an aid to construction which will be readily accepted, I believe, by all interested in housing—the builders, mortgage lending institutions and the real-estate fraternity generally, and the public.

I recommend that in order to stimulate building of apartment buildings of all classes, including low-cost, medium- and high-grade apartments, that Congress authorize deductions under section 124 of the Internal Revenue Code for excessive construction costs. These amortization deductions will be in a form similar to that allowed for amortization of emergency facilities over a period of 60 months, as set forth in that section of the code. I believe that the provision will give an incentive to builders and it will encourage them to start building operations at once.

It is hoped that building construction costs will come down, but to wait until that time will not solve the problem now when it needs to be solved. It is necessary to start building before costs come down, and to stimulate such immediate construction some beneficial tax provision should be adopted.

I propose to introduce a bill to accomplish this objective.

SOLUTION FOR THE HOUSING PROBLEM

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Speaker, I have listened with a great deal of interest to the remarks of my colleague the gentleman from New York [Mr. RABIN], suggesting a depreciation allowance for new housing construction over a 5-year period for income-tax purposes. The gentleman from New York [Mr. RABIN] is one of the best-qualified real-estate experts whom I know. For many years he was counsel and chairman of the New York State Mortgage Commission, which handled $900,000,000 of mortgages, 20,000 mortgage issues, and actually managed over 4,000 buildings, refinancing and renting those buildings. He introduced into the Congress H. R. 285 which, in my judgment, if enacted would go a long way toward solving our housing problem. I have filed a petition to discharge the Banking and Currency Committee from further consideration of this bill, and I would urge the Members to sign the petition.

Let me summarize briefly the main features of the bill.

It directs and authorizes the President of the United States, through such agencies as he may designate:

First, to commence the construction of housing facilities in any part of this country where necessary and essential for the public welfare;

Second, to requisition any material for the purpose of such construction;

Third, to condemn such sites and acquire such land as may be necessary for that program;

Fourth, to let out contracts to private industry on any basis the President may deem most expeditious; and

Lastly, upon the completion of any structure, to sell it to private ownership for the best price obtainable, reserving the right to manage until a sale is effectuated.

In short, this measure provides for immediate construction. It provides for all types of housing—low-cost housing, medium-cost housing, or even high-priced housing, depending upon the needs of any particular locality. It provides for either temporary or permanent housing. It bypasses all of the controversies indulged in by the conflicting schools of thought on housing. It cuts red tape. It makes time of the essence and, although we have already lost this year's building season, we may still recoup some of that loss by immediate action on this bill.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of old-age security.

Mr. ROONEY asked and was given permission to extend his remarks in the Appendix of the RECORD, and to include a letter published in the Washington Evening Star.

Mr. GATHINGS asked and was given permission to extend his remarks in the Appendix of the RECORD and include three statements.

Mr. VURSELL asked and was given permission to extend his own remarks in the Appendix of the RECORD.

THE PRESIDENT AND THE TAX BILL

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, the ill-advised statement by President Truman given out while the tax bill is being considered by the Senate that he would veto the bill, in effect, converts the office of the Presidency into a powerful lobby seeking to influence the actions of the Congress, the representatives of the people.

It is further evidence that he has broken his promise made to the people when he was humbled by the election returns in November, that he would cooperate with the Congress in carrying out the will of the people. And it is further evidence that he is being influenced by, and is lined up solidly with the CIO and the left-wingers who do not want the people to have relief from crushing wartime taxes.

If he is not rebuked by the Congress in passing this tax bill over his veto, he will be rebuked by the 49,000,000 taxpayers of the Nation when he seeks their support for the Presidency in 1948. All Presidents, from Washington down, have recognized in the past that under the Constitution it is the prerogative and duty of the Congress to devise and enact revenue legislation to carry on the functions of the Government.

President Truman is on dangerous ground when he attempts to thwart the will of the people expressed through their Representatives here in Washington. Such a veto strikes a dangerous blow at our form of representative constitutional Government.

REAL ECONOMY VERSUS IMAGINARY ECONOMY

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I want to talk about economy. Now, there are two kinds of economy here in Washington. There is imagined economy, whereby you save $1,000,000 this year, but next year you pay out two million. That is the brand of economy we have in chopping up the agriculture program. And, then, there is real economy. I am for real economy in government. I always have been. I believe a great saving can be effected for the American txapayer by reducing government personnel and by more efficient operation of Federal departments. But I do not believe in an economy which has as its purpose the destruction of a program that is essential to the American way of life, a program that has been of untold benefit, not only to the farmer but to the Nation as a whole.

Who among you does not remember the early years of the depression? The years when the farmer was down and out. And, what is more, the land itself was down and out. It was tired and worn. A good part of it was wasteland.

Today we see a different picture. We see the magnificent results of the farm program of the Democratic administration. We see restored and renewed farm lands. We see farmers who are more prosperous than before.

Today the economy-minded among us say, "Can't we cut a few million or so off the agriculture program? There's no need to spend all that money on the farmers." Yes; that is what they are saying.

And that is what they have done. Now, is that real economy? You and I know that it is just the opposite. It is imagined economy. It is reckless and it is short-sighted, to say the least.

Let us just look into one of the services of the farm program that the House voted to eliminate in 1948—the soil-conservation program. Back when thousands of acres of American farm lands were useless, the administration concentrated all its efforts toward restoring the land. The farmer was taught ways to keep the soil healthy and productive. New methods were introduced. The productive capacity of the land was increased many times. Now, we have not become so blessed in this Nation that we can afford to let a single acre of land go to waste. In these days, we never know when we may need every single productive acre that we have.

But economy is the order of the day—and so soil conservation was left out of the agriculture program for 1948.

What was their reason for doing this? Surely, they do not really believe that we should ever let the land run to wrack and ruin again. No; that was not their thought. Their thought was to make good some campaign promises—and in order to do this they had to cut down somewhere. So they decided that, since the farm areas were now fairly prosperous, a few million dollars cut out of the farm program, they argued, would not cause any great harm—and that is a perfect example of the reasoning behind their economy moves.

We from the farm districts were outnumbered. We fought to save all we could of the farm program. It was due to our efforts that instead of the six million asked for by the Republicans to continue agriculture research the bill now provides for nine million five hundred thousand. We also won out in our fight to restore $40,000,000 for section 32 funds. These funds will support the farm prices for 1947 farm commodities and assure the farmer 92½ percent parity for his cotton.

I voted to keep the farm program at full strength—soil conservation, rural electrification, school-lunch program, research for cotton, and all the rest—because I believe that today, more than ever before, a farsighted farm program is vitally important. It is as much a part of our defense in this unsettled world as any gun or shell or airplane—and any man who votes to cut a single cent from it is inviting disaster. In Europe and in the Far East there is hunger—and there is fear—fear of what tomorrow may bring. Communism stalks in the wake of fear and hunger. A hungry world looks to the United States for help and for inspiration—and we know that we must stand ready to give it to them, for, unless we do, we may find ourselves standing alone one of these days—an island in a sea of hostile nations—an island in a sea of communism. If we remain prosperous, if we avoid depression, if our democracy continues strong and healthy, we will hold the greatest weapon in the world against the spread of communism—and we will have nothing to fear.

The agriculture appropriation bill is now in the Senate and I am hopeful that that body will see fit to at least restore the funds for soil conservation. If this is done, I hope that the House will go along.

NAVY DEPARTMENT APPROPRIATION BILL, 1948

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, may have until midnight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE ESTABLISHMENT OF SEAT OF FEDERAL GOVERNMENT IN DISTRICT OF COLUMBIA

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Joint Resolution 129, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That, to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesquicentennial Commission (hereinafter referred to as the "Commission") and to be composed of 15 commissioners, as follows: The President of the United States, who shall be ex officio chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three

Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens resident in the District of Columbia at large to be appointed by the President. The commissioners, with the approval of the chairman, shall select an executive vice chairman from among their number.

SEC. 2. It shall be the duty of the commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

SEC. 3. When the commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of fine arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

SEC. 4. The commission, after selecting an executive vice chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may fix their compensation within the amounts appropriated for such purposes.

SEC. 5. The commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

SEC. 6. The commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

SEC. 7. The commission shall expire December 31, 1952.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL COMPENSATION TO CERTAIN EMPLOYEES OF THE HOUSE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 281) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective July 1, 1947, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation per annum, payable monthly, to certain employees of the House, so long as the positions are held by the present incumbents, as follows:

OFFICE OF THE DOORKEEPER

To the superintendent of the House Press Gallery the sum of $500 basic; first assistant to the superintendent of the House Press Gallery the sum of $400 basic; second assistant to the superintendent of the House Press Gallery the sum of $300 basic; messenger of the House Press Gallery the sum of $300 basic; superintendent of the folding room the sum of $520 basic; two chief pages the sum of $400 basic each; two assistant floor managers in charge of telephones the sum of $300 basic each.

CLERK OF THE HOUSE

To the enrolling clerk the sum of $800 basic; assistant reading clerk the sum of $1,000 basic.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ESTATE OF WILLIAM M. DAY

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 282) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of William M. Day, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said William M. Day to Mrs. Ida R. Day, the first wife.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORITY GIVEN CLERK OF THE HOUSE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 283) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That during the period of any adjournment or recess of the House after the close of the first session of the Eightieth Congress until January 3, 1948, the Clerk of the House is authorized to pay out of the contingent fund of the House an amount equal to 6 months' salary of any deceased employee of the House at the rate such employee was receiving at the time of his or her death and an additional amount not to exceed $250 toward defraying the funeral expenses of any such employee to whomsoever in the judgment of the Clerk is justly entitled thereto subject to the approval of the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING CITY AND COUNTY OF HONOLULU TO ISSUE SEWER BONDS

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than thirty years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however,* That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

Mr. FARRINGTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARRINGTON:

Page 1, lines 8 and 9, after the word "construct", strike out the comma and the words "maintain, and repair."

Page 2, line 10, after the word "act", insert "9."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCESSIVE EARNINGS OF NATURAL-GAS COMPANIES UNDER THE RIZLEY BILL, H. R. 4051

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include some tables that I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is unfortunate that H. R. 4051, known as the Rizley bill, should be hastily rammed through Congress at this time.

Under present regulations the natural-gas companies' earnings are skyrocketing. They are now engaged in tremendous expansion programs of their facilities which, in turn, will add immeasurably to their increased earnings.

This proposed bill removes all practical regulation and places the consumers at the mercy of the gas monopolies. A recent release of the Federal Power Commission shows that for the year ending April 30, 1947, the net incomes of natural-gas companies have increased over net earnings for the year ending April 1946 by 19.8 percent, while the gas operating revenues have increased during the same period by 13 percent. These net earnings and operating revenues are steadily advancing. A comparison between April 1947 and April 1946 discloses an increase in net incomes of natural-gas companies under the regulation of the Federal Power Commission of 58.2 percent.

As of January 3, 1947, the book cost, less depreciation and amortization reserves of these natural-gas companies aggregated approximately $1,292,000,000. Between January 1, 1947, and May 3, 1947, natural-gas companies applied to the Federal Power Commission for certificates for additional facilities totaling expenditures of $1,222,977,569—almost doubling their plant investments.

These figures show that the natural-gas companies are thriving under the Natural Gas Act, and investors are anxious to invest capital under this act as it is now written.

For example, Southern Natural Gas Co., which operates in my district, filed an application on May 1, 1947, with the Federal Power Commission to construct new facilities requiring an expenditure of $43,625,895. It must be remembered that the Federal Power Commission in March 1946 reduced this company's rates by $1,200,000—which they would recapture, plus an extra $3,000,000, if this bill should become law.

In my opinion the income of Southern Natural Gas Co. could be increased by the filing with the Federal Power Commission of increased rates based upon the application of the provisions of section 5½ (2) and (3 of this bill, to the total gas purchased. This may be brought about by Southern Natural Gas Co. purchasing its gas through its present subsidiary, Southern Production Co., or some other subsidiary which it might organize.

Under the provisions of this bill the prevailing market price in the field for gas purchased from a subsidiary or affiliate must be allowed in any rate proceeding.

Southern Natural is primarily a natural gas transmission company, which produced only 457,657,000 cubic feet of gas in 1946 out of its total receipts of 72,858,361,000 cubic feet or about six-tenths of 1 percent.

Southern Natural purchased 14,124,000,000 cubic feet of gas at the well mouth in Louisiana at an average of 3.84 cents per 1,000 cubic feet, and 8,684,285,000 cubic feet at the well mouth in Texas at an average of 3.47 cents per thousand cubic feet.

The average cost of gas at the mouth of the well, therefore, was 3.7 cents per thousand feet.

Assuming that Southern Natural elected to purchase its gas through its subsidiary, Southern Production Co., Inc., at a field price of 8 cents per 1,000 cubic feet the cost of gas purchased would increase 4.3 cents per 1,000 cubic feet for 72,858,000,000 cubic feet, or a total amount of $3,132,894.

Now, remember that gas is sold in the Monroe, La., field by producing gas companies such as Southern Carbon Co. and United Carbon Co. in excess of 8 cents per 1,000 cubic feet.

Since Southern Production is a 100-percent owned subsidiary, Southern Natural would receive the $3,132,894 as dividends available for its common stock. The present earnings on its common stock and the earnings that would be available under the proposed bill based upon the actual results of operations for the year ended December 31, 1946, would show an increase from 11.3 to 22.3 percent in rate of earnings available to the common stockholder:

Total capital stock and surplus	$28,293,789
Net income, 1946	$3,190,202
Actual rate of earnings available to common stockholder (percent)	11.3
Increase in net income permitted by proposed bill	$3,132,894
Net income on proposed regulatory basis	$6,323,096
Proposed rate of earnings available to common stockholder (percent)	22.3

The increased cost of gas purchased would be subject to Federal income tax because it is not actual cost which would be claimed as a tax deduction by either company.

Whether the increased income tax is a cost to be charged to rate payers or is to be borne by the stockholders cannot be determined from the provisions of the proposed bill. Undoubtedly the natural-gas companies would claim that they should be reimbursed for increased income taxes under the intent of the proposed bill, otherwise they would not receive full benefit of the field price.

Assuming that the utility prevailed in the contention that increased income taxes should be passed on to the ratepayers the required increase would be $3,132,894 divided by 62 percent, at the present 38 percent tax rate. The over-all increase would be $5,053,054 based upon the field price of 8 cents per 1,000 cubic feet, and the actual operations for the year 1946.

INCREASE OF 12.8 CENTS PER 1,000 CUBIC FEET TO GENERAL SERVICE CUSTOMERS

The over-all increase in cost of gas in the amount of $5,053,000 would apply to both resale and direct industrial sales in the ratio of 81.4 percent and 18.6 percent respectively.

The resale of gas constitutes the regulated business. Therefore, 81.4 percent of $5,053,000 or $4,113,142 would represent the increased revenue to be obtained from regulated customers in the three States served by Southern Natural. The break-down of sales and increased cost by States to the ultimate consumers in Mississippi, Georgia, and Alabama is as follows:

	1,000 cubic feet sales	Increased cost	Present gas rates per 1,000 cubic feet	New gas rates per 1,000 cubic feet
			Cents	*Cents*
Mississippi	5,029,313	$358,584	19.5	26.62
Georgia	36,613,181	2,606,858	18.1	25.22
Alabama	16,119,366	1,147,700	17.3	24.42
Total sales for resale	57,761,860	4,113,142		

The average cost of gas sold under this bill would increase 7.12 cents per 1,000 cubic feet because of gas lost in compressor stations, and so forth. However, sales for resale include both industrial and general service sales. For example, in Mississippi general service sales in 1946 amounted to 2,803,505,000 cubic feet out of the total sales for resale of 5,029,313,000 cubic feet.

If the rate increase were applied to general service customers and not to the industrials, as most likely would be the case, the cost of gas would increase 12.8 cents instead of 7.12 cents per 1,000 cubic feet.

INCREASE OF $56,000 TO TUPELO, MISS., GENERAL SERVICE CUSTOMERS

Tupelo, Miss., my home town, is the primary load on the Amory-Tupelo lateral line. In 1946 the gas sales to general service ratepayers on this lateral amounted to 437,430,000 cubic feet. The increase at 12.8 cents would amount to $56,000 annually at the 1946 level of sales.

Increase to other Mississippi communities served by Mississippi Gas Co.

	General service, sales, 1,000 cubic feet	Increase
Brooksville	10,730	$1,327
Columbus	257,388	32,946
Louisville	126,748	16,224
Macon	41,366	5,295
Meridian	799,105	102,285
Starkville	115,892	14,834
West Point	120,310	15,400
Total		188,311
Tupelo, Aberdeen, Amory, Nettleton		56,000
Total, Mississippi Gas Co.		244,311

The effect of this bill would be to foreclose future rate reductions and permit natural-gas companies to increase rates without effective regulation.

At the present time there is in the process of being distributed to consumers approximately $48,000,000 of impounded funds by the courts which was accumulated during litigation involving two rate orders of the Federal Power Commission as to the Panhandle Eastern Pipe Line Co. and Cities Service Gas Co. Natural gas transported by these companies is consumed in the State of Illinois,

Indiana, Ohio, Michigan, Missouri, Kansas, Nebraska, Oklahoma, and Texas.

If this bill had been in effect at the time of these rate proceedings, no reduction in rates and in turn no distribution of this money to the consumers would have been possible.

For the information of the House, I am inserting a summary of eight regulated natural-gas companies showing the increased earnings available for common stockholders and the increased revenues required from the regulated class of consumers.

The matter referred to follows:

Summary of 8 regulated natural-gas companies—computation showing increased rate of earnings available for equity capital and increased revenues required from regulated customers using 7-cent field price

Company	Common stock and surplus (1)	Net income available for equity capital (2)	Rate of actual earnings (percent) (3)	Increased "cost" of sales for resale assuming field price of 7 cents per 1,000 cubic feet (4)	Increased net income (5)	Rate of increased earnings (percent) (6)	Increased income tax at 38 percent (7)	Increased revenues required (8)	Type of company	Principal market
			(2)÷(1)		(2)+(4)	(5)÷(1)	(4)×0.6129	(4)+(7)		
Southern Natural Gas Co.	$28,293,789	$3,190,202	11.3	[1]$2,550,148	$5,740,350	20.3	$1,562,994	$4,113,142	Transmission	Mississippi, Alabama, Georgia.
Colorado Interstate Gas Co.	6,478,848	1,612,501	24.9	1,141,062	2,753,563	42.5	699,357	1,840,419	do	Denver, Cheyenne.
Panhandle Eastern Pipeline Co.	38,121,119	7,133,134	18.7	4,134,838	11,267,972	29.6	2,534,256	6,669,094	Transmission and production.	Detroit.
Texoma Natural Gas Co.	4,790,464	957,713	20.0	3,660,145	4,617,858	96.4	2,243,303	5,903,448	Production	Chicago.
Natural Gas Pipeline Co. of America.	23,200,857	2,556,301	11.0	3,445,046	6,001,347	25.9	2,111,469	5,556,515	Transmission	Do.
Subtotal, Chicago								11,459,963		
Cities Service Gas Co.	38,845,288	5,430,350	14.0	3,676,072	9,106,422	23.4	2,253,065	5,929,137	Transmission and production.	Kansas City.
Northern Natural Gas Co.	31,049,264	5,315,398	17.1	1,288,964	6,604,362	21.3	790,006	2,078,970	do	Nebraska, Iowa, Minnesota.
Tennessee Gas & Transmission Co.	22,101,372	3,448,655	15.6	1,883,048	5,331,703	24.1	1,154,120	3,037,168	Transmission	Ohio, Pennsylvania
Total								35,127,893		

[1] Computed at 8 cents per thousand cubic feet for gas purchased in the Monroe, La., gas field.

Mr. Speaker, this bill should be recommitted to the committee from which it came for further study and investigation.

How can a Member of this House support this measure and then go home and explain to his people why this unnecessary burden was added to the cost of natural gas to the ultimate consumers?

This bill should be recommitted, by all means.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit today during general debate.

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I ask what bills will be taken up?

Mrs. ROGERS of Massachusetts. Subcommittee bills, I will say to the gentleman. The gentleman from Ohio [Mr. RAMEY] has certain bills for consideration in the subcommittee.

Mr. RANKIN. Is it going to be an executive session or open hearing?

Mrs. ROGERS of Massachusetts. I understand it will be an executive session.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act shall be cited as the 'Second Decontrol Act of 1947.'

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

"(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

"TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

"SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"'SEC. 1051. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled "An Act to expedite national defense, and for other purposes", approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"'(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"'(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"'(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"'(B) Antimony;

"'(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"'(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"'(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"'(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"'(2) The use of transportation equipment and facilities by rail carriers.

"'(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled "An Act to expedite national defense and for other purposes", approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.'

"TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

"SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"'(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate.'

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

"ADMINISTRATION BY SECRETARY OF COMMERCE

"SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

"(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended.

"PERSONNEL

"SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

"APPROPRIATIONS

"SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"EFFECTIVE DATE

"SEC. 9. This Act shall take effect on July 16, 1947."

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes all of the House bill after the enacting clause. The committee of conference recommend that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The first section of the bill as agreed to in conference is the same as the first section of the Senate amendment. It provides that the act shall be cited as the "Second Decontrol Act of 1947."

Section 2 of the bill as agreed to in conference is the same as section 1 of the House bill except that there is added in subsection (b) an additional statement of policy contained in section 2 of the Senate amendment declaring that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Section 3 of the bill as agreed to in conference proposes to amend title XV, section 1501, of the Second War Powers Act, 1942, in the same manner as proposed by the House bill, except for typographical and clarifying changes, and the following:

(1) The House bill proposed to extend certain powers under title III of the Second War Powers Act through January 31, 1948. The Senate amendment proposed to extend certain powers under title III of the Second War Powers Act through June 30, 1948. The bill as agreed to in conference proposes to extend certain of those powers through February 29, 1948.

(2) The House bill contained a proviso providing that controls shall not apply to cinchona bark, quinine, and quinidine now held or hereafter acquired by other than Government agencies. Under the bill as agreed to in conference title III of the Second War Powers Act will remain in force through February 29, 1948, with respect to cinchona bark, quinine, and quinidine when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired.

(3) Under the bill as agreed to in conference title III of the Second War Powers Act would remain in force for the exercise of powers, authority, and discretion with respect to rice and rice products for the purpose of exercising import control only. This provision is the same as that contained in the Senate amendment. The House bill contained no such provision.

(4) The Senate amendment provided that title III of the Second War Powers Act shall remain in force through January 31, 1948, with respect to the use of transportation equipment and facilities by rail carriers. The House bill did not contain such provision. The bill as agreed to in conference provides that such title shall remain in force through February 29, 1948, with respect to the use of transportation equipment and facilities by rail carriers.

(5) The House bill provided that title III of the Second War Powers Act shall remain in force for the purpose of establishing priority in production and delivery for export of materials (except food and food products, rice and rice products, manila (abaca) fiber and cordage, agave fiber and cordage, and nitrogenous fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United

States. The bill as agreed to in conference contains provisions having the same legal effect as the House bill, except that the Secretary of State will not have authority to make certifications with respect to any fertilizer materials whether or not nitrogenous. Although the words "rice and rice products" have been omitted from the excepting clause, the Secretary of State under the bill as agreed to in conference will not have authority to make certifications with respect to such materials under subparagraph (F) since they are still excepted as "food and food products."

Under the bill as agreed to in conference the controls under title III of the Second War Powers Act in effect after March 31, 1947, through July 15, 1947, are those provided by the First Decontrol Act of 1947. After July 15, 1947, the controls in effect will be those provided by the bill as agreed to in conference.

Section 4 of the Senate amendment proposed to amend the so-called "Export Control Act," section 6 of the act of July 2, 1940, so as to terminate on June 30, 1948, the authority to prohibit or curtail the exportation of any articles, technical data, materials, or supplies. The House bill did not contain such a provision. The bill agreed to in conference is the same as the Senate amendment except that the authority will terminate on February 29, 1948.

Section 5 of the bill as agreed to in conference provides that the functions exercised under title III of the Second War Powers Act, and the functions under the Export Control Act, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of sections 3 (relating to public information) and 10 (relating to judicial review). This provision is the same (except for a clarifying change) as the Senate amendment. The House bill, in the amendment to section 1501 of the Second War Powers Act, contained a similar provision in relation to title III of the Second War Powers Act except that the House provision did not refer to section 10 of the Administrative Procedure Act.

Sections 6 to 9, inclusive, of the bill as agreed to in conference are the same (except for clarifying changes) as sections 6 to 9 of the Senate amendment. The House bill had no comparable provisions.

Section 6 of the bill as agreed to in conference empowers the Secretary of Commerce, subject to the direction of the President, to establish policies and programs and to exercise over-all control with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended, and the Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by the new section 6. This section also requires the Secretary to make a quarterly report to the President and to Congress of his operations under the authority conferred upon him by this section. Each such report is required to contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act and the Export Control Act should or should not be continued, together with the current facts and reasons therefor. Each such report is also required to contain detailed information with respect to licensing procedures under such acts, allocations and priorities under the Second War Powers Act and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June or July 1947 in the performance of duties related to the functions and powers extended by the bill, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of the act.

Section 9 provides that the act shall take effect on July 16, 1947.

The bill as agreed to in conference adopts the Senate amendment to the title of the bill.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. MICHENER. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, may I say that I will yield to my distinguished colleague the gentleman from Arkansas [Mr. CRAVENS] at the proper time.

Mr. Speaker, this is a conference report on the Second War Powers Act. The conference report was fully agreed upon by both the Senate and House conferees.

One of the matters in controversy was the question as to whether hard fiber and cordage should be retained in the bill. The conferees, after having heard all of the evidence and examined the hearings, determined that such controls over hard fiber and cordage are no longer necessary, and that provision was stricken from the bill.

I recall that when the bill was under consideration earlier the distinguished gentleman from Oklahoma [Mr. RIZLEY] raised a question about transportation equipment and facilities of rail carriers. That provision was incorporated in this bill, and that control is now exercised on transportation equipment and facilities by rail carriers, which will make it possible to secure the needed materials and supplies for the purpose of building new freight cars and new railroad cars, and for the purpose of making needed repairs, and also for allocating this equipment so the shipment of grain can be properly handled and taken care of. I think that question is entirely covered by this bill, as you will note on page 3 of the conference report.

On the question of cinchona bark, quinine, and quinidine, the allocation and control was limited to a stock pile which the Government might now have on hand, or which it might hereafter acquire. The hearings disclosed that 1,000,000 ounces of quinine have been discovered as surplus in the hands of the Army. That is coming into the possession of the Government quite soon. Of course, that particular quinine will be subject to allocation, and that which is in the Government stock pile, and which is subject to allocation in the hands of the Government is also subject to allocation down through the channels through which quinine will go. However, the industry has the power and the right to purchase cinchona bark, quinine, and quinidine on the open market without any control and without any allocation, and that which is purchased on the open market, and which is not subject to allocation under this bill, is not subject to any allocation as to those into whose hands it might finally fall and where it might eventually be used.

I think that covers practically everything upon that subject. The protection with reference to petroleum and petroleum products which was written into this measure in the House is carried forward in this measure by the conferees. I think that is a wholesome and effective provision for the protection of the people of this country with reference to petroleum and petroleum products. Too much of those commodities have been sent to Russia, and to foreign countries. The provision included in this report should be helpful to our people.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my good friend.

Mr. AUGUST H. ANDRESEN. Does this conference report have any control over the export of grains or food?

Mr. SPRINGER. Under the Second War Powers Act, may I explain to my distinguished friend, the foods and food products are eliminated therefrom. But you will note on page 3 of the report the export controls are continued until March 1, 1948, and the Second War Powers Act is continued until that same date on the limited number of items which are embraced in the pending report of the conferees. The export controls are continued, as you will note from this conference report, until March 1, 1948. Those export controls are embraced in the Export Control Act, and that act is continued.

Mr. AUGUST H. ANDRESEN. Then, this conference report is more comprehensive than the bill which was passed by the House.

Mr. SPRINGER. The gentleman is entirely correct. It is much more comprehensive because it embraces not only the matters contained in the Second War Powers Act, but also embraces the extension of the export controls under the Export Control Act until March 1, 1948.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ANDERSON of California. Do I understand then that the export controls are to be continued under the same administrative set-up that now exists?

Mr. SPRINGER. Under this conference report, as the gentleman will observe in section 6, on page 3, of the report, the administration is to be conducted by the Secretary of Commerce and he is made the responsible head in charge of the administration of the provisions of this law from this time on until it finally terminates.

Mr. ANDERSON of California. How does that change the present set-up for the administration of export controls?

Mr. SPRINGER. Under the present arrangement, each one of the departments are practically in control of their own controls, that is, the Department of Agriculture is controlling the exports of

agricultural commodities, and the Department of Commerce is controlling implements and machinery and so forth.

Mr. ANDERSON of California. Did the Department of Agriculture exercise control or did it not just recommend to the Office of International Trade in the Department of Commerce what items should be given export licenses?

Mr. SPRINGER. As we obtained the evidence in the hearings, that is all handled under an interdepartmental arrangement by which the Secretary of State would confer with the Secretary of Commerce or with the Secretary of Agriculture or whichever particular department of government controlled that particular commodity. Those departments would reach an agreement and then the allocations would be made in accordance therewith. But under this present conference report, the one now presented to the House, the Secretary of Commerce will have charge of the administration. He will be the responsible head and the responsible person.

Mr. ANDERSON of California. Was any consideration given by the conferees to the suggestion contained in the Senate bill for the setting up of an administrative agency outside of the Department of Commerce for the allocation of export licenses?

Mr. SPRINGER. That was not considered. In the original bill which was introduced in the Senate, it provided that a department head should be set up, and he should be granted the right to employ such departmental assistants as he might require. But they amended the bill in the Senate, and that portion of the bill was not presented to the conferees.

Mr. ANDERSON of California. I will say that my interest in this stems from the fact that some of the folks I represent are being kicked around under the present administration and find it extremely difficult to secure export licenses. I do not know whether the gentleman knows it or not, but there have been a series of black-market rackets built up under the present administration of the Export Control Act.

Mr. SPRINGER. May I say to the distinguished gentleman from California that according to my information there has been some confusion with respect to the issuance of licenses. But under this conference report, this bill if it is finally enacted into law, thus placing the responsibility in the hands of the Secretary of Commerce, I feel quite confident that such confusion will be very largely eliminated.

Mr. ANDERSON of California. I certainly hope so.

Mr. SPRINGER. The disturbances in issuing licenses was caused more by reason of the confusion which existed, very largely. It is hoped, under this bill, this confusion will be entirely eliminated.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. MASON. The fact that it has been an interdepartmental matter and that one had to go to the other, and so forth, was the one thing that caused the confusion and the kicking around, as the gentleman from California has stated. Now, by placing it in one department, that ought to eliminate that confusion.

Mr. SPRINGER. In other words, it makes one department head entirely responsible. I think that confusion of the past will be largely eliminated in the future.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. MICHENER. The conference report places the responsibility in a single individual, without creating any new bureau with a lot of additional employees and expense.

Mr. SPRINGER. That is entirely correct.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the conference report preserve the provisions with respect to judicial review?

Mr. SPRINGER. Yes. That is retained in the measure.

Mr. McGREGOR. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Am I right in my supposition that foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials are no longer under the control program?

Mr. SPRINGER. The gentleman is entirely correct. Those articles are not under the control program, under the provisions of this report.

Mr. Speaker, I yield to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Speaker, the conferees are in entire agreement. The gentleman from Indiana has made a complete statement of the conference report. I have no requests for time.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Barden	Coudert	Heffernan
Bennett, Mich.	Courtney	Hendricks
Bland	Dawson, Ill.	Herter
Bloom	Dingell	Jenkins, Pa.
Bolton	Dorn	Jones, N. C.
Boykin	Fisher	Judd
Buckley	Fuller	Kee
Byrne, N. Y.	Gallagher	Kelley
Carroll	Gifford	Keogh
Celler	Gorski	Kersten, Wis.
Clark	Harless, Ariz.	McGarvey
Clements	Harness, Ind.	Macy
Cole, Mo.	Harrison	Mansfield, Tex.
Cole, N. Y.	Hartley	Monroney
Combs	Hébert	Nixon
Norblad	Robsion	Smith, Ohio
Pfeifer	Schwabe, Mo.	Vinson
Powell	Scoblick	Youngblood
Rayfiel	Scott, Hardie	
Rich	Smith, Kans.	

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in four instances and to include newspaper articles.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an article entitled "United States Marine Corps Faced With Possible Extinction if Merger Bill Is Enacted."

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an editorial written in 1860 in the Chicago Tribune.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 10, there was pending an amendment offered by the gentleman from Kansas [Mr. HOPE] and a substitute amendment offered by the gentleman from Wisconsin [Mr. MURRAY] for the Hope amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I offered on Thursday.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HILL. Reserving the right to object, Mr. Chairman, I would like to

know if the gentleman is withdrawing the entire amendment.

Mr. MURRAY of Wisconsin. I wish to say that I asked unanimous consent to withdraw this amendment——

Mr. HILL. Well, reserving the right to object, I still want to know if you have another amendment that is worse than the one you offered the other day.

The CHAIRMAN. The Chair does not believe that is a proper question.

Is there objection to the request of the gentleman from Wisconsin that he be permitted to withdraw the substitute which was offered on Thursday, July 10, to the amendment offered by the gentleman from Kansas [Mr. HOPE]?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment to the Hope amendment.

The CHAIRMAN. Is it an amendment or a substitute?

Mr. MURRAY of Wisconsin. It is a substitute for the Hope amendment. It is exactly like the present law.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

"(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing."

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. MURRAY of Wisconsin. I shall not take the full 5 minutes for myself.

I will just repeat what I said yesterday, that this is nothing but what is included in the present law.

The reason I made the substitution this morning was to be sure that every word in the present law is included in this section. And to add the section to protect the producer. That is section 2, that has just been read. We then take care of the producer as well as the laborer as provided by the present law.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. I was unable to hear the gentleman's amendment. I think he should explain it.

Mr. MURRAY of Wisconsin. The amendment consists of the first two sections of the Hope amendment but leaves off the section which does something, nobody knows exactly what, to labor. This makes the first two sections the same as the present law.

Mr. GRANGER. The gentleman already has an amendment pending, has he not?

Mr. MURRAY of Wisconsin. I just withdrew that by unanimous consent.

Mr. GRANGER. This is a new amendment?

Mr. MURRAY of Wisconsin. This is a substitute for my substitute. And I might say to my colleagues that my distinguished Chairman consulted with me about this, and it is through him that I am able to present it in this amended form.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. AUGUST H. ANDRESEN. This calls for the Secretary to continue as a collection agency to see that the labor engaged in sugar production is paid. That is correct, is it not?

Mr. MURRAY of Wisconsin. This continues present law. Whatever the Secretary of Agriculture can do now he can continue to do if this amendment is adopted.

Mr. AUGUST H. ANDRESEN. It still continues that practice, then, where he acts as a collection agency to see that these people are paid.

Suppose some of these laborers should run up a bill with a merchant but do not pay the bill after they get their money. Would the gentleman have any objection to adding an amendment to the effect that before the Secretary paid out this money that these laborers should pay their bills?

Mr. MURRAY of Wisconsin. I may say to my distinguished colleague from Minnesota that so far as I am concerned the House will pass on the merits of his amendment if he wishes to offer an amendment. That surely is his privilege. I still like to believe we are getting back to representative government. Whether my endorsement would help or hurt the gentleman I do not know, so I suggest he offers an amendment if he has one.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DOMENGEAUX. As I understand the amendment offered by the gentleman it provides that subsection 301 (e), 301 (b), and 301 (d) of the 1937 Sugar Act shall be included in the pending bill. Those subsections provide for fair price determination and fair wage determination by the Secretary of Agriculture in a mandatory manner. Is that correct?

Mr. MURRAY of Wisconsin. This amendment is just the present law. If the present law does those things, then this amendment does those things, too.

Mr. DOMENGEAUX. The present law accomplishes that.

Mr. MURRAY of Wisconsin. Then this will do what the present law accomplishes.

Mr. DOMENGEAUX. Then the gentleman's amendment puts into the bill today that which is existing law.

Mr. MURRAY of Wisconsin. I took this matter up with the chairman of the committee and had his assurance that this should have been corrected That is the reason I offer it this morning.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCORMACK. Is there any objection to the gentleman's substitute including present law?

Mr. MURRAY of Wisconsin. No; not according to the chairman of the Agriculture Committee.

Mr. McCORMACK. If I understand the gentleman's substitute, the substitute attempts to put into this bill what has been part of the several bills that have been passed during the previous years.

Mr. MURRAY of Wisconsin. The gentleman is correct.

Mr. McCORMACK. In relation to fair wages, fair prices, and so forth; nothing else.

Mr. MURRAY of Wisconsin. No, sir.

Mr. McCORMACK. It was my understanding that that was to be offered as a committee amendment. Am I correct?

Mr. MURRAY of Wisconsin. It was, but the committee amendment got a little complicated. It contained certain phrases which were rather ambiguous and under which it was difficult to anticipate what would happen. It seemed to me therefore that the part of wisdom was to modify it as I have done.

I wish to ask my distinguished chairman if I have answered these questions correctly, that this amendment will leave the present law just as it is as far as the producer and the laborer are concerned.

Mr. HOPE. That is my understanding. The amendment which the gentleman has offered reenacts the present provisions of the law relating to the payment of fair wages and the payment of fair prices.

Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by myself and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I had an impression—an erroneous one I found out afterward when I came on the floor after being in committee for 2 hours yesterday afternoon—that the amendment offered by the gentleman from Kansas [Mr. HOPE] would put back into this bill the provision of the law that has existed since 1934. I subsequently found out that that was not so, and that the amendment offered by the gentleman from Wisconsin [Mr. MURRAY] would. I am supporting the Murray amendment.

My friend the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says that he opposes the Murray amendment because it is the use of a governmental agency, in this case the Secretary of Agriculture, as a collection agency. Yet, as I understand, he has agreed to the committee amendment, and certainly if my understanding is correct—I may be wrong, but if I am incorrect, I would like to be corrected—the Hope amendment applies to those employed in the cane sections, and certainly it makes a collection agency for them if what the gentleman says about the collection agency is correct. So, it seems to me that the gentleman's basic objection is unsound, and that he find himself in an inconsistent position.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not think I am inconsistent in my position, because the committee amendment offered by the gentleman from Kansas does take care of those laborers in the areas where the processor is the one who handles the production.

Mr. McCORMACK. The gentleman admits that to that extent, if what he says is correct, it being a collection agency by an agency of the Government, that then the Hope amendment does that for some employees of the sugar industry, that is, the cane employees.

The thought I had is this, that this is a very sensitive bill. Those who have lived with it for years realize that it is based upon certain practical necessities. I might term this a bill based on expediency. There are many diverse interests, and every one in this House wants to see an over-all bill go through that is fair and satisfactory to all the interests involved, and yet protect the public, and there must be a give and take here and there. All of these factors have been considered in bygone years by the Members of the House coming from various sections of the country.

It seems to be in the interest of harmony and carrying out that sensitive understanding which has existed in bygone years that there should be reincorporated into this bill the language in relation to fair wages and fair pricing that has been in the law since 1934 and that has been extended from time to time. If that is done, then there is no difficulty to this bill's passing, but, if it is not, then that sensitive adjustment will have been disturbed, and I hope that will not happen.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the situation as we now find it is as follows: The existing law has provisions protecting workers in both the cane- and the beet-sugar industry, protecting them in two respects. No benefits are to be paid to processors unless two conditions are fulfilled. One is that the worker has to be paid in full, and the other is that the worker has to be paid a fair and reasonable wage established by the Secretary of Agriculture.

This bill has come to us without that provision in it at all. Now the committee offers an amendment restoring those provisions, in effect, only for cane workers. The committee amendment does not restore the protection for beet-sugar workers. I cannot conceive of any reason, first, for having left this entire labor provision out of the bill, nor can I conceive of any reason for reinstating this provision for the protection of the cane workers only and not extending it to the beet workers. What is the distinction? Why was this provision to safeguard both the cane and beet workers left out of this bill from the very beginning? Who were the interests that insisted on the elimination of this safeguard for all sugar workers which has been in this law ever since we have had a Sugar Act?

I think Congress and the American people are entitled to an explanation. What is more, I believe it is ironic that at a time when Congress is discussing the question of an increase in minimum wages, advocated by the House leadership of the majority party as well as by the House leadership of the minority party, that in this session, when we are trying to lift the minimum wage, we remove from the Sugar Act the provision which guarantees "fair and reasonable" minimum wages for all sugar workers? Why is it that we are now asked to destroy the minimum-wage protection for the beet-sugar workers? Why was this minimum-wage protection for both cane and beet workers entirely eliminated when this bill was brought to the floor? Why are we asked now to refuse to protect the beet workers? Those are questions that raise a very serious suspicion in the minds of everyone with respect to the entire bill.

I do hope that the Murray amendment will be adopted as a substitute for the committee amendment. In that manner we will dispose of this wage question and return to a policy that Congress has followed from the first enactment of sugar legislation of giving some protection to workers in the sugar industry, both to the cane workers and the beet workers as well.

Mr. CRAWFORD. Mr. Chairman, apparently the producer who grows sugar beets and the processors who process the sugar beets, the State Department, the Department of Agriculture, and the Department of the Interior, by reason of their agreeing to the text of this bill as here proposed to be amended by the committee, have come to the conclusion insofar as those parties to the agreement are concerned, that the amendment offered by the gentleman from Kansas [Mr. HOPE] is satisfactory. This debate has brought into the discussion the other side of the equation, which is the general welfare, you might say, of the workers.

May I ask the gentleman from Wisconsin if his amendment provides present law language with respect to the prices which the factory pays to the grower for sugar beets?

Mr. MURRAY of Wisconsin. May I say to my distinguished colleague from Michigan that it does. It is an exact copy of the present law.

Mr. CRAWFORD. That is the point I wanted to bring out. Therefore, there is an equation which has not been mentioned so far in the debate on this amendment as I understand it. That is, that present law in lieu of the benefits paid to processors and growers provides that before these benefits can be obtained, the Secretary of Agriculture must agree to the price that is to be paid. Institutionally, outside of the realm of government control and government interference in private affairs and based on some 10 years or more of performance, the language in the present law has been accepted and we have gone along with it.

But coming back to my first observation and to my remarks of the other day to the effect that this bill puts into operation the agreement which was reached by the parties who sat around the table and agreed, you have to make up your mind whether you want to bring old law provisions into this proposal or leave them out with the modifications made by the gentleman from Kansas [Mr. HOPE]. So, it is a situation where I do not know how you can make up your minds. You certainly cannot go both ways so you must go one way or the other. If all parties agree on the so-called Hope amendment. Then you can thus substantially support the general agreement which the bill covers and supports.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] for 4 minutes.

Mr. FLANNAGAN. Mr. Chairman, the so-called Murray amendment will take some of the viciousness out of this piece of legislation. It should be adopted. If the Murray amendment is left out, the producers and the laborers have no protection whatsoever and you will be turning the sugar industry from top to bottom over to the processors.

When the 1934 law was passed, due to the fact that we were subsidizing the sugar interests, we thought that some provision should be written in the law which would carry back a part of that subsidy, at least, to the producers and laborers who produced the sugarcane and the beets. That is the reason we wrote into law the amendment that Mr. Murray is now trying to preserve, namely, that the Secretary should see that fair prices are paid to the producers and that the Secretary should see that a fair wage was paid to the laboring people. That was right and it is right that we should adopt that kind of legislation. They say it was agreed that the producer-labor provision be left out of the bill. Oh, yes; I know the way it was agreed to. I know who was around the table when this bill was drawn up. I challenge any man on this floor to name a single laboring man who sat around that table. This is the only protection that was in the law which protected the rights of the laboring man. If you do not adopt the Murray amendment you are leaving the laboring man and the producer at the mercy of the processors.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. McCORMACK. As far as the various groups, representing the different interests and the general public, is concerned, through the years in this bill, which is very sensitive, that it means that that sensitiveness is disturbed and broken up.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. FLANNAGAN] has expired.

The gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 4 minutes.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment to the amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ to the committee amendment offered by Mr. HOPE: Strike out from subparagraph 3 of the amendment the following:

"(1) If producers in such area, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and also (ii)."

Mr. FERNANDEZ. Mr. Chairman, I am thoroughly in accord with the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] and shall support it. However, if that substitute amendment is not agreeable, then I would like to have the amendment to the amendment adopted, for this reason:

The Murray substitute amendment substantially does, in effect, the very thing I am seeking by my amendment, but it goes further and strikes out all of paragraph 3 offered by the gentleman from Kansas [Mr. HOPE], which contains other provisions not necessary to be stricken in order to accomplish the purpose. My amendment does not go that far. It merely strikes out the language which deletes from the provisions of the law the wage benefits heretofore enjoyed by sugar beet labor.

Yesterday the gentleman from Colorado [Mr. CARROLL] asked the gentleman from Kansas [Mr. HOPE] this question:

Mr. CARROLL. Does not this amendment modify the present Jones-Costigan law in two respects: One, that it does not give the same coverage to the workers in the beet areas as did the original act?

Mr. HOPE. Yes; that is true. As drafted now it would not apply to any area where less than 5 percent of the beets or sugarcane was grown by processors. It is my understanding that less than 5 percent of the beets in the sugar-beet area in this country are grown by processors, so this amendment would not be applicable at the present time to the sugar-beet area of this country.

My amendment to the amendment merely strikes out the 29 or 30 words which eliminates areas where less than 5 percent of the beets or sugarcane are grown by processors, and which thereby exclude the beet workers. My State produces very little sugar beets, but it does furnish a great deal of the labor which goes into Colorado and other Northern States in the beet-production areas.

Unless the substitute amendment or my amendment to the amendment is adopted, I, coming from the State of New Mexico, which furnishes that labor, cannot possibly vote for the sugar bill. No reason has been advanced why this protection to our laboring men should be withdrawn. I hope that this amendment, or preferably the Murray amendment which will merely leave the present provisions of existing law in effect, will be adopted.

The CHAIRMAN. The time of the gentleman from New Mexico [Mr. FERNANDEZ] has expired.

The gentleman from Colorado [Mr. HILL] is recognized for 4 minutes.

Mr. HILL. Mr. Chairman, I agree with the gentleman from Massachusetts [Mr. McCORMACK] that this is a bill that requires considerable thinking. There is some real history behind this sugar legislation. I want to repeat there is not a single food product in this United States that has been handled with the dispatch and efficiency during the war years that sugar has. You are getting more food value for the sugar you use, more calories, shall I say, at the present price of sugar than any other single food product.

This bill comes to us this afternoon endorsed by the organization of the growers, the processors, and all the various segments of the sugar industry.

I wish to know whether this committee this afternoon would wish to bring in changes that have not been discussed by our Committee on Agriculture and take us off on a tangent? Let me ask a question: What about the other agricultural products that are paid subsidies? Are you writing into that legislation minimum wages and guaranteed wages? What about potatoes? Many small children, younger children, are used to pick potatoes in the harvest season. No one has mentioned that. How about the dairy industry?

If you are going to write this kind of legislation on the floor of the House, write into it all these regulations for labor, then I ask you if you should not do so in every piece of legislation that comes in here touching subsidies. That is the question the House must decide.

The amendment offered by our chairman, the gentleman from Kansas [Mr. HOPE] is perfectly broad enough and written carefully enough by the assistants of the staff of our Committee on Agriculture to protect our beet laborers.

I come from the beet-producing area in the State of Colorado. We have compulsory school laws. Boys and girls must go to school. Even if they come up from the State of my good friend from New Mexico, they still must go to school in our communities. We are not using children in our beet industry.

Another thing, we are getting pretty well mechanized in the beet-sugar industry. I wish I had time to tell you about the great machines that have been developed. We are working as rapidly as we can to get the entire beet-sugar industry mechanized. The testimony before our committee was that within 7 years that will be accomplished; we may have the beet-sugar industry completely and wholly mechanized within that period. Then what is the use of these regulations? Such things should not be written into this legislation.

I hope the amendment offered by the gentleman from Wisconsin will be voted down and that he will support the amendment offered by the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Delegate from Hawaii [Mr. FARRINGTON] is recognized for 4 minutes.

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word.

The adoption of this bill with the amendments providing that the payment of fair and reasonable wages shall continue to be one of the conditions for qualifying for compliance payments under the law seems to me to offer the best possible solution now of the problem presented by the expiration on December 31 of this year of the Sugar Act of 1937.

The amendment offered by the committee as well as the substitute offered by the gentleman from Wisconsin cover the workers in the cane sugar-producing areas into the provisions of the law. The differences between the committee amendment and that offered by the gentleman from Wisconsin relate only to conditions in the beet sugar-producing areas about which I will not presume to comment.

I do want to say here, as I have said to members of the committee, that I believe the perpetuation of this principle that has always been a part of this law is wise from every standpoint and lends considerable strength to the measure.

The Territory of Hawaii, as members of the committee fully realize, is one of the principal sugar-producing areas of the United States.

The production of sugar constitutes the basic industry of the Territory and has for almost three-quarters of a century. It is the principal source of income and employment of the islands.

I believe those members of the committee who are familiar with the Hawaiian sugar industry will agree that it has reached a point of development scientifically and industrially that is in the best traditions of free American enterprise.

The growth and perpetuation of this industry however is dependent upon some form of protection from the competition of sugar-producing areas in foreign countries where the standard of wages is far below that of the American sugar producers.

Under the conditions that confront the industry at the present time, the continuation of the Sugar Act of 1937 with the modifications contained in this bill for another 5 years seem to me to meet all of the requirements not only of the industry but of the consuming public in the best way possible under the circumstances which now confront us.

In terms of the Hawaiian sugar industry, 5 years is a very brief period. The production of a single crop of sugar in Hawaii normally requires 18 months. This means that 5 years involves only three crops.

It will require this period for conditions in world production to clarify to the point where sufficient information will be available for the development of a long-range policy.

The price of sugar has remained under control probably longer than that of any other product so that the additional time required in meeting this problem is not out of keeping with what has been done in the past.

The quota assigned to Hawaii under the bill will make possible expansion of production such as can be achieved through the introduction of new varieties of cane and other scientific advances. The prospects for such an increase at the present time are very promising.

The bill perpetuates the limitation of the original act on the shipment of refined sugar from Hawaii to the mainland. We of Hawaii have not altered our belief that this provision is discriminatory and unfair, but, other than recording our position, do not undertake to challenge this feature of the law any further at the present time, other than to express the belief that the principle is wrong.

The practical fact of the matter is that there is no immediate prospect that the amount of sugar refined within Hawaii itself is likely to be increased in the near future, although the time may come whereby the introduction of new processes may change this situation.

I think it should be noted that this is offered as a temporary measure.

I should like particularly to call attention to the statement contained in the report of the committee that the committee believes that it should be made abundantly clear that the distribution of the American sugar market among the producers of the United States and foreign countries and the provision for the establishment of quotas for the ensuing 5 years on the basis provided for in this bill is not intended to establish, and should not be construed as establishing, a permanent production and distribution pattern nor as waiving American producers' rights to such portions of the American market as they can supply at the conclusion of the 5-year period covered by the bill.

On the contrary, the committee said it should be emphasized that this bill is designed to meet the problems of the temporary postwar transition period and is not to be regarded as the establishment of long-time national sugar policy.

I believe that the committee has shown that there is a sound basis for the changes in the law that have been proposed, and I hope, therefore, that favorable action will be taken on the measure with the inclusion of the amendment for safeguarding the rights of labor.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the Committee on Agriculture gave very careful consideration to this provision relating to wages. We had before us during the hearings representatives from three labor organizations: Mr. Robert K. Lamb, representing the national CIO; Mr. William Glazier, Washington representative, International Longshoremen's and Warehousemen's Union, CIO; Mrs. Elizabeth Sasuly, Washington representative of the Food, Tobacco, Agricultural, and Allied Workers' Union, CIO.

We gave careful attention to the statements made by those representatives of labor. The feeling of the committee on this question is about like this: We do not believe that the farmers of this country are dishonest; we do not believe that they are in the habit of beating their bills and not paying laborers the money due them. We think they pay fair wages in the sections of the country with which the members of the committee are familiar, and we are familiar with all sections of the country because the members of the committee come from all sections. We do not in the case of any other agricultural commodity where we are paying a subsidy to producers demand that before the producer can receive his payment he must show that he has paid his help or that he has paid certain wage rates determined by the Secretary of Agriculture—determined by the Secretary of Agriculture to be fair and just. I know of no good reason why there should be an exception made as to sugar farmers because I think they are just as honest as the farmers that grow any other commodity. I do not believe that the raising of sugar beets or sugarcane automatically makes a farmer dishonest.

With that thought in mind the committee felt there was no reason for including these wage provisions. However, it was represented to the committee that in those sections where there is a surplus of labor that this type of legislation was needed. So, yielding to the urging of the gentlemen from Louisiana [Mr. DOMENGEAUX and Mr. BOGGS], and the Delegate from Puerto Rico, Dr. FERNÓS-ISERN, the committee adopted the amendment which is now before you and which does take care of this situation in the cane-growing areas. In the beet-growing areas we do not have that situation. There is no surplus of labor. On the other hand, there is keen competition for labor in other agricultural industries beside sugar beet production. No one appeared from the sugar beet areas of the country and asked that the laborers in the sugar beet fields be included in this provision. For that reason the committee adopted the amendment offered by me as a committee amendment. We believe it takes care of the situation. The amendment offered by the gentleman from Wisconsin is not needed and should be voted down.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ] to the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] for the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 63, noes 64.

Mr. MURRAY of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOPE and Mr. MURRAY of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 96, noes 80.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] as amended.

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 30, line 6, strike out "individuals or associations" and insert in lieu thereof "persons."

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 15, line 21, strike out all of section 206.

Mr. FLANNAGAN. Mr. Chairman, I have offered this amendment in order to obtain the floor to ask the gentleman from Louisiana [Mr. DOMENGEAUX] some questions. I do this in order to clear up the record.

I made certain charges yesterday against Mr. Earl Wilson. Later in the evening the gentleman from Louisiana made the statement that Mr. Wilson, who was vice president of the National Sugar Co., of New York, in 1943 became connected with the Commodity Credit Corporation for the purpose of helping to move the Cuban crop, and that at the time Mr. Wilson became connected with the Government that he was paid a salary of $1 a year, and, of course, his salary with the National Sugar Co. continued; and that in August 1945 Mr. Wilson became head of the sugar branch of the Department of Agriculture, and at that time severed his financial interest, and so forth.

I understand the gentleman means to say that from the time Mr. Wilson entered the employment of the Government in 1943 until he became the head of the Sugar Branch of the Department in August 1945, he did not draw a Government salary but did continue to draw his salary as vice president?

Mr. DOMENGEAUX. That is correct, as I understand it.

Mr. FLANNAGAN. This morning in order to recheck my figures I took the matter up again and I want to report to the House that the record of the Department does not square with that statement. Mr. Wilson was employed by the WPB on July 8, 1942, at $1 per annum. He was transferred to Agriculture under Executive Order 9280 on January 8, 1943, as collaborator without compensation in the War Food Administration. On February 5, 1943, he was appointed as special representative of the Commodity Credit Corporation, Office of the President, at a salary of $7,000 per year. Note that this is prior to August 1945. On December 29, 1943, he was appointed Director of the Sugar Division of the Commodity Credit Corporation at a salary of $7,000 per year.

I just wanted to make the record plain so that it would show the true facts.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. DOMENGEAUX. It may very well be that August 1945 was the date in which he severed his relations and no

longer received a salary from the National Sugar Co. during the period of time in which he was in the employ of the Government.

But I do want to make this statement again because I believe it is absolutely true, based on the facts that have come to me. Mr. Wilson did not receive a salary from the Government and a salary from the National Sugar Co. at the same time; after that date when he was appointed head of the Sugar Branch. His salary with the National Sugar Co. ceased when he assumed his new position which included the administration of the Sugar Act. I believe those are the facts.

Mr. FLANNAGAN. Well, the gentleman stated on yesterday that the fact was that he did not receive a salary until August 1945, and the records of the Department which I rechecked this morning prove otherwise.

I want to call the attention of the House to another significant fact. Mr. Earl Wilson is still connected with the Department of Agriculture as a consultant on sugar matters. He is in the employment of the Department to this good day.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DOMENGEAUX. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may proceed for two additional minutes. I think this matter should be clarified.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield? The gentleman is making a very serious charge.

Mr. FLANNAGAN. I am not going to enter into a useless discussion. If you will get the facts here under the signature and affidavit of Mr. Wilson or the president of this sugar company as to when they stopped paying him a salary, then I will talk with the gentleman.

Mr. DOMENGEAUX. Will the gentleman yield for one question? You are making these charges. Has the gentleman any facts? Has he anything to establish that Mr. Wilson received a salary from the National Sugar Co. after he became administrator of the Sugar Act?

Mr. FLANNAGAN. That is exactly the charge I made yesterday.

Mr. DOMENGEAUX. Have you any facts to substantiate that charge?

Mr. FLANNAGAN. I put the facts in the RECORD. If you want to deny them, come here with an affidavit.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I withdraw my amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 31, line 4, strike out "1952", and insert "1949."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, whatever may be the disposition of the House on this particular piece of legislation today, there can certainly be no harm in shortening the length of time that it is to be in effect. If a bill which becomes a law cannot be carried out and administered properly in 2½ years—and that is the length of time this amendment gives to this bill—it ought never to have been passed by the Congress.

I say to the House that it is futile to pass a bill that will continue for 5 years, because a great many changes may take place in the next year or two. Who knows? We may have an entirely different administration. I, for one, want to see some sort of a bill passed which will be administered properly in a reasonable length of time.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOPE. The gentleman understands, of course, that Congress will be in session during the next 5 years.

Mr. EDWIN ARTHUR HALL. All the more reason why we do not need such a long period for the law to be in effect. Congress can continue it as soon as the law expires, and if it is a good law there will be no hesitancy on anyone's part to do so. I feel that 2½ years is long enough for any law to be in effect, and if the Congress wants to continue it at the end of that time, it certainly can do it. A great many changes may come about.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman, who is also a distinguished member of the Committee on Agriculture and is fully acquainted with this legislation, as he is with all legislation that comes before the Congress, knows that any committee of Congress in any Congress can review or modify or amend any piece of legislation; and does not the gentleman concede that within the next 2 years, if this legislation is not feasible, he or those in the House can amend it?

Mr. EDWIN ARTHUR HALL. Yes; and by the same token, if we want to continue this act after 1949, we can do it. I repeat, a great many changes may take place.

The sugar situation is becoming more obnoxious and more annoying to the country in general as time goes on. Personally, I have heard a great many comments on this side of the aisle about the regulation of sugar. Many Members have told me privately that they are pretty sore about seeing legislation brought in that will continue the stringent regulations on this entire sugar program.

As far as the American public is concerned, there were many Members of Congress who came up for reelection last year who had a hard job getting by the electors as a result of the embarrassing light they were placed in by these tinhorn dictators that hold sway in some of the various departments and bureaus of our Government.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I am sorry; I do not have time to yield.

The sugar situation, while it may seem picayune to some, has become a major issue in the minds of the people back home. They are angry about the bungling they have seen. They are also sore about any continuation of the regulations that have impeded the purchase of sugar. I think it is time this Congress woke up to the fact that the American people like a high standard of living. They like to have a fair amount of sugar. The housewife should have it for use in the home, and she has been deprived of sugar for the past few years. The war is over. The sky should be the limit as far as sugar production goes, and with the demands that we are going to have, not only in our domestic consumption but from foreign countries, the sugar producers and growers in this country ought to be encouraged to do everything they can to produce a bumper crop, so that we can have all the sugar we want, and so that the people throughout the world, who depend upon American supplies, will have all the sugar that they need and want.

The time has come for us to take the bull by the horns and to insist that no legislation that comes from this House be continued for an unreasonable length of time. I believe that 2½ years are sufficient. I believe the Members of this House are intelligent enough to continue the law when it expires, if necessary, and to pass any legislation that may be needed at the end of 2½ years.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, this particular amendment strikes at the heart of this bill.

The gentleman from New York says that he wants us to produce a lot of sugar in this country so we can export it and take care of the demands of the world. If he knew anything about the sugar situation in this country, he would know, of course, that we have never exported sugar from this country. We have been, we are, and we always will be, an importing nation so far as sugar is concerned. So that question is not involved at all in this legislation.

There are two particular provisions in this bill which I believe it is vital to retain, because they are the basis upon which an agreement has been had by the various producing areas and by the Department of Agriculture, the Department of the Interior, and the State Department. One of those is the provision for 5 years. This particular period is desired and insisted upon by all of the producing areas because it is felt that it will take that long to determine whether or not this type of legislation is what we want, and to work out our postwar sugar supply and demand situation.

The gentleman from New York suggests that, if we cannot find out in two and a half years if this type of legislation is what we want, that there is no use trying. It is quite possible that we may not even put this legislation into effect for 1 or 2 years. It is altogether likely that

quotas will be suspended for next year and possibly for the following year. So if we terminate this legislation at the time suggested by the gentleman from New York, we may never gain any experience under it. I trust, therefore, that those of you who are interested in sugar legislation and in the stabilization of this industry will vote down the amendment, because if it is adopted, it will utterly destroy the purpose and intent of this legislation.

Mr. Chairman, at this point I desire to make a statement explanatory of the definitions contained in title I of the bill. Title I contains all the definitions applicable to the entire bill except title V. Title V contains proposed amendments to the provisions of the Internal Revenue Code relating to taxes on sugar, and separate definitions for tax purposes are found in the Internal Revenue Code.

Definitions contained in title I are exactly the same as the definitions contained in title I of the Sugar Act of 1937 except for a slight change in the definition of "liquid sugar."

The definition of "liquid sugar" is found in subsection (f) of section 101 of title I. In the present law "liquid sugar" means "any sugars—exclusive of sirup of cane juice produced from sugarcane grown in continental United States—which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids—excluding any foreign substances that may have been added—equal to 6 percent or less of the total soluble solids." The definition is changed by the bill so that the second parenthetical clause in the definition would read "excluding any foreign substances that may have been added or developed in the product." The definition as changed will not bring within its terms any new or different type of sugar product. The purpose is to include certain sugars which properly belong within the definition but which have not been covered by the definition because there has been artificially developed in the product additional soluble nonsugar solids sufficient to make the total soluble solids of the product in excess of 6 percent.

The committee considered several suggestions for changes in the definition of "producer" but concluded, after going into the problems involved, particularly with respect to the manner in which payments are now being made to producers in Hawaii, that the definition in the existing law is adequate and enables the Secretary as in the past to deal adequately with the circumstances peculiar to the particular areas. After discussing the matter at considerable length with representatives of the Department of Agriculture, the committee saw no compelling reason why the definition of "producer" as found in subsection (k) of section 101 should be changed since the committee could not question the legality of the administrative interpretations of the definition of "producer" which the Secretary of Agriculture has made in the past in administering the act in the several areas.

Mr. FLANNAGAN. Mr. Chairman, I desire to be recognized on the amendment.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. FLANNAGAN. Mr. Chairman, I agree with the gentleman from Kansas that in all probability the adoption of this amendment will render invalid this piece of legislation, because in all likelihood we will have to continue sugar quotas for the next 2 or 3 years which would render this bill inoperative in that its provisions would never go into effect.

I think the adoption of this amendment will be a Godsend to the American housewives, because in effect it will kill this bill.

Just let me tell you a few things about this bill. No one in this country ever heard about tying the price of sugar or any other commodity to the cost of living index until someone, I do not know who, conceived that idea down in Cuba in July 1946 when this Government entered into a contract for a 2-year period buying the entire Cuban crop. For some strange reason that provision was written into the Cuban contract, the same provision they are trying to enact into the basic sugar law.

What happened to sugar? That Cuban contract was entered into in July 1946. Of course, the Secretary should give the American processors the same treatment, and he did, after they established that formula, but he had no right to establish that formula, in the first place, in my opinion. But what happened? When the Cuban contract was entered into sugar was $6.10. In September 1946 the Secretary boosted the price to $7.60. He boosted it again on November 20, 1946, to $8; on January 18, 1947, to $8.20; on March 30, 1947, to $8.25; and he did that because he was carrying out that provision or that yardstick he had written into the Cuban contract as the yardstick by which the price of sugar should be measured. That is what has happened.

Of course, the sugar trust wants that perpetuated, of course they want that provision written into the basic law so the Secretary of Agriculture will be hogtied and compelled to raise the cost of sugar from time to time. That is what they are fighting for. They are interested in but one section in this bill and that is section 201 in which they adopt the same formula that was written into the Cuban contract.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Why did not the gentleman raise that opposition in committee?

Mr. FLANNAGAN. I had a mighty good reason. I did not know anything about it. I knew no more about it than the gentleman from Pennsylvania, and I am not criticizing the gentleman from Pennsylvania for not knowing anything about it in committee, because he did not have the opportunity of acquainting himself with it. We did not have the bill before us until we went into session to begin the hearings.

Mr. GROSS. Did the gentleman vote for the bill?

Mr. FLANNAGAN. I voted against the bill.

Mr. GROSS. The gentleman did not vote against reporting the bill out did he?

Mr. FLANNAGAN. I served notice on the chairman at that time that I could not support this legislation. No one in the committee had an opportunity to go into the provisions of this bill and study the effect it was going to have on the consuming public. No one was given that opportunity. This legislation has been rushed, rushed, rushed.

Mr. GROSS. The gentleman knows the committee had this bill before it so many days the members were tired of it and it was reported out because they were tired of it; yet the gentleman says nobody had a chance.

Mr. FLANNAGAN. The gentleman evidently is mistaken; evidently he did not attend the committee meetings. We had only three hearings on the bill, that is all, and no one had an opportunity to familiarize himself with the bill before those hearings were over.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. Mr. Chairman, the gentleman from Kansas [Mr. HOPE] has stated the proposition correctly when he said it was anticipated that it will be 3 years before this bill can be tested and that it will take time before it will point the way to what we might want to do with sugar legislation in the future. Even if all the extravagant charges the gentleman from Virginia [Mr. FLANNAGAN] makes were true, it would still remain as the gentleman from Colorado [Mr. HILL] said on yesterday. This is a part of our agricultural economy that is controlled. No matter what the Sugar Trust would attempt to do after this legislation is passed, you have sufficient safeguards, because the formula and the weight that is put upon the formula is applied by the Secretary of Agriculture, and he is the individual who will have a lot to say about what the price of sugar will be.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think there has been misunderstanding about the power of the Secretary to fix the price of sugar. He does not do that. He can fix a quota on the amount of sugar that may be sold in this country in interstate commerce.

Mr. GRANGER. That is true.

Mr. AUGUST H. ANDRESEN. But he does not fix any price on sugar.

Mr. GRANGER. Only as it is fixed indirectly by quotas, I agree with him.

I hope this amendment will be defeated and any motion offered to recommit, because this legislation, I am willing to admit, is an intricate piece of legislation. I do not know all, perhaps, that is in it, but I certainly know the new language that has been added. Most of the language that was left out has been restored by action of the committee, and the only thing that is left is this section

the gentleman from Virginia [Mr. FLANNAGAN] is talking about. It is plain. It is understandable, and while I cannot say what effect it will have, neither can he, because those who have prepared the legislation or had much to do with it down at the Department of Agriculture, say that it is impossible to tell without trial and error whether or not this formula would even raise the price of sugar. It might well lower it.

So, I hope by all these complaints and amendments that have been brought in, that we are not going to be carried off our feet by approving the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL], who spent very little time in the committee, as I remember, when this bill was under discussion, and certainly the gentleman from Virginia [Mr. FLANNAGAN] did not raise all these questions before our committee. I hope that this amendment and all amendments that would cripple this legislation are defeated, because this is a continuation of the Sugar Act that we have had since 1934 and does not change it in any material way.

The CHAIRMAN. The time of the gentleman from Utah has expired.

The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL:

On page 7, line 4, strike out "4,268,000" and insert "5,268,000."

Between lines 5 and 6, strike out the following table and insert in lieu thereof: "Domestic beet sugar, 2,300,000; Mainland cane sugar, 1,000,000; Hawaii, 1,052,000; Puerto Rico, 910,000; Virgin Islands, 6,000."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, of course, none of us knows everything about every subject, and I have never set myself up as an expert, but some of the individuals who have been casting aspersions at me about my lack of knowledge on the sugar situation ought to receive the mail that I have had and the expressions of absolute dissatisfaction that the housewives and people in general back home have evidenced about this whole sugar question.

The point was made that we are an importing nation as far as sugar goes, not an exporting nation. I happened to hear the Secretary of Agriculture say before the committee—and the rest of you who were there heard him; I happened to be there that day, in spite of the unnecessary reference made by the gentleman from Utah. The Secretary as much as said that his committee which deals with the allotments of sugar for foreign countries has the final word in its allotment of sugar for relief of foreign countries. So do not let anybody try to kid you that I do not know a lot of this sugar, which ought to go for American consumption, will be sent abroad. I have no quarrel with the general principle of relief to foreign countries, and my record is crystal clear on that.

Let no one suggest that I am at all antagonistic on that score. I do say, however, that the American people have the right to expect that domestic sugar will be earmarked to quite a large extent for them. I do not believe that in taking that position I am any different than any other Member of this House who wants to be a good American. I happen to know the hard feeling that was and is rife back home over sugar. A lot of people who would make light of a question of that kind will probably not agree, but it is the crux of the whole question on the standard of living back home and the necessity of giving our own people the supplies they ought to have. I suggest that serious consideration of this question cannot be left aside unless we consider at least a quota reorganization and a change. I do not say these figures are correct. I am not setting myself up as an expert, but I do say that the sky should be the limit as far as encouraging sugar production is concerned. Our domestic raisers ought to have the opportunity to raise those quotas if they want to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I know people everywhere are disgusted with rationing. Of course, housewives are no longer rationed. But will the gentleman devote his few remaining minutes to a discussion of his amendment, so that we can find out just what he is proposing?

Mr. EDWIN ARTHUR HALL. My amendment simply increases production quotas for domestic beet and cane sugar. It is foolish and shortsighted at this time, in view of the demands the domestic consumers have made upon the country, and in view of the demands the Secretary of Agriculture is going to make, to try to set quotas that may be too low for raising of sugar. I for one want to see us have all the sugar we can possibly get, and I am going to continue to take that position regardless.

Mr. AUGUST H. ANDRESEN. How much does the gentleman's amendment propose we increase the sugar quota? Is that in acreage or tons?

Mr. EDWIN ARTHUR HALL. It increases the domestic quota 1,000,000 tons, half a million tons for cane sugar and half a million tons for beet sugar.

Mr. AUGUST H. ANDRESEN. Is that in tons or in acres?

Mr. EDWIN ARTHUR HALL. It is in tons.

Mr. AUGUST H. ANDRESEN. Would that increase the acreage allotment?

Mr. EDWIN ARTHUR HALL. I assume it would. There is plenty of land which can be added to both cane and sugar-beet production. I would much prefer to see acreage increased rather than done away with as it very well could be by exacting too stringent quotas.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be a member of a special subcommittee of the Committee on Agriculture that spent a number of weeks studying this sugar question and the world sugar supply. Mr. AUGUST H. ANDRESEN, Mr. HILL, Mr. HOEVEN, Mr. PACE, Mr. POAGE, and Mr. GATHINGS compose that committee. I suppose it was because we learned so much about the world supply that the members of that committee are so modest about taking some of your time. But I just simply cannot sit here and take it any longer. We have three deficit areas in the world in the production of sugar.

Java, which normally produced some 2,000,000 tons is out of the picture. The island of Formosa which formerly supplied Japan and the East with 1,200,000 is out of production. The whole Philippine picture is down to perhaps 20 percent of their normal production. So far as the beet-sugar areas in Europe are concerned, I do not need to tell you anything about that. France, Germany, and all of central Europe ate beet sugar. That is the thing that is causing so much grief to our friend here from New York.

We have been using 68 and 70 pounds instead of 110 or 112 pounds that we normally get. I say to you it was not easy for me, a protectionist Republican, to swallow the wool legislation. I went along with it with my tongue in my cheek, because I realized the party does not have two-thirds of the House and Senate, and the day for majority rule seems to have passed temporarily. I am looking at the picture realistically. I want to see every bit of sugar produced that can be produced, otherwise we will just have rationed scarcity and no sugar.

This is not a palatable measure to a man who knows that an American laborer has to have protection against a tropical laborer. A man who wears overalls and work clothing cannot work against a man in a G string, and a man living in a house cannot compete with a man living in a palm tree. But, nevertheless, that is the condition we face. But I swallowed this; I just buttoned up my likes and dislikes and I recommend that during this 5-year period at least until we bring the world back into sugar production we hold our noses and vote for this to make some sugar, make it possible for people to produce sugar, and then wait for the day that we may return to satisfactory protection to take care of the American laborer.

Mr. BENDER. Mr. Chairman, I wonder if the gentleman would explain the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. CLEVENGER. Let us be charitable. I am modest. The more I know about the world sugar picture—I am like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Georgia [Mr. PACE], I am almost too humble to speak about it. But I ask you to be realistic and see if we cannot raise some sugar instead of so much fuss.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 16, line 7, after the word "sugar", strike

out the period and insert a comma and add the following words: "which the Secretary shall allocate on the basis of direct consumption shipments in the years 1939 and 1940."

Mr. LYNCH. Mr. Chairman, this is a very simple amendment and I think it has considerable merit to it. It has nothing to do with increasing or decreasing the various sugar quotas. It has to do with the protection, however, of those industries that have gone into the refining business in Puerto Rico. I ask in this amendment that the allocation be based upon a definite pattern decided upon by the Congress.

It seems to me that where we have a quota and where we put a quota on any product we must take the position of protecting those people who have been in the business prior to the imposition of the quota.

My distinguished friend from New York [Mr. BUCK] yesterday spoke about these quotas and spoke about the restrictions. There is a great deal in what the gentleman said. The fact of the matter is we have got these restrictions, and, having the restrictions, it seems to me it would be most fair and equitable to say now that the quota has been established at 126,033 short tons, that those short tons should be divided amongst those refineries which are in existence at this time. The objection will be made: "Well, that is repression of business." But the repression would not be were it not for the fact that we place a quota on the sugar in the first instance.

I think that those companies which have invested hundreds of thousands of dollars in the construction of their refineries in Puerto Rico should be protected in their investment, and that we should not pass any laws which place a quota and at the same time leave open the other part of the barrel so that other companies may come in and get a part of the quota, to the detriment of those who are presently operating them.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. AUGUST H. ANDRESEN. I just wanted to get a clear understanding of the gentleman's amendment. The gentleman proposes that these 126,000 tons of sugar—and that is refined sugar——

Mr. LYNCH. Yes.

Mr. AUGUST H. ANDRESEN. Which comes from Puerto Rico shall be allocated to certain companies that deal in refined sugar in the United States?

Mr. LYNCH. No, no. To the Puerto Rican refineries, on the basis of the 1939-40 shipments.

Mr. AUGUST H. ANDRESEN. I get the gentleman's point. I think there have been one or two new refineries established in Puerto Rico.

Mr. LYNCH. My information is there are seven refineries down there, in all, and that they were in existence and operating there in 1939. As I say, I understand there have been none established since. It is amongst those that I think the quota should be divided.

Mr. AUGUST H. ANDRESEN. Of course, it would not be very much for each one if you would allocate only this 126,000 tons.

Mr. LYNCH. That is exactly what is being done today except on a different basis. As I understand, the Secretary still allocates, but it seems to me they should have some assurance as to what the allocation is going to be, and the assurance that I suggest is that Congress pass the basic formula, which is shipments during 1939 and 1940.

The CHAIRMAN. The time of the gentleman from New York [Mr. LYNCH] has expired.

Mr. HOPE. Mr. Chairman, the effect of this amendment would be that the Congress would say to certain refiners in Puerto Rico: "You can bring sugar into this country in a refined form."

And we would say to other refiners: "You cannot bring in any refined sugar to this country."

It is my understanding that some refineries have been built in Puerto Rico since the 1939-40 period. Under this legislation the imports of direct-consumption sugar—I should not say imports, because Puerto Rico is a part of the United States—but the shipments of direct-consumption sugar from Puerto Rico are limited.

The Secretary of Agriculture determines from what refineries those shipments may come. I am sure that in the past the Secretary has been fair and equitable in the apportionment of those allocations, and I am sure that he will be in the future. I do not believe that this Committee, without knowing anything about the situation, should at this time say that only those refineries which were in existence in 1939 and 1940 should be permitted to ship sugar to the United States at this time. It can readily be seen that this is a matter that in all fairness can only be left to the Secretary of Agriculture.

I urge that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LYNCH].

The amendment was rejected.

Mr. PACE. Mr. Chairman, I had not intended to comment on this bill, not because I have any misgivings about the bill, for I shall support it, but principally for the reason that I am not an expert on sugar and had some doubt about being able to contribute anything helpful. Two references, however, have been made to the Secretary of Agriculture and I do want to comment on those references. I doubt, Mr. Chairman, that any Secretary of Agriculture likes this type of legislation. I think it is very peculiar. If you study the bill you will find that the Secretary of Agriculture has complete discretion in every particular under this bill except in the allotment of quotas among the different producing areas.

The gentleman from Virginia objected to the language in section 201 setting up factors the Secretary shall consider when he determines the over-all supply of sugar. But if you read that section you will see it is still entirely in the discretion of the Secretary of Agriculture as to the amount, the weight, he shall give each factor and that he is specially required to protect the interest of the consumers of sugar.

If you turn to section 302 of the bill, which fixes the acreage allotments to the beet and sugarcane producers of this country, there is no standard set up there like we have in wheat, cotton, and corn acreage allotments. That, if you please—the allotment of acreage to the producers of beets and cane—is entirely discretionary. You will also find that the discretion of the Secretary extends to the point where he can vary the import quotas every 30 days.

Comment was made yesterday by the distinguished gentleman from Virginia that the opening statement of the Secretary of Agriculture to our committee was that he was not too well informed about the provisions of this bill. I would consider that standing alone as a rather critical reference. I think that much is true, because at the time the Secretary was getting ready to leave this country for Europe. But I think it is proper that I mention in this connection that sitting in our committee beside the Secretary of Agriculture was one who had been in every conference held on this bill, who was familiar with every "t" and every dot in the bill, that was Jim Marshall, Chief of the Sugar Section, who was there to advise with the Secretary in his testimony.

Of all the innuendoes which have been cast here reflecting upon the activities of certain gentlemen I am quite sure there has been no statement made, and no statement can be made, reflecting upon the character or the integrity of Jim Marshall, the Chief of the Sugar Section, or the Secretary of Agriculture. These two gentlemen, I am sure, have as deep and sincere an interest as does the gentleman from Virginia in the welfare and in protecting the interest of the American consumers, the American beet and cane growers, and the American men and women who work in the beet and cane fields. In view of the fight Mr. Marshall and Secretary Anderson have made to secure an adequate supply of sugar for our people and to keep down the price of sugar, it is now poor compensation to infer they would agree to any legislation which would be contrary to the best interest of the consumers.

The second reference critical of the Secretary of Agriculture was because there was included in the last Cuban contract under which we bought the entire Cuban sugar crop a provision to the effect that the price we pay Cuba would travel with the cost index in the United States. I think something needs to be said about that. I think you should understand that situation.

For several months the sugar section of the Department of Agriculture undertook to negotiate a contract for the purchase of the Cuban crop. It was important that it be done and that our Nation buy and control the entire Cuban crop.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Chairman, it was most important, if you please, that our Government buy and control every pound of the Cuban crop in order to protect the American consumers of sugar. The sugar section was unable to complete a contract with Cuba and it was so important that the Secretary of Agriculture flew down there himself to negotiate a sugar contract which did give us complete control of the entire sugar crop.

What did Cuba ask? If you please, they asked no more than every man sitting on this floor would have asked, and the Secretary of Agriculture had to agree to it to get the contract. Here is what they asked: They said, "Mr. Secretary, we take our sugar dollars and buy American products. We are entering into a contract here for the sale of our entire crop. The cost of things we buy in America is going up and we ask you to write into this contract a provision that when the cost of things which we buy in the United States goes up, the price of our sugar shall go up proportionately in order that what a hundred pounds of our sugar will buy today will continue to buy the same in American products throughout the period of this contract."

Do you see anything wrong with that? That is the same as the parity principle that is written into every piece of farm legislation this Congress has enacted. That is how it came about that the Secretary of Agriculture was able to extend fair treatment to the producers in Cuba who had done so much to contribute to the sugar supply of this country during the war and was able to acquire and control the entire sugar crop of Cuba. That is one of the reasons sugar is more plentiful today.

I want to say one more word. I do not know that we gain anything in considering legislation by talking about people. I hope this country will continue to be a land of opportunity. I hope that when men work hard they may be rewarded. Reference was made yesterday to Mr. Robert Shields, one of the most able representatives the Government has ever had in the Department of Agriculture. He went there as a young man, he worked hard, and his capacity was such that he filled practically every position in the Department of Agriculture. He was later made a very handsome offer by some of the sugar interests. Unless there is something here—and I have found nothing—to indicate there is something in this bill which is wrong, that there is something in this bill which is fraudulent, it does not seem to me the Congress of the United States should spend its time casting aspersions and innuendoes on men who have given almost their entire life to the service of the Government.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. I simply want to say that I desire very much to associate myself with the statements which the gentleman has just made, and particularly the statement he has made with reference to Mr. Marshall and Mr. Shields.

Mr. PACE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word.

May it please the Committee, I want it distinctly understood that I did not deal in innuendoes on yesterday, nor have I indulged in innuendoes today. I made direct charges. Now Mr. Marshall has been brought into this picture. He seems to be a nice young gentleman. But, now, who is Mr. Marshall? Why, Mr. Marshall was the man who was put in charge of the Sugar Branch of the Department of Agriculture by Mr. Shields when he was head of Production and Marketing. Now, he may be the most honest man in the world. He is a young man, and when they met in Shields' Washington office and sat around the table to discuss this bill, here is the picture: Mr. Marshall is there representing the Government, and his former boss on the other side representing the Sugar Trust. I cannot help but think that he would be influenced, though it may have been an unconscious influence. Mr. Marshall appeared before the committee in executive session. I had found out something about section 201 and the change in it, and I asked him why they were tying the present price of sugar, driving that stake down and tying it up with the cost of living, a formula that we had never heard of before in America until the Cuban sugar agreement was reached. He finally said it was put in there in order to raise the price of sugar. That is what he said when he testified; that that was why they put the formula in the bill. He did state that they had modified it some; but it is still the same provision that is in the Cuban contract, and appears in this bill for the first time in America's legislative history. I know what has been the result of the provision in the Cuban contract. It has raised the price of sugar $2.15 to the housewives in less than a year, which means around $300,000,000.

Now, gentlemen, this is a serious problem. I am going to offer a motion to recommit this bill and continue the present Sugar Act and give this committee further time to look into the situation.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Utah.

Mr. GRANGER. I think the gentleman has always been fair enough to be accurate in his quotations.

As I understand Mr. Marshall, although I may be wrong, he was questioned time and time again on what this formula might do to the cost of sugar. As I remember, he said perhaps some of the people who wanted the formula tied to the cost of living thought that it might be raised, but he thought it might well lower the price. That is what he said.

Mr. FLANNAGAN. Yes, but he said that was the reason it was in here. I kept on hammering on it in executive session. I wanted to know why it was in there. I am just asking you to leave it out for a year and proceed under the present Sugar Act. We know how the present act operates. I know and you know and the gentleman from Colorado knows that this new formula can be figured out to a mathematical certainty any day in the year, and that it hog-ties the Secretary.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 28, line 25, strike out section 406.

Mr. BUCK. Mr. Chairman, I hope this amendment will be accepted by the Committee. The section it seeks to strike out has nothing to do with the objectives of the bill and has no place in a statute written by the Congress of the United States. If a section such as this appeared in a law written in Russia or prewar Germany or Italy or Japan I would not be surprised, but I am surprised to see it in a statute of this Congress. What this section does is give the Secretary of Agriculture authority to force a neighbor to inform upon his neighbor or upon his competitor, or even upon his best friend; and if he refuses to act as an informer, the Secretary of Agriculture can slap a $1,000 fine upon him. This section should be eliminated. My amendment should be adopted.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. GAMBLE. This section sounds very much like a provision Mr. Henderson was very eager to get in the original OPA Act, but the Committee on Banking and Currency knocked it out in committee and it never got on the floor. It was an informant act along the same lines.

Mr. BUCK. It had its genesis back at that time.

Mr. GAMBLE. I think so.

Mr. BUCK. I thank the gentleman.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the provision to which the gentleman from New York refers, or provisions similar to it, and in many cases far stronger, will be found in every regulatory act on our statute books. This is not something that is peculiar to the Sugar Act. Every regulatory body or every official with regulatory functions in the United States Government is operating under some such provision as this.

We have set out in this legislation certain provisions which require the Secretary of Agriculture to make findings and determinations. I cannot mention all of them for I will not have time, but in section 201, for instance, in determining the quotas he has to find out what the inventories are in the hands of the producers, refiners, distributors, and industrial users. He has to have that information in order to determine the amount of the quota. In section 208 there is a provision that prohibits the shipping, transporting, and marketing of sugar in interstate commerce after the quotas have been filled. Unless the Secretary has some authority to make those inquiries he has no way of making those determinations.

A little while ago the Committee adopted the Murray amendment, which puts into effect the provision that the Secretary must determine that the workers in the fields have been paid a fair wage, and that they have been fully paid, before a grower can receive his Federal payment. We provide also in the Murray amendment that a processor who is also a grower may not receive his payments until it is shown that he has paid other growers a fair price for the cane or beets they have produced. Without this authority the Secretary would have no way at all of getting the information which we say he must have in order to make these determinations.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BOGGS of Louisiana. In other words, it would be utterly impossible to administer this act without the provision. Is that not so?

Mr. HOPE. You could not begin to administer it without the provisions contained in this section.

In section 409 there is a provision that the Secretary must make recommendations relative to the terms and conditions of contracts between processors and producers and between producers and laborers, and unless he has the authority contained in that section, there would be no way that he could function under these provisions.

The same thing applies to section 410 where the Secretary is required to make investigation for carrying out the purposes of the act. So that unless you want to make it absolutely impossible for this act to function, do not vote for the amendment offered by the gentleman from New York.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. OWENS. I would like to ask the gentleman what might be called a double question. Can you tell me any specific act which so provides without arrangements for going into court and can you tell me of any act prior to the so-called New Deal legislation that contains any such provision?

Mr. HOPE. I will say that just now I cannot give the gentleman details of these provisions but I am sure if he looks the matter up he will find the power exists in all regulatory agencies. In many cases it goes much further than this because it gives the subpena power to a regulatory official.

Mr. OWENS. Would the subpena power be through the procedure of the court?

Mr. HOPE. In some cases, yes. But where used in that way it gives more drastic power than is provided in this legislation.

Mr. OWENS. As a lawyer, I would not think so.

Mr. HOPE. I beg to disagree with the gentleman. I cannot agree with him.

Mr. Chairman, I urge that if you want this legislation to be operative and you want the Secretary of Agriculture to function in its administration, then vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BUCK].

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 16, noes 55.

So the amendment was rejected.

Mr. PETERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 23, line 2, strike out the period after the word "croppers" and insert a comma and the following: *"Provided,* That any honorably discharged veteran of World War II who is a citizen of the United States and who is a bona fide farmer at the time of the passage of this act shall be allowed to grow and market sugar or liquid sugar from sugar beets or sugarcane without reference to quota or allotment or any other limitation and as to production, such sugar production shall be deducted from the Cuban quota."

Mr. PETERSON. Mr. Chairman, the purpose of this amendment is to provide that World War II veterans who were honorably discharged, who are citizens of the United States, and who are bona fide farmers at the time this act takes effect, shall be allowed to raise sugar beets or sugarcane, for the purpose of producing sugar, without reference to quotas. The particular portion which they may raise may be deducted from the Cuban quotas.

In most of the bills dealing with agriculture, which have quota provisions, there are definite provisions of law protecting veterans for the preservation of their quotas when they return. There is no particular provision such as that in the sugar law. There are many instances in which veterans have prepared the land. They have not been able to build up a historical basis for a quota. Therefore, those who have been serving their country at times when they would have been able to build up a historical basis, have no assurance that they will have a quota. I recognize the situation that where you have benefit payments you must have quotas, although I have always felt and still feel that we should encourage new production, and that we should allow in this country production by our farmers without quotas. However, I realize if I made it wide open my amendment would have many objections, so I tried to limit it to World War II veterans. The men who were serving their country had no chance to build up a historical basis for quotas.

I think this is fair. It will increase certain domestic production by veterans who are bona fide farmers, veterans who are citizens, and this should be written into the bill.

In all seriousness, I hope the committee will vote this amendment into the bill.

In order that there may not be any fight between the beet areas and the cane areas, I have asked that it be deducted from the Cuban allotment.

There is a limitation, for instance, as to the number of veterans and limitation as to the acreage that can actually be produced. There is a physical limitation. We have to drain the land and we have to build dikes. The physical facts will make that limitation. Compared to the production in Cuba, it would be an infinitesimal amount. It is fair and just to these men who have had no opportunity to build up a historical basis.

I urge that you support this amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. PETERSON] has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize fully the popular appeal that an amendment of this type has on its face. I am a veteran of World War II, and I am as anxious to extend every privilege and benefit to the men who fought for our country as any Member of this House. But I think this amendment should be analyzed a little.

In the first place, as I understand the amendment, it would establish quotas to so-called bona fide veteran farmers who were farmers at the time of the passage of this act. The argument is made that there is no historical basis for the veterans; therefore this amendment should be adopted. That to my way of thinking is absolutely meaningless, because, bear in mind, there are no existing quotas at this time insofar as anybody is concerned either in the cane areas or the beet sugar areas. Since quotas were suspended in the year 1941, I believe, anyone could enter the beet-sugar industry or cane-sugar farming.

As I understand the amendment it would apply only to those so-called bona fide farmers who were farming at the time the act was adopted. As I interpret the amendment, therefore, in the first place it has utterly no meaning because anyone who wants to enter the business today can enter it without any interference insofar as quotas are concerned. Hence any veteran who desires to can become a beet or sugar farmer. Therefore, the amendment is meaningless. Moreover, I think this type of amendment, much as I want to favor the veteran and even if it had any meaning, is a bad type of amendment, because it subjects the veteran to exploitation. What happens? What has happened in the past? Let us take the case of the surplus property. There is a good illustration. We wrote all sorts of provisions into the Surplus Property Act giving preference to veterans. Invariably someone goes around, gets his brother-in-law, his son-in-law, or his uncle, who is a veteran, puts him up as front man and as a veteran, sits him out in front, and then all kinds of conniving takes place. That is exactly what would happen in this instance if we adopted this amendment, and we would not be doing the veteran any favor whatsoever. In addition to that, innocent-sounding as the amendment is, it might, if it has any meaning, interfere vitally with the quota arrangements which have been worked out by the State Department and the Department of Agriculture with the Republic of Cuba. In doing that we would jeopardize the entire purpose for

which this bill will be enacted. I sincerely hope, therefore, in the name of the veteran, because this amendment will not help the veteran, in order to maintain our commitments to countries with which we have made agreements that we will vote down the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, after the excellent statement just made by the gentleman from Louisiana, I do not believe it is necessary to say much more on this amendment.

I agree with everything the gentleman from Louisiana has just said.

We all want to do all we can for the veterans, of course, but to my mind it is very doubtful as to whether you would be doing anything for the veterans under this amendment; and its adoption would certainly place in jeopardy the ultimate enactment of this legislation.

I want to call attention to the fact that under the language of the bill which we had before us there is this provision: That the Secretary in determining the proportionate share to a farmer shall insofar as practical protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, and sharecroppers. The same provision is contained in the present act. I have conferred with Mr. Marshall the administrator of the act, as to how he would interpret that language, and how he has been interpreting it, and he has assured me that in applying that language veterans will be given every consideration. He says that he feels bound under the language of the GI bill to give veterans a preference in making those allocations. The language of this bill, which I have just read, as applied either to veterans or to others is much more inclusive than the amendment offered by the gentleman from Florida, because his amendment includes only veterans who are farming now, but the language written in the bill applies to any farmer veteran any time during the life of the act.

Now, what the amendment offered by the gentleman from Florida would do would be to set up another quota. We have a quota each for the domestic beet producers, the mainland cane producers, Puerto Rico, Hawaii, and the Virgin Islands. This would set up another quota and in doing that it would throw out of balance all of the provisions of the bill with reference to quotas. In addition, I do not know how such a provision as this could be administered and I do not know how a veteran could dispose of his cane or his beets if he got a quota under the provisions of this amendment because the quotas provided in the bill are assigned to each factory district. These factory districts cannot market in interstate commerce any larger amount of sugar than the quota given. This means they cannot buy any more cane or beets than enough to fill their quota. So if there is a regular quota given to the factory district and that is assigned to the producers within that district, then I do not know where a veteran would go to sell his cane or beets if he were given an extra quota under this provision. While I am just as sympathetic as anyone could possibly be toward any provision that will give veterans a preference under this act, I do not believe the amendment proposed by the gentleman from Florida would do it and, if adopted, it would, in my opinion, very seriously jeopardize the ultimate enactment of this legislation.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of the pending amendment and the bill.

Mr. Chairman, in my district we grow a lot of sugarcane. As a matter of fact, the sugar-producing area of the State of Florida, which produces approximately 100,000 tons of sugar per year, lies almost exclusively in the Sixth Congressional District of Florida. I am, therefore, very much interested in the sugar legislation.

The merits of this bill have been discussed quite fully and I am not going into that phase of it, but I do want to say to the membership of the House that this is one time that the producers, the departments of the Government and the various domestic sugar producers have gotten together. The Department of Agriculture and State Department are for it, the Interior Department is for it, and the Bureau of the Budget is in accord with it. The bill is not absolutely satisfactory in every particular, but it is certainly the best bill that can be brought to this floor at this time in order to take care of not only the consumers but the producers of sugar. When the industry gets together like it has in this instance, when there is absolute accord, and when the Committee on Agriculture, after having given full and complete study, brings to us this bill I am sure the House will adopt it.

Going back to the amendment proposed by the gentleman from Florida [Mr. PETERSON], with reference to exemption of veterans from the allotment of the quota system, may I say that this would not affect the sugar quota and would be infinitesimal. At the present time, as suggested by the distinguished gentleman from Louisiana, there is no quota. The veterans can come in right now, and they could come in for some time provided the President suspends the quota provisions of this bill, and they can raise sugarcane. When it comes to the time of allotment, at that time the veteran who has planted sugarcane can get his proper allotment.

This is not giving the veteran anything at all. It is just permitting him to work, it is permitting him, if he wants to, to engage in an agricultural industry by producing sugar.

Now, my friend says that we have given them every consideration. Well, we have, but this is not giving them anything except the right to work. As I stated previously on the floor of this House, about the only thing we have given the veterans so far is priorities. They never have gotten much. Very little have they obtained, and we are not asking anything but that they be permitted to farm. You know, there are a lot of veterans coming to Florida. This Everglades section land is as rich as the valley of the Nile. We have hundreds of thousands of acres in the Everglades section of Florida and we could produce out there all the sugarcane for the production of sugar that the people of America could consume. But instead of that we have to allot more to Cuba because we are restricted in the production on the mainland of this country, including Louisiana and Florida.

Now, this will not affect our local growers. This amendment says this: If we get back to where we have to put on a quota, that this quota shall not come from out of producers on the mainland, but the quota shall be deducted from Cuba's quota, and, as you know, if there is any deficiency in any of the areas at the present time, Cuba gets 98 percent of it and we get nothing. As a matter of fact, as I see it, this amendment is a constructive amendment, and the veterans should be permitted to grow cane if they want to.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I expect to support this sugar legislation. The bill is not perfect and does not suit me in all its phases—but I shall vote for its passage. I say that because all indications point to the fact that the processors and the growers and the various departments have gotten together on a bill that to them is satisfactory; in other words, there is a compromise on sugar legislation.

My colleagues, you must remember that sugar is one of the commodities that has been regulated longer than any other food product in the United States. I think perhaps that accounts for this complicated bill and the imperfections in the bill. The amendment offered by the gentleman from Florida would further complicate the bill.

I do have some misgivings about the bill. If you examine it carefully you will find there is a certain allocation of beet sugar to the United States, that it permits 1,800,000 short tons of beet sugar. This is an increase of 100,000 short tons of sugar. At one time we had 1,700,000 short tons of beet sugar produced in the United States. I am fearful that the amount of increase permitted is not sufficient to take care of the growing population of the United States. It does not provide for the growing industrial use of sugar. Our population grows about two million a year. The bill provides controls for 5 years. In 5 years there will be another 10,000,000 people using sugar in the United States. Besides, the uses of sugar have increased. Now, what is the answer to that? I do not find it in this bill unless there is some way to increase the amount of land that can be brought under irrigation. I remember a former Secretary of Agriculture. He was Vice President at one time. He recently was made editor of a magazine. He went out into my country a few years ago when he was Secretary of Agriculture, and made the statement that sugar beets and sugarcane should

not be raised in the United States; it was economically unsound. Well, they hung that gentleman one evening in effigy. I can still see his effigy hanging on the end of a rope, and there was a very mad group of farmers around the likeness of Henry Wallace. I want to see our farmers produce all the sugar they can and with no useless restrictions.

Well, I contend that perhaps one fault in this bill is that we have not given enough attention to how much sugar we can produce at home. I see no way in this bill whereby you can bring new land under irrigation and sugar beet production.

I would like to ask the chairman of the committee, the gentleman from Kansas [Mr. HOPE], who has done an excellent job working on this bill, a question. How can new lands not heretofore in production of sugar beets be planted to that crop? Can that be done?

Mr. HOPE. Yes; after the entire quota which is allotted to domestic sugar-beet production is exhausted and new factory areas and new growers come into existence.

Mr. MILLER of Nebraska. Well, I hope they can, because they are bringing new land under irrigation all the time. As I said before, with the growing population in this country and the growing uses of sugar, we should not put shackles upon the domestic production of sugar. I think we ought to give them free rein. However, this is a compromise. The committee has worked hard upon it. It seems to me that the amendment offered by the gentleman from Florida, while we are in sympathy with what he would do for the veterans, would merely further complicate this bill. I would commend to my colleagues affirmative action on the bill without his amendment. There must be some sugar legislation, and as this bill has the approval of all interested parties, it should pass.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. In the event it develops that we do not produce enough sugar to take care of the needs here on account of increased population, two things can happen. Congress can amend the legislation or the Secretary and the President can suspend the quotas so that we can get additional sugar planted.

Mr. MILLER of Nebraska. The Secretary does have absolute power under this bill to make adjustments of that nature when they are needed.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Florida.

Mr. PETERSON. I am in accord with the gentleman's desire to increase production. All these years I have fought for increased production. This would be a very small increase. I thought we would let the veterans increase it some now. I would go all out if we could increase production generally.

Mr. MILLER. I appreciate the gentleman's position, but feel his amendment, not having the approval of the Agricultural Committee, should not prevail. The bill should pass without amendments.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have all been sugared up here on this bill. I think all of us know just about how we are going to vote. Will you not please let us vote so we can do something else?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was rejected.

MORE NEW DEAL LEGISLATION, BUREAUCRACY, AND REGIMENTATION

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word. Mr. Chairman, this is the so-called sugar bill and designated in the bill as the "Sugar Act of 1948." In the report of the committee, after likening the proposal to the Sugar Acts of 1934 and 1937, it is stated that, "the bill has as its primary objective the stabilization of the sugar producing, refining, and importing industries." Quotas are authorized to be established for producers, marketers and importers, and subsidies are authorized to be paid to those engaged in the production and refining of sugar, all of which ultimately must be paid by the consumer. The committee's report says that this is to be understood as only a temporary program to last for 5 years from January 1, 1948. But all of the essential provisions of this act have been in force since the passage of the early Sugar Acts of 1934 and 1937. It is extremely doubtful if the program will be abandoned within the near future.

Much of the language of the bill is intricate and involved. But the bill is filled with provisions giving the Secretary of Agriculture, who is the direct appointee of the President, absolute and dictatorial powers. It is true that the bill directs the Secretary of Agriculture to take into consideration, before issuing his edicts, certain factual circumstances and conditions, but, in the long run, it is left to the Secretary of Agriculture to determine what action he will take with reference to the production, importation, and refining of sugar in this country. Worse than that, the Secretary of Agriculture, in the last analysis, according to the provisions of this bill, can and will determine the price that the citizens of the country pay for the sugar they use, and that applies both to domestic and commercial users of sugar.

PLANNED ECONOMY

If the authors of this bill, whoever they may have been, had tried to write a new bill filled from start to finish with planned economy provisions, applicable to the production, refining and marketing of sugar, it is difficult to imagine how they could have done a more complete job.

The language resembles that which was customarily employed by the brain-trusters of the early New Deal days, and the conceptions and philosophies of the New Dealers, and particularly of former Secretary of Agriculture, Mr. Henry Wallace, seem to have formed the basis of the theory and purposes of this bill. It does not read like an American congressional production.

It is said that Mr. Henry Wallace, early in the New Deal regime, advocated the idea that every farmer should be required to post on his front gatepost a Federal Government permit, stating the exact acreage and quantity of each and every crop he was permitted to produce, in order that his neighbors might know if he had exceeded his allocation or quantity. This is the same gentleman of whom ex-Senator Reed of Missouri said that he had required the farmers of this country to reduce their corn acreage by 20 percent and at the same time was trying to induce our corn growers to purchase from Mr. Wallace's corporation Wallace's hybrid seed corn at $7.50 a bushel, guaranteed to increase the yield 20 percent. This is the same group that promulgated the corn-hog reduction program, killed the little pigs and cattle, on the ground that there was an overproduction, and in order to produce a scarcity, which would result in a higher price in agricultural products. This is the same thing that developed for us during the past 14 years the philosophy of scarcity, artificial fixation of prices, controlled economy, the OPA, and all of the patent medicines and nostrums of the New Deal, which have become so nauseating to the people of this country. This is the result of the same philosophy and thinking that would regulate our every action, would tell us how much we must pay for labor and how many hours labor shall work, the diet we shall consume and the clothing we shall wear and the housing of our people. It is the outgrowth of the same program that produced thousands upon thousands of bureaucratic and Executive orders, edicts, rules, regulations, and the regimentation of our people.

It is almost unbelievable that this Congress should want to follow in the tracks of such un-American programs of the New Deal reign of the past 14 years. Yet, I call your attention to certain provisions of H. R. 4075, the so-called sugar bill now under consideration. After reading section 203 and its involved language and lengthy clauses and sentences, I think most people would give up in dire confusion and say that there wasn't any question but what the language sounded like the language of some of the other New Deal legislation that has been foisted upon the American people. There are only two sentences in section 201 of the bill. The first sentence covers 9 lines of the printed bill, and the second sentence covers 29 lines. I submit that the language, not only in section 201, but in many other provisions of the bill, is entirely beyond the comprehension of almost anyone except a New Dealer to understand. I hope it was not designed to be confusing.

I would remind you of the old NRA days. You will remember that the first New Deal baby to be born was the National Recovery Act, commonly referred to as the NRA. It was referred to by the New Dealers as involving a code of fair competition. That hideous blue eagle

had to be displayed in order to avoid boycotts and reprisals. The President and the Administrator of NRA said that the codes were written by the leaders in industry. Of course they were, with the collaboration of the brain-trusters and for the protection and perpetuation of big business—the leaders in industry. It is not natural for the leaders in any industry to encourage newcomers and competitors. Hence, among other things, the code of fair competition, the rules and regulations promulgated pursuant to the National Recovery Act, provided that as long as the leaders in the industry determined that there was sufficient capacity to turn out the quantity of material deemed necessary for the consumption of a locality, a new business could not be started. It was necessary that the NRA group, which was dominated by the leaders in industry, should issue a permit of convenience and necessity before anyone could start up a new business, or enlarge his operations or plant.

A similar situation is provided in this sugar bill. It is honey-coated with the language that apparently is designed to mislead the consumers of sugar and we are told that an emergency exists, and it is necessary to pass this bill if we are to get any sugar. That is more New Deal language. The New Deal has thrived and progressed from the very beginning on emergencies and the emergency hysteria has so seized the public that they seem easily swayed by other cries of emergency. The Secretary of Agriculture is given the power and authority to tell each farmer how much he can produce. In section 302 (a) of the bill, it is provided that the amount of sugar, with respect to which subsidy payments shall be made, shall be the amount commercially recoverable as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed—or processed by the producer—not in excess of the proportionate share for the farm, as determined by the Secretary.

In subsection (b), it is provided:

In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed.

In section 303 of the bill, there is a provision which reads:

With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary.

Then to make certain that the control of the Secretary of Agriculture shall be as nearly czarlike as possible, and as dictatorial as it may be, provided in language, we find section 304 (b) providing as follows:

All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

Without any reflections upon the present Secretary of Agriculture, who is an especially fine gentleman and whom I very much admire personally, I must say that such power and authority vested in any one man is un-American. Thank God we had a Supreme Court that understood Americanism well enough to declare the NRA unconstitutional when it was brought before that Court for consideration. Why should we continue, promote, extend, implement, and personify the program of the New Dealers by the passage of such an act as this?

BLANK CHECKS

I call your attention to section 401, the first section of title IV, which reads:

For the purposes of this act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere.

In this same connection and under this same title IV, I call your attention to the dictatorial authorization contained in subsection (b) of section 402, which reads:

All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

Then, in perfect New Deal style and apparently for fear that this lengthy bill might have omitted some authority and provision to strengthen the hand of the Secretary who had been given such dictatorial powers in the bill, we find section 403 (a), which reads:

The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act, shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

It has not been long since we heard the popular clamor against fines being imposed for violations of Executive orders, edicts, and regulations. But here we have a provision authorizing the Secretary to promulgate any orders or regulations he may see fit to carry out the power vested in him by this act, and then going all out New Deal style and providing that if anyone shall violate any order or regulation of the Secretary, he may be fined $100 for each violation. I thought the people of the United States spoke last November 5 and said they wanted no more of such stuff. That is abhorrent and shocking to the people of this country, and I do not believe they will appreciate further enactments along that line by Congress.

But the bill goes another step. In section 406, the Secretary is vested with all the powers of a legally authorized snooper. He can require any and all information he wants in connection with the manufacturing, marketing, or industrial use of sugar, and anyone who fails to furnish such information or furnishes false information on the subject to the Secretary, is liable to a fine of $1,000 for each violation. The snooping clause and power and authority vested in the Secretary is further emphasized in section 410 of the bill.

In section 410, it is provided:

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area.

Thus, it will be seen that the Secretary is really clothed with the authority of a czar not only in the sugar-producing areas, but as he may see fit and as he may deem "for the benefit of agriculture generally in any area."

It is not a question of whether or not Secretary Clinton Anderson will become a czar. Congress should not vest any individual, the President, or any of his appointees, with any such power. Congress should not abdicate its authority. As representatives of the people, we should not vest or attempt to vest such dictatorial powers in any man in this country.

There are many other provisions in the bill equally as un-American in principle as those to which I have just referred. It is sufficient to say that the Secretary has been given power and authority to allocate according to areas and down to the individual farms, and the authority to define the maximum amount of sugar beets and sugarcane that can be produced in this country. It is planned economy from start to finish. He is given a blank check to carry on his operations as dictatorial as he may see fit. He is given the authority to pass upon contracts between producers and buyers and between producers and their hired help, to penalize people who will not comply with regulations which he promulgates instead of laws being passed by Congress. He is even given the authority that can ultimately determine just how much sugar you and I can consume in this country. On page 6 of the printed report of the committee on this bill, it is stated:

The Secretary of Agriculture is authorized under section 201 to determine the requirements of consumers for each calendar year on the basis of the standards specified therein. In making his determinations the Secretary is directed to protect the welfare of consumers and of those engaged in the domestic sugar-producing industry by providing a quantity of sugar which will be consumed at prices fair to both consumers and the domestic sugar industry.

On page 8 of the committee's printed report, it is specifically stated that section 302 of the bill authorizes the Secretary to establish proportionate shares in each of the domestic areas in terms of each farm's fair share of the total quantity of sugar beets or sugarcane required to be processed to enable the producing area to meet the quota—and provide a normal carry-over inventory—for such area. The proportionate shares—acreage allotments—for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon.

The committee handling this bill stated in the committee report on page 8:

It is the judgment of the committee that considerable discretion should be left to the Secretary to deal with the varied and changing conditions in the various production areas, in order to establish fair and equitable shares for farms in such areas.

Does not that sound like New Deal bureaucracy, from which we should be attempting to rid ourselves.

Mr. Chairman, under the circumstances, I think we should face the stern realities that beset us. It does not augur well for us to side-step the issue. If there is a crisis or emergency, and the present 1937 Sugar Act expires December 31, 1947, should we not fearlessly and boldly face the proposition of enacting legislation that is sound and American in principle? The truth of the matter is that the New Deal crowd threw overboard our tariff protections on home industries. This applied to sugar and they substituted subsidies, premiums and bonuses. Tariffs are paid by the consumer of the goods upon which tariffs are collected, while subsidies are paid out of the public Treasury by the taxpayers, regardless of whether or not they are consumers of such commodities. If it is wrong in principle to subsidize the sugar industry, by paying subsidies to the producers and the processors and marketers, we should face the issue and decline to do so. We should provide other sound procedures, procedures which are economically sound and are not just temporary make-shifts, such as the committee admits this bill is intended to be. In the meantime, most important of all, we should not vest in any man the dictatorial powers that this bill seeks to give the Secretary of Agriculture.

The bill is New Dealish in every respect. Hence, I cannot and will not vote for its passage.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order, and to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Chairman, again a great flood is rolling down in the Republican River Basin. Canyons, creeks, and tributaries, as well as the main stem of the Republican River, are overflowing with water, destroying property, and causing the inhabitants to evacuate. At Cambridge, Nebr., where death through floods struck about 3 weeks ago, taking the lives of 14, it is again under water. The basements are filling up and the people are moving out.

Mr. Chairman, flood relief must come to this territory now. It so happens that the flood-control work in much of this region is to be done by the Bureau of Reclamation. It is imperative that the conferees now working on that bill appropriate every dollar possible for this territory involved. I wish to read a telegram that I have received. It was sent late last night:

Two feet water swept through streets Culbertson 5 p. m. today, stopping all transportation and business, according to Carl Swanson, attorney. Fully twice as much water coursed over nearby Hitchcock County fair grounds. Property and home damage heavy in lower part of town. This flash flood caused by sudden rain of 3 to 5 inches falling on water-soaked hillsides north of town.

Heavy rains were general throughout this region, so it was certain that another high-water crest will go down the Republican River tonight, although serious floods not expected in lower valley unless rain continues.

In flood-harrowed Cambridge, 2-inch cloudburst fell in 40 minutes, halting clean-up work still less than half complete from June 22 flood. Since considerable rain fell upstream along Medicine Creek, especially near Curtis, Cambridge citizens were watching for another flood crest tonight.

Indianola inhabitants, who suffer annually from flash floods of Coon Creek, anxiously watching for a possible 4-foot wall of water on that stream.

Two- and three-inch rains fell over northwest Kansas, so farms and towns along Beaver Creek expected their second flooding in less than month. Localized 5-inch cloudburst caused flood at Stratton Tuesday.

All developments serve to demonstrate for the thousandth time the vulnerability of this region to floods that can be caused by rainfall of as little as 2 inches, especially when rain falls fast and ground already saturated as was case again today. Unknown damage to crops; unknown amount of rich topsoil washed away, all of which again demonstrates expensively that this water must be stopped and controlled as near source as possible, used for good of greatest number of people, and prevented from causing additional devastation. Army engineers and Bureau should act immediately to avoid a repetition of today's flood at Culbertson and those recently at Cambridge and other communities in the Republican Valley and tributaries and throughout the country.

This morning another telegram arrived giving me the picture of the situation as it was at 2:30 this morning. This telegram mentions Medicine Creek and the town of Cambridge. This is the same town and the same creek that had the unfortunate flood that I previously mentioned. That telegram is as follows:

Just made trip West. Water over highway seven places from McCook to Culbertson. Every dry canyon and creek overflowing over lowlands and highways. River running full bank to bank here 2 hours ago. Flash rains all the way from 2 to 6 inches. Cambridge basements now filled with water and people evacuating the town. Six inches of water reported north of Cambridge late this afternoon with about same fall in some localities west. All communications out in that territory. Lester Simes, highway department, says Fox Creek and Curtis Creek highest in history which dumps into Medicine Creek, both creeks sending water over highway bridges. Small dikes built by people of Cambridge washed out, and people moving again after trying to rehabilitate themselves. Dry creeks running full and out over lowlands west of McCook, destroying farm lands and destroying crops and threatening lives. This is the picture this morning at 2:15 by a good reporter. Nobody knows what conditions are on headwaters of Red Willow, Medicine, and other tributaries because of lack of communications.

Mr. Chairman, one of the worst floods in the entire United States occurred in the Republican Valley. There are few such tragedies that take the lives of more than 100 people in any one locality. That did happen on the Republican River in the spring of 1935. At that time, 112 people were drowned. In the 3 or 4 years that followed that devastating flood, which destroyed millions of dollars in property, besides many millions more in topsoil, not one thing was done by the Government of the United States to bring flood control and a program of water utilization to the Republican River Basin. It is not an idle remark to say that this area, from the standpoint of such needs, is the most neglected spot in our country.

Mr. Chairman, with all the earnestness at my command, I urge that the conferees now working on the Interior bill take cognizance of this tragic situation and appropriate the full amount needed. I urge that this House support them in that move.

The Republican River and its tributaries arise in northwestern Kansas, eastern Colorado, and southwestern Nebraska. In that section the river spreads out like the fingers of a hand. The river-control work in that west part of the basin where the tributaries are located is under the jurisdiction of the Bureau of Reclamation. The Army engineers are building an on-river dam a little farther east at Republican City. It is the Harlan County Dam. This House has already recommended $3,775,000 for the Army engineers to carry on the construction work of that dam. That amount must be raised. It ought to be raised beyond the budget estimate. The June floods have done great damage in the area to be protected by the Harlan County Dam. Much of the work already done will have to be done over. The floodwater reached heights almost equal to the flood of 1935.

The Army engineers are also scheduled to work on Coon Creek. The amount needed for this purpose is small and it should be provided. I urge the Army engineers to speed their work in that valley and I plead with the Congress to make funds available to rush this work to completion.

Under the existing set-up which has prevailed for many years, regions such as the Republican Basin get no benefit whatever from emergency flood appropriations. This year, Congress provided $12,000,000 for such emergency work. That work is performed by the Army engineers. It is confined to the repair, strengthening, and maintenance of levees, flood walls, and other flood control works built by the Federal Government. To those unfortunate areas where no flood control work has ever been done, this emergency appropriation means nothing.

Mr. Chairman, I ask the help of this Congress in bringing flood control and a program of water utilization to this great area. The people are honest, hard working, thrifty, and energetic. Time and time again, they have suffered great property losses from floods. They have seen their neighbors' and their loved ones lose their lives. They are today facing high water and floods. I ask that the programs authorized and undertaken be speeded to completion.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CASE of South Dakota. Of course, the gentleman is aware of the handicap that the conferees work under in view of the fact that they must operate on the bill as passed by the House and as passed by the Senate, and there was no particular reference to the Medicine Creek Dam in either bill. I am entirely sympathetic to the gentleman's proposition, however, and hope we can do what he wants, as I understand this dam is part of the Frenchman-Cambridge project.

Mr. CURTIS. I realize the limitations on the conferees, but the Cambridge Dam is part of the Frenchman-Cambridge project which is a phase A project and one eligible for Bureau of Reclamation money ever since the war ended. I have investigated and I find that money can be made available for this dam.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

There are no further amendments at the desk and, under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4075, pursuant to House Resolution 273, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, I offer a motion to recommit which is at the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FLANNAGAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FLANNAGAN moves to recommit the bill to the House Committee on Agriculture with instructions to report the bill back forthwith continuing the Sugar Act of 1937 for 1 year and providing for reallocation of any of the 1948 deficit in Philippine continental beet- and cane-sugar quotas in accordance with the provisions of H. R. 4075.

Mr. HOPE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. FLANNAGAN) there were—ayes 47, noes 101.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO COMMITTEE ON DISTRICT OF COLUMBIA TO FILE REPORTS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE APPROPRIATION BILL, 1948, SENT TO CONFERENCE

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, with sundry amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JOHNSON of Indiana, TIBBOTT, CANFIELD, GRIFFITHS, CANNON, KIRWAN, and ANDREWS of Alabama.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the disposition of the legislative business of the day and any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO SUBCOMMITTEE ON ELECTIONS TO SIT DURING SESSIONS OF HOUSE

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may on Monday and Tuesday next sit during general debate during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mrs. BOLTON (at the request of Mr. HALLECK) was given permission to extend her remarks in the Appendix of the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. POAGE asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a proclamation of the Governor of Texas.

Mr. PATMAN asked and was given permission to extend his own remarks in the Appendix of the RECORD in three separate instances and include certain statements and excerpts.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article written by Robert L. Norton appearing in the Boston Post.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement.

Mr. DURHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and include editorials in each.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix and include excerpts from the Great Globe Itself.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include some testimony given before the Committee on Ways and Means.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

SERGE RUBINSTEIN

Mr. MICHENER. Mr. Speaker, by direction of the Committee on the Judiciary, I call up House Resolution 254, which is privileged.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of State is directed to transmit forthwith to the Committee on the Judiciary of the House of Representatives all documents, papers, memoranda, and other records in the possession of the Department of State relating to the granting to Serge Rubinstein of permission to qualify for entry into the United States as a permanent resident.

Mr. MICHENER. Mr. Speaker, I ask that the report be read.

The Clerk read as follows:

The Committee on the Judiciary, to whom was referred the resolution (H. Res. 254) directing the Secretary of State to transmit forthwhile to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

GENERAL STATEMENT

The committee recommends against the passage of the resolution because information, as requested in the resolution, has been furnished the Committee in a letter from the Department of State, the text of which is included in this report for the information of the House, insofar as such papers are in the possession of or available to the Department of State. The photostatic copies of documents which accompanied the report of the Department of State and which are referred to in the letter, are in the custody of the committee and are available to the Members of the House upon request. Furthermore, the Department of State has tend-

ered to the Congress all papers in its possession with reference to the subject matter of the resolution, and will produce any or all of them which will serve to substantiate or amplify the contents of its letter.

Mr. MICHENER. Mr. Speaker, the report from the department is, in the opinion of the Judiciary Committee, complete. I move that the resolution be laid on the table.

The motion was agreed to.

Mr. MICHENER. Mr. Speaker, I offer another privileged resolution (H. Res. 255), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Attorney General of the United States is directed to transmit forthwith to the Committee on the Judiciary of the House of Representatives all documents, papers, memoranda, and other records in the possession of the Department of Justice relating to—

(1) the entry into the United States of Serge Rubinstein as a permanent resident;

(2) any investigations made as to the validity of the said Serge Rubinstein's Portuguese passport;

(3) any investigations made as to the truth of Serge Rubinstein's representations with respect to his parentage and citizenship;

(4) any investigations made as to the activities of the said Serge Rubinstein prior to his entry into the United States, and as to whether he was a desirable or undesirable alien;

(5) any investigations made leading to the issuance of an order of deportation of the said Serge Rubinstein;

(6) the revocation of such order of deportation by the Board of Immigration Appeals and/or any facts or investigations in connection therewith, including any activities of the said Serge Rubinstein directed to obtaining the revocation of the deportation order against him;

(7) any investigations made to determine whether the said Serge Rubinstein should be prosecuted criminally for alleged violations of laws administered by the Securities and Exchange Commission;

(8) any investigations made to determine whether the said Serge Rubinstein utilized corporate funds, particularly those of the Chosen Corporation, a British corporation, for his personal gain;

(9) any investigation made with respect to the activities of one Paul O'Leary Buckley in connection with the sale to Serge Rubinstein of an interest in Taylorcraft Aviation Corp. to enable the said Serge Rubinstein to establish a grounds for deferment from training or service under the Selective Training and Service Act of 1940, including any documents, papers, memoranda, or other records showing what efforts were made to secure an indictment against the said Buckley for conspiracy to violate the Selective Training and Service Act of 1940;

(10) any investigations made with a view to determine whether the said Serge Rubinstein was liable to indictment and prosecution for fraud under the Federal income-tax laws;

(11) any investigations made with respect to the truth of representations of the said Serge Rubinstein which resulted in the many changes in his classification under the Selective Training and Service Act;

(12) any investigations made with respect to the activities of one H. Ralph Burton, former counsel to the House Committee on Military Affairs, or with respect to the activities of any other member of the staff of such committee, in connection with the classification of the said Serge Rubinstein under the Selective Training and Service Act of 1940;

(13) any investigations made with respect to alleged expenditures of moneys or other things of value by the said Serge Rubinstein in Washington, D. C., and elsewhere, for the purchase of influence;

(14) any investigations made in connection with the indictment and prosecution of the said Serge Rubinstein for violation of the Selective Training and Service Act of 1940;

(15) the delay of 15 months in bringing the said Serge Rubinstein to trial on such indictment;

(16) the assignment of Judge James F. T. O'Connor to preside at the trial of the said Serge Rubinstein on such indictment;

(17) recommendations, if any, of the Department of Justice or any representative thereof with respect to sentence of the said Serge Rubinstein, and the reasons, if any, for making any recommendations in particular;

(18) the practice and procedure of the Department of Justice relating to the admission of visitors and others to interview prisoners at the Federal Penitentiary at Lewisburg, Pa.; and

(19) temporary absences, if any, with the permission of prison officials, of prisoners from the Lewisburg Penitentiary during the period of their confinement.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the report be read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the report as follows:

The Committee on the Judiciary, to whom was referred the resolution (H. Res. 255) directing the Attorney General to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

GENERAL STATEMENT

The committee recommends against the passage of the resolution because information, as requested in the resolution, has been furnished the committee in a letter from the Department of Justice accompanied by a lengthy memorandum, the texts of both of which are included in this report for the information of the House. It will be observed that the memorandum referred to is arranged so as to provide specific answers to each one of the inquiries contained in the resolution in the order in which they appear in the resolution. Moreover, the Attorney General has tendered any part or all of his voluminous file to the Congress for inspection at the pleasure of the Congress. However, it is believed by the committee that the memorandum contains in synopsis form all of the information which could otherwise be obtained by the Congress from an exhaustive examination of the file itself.

Mr. MICHENER. Mr. Speaker, I think the answer of the Department of Justice is complete and furnishes the evidence asked for.

The Judiciary Committee has no knowledge as to just what is intended or sought by the gentleman from New York. Under the rules he is entitled to this information and we have secured it for him. The gentleman has asked for 20 minutes of the hour allotted and I therefore yield to the gentleman from New York [Mr. BUCK] 20 minutes.

SERGE RUBINSTEIN—CONVICT AND DRAFT DODGER

Mr. BUCK. Mr. Speaker, the resolutions to which the distinguished chairman of the Judiciary Committee has just referred were introduced by me on June 24.

Prior thereto, on June 3, I had addressed a letter to the Attorney General asking questions as to the topics embraced in the resolutions. Sunday I received from Douglas W. McGregor, the assistant to the Attorney General, a 10-page reply to my June 3 letter. Time has not permitted me to compare this McGregor reply with the answer which the Attorney General made to the Committee on the Judiciary. Since the questions were similar, however, I assume that the answers are similar.

I feel that I am speaking for 10,000,000 veterans and for scores of millions of other decent American citizens when I say that the case of Convict Serge Rubinstein is one of the most shocking in the entire history of our country. I daresay there is no Member of this House who has not been appealed to by the family of some GI from his home district who, after having fought through the hell of battle, and probably as a result thereof, went a. w. o. l., was charged with desertion, sentenced to prison for 5 years or longer, then was afflicted with a dishonorable discharge to blight the remainder of his life. This GI lacked highly placed friends and highly paid lawyers to smooth away his difficulties. Not so Serge Rubinstein. Serge Rubinstein dodged both service and battle. He got off with a 2½-year prison sentence from which good behavior will free him in nine short months.

From your district, Mr. Speaker, from my district and from the districts of every Member of this House, there were scores of boys who willingly answered the call of their country, suffered for their country, and never returned to their country. They lie buried overseas. But not Serge Rubinstein. His pampered body was not for battle. While American boys suffered and died Serge Rubinstein was mulcting millions of dollars from American investors. He utilized these ill-gotten gains to hire highly placed and high-priced lawyers to exempt him from battle by befuddling, delaying, and defeating the draft law. Then, with the war ended and no more danger to his sleek person, he is currently content with 9 months' incarceration—clean, healthy, and well-fed—in a tax-supported Federal penitentiary.

It is true that Serge Rubinstein was given an additional penalty, $50,000. That is small change to Rubinstein. He knows that his millions will be awaiting him when he steps through the penitentiary doors a few months hence. The war was good to him. It was not so good to GI Joe, whose pitiful pieces rot on Iwo Jima.

What persons, what bureaus, what departments are culpable in Rubinstein's preferential treatment?

Let us examine this fantastic case of Rubinstein in somewhat greater detail.

By his own sworn statement, made in the presence of his mother, he is a Russian-born bastard. His youth and young

manhood were spent in various parts of Europe, inclusive of education in Cambridge University, England. It was in France, however, that he commenced the financial manipulations which invariably brought two results—enrichment for Rubinstein and lawsuits by those who lost money at his hands. Serge Rubinstein learned how to handle lawsuits. They never appear to have damaged him seriously.

Rubinstein's first entry into the United States was on a passport issued by the French Government. He was en route to Japan as an owner or official of a British corporation with Japanese mining interests. Within some 4 months after one of his entries into the United States on this French passport, he suddenly, in March 1936, appeared at our border with the Portuguese passport he had acquired in Shanghai. This change in citizenship apparently caused Rubinstein no delay or embarrassment in entering the United States. He was skillful at perfecting arrangements. Then, on April 2, 1938, on his Portuguese passport, and despite his questionable background, he was admitted to the United States as an immigrant for permanent residence under the Russian quota.

It was not until February 7, 1941—nearly 3 years later—that the Department of State got around to inquiring of the Portuguese Ministry of Foreign Affairs as to the validity of Rubinstein's Portuguese citizenship. The Portuguese Ministry, in its reply of July 10, 1941, cited documents which, as per the current statement of the Attorney General, "were considered spurious by the American authorities." But it was not until April 3, 1943—a year and three-quarters later—that a deportation warrant was served. Meanwhile, the war had begun and Rubinstein, as per custom, was cleaning up in the New York Stock Exchange. Apparently he was immune from the regulations of SEC. In May 1941, the Portuguese consul in New York City not only certified to the validity of Rubinstein's Portuguese passport used by him in entering this country in March 1936, but even went further and stated that Rubinstein possessed a valid Portuguese passport in 1935 at the very time when he was using a French passport for his entry to this country. Rubinstein stayed on. In October 1943, the Board of Immigration Appeals ruled that charges in the warrant of arrest had not been sustained. It is significant to note that it was not until April 1947, that the State Department forwarded to the Justice Department a communication from the Portuguese Minister of Foreign Affairs to the effect that Rubinstein's Portuguese passport was invalid. Seven years had elapsed since the Department of Justice had requested the Department of State to obtain this information. It was only received during the month in which Rubinstein was sentenced in the United States Court for the Southern District of New York for violation of the Selective Training and Service Act of 1940.

Selective service caused Rubinstein some anxious moments, but not too anxious. I am told that his draft classification was changed no fewer than 15 times. At one time, a counsel in the employ of the House Committee on Military Affairs wrote a letter to General Hershey requesting that Rubinstein's I–A classification be appealed to the President. General Hershey refused to make the appeal, but the Attorney General has given me no information as to the circumstances under which this employee of the Committee on Military Affairs was so considerate of Mr. Rubinstein's skin.

Rubinstein's stock-market killings in the interim finally awakened the SEC. The United States attorney, however, found no grounds for prosecution.

Finally, on January 30, 1946, Rubinstein was indicted for evading the draft. The war was over. The crime cited in the indictment was committed in 1943.

Mr. Speaker, a train of circumstances such as I have recited does not just happen. I asked the Attorney General if rumors of purchase of influence, bribery or attempted bribery had been investigated. The Attorney General advises me, and I quote:

> As yet they have not been susceptible of proof and I would not wish to discuss them further at this stage. * * * Certain of these matters are receiving the continued attention of the Department.

Continued how long, I ask—for another 7 years? Mr. Speaker, the veterans of World War II want the facts—all of the facts—with regard to Serge Rubinstein. I am today introducing a resolution calling for a special congressional investigation.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman has rendered a fine service to the people of this country. I am just wondering if there is machinery, if there are laws, if there are officials who will take active, efficient, and determined steps to get that gentleman out of this country. If he smells like the penitentiary from now on, it would be a sweet-smelling rose compared to what his record is in this country.

Mr. BUCK. For the benefit of the gentleman I would say that I have been informed by the Attorney General that immediately upon his release from prison means will be taken to deport him. How successful those means will be, I do not know.

Mr. JENNINGS. In that connection, as far as I know, we just cannot get him out.

Mr. BUCK. Apparently not.

Mr. JENNINGS. We tried Harry Bridges from every angle of the compass and he is now a perpetual cancer on the body politic.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I call the gentleman's attention to the fact that the alleged violation of the Securities and Exchange Act was submitted to a grand jury. As the gentleman said, the United States attorney did not act. Of course he could not act and did not act, because the Federal grand jury failed to indict Rubinstein.

Mr. BUCK. I thank the gentleman.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER.]

Mr. WALTER. Mr. Speaker, because of the seriousness of the charges made by the gentleman from New York and also the accusations made by a certain broadcaster, at the request of the chairman of the Committee on the Judiciary, on my way to my district last week I stopped off at the Federal penitentiary at Lewisburg in order to ascertain whether or not Rubinstein was being accorded any special treatment; if he had a private apartment; whether or not his meals were being sent in from the outside, as was charged; and whether or not he was receiving an unlimited number of visitors.

My visit to the penitentiary was unannounced. When I got there I asked the warden to see Rubinstein and he said that he would send for him. Whereupon I said, "No, I want you to take me to him immediately." So I went through the penitentiary to the "apartment," if you please, which Mr. Rubinstein occupies. I found that he was quartered in a cell block with 40 other prisoners and that, despite the fact that he is a graduate of Cambridge, a very intelligent and successful businessman, he was performing the most menial job in the penitentiary. For you men who served in the Navy I need but say that he was "captain of the head," and you would recognize immediately what his duties were. I then went to the place where all visitors at the penitentiary are required to register.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MICHENER. I served in the Army and never was in the Navy. I wonder if the gentleman could explain the duties of the "captain of the head."

Mr. WALTER. Never having occupied that high position myself, but, however, having assigned men to those duties, I speak with some degree of authority when I say he is the gentleman who keeps the gentlemen's room clean.

Incidentally, this prisoner's immediate superior was a hard-boiled, old Regular Army sergeant. If you can imagine the kind of treatment a draft dodger was receiving at the hands of his boss, then perhaps you know the kind of preferential treatment that was being accorded him.

An examination of the official records at the gate disclosed that Rubinstein has had three visits since he has been in the penitentiary, and each prisoner is allowed an hour visit a month. Two of the visits were from his mother and the third one from his wife and daughter. Each visit being of a half hour's duration.

After I had seen enough to understand that perhaps the sensational charges that were being made were being made for an ulterior purpose—certainly they were made out of whole cloth—I asked permission to talk with the prisoner.

I hold no brief for this prisoner. But he tells me the most amazing story I

have ever heard. Judge JENNINGS, when you said that he would be a cancer on the body politic permanently, you are dead wrong, because part of the sentence imposed carried with it his deportation because under the law, within 30 days, I believe it is, after a sentence for a felony is imposed, the court may within its discretion suspend the order of deportation. But at the insistence of the Attorney General the order of deportation was not suspended. The record discloses that the Department of Justice not only vigorously prosecuted the case against Rubinstein but insisted on an unprecedented amount of bail when the indictment was found. After Rubinstein was convicted the Department of Justice insisted that the judge impose a sentence of 5 years and to pay a fine of $50,000. I am reliably informed that the sentence imposed on Rubinstein was one of the most severe imposed on anyone convicted of draft evasion.

Furthermore, this man was denied bail on appeal. He has appealed his conviction, but the court refused to fix bail, at the insistence of the Attorney General of the United States. I think it is important that the Congress have before it these facts in deciding whether or not Serge Rubinstein has been accorded any special consideration.

Mr. MICHENER. Mr. Speaker, of course, the committee has no information other than what has been stated in the report of the Attorney General. The resolution which the gentleman from New York [Mr. BUCK] will propose, under the rules, will be referred to the proper committee. I can speak, I think, for any committee in the House when I say that that committee will give proper consideration to any resolution referred to it.

I was pleased with the report from the Attorney General, because it seemed to be responsive to the inquiry. In addition to the report, the Attorney General personally called the Judiciary Committee and said he had furnished, from the vast amount of material in the Department, the pertinent information answering the questions, but that he would be pleased, indeed, to confer with any Member of Congress at any time with reference to the matter, and to furnish any additional evidence. The same happened with reference to the State Department inquiry, except that the State Department sent a representative to the Committee on the Judiciary offering to be of any assistance and offering to provide any information available in the Department. In short, the Department of State and the Department of Justice were anxious to cooperate.

Mr. Speaker, I move that the resolution be laid on the table.

The SPEAKER. The question is on the motion of the gentleman from Michigan [Mr. MICHENER].

The motion was agreed to.

A motion to reconsider was laid on the table.

TERRITORY OF THE PACIFIC ISLANDS

Mr. FULTON. Mr. Speaker, by direction of the Committee on Foreign Affairs, I ask unanimous consent for the immediate consideration of House Joint Resolution 233.

The Clerk read the resolution as follows:

Whereas the United States submitted to the Security Council of the United Nations for its approval in accordance with article 83 of the Charter of the United Nations a proposed trusteeship agreement for the Pacific islands formerly mandated to Japan under which the United States would be prepared to administer those islands under trusteeship in accordance with the Charter of the United Nations; and

Whereas the Security Council on April 2, 1947, approved unanimously the trusteeship agreement with amendments acceptable to the United States; and

Whereas the said agreement, having been approved by the Security Council, will come into force upon approval by the Government of the United States after due constitutional process: Therefore be it

Resolved, etc., That the President is hereby authorized to approve, on behalf of the United States, the trusteeship agreement between the United States of America and the Security Council of the United Nations for the former Japanese mandated islands (to be known as the Territory of the Pacific Islands) which was approved by the Security Council at the seat of the United Nations, Lake Success, Nassau County, New York, on April 2, 1947.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FULTON]?

There was no objection.

Mr. FULTON. Mr. Speaker, as a serviceman from World War II who served in the Navy in the Pacific, it is a pleasure to outline from first-hand information some of the facts and circumstances surrounding the Japanese mandated islands and the proposed trusteeship agreement under the United Nations Charter.

The islands concerned in the agreement are the Marshalls, the Carolines, and the Marianas. The Marshalls are best remembered for our great task force action when we took Kwajalein and Eniwetok. The Japanese Marianas were taken later when we took Saipan and Tinian and retook Guam. These islands were the base for the great bombing raids on Japan. The Carolines, lying farther south, included the Truk atoll, which, in the early part of the war, was the greatest Japanese fleet base away from Japan.

As former Senator Warren B. Austin, the American representative with the United Nations, stated in his presentation to the Security Council on February 26:

The tremendous strategic value of the mandated islands to Japan is evident, however, in the way these islands were used in carrying out its basic plan of aggression. Before Japan entered the war on December 7, 1941, she had established fortified positions, naval bases, and air bases in the islands of the Japanese mandates. As a whole, the islands formed a deep, well-defended barrier between the United States and Guam, the Philippines, and its British and Dutch allies in the Far East.

The Japanese hold on these islands forced us to circuitous routes, with a very long and costly turn-around for ships, in order to support the defense of Australia, and to maintain the resistance of China.

The total population of the islands is only 48,000, and this is scattered among the 98 islands and atolls over 2,600 miles of ocean. The entire area is economically poor. The population lives in backward conditions, producing for export only a small quantity of sugar, dried coconut, phosphate rock, and dried fish. The very thin distribution of the population of the whole area would make independent self-government impracticable.

Two of the island groups, the Marianas and the Carolines, were under Spanish sovereignty for a long time, until the end of the last century. Guam, in the Marshalls, was ceded to the United States after the Spanish-American War. In 1899 Spain sold the rest of the islands in the two groups to Germany. Germany had taken possession of the Marshall Islands for herself in 1885. Japan invaded these islands, which had no German garrisons, during World War I. The only exception was Nauru, which was occupied by Australia. After World War I the German rights were ceded by Germany to the Allied and Associated Powers and eventually were transferred as a mandate under the League of Nations to Japanese control. Japanese withdrawal from the League in 1933 raised the question of her status as a mandate power, but Japan maintained her mandate until World War II. The actual title to the territories was never vested in Japan, however, and this was accepted in principle by Japan itself. The Cairo Conference of November 1943, stated as one of the war aims of the United Nations the elimination of Japanese control over all the islands seized by Japan after 1914, and over all territories invaded by Japan more recently.

The disposition of such territory after the Second World War provided for in chapters 12 and 13 of the United Nations Charter. Specific provisions are made for the transfer of former mandates to the new trusteeship system, for the designation of strategic areas in mandated territory, for the protection of the rights of the native populations, and for the obligations of administering authorities for international peace and security in accordance with the principles of the Charter.

The decision of the United States to apply for a trusteeship over these territories was arrived at after lengthy discussions between the Departments of State, War, and Navy. The draft of a trusteeship agreement was submitted to all members of the Security Council and to other insterested states for their information in advance of its submission to the United Nations. Mr. Austin, the American representative, presented the draft agreement formally to the Security Council on the 26th of February last.

The Security Council considered the draft agreement at five sessions extending over a period of more than a month during March and April. It was finally approved unanimously on April 2 with three minor amendments. Mr. Austin had voted for these three amendments on behalf of the United States, and had refrained from voting against all other amendments not acceptable to the

United States in order to avoid using the veto power. None of the amendments on which he refrained from voting were passed.

The agreement itself, which is printed in House Document No. 378, provides for the welfare of the native population, for the security interests of the United States, and for the obligations of the United States as administering authority under the principles of the Charter. The provisions of the agreement concerned with the welfare of the inhabitants were also discussed by Mr. Austin in his statement:

Articles 6 and 7 of the draft trusteeship agreement submitted to the Security Council contain strong provisions relating to the political, economic, social, and educational advancement of the inhabitants of this territory and to guaranties of their basic human rights. These are the fundamental objectives of the trusteeship system, aside from the strengthening of international peace and security. The United States is glad to invite the members of the Security Council to make a searching examination of the provisions contained in these articles, not only in relation to the requirements of the Charter but in relation to the comparable provisions of the trusteeship agreements approved by the General Assembly last December. The United States believes these articles, taken together with other provisions of the draft agreement, provide a maximum degree of protection for the welfare and advancement of the inhabitants of these islands.

The agreement also permits the United States to declare any part of the area closed, in which case such part of the area shall not be subject to inspection by the United Nations. It also permits the United States to fortify any part of the area and to establish naval or other bases. The agreement cannot be terminated or modified without the consent of the administering authority, the United States. The agreement is to go into effect when ratified by the Security Council and by the United States.

The decision to approve the agreement by joint resolution, rather than by the consent of the Senate, was made, as indicated in the President's letter to Congress, on the ground that the future administration of the territory will be the concern of both Houses.

The approval of the agreement at this time will permit the introduction of normal civilian administration in the islands, and will establish United States control on a regular basis in advance of any treaty of peace with Japan. The naval administration of the islands must continue until the trusteeship is regularized.

Mr. MANSFIELD of Montana. Mr. Speaker, I am wholeheartedly in accord with House Joint Resolution 233 and I want to compliment my colleague, the gentleman from Pennsylvania [Mr. FULTON] for the statesmanship shown in introducing this legislation and his ability in presenting the case for it.

My views on the ex-Japanese mandates are well known and I am happy to join with the gentleman from Pennsylvania in urging that the House consider this important resolution and give to it immediate approval.

The national security of the United States is protected by this measure which, when passed by the Senate and signed by the President, will give us the kind of a title to the new Territory of the Pacific that we should have and which we have earned.

Mr. Speaker, I insert with my remarks excerpts from a report I made to the House on February 3, 1947, and which deal with the Japanese mandates and their administration:

On December 10 I arrived at Peleliu in the Palaus and immediately went by seaplane to the island of Anguar to look into the disposition of the phosphate deposits there. We have a million tons of this valuable commodity in Anguar and a contract has been let to an American concern—the Pomeroy Co.—to get it out. It is being sent to Japan, in Japanese ships, to help rehabilitate the soil there and thus to make that country become more self-supporting. The natives are being paid 55 cents a day, and Japanese sent from Japan $3.50 a day. The American workers are paid at prevailing stateside wages. The phosphate is to be mined at the rate of 300,000 tons a year.

The phosphate at Anguar is extremely rich and valuable for medicinal purposes as well as for use as fertilizer. This phosphate could be used in Hawaii, where it is needed badly, or by nations like the Philippines and China allied with us in the war. There are approximately 200 American civil employees here and the contract is on a cost-plus-fixed-fee basis, which could bear looking into. Furthermore, according to the Great Falls (Mont.) Tribune of December 19, 500,000 tons of Montana-Idaho phosphate have also been scheduled to go to Japan and Korea immediately.

From Anguar I went to Koror, which used to be the seat of the Japanese South Seas government and which directly ruled all the mandated islands. There was much permanent building done here, and all indications pointed to the Japanese being there to stay. In the back of the governor's mansion there was a grass inlaid map of the Palaus, which was remarkable for its intricate detail. The Japanese had 35,000 troops on Koror, but we never did attempt to take the island.

From Koror I went by boat to Babelthuap, the largest island in the group, and visited some native villages and schools. In the Palaus the children are being taught English, which they have to learn from Japanese characters. They seem to be learning our language fairly rapidly.

We have a lot of surplus equipment in the Palaus which we might as well forget because it is either useless or will be soon. Many of our Pacific-island holdings are now Quonset-hut affairs. The U. S. Commercial Company, a subsidiary of the RFC, has a monopoly on trading with the natives in our newly acquired possessions. This organization encourages the native handicrafts and buys what the natives produce and then sends it to the United States for sale. Much that the natives produce is crude, but, with a market, their handicraft can be improved and their subsistence, in part at least, can be taken care of.

The Japanese built up strong defenses, not as complete as those at Truk, but more powerful than those normally built at an outlying base. The Palauan fortifications suffered the first attack when the Eighty-first Army Infantry Division stormed the shores of Anguar about a week previous to the assault on Peleliu by the First Marine Division (reinforced) on September 15, 1944. The Army supported the Peleliu invasion with artillery fire from Anguar during the early stages of the attack, and 2 weeks later the Army joined the marines on Peleliu to aid in the fight. By November 1944 Peleliu was secured.

No attempt was made to invade the major islands north of Peleliu, but, with the two bases, Peleliu and Anguar, being operated mainly as air bases, our planes were able to keep the other islands in the Palaus constantly harassed and subdued. These islands capitulated after VJ-day.

Palau has great military and commercial importance and has been for years the center of Japanese political control of all her Pacific mandated islands. In this island group the Japanese operated a major military base, a fleet anchorage and supply base, an airfield, and seaplane bases—near Koror.

Palau's location gives it considerable strategic importance. One thousand miles west of Truk and only 530 miles from Davao in the southern Philippines, it commands the sea and air routes from China and Japan to New Guinea and the western Dutch East Indies. For this reason it was an important transshipment point for movements of enemy ships, troops, planes, and supplies to the southwest Pacific theater of operations.

From the Palaus I went to the Truk group in the eastern Carolines. Our military government headquarters are located on Moen Island. This island—and all the others in this group—are beautiful. Moen has such things as waterfalls, dense vegetation, and a heavy precipitation. I also visited the islands of Homulum, Udot, Dublon, and Uman.

The people here are light brown in appearance, very docile, and easy to handle. We were entertained on all the islands by singing and dancing. There are about 10,000 inhabitants in the Truk group compared to 5,900 in the Palaus. Both the Trukese and the Palauans impressed me as a happy but bewildered people. They do not look upon us with enthusiasm, but only as the successors to the Spaniards, Germans, and Japanese—all of whom have ruled over them in the last 50 years.

The diseases of greatest prevalence in both groups are tuberculosis and intestinal parasites. Due to the use of penicillin, yaws—which used to be quite prevalent—have been cleared up; there is no indication of syphilis and very little gonorrhea. Sanitary habits are being introduced by the Navy and outdoor toilets are much in use.

Neither the Palauans or the Trukese care to work too much as they have all the necessities of life, except tobacco, and in this respect they are rationed at the rate of four cartons a month. The standard rate of pay in both groups is 40 cents a day.

Truk was not the Japanese "Pearl Harbor" which the American public had been led to believe. The Japanese had a battery of eight 8-inch guns on Moen and a system of caves on all the islands similar to those in use in Japan. Dublon Island was their headquarters and from there the movements of their Fourth Fleet and Thirty-first Army Division were directed. Fortifications were of a very weak character and kind. There was no sign of permanency here as was indicated at Koror in the Palaus. Truk lagoon is large enough to take care of the entire United States Fleet, but to make it practicable a great deal of blasting and dredging would be necessary.

From Truk I proceeded to Kwajalein in the Marshalls, where a good job is being done in administering the islands and their people. Here—as elsewhere in the mandates—there is a lack of personnel and of shipping. However, the situation in these respects is better in the Marshalls than elsewhere because of our earlier occupation. Soil conservation and revegetation programs are in effect, medical services are good and more than one-half of all able-bodied Marshallese are working for the military government or the USCC. The natives are a likable and cooperative people who, in time, can again become self-supporting.

A special word should be said about the natives removed from Bikini for the atom bomb tests. They are located on the island of Rongerik, number about 170, and 60 percent of them are women. They are very unhappy in their new location and desire to

return to Bikini. Because of the infertility of Rongerik they will very likely have to be moved again to a more fertile island or, as an alternative, we must be prepared to subsidize them indefinitely.

Insofar as my own personal views on the mandates are concerned, I covered them in a speech on the floor of the House on April 18, 1945. I would prefer to have the United States assume complete and undisputed control of the mandates. We need these islands for our future defense, and they should be fortified wherever we deem it necessary. We have no concealed motives because we want these islands for one purpose only and that is national security. Economically they will be a liability, socially they will present problems, and politically we will have to work out a policy of administration. No other nation has any kind of a claim to the mandates. No other nation has paid the price we have. These views of mine are not new nor are they the results only of my recent investigative trip to the Pacific. Rather, my stand has been accentuated by what I have seen and I am more firmly convinced than ever of our great need for control of the mandates.

If, however, it does become necessary to create a trusteeship for these islands, I would favor the proposals made by our State Department and President Truman which would place the mandates under the United Nations with the consideration that they should be cataloged as a strategic area outside the control of the Trusteeship Council. On this basis, supervision would be exercised by the Security Council which has jurisdiction over such strategic areas in the interests of collective security. But, and this is important, the United States has a veto over the Security Council should it ever want to assert effective control.

If the Security Council blocked acceptance of America's terms for taking over the mandates as a strategic area, the islands then would remain under our control. It is worth remembering also, that until a treaty of peace is signed with Japan we have no legal title to the mandates.

The question of government is bound to be an important consideration. For a long time I have studied the possibility of civil government for the mandates, but, desirable though that would be, I have come to the conclusion that the only way they could be governed for the present would be by the Navy on the same basis as Guam and Samoa are administered. Personally, I would rather have a civil administration over the mandates, but, in view of practical and realistic considerations, I am forced to the conclusion that the Navy would be the best administrator. It would have the best and only means of maintaining liaison between the various islands and it would have the only trained personnel to carry out the job of administration. Stanford University, which has the task of training military government men for administration of the islands, has done an outstanding job in this respect, and both it and the Navy are to be complimented for the initiative shown and the progress already made. I should suggest, though, that the Navy give to its military government personnel a special status apart from its regular seagoing personnel so that they could be given the recognition they deserve and so that they could deevlop the esprit d'corps necessary to carry out the functions assigned to them. This, I think, would do away with the dissatisfaction I noted on my trip and give to these specialists the status they are entitled to.

I should like to repeat, in conclusion, that my own personal opinion is that civil administration would be best for the mandates. This, however, is impractical at this time, due to the circumstances mentioned. It is necessary, though, that the eventual change over to civilian control be given a thorough study by the Navy Department so that recommendations can be made at the appropriate time to achieve this goal.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, its clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) entitled "An act to extend certain powers of the President under title III of the Second War Powers Act."

AMENDMENT OF NATURAL GAS ACT

Mr. RIZLEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 278).

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself 5 minutes.

The SPEAKER. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. RIZLEY. Mr. Speaker, this rule makes in order the bill (H. R. 4051) amending the Natural Gas Act of 1938 as amended.

The Interstate and Foreign Commerce Committee of the House voted unanimously to recommend passage of H. R. 4051 which was offered for the purpose indicated in its title. This is a bill I introduced as a substitute for H. R. 2185. I may say in passing that the gentleman from Ohio [Mr. CARSON] and the gentleman from Tennessee [Mr. DAVIS] introduced identical bills with H. R. 2185. All of these bills were the basis of extensive hearings conducted by the Committee on Interstate and Foreign Commerce. The original bill I introduced was introduced early in April. Following that for several days the Committee on Interstate and Foreign Commerce conducted hearings under my bill at which time they considered the bills introduced by the gentleman from Tennessee and the gentleman from Ohio.

The Natural Gas Act was passed in 1938. The purpose of that act was to provide authority for the regulating of the interstate phase of the transmission and sale of natural gas. The administration of that act was delegated to the Federal Power Commission. It has become necessary at other times to correct by legislation the course of an administrative agency which has misapplied through interpretation of regulations the authority vested in it by statute; and it is because of what we contend—and I think there is no serious dispute—has happened in the administration of the act that makes this legislation necessary.

The hearings held by the Committee on Interstate and Foreign Commerce were exhaustive. It is a fair statement, I believe, to say that these hearings revealed fully the encroachment by the Federal Power Commission upon: First, the State authority over the production and gathering of natural gas in the field end of the natural-gas business; and, second, the State and municipal authority over sales and distributions on the consuming end.

The hearings revealed that the regulatory power of the Commission as administered has created confusion and actual interference with the industry. The uncertainty extends even to the production of petroleum, as a great percentage of our natural gas, as many know, is produced from wells which also produce oil. The provisions of H. R. 4051 if enacted into law will accomplish the following purposes:

(a) Prevent the Commission from exercising jurisdiction over production and gathering of natural gas and functions and facilities related thereto. That is the very thing that was intended in the 1938 act. It was spelled out in that act or at least everyone thought it was spelled out to the extent that no attempt would be made by an administrative body to attempt to exercise jurisdiction over production and gathering, but the contrary has resulted.

(b) To define clearly and unmistakably the terms used in the Natural Gas Act.

(c) Permit the voluntary operation of interstate natural gas pipe lines for hire as common carriers; and I might say that that is a new phase of the law. The original 1938 act had no provision for making common carriers out of any natural gas lines. This provision was not in ths bill as I originally introduced the bill, but after hearings before the committee and before the bill was finally approved by the Interstate and Foreign Commerce Committee, this amendment was inserted, I will say, by the members of the Interstate and Foreign Commerce Committee, and this amendment was adopted and put in the bill before I introduced the present bill as a clean bill and is in the bill H. R. 4051.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Tennessee.

Mr. PRIEST. Would the gentleman have any serious objection to the elimination of that provision from the bill?

Mr. RIZLEY. Let me say to my distinguished friend from Tennessee that he puts me in a rather awkward position.

Mr. PRIEST. I did not so intend.

Mr. RIZLEY. The amendment was not included in the original bill I introduced. After hearings before your committee and in view of many questions that were directed to various and sundry witnesses by members of your committee, it is my understanding that the committee in its wisdom thought that provision or a similar provision should be put in the bill. I would hesitate to consent to strike out a provision or section of the bill put in the bill by the gentleman's fine committee. I am very grateful for the very fine attention that your committee gave me and for the very excellent manner in which it conducted the hearings.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. RIZLEY. Mr. Speaker, I yield myself 10 additional minutes. I continue with the provisions of the bill:

(d) Require the FPC, in rate-making determinations, to allow as an operating expense the prevailing market price of natural gas except where election is made to include investment in and cost of producing and gathering facilities in the rate base.

I think I ought to say something about that provision. It amends the language that is now in the act with reference to the yardstick that shall be used by the Federal Power Commission in fixing rates for the gas companies.

THE COMMISSION'S RATE-MAKING PRACTICE

The Commission's present practice is to consider all properties of a natural-gas company as being subject to its rate-making powers. In fixing wholesale rates it—

First. Determines the costs incurred in all phases of the business of the company, production and gathering as well as transportation.

Second. Determines the amount paid those from whom it purchases gas.

Third. Determines a 6½-percent return or earning on the depreciated original cost of all properties of the company, including production and gathering properties as well as transportation properties.

The sum of first, second, and third is then divided by the number of cubic feet sold in the test year to determine the wholesale price to be charged distributing companies at the outlet of the pipe line.

Under this bill the Commission will not be interested in determining the cost of producing gas. It will—

First. Determine the market value of the gas produced by the company from its own leases.

Second. Determine the amount actually paid by the company for gas purchased from other producers.

Third. Determine a fair compensation for gathering the gas and assembling it at the inlet of the transportation line.

The sum of first, second, and third will represent the allowance to be made the company for gas at the inlet of the interstate transportation system. To that sum the Commission will add what it finds to be a fair return—now 6½ percent under the Commission's policy—on the investment in transportation facilities. In that way the Commission will arrive at the amount of money which is to be divided by the number of cubic feet sold in the test year in order to determine the price the company will be permitted to charge distributing companies.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Illinois.

Mr. MASON. Is this the clause in the bill that our people at home, the city officials, are objecting to because they say it will raise the cost of the gas to the citizens?

Mr. RIZLEY. The gentleman is correct. This is the provision in the bill that numerous officials of some of the cities over the country have written in about. Some of them are apprehensive that this bill might increase the price of gas to the consumer. May I say to the gentleman from Illinois, and I think it is a fair statement, that these letters began to come in after a terrific bombardment was made by the Federal Power Commission against all of the provisions of this bill. I am not going to say that the changing of this yardstick will not increase the rates, but if it does, it would be so nominal that no consumer would be hurt, and I doubt seriously whether it would increase the rate to the consumer, because it will make possible so much additional gas if we get this bill through for the communities such as the gentleman serves, and I think the price will adjust itself without any appreciable increase to the consumer.

Mr. MASON. Will the gentleman clear up the statement that the provisions of the bill would in all probability make for an increased supply of gas which naturally would beat the price?

Mr. RIZLEY. I am glad to do that. Unless we get some legislation that will cure present impediments by FPC to the production and gathering of gas, unless we get some legislation that will again let the industry produce, the situation will not be remedied. I may say there are billions, yes, trillions of cubic feet of natural gas going to waste, and popping off in the States of Texas, Oklahoma, Louisiana, and elsewhere.

The oil companies who have to produce the gas in order to produce the oil, and who will not attempt to do anything with the gas, under the rulings that have been made by the Federal Power Commission because they are afraid that they will be established as a natural-gas company and of course they could not afford to operate if their oil companies are going to be classified as natural-gas companies, consequently that gas is going into the air. If we get the provisions of this bill through, I am sure that an accelerated supply and use of gas will be made; that there will be so much gas and so much competition in the gas business that the price will be very nominal. After all, competition is one of the best things to keep prices in line.

Let me say to the Members of the House that statistics show that the price of natural gas has increased probably less than any other fuel commodity in this country in the past few years. Coal has gone up tremendously.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Texas.

Mr. BECKWORTH. I think it would be of interest if the gentleman would explain why the companies fear that they will be classed as utilities, and the penalty they will have to pay therefor, which, to wit, is the 6½ percent return.

Mr. RIZLEY. Well, they could be classified as a natural-gas company because the Federal Power Commission has asserted jurisdiction over the production and gathering to such an extent that even though the main business of the company is producing oil and the gas is merely an incident thereto, nevertheless they are fearful they might be held to be a natural-gas company. Consequently they would come under the rules which would allow only 6½ percent return on their investment when, as a matter of fact, the manufacture of gas is only an incident to the production of oil.

Mr. BECKWORTH. In other words, a 6½-percent limitation would cause them not to want to do those things that might possibly classify them as utilities.

Mr. RIZLEY. Yes; may I say not only not want to, but they will not do it, and no other sane businessman would do it.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Indiana.

Mr. SPRINGER. On page 10 of the report where reference is made to direct sales, some consumers in my district are very much confused over the language used in the report. The report, as the gentleman knows, will be looked to for the purpose of interpreting what this law is and what it means.

One provision states that the pipe line does not occupy a utility status with reference to direct sales. I would like to have the gentleman clarify that matter, if he would, and to make specific in the RECORD just exactly what that provision means and whether or not it does apply to this act which is now before the House and whether or not it does occupy a utility status.

Mr. RIZLEY. Let me say to the gentleman that when the committee report was prepared under the direction of the very able member of the committee, the gentleman from Ohio [Mr. CARSON], that not only in the committee report did they attempt to explain all of the provisions of the act, but they took care of some amendments that had been offered by various interested organizations throughout the country, which were not accepted, and in this particular instance they set out in the report the reasons why the amendment offered by one of the interested persons was rejected.

This bill does not change the law one iota so far as direct sales by pipe lines to industrial consumers are concerned. The gentleman from Indiana will note the exact language of the report—and I quote:

The bill makes no change in the present law as to direct sales by pipe lines to industrial consumers, which sales, under the Natural Gas Act, are exempt from Federal Power Commission jurisdiction.

They are exempt now and they will be exempt when this bill is passed. It does not change it in this respect. Further questions from the report:

Your committee feels that no change is necessary in the public interest. Your committee has considered the amendment offered by the National Association of Railroad and Utility Commissioners, proposing to permit the various States to exercise judisdiction over direct sales, and has concluded that the adoption of the amendment would not be in the public interest but would be more likely to add to the existing confusion.

What they mean by that is that it does not occupy a utility status so far as giving the Federal Power Commission jurisdiction over their sales now nor will it when this bill is enacted. The language may be a little confusing, but that is all that means.

Mr. SPRINGER. As I understand, those direct sales are the sales that are made to businesses and factories.

Mr. RIZLEY. That is right, industrial sales along the line. They are the sales that are made.

Mr. SPRINGER. What effect will that have on the small household consumer?

Mr. RIZLEY. It will have absolutely no effect. The Federal Power Commission under its general powers, which we are not changing here at all, has ample and sufficient power to control that sort of situation if it should arise; but in order to make doubly sure and arrest the fears of some of those who thought that maybe they ought to have an additional protection, the committee very wisely adopted a new section and put it in the bill. It is section 6.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. RIZLEY. Mr. Speaker, I yield myself five additional minutes.

Section 6 reads:

Section 7, as amended, of said Natural Gas Act is amended by adding at the end thereof the following subsection:

"(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose. With respect to trunk transmission facilities this subsection is subject to the proviso contained in subsection (a) of this section."

In addition to the general powers the Commission now has, in addition to this section which we put into this bill, before any pipe line company makes any deal with any distributor, in order to assure that there will be an adequate supply of gas, before they make a contract with the distributing company that contract has to be approved by the Federal Power Commission. The gas company must be able to show and convince the Federal Power Commission that they will have an ample supply of gas to serve the city or the municipality they are going to serve before they can get a permit to build a line to that city. They not only have to sign a contract to the effect that they will furnish an abundant supply of gas but they are required to set out and furnish to the Commission a statement showing that they have an abundance of gas in reserve as a guarantee to that city.

Mr. SPRINGER. Then it has to be approved by the public utility commissions in the several States, does it not?

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. BATES of Massachusetts. Recently the natural-gas companies purchased the Big and Little Inch pipe lines.

Mr. RIZLEY. That is correct.

Mr. BATES of Massachusetts. Can the gentleman inform the Members of the House to what extent the full capacity of these two pipe lines will be used if and when this natural-gas program is fully developed?

Mr. RIZLEY. May I say to my distinguished friend from Massachusetts that it is my understanding that they expect to have them in full capacity use in order to take care of any potential shortages that may come about this fall. This bill does not relate in any way to the Big Inch or Little Inch pipe lines.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. GROSS. I want to say to the gentleman that I am going to support your resolution. I will tell you why.

When coal miners and operators jointly get together and force the price of coal so high that even a coal miner cannot burn coal in his home to keep his family warm, it is about time we started protecting the public against that kind of stuff. I am going to support your resolution.

Mr. RIZLEY. I appreciate the gentleman's support.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. JAVITS. I have some telegrams which indicate that the consumers were not given an adequate hearing before the committee in connection with this bill. Is there anything to that assertion?

Mr. RIZLEY. I am afraid those telegrams must have emanated from some propaganda sponsored by someone opposing this legislation because I thought the committee heard everybody who wanted to be heard.

I yield to the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, in answer to the question which has just been suggested by the gentleman from New York, I would like to say that hearings were held on this bill on April 14, 15, 16, 17, 18, and May 28 and 29. They covered over 700 pages and everybody who made an application to be heard by the committee was given that opportunity.

Mr. JAVITS. I thank the gentleman.

Mr. WORLEY. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. WORLEY. If this legislation is not passed, there is absolutely no limit whatever to how far the Federal Power Commission will go in reaching out to get more and more powers which the Congress never intended them to have.

Mr. RIZLEY. That is exactly what we think, I will say to my friend from Texas.

If I may be permitted to proceed—if the natural gas industry is to produce and deliver to the hungry, consuming public that wants and needs natural gas, it is imperative and necessary that this bill be passed.

I think, in closing, Mr. Speaker, no stronger language for the necessity of this legislation can be found than that contained in the statement of the present Chairman of the Federal Power Commission, Mr. Smith, in his opening statement at the Kansas City hearings on docket 580.

You will remember that about 2 years ago a resolution was put through authorizing the Federal Power Commission to make an intensive study of the whole natural-gas industry and they held hearings all over the country at various and sundry places. Among other places, they held a hearing at Kansas City. They were supposed to file a report sometime last summer and then again last fall. Then they said they would have it ready when Congress convened this year. They did not have it ready, and they thought they might have it ready by June. Well, it is not ready yet. But I find that when Congress is in session and when there is some legislation pending they follow pretty closely the rules and regulations laid down by the Congress, but as soon as Congress adjourns, then those opinions which hamstring the industry in every way, shape, form, and fashion begin to show up. It will be interesting to note that one of the things we charged the Federal Power Commission with is their delay. People try to build some gas pipe lines and there is a great delay.

It is interesting to note that one case which had been pending for over 5 years, another that had been pending over 3 years, decisions were rendered, I think, about the 28th day of May, or thereabouts, and about the time the Committee on Interstate and Foreign Commerce was ready to report out this resolution.

I think this legislation is absolutely necessary. No one is more interested in the consuming public than am I, and I want to emphatically say to the membership of this House that, if I thought this bill would raise the rates of gas to the consumers of this country to any appreciable extent or would hurt the consumers, I would not be for this bill.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. JENNINGS. The purpose of the bill, as I understand it, is to get gas to the consumers?

Mr. RIZLEY. That is it exactly. The Federal Power Commission says something ought to be done. They released some reports, after we introduced this legislation, stating that something ought to be done about it, but they said, "We

will correct it by administrative procedures. We do not need any further legislation." I think Congress should make the rules, not the FPC.

The SPEAKER. The time of the gentleman from Oklahoma has again expired.

Mr. SABATH. Mr. Speaker, there being no hearings obtainable on this bill, I must go upon the records that I have been able to find in the last few days.

I find that this bill was introduced on July 1, reported July 7, a rule granted July 9, and today, July 11, it is here before us, notwithstanding the fact that many bills in the interest of all the people are reposing in committee rooms. I venture to say, especially in view of the many questions that have been asked, that very few Members know the far-reaching effect of this bill.

I am pleased that the gentleman from Oklahoma [Mr. RIZLEY], whom I consider a very capable gentleman, has, to the best of his ability, presented this bill.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes, I yield.

Mr. RIZLEY. I know my distinguished friend from Illinois wants to be fair about this thing. This particular bill, 4051, was actually introduced on July 1, but it is a bill that is the culmination of hearings on H. R. 2185 and two identical bills, one introduced by the gentleman from Tennessee [Mr. DAVIS] and one introduced by the gentleman from Ohio [Mr. CARSON], after extensive hearings, as the chairman has said, from April up until that time. After the committee had gone over the bill and taken out some things and put in some other things, and said, "Here is the pattern of a bill we want," then I introduced a clean bill. This bill, H. R. 4051, is that clean bill. I know the gentleman wants to be fair.

Mr. SABATH. I only know I could find no hearings. I was informed none had been printed. I am glad to know that, especially in view of the statement by the chairman of the committee, but I had no evidence and no information when the first bill was introduced or that hearings had been held. In fact, I had been urged by some citizens from my State to oppose the bill, because they did not obtain an opportunity to present their case and give their reasons against the adoption of this bill.

I will be perfectly candid. I cannot for the life of me explain the bill, because all I have been able to get is the report, and I just got that this morning. It is so printed that with my poor eyesight, though I searched to the best of my ability, I was unable to find anything that would help the consumer and the public in the bill. I know only the bill restricts the power of the Federal Power Commission.

I know that the Federal Power Commission has held hearings all over the United States for nearly 2 years and has expended a great deal of money. Before we act on this legislation I believe we should have the report of this Commission and its findings. I believe this membership should know what we are voting for and how far-reaching this bill is.

My colleague, of course, states that the increase in cost to the consumer will be only nominal. Oh, I have heard such things so often, so often. When they say "nominal" I know, of course, what that means to them. It will appear nominal, but to the consumer it will add additional cost to the already high cost of living. Somehow or other the bills that have been brought in here within the last few weeks have all added to the cost of living, whether it was the wool bill, the rent bill, the sugar bill, or now the gas bill.

I do not know whether you know it or not, but the fact is we have in this country a tremendous quantity of gas. I understand we have nearly 3,000,000,000 feet of natural gas. In that connection I ask the attention of the chairman of the committee, or of the proponent of this bill, does this bill not also apply to gas that will be produced from coal? The reason I ask this question is because 2 or 3 years ago upon the urgent plea of the gentleman from West Virginia, Mr. Randolph, this House, I think, appropriated about $40,000,000 for the purpose of constructing pilot plants for developing practical methods of making producer gas from the cheaper grades of coal. I want to know now whether this restriction upon the Commission will also control the restriction upon the price of gas that will be produced from the coal for the development of which we have expended $40,000,000, or at least, authorized that expenditure? It will inure to the benefit of producers and the operators of natural gas.

This law was originally passed in 1938. It was amended in 1942, and I do not understand that so far these gas companies have not lost any money; in fact, all have been prosperous—the same as all other industries. The only thing I have in mind is that I feel we should start some day to protect the consumer. The consumer is not desirous for this legislation. It is these companies which have done fairly well. Sure, there has been some litigation, there have been some disagreements, because the companies refused to comply with the rulings of the Federal Power Commission.

And then I say this: the Federal Power Commission is acting for the Government, for the protection of the American people. Their rulings do not inure in any way to the personal advantage or benefit of the Commissioners. As I understand the functions of the FPC, its duties are to safeguard the interests of the consumers, and to protect our natural resources, and make fair rules of competition. The power and jurisdiction we gave the Commisison in the original act is being whittled away by this bill, and its capacity to protect the consumer diluted. This of course is not particularly pleasing to the big pipe-line companies and retail sellers because the Commission has restrained them in their manipulations tending to increase the cost of gas in homes and to exploit the natural public resources of our Nation.

It is the sworn duty of the Commission to enforce the act in accordance with the law to the best interests of the public.

Let me say before I go further that I do not know a single member of that Commission, but naturally, having acted for all these years they must have been outstanding men.

They would not have been appointed if they did not have a reputation justifying their approval by the Senate of the United States. With all due deference to my friend from Oklahoma, and in view of the above, I hope when the bill comes up under the 5-minute rule that serious consideration will be given it. I am not going to oppose the rule because it would be useless and because I always believe the Members of the House should have the right to pass upon any bill reported by a legislative committee. This bill has been so reported and a rule on it has been granted by the Rules Committee. However, I feel that the bill goes too far. It deprives the commission of rights and powers that will cripple its activities so far as enforcing the law is concerned. I hope when the bill is being considered under the 5-minute rule that some gentlemen who are members of the committee, and other Members who know more about it and have had a greater opportunity to study and familiarize themselves with the bill, will act in the interest of our Nation and of the consumers so that we will not divest the commission of needed powers and give the gas companies complete and full opportunity to do as they please, as most of these companies apparently do in disregarding rates to consumers. The main object in their mind is how much money can we get out of the public? How much money can we make? How much profit can we make?

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Colorado.

Mr. CARROLL. I agree with the gentleman that this is a very important piece of legislation. One witness appearing before the committee made some very serious charges against the effect of this legislation. This witness, who is a lawyer, and vice chairman of the committee on gas and electric rates of the National Institute of Municipal Law, representing the United States conference of mayors, composed of over 200 cities, said that over a period of 9 years, as a result of existing law, consumers of this Nation have been saved approximately $150,000,000. I know that in Denver there has been litigation on this very question and the consumers of that city were repaid $4,000,000 by virtue of overcharges. The charge is made by this witness against the legislation—I do not say it is true, I say the charge is made, therefore merits consideration by every Member of this body—the charge is made that the proposed change will result in rates throughout the country being increased, with greater profits and it is stated:

> Undue profits will be enjoyed by pipeline and gas companies throughout the country.

If that charge is true, we should seriously consider this legislation instead of having it come out here and being passed with 24 hours' consideration, and I say 24 hours because the record of the testimony of the witnesses has only been available within the last 24 hours.

Mr. SABATH. I thank the gentleman from Colorado. I heard the same charges made by outstanding people in my State in whom I have confidence. I know that the mayors of our cities would not oppose this restriction of power of the Federal Power Commission if they thought it would be in the interest of the people whom they represent in the various localities and various cities.

I am interested in fair and square dealing and fair play, and I think this is again legislation that gives the natural-gas interests additional power, privileges, and opportunities to overcharge solely for the purpose of gaining additional profits.

Mr. Speaker, I yield back the balance of my time.

Mr. RIZLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, the bill before us today, H. R. 4051, introduced by the gentleman from Oklahoma [Mr. RIZLEY] proposes to amend the Natural Gas Act so as to permit the natural gas industry to perform its proper function of providing gas to all markets where there is a demand for it.

I might say that I come from a district in western Pennsylvania that has been producing gas for many years. Last winter it was necessary for us to ration gas, the first time gas has been rationed to my knowledge. I am greatly interested as are my people and the industrial life of my district in serving an additional supply of gas to supplement the rapidly depleting gas supply available in western Pennsylvania. I think this proposed legislation will make a very fine contribution toward clearing up uncertainties and getting us the gas we need for industrial and domestic users.

Since many of my constituents are producers of natural gas, it is only natural that I am vitally interested in any legislation amending the Natural Gas Act, and because of that I want to urge my colleagues in the House to read the committee report and acquaint themselves with the Rizley bill. For I am certain that anyone fully understanding its provisions will vote to support it.

In passing the original Natural Gas Act Congress purposely wrote in the specific language exempting from Federal jurisdiction the production and gathering of natural gas. This was done because it was realized that the producing States had jurisdiction over these activities and would properly carry out their duty to properly administer that jurisdiction. Likewise, the regulation of local distributing companies was specifically denied in the act to the Federal Government, leaving that field to the States, as it should be. In other words, Congress intended that the Federal Power Commission, to which was entrusted the administration of the Natural Gas Act, should be restricted to jurisdiction over the transportation and rates of gas only from the inlet of the interstate trunk transmission line to the outlet of the interstate trunk transmission line.

The FPC, however, has sought to extend its jurisdiction both into the production and gathering field and into the local distributing field, and as a result there exists confusion in the natural gas industry.

Mr. RIZLEY's bill will eliminate this confusion, will make it unmistakably clear as to the extent of FPC jurisdiction.

Under present policy, also, the FPC contends that the value of gas as a commodity depends upon who owns the gas. It fixes one price for one owner, and another for another owner, despite the fact that the two owners produce gas in the same field. The bill, H. R. 4051, also will correct this inequity.

Enactment of the bill would, in my opinion, permit the industry to function in the best public interest, would place the royalty owner and producer as well as the local distributing company under undisputed regulation of the State agencies where such regulation belongs, would result in making markets available for the huge reserves of natural gas, and would assure to the consumers in nonproducing States plentiful and continuous supplies of this fuel.

I trust that H. R. 4051 will be overwhelmingly approved.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOLVERTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4051, with Mr. CLASON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill (H. R. 4051) proposes amendments to the Natural Gas Act to redefine the area of jurisdiction of the Federal Power Commission over the interstate gas pipe line industry. It is the result of extensive hearings and deliberations by our committee on several bills introduced to ameliorate the problems arising from the Commission's administration of the act and the interpretation placed on the act by the Commission and by the courts.

Recognition of the existence of these problems is not of immediate origin. In 1944 the Commission itself undertook a general investigation into the natural-gas industry for the purpose of examining into and reappraising the statute and the Commission's policies and procedures thereunder. The investigation has been completed, and the Commission is in process of issuing staff reports for comment and guidance.

This investigation and the data presented at the committee hearings have pointed up the need for clarifying legislation. The decision of the Supreme Court several weeks ago in the matter of the Interstate Natural Gas case, however, has sharply brought into focus the need for early legislation. This case deals with the all-important exclusion of Federal Power Commission jurisdiction over the production and gathering of natural gas, thought to have been provided by section 1 (b) of the original act.

There can be little question that there was any doubt in the minds of the Congress when in 1938 it passed the original act that it intended to exert and to delegate to the Commission jurisdiction in interstate commerce only over areas not then effectively controlled by State regulation, and that assumedly production and gathering operations were then so controlled and regulated. By a series of court decisions the Commission jurisdiction seemingly has been extended into these operations with resulting confusion in the industry as to what was or might become subject to Federal jurisdiction. Inasmuch as much natural gas is a concurrent product of the output of oil, the oil industry also was vitally concerned over the interpretation placed upon the jurisdiction over production and gathering. Testimony was advanced at the hearings to the effect that a substantial amount of the gas now being flared as part of the some one billion cubic feet of gas wasted daily to the air, might be conserved and collected for pipe-line transportation were the oil industry to be relieved of the fear that in so doing it might be placing the production of oil under the jurisdiction of the Commission.

The Commission asserted at the committee hearings that it had no intention of regulating the oil industry, and stated that it felt the ambiguity and confusion existing from the circuit court decision in the Interstate case would be cleared up by the Supreme Court so that there could be no doubt about the circumscribed jurisdiction. That decision of the Supreme Court was rendered on June 16. It seems to me clear that the Supreme Court in nowise settled the question that under the Natural Gas Act, Federal Commission regulation could not extend clear back to the well itself. Legislation, therefore, seems imperative to clarify the original intent, namely that production and gathering of natural gas were to be exempt hereunder from Federal regulation.

During the course of the committee hearings witnesses representing cities, State commissions, and the National Association of Railroad and Utilities Commissioners, as well as others, alluded to the character of service offered, especially in times of cold weather, and the desirability of some protection to existing customers which it was believed could not be assured solely by State or local regulatory authority.

The bill adds a new subsection to section 7 of the act, making it the duty of every natural gas company furnishing gas to a distributing company for resale to the public to furnish service which is

reasonable, and gives the Commission authority to enforce this requirement. This subsection reads:

(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose.

It seems to me that this amendment, originally advanced by the Illinois Commerce Commission is of great significance and will prove of much usefulness in assuring the continuity of service which all too frequently unfortunately has been unavailable during recent times of peak demand.

In the short time allotted for general debate it is impossible for me to make reference in detail to other provisions of the bill. However, the remarks of the gentleman from Oklahoma [Mr. RIZLEY], and the others who have already spoken when the rule was under consideration, together with those who will follow me will be sufficient to cover in an appropriate way, the other features of the bill.

Mr. HARRIS. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I recognize that we are dealing with a very highly technical question this afternoon. I recognize that because of the technicalities involved in legislation of this kind it is very easy to confuse the issue. Certainly, there have been some interested in this legislation over a period of weeks who have endeavored to confuse the issue to the extent that it has some people worried. This proposed bill is, after all, very simple. I hope I can clear up some of the confusion in your minds. In explanation I should first give you a little history of the Natural Gas Act, the need for this legislation due to the attitude of the Federal Power Commission, their actions and assumption of jurisdiction which was never intended by Congress, but sustained by a sharply divided Supreme Court, and then just what the proposed bill is intended to do to correct such abuses. Mr. Chairman, when we take the position that a governmental agency, or anyone else dealing with a problem so highly controversial, so highly important and technical as this, is infallible, I think we are treading on dangerous ground.

The Natural Gas Act, approved June 21, 1938, conferred upon the Federal Power Commission responsibility for regulating the wholesale rates, accounting practices, and certain operations of natural gas companies engaged in interstate commerce. The act was proposed as a result of the Federal Trade Commission survey, made pursuant to joint resolution—Senate Resolution 83, Seventieth Congress, first session, February 15, 1928, extended by Senate Joint Resolution 115, Seventy-third Congress, second session, 1934—and supported by resolutions of the National Association of Railroad and Utility Commissioners, to meet a situation arising out of the fact that interstate transmission and sale of natural gas were beyond the scope of effective State regulation. It was designed to cover the interstate transportation of gas from the State of origin—where State regulation covered the local production, gathering and sale of gas by pipe line to another State—and the subsequent sale of the gas to local distributors in that State, where the State regulation covered the local distribution to ultimate customers.

It was the purpose of the act to fill in this gap in State regulation, and the Federal Power Commission was presumedly confined by the act to meeting the need for regulation in this area. It is the purpose of this bill, H. R. 4051, to correct the abuses of the act occasioned by the Federal Power Commission improperly extending its jurisdiction backward into production and gathering and forward into local distribution.

The major abuses by the Commission of its authority proposed to be corrected by this bill are threefold, two in the area of production, and one in the area of distribution. I propose to discuss briefly the situation surrounding each, and the manner in which the bill operates to cure each.

The first relates to the exclusion from Commission jurisdiction of the production and gathering of natural gas, which it was thought was fairly clearly indicated in the language employed in section 1 (b) of the act. Explicit as this language is, nevertheless the Commission by a strange mental tour d'force in applying the provisions of sections 4 and 5 arrived at the conclusion that while the physical activity of production and gathering might be exempt, the sale resulting therefore was not. In this conclusion it was abetted by the Supreme Court which in the Canadian River Gas case—Three Hundred and Twenty-fourth United States Reports at pages 602, 603, 1945—said:

We must read section 1 (b) in the context of the whole act. It must be reconciled with the normal conventions of rate-making.

That does not mean that the part of section 1 (b) which provides that the act shall not apply to "the production or gathering of natural gas" is given no meaning. Certainly that provision precludes the Commission from any control over the activity of producing or gathering natural gas. For example, it makes plain that the Commission has no control over the drilling and spacing of wells and the like. It may put other limitations on the Commission. We only decide that it does not preclude the Commission from reflecting the production and gathering facilities of a natural gas company in the rate base and determining the expenses incident thereto for the purposes of determining the reasonableness of rates subject to its jurisdiction.

Obviously, regardless of the usefulness of the position that drilling and spacing of wells may be exempt, there is no basic exemption afforded if the Commission in its rate-making powers can enter into the financial side of these operations. The confusion attending this five-man decision was not alleviated by the strong words of the four-man dissent:

Even though production and gathering could be thought to be a part of the regulated transportation and sale, that possibility is precluded by the words of section 1 (b), which say: "The provisions of this act (including those of sections 4 and 5, which prescribe rate making for the activity of transporting and selling wholesale) shall not apply" to another activity, "the production of gathering of natural gas."

It does not seem possible to say in plainer or more unmistakable language that the one activity, interstate transportation and sale, is to be subjected to, and that the other, production or gathering, is to be excluded from, the valuation and rate-making powers of the Commission.

While these decisions may be said to have applied to the facilities owned by a natural-gas company itself, the oil industry naturally was concerned as to the applicability to facilities owned by others and examination of the expenses of producing gas supplemental to the production of oil. When this was one of the matters set down for investigation by the Commission in its natural-gas survey, the oil industry sought and received from the Commission assurances that the Commission had no thought of intruding into this area.

Thus, on December 30, 1944, former Chairman Basil Manly advised the representatives of the gas-producing States, through a letter to then Gov. Andrew F. Schoeppel, of Kansas, as chairman of the Interstate Oil Compact Commission, that—

The Federal Power Commission has no desire to extend its jurisdiction to cover the production of natural gas or otherwise invade what are properly regarded as the functions of the conservation authorities of the several States.

And again, on July 21, 1945, Chairman Manly wrote to Mr. William R. Boyd, Jr., then chairman of the Petroleum Industry War Council, that—

It seems desirable therefore to declare in unequivocal language that the Commission has no desire or intent to extend its jurisdiction as regards either oil production or petroleum pipe lines.

Nevertheless the fears which Chairman Manly sought to allay were recreated by the Commission in the Interstate Natural Gas case. Here, despite what the Commission had advanced as its intention, in the argument in the lower court, Commission counsel had an opportunity in response to a direct question from the bench effectively to clear up the Commission's position, and did not do so. The court decision—fifth circuit—in August 1946 served but to indicate that the Commission's jurisdiction went to the well itself.

Thus when the Commission's staff report this spring referred to the confusion existing as to the Commission's intent and the interpretation of the jurisdiction it has over production and gathering, and the need to settle the problem, and suggested that this might be cleared up by administrative rule, the industry naturally was in no position to accept the rule as being an expression which

would stay fixed for any length of time. The power to make a rule admits of the power to abrogate the rule.

Chairman Smith indicated that if the rule were not sufficient to settle all doubts that the Commission had no jurisdiction, the Supreme Court decision in the Interstate case might well do so. He urged the committee to defer action on the pending legislation until the opinion had been rendered.

This opinion was rendered on June 16. It held that the Commission had not exceeded its authority under section 1 (b) in regulating sales made in the field. It certainly does not clarify the question of the Commission's inability to reach to the well where the gas subsequently moves in interstate commerce. Legislation accordingly seems imperative. Chairman Smith in letters to the committee of June 23, and July 1, for that matter, indicates concurrence with such need.

The amendments to section 1 (b) and additional definitions in section 2 proposed by the bill, accordingly amplify the language defining production and gathering, and also apply to the sale of the gas from the redefined production and gathering facilities.

By this amendment all fear should be removed from independent gas and oil producers that sale of their gas to pipe lines for transmission in interstate commerce which subject them to Commission regulation. This should be a tremendous incentive to the conserving and collecting of gas now being flared and wasted because of the understandable desire to avoid this Federal regulation and the attendant requirements. Larger sources of gas thus are available for meeting the ever-increasing demands not now adequately served.

The second extension of Federal Power Commission authority is related to the first. It concerns the treatment given by the Commission to the gas produced by natural-gas companies from their own reserves.

The Commission in establishing rates at wholesale with the attendant consideration of the rate base, proper costs and expenses, and rate of return to be allowed, has included in costs at the purchase price gas purchased from others. But where a natural-gas company produces gas from its own holdings, the Commission has considered only the costs of such production, and included in costs the proven leases and reserve at their historical-cost value.

In the Colorado Interstate Gas case, Chief Justice Stone has described the results as follows:

> In fixing rates for petitioner's interstate business of transporting and selling natural gas for resale, the Commission included petitioner's gas wells and gas-gathering facilities together with all its transportation and distribution facilities in a single-rate base. It valued the wells and gathering facilities at their prudent investment cost of many years ago, a valuation drastically less than their present market value. It then restricted petitioner's return to 6½ percent of the rate base, including the wells and production facilities, constituting approximately two-thirds of the total rate base. It thus subjected petitioner's production and gathering property to the same regulation as that which the statute imposes upon petitioner's property used and useful in the interstate transportation and sale of gas for resale. This, we think, the Natural Gas Act in plain terms prohibits (324 U. S. 616).

The results that are the consequences of this Federal Power Commission practice are further demonstrated by the fact that in some instances orders of the Federal Power Commission result in three different prices for gas from the same well. This arises where the regulated pipe-line company is a part owner, an unregulated company is a part owner and the landowner has a royalty share. The pipe-line company is allowed as operating expenses an unregulated contract price for its co-owner's share and the royalty owner's share, but for its own share it is allowed an amount determined by application of the public-utility-rate-base method. As Mr. Justice Jackson stated, this "does not make sense to me."

The important element here involved is the Commission's insistence in taking as the rate base a value determined only as the original investment cost. There is nothing in the act itself which requires the Commission to confine its consideration to original investment costs alone. The Commission is enjoined only to determine a just and reasonable rate. And the Commission is authorized in so doing to ascertain and investigate the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost of depreciation and the fair value of such property.

The Commission's use of original cost as the rate base stems from the Hope Natural Gas case. That opinion laid down the principle that—

> Under the statutory standard of "just and reasonable" it is the result reached not the method employed which is controlling. * * * It is not theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important (320 U. S. 591, 1944).

The Commission in determining the rate base had used the original cost only, and not given weight to other factors has outlined in the old case of Smyth against Ames, following which for many years principal weight was given to cost of reproduction.

But it is important to note that the Hope case dealt with a company operating in an old and almost exhausted field, the Appalachian, where costs of production and the accumulated developmental costs were high. It might be argued, and the Commission has intimated that it has not yet made up its mind on the subject, that as to fields where the current market value of reserves was so much in excess of original cost, that the Commission might give consideration to other elements than the original cost alone.

Here again, however, the administration of the Commission, and the utterances of its representatives gives no assurance that this will happen. Indeed, the contrary seems certain. No longer ago than this very week a representative of the Commission, in testifying on some power bills before the committee, has said in regard to the Commission's purpose and the Hope case:

> The Federal Power Act * * * did not bind the Commission to any particular rate-making formula * * * the Commission concluded that it would have nothing to do with fair value unless compelled by the courts, but instead would base rates upon net investment.
>
> * * * When the Natural Gas Act was passed * * * the law was patterned after the Federal Power Act as far as rate making was concerned and the Commission adhered to its resolution to have no traffic with fair value. * * * The Commission was sustained in its use of the investment-rate base in the Hope case. The fetters which had bound regulatory agencies for many years were unloosed.

This does not sound as though the Commission had yet an open mind as to the various factors to be employed in determining an appropriate rate base for use in arriving at just and reasonable rates. Far from it. Given statutes which were silent as to standards to be used, this representative states the Commission deliberately set about to pursue a definite policy until it should be restrained by the courts.

The provisions of section 5 of the bill (H. R. 4051) prescribe a formula or standard which the Commission will be required to follow in rate-base determinations. The formula will provide the incentive for pipe-line companies to pay prices adequate to stimulate conservation and production of gas so badly needed to meet consumer demands. It provides this incentive by assuring the pipe line full reimbursement for all bona fide purchase of gas. This section is a necessary supplement to the exemption in amended section 1 (b) of the act whereby the Federal Power Commission is completely denied jurisdiction over the entire activity of producing and gathering natural gas, including the field sales thereof. Since the Commission is completely excluded from the activity of producing and gathering, it is necessary to set forth the precise manner in which it is to treat the operating expense incurred by the pipe line in purchasing gas from nonaffiliated companies or in producing its own gas either through the parent company or affiliates. Section 5 proposes to do two things.

First. Section 5 provides that with respect to gas which is purchased from producers in noway affiliated with the pipe-line company the Federal Power Commission shall allow as an operating expense the actual prices paid. The actual price paid will, of course, be determined by actual and free competition as it is likewise established with respect to all other commodities in a system of uncontrolled free enterprise. This provision merely recognizes that free competition should be the determinant of the sale price of gas and not the Federal

Power Commission. It is important to observe, however, that the consumer and the public in general are amply protected under this provision since the Power Commission has ample authority to refuse to allow as an operating expense any unconscionably high price which is not the result of a bona fide transaction.

Second. Section 5 further provides that if the pipe-line company acquires gas from its own producing properties or purchases the gas from a subsidiary or an affiliate the prevailing market price in the field where produced for gas of comparable quality, volume, and pressure, shall be allowed as an operating expense. The prevailing market price again is established by open competition among all producers within the field. This provides a precise formula which the Commission should have little difficulty in applying. The term "market price" is a term having a well-defined legal meaning. The provision, therefore, not only is definite but is founded upon a sound and reasonable predicate.

If the pipe-line company or its affiliate is the only purchaser within a given field and as a result there is no prevailing market price in that field, then section 5 provides that the Commission shall allow as an operating expense the fair and reasonable value of such gas. This, likewise, is a precise formula and one that will present no difficulty in application. If there is no market value established in the field by competing interests then the Commission is required to determine the fair or reasonable value of the gas just as the fair value of other commodities is legally determined. The Commission is given adequate leeway in determining the value of such gas, and by the specific language of this provision is authorized to consider all pertinent factors in determining fair and reasonable values.

This is no new or novel formula. In setting up the field or market price of gas as the cost of gas which the Commission shall use in connection with the establishment of rates and a return on the natural-gas line, the bill is only following what has been well recognized in law as pertinent in the case of extractive and wasting industries.

It was clearly recognized in the Renegotiation Act relating to the recapture of excessive profits under wartime munitions contracts, that there was a difference in the treatment of profits from the production of a wasting asset and from other production. This led to the exemption from renegotiation of raw materials until they had reached a certain stage in the production process. In an integrated operation, like steel production, the raw materials or iron ore and coal were exempt through the pig-iron stage, and the pig iron utilized in steel production was not taken into the costs used in renegotiation at the cost of production of pig iron, but at a substituted "market" price of the pig iron. Only in such way was it deemed that proper consideration could be given to the owners of the extracted raw materials. Certainly the exploration, development, and consumption of natural gas stands in no different stead. For the Federal Power Commission to employ actual costs rather than the prevailing market values, is clear discrimination.

In addition, provision has been made in the section for the varying situations in the gas fields. Conditions relating to wells belonging to some of the natural-gas companies holding leases in the Appalachian area differ materially from those relating to wells of natural-gas companies holding leases in the southwestern areas.

The companies operating in the Appalachian area have, during the war, been required to pull their wells heavily in order to meet war requirements. This has resulted in lowered productive capacities of the wells.

In that area it is necessary to provide for sudden temperature drops during the winter when demands for gas suddenly increase. In order to cope with this situation, some of the companies in the area have adopted the practice of purchasing throughout the year from other gas producers, but pinching back their own wells, and even for considerable periods closing them in so they may build up pressure and availability for use during peak winter days when demands suddenly increase.

Under such circumstances the producing properties constitute, in effect, a storage operation. Under these circumstances there is a service as well as a commodity value involved, and it is not inappropriate to use the rate base for determining the allowance to be made such a company for the gas produced under such circumstances.

It is provided, therefore, that a company may make an election within 90 days for its producing properties to be included in its rate base. The proviso is in that form so it will be a general law. The election when once made is final, not only as to leases now owned but those hereafter acquired.

The last major amendment contained in the bill to which I wish to speak is that relating to the Commission's extension of authority into the field of local distribution.

This has arisen where a local distributing company itself has constructed and owned the connection with the interstate transmission company. In one case the Commission has attempted to exercise jurisdiction, where the line is fully regulated by the local State Commission, at a cost asserted to represent some $2,000,000 to the company for the duplicate information and study regarding construction, investment, and operation. Further testimony was offered to the effect that in many other cases local distributing companies desired to connect with the interstate company and thus provide for their own customers the natural gas thus connected, but were deterred from making such connection through the real threat that they thus would become subject to the Federal Power Commission in matters of rates, accounts, and the like, and incur the duplicate regulation resulting from State and Federal control.

New subsections have been added to section 2 defining the type of interstate commerce subject to the jurisdiction of the Commission, and making it plain that interstate commerce ends when the gas moves in the State of local distribution from the trunk transmission facilities of the interstate carrier into the local distribution or trunk transmission facilities of the company selling the gas in local distribution.

Section 7 of the Rizley bill provides for the operation of a common carrier gas pipe line under the supervision of the Interstate Commerce Commission.

It is obvious that it would not be wise for a natural gas pipe line company serving distributing utility companies to act as a common carrier. There must at all times be gas available for the general public. It is not possible to store gas, and the rendering of a common-carrier service might result in depriving utilities serving the general public of gas at the most important times.

It is believed, however, that there is an appropriate field for common-carrier lines. In the near future, for example, they would be of service in transporting gas across State lines for utilization in Fischer Tropsch and similar plants. Also, when gasification of coal is accomplished, such a line would be well adapted to the transportation of gas from coal-producing areas to highly industrial sections in the Eastern States.

It is to be noted that such a line must operate as a common carrier only, and make no sales from its line.

Jurisdiction over such a line is placed under the Interstate Commerce Commission. The functions of such a line are comparable to those of a common carrier line transporting oil and other petroleum products, and such lines are operating satisfactorily under the jurisdiction of that Commission.

This provision does not transfer any jurisdiction from the Federal Power Commission since there is no natural-gas company operating as a common carrier. The Interstate Commerce Commission is from training and experience properly equipped to deal with companies having a common-carrier status, while the Federal Power Commission has had no experience with companies performing such a service.

Mr. Chairman, I would like to ask my colleagues, in order that I may explain further just what is proposed here, to get a copy of the report. Before I proceed further let me say that this is an exceptionally fine report. I want to compliment the gentleman from Ohio [Mr. CARSON] for preparing this report and giving the Members of the House the explanation and information contained therein.

Remember, as I have explained, this bill proposes to do two primary things: First, to clearly define the limits of the authority of the Federal Power Commission so that the industry may know where it is; second, it tends to establish a formula for rate making that the Commission shall follow in determining what costs shall be allowed to the transportation industry of gas in interstate commerce. Turn, if you please, to page 4 of the report. I think I can explain to you some of the problems in layman's language and with the use of the chart that are involved in this controversy.

You will find in the chart labeled "Functions employed in producing, transporting and distributing natural gas." The interstate trunk line is that big double irregular line in the center. To the left you will see three of those lines running out to little dots that represent a gas field. On the other end you have the lines running out to distributors. When the Natural Gas Act was passed in 1938 it was understood that it was the intention of Congress that the jurisdiction of the Federal Power Commission should begin at the inlet of the trunk line in interstate commerce where the gathering from production terminates and the gas goes into the trunk line, and end at the other end of the trunk line where it goes into the distributor line or facilities for resale to the consumer.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I yield myself three additional minutes.

Again there was no intention, so far as the history reveals, that the Federal Power Commission had any jurisdiction whatsoever beyond those points. Under the Interstate opinion referred to and delivered June 16, 1947, the Supreme Court said the Federal Power Commission had the authority in determining rates to go on back into the field, into the well and determine the allowable cost of that transportation company in its transportation of gas, which will mean, of course, that it controls the field processes, that it controls production, that it controls gathering. On the other end you will notice to distributor A the trunk line runs right up to the city. It said that is where the jurisdiction stops and, therefore, they do not assume any further jurisdiction.

Before you get there you see at the top distributor B. He has to go down a few miles to the main trunk line. He has to have a little line to take gas out of the main trunk line up to his town in order that he may serve the consumers of the town. The Federal Power Commission says that because he has to have a little line to go back to the main trunk line to take the gas up to his consumers that he comes within the authority and jurisdiction of the Commission. That puts him—the distributor—in interstate commerce. Consequently, in his case the Commission controls it right to the burner tips.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. GAVIN. In that event they would be usurping the public utilities commissions of the various States which are there for the specific purpose of establishing rates to the domestic consumers.

Mr. HARRIS. Yes; there would be under such circumstances overlapping jurisdictions and the company then would be subject to the authority of both the local jurisdiction and the Federal Power Commission.

Mr. GAVIN. And there would be confusion without getting gas?

Mr. HARRIS. Very definitely. That is simply the purpose of this act here. It is to clarify that situation so the Federal Power Commission will stay within the limitations intended back in 1938 when the Congress passed the act. They have abused that authority time after time.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, the basic issue here, it seems to me, is a question of clarification by amendment or by administrative ruling since the industry itself feels, and the staff of the Federal Power Commission has admitted in a report on section 1 (b) of the Natural Gas Act, page 40, under date of March 1947, that there is need for "appropriate action to relieve the doubt and fears now prevailing." The need for correction, it seems to me, is not questioned either by the staff of the Commission or the industry. The question is merely the method to be used, and there are two. One is to amend the act by the Congress or by change in the administration of the act accomplished by the adoption of an administrative rule by the Federal Power Commission. I cannot quite share the complete confidence expressed by the gentleman from Illinois in any Federal agency just because it is a Federal agency and because the members have been named and confirmed. I do not like law handed down by interpretation or by administration. I think when there is a substantial doubt as to what is coming next, as there is in this case, we better say by statute precisely what we mean.

The problem arises largely from encroachment by the Federal Power Commission into the field of production and gathering, and although the act expressly provides that it "shall not apply to the production or gathering of natural gas"—Natural Gas Act of 1938, Public Law No. 688, Seventy-fifth Congress, section 1 (b)—the record is replete with successful efforts of the Commission in encroaching into this forbidden field.

First. The Commission took jurisdiction over the producing properties and gathering facilities of an interstate trunk line—pipe line—transporter and subjected these properties and facilities to public-utility regulation. Although these producing and gathering properties obviously have no semblance of a public utility, they are regulated as such by the Commission—*Federal Power Commission* v. *Hope Natural Gas Company* (320 U. S. 589).

Second. The Commission next took jurisdiction over the producing properties and facilities of an affiliate of a trunk-line transporter and subjected them to public-utility regulation—*Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581).

Third. The Commission has more recently taken jurisdiction over the sale price of natural gas of a nonaffiliated producer and gatherer—*Interstate Natural Gas Co.* v. *Federal Power Commission* (56 F. (2d) 949).

Thus, we here have a progressive series of steps taken by the Commission in extending its jurisdiction into the production and gathering phase of the industry despite the express prohibition in the act to the contrary. It is this improper extension of jurisdiction by the Commission that has given rise to the fears, uncertainties, anxieties, and confusion on the part of producers and gatherers. They are apprehensive lest they also be controlled by the Commission and treated as a public utility. As a result, producers and gatherers are refusing to sell their gas to interstate transporters, thus depriving consumers of a needed supply of gas and the producers of the right to sell their product in a free market.

The provision in the act which exempts production and gathering from the jurisdiction of the Commission is a total exemption and is not qualified or limited in any manner. It exempts the business of production and gathering. The proposal of the staff—Staff report, supra, page 41—for a clarification by administrative rule treats the exemption as if it were partial and not a total exemption. The suggested administrative rule would exempt those who "only produce, gather, or process natural gas"—Staff report, supra, page 41—it would not exempt the producing and gathering activities of interstate trunk-line companies. Under this proposed rule, the Commission would continue to apply to producing and gathering properties the public-utility method of regulation based on persons as distinguished from activities. The Commission would thereby regulate a portion of the activity of producing and gathering, thus rigidly fixing by administrative fiat the economic common denominator of the industry to which the remainder of the industry although not regulated, would have to adjust itself.

When an interstate trunk-line company purchases gas from a producer, it is allowed as an operating expense the purchase price thereof, commonly referred to as the "field price." However, when it produces its own gas, it is not allowed as an operating expense the going field price for such gas, but the Commission includes these producing and gathering properties on a public-utility basis. This results in the companies receiving a price for their gas which varies from the field price down to zero. Under this method of treatment by the Commission, the result is reached whereby different prices are allowed for the same product depending upon who owns it. This result is characterized by Justice Jackson of the United States Supreme Court as being "delirious," "fantastic," and "capricious." He also said that such a result "does not make sense to me"—*Colorado Interstate Gas Co.* v. *Federal Power Commission et al.* (324 U. S. 581). H. R. 4051 would eliminate these absurd results by permitting the interstate trunk-line companies to receive the going field price for all gas, whether produced by them or purchased from other sources.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Is it not a fact that, under that ruling that Justice Jackson is referring to, it has gotten to the point where, because of technical rulings, they charge different prices for

the same gas that comes out of the same well if it happens to be under joint ownership or more than one party in interest in the well?

Mr. HUGH D. SCOTT, JR. That is my understanding. Precisely that result can be arrived at under the circumstances the gentleman has mentioned.

Mr. MILLER of Maryland. Even though it comes right from the very same source. It just depends on who owns it.

Mr. HUGH D. SCOTT, JR. That is right; and it is similar to other impossible conclusions which are arrived at when you have a legislative situation such as we have in this case, complicated by the type of administration from which industry so often suffers and continues to suffer.

Mr. MILLER of Maryland. And this present act will cure that situation, as I understand?

Mr. HUGH D. SCOTT, JR. I understand it will. That is my belief.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Will the gentleman please turn to page 4 of the report showing a diagram of interstate trunk pipe lines. What I want to know is this: We will say, for example, at Y there are two pipe lines going through my district. So far our people have not been able to tap these pipe lines, and avail themselves of this gas. As the law has been interpreted by the Federal Power Commission, on the line that goes out from Y to city B for distribution of gas to the people in that city, the rates are fixed by the Federal Power Commission. They have control over those rates; is that right?

Mr. HUGH D. SCOTT, JR. I would think so; yes.

Mr. ZIMMERMAN. And the Commission in the State that deals with the matter of making rates would not have control as they have over other utilities; is that right?

Mr. HUGH D. SCOTT, JR. That is one of the matters which we are anxious to clarify.

Mr. ZIMMERMAN. Now, then, this bill would place the fixing of rates, the price of gas in that city, in the State Public Utility Commission; is that correct?

Mr. HUGH D. SCOTT, JR. I so understand. If I am in error, I hope the author of the bill, who is present, will correct me, but that is my understanding.

Mr. ZIMMERMAN. One of the reasons these companies refuse to go on making these improvements is that they do not want to get under dual authority, the Federal Power Commission in Washington and the State public service commission, which likewise fixes rates. That would create confusion. For that reason, our people are not getting gas where they could get it and where they need it very badly. Is that one of the things the gentleman says this bill will do?

Mr. HUGH D. SCOTT, JR. I believe the gentleman is right on that.

Mr. ZIMMERMAN. I want to make that clear.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I agree with the gentleman from Oklahoma who offers the bill and with the majority of the members of the committee that some legislation is needed at this time to clarify the Natural Gas Act, to make certain that the Federal Power Commission does not have jurisdiction over the production and gathering of natural gas, particularly by independent operators.

I attended these hearings and listened to most of the testimony before the Committee on Interstate and Foreign Commerce when this bill was being heard. We had a very heavy volume of testimony. It is my feeling at this time, because of certain circumstances, that the Rizley bill now pending, as reported by the committee, covers too wide a field, and that we should have at this time some simple legislation clarifying that one particular phase of the act, and should wait until after the Federal Power Commission has completed the investigation under Docket G-580, a very comprehensive investigation that has been going on for some time, before we attempt to go as far as I believe this bill does go in attacking some of the more complex problems in the gas industry and in the transportation and regulation of natural gas in interstate commerce.

I have prepared a very brief bill that I believe would do all the Congress might be justified in doing at this time. I believe later, perhaps, some of the provisions in the Rizley bill should be enacted into law. I believe, however, before that is done we should have more complete information on the effect of some of the provisions in this bill. I believe we can get that information when the Federal Power Commission has completed the investigation now under way and has submitted the result of that investigation to the industry and made a report to the Congress.

The bill I have prepared simply amends the Natural Gas Act by making it very clear that the Federal Power Commission does not have any jurisdiction over the independent production and gathering of natural gas. There are a few other paragraphs in it which are simply definitions. The word "production" is defined. The word "gathering" is defined, "transportation of natural gas" is defined, and "sale at arms length" is defined.

Mr. Chairman, I have been just a little disturbed by what I consider to be rather far-reaching provisions of the bill now before us. I wish to cite one instance. We find in section 1 (c) of the Rizley bill this language. I would direct my question here to the author of the bill. On page 2, line 17, we find this language:

> This limitation of jurisdiction shall control all other provisions of this act.

I have checked pretty carefully, and it seems to me that if we include that language, for instance, in this bill, we take away from the Federal Power Commission all jurisdiction over exports and imports of natural gas covered by section 3 of the original Natural Gas Act.

I wonder if the gentleman has looked into that. I would like to have his comment on that particular language in the bill.

Mr. RIZLEY. I will say to my distinguished friend from Tennessee that that question, of course, as you know, has been raised by the Federal Power Commission from time to time. I do not put that interpretation on it at all. Section C provides for a limitation to a certain specific part of the bill, and this language, "This limitation of jurisdiction shall control all other provisions of this act," certainly would, in my humble opinion, mean that we are striking out all of the controls that the Federal Power Commission has under the terms of the Natural Gas Act.

Mr. PRIEST. The limitation is here in that section—that this limitation shall control all other provisions of the act. It is my very sincere opinion, after reading section 3 of the act, which deals with transportation, that the export and importation certainly is covered by this limitation.

Mr. RIZLEY. I think my friend from Tennessee would be enlightened if he would return to the sectional analysis of the bill, which is found on page 11 of the report and which deals with the specific question that the gentleman raises. I will read it to the gentleman:

> The new subsection (c) is complementary to subsection (b), and provides that the jurisdiction of the Commission shall not extend to any transportation or sale or facility or operation to which, under subsection (b), the provisions of the act are not to apply. It is further declared that this limitation of jurisdiction shall control all other provisions of the act.

Mr. PRIEST. There is nothing in subsection (b), however, relating to export and import.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HARRIS. The gentleman mentioned this matter to me a little while ago, and I made some inquiries about it. My information is that the procedure with reference to the exportation of natural gas is under an Executive order of the President of, I believe, 1942, by which he authorizes the Commission to make certain investigations and findings, and from that authority the companies which are interested in the exportation of gas may proceed to export gas.

Mr. PRIEST. At the same time, however, I might say to my colleague that section 3 of the act is that section specifically providing for the Commission's jurisdiction over exports and imports.

Mr. HARRIS. But, of course, if the President of the United States has permission to make certain findings, they are not likely to do that even though they might protect their jurisdiction in connection with this particular matter. However, I would have no objection that it be clarified so as to make certain.

Mr. PRIEST. I thank the gentleman. I referred to that simply to emphasize my feeling in the matter that perhaps we are getting into fields here which

have not been properly explored and that perhaps a simple act would do the job for the time being.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Texas.

Mr. RAYBURN. It was in 1935 that gas was covered in title III, I believe, of the Utility Holding Company Act. At that time I understood that act and I think I understood the act of 1938 pretty well, although I had retired from the committee then. To be entirely frank with the gentleman and with those who are handling this legislation, I have been trying to understand this bill, and I am still confused. I do not know whether the Commission should make a further study of this matter or whether the committee should make a further study of it. I do not know what this bill means, to be frank with you. I have listened to the distinguished gentleman from Oklahoma and the distinguished gentleman from Arkansas. I am still a little confused. But I am not confused about the substitute which I assume the gentleman is going to offer. I am not confused about what that means. I think we can all agree on that part of the bill, and allow us to study this so that some of us who have been following this thing so long and who are tremendously interested in anything that will rip up any major part of this bill, may not be passed. I want to vote for this bill, but I think we would be much wiser if we voted for that part of the bill that we do understand, that everyone can understand, and that will really give relief to these little well owners and take them out of interstate commerce, and see where they are. I am a little fearful of this bill and its implications, as far as I am capable of understanding them.

Mr. PRIEST. I appreciate the gentleman's remarks.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. CARROLL. I can understand my uncertainty about the bill if the minority leader, with all his great experience, is somewhat confused. The gentleman from Arkansas [Mr. HARRIS], in a very able presentation, said that the Federal Power Commission had exceeded its jurisdiction. That has been sustained by many court decisions, has it not?

Mr. PRIEST. Yes. I think that is true. However, I want to keep the Commission within its jurisdiction. I want to be certain that they do not exceed it. I am not here arguing for the Commission.

Mr. CARROLL. I am asking this question of the gentleman because he has followed the matter very closely. The second point that the gentleman from Arkansas [Mr. HARRIS] made was that this proposed legislation will change the formula, production, gathering, transportation, and distribution. If that formula is changed, will there not be a corresponding change in the gas rate to the consumers?

Mr. PRIEST. It is my personal opinion that there will be an increase. I do not know what effect sections 5 and 5½ in this bill may have upon the consumers. It is my opinion that it will result in higher rates. Perhaps some higher rates are justified. I am not an authority on that subject, but I think any fair-minded person will agree that there is quite likely to be an increase in rates to the consumers as a result of this legislation.

Mr. CARROLL. Can the gentleman inform us, is this litigation, all this litigation in the courts upon this contest, because of the Federal Power Commission exercising its authority to regulate rates to the consumer? Is that not the purpose of all this legislation which will be modified by this present act, if the Congress adopts it?

Mr. PRIEST. I think that cases in court and the decisions of the court have resulted in the desire for this legislation.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD just before the passage of House Joint Resolution 233 earlier this afternoon.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOLVERTON. Mr. Chairman, I yield the remaining time to the gentleman from Ohio [Mr. CARSON].

The CHAIRMAN. The gentleman from Ohio is recognized for 11 minutes.

Mr. CARSON. Mr. Chairman, I am interested in two things in this bill. The first is the public convenience, and, second, the conservation of gas. It seems positively ridiculous to me to know and to learn that over 2,000,000,000 cubic feet of gas have been flared in the Southwest while we in the North and Northwest are freezing every winter.

It is a fact, and undisputed, that thousands of men in my district are out of work every winter because we do not have gas. That is one of the reasons I was so glad to join with my colleagues in introducing a similar bill, with the gentleman from Oklahoma [Mr. RIZLEY] and Senator MOORE. They introduced bills as producers. Senator FERGUSON of Michigan and I introduced similar bills as consumers.

Here is a fact that disturbes me, that we have to come to the floor of this House time and time again to tell someone the intent of this Congress. Somebody mentioned a few moment ago that the courts have upheld the Federal Power Commission. Even if they have upheld it, is that any reason why we should not once and for all clarify the congressional intent and eliminate this terrible confusion which has caused this nonproduction in the field? I want to bring that to the attention of this committee very forcibly by some of the language of the Chairman of the Federal Power Commission himself. We started hearings on this bill on April 14, and they continued for an entire week. We then gave the Federal Power Commission the 28th and 29th of May to come in. They had a month's time. They were before our committee on numerous occasions, but the substitute which the gentleman who just preceded me mentioned, did not come to our committee until July 1. I have not even seen it. I do not know what it is all about. But I do know what the intent of Congress was and I do know what the contention is, that people in the South and Southwest will no longer be subject to all this terrible confusion that is causing us not to get gas in the Midwest.

It is the effort of the Federal Power Commission to assert jurisdiction over the production and gathering of natural gas, and over local distribution, which the agency has done in contravention of the intent of Congress, that has the effect of denying or destroying a free and unrestricted market for natural gas where produced.

These continued administrative extensions of jurisdiction by the Federal Power Commission are having the effect of holding back and restraining field developments for gas. They will normally depress and interfere with the prices for which gas can be sold in the field.

Oil companies and producers of gas are becoming more reluctant to produce, save, gather, and deliver their gas to interstate pipe lines because they are fearful that the Federal Power Commission will subject them to the jurisdiction of that Commission and declare them to be natural-gas companies.

We had several governors—as a matter of fact, there are 33 different States interested in this matter. Governor Carlson, a former Member of the House, flew from Kansas and testified before the committee. Those governors who could not appear before the committee filed statements. Read the 700 pages of the hearings and you will see the interest and the terrible confusion that these people have because of the usurpation of power by the FPC.

The Natural Gas Act was passed in 1938, and it was only 6 months, or approximately so, before we had the Columbia case coming up. This was a case in which the Federal Power Commission asserted the right to regulate the price which a producer and gatherer of gas received from an interstate pipe-line company.

This assertion of jurisdiction over a mere producer and gatherer of gas was vigorously protested by the States of Kentucky and West Virginia and many of the oil companies. After almost 8 months of deliberation, a majority of the Commission reached the correct conclusion and asserted that they did not have jurisdiction over it.

State officials came before us and warned us that the reluctance of some gas producers to sell their gas for interstate marketing was interfering with the progress of conservation measures, and is a contributing factor to the continuous flaring of casing-head gas.

Almost without exception everyone who appeared so far manifested concern with respect to this matter and strongly urged clarifying the situation and setting

definitely at rest the doubts and uncertainties which now prevail.

Something was mentioned a few moments ago about the Illinois Commission of Commerce. An amendment, I think in section 6 of this bill, was made at the suggestion of the Illinois Commission of Commerce and was one of the best amendments in the bill. It will give these gas companies the opportunity to get gas to the distributors at all times, especially in the wintertime.

Now, if there is any question about this language, I wish somebody would interpret it for me different from what I find it in the act.

I want to refer to section 1 (b) of the Natural Gas Act and ask you if there is any dispute or doubt about this language:

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commerial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

That language seems very clear to me, but it was only 6 months after that we find the Federal Power Commission going in and attempting to usurp this authority.

I want to call your attention to how this hearing started or this investigation we heard about this afternoon. If you will turn to page 668 of the hearings, you will find this language in about the middle of the page, which was stated by Mr. Manly, who was then Chairman of the Federal Power Commission:

The Federal Power Commission has no desire to extend its jurisdiction to cover the production of natural gas or otherwise invade what are properly regarded as the functions of the conservation authorities of the several States.

Then, again, Chairman Manly, on July 21, 1945, same page, wrote:

It seems desirable, therefore, to declare in unequivocal language that the Commission has no desire or intent to extend its jurisdiction as regards either oil production or petroleum pipe lines.

That seems pretty clear to me. Let me go a little further. Much was said about the Interstate case. The Interstate case was a matter that came up in Louisiana along some of the same lines we are trying to avoid confusion in right now.

Mr. Smith, Chairman of the Federal Power Commission, laid a lot of stress upon this Interstate case. It was argued on May 2, and he said that decision in that case will soon be made.

The gentleman from Maine [Mr. HALE] asked a few questions which might be interesting. If you will look on page 693 of the hearings you will find the following questions:

Mr. HALE. I want to ask a question about this socalled Interstate Case that was argued on May 2, in which the Court will decide what the jurisdiction of the Commission was with respect to certain transactions in Louisiana.

Mr. SMITH. Yes, sir.

Mr. HALE. Do you expect that decision will come down before the summer recess?

Mr. Smith did not answer that question, neither could any one else. Mr. Smith said:

It might, or it might not, depending on how much difference of opinion there is in the Court. I have no way of answering that question.

Mr. HALE. Do you think that the construction which the Court puts on the act will be very illuminating to our committee in considering legislation?

That is another question that it is rather difficult to answer. Mr. Smith stated:

I most certainly do, because I do not think that, in view of the great significance that has been attached by the industry spokesman to that case which is still undecided by the Court, it can be fairly said that anybody knows for sure what the law is now, or, therefore, what your problem of amendment may be to effectuate whatever your purposes are.

The gentleman from Maine [Mr. HALE] pursued it a little bit further and stated:

Mr. HALE. If the Court sustains your exercise of jurisdiction you will say that the statute should not be amended?

Mr. Smith stated:

No, I would not go that far.

He further stated on page 194:

Mr. HALE. Do you think that if the Court goes what we might say was too far, in order to extend the jurisdiction of the Federal Power Commission to the gatherer then we might have to pass amendatory legislation, somewhat as we did in the portal-to-portal case, because the Court had gone too far?

Mr. SMITH. My answer to your question is yes.

Now, if you read the report which the committee filed in this case, you will find that the Interstate case has been decided and the Supreme Court has gone too far. They have not only gone to the end of the pipe line; they have gone to the bottom of the well. Which is only another reason why this bill should be passed.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HARRIS. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, there were extensive hearings on this legislation. There is no question but what those who were and are interested in it, pro and con, were given an opportunity to be heard. That is one thing that we can always say about our Chairman. He does not believe in preventing anyone from having an opportunity to be heard who requests and desires so to do.

I was particularly impressed by the statement made by the oil and gas people of my own State of Texas. All of you know that Texas is a producing State. We produce much gas and much oil in that State. We feel that we have almost set a pattern as to wise methods of conservation in the State of Texas. I know that Colonel Thompson, the chairman of our Texas Railroad Commission, and a man who has had experience for nearly 20 years in the regulating of oil and gas, came before our committee and said that every effort is being made at present to conserve gas in Texas, and he mentioned the fact that no gas from gas wells is being wasted today, but he did not go so far as to say that gas from oil wells is not being wasted today. I have great confidence in what the States can do with reference to conservation, and I think Texas is one of the best examples there is. By no means do I mean to imply that other States have not done good jobs in conservation. Not only did Colonel Thompson indicate that this legislation is very greatly desirable and highly necessary at this time, not some time in the future, but many producers likewise indicated the same thing. They said that because of the situation today they feel uncertain in steps they probably would take in the way of conservation and utilization of gas. I know that they mean what they say when they say that. There are plenty of those producers, those people who go out and explore, that have ample resources to provide facilities conducive to further utilization and conservation of gas.

The gentleman from Tennessee [Mr. PRIEST] has offered another bill; a bill that he proposes to recommend as a substitute.

Section (b), beginning on line 5, page 1 of the bill, reads, in part, as follows, and I am not going to try to read all of it:

"The provisions of this act shall apply, to the extent hereinafter provided, to the transportation of natural gas in interstate commerce, to the sale in inte-state commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to its transportation between the well or wells where produced and the point of its delivery to or reception in the interstate trunk transmission facilities of a natural-gas company or to any sale thereof at or prior to such point of delivery or reception or to the production or gathering of natural gas, or to the producing, gathering, treating, or processing facilities utilized or operations conducted in handling or preparing such gas for delivery or reception at such point, or to the local distribution of natural gas or to local distribution facilities—

And so forth, down to the words "all as hereafter defined."

The first 5 lines define the positive jurisdictional power of the Commission and are practically the exact language of the present law. That is unquestioned. Of course, it is the present law with which fault is being found. This is the language the courts have said should prevail over the negative language, where the "but" begins, which is set forth following the positive provisions in the original Natural Gas Act. The negative provisions which constitute the restrictions on the jurisdiction of the Federal Power Commission conflict with the jurisdictional language first set forth. The language beginning with line 6 on page 2 is as follows:

To the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.

This is an important point, I feel. This gives to the Commission the responsibil-

ity for inquiring into and determining the facts in each sale. Thus is retained the power which has caused to some extent at least the presently existing confusion within the industry which leaves each operator in the same uncertain position of not knowing definitely whether he is subject to the jurisdiction of the Federal Power Commission and is, in fact, a natural-gas company. In other words, if his bill should be substituted, frankly, I fear we would be almost in the same position we are now.

I have a practical case in my own district. We think that one of the outstanding contributions of recent years in the gas industry has been made by the Chicago Corp. That corporation has a plant at Carthage, Tex. They had the ingenuity to undertake to obtain gasoline from gas, and they have built a good plant at Carthage, Tex., and are today successfully running it. That was made possible by venture capital. In this day when we want more opportunities for more people, it behooves us all to encourage the utilization of venture capital. But this company has had difficulty. It has had its trials and its tribulations. Mr. Richard Wagner wrote me this letter on June 3, 1947. He says:

As you doubtless know, the Federal Power Commission advised us that before the hearings were resumed on the Rizley bill they were going to issue an order the next day finding us to be clear of any of the provisions of the Natural Gas Act.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is amended to read as follows:

"(b) The provisions of this act shall apply, to the extent hereinafter provided, to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to its transportation between the well or wells where produced and the point of its delivery to or reception in the interstate trunk transmission facilities of a natural gas company or to any sale thereof at or prior to such point of delivery or reception or to the production or gathering of natural gas, or to the producing, gathering, treating, or processing facilities utilized or operations conducted in handling or preparing such gas for delivery or reception at such point, or to the local distribution of natural gas or to local distribution facilities.

"(c) The jurisdiction of the Commission under this act, including but not limited to rate regulatory authority and supervisory control, shall not extend to or over any transportation or sale or facility or operation to which, under the provisions of subdivision (b) of this section, the provisions of this act shall not apply. This limitation of jurisdiction shall control all other provisions of this act."

SEC. 2. Subsection (5) of section 2 of said Natural Gas Act is amended to read as follows:

"(5) 'Natural gas' means either gas in its natural state as produced from the well, or residue gas from gas in its natural state, from casinghead gas or from other gaseous substance after extraction of hydrocarbon liquids, or any mixture of natural and artificial gas."

SEC. 3. Subsection (6) of section 2 of said Natural Gas Act is amended to read as follows:

"(6) 'Natural-gas company' means a person engaged in the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission as in this act defined, or the sale in interstate commerce after the commencement of such transportation of natural gas for resale subject to the jurisdiction of the Commission, as in this act defined, but to the extent only that such person is engaged in such transportation and sale; but such term does not include (a) any person that transports natural gas solely as a common carrier subject to part I of the Interstate Commerce Act, as amended, or (b) any person engaged in local distribution within a State who receives natural gas within or at the border of such State and sells and delivers such gas (i) to the general public for ultimate consumption therein, or (ii) to another person engaged in local distribution within the same State who sells and delivers such gas to the general public for ultimate consumption therein."

SEC. 4. Section 2 of said Natural Gas Act is further amended by adding thereto the following definitions:

"(10) 'Production' means the recovery of natural gas from reservoirs where naturally found and also the recovery of residue gas from natural gas, casinghead gas, or other gaseous substance by any method or treatment or processing through removal of natural gasoline, butanes, and other hydrocarbons or other chemicals or substances of commercial value, whether such recovery be made prior to, during, or incident to the transportation of natural gas in interstate commerce, and includes the delivery and sale of natural gas from production facilities, at any point thereon, whether such delivery and sale be in interstate or intrastate commerce. 'Production facilities' means the land, leaseholds, wells, separators, extraction plants, and other facilities used for or incident to such production.

"(11) 'Gathering' means the operation of gathering facilities and includes the delivery and sale of natural gas from such facilities, at any point thereon, whether such delivery and sale be in interstate or intrastate commerce; and 'gathering facilities' means facilities used for or incident to moving, by natural or mechanical pressure, natural gas produced or purchased in the production and gathering area to the point or points of delivery into inlets of the trunk transmission facilities used for the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(12) 'Transportation of natural gas in interstate commerce' or 'transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission' means and is limited to the operation of moving natural gas in interstate commerce through the whole or a portion of the trunk transmission facilities of a natural-gas company or companies (including facilities or properties for surface or underground storage) which facilities commence at the trunk pipe-line compressor station or stations or main receiving point or points established by a natural gas company for the purpose of receiving gas from gathering facilities or from processing plants for transportation, and extend therefrom to the point or points in the State of local distribution or on the boundary of such State, at which such natural gas moves from the trunk transmission facilities of a person into the local distribution or trunk transmission facilities of another person who sells such natural gas in local distribution. If, before local distribution occurs, natural gas is transported across a State boundary line in trunk transmission facilities of the person who sells such natural gas to consumers in local distribution, then the transportation of such natural gas by such person, up to, but not beyond the point at which it enters the pressure reducing, or measuring station, or local distribution facilities of such person, shall be transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(13) 'Sale in interstate commerce of natural gas for resale' or 'sale in interstate commerce of natural gas for resale subject to the jurisdiction of the Commission' means and is limited to such sale when made after the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(14) 'Local distribution' means the operation of local distribution facilities and includes the delivery or sale of gas therefrom; and 'local distribution facilities' means pipe lines and other facilities used for or incident to the distribution of natural gas to the general public within a community or distribution area for ultimate public consumption for domestic, commercial, industrial, and any other purpose."

SEC. 5. Said Natural Gas Act is amended by adding thereto the following section:

"SEC. 5½. The Commission in its regulation of rates and charges of a natural-gas company for the transportation and sale of natural gas subject to its jurisdiction and in the exercise of all its other functions under this act shall be governed and controlled by the following provisions:

"(a) It shall allow to a natural-gas company as an operating expense an amount determined as follows: (1) the actual prices paid for gas purchased if the purchase is made by a natural-gas company from nonaffiliates and nonsubsidiaries; (2) if the gas is produced by a natural-gas company or purchased from a subsidiary or affiliate, the prevailing market price in the field or fields where produced for natural gas of comparable quality, volume and pressure, delivered under similar conditions, if such market price exists in said field; or, if there is no prevailing market price for such natural gas in said field or fields in which produced, the fair and reasonable value of such gas, taking into consideration prevailing prices for natural gas of a comparable quality, volume and pressure, delivered under similar conditions in the general vicinity, and other pertinent factors, provided such value shall exclude a calculated value for such gas based upon the producer's investment in and cost of the properties from which such gas is produced and shall be restricted to the purposes of this section; and (3) reasonable compensation for gathering all of such gas produced by such natural-gas company or purchased by a subsidiary or affiliate of such natural-gas company, and for delivering the same to the inlet or inlets of the transmission facilities of such natural-gas company: *Provided,* That a natural-gas company owning production facilities or gathering facilities, or both, upon the date when this subsection takes effect may elect, by filing a written statement with the Commission not later than 90 days after such date, that its production and gathering facilities then owned and thereafter acquired shall be included with its facilities used for the transportation of natural gas in interstate commerce in any determination by the Commission of the rates and charges of such company subject to the jurisdiction of the Commission; and after the exercise of such election, the provisions of clauses numbered (2) and (3) of this subsection shall not be applied by the Commission in determining such rates and charges.

"(b) If a natural-gas company is engaged in operations and activities which are not within the Commission's jurisdiction, the Commission, prior to the fixation and determination of the rate base and the rates

subject to the jurisdiction of the Commission, shall (1) segregate from all the property and facilities of such natural-gas company the property and facilities used in the operations and activities subject to the Commission's jurisdiction under this act by proper allocation made in accordance with the use to which the property and facilities are devoted; (2) segregate from all the revenues of such natural-gas company the revenues received from its operations and activities subject to the Commission's jurisdiction under this act; (3) segregate from all the expenses of such natural-gas company the expenses incurred or expended in the operations and activities subject to the Commission's jurisdiction under this act by proper allocation made in accordance with the use to which the property and facilities of such natural-gas company are devoted; and (4) in making such segregations and allocations of property, revenues, and expenses; the Commission shall not assign to the jurisdictional class of property, operations, and activities any of the properties, revenues, or expenses of a nonjurisdictional class of properties, operations, and activities."

SEC. 6. Section 7, as amended, of said Natural Gas Act is amended by adding at the end thereof the following subsection:

"(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose. With respect to trunk transmission facilities this subsection is subject to the proviso contained in subsection (a) of this section."

SEC. 7. (a) Subparagraph (b) of paragraph (1) of section 1 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(b) The transportation of oil or other commodity, except water and except natural or artificial gas, by pipe line, or partly by pipe line and partly by railroad or by water; or the transportation of natural gas by pipe line solely for others for hire, and not engaged in the selling of natural gas; or".

(b) The first sentence of paragraph (3) (a) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting after the words "pipe-line companies" the words "subject to the provisions of this part."

Mr. WOLVERTON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that amendments be in order to any part of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

Committee amendment: On page 6, line 22, strike out "a" and insert "such."

The committee amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 1, line 3, strike out all after the enacting clause and insert the following:

"That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is hereby amended to read as follows:

"'(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of naural gas or to the facilities used for such distribution or to the production or gathering of natural gas; or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.'

"Section 2 of the act is amended by adding thereto subsections (10), (11), (12), and (13), as follows:

"'(10) "Production" means the extraction of natural gas from reservoirs by means of wells, including any operations incident to production for the separation of casinghead gas from oil or of residue gas from other hydrocarbons, and the delivery of such natural or residue gas by the producer to one engaged in gathering or transportation within the meaning of this act.

"'(11) "Gathering" means the collecting of natural gas from wells of the gatherer or other producers by its movement to central points through pipe lines and other facilities, including those for further processing and compression as a part of gathering, and only such incidental transportation by the gatherer as may be necessary for delivery of such gas into the transmission facilities used for the subsequent transportation of natural gas in interstate commerce within the meaning of this act.

"'(12) "Transportation of natural gas in interstate commerce within the meaning of this act" is limited to the movement of natural gas in interstate commerce through pipe lines and related facilities (including facilities for surface or underground storage as a part of transportation operations) after the completion of production or gathering as above defined, but before the beginning of local distribution.

"'(13) "Sale at arm's length to a natural-gas company" means a sale by any individual, partnership, association, or corporation not standing in such relation to such natural-gas company, by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining in transactions between them as to be contrary to the public interest.'"

Mr. PRIEST (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the remainder of the amendment, which simply consists of definitions, be dispensed with and that it be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. WOLVERTON. Mr. Chairman, reserving the right to object, is this substitute that you are now offering the same one that was submitted to us by the Federal Power Commission?

Mr. PRIEST. I will say to my chairman that it is substantially the same. There might be a word or two in the language changed, but substantially it is the recommendation submitted to the committee and to our chairman by the Commission.

Mr. WOLVERTON. Which is the bill that they submitted on or about July 1 after our hearings had been concluded?

Mr. PRIEST. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Chairman, as I stated when I spoke very briefly in general debate, I believe there should be some legislation on this subject. I agree with every member of the committee that there should be. I am offering this suggestion, which is a very simple amendment clarifying the language with reference to the jurisdiction of the Commission over production and gathering in an effort to get that part of the law clarified and in an effort also to permit the Congress to have additional time to study these other broader questions of end-use, and field prices, and export and import, and many of the other rather complex problems that grow out of the natural gas industry before taking any final action of a broad and sweeping nature in the revision of this important act.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. RIZLEY. Mr. Chairman, there is no one in the House for whom I have greater respect than the distinguished gentleman from Tennessee. He has been very helpful all the way through on this legislation. But as he readily admits here, this is an amendment which was designed by the Federal Power Commission itself after all the hearings were concluded and after it had become obvious, I think to everyone, that we were going to have legislation in connection with this matter. I think it is a little late coming now. There was no chance to have further hearings. The hearings were closed, The substitute bill was introduced as recently as July 7th of this year. It was prepared, I believe, as my friend said, by the Federal Power Commission, the very Commission whose opinions we are attempting to correct by this legislation. I believe it does come a little late now.

Mr. PRIEST. Mr. Chairman, I do not have time to yield further, but may I say in that respect that this recommendation was sent to the committee after our committee had asked the Commission for its recommendations with reference to language that would clarify the act following the decision in the interstate case. They did not voluntarily send the letter. At the request of the committee the Commission explained their interest in the matter, and they wrote language which in their opinion should be enacted into law to clarify the law. On the basis of that letter and on the basis of recommendations that they made and also on the basis of my own views on the matter that we should have a simple act clarifying it at this time, I introduced this amendment. I regret very much that I did not have time to present this matter to the committee before the committee had finished its hearings because I believe we might have obtained some consideration of a

more simple measure, one less broad in scope than the bill now before us and one that would enable us to be certain of the effect on the consumer, the producer, and the transporter, and the general effect all the way around. Frankly, I am quite uncertain about the effect of the broad bill now before us.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HARRIS. Would not the effect of the gentleman's amendment be to include in the present law only this language, "or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined."

Mr. PRIEST. The gentleman is exactly correct. That is my opinion of what was originally desired in the Rizley bill. That is the effect of it.

Mr. HARRIS. Does not the gentleman realize that this merely exempts a very small percentage of those engaged in this industry? Probably 4 or 5 percent?

Mr. PRIEST. I am not sure about the percentage. Perhaps it is a comparatively small percentage. Within a very few months we will have before us a very comprehensive survey of this whole field that has been going on for some time.

Mr. HARRIS. Will the gentleman yield further?

Mr. PRIEST. I yield.

Mr. HARRIS. How long has that survey been underway?

Mr. PRIEST. Well, it has been quite some time. I do not know exactly.

Mr. HARRIS. Has it not been over 2 years?

Mr. PRIEST. It has been close to 2 years, at least.

Mr. HARRIS. Was it not back in March of this year when this hearing got under way and the Commission advised us that it expected to have this report in a few months, and we have not heard anything yet from them?

Mr. PRIEST. Yes. They advised us at that time that they expected to have that report in. I understand they will have it in within a few months.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. PRIEST] has expired.

Mr. BECKWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has been pointed out by the gentleman from Arkansas [Mr. HARRIS] it is quite obvious that the effect of the amendment offered by the gentleman from Tennessee [Mr. PRIEST] will be to continue the kind of words with which in the main fault is today being found. In other words, the change will be very, very nominal.

Before I was compelled to stop a moment ago, I was trying to give you an actual example of the experience of one particular company by virtue of delay occasioned by failure of the Federal Power Commission to act. This company, the Chicago Corp., which today is undertaking to make gasoline from natural gas, an undertaking, as I said a moment ago, which is a strictly venture-capital undertaking, but an undertaking, practical as it is, that will set the pace, we hope, for much additional utilization of gas in its many possible uses.

This letter was written June 3, 1947, by Mr. Richard Wagner, of the Chicago Corp.:

> As you doubtless know the Federal Power Commission advised us that before the hearings were resumed on the Rizley bill they were going to issue an order the next day finding us to be clear of any of the provisions of the Natural Gas Act. This ends 2½ years of extreme uncertainty in our gas and oil operations and enables us now to go ahead with some confidence in the expansion of those activities. The Federal Power Commission's decision likewise should do much to clear up some of the fears and thoughts of the oil industry generally with respect to the application of the Natural Gas Act.
>
> However, we continue to be of the opinion that the act should be amended to clearly exempt production, gathering, and processing from the jurisdiction of the Federal Power Commission. As I told you personally we have every intention of doing our bit in promoting State conservation through the establishment of additional casinghead plants to recover flare gas. However, we could go ahead with much more certainty if the act were amended.

Again I repeat, the important thing to people engaged in the industry is to know and to know soon where they stand and how they stand.

H. R. 4099, the Priest bill, does not correct the field price provisions of the present law nor the application of certain rate provisions of the present powers of the Commission. It has followed that properties have been destroyed and in many instances operators have been discouraged and hesitate to subject themselves to the jurisdiction of the Commission.

I want to read just a little from the opinion of Justice Jackson. He did give an opinion with reference to the field price situation that obtains with regard to natural gas:

> These orders—

Talking about the orders of the Federal Power Commission—

> in some instances result in three different prices for gas from the same well. The regulated company is a part owner, an unregulated company is a part owner, and the land owner has a royalty share of the production from certain wells. The regulated company buys all of the gas for its interstate business. It is allowed to pay as operating expenses an unregulated contract price for its coowner's share and a different unregulated contract price for the royalty owner's share, but for its own share it is allowed substantially less than either. Any method of rate making by which an identical product from a single well, going to the same consumers, has three prices, depending on who owns it, does not make sense to me.

If it does not make sense to Justice Jackson in this instance I am afraid it is pretty difficult to make sense to some of us others.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WORLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WORLEY. Mr. Chairman, in the Natural Gas Act of 1938 the Congress sought to provide for Federal regulation of a zone which properly was the business of the Federal Government. That was the purely interstate phase of this great, growing industry. On the producing end the States themselves exercise jurisdiction and regulation over conservation of the product so that it may be devoted to useful purposes, they levy and collect taxes on the properties and the gas produced. This field of regulation is occupied.

On the retail distribution end, the States and the municipalities regulate the rates charged to the consumers and make other regulations suitable to safety and the orderly conduct of the business. This, also, is a field of regulation that is occupied.

It was the purely interstate phase—the transmission of natural gas from the producing fields on one end and the local sales on the other—that the Natural Gas Act was designed to cover.

By extension and self-interpretation, the Federal Power Commission, to whom administration of the act was delegated, has encroached on the authority of State and local regulatory agencies. To end the confusion and the conflict thus created there has come a concerted appeal from these State officials and from the industry to the Congress to amend the Natural Gas Act.

We are asked to make the limits of Federal authority so clear that there can be no occasion for continuance of the present uncertainty.

Of outstanding importance to the consumers is the proposed prohibition on what is referred to as the end-use issue. There certainly is nothing in the Natural Gas Act or in any other law of this Nation which authorizes any agency to say what is a "superior" and what an "inferior" use of natural gas. It is a theory that is repugnant to our life and enterprise. Yet, such regulation has been attempted by the Federal Power Commission. It is time that Congress end such assumption of power.

The producers of both natural gas and oil are apprehensive at another interpretation of the law which has crept in. Spokesmen for the Federal Power Commission have recently agreed that the law does not confer the authority to regulate the production and the gathering of natural gas, yet, as the testimony in the recent hearings clearly proved, by certain of its decisions the Commission has attempted such regulation.

There actually are producers who will not contract to sell their gas for fear that they will be classified as natural-gas companies and be subject to all the Federal regulations applying to such companies within the statutory meaning of the term. There are thousands of producers of oil who also produce gas.

The two resources occur together in all but the "dry gas" fields. To produce oil it is necessary to produce gas. If the Federal Power Commission regulated the one it would regulate the production of the other. The States themselves regulate production of both. Such regulation is the basis of our great successful

conservation program. It is a field that is already occupied. Federal regulation of production and gathering of gas would produce a state of confusion and jurisdictional chaos that would have a paralyzing effect upon the exploration and development activities all over the Nation.

The Federal Power Commission concedes in one breath that it has no authority for that form of regulation and in the next urges that it is a matter that should be left to its discretion, that there are borderline cases which it should decide.

The producers to whom we look for assurance of supply of oil and gas and the consumers who depend on the efforts of the producers are entitled to a final and unequivocal decision by the Congress. The several oil- and gas-producing States are entitled to the assurance that their conservation efforts will not be usurped by an agency fitted neither by authority nor experience to attempt the regulation of production and gathering and processing in the field.

It is time the Congress should clearly delineate exactly what power it intended to give the Federal Power Commission in this field. Based on the number of letters I have received from land and royalty owners, independent producers, and many others in my district, they feel the continued encroachment of the Federal Power Commission would be harmful. I hope this committee can and will take immediate steps to report suitable legislation to the House for action.

Mr. MUHLENBERG. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. MUHLENBERG. Mr. Chairman, I do not expect to take 5 minutes to ask the question I wish to ask, but it seems to me that for the record we should have set forth the parallel position between the answer of the Federal Power Commission as given this committee and the answers the Federal Power Commission has given the Committee on Public Works, of which I am a member.

To the Committee on Public Works the Federal Power Commission has denied time and again in their testimony that they ever go beyond the wholesale point in sales. Here, apparently, the very opposite has been the case and they have asserted to the committee their jurisdiction over retail sales. I would therefore like to have the point clarified as to whether in the one case to us they deny it and in the instant case before you they declare it. Am I correct?

Mr. RIZLEY. The gentleman is absolutely correct.

One of the purposes of this bill is to keep the Federal Power Commission, so to speak, within its own barnyard. The State regulatory bodies are supposed to look after the retail sales of gas after it goes into the hands of the distributing companies; they take care of the distributing companies. The jurisdiction of the Federal Power Commission can only begin where the gas enters the interstate line and ends where it leaves the line.

Mr. MUHLENBERG. That is exactly the important point of this legislation. It seems to me the time has come when the Federal Power Commission's jurisdiction must be checked, and here is an opportunity in this bill at least to assume the position that we in Congress believe is the right one and the one we want followed. I think, therefore, the legislation is good and should be passed.

Mr. CARROLL. Mr. Chairman, I move to strike out the last four words.

I rise to speak in favor of the amendment offered by the gentleman from Tennessee. I do not profess to be an expert concerning the provisions of this bill but it is crystal clear to me that the purpose of this legislation is to deprive the Federal Power Commission of its jurisdiction to regulate gas rates in the protection of the consumer. The present bill, unless amended, is contrary to the public interest. If we permit this bill to pass unchallenged we are violating the trust reposed in us by virtue of the high office which we hold.

It is openly admitted on the floor of this House that the proposed bill will change existing law in at least two important respects. Those in favor of the bill charge that the Federal Power Commission has been extending and invoking its jurisdiction in the natural gas industry by applying a formula for the fixing of gas rates contrary to the intent of Congress. This is not the first time that such an argument has been presented. Actually this very point has been litigated in many courts and only recently the Supreme Court of the United States has upheld the position taken by the Federal Power Commission. The truth, then, is this. Having exhausted all of the legal remedies available in the courts of the Nation, those backing this bill now come before the Congress requesting that we enact legislation nullifying and destroying the interpretations and concepts given by court decisions under the Natural Gas Act as passed by Congress some years ago.

There is no doubt about this for those sponsoring this legislation would readily admit that that is the very purpose of the bill. This is to be accomplished by changing the present rate-making formula now being used by the Federal Power Commission. Does anyone deny that if we accept the change in formula as evidenced by this proposed legislation that such change will not result in an increase in the gas rate to the consumer? That being true, then the whole purpose of this legislation will result in a rate increase.

I have some knowledge of this matter although I do not profess to be an expert. Not long ago the people of the city of Denver, through their representatives, in cooperation with the Federal Power Commission, were successful in the courts in establishing that consumers of natural gas were being overcharged. There was spirited litigation on this issue and had it not been for the jurisdiction of the Federal Power Commission there would have been no relief to the people of Denver. That litigation resulted in the repayment to Denver consumers of approximately $4,000,000. This is fresh in my mind because the repayment has just been made within the last few months. If my memory serves me correctly, consumers in other areas received additional millions of dollars as a result of the vigilance of the Federal Power Commission.

Now what was the basis of this overcharge? As I understand it, natural-gas companies engaged in interstate commerce were using as a basis for rate-making purposes certain expenses incurred in producing, gathering, transporting, and distributing natural gas. I do not have the time to go into great detail. However, it is sufficient to say that the Federal Power Commission and the courts have held that there was an unwarranted loading of expenses which in turn resulted in unreasonable rates to the ultimate consumer. If we now take away from the Federal Power Commission its present jurisdiction, the inevitable result will be higher rates to the consumer.

The amendment offered by the gentleman from Tennessee, so he informs me, will give to the independent producer, in natural-gas areas, complete freedom of action; that there will be no control by the Federal Power Commission unless and until they affiliate themselves with that portion of the natural-gas industry engaged in interstate commerce. If they so affiliate themselves they then become subject to the jurisdiction of the Commission under existing administrative and legal interpretations.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Arkansas.

Mr. HARRIS. How does the gentleman draw a distinction between the price of gas in fields owned by transportation companies and natural-gas companies, and the independent producers?

Mr. CARROLL. The only distinction I am able to draw at all, because I do not have the factual background that the gentleman from Arkansas has, is based upon his own statement to this body which was to the effect that this bill will change the formula, and I submit if you change the formula you change the basis for rate-making.

Mr. HARRIS. Does the gentleman believe if he owns a gas field and it belongs to a transportation company that he should have the same rate for his gas that I would have if I were an independent producer in that same field?

Mr. CARROLL. Perhaps I can answer that in this way: If a large utility goes into an area and it leases or takes over an independent who becomes a subsidiary, then they use that connection to build up rates, as they have always done, they ought to subject themselves to the jurisdiction of the Federal Power Commission, assuming movement of gas in interstate commerce.

Mr. HARRIS. Does not the gentleman have a local commission in his State that adjusts rates to the consumers?

Mr. CARROLL. The local commission has limited jurisdiction. It cannot go into these matters of production, gathering and transportation. That requires a Federal agency that has investigators, that has the power of investigation, that has the facilities to gather all the facts in order to give a proper decision. That is the reason I am in favor of the amendment offered by the gentleman from Tennessee.

Mr. HARRIS. The gentleman, I assume, is not familiar with the fact that the local conservation commissions of the several States, all States, I believe, with the exception of one, has complete jurisdiction to determine those matters with reference to production and gathering?

Mr. CARROLL. The gentleman from Arkansas knows, I am sure, because he has much greater knowledge than I have on this subject, if it had adequate jurisdiction these great companies would not be trying to modify the Natural Gas Act today. The whole purpose, I submit, and I do not impugn the motive of any member of this committee, is to increase the gas rate to the consumer. The millions of dollars they have been required to pay back because of overcharges they will now seek to recapture if this bill passes without this amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say that my interest in this has been largely from the viewpoint of the little independent operator or the little independent producer. The statement made by Maj. B. A. Hardey, who represents the independent oil and gas operators of the United States, is a rather convincing statement and from his viewpoint he feels that some legislation is necessary.

Mr. CARROLL. I may say to the gentleman that the amendment offered by the gentleman from Tennessee will give that complete freedom of action unless they affiliate.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. RIZLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure that the distinguished gentleman from Colorado is somewhat confused about the purposes of this bill. For his enlightenment I would like to call his attention to what the Federal Power Commission itself said in a staff report that it released about the necessity of some legislation. That was after the Commission had spent considerable time on this Docket 580 and had heard witnesses throughout the country not only from the industry, but from various other segments of business.

It is evident from the testimony, indicating a widespread atmosphere of anxiety and uncertainty among State officials and the industries concerned—

That is the very matter the gentleman is talking about—

that this matter is in need for further clarification. A continuance of the existing disturbed situation is certain to interfere with the effective performance in the public interest of the duties of both the Federal and State regulatory agencies in their respective spheres—

That is the Federal Power Commission speaking—

and it will also affect adversely the interests and actions of oil and gas producers, land and royalty owners, and the transmission companies which purchase gas in the field. It may be expected, also, that unless this issue is clarified, the results will be detrimental to those who consume natural gas and to the efforts of conservation authorities to prevent its waste.

That is from the Federal Power Commission, from a staff report released after they had had these months of investigation.

Now, who is going to make this clarification? Here is the Federal Power Commission which has been in existence for 9 years. I offered this bill. The Federal Power Commission was there and testified. They were heard. But they come in at this late hour, with all due respect to my good friend the gentleman from Tennessee [Mr. PRIEST] and my very good friend from Texas, with a bill that no one knows anything about. They have picked a few crumbs out of the air, so to speak, and said, "Here is what we want"; and my good friend from Tennessee says, "Let us take that and let us just wait a little longer."

Now, they have had 9 years.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Tennessee.

Mr. PRIEST. I am sure my good friend wants to be very fair; he always has been. I regard him very highly. I stated to the committee, and my friend from Oklahoma knows, that my position is that this bill is very simple; that it does only one thing which I claim for it, and that is that it exempts the independent producer and the gatherer of natural gas from any jurisdiction by the Federal Power Commission. Other than that, it does not do a thing. I do not claim anything else for it. I do not believe we should do more than that at the present.

Mr. RIZLEY. Well, I just want to say in closing that the Committee on Interstate and Foreign Commerce was very patient with me, and very patient with everyone who wanted to be heard. They spent days and days on this matter. After the conclusion of many, many days' testimony and statements—they were not all there, but I think my friend from Tennessee was there—they voted the Rizley bill unanimously out of that committee. Now, it seems to me we would be rather presumptive at this late hour to come in now and accept a substitute for my bill; a substitute that was written by the Federal Power Commission, the very people who we are attempting to enlighten.

Mr. PRIEST. Mr. Chairman, will the gentleman yield for just one more question?

Mr. RIZLEY. I yield.

Mr. PRIEST. The gentleman is correct that I was present, and it will be recalled, however, that I voted to report the bill, believing we should have legislation with reservations.

Mr. RIZLEY. I appreciate fully the fine work that the gentleman from Tennessee has done.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 9, line 22, strike out all of section 7.

Mr. PRIEST. Mr. Chairman, this is an amendment to strike out section 7 of the bill, which is that section of the bill which provides that where a pipe line shall be engaged for hire to transport natural gas it shall be regulated by the Interstate Commerce Commission. That section of the bill amends the Interstate Commerce Act and not the Natural Gas Act.

I feel that the amendment is entirely out of place in this bill. I feel further that it is an amendment that might in the future cause great difficulty in the supply of natural gas in my own area, for instance. We are consumers there, we are not producers. It is my judgment that a common carrier must accept what is offered to it for transportation and delivery to the point to which it is consigned. Therefore, there would be no question, if the gas line that serves my particular area now, decides in the future to operate as a common carrier, that it would not be required under a certificate of convenience and necessity to supply consumers in the area with natural gas. I think this is very clear.

I shall not take any more of the time of the committee, but I do hope this section will be stricken from the bill. I see no place for it in this bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Arkansas.

Mr. HARRIS. In other words, this amendment concerning a common carrier for hire of natural gas would put the jurisdiction under the Interstate Commerce Commission. Can the gentleman think of any industry insofar as serving the public or the consumers is concerned, to which this would apply?

Mr. PRIEST. I do not know of any instance. I think it would not apply to any operating gas line today that is transporting natural gas. I think it might apply in the future. I believe the committee report states that one purpose of it is that it would encourage perhaps a wider distribution of natural gas if some encouragement were given to the operators of pipe lines to act as common carriers for the transportation of natural gas. I cannot see any place for this section in a bill that is supposed to clarify the jurisdiction of the Federal Power Commission over the production and gathering of natural gas. It simply does not belong here.

I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to say merely that the independent oil and gas producers of this country have always been and are among the foremost believers in the American system of free enterprise. They are almost unanimously for this legislation and are urging its enactment by this Congress.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to call attention to page 10 of the report

under the title "Direct Sales." The language contained in the report has caused very much confusion.

In my own State of Indiana the supreme court has decided one case which is very outstanding, entitled the Public Service Commission of Indiana versus Panhandle Eastern Pipe Line Co. It is No. 28,225 on the supreme court docket of Indiana, and was decided on the 5th day of February 1947.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ROBSION. Is that decision contrary to the provisions of this bill?

Mr. SPRINGER. That decision merely clarifies the language to which I have referred on page 10 of the report. Personally, I am in favor of the legislation.

The decision is as follows:

Suggestion is made by appellee, but not very vigorously urged, that it is not a public utility in its service direct to large industrial consumers in Indiana, and is, therefore, not subject to regulation in connection with such service. By the Natural Gas Act (sec. 1 (a)) it appears that the natural-gas business had been investigated by the Federal Trade Commission and reports had been made to Congress, and upon the basis of such investigation and reports Congress declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and it is traditionally accepted that any business affected with a public interest is subject to regulation and control.

We also have an Indiana statute which defines a public utility, subject to control of the Indiana Public Service Commission, to be "* * * every corporation * * *, that now or hereafter may own, operate, or control any * * * plant or equipment * * * for the * * * transmission, delivery, or furnishing of heat, light, water, or power * * * either directly or indirectly to or for the public * * *" (secs. 54-105 Burns, 1933).

Another Indiana statute became law on February 26, 1945, before the orders involved in this action were made by the Indiana Public Service Commission. Acts of 1945, chapter 53, page 110. This act adds an additional section to the Indiana Public Service Commission Act aimed directly at the natural-gas business, and by the act a "gas utility" was defined to mean and include "any public utility selling or proposing to sell or furnish gas directly to any consumer or consumers within the State of Indiana for his, its, or their domestic, commercial, or industrial use." Certainly appellee is selling and proposing to sell gas directly to consumers in Indiana.

The bottom question on this phase of the case is whether the appellee is furnishing gas in Indiana directly or indirectly to or for the public. Admittedly it is selling gas in Indiana indirectly to and for the public through distributing companies and that makes it a public utility under the Indiana statute, subject to regulation and control by the Indiana Public Service Commission. Also, admittedly it is selling and proposing to sell gas directly to consumers within the State. This part of its business and its interstate transportation and its sales to local distributing utilities are so integrated that in any practical consideration of the State's right to regulate direct sales to consumers that activity must be appraised as a part of its entire business in Indiana. Its rights and duties, with reference to such direct sales, must be determined in the light of its overall character in the State of Indiana. It will compete with local activities in soliciting industrial business and will be in position to discriminate in its service and in its rates and in its regulations. This freedom is inconsistent with all concepts of the duties and obligations of a person or corporation engaged in such business.

The primary duty of a public utility is to serve on reasonable terms all those who desire the service it renders. This duty does not permit it to pick and choose and to serve only those portions of the territory which it finds most profitable, leaving the remainder to get along without the service which it alone is in a position to give. *United Fuel Gas Co.* v. *Railroad Commission* ((1929), 278 U. S. 300, 309, 73 L. Ed. 390, 396); *Industrial Gas Co.* v. *Public Utilities Commission of Ohio* ((1939), 135 Ohio St. 408, 21 N. E. (2d) 166, 168). From the last named case, we quote the following:

"It may well be urged that a corporation, calculated to compete with public utilities and take away business from them, should be under like regulatory restriction if effective governmental supervision is to be maintained. Actual or potential competition with other corporations whose business is clothed with a public interest is a factor to be considered; otherwise corporations could be organized to operate like appellant and in competition with bona fide utilities until the whole State would be honeycombed with them and public regulation would become a sham and delusion.

"What appellant seeks to do is to pick out certain industrial consumers in select territory and serve them under special contracts to the exclusion of all others except such private or domestic consumers as may suit its convenience and advantage. There were other industrial consumers with whom the appellant refused or failed to agree and so did not serve them. If such consumers were served at all, it must necessarily be by a competitor. If a business so carried on may escape public regulation then there would seem to be no valid reason why appellant may not extend the service to double, triple or many times the number now served without being amenable to regulative measures."

The law, as declared in Industrial Gas Company v. Public Utilities Commission of Ohio, supra, seems to us fair, reasonable and logical and, when applied to the facts in the case before us, leaves appellee unquestionably in the position of a public utility subject to regulation.

The same thought which was behind the Ohio case, just cited and quoted, with which thought we agree, was also incorporated in *Re Potter Development Co.* ((1939), 32 P. U. R., N. S. 45), decided by the Public Service Commission of New York. In that case, the Potter Co. sold natural gas to the Corning Glass Works. The Potter Co. obtained its gas from an interstate transmission line and piped it to the Corning Glass Works, which is located in the city of Corning, New York. The glass works was the only customer served by the Potter Co., but the interstate pipe line also furnished gas to an affiliate which, as a public utility, operated the gas distribution system in the city of Corning. There was a proceeding to determine whether the Potter Co. was a public utility subject to regulation by the New York Public Service Commission. The Commission held that it was, and, in support of its holding argued that to hold otherwise would invite widespread circumvention of the public-service law and would result in a multitude of companies supplying gas under special contracts in competition with public utilities and indicated that such a situation would be intolerable.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended, pursuant to House Resolution 278, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CARROLL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CARROLL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CARROLL moves to recommit the bill to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the bill back to the House forthwith with the following amendment: Strike out all after the enacting clause of H. R. 4051 and insert in lieu thereof the following: "That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is hereby amended to read as follows:

"'(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas; or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.'

"Section 2 of the act is amended by adding thereto subsections (10), (11), (12), and (13) as follows:

"'(10) "Production" means the extraction of natural gas from reservoirs by means of wells, including any operations incident to production for the separation of casing-head gas from oil or of residue gas from other hydrocarbons, and the delivery of such natural or residue gas by the producer to one engaged in gathering or transportation within the meaning of this act.

"'(11) "Gathering" means the collecting of natural gas from wells of the gatherer or other producers by its movement to central points through pipe lines and other facilities, including those for further processing and compression as a part of gathering, and only such incidental transportation by the gatherer as may be necessary for delivery of such gas into the transmission facilities used for the subsequent transportation of natural gas in interstate commerce within the meaning of this act.

"'(12) "Transportation of natural gas in interstate commerce within the meaning of this act" is limited to the movement of natural gas in interstate commerce through pipe lines and related facilities (including facilities for surface or underground storage as a part of transportation operations) after the completion of production or gathering as above defined, but before the beginning of local distribution.

"'(13) "Sale at arm's length to a natural-gas company" means a sale by any individual, partnership, association, or corporation not standing in such relation to such natural-gas company, by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining in transactions between them as to be contrary to the public interest.'"

Mr. CARROLL (interrupting the reading of the motion). Mr. Speaker, I ask unanimous consent that the further reading of the motion be dispensed with. I might say in explanation that this is the amendment which was just debated in Committee, the amendment submitted by the gentleman from Tennessee [Mr. PRIEST].

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CARROLL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 15, noes 154.

Mr. CARROLL. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-four Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 64, nays 253, not voting 113, as follows:

[Roll No. 108]

YEAS—64

Allen, Ill.	Fogarty	Manasco
Battle	Folger	Mansfield, Mont.
Buchanan	Forand	Miller, Calif.
Cannon	Gordon	Murray, Tenn.
Carroll	Gore	O'Brien
Chelf	Granger	Potts
Cooper	Hardy	Priest
Corbett	Hart	Rains
Cotton	Havenner	Rankin
Crosser	Hobbs	Rayburn
Davis, Ga.	Huber	Rooney
Deane	Hull	Sabath
Delaney	Jackson, Wash.	Sadowski
Dingell	Karsten, Mo.	Sasscer
Donohue	Kefauver	Scoblick
Douglas	King	Spence
Eberharter	Kirwan	Tibbott
Engle, Calif.	Lane	Towe
Evins	Lanham	Van Zandt
Fallon	Lesinski	Winstead
Feighan	McCormack	
Fenton	Madden	

NAYS—253

Abernethy	Beckworth	Burke
Albert	Bell	Burleson
Allen, Calif.	Bender	Butler
Allen, La.	Bennett, Mo.	Byrnes, Wis.
Almond	Bishop	Camp
Andersen, H. Carl	Blackney	Carson
Anderson, Calif.	Boggs, Del.	Case, S. Dak.
Andresen, August H.	Boggs, La.	Chenoweth
Andrews, Ala.	Bonner	Chiperfield
Angell	Boykin	Church
Arends	Bradley	Clason
Arnold	Bramblett	Clevenger
Bakewell	Brehm	Clippinger
Banta	Brooks	Cole, Kans.
Barrett	Brophy	Colmer
Bates, Mass.	Brown, Ga.	Combs
	Brown, Ohio	Cooley
	Bryson	Cravens
Crawford	Johnson, Ind.	Poulson
Cunningham	Johnson, Okla.	Preston
Curtis	Johnson, Tex.	Price, Fla.
Davis, Tenn.	Jones, Ala.	Ramey
Davis, Wis.	Jonkman	Reed, Ill.
Dawson, Utah	Kearney	Reed, N. Y.
Devitt	Kearns	Rees
D'Ewart	Keating	Reeves
Dolliver	Keefe	Richards
Domengeaux	Kerr	Richlman
Dondero	Kersten, Wis.	Riley
Doughton	Kilburn	Rivers
Elliott	Kilday	Rizley
Ellis	Knutson	Robertson
Elsaesser	Kunkel	Robsion
Elston	Landis	Rockwell
Engel, Mich.	LeFevre	Rogers, Fla.
Fellows	Lewis	Rogers, Mass.
Fernandez	Lodge	Rohrbough
Foote	Love	Russell
Fulton	Lucas	Sadlak
Gary	Lusk	Sanborn
Gathings	Lyle	Sarbacher
Gavin	McConnell	Schwabe, Okla.
Gearhart	McCowen	Scrivner
Gillette	McDonough	Seely-Brown
Gillie	McDowell	Shafer
Goodwin	McGregor	Sheppard
Gossett	McMahon	Short
Graham	McMillan, S. C.	Sikes
Grant, Ala.	MacKinnon	Simpson, Pa.
Grant, Ind.	Mahon	Smathers
Gregory	Maloney	Smith, Maine
Griffiths	Martin, Iowa	Smith, Wis.
Gross	Mathews	Snyder
Gwynne, Iowa	Meade, Ky.	Springer
Hagen	Meade, Md.	Stefan
Hale	Merrow	Stevenson
Hall, Edwin Arthur	Meyer	Stigler
	Miller, Conn.	Stockman
Halleck	Miller, Md.	Stratton
Harless, Ariz.	Miller, Nebr.	Taber
Harness, Ind.	Mills	Talle
Harris	Mitchell	Teague
Harrison	Morris	Thomas, N. J.
Hays	Morrison	Thomas, Tex.
Hébert	Morton	Trimble
Hedrick	Muhlenberg	Twyman
Hendricks	Mundt	Vail
Herter	Murdock	Vorys
Heselton	Murray, Wis.	Vursell
Hess	Nodar	Weichel
Hill	O'Hara	West
Hinshaw	O'Konski	Wheeler
Hoeven	Owens	Whitten
Hoffman	Pace	Whittington
Holmes	Passman	Wigglesworth
Hope	Patman	Williams
Horan	Patterson	Wilson, Ind.
Howell	Peden	Wilson, Tex.
Jackson, Calif.	Peterson	Wolcott
Jarman	Philbin	Wolverton
Javits	Phillips, Calif.	Wood
Jenison	Phillips, Tenn.	Worley
Jenkins, Ohio	Pickett	Youngblood
Jennings	Ploeser	Zimmerman
Jensen	Plumley	
Johnson, Ill.	Poage	

NOT VOTING—113

Andrews, N. Y.	Drewry	Lea
Auchincloss	Durham	LeCompte
Barden	Eaton	Lemke
Bates, Ky.	Ellsworth	Lynch
Beall	Fisher	McGarvey
Bennett, Mich.	Flannagan	McMillen, Ill.
Bland	Fletcher	Mack
Blatnik	Fuller	Macy
Bloom	Gallagher	Mansfield, Tex.
Bolton	Gamble	Marcantonio
Buck	Gifford	Mason
Buckley	Goff	Michener
Buffett	Gorski	Monroney
Bulwinkle	Gwinn, N. Y.	Morgan
Busbey	Hall, Leonard W.	Nixon
Byrne, N. Y.		Norblad
Canfield	Hand	Norrell
Case, N. J.	Hartley	Norton
Celler	Heffernan	O'Toole
Chadwick	Holifield	Pfeifer
Chapman	Jenkins, Pa.	Powell
Clark	Johnson, Calif.	Price, Ill.
Clements	Jones, N. C.	Rabin
Coffin	Jones, Ohio	Rayfiel
Cole, Mo.	Jones, Wash.	Redden
Cole, N. Y.	Judd	Rich
Coudert	Kean	Ross
Courtney	Kee	St. George
Cox	Kelley	Schwabe, Mo.
Crow	Kennedy	Scott, Hardie
Dague	Keogh	Scott, Hugh D., Jr.
Dawson, Ill.	Klein	Simpson, Ill.
Dirksen	Larcade	Smith, Kans.
Dorn	Latham	Smith, Ohio
		Smith, Va.
		Somers
		Stanley
		Sundstrom
	Taylor	Walter
	Thomason	Welch
	Tollefson	Woodruff
	Vinson	
	Wadsworth	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Lea for, with Mr. Cox against.

Mr. Price of Illinois for, with Mr. Vinson against.

Mr. Holifield for, with Mr. Auchincloss against.

Mr. Gorski for, with Mr. Cole of Missouri against.

Mr. Keogh for, with Mr. Cole of New York against.

Mr. Dawson of Illinois for, with Mr. Case of New Jersey against.

Mr. Flannagan for, with Mr. Dague against.

Mr. Courtney for, with Mr. Schwabe of Missouri against.

Mr. Kelley for, with Mr. Sundstrom against.

Mr. O'Toole for, with Mr. Judd against.

Mr. Byrne of New York for, with Mr. Hardie Scott against.

Mr. Rayfiel for, with Mr. Kee against.

Mr. Heffernan for, with Mr. Leonard W. Hall against

Mr. Blatnik for, with Mr. Hugh D. Scott, Jr., against.

Mr. Morgan for, with Mr. McGarvey against.

Mr. Klein for, with Mr. Bennett of Michigan against.

Mr. Walter for, with Mr. Macy against.

Mr. Rabin for, with Mr. Dorn against.

Mr. Lynch for, with Mr. Busbey against.

Mrs. Norton for, with Mr. Canfield against.

Mr. Kennedy for, with Mr. Hand against.

Mr. Powell for, with Mr. Crow against.

Mr. Pfeifer for, with Mr. Eaton against.

Mr. Marcantonio for, with Mr. Gallagher against .

Mr. Buckley for, with Mr. Simpson of Illinois against.

Mr. Celler for, with Mr. Jenkins of Pennsylvania against.

Mr. Somers for, with Mr. Chapman against.

General pairs until further notice:

Mr. Andrews of New York with Mr. Redden.

Mr. Hartley with Mr. Smith of Virginia.

Mr. Chadwick with Mr. Norrell.

Mr. Kean with Mr. Larcade.

Mr. Latham with Mr. Bulwinkle.

Mr. McMillen of Illinois with Mr. Drewry.

Mr. Mason with Mr. Jones of North Carolina.

Mr. Dirksen with Mr. Bates of Kentucky.

Mr. Buck with Mr. Durham.

Mr. Rich with Mr. Stanley.

Mrs. St. George with Mr. Fisher.

Mr. Smith of Ohio with Mr. Bland.

Mr. Gifford with Mr. Clements.

Mr. Gamble with Mr. Monroney.

Mr. Goff with Mr. Thomason.

Mr. Coudert with Mr. Mansfield of Texas.

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. LANHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including therewith an editorial from the St. Louis Post-Dispatch of July 8, 1947, entitled "New Power Trust Drive."

I agree thoroughly with this editorial and am introducing it at this point in the RECORD because I believe that what is said therein about certain bills which would cut the heart out of the law creating the Federal Power Commission is applicable to H. R. 4051 which proposes to amend the Natural Gas Act approved June 21, 1938.

I am convinced that this bill, H. R. 4051, has the same end in view as what is referred to as the second Miller bill. All this is done purportedly to safeguard State's rights. It is not really intended to preserve State's rights but to enable the producers and distributors of natural gas to escape Federal regulations which, after all, is the only real effective regulation of utilities.

NEW POWER TRUST DRIVE

The Power Trust is active again. It is attempting to cut the heart out of the law creating the Federal Power Commission. The tools it is using for this are two bills offered by Representative MILLER, of Connecticut, which up to recently have escaped publicity. Marquis Childs, among others, has thrown the spotlight on these measures.

Does the Power Trust think the country has forgotten the age of Insull, with its reckless and corrupt practices? The country's memory is longer than that. It remembers the orgies of the twenties, when far-flung utility empires swindled investors, corrupted legislators, and even tried to pervert the minds of school children by bribing teachers to spread public utility propaganda in the schools.

Congress took note of the national scandal in 1928 by ordering a sweeping inquiry into utility practices by the Federal Trade Commission. In the following year, Herbert Hoover recommended an overhauling of the Federal Power Commission to enable it to regulate the interstate transmission of electricity. That was done.

The Federal Trade Commission had reported that utility books carried nearly a billion and a half in over-inflated values. In 1935, greater powers were given to the Federal Power Commission. It went to work to squeeze the water out of public utility rate structures, and that work is still going on. But the utilities now seek, under the cover of apathy, a return of the good old days.

One of Representative MILLER'S bills would exempt important interstate movements of electric energy from Federal supervision. The States are powerless, as the Supreme Court has repeatedly decided, to control power exports and imports. Therefore, the effect of the Miller bill would be to restore the no man's land that existed before Hoover took action in 1929. A vast field of power company activity would go unregulated.

MILLER'S second bill is purportedly designed to safeguard States' rights. This is an old dodge. The utilities used the slogan for all it was worth in 1928, not to safeguard States' rights, but to escape Federal scrutiny. If the second Miller bill passes, its effect will be to nullify a national water-conservation policy that has developed over many years quite outside of partisan politics.

The bill narrows the definition of "navigable waters" in such a way, evidently, as to permit a utility to build dams on nonnavigable portions of streams. This might seriously affect the navigable portions, but the Federal Government would be powerless to interfere.

Miller bill No. 2 would open the way to perpetual private power rights, even if they destroyed uses in the public interest, such as flood control, navigation, and irrigation. Under present law, the Government can recapture private developments that interfere with the public interest, but the Miller bill would cloud that process and make its exercise more difficult.

Once again, the Miller bill would exempt nonutilities from the Federal licensing requirement. Many manufacturers have dammed streams and use all the power in their own plants. To exempt these manufacturers from regulation, so the Federal Power Commission holds, would "practically nullify any effective control over stream development for conservation purposes."

As Mr. Childs reports, a parade of power company executives has appeared before a House committee to urge passage of the Miller legislation. They were accompanied by witnesses from several State utility commissions. These commissions, as has repeatedly been shown, are often stooges for the utilities. To quote Mr. Childs:

"The private-utility lobby in a State capital is ordinarily well heeled, and now and then shocking cases of wholesale bribery have come to light."

The drive to put over the Miller legislation is only part of a general effort by private utilities to recapture some of the license they once enjoyed, to the country's sorrow, in the age of Insull. The Power Trust still tries to take over Federal power at the switchboard—in other words, on the companies' own terms. After refusing to enter the field of rural electrification utilities now attempt to sabotage REA appropriations, and to make cutthroat raids on electric systems owned by the farmers themselves. The power industry is out to wreck the Southwestern Power Administration and to prevent the extension of the TVA idea.

The country should be alerted to the dangers inherent in the resurgent campaign of the Power Trust. The first countermove should be the death of the Miller bill.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MESSAGES FROM THE SENATE AND SIGNING ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills or joint resolutions passed by the two Houses found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM, WEEK OF JULY 14

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to announce the program for next week.

Monday is District of Columbia day, and I understand there are some bills on that calendar to be called.

Tuesday the Private Calendar will be called.

Beginning on Monday, and taking advantage of such time as may be available through the week, the following bills will be considered:

H. R. 3813, loyalty bill.

H. R. 4102, scientific foundation bill.

H. R. 1639, Employers Liability Act.

Senate Joint Resolution 123, repeal certain emergency statutes.

House Resolution 211, public works survey.

H. R. 1602, national mineral resources bill.

H. R. 3952, amend section 10, Federal Reserve Act.

House Joint Resolution 222, terminating consumer credit controls.

H. R. 3682, assistance to war-incurred school enrollment.

The unification bill from the Committee on Expenditures will likely be reported and ready for action next week. The bill will be called whenever it is ready, possibly as early as Wednesday of next week.

Of course, conference reports will be in order at any time and may be called at any time; likewise, urgent rules that may be reported, may be called up at any time.

REPORTS ON H. R. 1468, 1470, AND 2271

Mr. HOBBS. Mr. Speaker, by authority of the two subcommittee chairmen I ask unanimous consent that the bills H. R. 1468, H. R. 1470, and H. R. 2271 may be reported at any time between now and midnight tomorrow, July 12.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JOSEPH H. CALLAHAN, MINORITY EMPLOYEE

Mr. FORAND. Mr. Speaker, I offer a resolution (H. Res. 287) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, Joseph H. Callahan is hereby designated a minority employee (to fill an existing vacancy) until otherwise ordered by the House, and receive compensation at the basic rate of $5,000 per annum.

The resolution was agreed to.

BASEBALL GAME—REPUBLICANS VERSUS DEMOCRATS

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make a statement.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BISHOP. Mr. Speaker, after the mixture of sugar and oil, tomorrow the Democrats will oppose the Republicans out at Griffith Stadium. I am sure that for this worthy cause the membership will show great interest and cooperation and make possible a large fund to the Metropolitan Police Boys' Club. I am sure, handling the Republican side of this baseball game, that you will be amazed at the fine talent that will be exhibited on the field tomorrow.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. BISHOP. I yield.

Mr. RAYBURN. Will the Democrats have anything to do with the selecting of the umpires?

Mr. BISHOP. I may say to the distinguished minority leader that the umpires have already been selected. The gentleman from Oregon [Mr. STOCKMAN] will represent the Republicans, and the gentleman from Oklahoma [Mr. ALBERT] will represent the Democrats.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. BISHOP. I yield.

Mr. SHAFER. I have been informed that the great broadcasting companies consider this game of such importance that it will be televised. Is that true?

Mr. BISHOP. That is true, and likewise it will be broadcast.

I may say to the membership that we might call on the grandstands for a little assistance, so come out tomorrow and be present.

I now yield to the gentleman from Illinois [Mr. PRICE].

The SPEAKER. The gentleman from Illinois [Mr. PRICE] is recognized.

Mr. PRICE of Illinois. After listening to the remarks of the manager of the Republican team I want to tell him that he is liable to be in the minority. I want the Democrats to be out there tomorrow in full force, because I believe we will show the Republicans that at least they will not have majority control of the diamond. We will have nine players, and I believe we will be able to take care of them.

Seriously, I wish to announce that Chief Justice Vinson will throw out the first ball. I hope you will circulate the word around. Let us have a big turn-out so we can raise some real money for the boys.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield.

Mr. COOLEY. At what time is the game?

Mr. PRICE of Illinois. At 2:30 p. m. I want all the Democrats to be there at 1 o'clock.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a report from his subcommittee.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the bill H. R. 4051 this afternoon and to include therewith portions of the Supreme Court decision to which I referred in those remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. YOUNGBLOOD asked and was given permission to extend his remarks in the RECORD.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix and include a radio address.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to insert my remarks on House Joint Resolution 237 immediately after the remarks of my colleague from Pennsylvania [Mr. FULTON] and to include in those remarks excerpts from a speech I made covering this subject last February 3.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following the bill H. R. 4051 and include in my remarks an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXPLANATION OF H. R. 4150, DESIGNATED AS AGRICULTURAL COORDINATION ACT OF 1947

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, just before the House adjourned yesterday, I introduced a bill the purpose of which is to provide for the coordination of agricultural soil and water conservation programs and is to be known and designated as the "Agricultural Coordination Act of 1947." It is H. R. 4150. I desire to discuss briefly the urgent need for such legislation. For many weeks my colleague, the gentleman from Colorado [Mr. HILL], and I have worked together in the preparation of the bill, and to avoid all possible criticism to the effect that the bill is involved, in any way, in partisan politics, the gentleman from Colorado [Mr. HILL] introduced an identical bill at the same time the H. R. 4150 was introduced by me. Mr. HILL's bill is H. R. 4151. Before writing the bill the gentleman from Colorado, Congressman HILL, and I discussed its provisions with farmers, farm leaders, and officials of the United States Department of Agriculture, and we believe that the bill is a proper approach to the problems with which it purports to deal. Of course, it is not a perfect piece of legislation. Since its paramount purpose is to coordinate the activities of governmental agencies and to avoid duplication and overlapping of effort and to economize in both money and men, it will naturally provoke controversy. It is not our purpose to insist upon hearings at the present session of Congress, since time and other pressing matters will not permit full and complete hearings before the adjournment of the present session. We do, however, hope that the bill and all of its provisions will be carefully considered and studied by the Membership of the House, by officials of both the Federal and State Governments by farmers and farm leaders between now and the convening of Congress in January.

For quite some time the farmers of the Nation have become increasingly concerned over the duplication and overlapping in governmental agencies. A multiplicity of governmental organizations engaged in similar activities and reaching out from Washington to deal with individual farms and farmers not only becomes bewildering and irritating but certainly cannot in any way be justified. The time has come when we should practice economy in government not by arbitrarily reducing appropriations but by a scientific method of selection. Unquestionably, there are flagrant violations of the true rule of real economy involved in the field of conservation. Unquestionably, there is a duplication of effort and a waste of manpower and money. The prevention of duplication and overlapping and the waste of manpower and money is the real objective of the legislation to which I have referred. In the programs and activities of agencies of the Government engaged in agricultural conservation, land use, and in assistance to farmers and farm planning, the administration should be coordinated and as far as possible decentralized, in the interest of economy, efficiency, and better service to farmers, if we are to achieve the maximum results and give assistance to the maximum number of farmers at a minimum cost to the Government.

The agricultural coordination bill seeks to correct this situation by spelling out specifically the duties and responsibilities of the officials of the agencies engaged in agricultural conservation and requiring effective coordination of their activities and programs. The bill does not abolish, handicap, or cripple any vital or needed service to farmers. It is not the purpose of the bill to abolish any worthwhile activity. On the contrary, we seek only to achieve greater results in conservation and to extend the benefits to the masses of farmers. By decentralizing the administration of the very vital and much-needed programs of the agencies involved, it will result in adapting conservation programs to the needs and conditions existing in the respective States and localities. The placing of greater responsibility at State and county levels will result in more efficient administration and more practical and satisfactory programs. The coordination of programs and activities and the elimination of duplication will make possible the saving of millions of dollars annually in administrative costs and will be in the greater interest of farmers and definitely in the interest of the general welfare.

Under the present situation, if a farmer is in need of advice and assistance in connection with soil-conservation programs and programs designed to aid him in good soil-conservation or building practices, such as terracing, contour farming, strip farming, drainage, and numerous other problems, it is difficult for him to determine the proper agency upon which to call, for the reason that the Extension Service, Soil Conservation Service, and the Agricultural Adjustment Administration, to say nothing of the agricultural teachers in the community, are all in a position to offer technical aid and assistance. The farmer, therefore, experiences difficulty in selecting the person to be called upon for assistance. In most of the agricultural communities of the Nation you will now

find agricultural extension agents, soil-conservation agents, triple A committeemen, and the teachers of vocational agriculture. Frankness required me to confess that in many communities these several agents have coordinated their activities quite well, but in other communities there is a rivalry and great waste, which can neither be tolerated nor justified. Frankness also requires me to admit that each of the agencies referred to have done splendid work in aiding the farmers of the Nation in the conservation of our greatest national resources, the fertility of the topsoil of American farmlands, and in the practice of the arts and skills of good farming. It would be difficult indeed to estimate the value of the great service which has been rendered to the farmers and to the Nation by the splendid work which has been done. It is the purpose of the agricultural coordination bill to make the work, the programs, and the efforts even more effective in the future than they have been in the past.

COORDINATION OF RESEARCH

The research work heretofore carried on by the Soil Conservation Service would be assigned to the Federal Office of Experiment Stations and to State agricultural experiment stations. The actual research work in the State experiment stations would be on a grant-in-aid basis, with the Federal Government acting as a coordinating agency. Although the State agricultural experiment stations were established for the purpose of providing research on all types of agricultural problems, including conservation, the Federal Soil Conservation Service has established its own soil conservation research stations. By assigning this work to the State experiment stations the bill would make it possible for these stations to coordinate research work with other related agricultural research and thereby achieve more effective results.

COORDINATION OF EDUCATIONAL AND TECHNICAL ASSISTANCE

The bill will eliminate the duplication, overlapping, and conflict among various agencies in furnishing educational, informational, demonstrational, and technical advice to farmers on agricultural conservation, land use, and farm planning by assigning these functions to one agency, the Agricultural Extension Service. This is the basic job for which the Extension Service was established, and it is unquestionably the best qualified agency to provide these services to farmers. In recent years, however, the several agencies with which the bill seeks to deal have been engaged in providing educational, informational, demonstrational, and technical advice direct to farmers with respect to each of the programs. This has resulted in duplication, conflict, and confusion. By coordinating these services in the extension service individual farmers could go to one agency of the Government and secure the necessary technical information and assistance in planning his own farming operations.

SOIL CONSERVATION SERVICE

The Soil Conservation Service, under the bill, would be transferred to the Extension Service at Federal, State, and local levels, but would continue to function in every vital part and parcel under the supervision of the Director of Extension Service in Washington, and as a division of the State extension service in the States. The program would be decentralized on a grant-in-aid basis. In every State the extension service would be required to maintain the Soil Conservation Service as a division of the State extension service. The State, area, and local offices of the Soil Conservation Service would be merged with the office of the agricultural extension service in the States and counties. Such of the personnel as may be deemed necessary will also be transferred to the extension service and authorized to carry on approved programs. The regional offices of the Soil Conservation Service would be abolished, as they would no longer be necessary. This would remove one layer of bureaucracy between the States and the Federal Government. Since the work of the Soil Conservation Service, other than research, consists almost entirely of educational, informational, demonstrational, and technical assistance to farmers, there is a definite and positive duplication of identical services now being rendered by the extension service.

The Extension Service was originally created for these specific purposes. Certainly coordination and a consolidation of such services should result in great economy and in more effective programs. The bill would not change or interfere in any way with the present set-up and operations of the State soil-conservation districts acts or the local soil conservation districts which are organized under such acts. These districts will have more real autonomy in carrying out their programs than they have under the present set-up under which the Federal Soil Conservation Service, through its regional offices, can dictate to the local districts what practices and programs they shall adopt. Under H. R. 4150 technical assistance to soil-conservation districts would be provided through the State extension service which is under State control on a cooperative basis between the counties and States and the United States Department of Agriculture.

The appropriations for the Soil Conservation Service would be placed on a grant-in-aid basis, of which not to exceed 10 percent would be allotted as grants to the State experiment stations for research work in conservation; not to exceed 88 percent would be allotted as grants to the State extension service, to maintain the services of the Soil Conservation Service in the States; and not to exceed 2 percent would be allotted to the Washington office of the Soil Conservation Service, which would be under the Director of Extension Service.

AGRICULTURAL-CONSERVATION PROGRAM

The agricultural-conservation program heretofore carried out by the Agricultural Adjustment Administration, now administered by the Production and Marketing Administration, would be decentralized so that the State committee in each State would be responsible for developing and administering the program in each State, subject to the approval of such program by the Secretary of Agriculture.

The conservation and other practices to be carried out in any State would be limited to those practices which are recommended by a technical committee to be composed of the director of the State extension service, the director of the State agricultural experiment station, the State commissioner of agriculture or like official, a representative to be designated by the State authority created by the Soil Conservation Districts Act or such representatives as they may jointly approve, designate, and appoint. This will assure that the practices which are included in the programs will be based upon the best scientific knowledge available and adapted to the local needs and conditions.

The bill provides for a more representative State committee, a State committee to consist of five farmer members and four ex officio members. The ex officio members would be the State director of extension service, State director of agricultural experiment station, State commissioner of agriculture or like official, and a representative designated by the State authority created by the State Soil Conservation District Act. In order to obtain the most capable members on the State committee the farmer members would be appointed by the Secretary of Agriculture, from lists submitted by the State director of extension, after consultation with State-wide farm organizations. In the event the first list of nominations is not deemed satisfactory, the Secretary might require additional lists to be submitted until a satisfactory list from which to make the appointments is received and approved.

The State committee would function only as a part-time, policy-making committee and would be authorized to employ an administrator and such other assistants as might be needed to carry out and discharge administrative duties, subject, of course, to the supervision and direction of the committee. In like manner, the county committee would be responsible for planning and carrying out the county agricultural conservation program. It would submit recommendations to the State committee with respect to the State program. The county committee would be enlarged by including a representative to be designated by the board of supervisors of the soil-conservation district in any county where such district exists in whole or in part.

The State and county committees would be confined to planning and administering the action phases of the agricultural conservation program. These committees would also continue to administer the regulatory enforcement and other administrative phases of the marketing quota divisions of the Agricultural Adjustment Act and also local phases of price-support programs now provided by existing law. The educational, informational, demonstrational, and technical phases of all programs would be handled and administered by the Extension Service in cooperation with State and county committees. The Extension Service, augmented by the Soil Conservation Service, would serve as technical ad-

visers to the State and county committees and to local soil-conservation districts, as well as to the individual farmers.

By including on the State and county committees representatives appointed by the States soil districts authority and local soil-conservation districts, the bill will facilitate the coordination of the agricultural conservation programs in the State and the conservation programs carried out locally by soil-conservation districts.

The appropriations for the programs of soil-bulding practices would be allotted to the States on the basis of need for agricultural soil and water conservation. Payments or grants to farmers would be conditioned upon utilization of land in conformity with soil-building and soil- and water-conserving practices adapted to the conditions in the several States and areas to be determined by the State and county committees.

If we admit the necessity for economy in Government and if Congress is constantly being criticized for failing to make a scientific search of the departments in an effort to find waste in manpower and money, the bill which I have introduced constitutes a challenge to every Member of the House, and especially is it a challenge to the House Committee on Agriculture. Unless those of us interested in the welfare of agriculture are impressed with the necessity for making every possible economy in the department which has been established, financed, and permitted to function in the interest of farmers, we should not be surprised if others interested in economy swing the ax hard and heavy on agricultural appropriations. We must take the agricultural picture apart and look at every agency, bureau, and commission, and we must demonstrate a real desire to economize and to make more efficient the agencies which we have created by many acts of Congress.

Upon the adjournment of the present session of Congress and when you return home to your constituents, I hope that you will discuss the provisions of H. R. 4150, to the end that you may be able to offer constructive criticism of the same when you return to Washington in January. Certainly neither my colleague, Congressman HILL, of Colorado, nor I have any possible purpose which should not likewise be your own.

EXTENSION OF REMARKS

Mr. KEFAUVER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDERS GRANTED

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Tuesday next following the regular business of the day and the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on Monday next following the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Wednesday next following the legislative business of the day and the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE FEDERAL LOYALTY BILL, H. R. 3813

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I want to thank my worthy colleagues who prepared H. R. 3813, the so-called Federal loyalty bill, for excluding from its provisions Members of Congress. I am glad we are left out. I am afraid if we had been included, and if the bill should pass, that many of us might very easily lose our jobs on charges of disloyalty to the United States. I am perfectly serious, Mr. Speaker. If Congressmen were included in this bill, it would be perfectly possible, for instance, to find that a group of us who advocate progressive taxation, with the heaviest burden placed on those most able to pay, were sympathetically associated with a subversive movement, and if they investigated us and found we also were sympathetically associated with a movement to have the Government construct some low-cost public housing and also belonged to a group advocating more stringent control of monopolies, we could easily be thrown out on our ear without any appeal or recourse.

And Mr. Speaker, although I am glad Congressmen are excluded from that kind of persecution under this bill, I do not want to see a million and a half Federal employees made subject to it. I do not want to see employees hounded and spied upon simply because of the views they hold or the legal organizations with whose aims they may, perchance, be sympathetic. It seems to me this bill would clearly violate the basic guaranties of liberty as well as the due-process clause contained in the Constitution. I think it is a very dangerous piece of legislation and I cannot support it.

There is no disagreement here that persons who are disloyal to the United States should be denied employment in the Government service. That is obvious and fundamental. We all agree about that. But first you have to decide what constitutes disloyalty, and secondly, you have to prove that the person charged with violating those standards is actually guilty. The way in which this bill proposes to go about those tasks is dangerous and fundamentally un-American.

Who is to be considered disloyal? Well, aside from the standards which already exist in our laws prohibiting espionage, sabotage, disclosure of confidential information, advocacy of the violent overthrow of the Government, and so forth, we have a new standard for judging Federal employees' loyalty. Section 8 (b), paragraph 6, of the bill reads:

> Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive—

Personally, I do not know of an organization which is in any way concerned with social progress in this country which has not at one time or another been labeled Communist-dominated or at least subversive, and I am not excluding the Democratic Party. I am entirely unwilling to see a law put on the statute books which gives the Attorney General of the United States—whoever he may be—the absolute authority to decide on his own motion what organizations or movements or groups are to be proscribed as totalitarian, Fascist, Communist, or subversive. The Attorney General's list of disloyal organizations would be published from time to time in the Federal Register, and inclusion on such a list would probably be a death sentence for any organization or movement he decided to proscribe. That would be a grant of political power such as has never in American history been vested in any Government official.

I am unwilling, furthermore, to assume that any Government employee who might be considered "sympathetically associated" with any organization or movement condemned by the Attorney General is, therefore, ipso facto, disloyal to the United States.

This whole standard for judging the loyalty of Federal employees would place America in the same column with those totalitarian states we condemn so vigorously for interfering with free speech or free political association. If this bill should be enacted, I am afraid it would be pretty useless for the State Department's Voice of America to try to persuade Europeans of the blessings of democracy and political freedom in the United States.

Well, aside from this question of standards, what proof is required under this bill that an employee is guilty as charged? Mighty little, Mr. Speaker; perhaps none. A single loyalty review board is established by this bill. It would receive reports on all present or prospective Federal employees from the FBI, the House Committee on Un-American Activities, schools and colleges attended by the employee, and other sources, and it would decide whether or not the employee was to be charged with disloyalty. If he were so charged, he would get what the bill describes as a factual statement of the charges against him. Then he would have to prove that he was not guilty. And he would have to do that without seeing the evidence, or even knowing what it consisted of, without confronting the witnesses against him, or even knowing who they were. And if he could not prove his innocence to the satisfaction of this same board which brought

the charges, he would be found guilty and fired, without any further recourse. That is the procedure, Mr. Speaker, and it reverses every American principle of justice.

The accused is not confronted with the evidence against him. The accused is considered guilty unless he can prove himself innocent—since the hearing is before the same board which brought the charge. The board is, itself, prosecutor, judge, and jury. Under this bill, the employee may be discharged for acts which were in no sense proscribed by any law or governmental regulation at the time they were committed. And, finally, no record of the findings or proceedings of the review board need be made, so that any possible appeal for review by the courts would be virtually useless.

This is not American justice, Mr. Speaker; this sounds to me strangely like the so-called justice as administered in Nazi Germany before the war.

It seems to me, Mr. Speaker, that the Congress was very concerned last year about making administrative procedures conform to the fundamental concepts of due process and the rules of evidence. We passed a law to assure that administrative proceedings in the executive branch of the Government would conform to American traditions of judicial procedure. I think we would be terribly wrong to throw that out the window by passage of this bill, for certainly the procedures required in this bill are at complete variance with those set forth in the 1946 act.

I should like to warn the sponsors of this bill, who obviously want to see a large-scale witch hunt in the Federal service—and who hope, I believe, that they will gain some political advantage from it—that it is a dangerous thing to fool around with the other fellow's basic liberties. You are liable to wake up one morning and find your action has boomeranged and that what you have done is reduced liberty for yourself.

HAL C. WOODWARD AGAINST THOMAS J. O'BRIEN

The SPEAKER laid before the House the following communication; which was read and referred to the Committee on House Administration:

JULY 11, 1947.

The honorable the SPEAKER,
House of Representatives.

SIR: The motion to dismiss of the contestee in the contested election case of Harold C. Woodward against Thomas J. O'Brien for a seat in the House of Representatives from the Sixth Congressional District of the State of Illinois, filed in this office July 9, 1947, is transmitted herewith for reference to the appropriate committee.

Yours respectfully,
JOHN ANDREWS,
Clerk of the House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCHWABE of Missouri (at the request of Mr. SCHWABE of Oklahoma), for Friday, July 11, 1947, on account of official business, conducting committee hearing of Committee on Education and Labor in New York.

To Mr. KEE (at the request of Mr. KIRWAN), for 5 days, on account of death in family.

To Mr. JUDD, for 1 day, on account of illness.

To Mr. BENNETT of Michigan (at the request of Mr. ARENDS), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 10 minutes.

PENDING VETERANS' LEGISLATION

Mr. PHILBIN. Mr. Speaker, the Veterans' Committee of the House, under the leadership of the very able and humane gentlelady from Massachusetts, has reported several bills affecting veterans, and I understand these measures are now pending in the Rules Committee. All these bills are of great interest and would, if enacted, be of substantial benefit to various classes of veterans. For the most part they seek to perfect existing law by broadening eligibility of amputees for automobiles, by increasing the minimum allowances payable for rehabilitation in service-connected cases, by providing for most desirable increases in subsistence allowances under the GI bill of rights and by extending the presumption of service connection, heretofore applied to tuberculosis, mental and nervous diseases, and some other maladies, to chronic and tropical diseases.

I am very much interested in these measures, because I believe they are necessary to close certain gaps that have appeared in the over-all rehabilitation program. It is hardly necessary to argue for these measures, because they are self-explanatory and are required to eradicate the shortcomings and limitations of existing legislation.

It is a matter of knowledge to all Members of the House that prices and living costs have increased substantially in recent months, and there is little evidence that this trend will shortly abate. This fact amply justifies increases in subsistence allowances for Government trainees, and it is appropriate not only that these increases should be provided for in service-connected cases but in all other cases where former members of the armed forces are pursuing training and education to fit themselves for leadership in business, craft, economic, and professional fields.

I am happy to state that my colleague the gentlelady from Massachusetts, with admirable devotion to the cause of the veteran, and her able committee, have labored with untiring energy and zeal to bring these measures to the floor. She has taken a special interest in the wounded and incapacitated, and especially the amputees, who should be, I submit, a very first charge upon our consideration and generosity. Many of these boys have been grievously wounded, maimed, and disfigured as a result of their valiant war service for us and for democracy. Their condition and plight deserves our utmost and constant attention. We must never forget them or overlook their needs. Congress has delayed to some extent in furnishing them with automobiles to provide for their comfort and well-being, out of which our amputees have derived much pleasure and happiness, and I believe that we should extend the coverage of this legislation to include still other classes of our maimed and wounded. The cost of these measures is trivial compared to the sacrifice of these boys. At a time when we have been pouring and lavishing billions upon peoples in foreign lands, we should have, I think, some concern for providing for those who sacrificed so much in our behalf during the war, and who are now seeking the chance to get proper care, treatment, and the opportunity to live the balance of their lives in relative security and comfort. As to some, there is little more they can derive from life. Let us answer their plea.

The case for extending the presumptive clauses to chronic and tropical diseases is, to my mind, unanswerable. Every Member of this House has knowledge of some constituents who were wholly well and physically sound before entering the service but who as a result of service now suffer from some disease indigenous to malarial-infested swamps or fever-ridden jungles of the Tropics, or some other chronic disease traceable to war service. This Congress has authorized billions of dollars for the general purposes of the Government and for foreign relief. Some speak of the need for economy and I agree with their premise in general. We are desirous of economizing, of balancing the budget, reducing the debt, and putting our financial affairs in order. But in the name of justice and decency and gratitude for selfless sacrifice, let us not try to economize at the expense of those who were disabled, wounded, and maimed physically and mentally in the last great war. Let us move now before adjournment promptly to take up and pass all the principal measures which have been reported from the committee of the distinguished gentlelady from Massachusetts. Not only will those concerned be appreciative of this action on our part but the whole country, always eager to serve our veterans and discharge in part our great debt to them, will approve and applaud our favorable action on this legislation in behalf of our beloved veterans.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 564. An act to provide for the performance of the duties of the office of President in case of removal, resignation, death, or inability both of the President and Vice President.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for the relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam.

ADJOURNMENT

Mr. McDONOUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until Monday, July 14, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

914. A letter from the Secretary of War, transmitting a draft of a proposed bill to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

915. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the President of the United States of America to direct the United States Maritime Commission to charter certain vessels to persons not citizens of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

916. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to existing appropriations of the United States Maritime Commission (H. Doc. No. 394); to the Committee on Appropriations and ordered to be printed.

917. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1944 in the amount of $730,000 for the Navy Department and the Naval Establishment (H. Doc. No. 395); to the Committee on Appropriations and ordered to be printed.

918. A communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of $2,350 for the legislative branch, House of Representatives (H. Doc. No. 396); to the Committee on Appropriations and ordered to be printed.

919. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $861,000 for the Department of Agriculture (H. Doc. No. 397); to the Committee on Appropriations and ordered to be printed.

920. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1947 in the amount of $23,000,000 for the Navy Department and the Naval Establishment (H. Doc. No. 398); to the Committee on Appropriations and ordered to be printed.

921. A communication from the President of the United States, transmitting a revised estimate of the administrative expenses for the Reconstruction Finance Corporation and its subsidiaries for the fiscal year 1948, involving a decrease of $10,917,300, in the form of amendments to the budget for said fiscal year (H. Doc. No. 399); to the Committee on Appropriations and ordered to be printed.

922. A letter from the Administrator, National Housing Agency, transmitting a draft of a proposed bill for the relief of John E. Peterson; to the Committee on the Judiciary.

923. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the Social Security Act in connection with the payment of postage for unemployment-compensation mail and payments to the States which have submitted plans under title I, IV, V, or X of such act, and for other purposes; to the Committee on Ways and Means.

924. A letter from the Clerk of the House of Representatives, transmitting motion to dismiss of the contestee in the contested election case of Harold C. Woodward against Thomas J. O'Brien for a seat in the House of Representatives from the Sixth Congressional District of the State of Illinois (H. Doc. No. 400); to the Committee on House Administration and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LECOMPTE: Committee on House Administration. Senate Joint Resolution 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; without amendment (Rept. No. 874).

Mr. LECOMPTE: Committee on House Administration. House Resolution 281. Resolution providing additional compensation for certain employees of the House of Representatives; without amendment (Rept. No. 875).

Mr. LECOMPTE: Committee on House Administration. House Resolution 282. Resolution authorizing the payment of 6 months' salary and funeral expenses in the case of William M. Day, late an employee of the House; without amendment (Rept. No. 876).

Mr. LECOMPTE: Committee on House Administration. House Resolution 283. Resolution authorizing the Clerk of the House of Representatives to approve payment of gratuities during the recess of Congress; without amendment (Rept. No. 877).

Mr. HOPE: Committee on Agriculture. S. 512. An act to extend provisions of the Bankhead-Jones Farm Tenant Act and the Soil Conservation and Domestic Allotment Act to the Virgin Islands; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAND: Committee on Merchant Marine and Fisheries. H. R. 3619. A bill relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.; with an amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2873. A bill to amend certain provisions of the Reclamation Project Act of 1939; with amendments (Rept. No. 880). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3371. A bill to transfer jurisdiction of certain lands comprising a portion of Acadia National Park, Maine, from the Department of the Interior to the Department of the Navy, and for other purposes; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2793. A bill authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana; with amendments (Rept. No. 882). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce submits a report on aids to air navigation and landing; without amendment (Rept. No. 885). Referred to the Committee of the Whole House on the State of the Union.

Mr. MICHENER: Committee on the Judiciary. House Resolution 254. Resolution directing the Secretary of State to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; without amendment (Rept. 886). Referred to the House Calendar.

Mr. MICHENER: Committee on the Judiciary. House Resolution 255. Resolution directing the Attorney General to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; without amendment (Rept. No. 887). Referred to the House Calendar.

Mr. CORBETT: Committee on Post Office and Civil Service. H. R. 4127. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 888). Referred to the Committee of the Whole House on the State of the Union.

Mr. FULTON: Committee on Foreign Affairs. House Joint Resolution 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands; without amendment (Rept. No. 889). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4079. A bill to amend the Taylor Grazing Act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976); without amendment (Rept. No. 890). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia; without amendment (Rept. No. 892). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; without amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. H. R. 2471. A bill to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force; without amendment (Rept. No. 895). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 2984. A bill to amend the act of June 1, 1910, so as to regulate the installation of radio or television transmitting antennae, masts, or other structures in the District of Columbia; with amendments (Rept. No. 896). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3045. A bill to place the Office of Recorder of Deeds of the District of Columbia under the jurisdiction, supervision, and control of the Commissioners of the District of Columbia, and for other purposes; with amendments (Rept. No. 897). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3852. A bill to amend the act entitled "An act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946; without amendment (Rept. No. 898). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 3873. A bill to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes; with amendments (Rept. No. 899). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia H. R. 3978. A bill to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; without amendment (Rept. No. 900). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIRKSEN: Committee on the District of Columbia. H. R. 3998. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; without amendment (Rept. No. 901). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 1215. A bill for the relief of Kazue Oda Takahashi; with an amendment (Rept. No. 883). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3088. A bill for the relief of William Dudley Ward-Smith; without amendment (Rept. No. 884). Referred to the Committee of the Whole House.

Mr. O'HARA: Committee on the District of Columbia. S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; without amendment (Rept. No. 893). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY:

H. R. 4155. A bill to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 4156. A bill to provide citizenship for persons with maritime wartime service, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGLE of California:

H. R. 4157. A bill to authorize the American River Basin development, California, for irrigation and reclamation and other purposes; to the Committee on Public Lands.

By Mr. KEFAUVER:

H. R. 4158. A bill to amend the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. LECOMPTE:

H. R. 4159. A bill to provide for equitable adjustment of the insurance status of certain members of the armed forces; to the Committee on Veterans' Affairs.

By Mr. PHILLIPS of Tennessee:

H. R. 4160. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. PRICE of Florida:

H. R. 4161. A bill to provide that transfers of obsolete and condemned vessels by the Secretary of the Navy shall become effective 30 days after having been reported to the Congress if not disapproved by the Congress within such 30-day period; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. R 4162. A bill to provide military status for women who served overseas with the Army of the United States during World War I; to the Committee on Armed Services.

By Mr. WEICHEL:

H. R. 4163. A bill to authorize medical and hospital service for those employed in the maritime service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 4164. A bill to authorize a preliminary examination, study, and survey of the area in the vicinity of Bellevue, Ohio, and surrounding area; to the Committee on Public Works.

By Mr. HOWELL:

H. R. 4165. A bill to amend the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 4166. A bill providing for Congress to coin and issue money and regulate the value thereof by establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; setting forth the scope and manner of the bank's operations; creating a Board of Control and defining the powers and duties of the Board and other persons charged with the bank's management; and for other purposes; to the Committee on Banking and Currency.

By Mr. D'EWART:

H. R. 4167. A bill to authorize the State of Montana to lease her State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the Legislative Assembly of the State of Montana; to the Committee on Public Lands.

By Mr. JONKMAN:

H. R. 4168. A bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; to the Committee on Foreign Affairs.

By Mr. NORRELL:

H. R. 4169. A bill to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON:

H. R. 4170. A bill to provide for payment to the widows or next of kin of persons entitled to annuities for work on the Panama Canal such sums as were due but not paid at the death of such annuitants; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNGBLOOD:

H. R. 4171. A bill providing for the preservation of Fort Wayne Military Reservation, Detroit, Mich., for park use; to the Committee on Armed Services.

By Mr. LANE:

H. R. 4172. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. BAKEWELL:

H. R. 4173. A bill to amend section 3403 of title 26 of United States Code; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 4174. A bill to authorize payment of pensions to certain World War I veterans for partial disabilities not the result of service; to the Committee on Veterans' Affairs.

By Mr. SOMERS:

H. J. Res. 237. Joint resolution relating to Palestine; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 284. Resolution providing for the consideration of H. R. 3889; to the Committee on Rules.

By Mr. BUCK:

H. Res. 285. Resolution creating a select committee to conduct an investigation and study of matters pertaining to entry into the United States of one Serge Rubinstein, his subsequent activities, etc.; to the Committee on Rules.

H. Res. 286. Resolution providing for the expenses of the investigation and study authorized by House Resolution 285; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 4175. A bill for the relief of Sprague B. Wyman; to the Committee on Armed Services.

By Mr. BAKEWELL:

H. R. 4176. A bill for the relief of W. T. Evans; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 4177. A bill for the relief of William L. Cunliffe; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 4178. A bill for the relief of Josephine Lisitano; to the Committee on the Judiciary.

By Mr. KIRWAN:

H. R. 4179. A bill for the relief of Paul E. Rocke; to the Committee on the Judiciary.

By Mr. McMAHON (by request):

H. R. 4180. A bill for the relief of Rolph J. Lackner; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 4181. A bill to provide for the admission to citizenship of George Haniotis; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 4182. A bill to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII,

740. Mr. CASE of South Dakota presented a petition of Edward Huether, president, Cane Creek Cooperative Grazing District, Conata, S. Dak., and 12 other signers, expressing themselves as being opposed to consideration and enactment of H. R. 1692, which proposes to grant the Secretary of Agriculture authorization to dispose of submarginal lands acquired under the Bankhead-Jones Farm Tenant Act, based on appraisals of reasonable normal value, which was referred to the Committee on Agriculture.

SENATE

SATURDAY, JULY 12, 1947

(Legislative day of Thursday, July 10, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint.

O God, our help in ages past, we would claim this promise for Thy servants, the Senators here assembled, as today they draw on to the close of this busy week. Give them the wings of the spirit that will lift them above their difficulties and that buoyancy of spirit that derives from a sense of Thy presence. May they run and not grow weary, and to the last tired hour may they walk and not faint.

God bless the President of the United States, and preside with Thy spirit over the convening of the conference in Paris today. Bless every agency and effort that works for peace and good will throughout the earth, that Thy kingdom may be advanced.

In the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 11, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 11, 1947, the President had approved and signed the following acts:

S. 395. An act authorizing the issuance of a patent in fee to Kathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased; and

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4051. An act to amend the Natural Gas Act, approved June 21, 1938, as amended;

H. R. 4075. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

JOHN E. PETERSON

The PRESIDENT pro tempore laid before the Senate a letter from the Administrator of the National Housing Agency transmitting a draft of proposed legislation for the relief of John E. Peterson, which, with an accompanying paper, was referred to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A letter in the nature of a petition from John L. Ogilvie, of Falls Church, Va., praying for the enactment of the so-called Langer-Chavez retirement bill; ordered to lie on the table.

By Mr. CAPPER:

A petition signed by 40 citizens of Everest, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

UNIVERSAL MILITARY TRAINING

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter letter from Parsons Post, No. 56, the American Legion, of Parsons, Kans., signed by Herman W. Smith, Jr., commander, praying for the enactment of legislation providing universal military training.

There being no objection, the letter was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

AMERICAN LEGION,
PARSONS POST, NO. 56,
Parsons, Kans., July 8, 1947.

Hon. CLYDE M. REED,
United States Senator from Kansas,
United States Senate,
Washington, D. C.

DEAR SIR: Parsons Post, No. 56, of the American Legion, duly assembled in meeting on July 7, 1947, instructed me as commander of said post to write you expressing our strong approval and endorsement of the universal military training bill.

The members of the American Legion, by unanimous vote, believe that this is desirable legislation for the security of the Nation and request your support and cooperation in securing the consideration and ultimate enactment of the universal military training bill.

Yours very truly,

HERMAN W. SMITH, Jr.,
Commander, Parsons Post, No. 56,
American Legion.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KEM, from the Committee on the District of Columbia:

H. R. 3864. A bill to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service; with amendments (Rept. No. 508).

By Mr. MILLIKIN, from the Committee on Finance:

S. 1576. A bill to amend section 3121 of the Internal Revenue Code; without amendment (Rept. No. 506).

By Mr. McCARTHY, from the Committee on Banking and Currency:

H. R. 1180. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State; without amendment (Rept. No. 507).

By Mr. LANGER, from the Committee on Civil Service:

S. 339. A bill for the relief of Lucy Jefferson Weil; without amendment (Rept. No. 505).

By Mr. McMAHON, from the Committee on Interstate and Foreign Commerce:

H. R. 3539. A bill to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof; without amendment (Rept. No. 511).

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

S. 1132. A bill to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended; with an amendment (Rept. No. 509); and

H. R. 2109. A bill to amend section 1003 (b) of the Civil Aeronautics Act of 1938, as amended; without amendment (Rept. No. 510).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL (by request):

S. 1617. A bill to extend to Commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War I rank to retired warrant officers and enlisted men; to the Committee on Armed Services.

By Mr. GURNEY (by request):

S. 1618. A bill to amend Public Law No. 26, Eightieth Congress, approved March 31, 1947, to provide for additional functions, duties, and employees in the Office of Selective Service Records, and for other purposes; to the Committee on Armed Services.

S. 1619. A bill to authorize the President of the United States of America to direct the United States Maritime Commission to charter certain vessels to persons not citizens of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1620. A bill to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

By Mr. REED (for himself and Mr. STEWART):

S. 1621. A bill to provide for the coordination of agricultural soil and water conservation programs, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON:

S. 1622. A bill to provide citizenship for persons with maritime wartime service and for other purposes; to the Committee on the Judiciary.

S. 1623. A bill relating to the compensation of commissioners for the Territory of Alaska; to the Committee on Public Lands.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT — AMENDMENTS

Mr. BUCK submitted amendments intended to be proposed by him to the bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, which was ordered to lie on the table and to be printed.

AUTHORIZATION FOR COMMITTEE ON PUBLIC LANDS TO HOLD HEARINGS

Mr. BUTLER submitted the following resolution (S. Res. 148), which was referred to the Committee on Public Lands:

Resolved, That the Committee on Public Lands, or any duly authorized subcommittee thereof, for the purpose of making a study and investigation of any matter referred to such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Eightieth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

AMENDMENT OF RULE RELATING TO COMMITTEE SERVICE

Mr. LODGE. Mr. President, on behalf of myself and the Senator from Connecticut [Mr. BALDWIN] I ask unanimous consent to submit for appropriate reference a resolution. I have a 5-minute statement I want to make, descriptive of the resolution.

We hear it said quite often at the present time that the La Follette-Monroney Act for the reorganization of Congress, in spite of the fact that it is certainly a step in the right direction, has still not accomplished much good. As proof of this statement, we are told that as the session of Congress draws to a close, there are so many Senators who have conflicting committee meetings or who are so burdened with committee assignments that they are overworked. Such a condition is indeed hard on the Senators. It is also unfair to the witnesses who are entitled to a real hearing. Moreover, it is bad for the public business generally.

I hold, however, that the blame for this condition cannot, in all fairness, be attributed to the La Follette-Monroney Act. There are two factors which I think account for it.

First is the enormous and ever-increasing volume of business which descends upon Congress. This will inevitably produce congested conditions at the end of the session, just so long as we deal with so many problems which could perhaps be settled outside of Congress; and just so long as the nature of the legislative schedule here causes a rush of bills to the calendar at the last minute.

The second reason for the congestion and the overworking of certain Senators is the fact that committee work is allocated so unevenly as between the Members of the Senate. The truth is that some Senators find themselves overburdened with committee work and with meetings which are held at conflicting times for the very simple reason that they belong to too many active committees.

For this reason, I believe that it would be well to amend the Senate rules so as to spread out a little more evenly the allocation of committee assignments.

I, of course, am not advocating any change in the rules of seniority nor do I favor any wholesale overhauling of committee assignments. Such actions would have a disruptive effect and would deprive the committees of experienced membership which is badly needed. I merely make one very simple suggestion which would not have a disruptive effect and which, on the contrary, would increase the efficiency of committees to a very considerable extent.

My suggestion is this: That no Senator who is chairman of one of the following 10 committees: Agriculture and Forestry, Appropriations, Armed Services, Banking and Currency, Finance, Foreign Relations, Interstate and Foreign Commerce, Judiciary, Labor and Public Welfare, or Public Lands, shall be a member of any other committee; except that he can also be a member of any of the following five committees: Civil Service, District of Columbia, Expenditures in the Executive Departments, Public Works, or Rules and Administration.

It will be noted that I have not divided the committees of the Senate into major and minor groups, because I hold that all the committees in the Senate are important and because we have seen committees which have been long in the shadow come to the fore as the molders of great issues. The 10 committees which I have first named, however, have either a greater volume of work or touch on subjects which are of more widespread public interest than the last 5 committees I named. The last five either have comparatively light schedules or else usually involve duties which may promptly be described as chores—things which absolutely must be done, but for which no one receives much appreciation. It would therefore be obviously unfair to say that a man who is chairman of one of the latter five committees could not have any other assignment.

The Senator from Michigan [Mr. VANDENBERG], who is chairman of the Foreign Relations Committee, has already declined to serve on any other committee. Adoption of the suggested amendment therefore would make nine new committee places available to Senators who are not chairmen. This would include three places on the Foreign Relations Committee, two on the Finance Committee, and one each on Armed Services, Appropriations, Interstate and Foreign Commerce, and Public Lands.

I believe that a Senator who is chairman of 1 of the 10 committees which I first enumerated has got his hands full. The adoption of this rule will be a benefit to the chairman himself, because it will save him from pressure and from a load of work which is greater than he should be required to carry. At the same time it will make more places available to Senators who are not chairmen and who will consequently be able really to give of their time to the work of the particular committee. Such a change will spread the senatorial work load more evenly and apply available senatorial manpower more efficiently. It is a move in the direction of more efficiency and more democracy in the United States Senate.

There being no objection, the resolution (S. Res. 149), submitted by Mr. LODGE (for himself and Mr. BALDWIN), was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That effective at the beginning of the second regular session of the Eightieth Congress, section (4) of rule XXV of the Standing Rules of the Senate, as amended, is further amended by adding at the end of such section a new sentence as follows: "No Senator who is chairman of the Committee on Agriculture and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking and Currency, the Committee on Finance, the Committee on Foreign Relations, the Committee on Interstate and Foreign Commerce, the Committee on the Judiciary, the Committee on Labor and Public Welfare, or the Committee on Public Lands shall also be a member of any other of such committees."

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 4051. An act to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 4075. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; to the Committee on Finance.

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands; ordered to be placed on the calendar.

TRANSFER OF PORTION OF FORT McINTOSH—HOUSE BILL 2225 PLACED ON CALENDAR

Mr. AIKEN. Mr. President, on July 8 there was referred to the Committee on Expenditures in the Executive Departments House bill 2225, authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administra-

tion of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement.

A companion bill to this measure, S. 739, had been under consideration by the Committee on Armed Services and was reported by that committee on July 8 (Rept. No. 456, Calendar No. 470). I therefore ask unanimous consent that the Committee on Expenditures in the Executive Departments be discharged from the further consideration of House bill 2225, and that the bill be placed on the calendar.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont? The Chair hears none, and it is so ordered.

NOTICE OF HEARING ON NOMINATION OF HERBERT W. CHRISTENBERRY TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF LOUISIANA

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, July 19, 1947, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Herbert W. Christenberry, of Louisiana, to be United States district judge for the eastern district of Louisiana, vice Hon. Adrian J. Caillouet, deceased. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Kentucky [Mr. COOPER], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Washington [Mr. MAGNUSON].

MEETINGS OF COMMITTEES DURING SENATE SESSION

Mr. WHERRY. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary be permitted to sit during the session of the Senate today for the purpose of conducting hearings on the nomination of Philip B. Perlman.

I further ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to hold hearings during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, the order is made, and, without objection, the Senate Committee on Foreign Relations will be permitted to continue its present meeting until its recess.

STATEHOOD FOR HAWAII—EDITORIAL COMMENT

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD four editorials relative to statehood for Hawaii, which appear in the Appendix.]

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. WHERRY. Mr. President, I should like to call the attention of the Members of the Senate to my statement in the proceedings of yesterday having reference to our session today. It is the intention, if it meets with the approval of the Senate, that the Senate remain in session today until the early hours of the evening, being very optimistic, and, in a less optimistic vein, I suggest that if we do not conclude the unfinished business it may be necessary to hold a night session. I think Senators should prepare to continue into a night session if necessary to accomplish the object we have in view.

Mr. McCLELLAN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the Senator from Arkansas.

Mr. McCLELLAN. It is my understanding that the Senate will remain in session until the bill is finally passed.

Mr. WHERRY. That is not exactly what I said. I do not mean to dispute the Senator, but I think the proper interpretation of my remarks is that it is our serious intention to attempt to conclude the consideration of the unfinished business today. We hope to conclude at a reasonable hour, but if necessary, restating the announcement of last evening, we will hold a night session. How long the night session will run will depend upon the situations as they arise. I should like to conclude with the statement that I think Senators should hold themselves in readiness and be prepared to hold a night session if it becomes necessary.

Mr. McCLELLAN. Mr. President, if I may interpret the Senator's announcement as I understand it, it is that if there is fair prospect of concluding the consideration of the bill, we will have a late night session.

Mr. WHERRY. That is correct.

Mr. McCLELLAN. If it shall develop that it is impossible to get final action, then that will be taken into account.

Mr. WHERRY. The Senator is correct.

Mr. McCLELLAN. If I may, I should like to say that I have no particular interest in delaying final action, but the Senator from Nebraska knows I am interested in the amendment which I intend to propose, and the problem we have is in getting Senators here to listen to the argument for the amendment and give heed to the persuasiveness of the merits of some of the proposals that will be made. If we can have Senators present, and all will come in and undertake to expedite consideration of the bill, then I think the prospects are fair that we can conclude consideration of the bill today. But we cannot conclude today if we have to present the arguments to empty seats, and if we have to make three or four speeches instead of one, in order to reach the Members. It is like the story of the man who was a guest in a home one evening, and kept asking for more coffee. Finally he observed it was becoming a little embarrassing to his host and hostess, and he said, "Well, I will just tell you, Madam, it takes so much coffee to do me, and if I have to drink a gallon of water to get it, I am going to get my coffee." [Laughter.] It takes a sincere, honest, and conscientious effort to accomplish our purpose, and if we cannot make that effort all at once, we will have to make it two or three times.

Mr. MILLIKIN. Mr. President, the arguments of the Senator from Arkansas are always persuasive, and are always well worth listening to, but I do not know of any way to guarantee the presence of a full Senate or a sizably partially filled Senate. I suggest that we have to work out our problems under the customs and habits of Senators as they are, and under the pressures under which they labor. I hope that under those circumstances we can move with the utmost expedition.

Mr. WHERRY. Mr. President, I am satisfied Senators will cooperate 100 percent with the distinguished Senator from Arkansas. If Senators will cooperate today, we will not have to continue the consideration to Monday, and with that idea in mind, and assuring the Senator that we will undertake to have all Senators here at all times today, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thye
Donnell	McClellan	Tydings
Downey	McFarland	Umstead
Dworshak	McGrath	Vandenberg
Eastland	McKellar	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Wilson
George	Millikin	Young
Green	Moore	
Gurney	Morse	

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Georgia [Mr. RUSSELL] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Eighty-eight Senators having answered to their names, a quorum is present. The question before the Senate is the amendment

offered by the Senator from Oregon [Mr. MORSE].

Mr. MILLIKIN. Mr. President, it is my understanding that the distinguished Senator from Oregon [Mr. MORSE] is prepared to call up his first amendment, which he discussed yesterday.

Mr. MORSE. Mr. President, my amendment No. 1 is before the Senate. I think there is nothing more that is necessary to be said in support of the amendment than what I said yesterday. It sets forth a declaration of policy which includes three points:

First. That so long as production and employment remain at high levels, there should be no reduction in taxes.

Second. That in the event of an actual or imminent decline of substantial proportions in the level of production and employment, taxes be then promptly reduced.

Third. That to the fullest extent practicable as preparation against any possible decline of substantial proportions in employment and production, advance plans for such tax reduction be set forth in legislation.

The amendment has been referred to as the "putting on the shelf" amendment until January 1, 1949. The amendment seeks to accomplish the end of a scientific tax bill, to be prepared pending the need for tax reduction, which in the opinion of the junior Senator from Oregon is not now, for the reasons which I set forth in my speech yesterday afternoon. So there is nothing more to add except simply to say, Mr. President, that we ought to plan for tax reduction. We should not proceed to accept the pending tax bill, because it is a most unscientific bill. It fails to iron out gross inequities which exist in the tax structure. It is a bill which benefits the rich, in my opinion, at the expense of the poor. I think it is important that we proceed with tax planning along the lines set forth in my amendment No. 1.

Mr. MILLIKIN. Mr. President, the amendment would delete the portion of the pending bill covering the effective date and provide that it be stipulated either by the President in an economic report or by the Congress in a joint resolution. In other words, instead of having the proposed tax reduction effective as of January 1, 1948, the amendment would leave the matter entirely indefinite. I do not care to discuss the matter at length. It involves a fundamental revision of our concept regarding tax laws. It would base the commencement of tax reductions upon the imminence or commencement of recessions. I think we have found by recent experience that there is no one whom we could trust completely to predict with accuracy either a future period of prosperity or recession. We all remember that at the end of World War II the economists of the country hastened to put themselves on record that we would probably have 8,000,000 unemployed within a few months after VJ-day. The Treasury Department has been constantly wrong in its estimates of revenue resulting from its estimates of our economic position.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. MILLIKIN. Gladly.

Mr. O'MAHONEY. Has the Senator compared the predictions of the Senate Finance Committee, as expressed in its report of last May upon the tax bill, with its estimated predictions contained in the report filed just the other day?

Mr. MILLIKIN. Yes.

Mr. O'MAHONEY. Will the Senator be good enough to explain the discrepancy of several billion dollars in the anticipated surplus predicted less than 2 months ago by the Finance Committee?

Mr. MILLIKIN. We predicted that we would have a $41,500,000,000 revenue for the fiscal year 1948, and we are still predicting that. Because the tax reduction will be effective for only half the fiscal year the cost of the bill is reduced by practically one-half. In other words, the cost of the bill, on a collection basis, for the fiscal year 1948 will be about $1,500,000,000. The cost of the original bill, operating on a full fiscal year, on a collection basis, was estimated at about $3,200,000,000. The last time the matter was before the Senate the Senate Finance Committee based a number of its calculations on the prospect of a $4,500,000,000 expenditure reduction. In the last report of the Senate Finance Committee we have based our calculations on the estimate of the President of a $37,500,000,000 expenditure rate, and also on the assumption that we would have reductions in excess of $3,000,000,000. I see no material disparity between the two estimates referred to by the distinguished gentleman, but I am willing to admit that the Senate Finance Committee is not a perfect estimator. That only adds to the force of what I am saying. There is no one in the world who can predict with complete accuracy when a depression or a recovery is going to set in. We have learned that by all the experience we have ever had.

Mr. O'MAHONEY. Mr. President, will the Senator yield for another question?

Mr. MILLIKIN. I am glad to yield.

Mr. O'MAHONEY. Does the Senator from Colorado remember what reduction of the President's budget he predicted would be made last January when the legislative budget resolution was under consideration?

Mr. MILLIKIN. My own prediction was that it would reach four and a half billion dollars. We reached the same decision in the Senate. I am not so sure that, by actual reductions and rescissions, the flattening out of the tempo of expenditures, and carry-over benefits from extinguishment of debts in the fiscal year 1947, we might not achieve that goal. The Senate Finance Committee is a very practical committee. We based the figures which are now before the Senate on an estimate of at least a $3,000,000,000 reduction.

Mr. O'MAHONEY. The Senator's present statement disagrees somewhat with the prediction made in the report filed on July 9—3 days ago. The report of the Finance Committee, submitted by the distinguished Senator who is now discussing the proposal, contains this statement:

> The total reductions in appropriations for the fiscal year 1948 on this basis would be $2,662,000,000.

Mr. MILLIKIN. On the basis discussed, and if we apply the 80 percent factor, the figure rises beyond $3,000,000,000. The Senator will find that in the context of the report.

Mr. O'MAHONEY. In any event, it is clear, is it not, that the Senator does not now predict a reduction of anything like $4,500,000,000 below the President's budget?

Mr. MILLIKIN. I see no point in any prediction other than what we have made. I have no embarrassment whatever in identifying myself with the developing facts of the situation; and I have never taken any other position in connection with the budget matter which the Senator is discussing. The Senator knows that to be so.

Mr. O'MAHONEY. When a committee brings in a tax-reduction bill based upon estimates of expenditure, which are so clearly the result of mere guesswork, I think Members of this body may very well consider whether they can venture to follow the advice of the committee.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. AIKEN. I should like to ask whether the committee took into consideration the possibility of the general approval, and particularly the approval by the Congress, of the so-called Marshall plan for the rehabilitation of Europe, and the consequent increase in expenses.

Mr. MILLIKIN. I respectfully suggest to the Senator that the Marshall plan is not yet a plan. Up to this moment the so-called Marshall plan is an idea which is undefined and not delimited in any way whatsoever. As I understand, it carries the general idea that the European nations should first sit down and draw up a balance sheet on themselves to determine what they can do through their own efforts, what they cannot do, what they must do, and what is the residuum of things which must be done and which they cannot do with their own strength. We shall then consider what part of that burden we may wish to undertake when we have the whole proposal before us and can look at it in balance sheet form.

Mr. AIKEN. Then is it the position of the committee that, if the Marshall plan does acquire a definite structure and is approved, and requires extensive financing on the part of this country, the committee will then recommend the method of financing it, whether by restoring tax cuts or borrowings, or whatever way may be determined to be best?

Mr. MILLIKIN. I will say to the distinguished Senator that the way the bill is drawn in relation to the budgetary picture there will be an estimated surplus of $5,900,000,000 at the end of the fiscal year for debt reductions and contingencies. Furthermore, at the present time the President's budget contains an item in excess of $3,000,000,000 for our foreign commitments. I also assume that a part

of whatever burden might be presented to us could be supplied out of surplus property.

In any event we do not yet know what those burdens will be. They have not been defined. They cannot be defined today. They cannot be defined until after the European nations meet and decide what they themselves can do, until it has been determined what is the residuum which we might be asked to pick up and be willing to pick up.

Let me say further to the Senator that, as he well knows, our estimates of receipts have become increasingly conservative under the developments of time. I believe it is sound philosophy that whenever it appears from the budgetary picture that there is a surplus that can fairly be divided between debt reduction and tax reduction, tax reduction should be made. We should not sit around shivering and shaking in our boots against some possible future contingency which may require expenditures to be made. If anything of that kind comes, we must meet and decide it in the best interests of the country. In the short time I have been in the Senate I have supported three or four tax-raising bills. I want the pleasure of supporting a tax-reduction bill. But if it should ever occur that we must increase our taxes to meet any vital contingencies which may face the Nation, I shall want to be in the vanguard of those advocating the increase. I hope that goes without saying.

Mr. AIKEN. I agree with the Senator that the estimates of probable income have been conservative, and very properly conservative; but, if it is not out of place, may I inquire whether the committee has had any communication whatever from the executive department relative to the possibility of needing more funds for the purpose of rehabilitating Europe?

Mr. MILLIKIN. Mr. President, we have had no communication whatsoever and no intimation that any would be forthcoming.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. TAFT. I wish only to comment on the effect of the so-called Marshall plan on foreign countries. As the Senator has well said, in the budget of Federal expenditures for the current year nearly $4,000,000,000 is allocated for Europe. In effect, the Marshall plan, as I see it—and the largest estimate I have seen yet is $5,000,000,000 a year for 3 or 4 years— is merely a continuation of the present program. It is not a program to increase the amount which we are already spending. Furthermore, in the current fiscal year we not only have taken care of the British, who have $1,800,000,000 still to draw on their loan through the current fiscal year, but we also have taken care of various other relief requirements for the whole 12 months. We have also established an international bank which has now begun to operate and which may provide funds during the current fiscal year. The International Fund is providing funds. The Export-Import Bank has half a billion dollars, at least—I think nearly a billion dollars—for expenditures during this year. So I can see nothing in the proposal of the Marshall plan, if it should go through, which would particularly affect the current fiscal year. It is merely a proposal that we continue to aid Europe on the present basis for 3 or 4 years to come. I see no reason why it should indicate an increase in the over-all Federal expenditures. We hope that the needs of the Army and Navy may be somewhat less and that their expenditures in the aftermath of the war will balance any possible increase in the foreign field.

So, I think the Senator is quite right in saying that not only do we not know the amount, but so far we have not seen anything in the public press in the way of an estimate, except that made by Mr. Cohen. I myself, think that that is an excessive estimate. I do not think it in any way affects the problem of the over-all expenditures and the over-all taxes.

Mr. MILLIKIN. I thank the Senator for his contribution. I should like to say that I do not believe that anyone is in position to make an estimate at this time. How can we make an estimate until we have had a thorough survey of what the European countries think they need and what they have with which to satisfy the need? How can we make an estimate until we have a thorough sifting of the matter to see what may be our role in the residual program?

I should like to make one more suggestion. It may well develop that after Europe has completed its own survey, a host of fields will develop in which they can help themselves and in which they have hitherto relied on this country. That might tend to ameliorate our own part of the program.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Maine.

Mr. BREWSTER. Mr. President, it has been clear in this connection that the Treasury Department, according to the statement of the Secretary of the Treasury, apparently was not consulted primarily in connection with the so-called Marshall plan, and is somewhat dubious about the possibilities. The President has himself appointed three committees to survey the possibility of our resources contributing further along these lines. I assume that will take considerable time. As the Senator from Colorado has pointed out, we should proceed with the liquidation of the war, and if we have to enter into other obligations or commitments in connection with reconstruction, I think those problems should be met, as he indicates, as they arise. We are not justified on these very speculative suggestions, which are obviously going to be in limbo for some months to come, to continue to take money from the pockets of the American taxpayers for purposes as yet unknown.

The President indicated the other day that he knew of no particular reason why the Congress should meet in October. He himself indicated at his press conference considerable doubt. He said that if it were necessary he would have to call Congress back, but at this time he knew of no reason why it should be done.

Meanwhile, on the matter of estimates, I shall not weary the Senate with a repetition of the material which I presented at the time the previous tax bill was under discussion. At that time I went very exhaustively into the history of all tax bills, up or down, for 20 years, and showed that very frequently they were based on estimates which were wide of the mark. I spoke of the conclusions of the Senate committee and of the Ways and Means Committee of the House, in the face of the very pessimistic attitude of some of our friends on the other side in connection with their estimate of 8,000,000 idle persons, which came from authoritative sources in the administration, or in the face of the rather gloomy estimates of receipts, and the refusal of the Secretary of the Treasury, at the time when he testified before the committee, to indicate any firm conviction that the current rate of production in this country could continue. Happily, up to the present time, they have been disappointed; and we read this morning that for the first time that 60,000,000 persons in the United States are employed. I do not undertake to say whether that is because of the policies of the administration or because of the election of Republicans at the last election, but I point out to the gloomy prophets on the other side, who are very much afraid we are going to be drawn into a depression, that the American people thus far seem to exhibit more confidence in the future of the country than would be justified by some of the pessimistic professions which have been emanating from some source in the administration, for reasons about which one may speculate. So I hope that we may feel that we may with confidence go forward at this time.

Mr. MILLIKIN. Of course the Senator is well aware of the fact that the gloomy prophets of despair should be the first to be asking tax reduction. It is interesting to contrast the bold and resolute way in which we raised taxes when times were bad and how we are stricken with palsy when we have an opportunity to reduce them when times are good.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. BARKLEY. I have no disposition to enter into a partisan polemic discourse, although the remarks of the Senator from Maine [Mr. BREWSTER] always provoke me, because any and all times are suitable to him to inject some partisan implication into any sort of a debate. Maybe that is perfectly legitimate. But I wanted to call attention to the fact that the large unemployment prospective which he has brought up was mentioned by many of the witnesses who appeared before the Postwar Committee of which the Senator from Georgia [Mr. GEORGE] was chairman and which held many hearings. Those hearings were participated in by Democrats and Republicans, without regard to partisan politics. At that time there was a prediction that there would be widespread unemployment following the war, which happily did not develop. There was no politics or partisanship involved. It was a natural fear which grew out of the

let-down in the production of goods in this country growing out of the war, and the cancelation of contracts, and for other reasons. So much for that.

We all understand, Mr. President, that there is yet no blueprint of the Marshall plan. Some persons tried to create the impression that General Marshall's speech at Harvard, in which he invited the nations of Europe to get together and see what they could do for themselves and make a survey of conditions, was an invitation for them to form a sheet of needs and simply come to the United States hat in hand and ask us to give them that much money. There never was any such intention on the part of General Marshall. His speech was more than a warning and an invitation, it seems to me; it was a constructive suggestion for the nations of Europe to get together and see what they could do for themselves. There was no element of suggestion that they make a survey and present us with a balance sheet. No one contends that we know what that will be. My hope is that it will vanish altogether by the time the survey is made, although I am not optimistic enough to believe that that will take place.

But aside from whatever grows out of the Marshall plan, we know that anything growing out of it in the way of expenditures will be over and above the expenditures contemplated in the budget submitted to the Congress by the President in January, just as the Greek and Turkish loans are aside from that budget. The $400,000,000 for that purpose was not contemplated at that time and was not included in the amounts tentatively allocated for foreign assistance. That money has not yet been appropriated. It seems to me it would be a gross repudiation of our obligations not to appropriate it, but that is up to Congress to determine. But it will be over and above the President's budget, when it is appropriated, and it must be taken into account in determining how much we have been able to reduce expenditures below the President's budget when we have passed all the appropriation bills.

Mr. President, I intend to submit to the Senate a few observations and an analysis of the situation as I see it, very briefly, before the debate on the pending bill is over, but it is fair to say that whatever comes out of the Marshall plan will be in addition to what the President recommended in his budget. Four hundred million dollars to Greece and Turkey is in addition to what the President recommended in his budget, and, although the British are drawing down, this year, a little more than was anticipated, because their economic recovery has not been so fast as was anticipated, they still will have approximately $1,200,000,000 of their funds remaining for the next year, which they undoubtedly will avail themselves of, unless there is a very decided improvement in their condition. In other words, what they are drawing down this year, although larger than anticipated, does not exceed the entire amount they are entitled to draw before the total is exhausted.

I apologize to the Senator because I propose to cover one or two of these suggestions a little later in some remarks which I intend to make on the bill.

Mr. MILLIKIN. Mr. President, I am advised that the correct amount which remains undelivered of the British loan is $1,750,000,000.

I was speaking a while ago as to what might be the size of any request made of us, and I was emphasizing that there is a great deal of self-help in Europe which has not been utilized. I have been advised by very competent observers who have returned from Europe that the fields over there are full of bountiful crops, in many places, and that there are more cattle on the farms than there have ever been, but the cities are starving. I respectfully suggest that there is nothing that the Congress or the Government of the United States can do about making that food available to the people in the cities. That is an internal problem which they will have to solve. I doubt very much whether the people of the United States will be willing to help in cases of that kind, where self-help is possible—where it can be achieved by proper internal organization, but has not been achieved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. MORSE. I may say to the Senator from Colorado that, so far as I am concerned, I am about ready to vote on the amendment.

But I was very much interested in the statement the Senator made a moment or two ago, which I think marks out very clearly the good faith difference that he and I have over a Republican tax policy. I understood the Senator to say, in effect, that he was always somewhat concerned about the willingness of the Senate in times past to increase taxes in times of depression and shortage of income on the part of our people, and he referred to the reluctance on the part of the Senate of the United States or on the part of some Senators at this particular time to reduce taxes when there is a rather high state of prosperity in the country. I think that statement shows very clearly the difference between the point of view on taxation policy held by the Senator from Colorado and that held by the junior Senator from Oregon.

Amendment No. 1 goes to that very point. In my judgment, there is nothing that can point out the purpose of amendment No. 1 any clearer than the statement the Senator made, because amendment No. 1 holds to the point of view that when prosperity conditions exist in this country, as they do now, that is the time to tax and pay our debts. Now is the time to tax and to apply the taxes in reducing the tremendous national debt so that we may preserve the value of the dollar. It is in time of depression that we should not be levying high taxes. At that time we should be reducing taxes. That is exactly what amendment No. 1 seeks to accomplish. I do not know how we can draw an issue any clearer than we have drawn it in amendment No. 1 as between the tax views of the Senator from Colorado [Mr. MILLIKIN] and the junior Senator from Oregon.

If the Senator from Colorado will be so kind as to permit me to make reference to a great Republican leader, now dead, I wish to refer to Wendell Willkie, who on February 2, 1944, made one of the most controversial speeches of his career, and I regard it as unquestionably one of the most courageous speeches of his career. In Times Hall, on February 2, 1944, he dared to stand up and tell the American people that they ought to pay high taxes and that they ought to continue to pay high taxes until we substantially reduced the terrific debt that was then pending over the country, and is still pending. Mr. President, I shall not take time to read from Mr. Willkie's speech, but I simply ask unanimous consent, with the permission of the Senator from Colorado, that I may have printed at this point in the RECORD, as a part of my remarks, some lengthy excerpts from that great Willkie speech of February 2, 1944.

I think this is one of the greatest Republican speeches on taxation ever delivered by any Republican leader. I think it is particularly fitting that it be read again and again by all Republicans as we go through this debate on taxation and as we enter the 1948 campaign. It is another illustration of Wendell Willkie's ideas living after him. His taxation program offered in 1944 is equally applicable today because it rests on the sound principle I discussed yesterday afternoon in my speech, namely, that when one has the money that is the time for him to pay his debts.

The American people should apply the principles of Willkie's tax program to subserve their own selfish interests and in the interest of maintaining a stable economy and sound dollar. I wish that Wendell Willkie could participate in this debate today and reiterate, as I am sure he would, the great principles of fiscal policy which he enunciated in his courageous speech on February 2, 1944. He was the type of progressive Republican who never hesitated to fight for the principles I argued for yesterday afternoon. He was always willing, as true progressive Republicans must be, to place the people's interests above party politics.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

I believe now that the time has come for us to broaden our approach. In the world that lies ahead of us we shall find it wholly impossible to place foreign policy and domestic policy in convenient separate compartments. We cannot solve our domestic problems without due regard to our foreign policy. And by the same token, we can define our position as a world power only with our domestic policy as a base. We must hew the definition of our power out of the native rock of our convictions—the idea that made us a world power in the first place.

REALISTIC FISCAL POLICY URGED

But the realization of that idea in the modern world is contingent upon the health of our domestic economy. Hence, domestic economic health must provide the foundation for our foreign policy of the future. Without this we can have no effective American foreign policy whatever.

Now, of course, in the achievement of this general domestic aim, many complex factors will be involved. But I can think of no single factor more important than our fiscal policy. The fiscal policy of an economic system is like the bloodstream of the human body, which carries oxygen and other indispensable chemicals to the billions of cells.

As any doctor knows, unless the bloodstream is chemically balanced, the cells cannot do their work, or even survive. So, in our economic system, whose cells are 135,000,000 American citizens, the fiscal bloodstream must flow freely. It must flow under even and proper pressures. And it must provide the cells with the economic rewards and incentives necessary for their well-being. An economic bloodstream composed largely of debt will eventually starve all the cells in the body.

Thus the destiny of our people rests upon the fiscal policy of their Government. In order to assume our proper responsibilities in the world and play the role there indispensable to our welfare at home, in order even to survive in the gigantic world struggle for existence, we must have a fiscal policy that squarely faces the economic realities.

Moreover, we are dependent upon our fiscal policy, now and in the future, for the realization of all the economic and social aims that we want to achieve after the war. Without a realistic fiscal policy we cannot have full employment. Without such a policy we cannot finance the enlargement of social security. Without it we cannot attain higher standards of living, or better housing, or broader education, or sounder health.

All these depend for their fulfillment upon the economic bloodstream, which will either starve us or support us in health.

TAX LAWS ARE ASSAILED

Any discussion of fiscal policy at the present time is inevitably complicated by the fact that we are engaged in war. For, as examination shows, the fiscal requirements of war are, in almost every instance, the opposite of the fiscal requirements of peace. If we were to apply a designated fiscal policy for war in time of peace we should ruin our American system of individual initiative and opportunity.

On the other hand, if we use peacetime taxation methods and principles for raising wartime revenue, we will obtain an inadequate amount and thereby we will transfer such a load of debt to the future as to jeopardize the very things for which we fight. This distinction, I believe, has not been made sufficiently clear. And yet without it we shall fall into grievous—indeed, fatal—errors of fiscal policy.

I do not want to spend all my time this evening on the question of war taxation. Nevertheless, our tax legislation is now in a state of confusion—a confusion for which both the administration and the Congress are to blame.

In order to discuss intelligently our future peacetime fiscal policy it is necessary for a moment to consider our wartime policy and to look behind the political masquerading which has characterized some of it.

There is an old political adage: "Vote for every appropriation; vote against every tax measure." That is dubious counsel in ordinary times. It is fatal in these times. Whatever the political risk, the political leader is not worth his salt who shirks the responsibility of presenting wartime necessities to the people. We have been following a fiscal primrose path. It will not lead to a solution of our problems. It is time for us to face up.

PUBLIC DEBT REVIEWED

The fact is that if we solve this problem realistically—as all who have studied it agree—we must actually materially lower the American standard of living during the war. And this not merely by submitting to rationing and restricted use of gasoline and minor discomforts, or by decreasing the amounts which we have hitherto saved, but by actual reduction of our standards—the change of our habits to the use of those things that constitute necessitous living.

In the 4 years from fiscal 1941 through fiscal 1944 this country will have obligated itself on account of the war to the extent of $307,000,000,000. We cannot predict how long these vast expenditures must continue, but we can say with certainty that at the conclusion of the war our total public debt will be not less than $250,000,000,000. In my opinion, this figure is low.

Moreover, immediately after the war there must follow a period in which the Government will incur extraordinary expenditures. There will be the cost of liquidation of the war. There will be the vital expenditures for soldier rehabilitation. If we include the costs of this period among our war costs, I believe that we shall face the peace with a public debt of over $300,000,000,000.

At present the interest on our public debt averages almost exactly 2 percent. It is, I believe, optimistic to hope that we can keep the interest rate that low indefinitely; yet even if we do, the service charge on $300,000,000,000 of debt will be $6,000,000,000 per year.

That is a staggering charge—only a little less than our whole Federal budget as recently as 1934. And it is that contemplated debt and that charge which must determine our fiscal policy from this day forward, whether in peace or in war.

HEAVIER TAXES FORESEEN

For as we look toward the future today we face ironically this tremendous risk: that we shall lose in debt the victory we have gained in blood.

In order to prevent this we have a single duty: to tax ourselves now beyond any limit that we have hitherto imagined possible. Every dollar of war cost that we pass on to the future thins the fiscal blood stream of the future. There is only one principle to apply to war taxation, and that is a hard principle: We must tax to the limit every dollar, corporate and individual, that is capable of bearing a tax, particularly those corporate and individual earnings which are created by the war itself. That limit is reached only when the war effort itself is threatened. All else must be sacrificed and all must share the sacrifice to the bone.

Of course, the war effort is threatened, if we destroy our human resources by taxing them below the level of necessity; but we are talking about real necessity and not comfortable peacetime habits.

It is likewise threatened if we tax our corporate structure to a point that spells insolvency or to a point that prevents business from springing to action immediately after the war, converting to peacetime production, and providing jobs for the returning soldiers and the war workers.

PROGRAM CALLED UNREALISTIC

Beyond the precautions necessary to preserve our effective manpower and womanpower, and the industrial structure by which they live, every other dollar in every income group, corporate and individual, must be taxed, and ruthlessly taxed, for the preservation of the American future.

Now, we have not done this. We are not doing it. And neither Congress nor the administration expresses any intention of doing it. Last month the President called for a "realistic" tax program. Since he did not specify in his statement either the size or the nature of a "realistic" program, we must assume that his idea of realism is represented by the recommendations of his Secretary of the Treasury.

Yet, surely, in the light of a probable $300,000,000,000 debt, the Treasury program broached last fall cannot be described as realistic. That program purported to raise an additional $10,600,000,000. But this was a misleading figure because the program included a provision to refund some $2,700,000,000 of that amount after the war. The net expectant increase proposed by the Treasury was, therefore, only $8,000,000,000.

The Treasury program is also unrealistic because of the argument it puts forward as to the principal reason for higher taxes. This argument illustrates that lack of understanding of fiscal affairs which has characterized the Administration's whole tenure of office.

TAX AGAINST INFLATION HIT

According to Mr. Morgenthau, the chief reason why we must bear high taxes during the war is to combat the danger of inflation. I am well aware that inflation is a danger, yet it is certainly not the chief reason for high taxes. The chief reason we need big taxes is to pay for a big war without mortgaging our future more than is necessary. If we pay for the war to the extent of our ability as it goes on, the problem of inflation will be largely taken care of.

The Treasury refund provision is a disguised forced-savings program. I am not against forced savings as such: but I am for forced savings only after we have fulfilled our tax duties. Indeed, this refund provision is, one suspects, a political gesture, for the whole inflation argument upon which it is predicated is obviously misleading.

In taxing ourselves to pay for the war up to the limit of our capacity we shall automatically combat inflation. But in taxing ourselves only to combat inflation, with the idea of refunding the money later, we shall not pay for the war to the limit of our capacity.

WARNS OF EFFECT OF REFUNDS

Moreover, many experts are agreed that the real danger of inflation will come after the war. If, at that time, large refund obligations are hanging over the economy, inflation control will become even more difficult, if not impossible. Thus, in proposing refunds the Treasury is endangering the post-war future for the sake of a measure of political advantage in the present.

Now I know that in the opinion of Congress, as evidenced by the bill on which the Senate and House conference committee has agreed, the $8,000,000,000 Treasury proposal is too high. If we are to be realistic it is far too low. If we are to be realistic we should aim to raise in additional taxes more than double that proposal.

Many will exclaim that in making any such suggestion we are being wholly unrealistic. Yes, of course. If we insist upon maintaining in war the comforts and conveniences of peace it is unrealistic. For we have no illusions concerning the effect of raising such a sum on every man, woman, and child in the United States. It cannot be raised by petty sacrifices. It will require major and, in some cases, dangerous sacrifices. The habits of every member of every group will have to change.

Those are the facts that we must face. And they all add up to this one fact that we have not faced: That if we are going to save our standard of living in the future, our standard of living today must go down.

ISSUE IS CALLED OBSCURE

There are 10,000,000 men, the physical pick of the Nation, in our armed forces—10,000,000 young men who have suffered a dislocation in their habits, their comforts, and their living standards far more profound than any tax can create. There can be very few Americans who haven't some relative, some close friend among them. By the end of the

year, we are told, three-quarters of them will be overseas. And we do not yet know how many of them will stay there forever.

The boys who come home will be hungry for the occupations and rewards of peace. What shall we say to them if, while they are gone, we have rolled up a debt so vast that they will be saddled all the rest of their lives with interest on money that we at home have refused to pay? What shall we say to men who have faced in their persons the hazards of war, if we have coddled ourselves, at their eventual expense, by clinging to the living standards of peace?

Shall we say "We are sorry"? Shall we say, "It seemed more important to us to live in our accustomed manner than to reduce the debt that you boys will have to pay?"

So-called political experts tell you that the American people will never stand for a tough tax program. I do not agree with those so-called experts. Give the people an understanding of the issues involved and they will do their duty by their country, however incredibly painful it may be. All this talk about inflation has not clarified the issue for our people. It has obscured it.

SAYS PUBLIC NEEDS FACTS

The administration has counted too little on the people's sense of obligation.

It is but natural that individual citizens occupied with everyday matters should put aside the problem of the country's fiscal future. It is likewise natural that they should fail to realize the deadly serious nature of the armed conflict now facing us. Particularly, when our governmental leaders do not make the issues clear, but, on the contrary, confuse us with conflicting statements—some optimistic, some pessimistic.

If, however, it is brought home that something more than mere dollars is involved in the country's fiscal policy, that our whole future way of living is at stake; if the people are permitted to know that in the impending invasion of the European Continent—so essential to our victory—we are undertaking one of the most stupendous and hazardous operations of military history, possibly involving untold loss of life; if the stark facts are presented to them, they will rise to any sacrifice and they will do so steadfastly.

But while I sincerely believe that the people will accept these burdens if the issues are made clear, I know that they will at the same time demand an economy in government of a severity equal to their sacrifice. They will demand that the war shall not be used as an excuse for the continued extravagant waste of their money; they will demand that the administration of the war effort at home shall be untouched with politics and conducted with competence, efficiency, and singleness of purpose.

TAKES UP FEDERAL BUDGET

I hope I have made clear my profound conviction that we should pay now for as much of the war as we possibly can. And I hope I have made clear the fiscal reason for imposing on ourselves such a heavy burden, namely, the preservation of the future which is precious to every American.

A formidable fact that looms up when we face that future is the size of the Federal budget. It is extremely improbable that in our lifetime we shall ever see a Federal budget under $20,000,000,000, measured in 1942 prices. In any such estimate there are, of course, incalculable factors.

We do not know, for instance, how big a Military Establishment we are going to have to maintain—and as I have so often pointed out, one of the important reasons for an international organization is that a joint force would help to keep the enormous item down. There are many other items that we cannot easily foresee; yet we can see easily enough that the total figure is going to be breathtaking.

As already stated, the interest on our debt will be a minimum of $6,000,000,000. If we allow $7,000,000,000 for the Military and Naval Establishment (a figure that might easily be doubled), we have $13,000,000,000 of necessary expenditures to start with.

I do not think it would be realistic to attempt to itemize other Government requirements at this distance, yet it is difficult to see how they can total less than $7,000,000,000. The normal nonmilitary cost of Government should be ground down to a minimum. But aid and rehabilitation of veterans must be many times larger than the prewar figure.

HOPES FOR BIGGER NATIONAL OUTPUT

We shall have to undertake a truly dynamic social-security program for the purpose of increasing the health and effectiveness of those of our citizens whose usual standard of living is too low. All this and many other things will make a budget of a minimum of $20,000,000,000, at 1942 prices, absolutely inescapable. A rise in prices will, necessarily, increase this budget.

Of course we could take care of the debt by inflation, or repudiation. But either of these courses would lead to the ruin of our political system and our social structure.

There is indeed only one way by which we can legitimately meet the demands of a budget of $20,000,000,000 or more. This is through increased productivity. The national income, which is now reaching toward the $160,000,000,000 mark, to meet such a budget should never fall below $120,000,000,000 at 1942 prices.

If the price level continues above that of 1942 the low limit of national income should increase proportionately. Or to state the matter another way the wheels of industry must turn, and markets must be developed big enough so that every worker has a chance of a job at good pay.

Now, in a real sense the objective of our postwar tax program must be identical with the objective of our wartime tax program—namely, the preservation of the idea upon which we were founded, self-government by men whose future depends upon their own innate courage and abilities.

GREATER INCENTIVES ADVOCATED

But, as I indicated at the beginning, the fiscal policy that will achieve this objective in peacetime will be almost the exact opposite of that necessary in wartime. After the war, in order to stimulate the flow of goods and services, the taking of risks, the creation of millions of jobs, taxes must be minimized rather than maximized. We must solve the postwar tax problem not by imposing the biggest possible rates on our income but by creating the biggest possible income on which to impose relatively modest rates.

For, properly managed and with encouragement to expand, our peacetime economy will yield more tax income from relatively low rates, both individual and corporate, than from relatively high ones.

The difference lies in the fact that today, in war, our incentives are provided for us in our relentless pursuit of the enemy, whereas tomorrow, in peace, we must create our incentives from the energies and aspirations of our citizens.

In order to accomplish this transition, we must arouse once more in men the hope of reward—not unlimited and consequently ruthless reward, but fair, sufficient reward that will drive us ahead.

It is only by the application of this principle that we can eventually solve our fiscal problems and at the same time fulfill our manifold economic and social responsibilities.

In wartime all of our major industries are primarily engaged in producing for the Government, and according to Government specifications, and those that are engaged in the manufacture of civilian products, in view of priorities, rationing, and restricted markets, are not concerned with the ordinary problems of peacetime growth.

Today the incentive, the energy, the imagination that normally are the very yeast of our economy are being devoted to the gigantic needs of wartime production and distribution. But in peacetime, if we are to have anything approaching full employment, those qualities must be stimulated into channels which provide jobs.

Because of this difference between wartime and peacetime needs and methods, our wartime taxation program, both corporate and individual, must be completely revised when peace comes.

The corporation tax should consist simply of a single, ungraduated tax applicable to the net income of all corporations earning more than a given amount per year—say, $25,000 or $50,000. The rate on corporations earning less than $25,000 or $50,000 should be somewhat lower.

WOULD END EXCESS-PROFITS LEVY

This single corporation tax would supplant the piecemeal growths which make up the present tax structure. It would permit a sane, simplified tax structure. The wartime excess-profits tax should be repealed. It would be well to recognize in peacetime that excess-profits taxes of all kinds frequently punish the competents in comparison with the incompetents, and have a way of creating inequitable competitive advantages and disadvantages which retard industrial advance and cost the economy as a whole more dollars than they yield to the Treasury.

We should also repeal the so-called guessing-game tax, which consists of two parts, the declared-value-excess-profits tax and the capital-stock tax. These accomplish no constructive purpose.

We must devise ways and means of encouraging venture capital to flow into new enterprises, and this means that we must find a practical way of relieving new enterprises from crippling taxation for a reasonable period.

And, finally, we should thoroughly inquire into all forms of incentive taxation by which business and industry can be stimulated to adopt policies that will expand employment and advance the welfare of society.

DOUBLE TAXATION CHARGED

In the interests of stability we should also, in my opinion, liberalize the present provisions by which businesses are entitled to carry forward losses for a period of 2 years only. In order not to penalize businesses subject to cyclical fluctuations, this period should be extended.

There is one problem in the present tax structure which impinges on both the corporation and the individual taxpayer and which may prove somewhat difficult of solution. As things now stand, corporation dividends suffer a double tax, one at their source in the form of a corporation income tax and the other at their outlet in the form of the individual income tax. On the other hand, interest payable on bonds is a deductible item in the corporation income statement, before taxes. The effect of this arrangement is to encourage corporations to finance themselves by debt rather than by equity.

And such financing has evil results because it builds up a large debt structure which greatly aggravates depressions and increases the danger of bankruptcy. Also it discourages new venture capital.

This situation should be corrected by eliminating the present double tax on dividend payments. The various possible methods for doing this raise complicated technicalities. But the objective of all the methods is simple enough—to stimulate equity financing and thus to make our entire system more flexible.

FOR SEVERANCE PAY RESERVES

There is one item I should like to add to this tax program, and this is an item for the immediate attention of the Congress. During the conversion period after the war many thousands of men and women whose long hours of work have been indispensable to the war effort may well find themselves, at least temporarily, without jobs.

The Government, of course, must guarantee their subsistence; yet they—and indeed our whole society—will be much better served if private industry provides them with adequate severance pay. In order to encourage this, appropriate legislation should be passed at once to enable employers to set up reserves earmarked for this purpose.

In addition, I believe that other measures should be explored by which to encourage business to convert itself rapidly to peacetime production and to mitigate the losses of conversion.

The postwar will bring the need for changes not only in business taxes but also in taxes on individuals. When our economy is adjusted to peacetime production, our postwar aims of full employment, full consumption, and full production require a lowering of all taxes affecting the people's power to consume. For in order to maintain the economy at a high level of production and so provide the maximum number of jobs, it is essential to plan a postwar tax program that will take away as little as possible of the money normally spent by individuals on consumer goods and services.

This means a reduction, and in some instances the elimination of excise taxes on nonluxuries. In addition, it means a lowering of the individual income tax, particularly in the lower and middle brackets.

I have put forward these tax suggestions, not as a comprehensive plan but as illustrations of the kind of measures I believe to be necessary, now and in the future, in order to preserve for ourselves, our fighting men, and our children a system operated by freemen on their own initiative. A system that will unleash the energies of our citizens, that will give them a chance to get ahead, that will allow the establishment of new industries that will raise the living standards of the people.

If we want to preserve this system, we must pay for it, and pay for it now. Corporations and individuals alike must pour into the Federal Treasury every dollar that can be spared from the hard, back-breaking business of fighting the biggest war in history.

Of course, this will mean hardship; of course this will mean discomfort. But the long future is worth all the sacrifice.

There is not much comfort in a fox hole. There's little comfort waist-deep in the mud of Guadalcanal. It is not comfortable to crash-land a flaming plane. There is small comfort in the cold sea. There is no comfort as a prisoner of the Japs. Why should we be comfortable?

Mr. MORSE. Mr. President, as I tried to point out in my speech yesterday afternoon, I think that in his speech of February 2, 1944, Wendell Willkie drew a clear line on the issue between those of us in the Republican Party who believe in the type of tax planning I am supporting in this debate and those who believe, as the distinguished Senator from Colorado has so ably stated, that in times when the people have the money with which to pay taxes, we should reduce taxes. I do not accept that premise.

Mr. MILLIKIN. Mr. President, I believe I took the liberty of suggesting to one of my distinguished colleagues yesterday that a tax law is not entirely an exercise in logic. When we are in a period of depression, the people feel the need for every dollar they have to pay out, whether it be for taxes or for anything else. At such a time the Federal Government feels the need for every dollar of revenue it can obtain in order to carry on its aid and relief programs. A nation with a Spartan-like philosophy might reverse these feelings. But it will not happen under human nature as it is constituted today.

Mr. LANGER. Mr. President——

Mr. MILLIKIN. I yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, I do not wish to permit to go unchallenged on this floor the statement made by the distinguished Senator from Colorado that this country can do nothing in Europe, that the countries over there have to work out their problems themselves.

Mr. MILLIKIN. I did not say that.

Mr. LANGER. That is what the Senator said.

Mr. MILLIKIN. I beg the Senator's pardon. Let me state what I did say. I do not care to have the Senator reply to something I did not say. What I said was that the Marshall plan, as I understand it, contemplates that the European countries shall cast a balance sheet on what they need and on what they can do to meet the need, and that after we know what the residue of unsatisfied needs is, we shall then consider what we want to do about it.

Mr. LANGER. Let me say to the distinguished Senator, if he will yield further——

Mr. MILLIKIN. I yield.

Mr. LANGER. What he says may be true so far as every other country in Europe is concerned, but it is not true now as to Germany. At the present time this country is holding denazification courts over there involving two or three million people. At the present time the labor in Germany is being performed by women, little children, and old men, and this country, through the agreement made at Yalta, as the distinguished Senator well knows, concurred in by President Roosevelt, signed by General Eisenhower, agreed to slave labor, which has taken millions of German young men out of Germany; they are slaves in other countries, and our country can do nothing about it.

I want the record to show that if by any chance the distinguished Senator meant to include all the countries in his statement, it should not include Germany.

Mr. MILLIKIN. I want to make it clear on the record that I think we have handled ourselves atrociously in Germany. I think we have a duty there as an occupying force, and we have to discharge that duty, and I am not for one moment suggesting that we should not do so.

Mr. LANGER. I fully agree with the distinguished Senator, and am delighted to hear his statement.

Mr. REVERCOMB. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Returning to the pending amendment, as I understand its meaning, it is that there shall be no tax reduction at the present time, and there shall be no tax reduction in the future until an event, such as a recession, may occur. Is that correct?

Mr. MILLIKIN. That is correct.

Mr. REVERCOMB. In other words, it is a sort of a springing limitation, as one might say, upon the continued high taxes of the country.

Has it occurred to the able Senator that one of the great problems facing the Congress today, and facing every American citizen, is the so-called high cost of living and high prices? If a tax may be reduced to the man who sells and who is in business, he has a reason, and people also have a reason to call upon him, to reduce his prices. But if those who buy and must purchase their supplies have a tax reduction today, in the face of the present situation, will they not have more funds with which to make their purchases and be relieved from the present condition created by the burden of prices?

Mr. MILLIKIN. I am in hearty accord with the Senator's philosophy. We are spending from 30 to 35 percent of the national income as the price of government. The price of government enters into the price of everything. If we desire to reduce the price of everything else, we have to reduce the price of government.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. MORSE. I think this is the last comment I wish to make on the amendment. I think that in essence the Senator from Colorado made an accurate reply to the question put to him by the Senator from West Virginia, but do not think it is a complete reply. The impression should not be left that we could not have tax reduction under amendment No. 1 unless we found ourselves in a recession, or about to go into a recession.

The purpose of the amendment is to effect a postponement, at least as of the present time, to January 1, 1949, of any tax reduction, unless in the meantime there should develop great danger of a recession. We should maintain the high tax structure for the present, applying any surplus we have out of the tax revenue, over and above operating costs of the Government, to a retirement of the debt. That is what the junior Senator from Oregon thinks will be accomplished by the first amendment. It does not take away in any way from the Congress the right to proceed with tax reduction at an earlier time if in its opinion it should proceed with it before January 1, 1949. It does not prevent the President, in a State of the Union message, recommending, for example, a tax program of his own prior to January 1, 1949.

Mr. MILLIKIN. Mr. President, returning to the Senator's amendment, there are a number of other things which I do not believe would be acceptable at this time, if ever. The Constitution puts in the House of Representatives the initiating power so far as revenue bills are concerned. We have the right to

make amendments. I am not for a moment making an argument that there cannot be certain delegations of that power. I am talking now in terms of human nature. I doubt very much whether the House of Representatives would ever allow the initiation of tax reduction to turn on an economic report from the President of the United States. The suggestion is interesting. It has not been submitted to either the House Ways and Means Committee or to the Senate Finance Committee. It should be considered in the regular way.

Mr. MORSE. Mr. President, will the Senator yield for a question on his last statement?

Mr. MILLIKIN. I yield.

Mr. MORSE. Does the Senator say that at no time during any of the hearings before the Finance Committee a witness made any suggestion whatsoever that corresponds with the principle contained in the first amendment?

Mr. MILLIKIN. We had no amendment before us, no bill before us, that even remotely hinted at it.

Mr. MORSE. Did the Finance Committee itself attempt any study of the tax structure, to the end of devising ways of reforming it, or to eliminate any of its inequities; or did the committee simply act on legislative proposals that had been submitted to the committee? I think it should have studied the tax structure for revision purposes before it reported out this bill that has many inequities embedded in it.

Mr. MILLIKIN. The House Ways and Means Committee has already instituted hearings designed to bring about a complete revision of the tax structure. The Senate Finance Committee will take action on whatever is brought over to the Senate from the House.

Mr. JENNER. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Indiana.

Mr. JENNER. I should like to make an inquiry of the Senator. I understand we loaned Great Britain $3,750,000,000 last year.

Mr. MILLIKIN. It was not last year; it was a couple of years ago.

Mr. JENNER. I wish to ask the Senator if he knows whether or not, since the grant of that loan to Great Britain, she has reduced her personal-income taxes.

Mr. MILLIKIN. She made one revision recently in the lower brackets of the income taxes, increased her excise taxes.

Mr. JENNER. I wish to ask the Senator a further question. Is it not a fact that our neighbor to the north, Canada, in the last year has reduced her personal-income taxes 23 percent.

Mr. MILLIKIN. Canada has done so, and she took that action on many of the grounds which moved us here, and in much the same way.

Mr. JENNER. Then, I should like to conclude with this observation. Does not the Senator think that in view of the fact that England has seen fit, in her economic condition, to reduce taxes, and that our neighbor to the north, Canada, has seen fit to reduce her personal-income taxes 23 percent, it would be an unpardonable sin for the Congress not to reduce the taxes of the American taxpayer?

Mr. MILLIKIN. I certainly think it would be wrong if we did not make a reduction, because, as I stated earlier today, I believe that every time the budget will permit we should reduce taxes. I do not believe that we can maintain our kind of an economy on the kind of taxes we are levying.

Mr. JENNER. At least it would not be fair, would it, for the nations of the world to reduce their taxes, and for us to hold our high rate of taxation merely in order to help the other nations of the world?

Mr. MILLIKIN. It would be very difficult to sell that idea to the American people.

Mr. JENNER. That is correct.

Mr. MORSE and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield? If so, to whom?

Mr. MILLIKIN. I agreed first to yield to the Senator from Oregon.

Mr. MORSE. Will the Senator tell the Senate, if he knows, the income-tax rates upon people of low incomes in England, prior to the reduction?

Mr. MILLIKIN. The tax rates in England on the lowest brackets have been low. The tax rates on the middle and upper brackets have been confiscatory, to the point that Great Britain's capital structure is now impotent.

Mr. MORSE. As a result of the tax reforms England has adopted since the war, will the British revenue be increased or decreased?

Mr. MILLIKIN. I do not know. So much is tied up with the internal situation of Great Britain, which involves alleged unwillingness to work and all sorts of things that affect the production of revenue.

Mr. MORSE. I recognize that many things are not in common, and therefore it is always dangerous, from a logical standpoint, to make a British and American comparison. But is it not true that whatever tax reduction on individual incomes in the lower brackets was made by Great Britain, was made in order to give relief to the poor people of Great Britain, and to increase the taxes on those who had greater ability to pay? That is the same principle that many of us are pleading for in our opposition to the pending bill.

Mr. MILLIKIN. I am entirely certain that that was the hope. I have pointed out that the extreme application of that doctrine has brought the economy of Great Britain to its knees.

Mr. MORSE. I do not defend the socialist program of Great Britain. However, I think the poor people of England were entitled to tax relief and the rich entitled to tax increases. I am taking the position that it is only reasonable, equitable, and fair that we in this country should iron out certain of the inequities in the proposed tax bill, to the end that greater relief may be given to the poor and a greater tax burden may be placed upon the rich. That is what the ability-to-pay doctrine means in this instance.

Mr. MILLIKIN. I may say to the Senator that in 1945 we removed 12,000,000 people from the tax rolls, and that in the pending measure we are giving the highest rate and greatest amount of relief to people in the lower brackets. I now yield to the Senator from Illinois.

Mr. LUCAS. In view of the fact that the session of Congress is drawing to a close, I was wondering whether or not the Senator could tell the Senate if the Legislative Budget Committee expects to make any report, as mandated and directed by section 138 of the Legislative Reorganization Act?

Mr. MILLIKIN. I am not able to predict. I will say, because of the considerable increase in revenue which existed at the time the budget was first being considered, there is a parliamentary difficulty involved. We could not estimate that raise in revenue in a budget report and survive a point of order in the House.

Mr. LUCAS. I appreciate the difficulty in which the Senator finds himself, but does not the Senator agree with me, in all seriousness, that the Congress of the United States should attempt to comply with the Legislative Reorganization Act in setting a legislative budget? Or does the Senator take the position that a reform of that kind is a useless appendage to parliamentary law, and that we ought to get rid of it? I think the time has come in the United States Senate and the House of Representatives when we ought either to fish or to cut bait upon this important proposition. We ought to take one of two positions, namely, that the Reorganization Act, so far as section 138 is concerned, directing the Congress to submit a legislative budget, should be repealed; or, at least, there should be submitted before we adjourn, some kind of report giving the Senate and the country something upon which to base a judgment in the future as to what should or should not be done. I make this inquiry in all seriousness, and in the best faith, because the Legislative Reorganization Act is existing law, and I think every Senator wants to comply with its terms so far as possible. I should like to have the advantage of the able Senator's opinion upon that question.

Mr. MILLIKIN. I am frankly unable to predict. I regret that the two Houses have not been able to agree on the matter. I do not know whether they will be able to agree. I believe the Senator knows and will be glad to concede that from the beginning I have wanted that duty discharged. I have hoped that the two Houses could agree. I have been unwilling, however, to agree to anything unrealistic.

Mr. LUCAS. I know; the Senator has made that statement on the floor of the Senate before, and I can understand his position. I do not disagree with the position that he would not agree to anything unrealistic. But we have a realistic proposition submitted by a concurrent resolution of the Congress, and as I view it we are guilty, and grossly guilty, of violating our own law that we have solemnly enacted, if we do absolutely nothing before the Congress adjourns to submit a budget. None of us would hesitate to condemn the executive branch of the Government for fail-

ure to comply with an obligation of that character. In fact, a committee would be investigating any branch of the executive department which failed to comply with a solemn obligation prescribed by a law duly enacted by the Congress. I repeat—and I say this with the utmost seriousness—that the majority, before Congress adjourns, should do something about the legislative budget. We should either have one, or the committee should submit a report asking that this part of the Reorganization Act be repealed. Perhaps that should be done in view of the embarrassing position the majority party is in. Certainly it has not been effective; certainly it has been a useless, meaningless, innocuous legislative mandate, so far as this Congress is concerned.

Mr. MILLIKIN. There is one comforting feature.

Mr. LUCAS. That is what I am waiting to hear about.

Mr. MILLIKIN. That is, that within the next 2 weeks or so the facts will set up their own budget.

Mr. LUCAS. I receive the same answer from the able Senator every time I ask him about it. I am imploring the Senator to do something about it before Congress adjourns, to make some kind of recommendation with respect to what should or should not be done with reference to the legislative budget during the coming session of Congress.

Mr. MILLIKIN. I should be very pleased if that were to happen.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McMAHON. Of course, I understand the position of the Senator from Colorado, who is trying to fulfill the requirements of the act. As the Senator from Illinois has pointed out, the Senator has said time and time again he was hopeful he might be able to submit the legislative budget figure as a result of conference. Does the Senator suppose that the reluctance of the conferees to agree on what now appears to be the actual budget cut of approximately $2,000,000,000 has something to do with not submitting that figure? In view of the fact that the House voted for a reduction of $6,000,000,000 in the President's budget and the Senate voted for $4,500,000,000, is there a disposition to avoid what might be characterized as "acknowledging the corn"?

Mr. MILLIKIN. I cannot see any odds in quarreling with simple arithmetic. Therefore, I do not see why there should be any embarrassment on that score.

Mr. McMAHON. I may say to the Senator that when the realities are ascertained, at the end of the session, we shall then be able to determine whether or not the view of the Senator from Connecticut is correct, namely, that neither a $4,500,000,000 nor $6,000,000,000 cut will be justified by the final action of Congress. That is the reason that no final figure has been submitted.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LODGE. The distinguished Senator is chairman of the Finance Committee and is widely regarded as an authority on the subject of taxation and as the spokesman for the majority on revenue matters. I should like to present two assumptions and ask the Senator for his comment. Let us assume in the first place that the pending bill becomes law, and in the second place, that next year we shall have what we all hope what we shall not have, namely, a critical condition which may require enormous outlays of public funds on our part. What would be the attitude of the Senator under such circumstances?

Mr. MILLIKIN. I will say to the Senator from Massachusetts that I have no difficulty whatever in answering that question. Whenever any development occurs that requires raising taxes as distinguished from lowering them, whenever the national defense of the country is involved, and if that requires raising taxes, I shall do as I have done on three or four other occasions, vote to raise them, and I shall not be embarrassed in doing it at all.

Mr. LODGE. I am very glad the Senator made that answer. I think he is right. It also harmonizes with my own view, which is that voting for tax reduction at the present time in no way implies a blind attitude with regard to the possibilities which may confront us in the future. I thank the Senator from Colorado.

Mr. MILLIKIN. Mr. President, it is obvious that we cannot look very far into the future. But when we have a favorable opportunity to reduce taxes we should reduce them. I do not believe we should become palsied with fright because at some indefinite time in the future a contingency might develop which might require us to raise taxes again. I believe we should lower taxes every time we have a promising opportunity.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] proposing new sections as substitutes for sections 2 (d), 3 (b), 4 (c), 5 (c), and 6 of the bill.

Mr. MORSE. Mr. President, it is not my intention to ask for a yea-and-nay vote on each of my eight amendments. There are, however, two or three which I think very clearly draw the line of issue between the two major points of view in the Senate, and amendment No. 1 happens to be one of those amendments. I should like very much to have a record vote on amendment No. 1, and I hope my colleagues will do me the courtesy of making it possible for a yea-and-nay vote to be had. I ask for the yeas and nays upon my amendment.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Will the Chair please state the pending question?

The PRESIDING OFFICER. The Chair advises the distinguished Senator from Arkansas that the amendment now under consideration by the Senate is the first amendment proposed by the Senator from Oregon [Mr. MORSE], lettered "D" at the bottom of page 1.

Mr. LODGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hickenlooper	Myers
Ball	Hill	O'Daniel
Barkley	Hoey	O'Mahoney
Brewster	Holland	Overton
Bricker	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Buck	Johnston, S. C.	Revercomb
Bushfield	Kem	Robertson, Va.
Butler	Kilgore	Robertson, Wyo.
Byrd	Knowland	Saltonstall
Cain	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Thye
Donnell	McClellan	Tydings
Downey	McFarland	Umstead
Dworshak	McGrath	Vandenberg
Eastland	McKellar	Watkins
Ecton	McMahon	Wherry
Ferguson	Magnuson	White
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	
Hatch	Morse	

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present.

The yeas and nays have been ordered on the pending amendment.

Mr. O'MAHONEY. Mr. President, because of the very unfortunate conditions under which the Senate is laboring, due to the fact that committees are in constant session while the Senate is in session, it was utterly impossible for me and many other Senators to be present yesterday while the Senator from Oregon was describing the purposes of his various amendments. In asking for a yea-and-nay vote upon the amendment a moment ago the Senator indicated that he regarded it of such importance that Senators should go on record with respect to it. In those circumstances, it seems to me those of us who have responded now to the quorum call should have the benefit of a summary of the purposes of the amendment which the Senator from Oregon asks us to vote upon. I know that many Senators are in exactly the same position I am; they have not had an opportunity to read the amendment. I am now in the process of reading it, and I hope that it may be explained before Members of the Senate are called upon to vote yea or nay with respect to it. May I ask the Senator from Oregon if he will be willing to undertake now to explain the amendment briefly?

Mr. MORSE. Mr. President, I think it may be done by simply hitting the high points of the amendment. As I said before, the amendment is referred to as the putting-on-the-shelf amendment, in that it proposes to postpone at the present time any general tax reduction until we can proceed with a scientific consideration of tax revision, to the end of ironing out existing inequities in our tax structure. It seeks to provide that as a matter of policy, quite contrary to the position taken by my good friend the

Senator from Colorado [Mr. MILLIKIN], in times of prosperity, times of full employment, times of high profits, we should not adopt tax-reduction programs when the money is needed and can best be put to use in the retirement of a top-heavy national debt. This amendment rests on the principle that in times of recession and depression and unemployment, then, as a matter of policy, it should be the policy of the Government to reduce taxes. In other words, that in times of the fat years, so to speak, we should store our fiscal reserves, to be used in times of the lean years.

I think that outline, in as broad a statement as I can make, the objectives of the amendment. It will be noted that, as to its mechanical and administrative procedures, it makes it possible for the President to request the Congress to adopt a tax-reduction program, or it makes it possible for the Congress, in the intervening time, to proceed with a tax-reduction program. It in no way harnesses or restricts the powers either of the President or of the Congress, but it does make very clear that we ought to plan for tax reduction; we ought to do a scientific job of it; and we ought to reduce taxes in the lean years and not in the fat years.

Mr. O'MAHONEY. I understand that the amendment which the Senator is discussing is that which attempts to make a declaration of policy and purpose. I ask the Senator if this amendment is not in complete disagreement, so to speak, with the pending bill?

Mr. MORSE. I mean it to be.

Mr. O'MAHONEY. So those who feel that the principle is correct, namely, that taxes should not be reduced while employment and production are high, particularly in the face of a stupendous national debt, could not possibly be in support of the income-tax reductions provided in the bill.

Mr. MORSE. I think the Senator is correct.

Mr. O'MAHONEY. So the policy which is described in this amendment can be effectively carried out by voting to defeat the bill.

Mr. MORSE. Except that we would not then be adopting the very sound procedure of the amendment providing for tax planning.

Mr. O'MAHONEY. It seems to me that the two proposals are in utter disharmony.

Mr. MORSE. That was my purpose in trying to draw the issue.

Mr. O'MAHONEY. I quite agree with the Senator that in the state of the national debt it is perfect folly not to pay every penny that we can out of the present high incomes upon that debt. But I confess that it seems to me to be a little difficult to reconcile the purpose underlying the bill which the committee has reported with the declaration of a purpose which is completely contrary.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. LUCAS. Is this amendment being offered in the nature of a substitute for the bill?

Mr. MORSE. No. I offer it as an amendment to the pending bill. I think once we adopt the amendment and strike out, as the amendment calls for, sections 2 (d), 3 (b), 4 (c), 5 (c), and 6 of the bill, we shall have done a pretty good job of amending the bill to the end of producing the effect of a substitute bill, without offering the amendment as a substitute amendment.

Mr. LUCAS. The striking out of the paragraphs specified in the amendment and the addition of the language proposed by the Senator to the bill would be practically in the nature of a substitute bill.

Mr. MORSE. Oh, yes; I would not want to mislead the Senator in that regard. That is definitely so.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. HOLLAND. Section 2 of the proposed amendment in lines 5 and 6 on page 1, reads as follows:

That Federal taxes shall not be reduced so long as employment and production remain at high levels.

Under that provision of the amendment no reduction of any kind would lie at this time, even by way of an increase in the personal exemption. Am I correct in that understanding?

Mr. MORSE. I think that all the amendment does is to state that it shall be the policy to maintain taxes during good times and to reduce them during bad times. But the amendment would not make it mandatory upon the Congress not to reduce the taxes for any reasons it might deem proper in exercising its constitutional power. It is a statement of what our general policy should be. We do not have to follow it if contingencies or circumstances develop which cause us to wish to modify the policy. The power is retained to modify it at our discretion.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. MORSE. I am glad to yield.

Mr. HOLLAND. Would not the inclusion of this amendment mean that at this time, and for the purpose of this bill, no reduction, even by way of an increase in the personal exemption, would be permitted?

Mr. MORSE. I believe that the adoption of this amendment would mean that we would not adopt a general tax-reduction program; but it would not prevent us from ironing out inequities such as those covered by my amendments. Other amendments could be offered to iron out existing inequities. There is nothing in the amendment which is subject to the interpretation that we cannot perfect our tax structure; but it would place the Congress on record, as a matter of policy, against attempting a program of general tax reduction at this time. Certainly the pending bill is a program of general tax reduction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], designated as his first amendment.

The first amendment proposed by Mr. MORSE is as follows:

Insert the following new sections 2 and 3 in the bill, strike out present sections 2 (d), 3 (b), 4 (c), 5, (c), and 6 of the bill, and renumber present sections 2, 3, 4, and 5 of the bill accordingly:

"SEC. 2. Declaration of policy and purpose.

"It is hereby declared to be in the interest of the national welfare and necessary to the maintenance of a prosperous and stable economy, and the continuing policy of the Congress is, that Federal taxes shall not be reduced so long as employment and production remain at high levels; but that in the event of an actual or imminent decline of substantial proportions in the level of employment and production, Federal taxes shall be promptly reduced. It is the purpose of this act to provide, to the fullest extent practicable, as preparation against any possible decline of substantial proportions in employment and production, a tax-reduction plan which will be available as soon as the need therefor arises.

"SEC. 3. Effective date.

"(a) In general: The provisions of sections 4, 5, and 6 shall be applicable with respect to taxable years beginning after December 31 of the determination year, as defined in subsection (d) of this section.

"(b) Withholding of wages: The provisions of section 7 shall be applicable only with respect to wages paid on or after January 1 of the year immediately following the determination year, as defined in subsection (d) of this section.

"(c) Fiscal year taxpayers: Section 108 of the Internal Revenue Code is hereby amended by striking out "(d)" at the beginning of subsection (d) and inserting in lieu therefor "(e)", and by inserting after subsection (c) the following:

"'(d) Taxable years of individuals beginning in the determination year and ending in the following year: In the case of a taxable year of an individual beginning in the determination year (as defined in section 3 (d) of the Individual Income Tax Reduction Act of 1947) and ending in the year immediately following such determination year, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"'(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1 of the year immediately following such determination year, were applicable to such taxable year, which the number of days in such taxable year prior to January 1 of the year immediately following such determination year, bears to the total number of days in such taxable year, plus

"'(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1 of the year immediately following such determination year, were applicable to such taxable year, which the number of days in such taxable year after December 31 of such determination year, bears to the total number of days in such taxable year.'

"(d) Definition: As used in this section, the term 'determination year' shall be the year in which a determination is made that the level of employment and production has declined, or is about to decline, to a substantial extent. Such determination shall be made in a joint resolution or an economic report transmitted by the President to the Congress: *Provided, however,* That a determination in such an economic report shall have no force and effect if, between the date of transmittal of the report and the first period of 30 calendar days of continuous session of the Congress, a concurrent resolution by the two Houses of Congress is passed disapproving such determination. For the purposes of this subsection—

"(1) continuity of session shall be considered as broken only by an adjournment of Congress sine die;

"(2) there shall be excluded, in the computation of the 30-day period, the days on which either House is not in session because of an adjournment or more than 3 days to a day certain; except that if a resolution with respect to such determination has been passed by one House and sent to the other, no exclusion under this subsection shall be made by reason of adjournment of the first House taken thereafter."

The PRESIDENT pro tempore. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from Indiana [Mr. CAPEHART] and will vote. I vote "nay."

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. WAGNER]. The Senator from Indiana is detained on official business, and, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

Mr. LUCAS. I announce that the Senator from Texas [Mr. CONNALLY], the Senator from Arizona [Mr. HAYDEN], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business at important committee meetings.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is unavoidably detained.

The Senator from Georgia [Mr. RUSSELL] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Indiana [Mr. CAPEHART] has been previously announced by the Senator from Kansas. If present, the Senator from New York would vote "yea" and the Senator from Indiana would vote "nay."

If present and voting, the Senator from Idaho [Mr. TAYLOR] and the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 22, nays 60, as follows:

YEAS—22

Barkley	Langer	Murray
Downey	Lucas	Myers
Fulbright	McFarland	O'Mahoney
Green	McGrath	Overton
Hatch	McMahon	Pepper
Hill	Magnuson	Sparkman
Johnston, S. C.	Maybank	
Kilgore	Morse	

NAYS—60

Aiken	Flanders	O'Daniel
Baldwin	George	Reed
Ball	Gurney	Revercomb
Brewster	Hawkes	Robertson, Va.
Bricker	Hickenlooper	Robertson, Wyo.
Brooks	Hoey	Saltonstall
Buck	Holland	Smith
Bushfield	Jenner	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kem	Thye
Cain	Knowland	Tydings
Capper	Lodge	Umstead
Chavez	McCarran	Vandenberg
Cooper	McCarthy	Watkins
Cordon	McClellan	Wherry
Donnell	McKellar	White
Dworshak	Malone	Wiley
Eastland	Martin	Williams
Ecton	Millikin	Wilson
Ferguson	Moore	Young

NOT VOTING—13

Bridges	Ives	Thomas, Utah
Capehart	O'Conor	Tobey
Connally	Russell	Wagner
Ellender	Taylor	
Hayden	Thomas, Okla.	

So Mr. MORSE's amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MORSE. Mr. President, I send to the desk my amendment No. 2.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

SEC. 2. Reduction in normal tax and surtax.

(a) Section 11 of the Internal Revenue Code (relating to normal tax on individuals) is hereby amended to read as follows:

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25 (a). For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T."

(b) Section 12 (b) of the Internal Revenue Code (relating to rates of surtax) is hereby amended to read as follows:

"(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual the surtax shown in the following table:

"If the surtax net income is:	The surtax shall be:
Not over $500	7 percent of the surtax net income.
Over $500 but not over $1,000.	$35, plus 9 percent of the excess over $500.
Over $1,000 but not over $1,500.	$80, plus 11 percent of the excess over $1,000.
Over $1,500 but not over $2,000.	$135, plus 13 percent of the excess over $1,500.
Over $2,000 but not over $4,000.	$200, plus 15 percent of the excess over $2,000.
Over $4,000 but not over $6,000.	$500, plus 18 percent of the excess over $4,000.
Over $6,000 but not over $8,000.	$860, plus 22 percent of the excess over $6,000.
Over $8,000 but not over $10,000.	$1,300, plus 26 percent of the excess over $8,000.
Over $10,000 but not over $12,000.	$1,820, plus 30 percent of the excess over $10,000.
Over $12,000 but not over $14,000.	$2,420, plus 35 percent of the excess over $12,000.
Over $14,000 but not over $16,000.	$3,120, plus 38 percent of the excess over $14,000.
Over $16,000 but not over $18,000.	$3,880, plus 41 percent of the excess over $16,000.
Over $18,000 but not over $20,000.	$4,700, plus 44 percent of the excess over $18,000.
Over $20,000 but not over $22,000.	$5,580, plus 47 percent of the excess over $20,000.
Over $22,000 but not over $26,000.	$6,520, plus 50 percent of the excess over $22,000.
Over $26,000 but not over $32,000.	$8,520, plus 53 percent of the excess over $26,000.
Over $32,000 but not over $38,000.	$11,700, plus 56 percent of the excess over $32,000.
Over $38,000 but not over $44,000.	$15,060, plus 59 percent of the excess over $38,000.
Over $44,000 but not over $50,000.	$18,000, plus 62 percent of the excess over $44,000.
Over $50,000 but not over $60,000.	$22,320, plus 65 percent of the excess over $50,000.
Over $60,000 but not over $70,000.	$28,820, plus 68 percent of the excess over $60,000.
Over $70,000 but not over $80,000.	$35,620, plus 71 percent of the excess over $70,000.
Over $80,000 but not over $90,000.	$42,720, plus 74 percent of the excess over $80,000.
Over $90,000 but not over $100,000.	$50,000, plus 76 percent of the excess over $90,000.
Over $100,000 but not over $150,000.	$57,720, plus 78 percent of the excess over $100,000.
Over $150,000 but not over $200,000.	$96,720, plus 79 percent of the excess over $150,000.
Over $200,000	$136,220, plus 80 percent of the excess over $200,000."

SEC. 3. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (Optional Tax Table) and section 1622 (Withholding Tables) as may be necessary to reflect the reduction in taxes provided for in section 2 of this act.

SEC. 4. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Oregon.

Mr. MORSE. Mr. President, I shall make but a very brief statement in regard to my amendment. I discussed it at length yesterday afternoon and my views are in the RECORD.

When we deal with the problem of low income groups and tax reduction in respect to them we have two alternatives from which to choose. Some take the position that we should exempt certain groups. Others take the position that we should lower the rate of tax on those groups. I have taken the second alternative of the two plans. There are many experts who support one or the other of the plans.

The schedule of rates which will be found in my amendment will reduce the

tax of low income taxpayers proportionately more than the tax of high income taxpayers.

This schedule would reduce the taxes of low-income taxpayers proportionately more than the taxes of high-income taxpayers. For example, a married person with no dependents would receive a 63-percent tax reduction at the $1,500 net income level, a 37 percent reduction at the $5,000 level, and a 12 percent reduction at the $50,000 level.

It has this advantage, Mr. President: I am reliably informed by the tax experts and administrative officials at the Treasury Department that it will keep people on the tax roll. It will not reduce the tax roll itself to any great extent.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MILLIKIN. Would the Senator mind identifying his amendment by the initial at the bottom?

Mr. MORSE. It is No. 2, and it has the initial "E" at the bottom of the first page.

That is all I wish to say, Mr. President. The question is whether we are going to give any relief to the people in the low income tax brackets. If we are, shall we give it to them by taking them off the tax roll entirely, or by reducing the rate of tax to be applied to them? I chose the latter procedure, because it happens to be a view of mine that every American who can possibly pay something, even though it be a pittance, should pay his share in helping to operate a Government which gives him the liberties and public benefits which he enjoys.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McCLELLAN. I should like to inquire of the Senator from Oregon how much his amendment would reduce the revenue.

Mr. MORSE. It would reduce the individual income-tax revenues by approximately $4,000,000,000.

Mr. McCLELLAN. Is the amendment intended as a substitute for the present bill?

Mr. MORSE. It is offered as an insertion in the bill of a fixed tax rate schedule which would be automatically a part of the bill. In that sense it is a substitute for a part of the bill.

Mr. McCLELLAN. What the Senator is undertaking to do and what he would accomplish by this amendment is to give greater relief to those in the lower-income brackets and at the same time grant approximately $4,000,000,000 of relief in the tax bill; is that correct?

Mr. MORSE. That is correct.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MILLIKIN. Mr. President, the cost of the amendment at the present rate of national income payments would be considerably in excess of $5,000,000,000. At the assumed rate of $170,000,000,000, the rate on which the bill before the Senate is based, the cost of the amendment would be approximately $5,000,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MORSE. Mr. President, I send to the desk my third amendment, bearing the letter "F" at the bottom of the first page, and offer it and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated; and it is noted, for identification purposes, that the amendment bears the letter "F" at the bottom of the first page.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. Carry-overs of net operating loss.

(a) Section 122 (a) of the Internal Revenue Code (relating to definition of net operating loss) is amended to read as follows:

"(a) Definition of net operating loss: As used in this section, the term 'net operating loss' means the excess of the deductions allowed by this chapter over the gross income, with the adjustments provided in subsection (d). For such purpose a net operating loss is to be computed under the law applicable to the taxable year of such net operating loss."

(b) Section 122 (b) of the Internal Revenue Code (relating to amount of carry-back and carry-over) is amended to read as follows:

"(b) Amount of net operating loss carry-over: If for any taxable year beginning after December 31, 1947, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the five succeeding taxable years, except that the carry-over in the case of each of the succeeding taxable years after the first succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year or years computed, under the law applicable to such years, (A) with the adjustments provided in subsection (d) (1), (2), and (4), and (B) by determining the net operating loss deductions for such intervening taxable year or years without regard to such net operating loss or the net operating loss of a year subsequent to the taxable year, and without regard to any reduction specified in subsection (c)."

(c) Section 122 (c) of the Internal Revenue Code (relating to amount of net operating loss deduction) is amended to read as follows:

"(c) Amount of net operating loss deduction: The amount of the net operating loss deduction shall be the aggregate of the amounts of the net operating loss carry-overs to the taxable year reduced by the amount, if any, by which the net income computed with the adjustments provided in subsection (d) (1), (2), (3), and (4) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction)."

(d) Section 122 (d) of the Internal Revenue Code (relating to exceptions, additions, and limitations is amended—

(1) By striking out "The exemptions, additions, and limitations referred to in subsections (a), (b), and (c) shall be as follows:" and inserting in lieu thereof "The adjustments referred to in subsections (a), (b), and (c) shall include the following exceptions, additions, and limitations:"; and

(2) By striking out paragraph (6).

(e) Carry-backs and carry-overs from years beginning before January 1, 1948: Despite the provisions of subsection (b) of this section the provisions of section 122 (b) prior to its amendment by this section shall remain in force for the purposes of the determination of the carry-backs and carry-overs of a net operating loss from any taxable year beginning before January 1, 1948; such determination to be made as if subsection (b) had not been enacted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, again I shall be very brief in discussing this amendment, because I discussed it at length yesterday.

We are dealing here with one of the most complicated of all our tax problems, it seems to me, but we are nevertheless dealing with a problem as to which I think most of the tax experts now hold the view that we should adopt a principle of carry-forward, instead of a principle of carry-back, insofar as business losses are concerned.

There are two questions which we should consider in connection with this problem: First, whether the loss offset period, as we now have it in the law, is sufficiently long; and, second, whether the emphasis should be on carry-forwards or carry-backs.

In this amendment, I seek to answer the first question by providing a lengthening of the period from 4 years to 5 years. I seek to answer the second question by adopting a principle of carry-forwards instead of carry-backs, for the fundamental reason, as I said at greater length yesterday afternoon, that if what we wish to do is to encourage new business and small new business, I think we shall do it to a greater degree by following the principle of carry-forwards on the losses, rather than the principle of carry-backs on the losses.

Mr. President, I submit the amendment primarily because I think that reasoning supports it.

Mr. MILLIKIN. Mr. President, the amendment would substitute a 5-year carry-forward of losses of net operations for the 2-year carry-forward and 2-year carry-back. As the Senator from Oregon has stated, there are a number of good men who favor something of that kind. There are many who violently oppose it. This matter is under study by the House Ways and Means Committee at the present time, in connection with its proposed tax-revision bill.

The question of carry-forwards and carry-backs is merely one part of the whole theory of losses which must be gone into in connection with a comprehensive revision. I respectfully suggest that the amendment is untimely.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was rejected.

Mr. MORSE. Mr. President, I now offer and send to the desk another amendment, one dealing with the optional tax in the case of small corporations and the shareholders therein. The amendment is lettered "G," and I respectfully ask the courtesy of a yea-and-nay vote on it, because I think it again raises a very clear issue as to whether we wish to do justice, in this instance, not to the small individual taxpayer, but

to the multitude of small corporations that are greatly handicapped by the present tax laws.

The PRESIDENT pro tempore. The Chair would suggest to the Senator from Oregon that instead of having the amendment read, perhaps the Senate would obtain a better view of it if it were printed in the RECORD without reading and if the Senator from Oregon would make a statement of it. Would that be satisfactory?

Mr. MORSE. That will be perfectly satisfactory.

The PRESIDENT pro tempore. Then that course will be followed.

The amendment offered by Mr. MORSE is as follows:

At the proper place in the bill insert the following:

"SEC. —. Optional tax in case of small corporations and shareholders therein.

"(a) The Internal Revenue Code is hereby amended by adding after section 15, the following new section:

"'SEC. 16. Tax on small corporations.

"'If a small corporation (as defined in Supplement V) signifies in its return under this chapter, under the conditions specified in Supplement V, its desire not to be subject to the tax imposed by section 13 (b), section 14 (a), section 14 (b), or section 15, it shall be exempt from such tax for the taxable year, and the provisions of Supplement V shall apply to the shareholders in such corporation who were shareholders on the last day of such taxable year of the corporation. Such corporation shall not be exempt for such year if it is a member of an affiliated group of corporations filing consolidated returns under section 141.'

"(b) The Internal Revenue Code is hereby amended by adding after section 421, the following:

"'Supplement V—

"'SUPPLEMENT V—TAX ON SHAREHOLDERS OF SMALL CORPORATIONS

"'SEC. 422. Applicability of supplement.

"'If a small corporation (as defined in section 423) is exempt under section 16 for a taxable year from income tax under chapter 1, the provisions of this supplement shall be applicable with respect to each shareholder of such corporation who was a shareholder in such corporation on the last day of such taxable year of the corporation.

"'SEC. 423. Definition of small corporations.

"'As used in this supplement, the term "small corporation" means a corporation which has—

"'(A) no more than five stockholders of record at any one time during the taxable year next preceding the taxable year in which such corporation signifies its desire to be exempt under section 16, or has more than five such stockholders and submits to the Commissioner under regulations prescribed by the Commission with the approval of the Secretary, the written consent of individuals owning at least 95 percent of the stock outstanding on the 15th day of the last month of the corporation's taxable year for such corporation to signify its desire to be exempt under section 16;

"'(B) only common stock outstanding;

"'(C) only individuals who are citizens or residents of the United States as shareholders;

"'(D) no securities registered at any securities exchange; and

"'(E) sold none of its securities to an insurance company or another financial institution (other than a local development bank chartered to aid small business).

"'SEC. 424. Termination of election.

"'If a corporation signifies its desire to elect the provisions of section 16 and this Supplement, such election shall continue in effect until such corporation shall no longer be eligible for taxation as a small corporation, or such corporation indicates under regulations prescribed by the Commissioner with the approval of the secretary that it no longer desires to be taxed under the provisions of section 16 and this Supplement. A corporation which terminates its election, shall not be eligible for taxation as a small corporation for any taxable year subsequent to the taxable year in which such election is terminated.

"'SEC. 425. Undistributed Supplement V net income.

"'For the purposes of this chapter, the term "undistributed Supplement V net income" means the Supplement V net income (as defined in section 426) minus the amount of dividends paid during the taxable year. For the purposes of this section the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27.

"'SEC. 426. Supplement V net income.

"'For the purposes of this chapter, the term "Supplement V net income" means the net income except that the following shall not be allowed:

"'(A) The credit for dividends received provided in section 26 (b);

"'(B) The deduction for charitable and other contributions provided by section 23 (g); and

"'(C) The credit for taxes of foreign countries and possessions of the United States provided by section 131.

"'SEC. 427. Corporation income taxed to shareholders.

"'(a) General rule: The undistributed Supplement V net income (but not net loss) of a small corporation shall be included in the gross income of the shareholders in the manner and to the extent set forth in this Supplement.

"'(b) Amount included in gross income: Each shareholder who, on the last day of the taxable year of the corporation, was a shareholder in such corporation shall include in his gross income, as a dividend, for the taxable year in which or with which the taxable year of the corporation ends, the amount he would have received as a dividend if on such last day there had been distributed by the corporation, and received by the shareholders, an amount equal to the undistributed supplement V net income of the corporation for its taxable year.

"'(c) Effect on capital account of small corporation: An amount equal to the undistributed supplement V net income of the small corporation for its taxable year shall be considered as paid-in surplus or as a contribution to capital, and the accumulated earnings and profits as of the close of such taxable year shall be correspondingly reduced, if such amount is included as a dividend in the gross income of the shareholders.

"'(d) Basis of stock in hands of shareholders: The amount required to be included in the gross income of the shareholder under subsection (b) shall, for the purpose of adjusting the basis of his stock with respect to which the distribution would have been made (if it had been made), be treated as having been reinvested by the shareholder as a contribution to the capital of the corporation, to the extent to which such amount is included in his gross income in his return, increased or decreased by any adjustment of such amount in the last determination of the shareholder's tax liability, made before the expiration of 7 years after the date prescribed by law for filing the return.

"'(e) Period of limitation on assessment and collection: For period of limitation on assessment and collection without assessment, in the case of failure to include in gross income the amount properly includible therein under subsection (b), see section 275 (d).'

"(c) Section 275 (d) of the Internal Revenue Code is hereby amended by adding after subparagraph (2) the following new subparagraph:

"'(3) Small corporations: Under section 427 (b) (relating to the inclusion in the gross income of shareholders of their distributive shares of undistributed supplement V net income of a small corporation);'."

Mr. MORSE. Mr. President, the amendment goes to the whole question of double taxation. My amendment in effect, Mr. President, I think, carries out the principles of the so-called CED proposal in regard to this issue.

The Committee for Economic Development and others have recommended a withholding plan for reducing or eliminating double taxation. This approach is used in Great Britain and is sometimes called the British system. Corporations would pay a tax on their whole net income, but part or all of the tax would be regarded as advance withholding of stockholders' taxes on dividend income. When dividends were declared, stockholders would include in their taxable income cash dividends received, plus the withholding tax on the income from which they were declared. In paying their individual income tax, however, stockholders would take credit for the withholding tax. In cases where the amount withheld exceeded the stockholder's individual income-tax liability, he would receive a refund from the Treasury. In operation, the withholding plan would be rather similar to the present withholding on salaries and wages, but the amount withheld would not be adjusted to take account of the stockholder's personal exemption and credit for dependents.

Mr. President, I am willing to forego a yea-and-nay vote on this amendment, but I shall ask a yea-and-nay vote on another amendment shortly.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was rejected.

Mr. MORSE. Mr. President, I send to the desk my fifth amendment, dealing with capital gains, marked at the bottom as amendment "H."

The PRESIDENT pro tempore. The Chair again suggests that the Senator present the matter to the Senate, and that the amendment be printed in the RECORD without reading. Is that course satisfactory?

Mr. MORSE. It is perfectly satisfactory.

The PRESIDENT pro tempore. The amendment will be printed at this point in the RECORD.

The amendment offered by Mr. MORSE is as follows:

At the proper place in the bill insert the following:

"SEC. —. Capital gains and losses.

"(a) Holding period, short- and long-term gains and losses: Section 117 is amended by striking out "6 months" wherever occurring therein and inserting in lieu thereof "12 months."

"(b) Definitions: Section 117 (a) is amended by inserting at the end thereof the following new paragraphs:

"'(12) Net alternative-tax capital loss: The term "net alternative-tax capital loss"

means the excess of the losses for the taxable year from sales or exchanges of capital assets held for not more than 36 months over the gains for such taxable year from sales or exchanges of capital assets held for not more than 36 months, if and to the extent such losses and gains are taken into account in computing net income.

"'(13) Net alternative-tax capital gain: The term "net alternative-tax capital gain" means the excess of the gains for the taxable year from sales or exchanges of capital assets held for more than 36 months over losses for such taxable year from sales or exchanges of capital assets held for more than 36 months, if and to the extent such gains and losses are taken into account in computing net income.'

"(c) Percentage taken into account: Section 117 (b) is amended to read as follows:

"'(b) In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net capital gain, net capital loss, and net income;

"'100 percent if the capital asset has been held for not more than 12 months;

"'75 percent if the capital asset has been held for more than 12 months but not more than 24 months;

"'50 percent if the capital asset has been held for more than 24 months.'

"(d) Alternative taxes.

"(1) Section 117 (c) is amended to read as follows:

"'(c) Alternative taxes.

"'(1) Corporations: If for any taxable year the net alternative-tax capital gain of any corporation exceeds the net alternative-tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 13, 14, 15, 204, 207 (a) (1) or (3), and 500, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 25 percent of such excess.

"'(2) Other taxpayers: If for any taxable year the net alternative tax capital gain of any taxpayer (other than a corporation) exceeds the net alternative tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 11 and 12, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 50 percent of such excess.'

"(2) Section 12 (c) is amended by striking out 'six' therein and inserting in lieu thereof 'thirty-six.'

"(e) Capital gains and losses of common trust funds: Section 169 (c) (1) is amended by striking out '6 months' wherever occurring and inserting in lieu thereof '12 months.'

"(f) Capital gains and losses of partners: Section 182 is amended by striking out '6 months' wherever occurring therein and inserting in lieu thereof '12 months.'

"(g) Effective date: This section shall be applicable to taxable years beginning after December 31, 1948."

Mr. MORSE. Mr. President, the revised capital-gains tax as proposed in the amendment would apply an alternative tax of 25 percent of the net gain on assets held more than 36 months as compared to the present alternative tax of 25 percent of the net gain on assets held more than 6 months. The present alternative tax is inequitable in that it enables high-income individuals to get a preferential rate of 25 percent even on speculative gains accrued in less than a year. The new alternative tax is a supplement to the step-down of recognition provided in the multiple-holding period. It recognizes that a large gain accumulated over more than 3 years might bring a person into a high tax bracket when the gain is realized. It constitutes an attempt to tax the gain as if it were realized over smaller successive intervals of time.

The loss offset provisions of present law would continue in the revised treatment. Short-term gains and losses would be gains and losses from the sale or exchange of assets held not more than 12 months. Long-term gains and losses would be gains and losses on assets held more than 12 months. The provisions of present law with respect to loss offsets and carry-overs of capital losses are generally satisfactory.

It seems to me that what we are doing in the amendment is meeting, again, a need for a great revision in our present tax law, in order to have some inequities ironed out of it and eliminated from it.

I recognize, again, as the Senator from Colorado will probably say, that the amendment is technical. It is one which requires a great deal of study, I admit. It is one to which apparently the Finance Committee has not given consideration. But that does not stop me from offering the amendment, for the reason that the Committee on Finance is asking us to adopt a tax bill which, in the opinion of many of us, contains just such inequities as the one I am seeking to correct in this instance. I think such inequities should be corrected before we pass any tax bill at this session of Congress. I am not moved by any argument that due consideration has not been given to this type of reform. My reply to that type of argument is that it should have been given.

Mr. MILLIKIN. Mr. President, much consideration has been given to this type of amendment. In 1942 it was earnestly urged, and was pulled back in the face of very strenuous objections. I invite attention to the fact that the amendment would not become effective until January 1, 1949. The Senator has so ably stated the rest of the points which I would make that I shall not repeat them.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was rejected.

Mr. MORSE. Mr. President, I offer amendment No. 6, which is marked at the bottom of page "I," and which deals with the reduction in estate taxes and exemptions.

The PRESIDENT pro tempore. The Senator from Oregon offers an amendment, which will be printed at this point in the RECORD, and the Senator is recognized for a statement.

The amendment offered by Mr. MORSE is as follows:

Insert at the proper place the following:

At the proper place in the bill insert the following:

"SEC. —. Estate and gift taxes.

"(a) Reduction in estate tax rates and exemption.

"(1 Estate tax rates: Section 935 (b), relating to the computation of the tentative estate tax, is amended to read as follows:

"'(b) The tentative tax referred to in subsection (a) (1) of this section shall be the tentative tax shown in the following table:

"'If the net estate is:	The tentative tax shall be:
Not over $5,000----	2 percent of the net estate.
Over $5,000 but not over $10,000	$100, plus 5 percent of excess over $5,000.
Over $10,000 but not over $20,000	$350, plus 9 percent of excess over $10,000.
Over $20,000 but not over $30,000	$1,250, plus 13 percent of excess over $20,000.
Over $30,000 but not over $40,000	$2,550, plus 17 percent of excess over $30,000.
Over $40,000 but not over $50,000	$4,250, plus 21 percent of excess over $40,000.
Over $50,000 but not over $60,000	$6,350, plus 24 percent of excess over $50,000.
Over $60,000 but not over $100,000	$8,750, plus 26 percent of excess over $60,000.
Over $100,000 but not over $200,000	$19,150, plus 28 percent of excess over $100,000.
Over $200,000 but not over $300,000	$47,150, plus 30 percent of excess over $200,000.
Over $300,000 but not over $500,000	$77,150, plus 32 percent of excess over $300,000.
Over $500,000 but not over $750,000	$141,150, plus 34 percent of excess over $500,000.
Over $750,000 but not over $1,000,000	$226,150, plus 36 percent of excess over $750,000.
Over $1,000,000 but not over $1,250,000	$316,150, plus 38 percent of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$411,150, plus 41 percent of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$513,650, plus 44 percent of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$733,650, plus 47 percent of excess over $2,000,000.
Over $2,500,000 but not over $3,000,000	$968,650, plus 50 percent of excess over $2,500,000.
Over $3,000,000 but not over $4,000,000	$1,218,650, plus 53 percent of excess over $3,000,000.
Over $4,000,000 but not over $5,000,000	$1,748,650, plus 56 percent of excess over $4,000,000.
Over $5,000,000 but not over $6,000,000	$2,308,650, plus 59 percent of excess over $5,000,000.
Over $6,000,000 but not over $7,000,000	$2,898,650, plus 61 percent of excess over $6,000,000.
Over $7,000,000 but not over $8,000,000	$3,508,650, plus 63 percent of excess over $7,000,000.
Over $8,000,000 but not over $10,000,000	$4,138,650, plus 65 percent of excess over $8,000,000.
Over $10,000,000----	$5,438,650, plus 67 percent of excess over $10,000,000.'

"(2) Estate tax exemption: Section 935 (c), relating to the exemption for purposes of the additional estate tax, is amended by striking out '$60,000' and inserting in lieu thereof '$40,000.'

"(3) Effective date: The amendments made by this subsection shall be effective with respect to the estates of decedents dying after the date of enactment of this act.

"(b) Reduction in gift tax rates, exclusion and specific exemption.

"(1) Gift tax rate schedule.

"(A) The rate schedule contained in section 1001 (a) is amended to read as follows:

"'*Rate schedule*

"'If the net gifts are:	The tax shall be:
Not over $5,000	1½ percent of the net gifts.
Over $5,000 but not over $10,000.	$75, plus 3¾ percent of excess over $5,000.
Over $10,000 but not over $20,000.	$262, plus 6¾ percent of excess over $10,000.
Over $20,000 but not over $30,000.	$937, plus 9¾ percent of excess over $20,000.
Over $30,000 but not over $40,000.	$1,912, plus 12¾ percent of excess over $30,000.
Over $40,000 but not over $50,000.	$3,187, plus 15¾ percent of excess over $40,000.
Over $50,000 but not over $60,000.	$4,762, plus 18 percent of excess over $50,000.
Over $60,000 but not over $100,000.	$6,562, plus 19½ percent of excess over $60,000.
Over $100,000 but not over $200,000.	$14,362, plus 21 percent of excess over $100,000.
Over $200,000 but not over $300,000.	$35,362, plus 22½ percent of excess over $200,000.
Over $300,000 but not over $500,000.	$57,862, plus 24 percent of excess over $300,000.
Over $500,000 but not over $750,000.	$105,862, plus 25½ percent of excess over $500,000.
Over $750,000 but not over $1,000,000.	$169,612, plus 27 percent of excess over $750,000.
Over $1,000,000 but not over $1,250,000.	$237,112, plus 28½ percent of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000.	$308,362, plus 30¾ percent of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000.	$385,237, plus 33 percent of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000.	$550,237, plus 35¼ percent of excess over $2,000,000.
Over $2,500,000 but not over $3,000,000.	$726,487, plus 37½ percent of excess over $2,500,000.
Over $3,000,000 but not over $4,000,000.	$913,987, plus 39¾ percent of excess over $3,000,000.
Over $4,000,000 but not over $5,000,000.	$1,311,487, plus 42 percent of excess over $4,000,000.
Over $5,000,000 but not over $6,000,000.	$1,731,487, plus 44¼ percent of excess over $5,000,000.
Over $6,000,000 but not over $7,000,000.	$2,173,987, plus 45¾ percent of excess over $6,000,000.
Over $7,000,000 but not over $8,000,000.	$2,631,487, plus 47¼ percent of excess over $7,000,000.
Over $8,000,000 but not over $10,000,000.	$3,103,987, plus 48¾ percent of excess over $8,000,000.
Over $10,000,000	$4,078,987, plus 50¼ percent of excess over $10,000,000.'

"(B) The amendments made by this paragraph shall be applied in computing the tax for the calendar year 1948 and subsequent calendar years, and shall be applied in all computations in respect of the calendar year 1947 and previous calendar years for the purpose of computing the tax for the calendar year 1948 and subsequent calendar years.

"(2) Gift-tax exclusion: Section 1003 (b) (3), relating to the exclusion of gifts, is amended to read as follows:

"'(3) Gifts after 1942 and prior to 1948: In the case of gifts (other than the gifts of future interests in property) made to any person by the donor during the calendar year 1943 and subsequent calendar years prior to 1948, the first $3,000 of such gifts to such person shall not, for the purposes of subsection (a) be included in the total amount of gifts made during such year.

"'(4) Gifts after 1947: In the case of gifts (other than the gifts of future interests in property) made to any person by the donor during the calendar year 1948 and subsequent calendar years, the first $2,000 of such gifts to such person shall not, for the purposes of subsection (a), be included in the total amount of gifts made during such year.'

"(3) Gift tax exemption.

"(A) That part of section 1004 which precedes subsection (a) is amended by striking out '1942' and inserting '1947' and by striking out '1943' and inserting '1948.'

"(B) Section 1004 (a) (1), relating to the specific exemption of gifts, is amended by striking out '$30,000' and inserting in lieu thereof '$20,000' and by striking out '1943' and inserting in lieu thereof '1948.'"

Mr. MORSE. Mr. President, supplementing the longer argument I made yesterday afternoon, I will say that the amendment proposes a revision of the estate taxes, including reduction in the exemption from $60,000 to $40,000, and it provides for a revision of the rate schedule. In other words, I am saying in the amendment that taxes should be paid on estates above the $40,000 level instead of above the $60,000 level, as at the present time.

The total yield from this tax would remain substantially unchanged. The decrease in revenue from the rate reductions is approximately offset by the increase resulting from the lower exemptions.

The top rate is lowered from 77 percent to 67 percent, and the starting rate is reduced from 3 percent to 2 percent.

Senators will find in the RECORD, as of yesterday, certain tables I inserted, which show the detailed operation of the present taxes upon specific amounts.

Let me be frank about it, I am seeking again to say to people of means that I think they have the ability to pay greater taxes, and I think a larger number of them should be brought within the taxes on estates and gifts.

Mr. MILLIKIN. Mr. President, the intentions of the distinguished Senator were undoubtedly in accord with what he thought he was putting in the amendment, but the fact is that the tax would be increased on all estates, up to approximately $1,000,000, and would be decreased on all estates over $1,000,000. It is a very complicated situation, which would have to be related to the whole problem of death taxes, and it also has relation to distribution of the results of such taxes between the States and the Federal Government. Matters of that kind should not be legislated precipitously.

Mr. MORSE. Mr. President, if I thought a reply to the statement the Senator from Colorado has just made would result in getting one more vote, I should go into it at length, but it would take a considerable amount of time to discuss effects of this amendment.

For the RECORD, I wish to enter my denial of the statement made by the Senator from Colorado as to what the effect of my amendment would be and reassert that I am satisfied that the effect of it would be exactly as I have stated for the RECORD. I judge from the statement made by the Senator from Colorado—because he has the votes and I do not have them—that at a later time we will tangle again in regard both to the principle of the amendment and its effects. However, I want to say now that the financial effects of the amendment will be in accordance with the figures I have put into the RECORD, and not the effects as suggested by the Senator from Colorado.

Mr. MILLIKIN. Mr. President, I ask unanimous consent to include a table in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Amount of estate taxes and effective rates under present law and under proposal [1]

Net estate before specific exemption [2] (in thousands)	Amount of tax			Effective rate		
	Present law [3]	Proposal	Increase or decrease (−) under proposal	Present law [3]	Proposal	Increase or decrease (−) under proposal
				Percent	*Percent*	*Percent*
$50	0	$350	$350	----------	0.7	0.7
$60	0	1,250	1,250	----------	2.1	2.1
$80	$1,600	4,250	2,650	2.0	5.3	3.3
$100	4,800	8,750	3,950	4.8	8.8	4.0
$150	17,900	21,950	4,050	11.9	14.6	2.7
$200	32,700	35,950	3,250	16.4	18.0	1.6
$250	47,700	50,150	2,450	19.1	20.1	1.0
$400	94,500	96,350	1,850	23.6	24.1	.5
$500	126,500	128,350	1,850	25.3	25.7	.4
$600	159,700	161,550	1,850	26.6	26.9	.3
$800	229,700	229,750	50	28.7	28.7	(4)
$1,000	303,500	301,750	−1,750	30.4	30.2	−.2
$2,000	726,200	716,050	−10,150	36.3	35.8	−.5
$4,000	1,802,800	1,727,450	−75,350	45.1	43.2	−1.9
$5,000	2,439,400	2,286,250	−144,150	48.6	45.7	−2.9
$6,000	3,098,000	2,875,050	−222,950	51.6	47.9	−3.7
$10,000	6,042,600	5,412,650	−629,950	60.4	54.1	−6.3
$20,000	13,742,000	12,111,850	−1,630,150	68.7	60.6	−8.2
$40,000	29,142,000	25,511,850	−3,630,150	72.9	63.8	−9.1
$100,000	75,342,000	65,711,850	−9,630,150	75.3	65.7	−9.6

[1] Before deduction of credit for State death taxes.
[2] The specific exemption under the present law is $60,000, and under the proposal $40,000.
[3] Revenue Act of 1941, as amended by Revenue Act of 1942.
[4] Less than 0.05 percent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was rejected.

Mr. MORSE. Mr. President, I send to the desk another amendment, which will be my amendment No. 7, dealing with the taxability of interest on future Federal, State, and local obligations, and ask to have it inserted in the RECORD. Then I shall make a very brief statement in regard to it.

The PRESIDENT pro tempore. The Senator from Oregon offers an amendment which will be printed at this point in the RECORD. It is identified by the letter "J."

The amendment proposed by Mr. MORSE is as follows:

At the proper place insert the following:

"SEC. —. Taxability of interest on future Federal, State, and local obligations, and so forth.

"(a) Limitation on tax-free interest: Section 22 (b) (4) of the Internal Revenue Code (relating to tax free interest) is hereby amended by inserting after the word 'obligations' in clause (A) of the first sentence thereof the following: ', issued before January 1, 1948,'.

"(b) Consent to State and local taxation: The United States hereby consents to the taxation, under an income tax of interest upon obligations, issued on or after January 1, 1948, of the United States, any Territory, possession, or political subdivision thereof, or the District of Columbia, by any duly constituted taxing authority having jurisdiction to tax such interest if such taxation does not discriminate against such interest because of its source. The provisions of this subsection shall, with respect to any such obligations, be considered as amendatory of and supplementary to the respective act or acts authorizing the issue of such obligations, as amended and supplemented.

"(c) Amendment to the Public Debt Act of 1941: Section 4 (a) of the Public Debt Act of 1941, as amended, is hereby amended by inserting in the first sentence thereof, after the words "agency or instrumentality thereof" the following: ', or on or after January 1, 1948, by any Territory, possession, or political subdivision thereof, or the District of Columbia.'"

Mr. MORSE. On this amendment I should not object at all to having a record vote, if I could get it. In fact, I should like to have a record vote not only on this amendment but also on amendment 8, perhaps as a little cooperation for my willingness to go along with great speed this morning. It may be I could obtain record votes on that ground. Seriously, though, as I said yesterday afternoon, if what we really want to do is to plug one of the largest holes in the tax structure, here is an amendment which will prevent the wealthy from really freezing their money in nonproductive investment, for the most part. As I said yesterday, that is only true to a degree; but it is true to a marked degree. What has happened is that a great many wealthy people are able to get through the hole which I am seeking by this amendment to plug, and to sink their money in tax-exempt securities. The money of such investors ought to pay its fair share of taxes, as does the money invested by other people in industry. If what is wanted is to promote an expanding industry, and to keep the money of the wealthy working, creating new wealth, then the Senate should move quickly to plug just such holes as this in the tax structure. Owners of money invested in tax-exempt securities should not be allowed to escape their fair share of the tax burden. I therefore request a yea-and-nay vote on this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon, on which the yeas and nays are requested.

The yeas and nays were not ordered.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAIN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Murray
Baldwin	Hill	Myers
Ball	Hoey	O'Conor
Brewster	Holland	O'Daniel
Bricker	Jenner	O'Mahoney
Brooks	Johnson, Colo.	Overton
Buck	Johnston, S. C.	Pepper
Butler	Kem	Reed
Byrd	Kilgore	Revercomb
Cain	Knowland	Robertson, Va.
Capehart	Langer	Saltonstall
Capper	Lodge	Smith
Chavez	Lucas	Sparkman
Cooper	McCarran	Stewart
Cordon	McCarthy	Taft
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Thye
Dworshak	McGrath	Tydings
Ecton	McKellar	Umstead
Ferguson	McMahon	Vandenberg
Flanders	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Martin	White
Green	Maybank	Williams
Gurney	Millikin	Wilson
Hatch	Moore	Young
Hawkes	Morse	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to amendment No. 7 offered by the Senator from Oregon.

Mr. MORSE. On that amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from New Hampshire [Mr. BRIDGES], and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER].

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Texas [Mr. CONNALLY], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. HAYDEN] are detained on official business at important committee meetings.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Georgia [Mr. RUSSELL] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. BRIDGES] has been previously announced by the Senator from Kansas.

If present and voting, the Senator from Idaho [Mr. TAYLOR] would vote "yea."

The result was announced—yeas 18, nays 62, as follows:

YEAS—18

Aiken	Lodge	Myers
Downey	Lucas	O'Conor
Green	Magnuson	O'Mahoney
Johnston, S. C.	Maybank	Pepper
Kilgore	Morse	Umstead
Langer	Murray	Young

NAYS—62

Baldwin	Gurney	Moore
Ball	Hatch	O'Daniel
Brewster	Hawkes	Overton
Bricker	Hickenlooper	Reed
Brooks	Hill	Revercomb
Buck	Hoey	Robertson, Va.
Butler	Holland	Saltonstall
Byrd	Jenner	Smith
Cain	Johnson, Colo.	Sparkman
Capehart	Kem	Stewart
Capper	Knowland	Taft
Chavez	McCarran	Thomas, Okla.
Cooper	McCarthy	Thye
Cordon	McClellan	Tydings
Donnell	McFarland	Vandenberg
Dworshak	McGrath	Watkins
Ecton	McKellar	Wherry
Ferguson	McMahon	White
Flanders	Malone	Williams
Fulbright	Martin	Wilson
George	Millikin	

NOT VOTING—15

Barkley	Ellender	Taylor
Bridges	Hayden	Thomas, Utah
Bushfield	Ives	Tobey
Connally	Robertson, Wyo.	Wagner
Eastland	Russell	Wiley

So Mr. MORSE's amendment No. 7 was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MORSE. Mr. President, I send to the desk my eighth and last amendment. It deals with the integration of Federal, State, and local tax programs.

The PRESIDENT pro tempore. The amendment offered by the Senator from Oregon will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. Integration of Federal, State, and local tax programs.

The President shall present to the Congress in his economic report transmitted at the opening of the second session of the Eightieth Congress, such recommendations for legislative action and for action by State and local governments as he may deem necessary or desirable for the purpose of obtaining improved integration of Federal, State, and local tax programs. Such recommendation shall be made after the Secretary of the Treasury has, to such extent as he determines to be practicable, consulted with State and local officials concerned with tax matters.

Mr. MORSE. Mr. President, I wish to make a very brief statement. I have thus far offered seven amendments. This is my eighth. In my judgment they have all been very good amendments. I think time will prove that each and every one of them should have been adopted, and I believe that in the future the principles of the amendments will find their way into the tax laws of the country. I say that because I believe that when the principles of those amendments come to be understood by the people of the country they will see to it that they are written into the tax laws.

I should like to hear any rational argument against this last amendment. I should like to know some reason why the amendment should not be adopted by the Senate. If what we are interested in is finding out the facts in regard to our tax structure so that we can build a more scientific one; if we are interested in eliminating duplication in the tax structure on the Federal, State, and municipal basis, then certainly no Senator can justify voting against this particular amendment.

Mr. President, I wish to present a very brief statement which I think, in concise form, makes an unanswerable case in support of my amendment.

This amendment would call upon the President to lay before the Congress the suggestions of the State and local governments and of the executive branch of the Federal Government for the solution of one of the major American tax problems, namely, the conflict between Federal, State, and local taxation. The lack of coordination and integration between the taxing activities of the Federal Government and of the States and local governments, which first became apparent after the First World War and became progressively worse during the interwar period, reached a climax during World War II. Today, the Federal and State governments derive about 90 percent of their tax revenues from the same tax sources; they tap these tax sources without much regard for one another's activities or policies. Both governments use income, estate, liquor, tobacco, and gasoline taxes, to mention only the most important areas of duplication. The result is wasteful expenditure for duplicate tax administration, expense, and annoyance to taxpayers, and a haphazard distribution of tax burden. Tax jurisdictional conflicts between the States and friction over the taxation of each other's activities by the Federal Government and the States are additional consequences.

The over-all problem of intergovernmental tax coordination has already been studied in great detail both by the Federal Government and State-local governments, and there is not too much mystery about its solution. This amendment would call upon the President to assemble and pass on to the Congress the best thought on this problem in order that the Congress might have it at its disposal in proceeding to develop an integrated Federal-State-local tax-coordination program.

I understand that the conference of governors now about to begin its sessions has this very problem high on its agenda. Furthermore, I understand that among the governors there will be found almost unanimous agreement that the type of study which I am proposing in this amendment ought to be carried on by someone. We passed a bill which calls upon the President of the United States to submit to Congress annually an economic report. I think we should put some meaning into that act. I think we should implement it; I think we should say to the President of the United States that we are entitled to the type of service for which we ask in this amendment.

It seems to me that the fact that a similar study may be carried on by other organizations or by a committee of the Congress, makes no whit of difference as to the feasability of this amendment. I believe that under the law calling for an economic report from the President we ought to have such a study and such recommendations as are called for by my amendment. I am at a complete loss to understand how anyone could object to the soundness of the amendment.

In the closing minutes of this debate I wish to say to my good friend from Colorado [Mr. MILLIKIN] that I think he ought to accept the amendment. I think he ought to be willing to attach it to the bill. I do not see how he can fail to approve this one. This is the type of study that must be made. It presents the type of problem that must be solved. I think it is the type of problem which ought to rest within the jurisdiction of the President so far as we can require him to make it a part of his annual report to the Congress. Then if any other committee wishes to make an independent study, let it do so. I want to place some responsibility on the President of the United States in the preparation of his economic report to make such a study, and see what recommendations he will bring forth.

Mr. AIKEN. Mr. President, I am not rising to oppose the amendment, because I see no reason why the Congress should not authorize and instruct the President to make a study of State-Federal relations if it wishes to do so, and I see no reason why such a study should not be made by the executive department. I think that this is a good time, however, to call attention to that provision of the Reorganization Act which states that the Committee on Expenditures in the Executive Departments shall have the duty of "studying intergovernmental relationships between the United States and the States and municipalities."

Because this includes tax relationships, in accordance with that provision of the law the committee authorized me, as chairman, to appoint a subcommittee to undertake this work. I have appointed such subcommittee, which consists of the Senator from Ohio [Mr. BRICKER], the Senator from Minnesota [Mr. BALL], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Carolina [Mr. HOEY], and the Senator from Maryland [Mr. O'CONOR]. They conferred with representatives of the Council of State Governments and of the governors' conference, and as a result of such conference two members of the subcommittee, the Senator from Ohio [Mr. BRICKER] and the Senator from Maryland [Mr. O'CONOR], plan to leave tonight or tomorrow morning for Salt Lake City to have the first conference with representatives of the States in order to work out some preliminary plan whereby something can be done to delineate the field of taxation between the State governments, the Federal Government, and municipalities.

As I say, I am not rising to oppose the amendment offered by the Senator from Oregon [Mr. MORSE], but simply to state what has been done.

I might also call attention to the fact that, in accordance with the resolution which was introduced by the Senator from Massachusetts [Mr. LODGE] providing for a commission to study the entire structure of government, I presume that to a certain extent the field of taxation may enter into such study, although I am not sure.

I simply wanted to take this opportunity to report to the Senate what the Committee on Expenditures in the Executive Departments has so far done to comply with the requirements of the law.

Mr. MORSE. Mr. President, I should like to reply to the Senator from Vermont by saying that I think the statements he has made prove the case for my amendment. I think it is highly desirable that such studies as the Senator says are going forward under a committee of the Senate should go forward, and I think we need to have as many studies on this subject as we can possibly obtain. But I think we also ought to place a responsibility on the President of the United States to submit his recommendations—and my amendment will do that—and then we can compare such recommendations with any recommendations which come out of the governors' conference or out of the Senate committee or out of any independent group. The only point I want to reiterate is that I cannot, for the life of me, see what possible objection can be raised to saying that the law which requires the President to submit an economic report should lead us to adopt this amendment requiring the President to cover this subject in his economic report.

Mr. AIKEN. Mr. President, I have no objection to the amendment offered by the Senator from Oregon, although I presume that the President already has agencies or facilities at his command which should be studying this field already.

Mr. MILLIKIN. Mr. President, I suggest that the President has objections, because he has already vetoed this bill. I wish also to say that a subcommittee of the Finance and the Ways and Means Committees is engaged in the task contemplated by the amendment offered by the Senator from Oregon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I wish to speak in opposition to the so-called tax reduction bill, House bill 3950, now pending. I well realize that there is a

strong argument against the present enactment of this bill, growing out of the uncertainty of our international situation and the impossibility to foresee clearly at this time what that situation will be after January 1, 1948, when this bill becomes effective. Another fundamental objection to the bill lies in the undoubted desirability of making substantial retirements on our huge national debt while our national income is so high and while money is so plentiful. Yet another factor which presents a grave question is the additional tendency toward inflation which, in the opinion of many authorities in economics, would result from passage of the bill. Still another objection to the bill is its failure to correct long standing and grievous injustices under the present law, notably the larger taxes placed upon married couples in the great majority of the States in contrast with the smaller taxes paid by married couples in the community-property States. I shall not discuss any of these important and fundamental objections to the bill as I feel that they have been ably discussed by other Senators. I wish to address myself wholly to the gross inequities which the bill appears to me to contain—inequities so great as between the many citizens of small and medium income and the relatively few citizens of large income, that I strongly feel that this bill is essentially unjust and undemocratic and that it should not be enacted into law.

I made a brief statement on this same subject on May 28 last, during the debate on the Senate bill. I shall not encumber the record by repeating in detail the argument which I made at that time. The facts which I stated then, showing the unequal application of the tax cuts proposed by the Senate bill as between the well-to-do, who would have gotten the principal benefit of the proposed cuts and those who are not well-to-do, who would have received very little of the benefits of tax reduction, are still true except that in the pending bill the point applies with even greater force because of the added reductions granted to the rich by the conference report, which added reductions are a part of the pending measure.

At this point in my statement, I ask to have incorporated in the record as a part of my remarks a table prepared by the Treasury on July 10, which table clearly shows the percentage of decrease in present tax rates proposed by the pending bill at the various levels of net income beginning with $1,200 and extending to $5,000,000. The figure which shows, in round figures, the percent of net income proposed by this bill to be saved to taxpayers of each bracket appears in the last column. The table applies to married persons without dependents.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of individual income taxes under present law [1] and House bill, H. R. 3950, for specified amounts of net income

[Married person [2]—No dependents]

Net income before personal exemption	Amounts of tax		Effective rates		Decrease in effective rates compared with present law
	Present law	House bill, H. R. 3950 [3]	Present law	House bill, H. R. 3950 [3]	
			Percent	*Percent*	*Percent*
$1,200	$38	$27	3.2	2.2	1.0
$1,500	95	67	6.3	4.4	1.9
$2,000	190	133	9.5	6.7	2.9
$2,500	285	228	11.4	9.1	2.3
$3,000	380	304	12.7	10.1	2.5
$4,000	589	471	14.7	11.8	2.9
$5,000	798	638	16.0	12.8	3.2
$6,000	1,045	836	17.4	13.9	3.5
$8,000	1,577	1,262	19.7	15.8	3.9
$10,000	2,185	1,748	21.9	17.5	4.4
$15,000	4,047	3,238	27.0	21.6	5.4
$20,000	6,394	5,115	32.0	25.6	6.4
$25,000	9,082	7,266	36.3	29.1	7.3
$50,000	24,795	19,836	49.6	39.7	9.9
$75,000	43,092	34,474	57.5	46.0	11.5
$100,000	63,128	50,502	63.1	50.5	12.6
$250,000	191,340	157,889	76.5	63.2	13.4
$500,000	407,465	349,199	81.5	69.8	11.7
$750,000	623,590	542,574	83.2	72.3	10.8
$1,000,000	839,715	735,949	84.0	73.6	10.4
$5,000,000	[4] 4,275,000	[5] 3,825,000	85.5	76.5	9.0

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes 1 spouse owns all the income.
[3] Assumes taxpayer is under 65 years of age.
[4] Taking into account maximum effective rate limitation of 85.5 percent.
[5] Taking into account maximum effective rate limitation of 76.5 percent.

NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

Source: Treasury Department, July 10, 1947.

Mr. HOLLAND. By reference to the table the Senators will note that in the case of a married taxpayer with a net income of $1,200, the proposed bill would decrease his taxes only 1 percent of his net income. The exact amount of decrease is $11.40, and the exact percent of his reduction is 0.95 of 1 percent, but as I stated above, the figures in this table are round figures only.

Running your eye down the columns, you will note that from this absurdly low reduction of 1 percent for a net income of $1,200, the reduction rises slowly, with some fluctuations, to 4.4 percent in the case of a net income of $10,000. Above that figure the reduction increases to 6.4 percent for an income of $20,000; 9.9 percent for an income of $50,000; 12.6 percent for an income of $100,000; and 13.4 percent, Mr. President, for a net income of $250,000.

There can be no doubt whatever, Mr. President, that under this situation, which I am mentioning only briefly because I discussed it before in some detail, this bill does not provide anything like equity as between the rich and the poor. It is perfectly clear to me that the relief given in the various brackets is so disproportionate and is so greatly in the favor of those citizens who have large incomes, as against those of small earnings, that the bill should be rejected as inequitable and unfair. This bill gives least relief to those who need it most and favors the strong as against the weak.

An even stronger case is made against this bill, however, when we consider it from the standpoint of what it proposes to do, as between various classes of citizens, in cutting off the burdens of emergency taxation made necessary by the war. How does this bill propose to reduce war taxes, and how fairly does it deal with citizens of all economic levels, the humble, those of medium income, and the wealthy, in starting them back toward peacetime levels of taxation? This is the subject to which I shall devote the rest of my remarks.

A principle of the utmost importance, which was followed throughout the years from the setting up of Federal income taxation until 1940, the year before the Second World War, was to allow high personal exemptions so that the living standards of families and individuals should not be adversely affected. From 1932 to 1939 a married couple without children were allowed an exemption of $2,500 against their net income; in other words, they paid no income tax until the family net income exceeded $2,500. During the same period, the unmarried individual was allowed an exemption of $1,000. This principle seems to me to be the application of sound democracy to the field of taxation, and it was our fixed policy throughout the peacetime years of our income-tax levies.

In 1940, when war was imminent and we had entered into an expensive program for national defense, the Congress as a defense measure reduced this exemption from $2,500 to $2,000 for married couples without dependents, and from $1,000 to $800 for unmarried individuals. It is interesting to note by reading the reports of the committees of the House and the Senate on the revenue bill of 1940—H. R. 10039—that the reduction of exemptions was clearly a part of the defense effort. The report of the House committee—Report No. 2491—reads in part as follows:

There is a growing concern regarding the state of our national defense. Recent developments in the European war have reminded us forcefully of the inadequacy of our means of defense against modern weapons of aggression. * * * the President has requested defense funds for the fiscal year 1941 totaling $3,250,000,000. * * * These greatly increased necessary expenditures for national defense, thus result in the

large deficit indicated, except for this tax bill which is designed to raise the revenue to pay for the national defense program.

The Revenue Act of 1941, approved September 20, 1941, on the eve of Pearl Harbor, included a second reduction of the personal exemptions, again for the reason that the program of national defense required more revenue. The report of the House Committee—Report No. 1040—on this bill—H. R. 5417—based its higher tax program upon the following statement:

The united effort on the part of the American people adequately to defend this Nation has placed a tremendous financial burden upon the Government.

Nevertheless, Mr. President, the House balked at a further reduction of personal exemptions in the following words:

A married person's exemption is now as low as it has ever been since the Federal income tax was adopted in 1913. * * * A single person's exemption is now lower than it has ever been. * * * The present exemptions on a weekly basis are $15 for a single person and $38 for a married person. Your committee feels that a further reduction in these exemptions is not warranted at this time, especially in view of the rising cost of living.

It is clear from this quotation that the reason for these personal tax exemptions was recognized by the Congress as the necessity to assure a satisfactory standard of living to both families and individuals. And yet so critical was the need at the time for more money for the national defense that the Senate committee in its committee bill reduced the exemption in the following words—Report No. 673:

The committee bill reduces the personal exemptions in the case of married persons from $2,000 to $1,500, and in the case of single persons from $800 to $750. This broadening of the income tax base is thought to be desirable particularly during the present emergency in order that the greatest possible number of persons may contribute directly to the costs of the defense program.

The conference report adopted the Senate bill on this point, and so this second reduction of exemptions was enacted purely as a necessity in vital national defense.

The Revenue Act of 1942—H. R. 7378—after the war had already fallen upon us with stunning effect, made a third reduction of the exemptions and for the reason as shown by House Report No. 2333, as follows:

The cost of the war effort is placing upon the Nation a financial burden unequaled in our history. * * * It is thus apparent that our revenue needs are extreme and your committee have endeavored to secure every dollar of additional revenue which, in its opinion, the national economy can bear.

This 1942 bill decreased the exemption, this third time, to $1,200 for a married person and to $500 for a single person. It is interesting to note the minority views expressed in the statement by Mr. Treadway on this subject of an additional reduction in personal exemptions. Mr. Treadway, in the statement of his supplemental views, had this to say—pages 185 and 186:

It is my conviction that the proposed $500 exemption for single persons is too low. I favor a single exemption of $600, or one-half that of the proposed exemption for married persons. Even a $600 exemption would be reaching down to the worker earning $50 per month, but the $500 exemption takes in the man or woman earning as little as $42 per month, or approximately $10 per week. * * * Surely it is not desirable to extend the income tax to the worker earning but $10 per week, which does not provide more than the barest subsistence.

It will perhaps enable us to better understand the present pending measure when we note that Mr. KNUTSON, in his minority views as expressed in House Report No. 2333—page 187—makes no reference whatever to the hardship of decreased personal exemptions, but does protest vigorously the added taxes placed on corporations, basing his views upon the statement which I quote:

Contrary to popular belief, the corporations of America are today carrying their full share of the tax load.

Aside from the individual views of Representative Treadway, the then ranking Republican on the Ways and Means Committee, as already quoted, it is interesting to note that in the Senate report on this same bill, Senator La Follette vigorously expressed his dissent to the heavy increase placed upon those in the lower-income brackets by the 1942 bill. I quote from Senator La Follette's expression of his individual views in Report No. 1631, as follows:

It (the bill) places an unfair and dangerous share of the increased tax burden upon the lower-income groups, encroaching upon subsistence standards of living and, in effect, taking bread out of people's mouths. It is in the Nation's interest to recognize that any tax which cuts into the necessary subsistence of a citizen or his family exceeds his capacity to pay taxes and undermines health and morale.

Later in his statement—page 8—Senator La Follette makes the following comment:

Studies of consumer income indicate that any tax program which bears down upon individuals and families receiving incomes of $1,500 or less encroaches upon subsistence standards of living. The tax dollars collected from taxpayers of these lower-income groups are dollars that would otherwise be spent for food, shelter, and the bare necessities of life. In these income groups are to be found approximately 43 percent of the Nation's population. * * * The study of income and spending and saving of city families in 1941 and the first 3 months of 1942, conducted by the Bureau of Labor Statistics, indicate that the average consumer with income under $1,500 is not able to meet living costs out of current income.

Nevertheless, the demands of all-out war were so great that the bill was enacted, and the personal exemptions were thus cut for a third time, and the millions of families and single persons affected tightened their belts and grimly set about the task of winning the war.

But the climax was not yet reached. In 1944, when the war was raging at its worst, the Congress passed a new and even more drastic revenue measure for a nation which was fighting for its very existence, and one of the provisions of this measure for the financing of total war reduced still further, and for the fourth time, the exemption for a married citizen without dependents to the present low figure of $1,000, a sum which certainly did not at the time allow for a reasonable standard of living for a man and his wife, and much less does it do so now when the purchasing power of the dollar has so greatly declined. In addition to this fourth cut of the personal exemption, the earned-income credit which had existed since 1934 and had been of great value to those citizens whose net income was small, was abolished for 1944 and the following years.

These heavy reductions from 1940 to 1944 in the personal exemptions of the citizens whose income is meager were proposed, Mr. President, and were enacted simply because of the harsh necessity of war—the worst war through which our Nation has passed. These sacrifices, required of wage earners and others of humble means, were cheerfully accepted by them as a part of their contribution to the winning of the war. The wholesome way in which they responded is shown by the fact that, according to the figures furnished by the Treasury, the number of taxable income returns jumped from 3,959,000 in 1939 to 7,504,000 in 1940; 17,587,000 in 1941; 27,718,000 in 1942; 40,337,000 in 1943; 42,446,000 in 1944; and 42,890,000 in 1945. In 1946, after the repeal of the victory tax and the granting of other minor reductions, the number of taxable returns declined to an estimated 39,500,000. The Treasury estimates 43,500,000 taxable returns for 1947.

But there was never the slightest doubt, Mr. President, that these lower exemptions were based purely and simply on war necessity, that they were not intended to mark a change in our democratic and established national policy in this field. It was well understood that as soon as the Nation was relieved of its heavy drain of war expenditures, relief should be given as a matter of right by beginning the process of increasing the exemptions toward the figure where they would again assure and protect reasonable living standards.

I think that it is a sad commentary upon the philosophy that lies behind this particular bill, that the tax reduction proposed by it at this time, nearly 2 years after the war ended, makes no pretense of increasing the exemptions so as to begin the process of repairing the great damage done in this field by the war. I am, of course, aware of the additional exemption of $500 granted to the aged, but it seems to me that this feature, granting relief to slightly less than one million of our elder citizens, simply serves to accentuate the grave injustice done to others of modest income, whether unmarried persons or the heads of families.

Now, Mr. President, how many citizens are vitally concerned in this problem? To answer the question, I ask that Senators refer to a table which has been

prepared by the Treasury Department and which I now ask to have printed at this point in my remarks as a part of my statement.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated number of taxable income recipients and their individual income tax liability under present law [1] and House bill, H. R. 3950, distributed by net income classes

[Assuming 1947 income payments of $166,000,000,000]

Net income classes (thousands of dollars)	Number of taxable income recipients		Total tax liability	
	Present law	H. R. 3950	Present law	H. R. 3950
	Thousands	*Thousands*	*Millions*	*Millions*
0 to 1	6,352.3	5,882.3	$299.5	$204.3
1 to 2	20,138.9	19,718.9	2,839.6	2,021.4
2 to 3	14,322.0	14,217.0	3,692.3	2,834.2
3 to 4	4,655.5	4,655.5	1,827.7	1,398.2
4 to 5	1,333.2	1,333.2	775.9	605.1
Under 5	46,801.8	45,806.9	9,435.0	7,063.2
5 to 10	1,126.9	1,126.9	1,318.0	1,038.4
10 to 25	470.2	470.2	1,874.4	1,493.8
25 to 50	101.2	101.2	1,435.5	1,157.1
50 to 100	32.7	32.7	1,183.6	959.4
100 to 250	9.8	9.8	915.2	752.2
250 to 500	1.3	1.3	328.9	280.5
500 to 1,000	.4	.4	234.5	205.5
1,000 and over	.2	.2	276.2	246.8
Over 5	1,742.8	1,742.8	7,566.3	6,133.7
Grand total	48,544.6	47,549.7	17,001.3	13,196.9

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.

NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

Source: Treasury Department.

Mr. HOLLAND. Mr. President, Senators will note from column 1 of this table that the Treasury estimates that the taxable returns for 1947 will require the payment of income taxes by 48,544,600 citizens. This number is, of course, greater than the number of taxable returns for 1947 as heretofore mentioned by me because in a large number of cases joint returns are filed by husband and wife. Senators will note that 6,352,300 of the 1947 taxpayers fall within the class whose net income is not to exceed $1,000; 20,138,900 taxpayers fall within the class whose net income is between $1,000 and $2,000; 14,322,000 of the taxpayers fall within the class whose net income is between $2,000 and $3,000. A total of 46,801,800 citizens fall within the various groups whose net income does not exceed $5,000, whereas only 1,742,800 taxpayers receive net incomes of over $5,000, and only 615,900 incomes of over $10,000.

I wish to repeat that. A total of 46,801,800 citizens fall within the various groups whose net income does not exceed $5,000, whereas only 1,742,800 taxpayers receive net incomes of over $5,000, and only 615,900 receive incomes of over $10,000.

Mr. President, I do not have to tell the Members of the Senate that most of those nearly 47,000,000 citizens whose income is less than $5,000 are vitally concerned with the subject of increasing tax exemptions from the wartime levels. I am sorry that the table does not enable me to say definitely how many citizens have net incomes of less than $2,500, but it is perfectly apparent from the table that well over 30,000,000 of the citizens who are in the entire group that pay income taxes are receiving net incomes of less than $2,500. Of course, the great majority of these would not have to pay any income taxes at all if the level of personal tax exemptions which prevailed up until 1940, namely, $2,500 for married couples without children and $1,000 for unmarried persons, were still in effect. Many others of the entire group of nearly 47,000,000 whose net income is under $5,000 would also be largely or entirely excluded from paying income tax at the present time if the prewar level of exemptions still existed, for many of them are entitled to additional exemptions for their children or other dependents.

I think it is fair to say that the question of the size of the personal exemptions is, in many cases, an important matter to citizens whose income is between $5,000 and $10,000. It is quite apparent from the table to which I am referring that this question as to the size of the personal exemption and the beginning of restoration of the personal exemptions which existed before the war, is of paramount importance to more than 9 persons out of every 10 of those who pay income taxes.

There is still another aspect of this question of personal exemptions which requires mention, namely, that millions of present taxpayers at the smallest levels of taxable income would not now be on the tax roll if it were not for the inflation which alone has brought their incomes to taxable size. I cannot state with accuracy how many there are in this situation, but I can pass on to the Senate the following figures furnished me by the Treasury which indicate the large scope of this question. The Treasury states that an increase of the exemption by only $100, that is to the level of $600 for the unmarried person and $1,200 for the married person without children, would operate to take 4,700,000 taxpayers from the rolls. From the same source, I learn that an increase of the exemption by $150 would release 6,000,000 taxpayers.

Yet, Mr. President, with supreme indifference to this question, which is of such great importance to the great and overwhelming majority of our citizens who pay incomes taxes, the proposed tax reduction bill makes no start whatever, except as to the aged, upon the restoration of the reductions in personal exemptions which were made entirely as a contribution to the war effort.

Entirely apart from the fact that the pending bill makes no increase in personal tax exemptions and in that respect is, in my judgment, exceedingly unfair to the taxpayers in the small income brackets, I call attention now to the additional fact that the pending bill gives highly preferential treatment to those in the higher brackets of income in that, by contrast with those in the small and middle brackets, it restores to them, the wealthy, so much greater proportions of the added tax which came to them as war taxes under the provisions of the various revenue bills since 1940. In connection with this important point, I file now as a part of my statement a tabulation prepared by the Treasury Department on July 9, in which the last column shows the percentages of the war taxes of taxpayers in various brackets, which are removed by H. R. 3950. I ask permission to have the tabulation included in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percent of the increase in tax under Revenue Act of 1945 over 1939 removed by House bill, H. R. 3950

MARRIED PERSON [1]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax			Increase, Revenue Act of 1945 over 1939	Decrease, House bill, H. R. 3950, over Revenue Act of 1945	Percent of the increase in tax under Revenue Act of 1945 over 1939 removed by House bill, H. R. 3950
	1939 [2]	Revenue Act of 1945	House bill, H. R. 3950 [2]			
$1,200		$38	$27	$38	$11	28.9
$1,500		95	67	95	28	29.5
$2,000		190	133	190	57	30.0
$2,500		285	228	285	57	20.0
$4,000	$44	589	471	545	118	21.7
$6,000	116	1,045	836	929	209	22.5
$10,000	415	2,185	1,748	1,770	437	24.7
$25,000	2,489	9,082	7,266	6,593	1,816	27.5
$50,000	8,869	24,795	19,836	15,926	4,859	30.5
$100,000	32,469	63,128	50,502	30,659	12,626	41.2
$500,000	304,144	407,465	349,199	103,321	58,266	56.4
$1,000,000	679,044	839,715	735,949	160,671	103,766	64.6
$5,000,000	3,788,994	[4] 4,275,000	[5] 3,825,000	486,006	450,000	92.6

[1] Assumes only one spouse has income.
[2] Assumes maximum earned net income.
[3] Assumes taxpayer is under 65 years of age.
[4] Taking into account maximum effective rate limitation of 85.5 percent.
[5] Taking into account maximum effective rate limitation of 76.5 percent.

Source: Treasury Department, Division of Tax Research, July 9, 1947.

Mr. HOLLAND. Reference to this table, which covers the tax situation of married persons with no dependents beginning with those who have a net income of $1,200 a year and extending up to the highest brackets, it will appear that there is no great distinction in the percentage of war taxes of which small and medium taxpayers are relieved from the $1,200-income bracket to the $25,000 bracket. In those various classifications, that is, from an annual income of $1,200 to one of $25,000, the taxpayers receive slightly varying amounts of relief as to their war taxes, ranging from a 20-percent reduction in the lowest case to a

30-percent reduction in the highest. Beginning with an annual net income of $50,000, however, the table shows that the percentage of war taxes of which the taxpayers are relieved by the pending bill increases greatly. At the $100,000 income level a taxpayer is relieved of 41.2 percent of his war tax. At the $500,000 level he is relieved of 56.4 percent; at the $1,000,000 level of 64.6 percent; and at the $5,000,000 level of 92.6 percent. Mr. President, it is quite clear from this table that H. R. 3950 was designed largely to relieve the taxpayers in the higher brackets from the added taxes required of them by the war effort, and that such result is successfully accomplished. In other words, this bill successfully relieves the taxpayers in the large brackets of most of their war-tax burden while still leaving on the taxpayers whose income lies between $1,200 per year and $25,000 per year the greater portion of their war taxes, extending from 70 percent to 80 percent thereof.

At this point, I wish to file in connection with my statement and have printed as a part of same, another compilation prepared by the Treasury under date of July 9, which shows graphically the percentage of increase in income taxes from the 1939 or prewar level which would be left upon taxpayers in various income brackets in the event H. R. 3950 is enacted into law. I call the attention of the Senators to the fact that in the last column of this tabulation there appears the clearest showing which I have yet seen as to the preferred treatment which is given by the proposed law to the wealthy as compared to those of moderate means.

Mr. President, I ask that the table be printed in the RECORD at this place, in connection with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of amounts of individual income tax under the Revenue Act of 1945 and under the House bill, H. R. 3950, with 1939 taxes, for specified amounts of net income

MARRIED PERSON [1]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax			Percentage increase in tax from 1939	
	1939 [2]	Revenue Act of 1945	House bill, H. R. 3950 [3]	Revenue Act of 1945	House bill, H. R. 3950 [3]
$1,200	----------	$38	$27	(4)	(4)
1,500	----------	95	67	(4)	(4)
2,000	----------	190	133	(4)	(4)
2,500	----------	285	228	(4)	(4)
4,000	$44	589	471	1,238.6	970.5
6,000	116	1,045	836	800.9	620.7
10,000	415	2,185	1,748	426.5	321.2
25,000	2,489	9,082	7,266	264.9	191.9
50,000	8,869	24,795	19,836	179.6	123.7
100,000	32,469	63,128	50,502	94.4	55.5
500,000	404,144	407,465	349,199	34.0	14.8
1,000,000	679,044	839,715	735,949	23.7	8.4
5,000,000	3,788,994	[5] 4,275,000	[6] 3,825,000	12.8	1.0

[1] Assumes only 1 spouse has income.
[2] Assumes maximum earned net income.
[3] Assumes taxpayer is under 65 years of age.
[4] Percent increase at these levels is infinite, because it involves division by the zero tax in 1939.
[5] Taking into account maximum effective rate limitation of 85.5 percent.
[6] Taking into account maximum effective rate limitation of 76.5 percent.

Source: Treasury Department, Division of Tax Research, July 9, 1947.

Mr. HOLLAND. Mr. President, in the case of a taxpayer with an annual income of $4,000, his taxes under the proposed law would still be 970.5 percent above the taxes he paid in 1939. In other words, he would be required under the pending law to pay more than 10 times the amount of peacetime taxes he paid in 1939. In the $6,000 income bracket the taxpayer would be left with an increase of 620.7 percent over his 1939 tax, meaning that he would pay more than seven times what he paid prior to the war. That is, even if the pending bill be enacted, that is the situation in which taxpayers in the middle brackets will be left, with taxes vastly multiplied above the level of prewar taxes. In the case of the $4,000 income, the taxpayer's burden is multiplied more than 10 times above the prewar level. In the case of the $6,000 income his taxes are multiplied more than seven times over what they were prior to the war. In the $10,000 income bracket the proposed law would leave the taxpayer paying more than four times what he paid in 1939, and in the $25,000 bracket almost three times as much.

Mr. President and Senators, I hope I may have particular attention to the following part of my statement, because I think the figures which I shall read best illustrate what was intended to be done, and what would be done under the provisions of the pending measure.

By way of extreme contrast, the Senators will note that extremely wealthy taxpayers in the $5,000,000 bracket will be left, if this bill is passed, with a tax only 1 percent greater than what they paid in 1939. In the case of the taxpayers at the $1,000,000 level, their tax under the pending bill would be increased only 8.4 percent from 1939. At the $500,000 level the increase would be only 14.8 percent, and at the $100,000 level the increase would be only slightly more than one-half, or an increase of 55.5 percent. What clearer evidence could be shown, Mr. President and Senators, that the pending measure is specifically designed to give great and disproportionate relief to the relatively few large taxpayers from the burdens of their war taxes while leaving those millions of citizens in the low and middle brackets to continue to shoulder a burden of taxation many times greater than that which they had to pay prior to the war?

Mr. President, I have noted that the supporters of this bill always seem to take great comfort from their continuous restatement of the proposition that a 30 percent cut of the present amount of taxes is allowed on surtax net incomes up to the magnificent figure of $1,000. In the case of a married man without children, with a net income of $2,000, of which $1,000 would be surtax net income subject to taxes, this would allow a munificent reduction of $57 in his present tax bill, or 2.9 percent of his net income. I think that my good friends who support this bill are indulging in wishful thinking of the most naive sort, if they expect to hear loud cheers from the millions of taxpayers whose incomes are subject to this so-called 30-percent reduction. These people know the facts. They remember that they themselves would not be on the tax rolls at all, in most cases, except for the harsh reductions in personal exemptions brought on by the war. They know that, in most cases, 100 percent of their tax is war tax. How do you think they will regard their pitifully small reduction amounting to 2.9 percent—less than 3 percent—of their income when contrasted with the 92.6 percent reduction of war taxes given to the taxpayer in the highest bracket—a reduction which amounts to $450,000 for a taxpayer in the $5,000,000 bracket. Mr. President, the humble people of this Nation are alert and intelligent and they know there is nothing that even approaches justice in the treatment accorded them under the bill.

Or, suppose we consider the citizens who would receive 20 percent reductions under the bill, whose surtax net income extends all the way—and this is laughable, Mr. President and Senators—from $1,400 a year to more than $136,000. I confess I do not know of any similarity of economic situation between citizens whose surtax net income is $1,400 and those with $136,000 a year. Yet, they are bracketed together under the provisions of this peculiar and inexcusable bill. Mr. President, the people of modest income are not going to be fooled by that provision. Apparently, somebody thinks they will be so pleased at being bracketed with citizens whose net income is up to $136,000 a year that they will fail to realize just exactly what the bill proposes to do to them. Somebody has grossly underestimated the intelligence of the average American citizen. He knows or will quickly discover, that he is being given the short end of the stick and the heavier part of the load. Contrast the situation of a married citizen without children with a net income of $2,400 and a surtax net income of $1,400, to that of one of his fellows in the same 20-percent bracket whose surtax net income is $136,000. The contrasting figures, as furnished me this morning by the Joint Committee on Taxation are as follows: On the yearly net income of $2,400—$200 a month of net income, the citizen will under the bill see his taxes reduced $53.20 or 2.2 percent of his net income. On the yearly net income of $136,000, eleven and one-third thousand dollars a month, which for some obscure reason is bracketed with the modest income of $200 per month, the citizen will, under the bill, see his taxes reduced $18,878.40, or 13.9 percent of his net income. Here we see a specific instance of the equal treatment under the law which is proposed to be given to these two citizens, whose economic conditions are assumed to be so similar that they are both placed in the same 20-percent bracket for tax-reduction purposes. The citizens whose net income is $200 a month and who would have been entirely exempt from income taxation prior to the war, receives a reduction of 2.2 percent of his net income. The citizen whose net income is eleven and one-third thousand dollars a month, or $136,000 a year, receives a reduction 13.9 percent of his net income. Mr. President, I do not feel that it is necessary for me to comment on that situation, except to say that it is obviously a travesty on justice. I do not

believe the sponsors and supporters of the measure can logically expect to receive the warm approval of the more than nine-tenths of the total number of income taxpayers whose primary concern must be the increase of the present inadequately low personal exemptions.

Mr. President, I call attention to another point which I think will be of particular concern to the Senator now presiding [Mr. CAIN in the chair], who is a veteran with a very fine record in the last World War. What about the impact of the bill upon our returned war veterans? Under the bill it is now proposed that since the war is safely over and the veterans who won it in battle have returned to civil life, most of whom in the very nature of things will be of modest means and of small income capacity for years to come, they will now be permitted to pay for the war, along with others of small and medium means, while the well-to-do are allowed to escape in great measure the burden of taxation over and above their peacetime level. Mr. President, that is not my conception of fair, equitable, or democratic taxation, and I cannot approve it.

Mr. President, the further I go into the pending bill, the more thoroughly I am convinced that it is a deliberate effort to depart from the just, time-honored, and democratic principles of taxation, based primarily upon ability to pay, without disturbing adequate standards of living for our people at all levels, which principles have heretofore prevailed in the field of Federal income taxes. It seems to me that the present occasion, when everyone desires so eagerly relief from the burden of war taxation, is being seized upon to initiate a completely different and much less democratic tax system. I think the philosophy of those who sponsor the measure is clearly shown from an inspection of the original so-called Knutson proposal for a 20-percent reduction all the way across the board. Senators will remember that for weeks in the early part of the present session, the leadership of the Republican Party in the House insisted strongly upon that method of approach to the problem, ignoring entirely the fact that such an approach would have left most of our taxpaying citizens carrying most of their war-tax burden, whereas in the case of the highest brackets that scheme would have not only cut off all war taxes but would have even reduced the level of peace taxation in those brackets, as prevailing in 1939. The Republican leadership of the Senate sensed the intolerable character of the proposal and insisted upon redrafting the bill so as to make it more moderate.

The Senate bill as originally passed by this body is not, of course, as bad a bill as that which came back from conference. I remind Senators that in conference, notwithstanding the opposition of the distinguished Senator from Colorado, the chairman of the Senate Committee on Finance, the philosophy of the House prevailed to the extent that an additional reduction of close to $60,000,000, as reported by the Senator from Colorado, was placed upon the measure in conference, such reduction going wholly to taxpayers whose annual income is $79,700 a year and greater. The figure $79,700 a year was given me yesterday by the Joint Committee on Taxation.

And so the bill now offered, which is the same as the conference measure, is all we have before us. I feel that its provisions are wholly intolerable and that the President of the United States correctly branded it as the wrong kind of a bill. It is quite apparent that the influences which have shaped the tax measure are not content to see tax reductions from war levels retrace the same path that was followed in enacting tax increase for war revenue. In making our contribution to the winning of the war, all classes of our people were called upon to make equally heavy sacrifices, in proportion to their ability to pay, and I think it should be said, in fairness to the rich and poor alike, that they marched up the hill shoulder to shoulder with complete willingness to play their respective parts in the bearing of unparalleled war burdens. But now, Mr. President, when the time comes for us to go back down the hill to the lower levels of taxation, which will be required for eventual peacetime conditions and prosperity, it is apparent that the Republican leadership has no intention of allowing the people of our Nation to retrace the same path which we traveled victoriously in the winning of the war. Instead, they propose this measure, under which practically all of the burdens of war taxation are taken off the shoulders of the taxpayers at the highest levels, and much greater proportions of such burdens are removed in all the high brackets than are taken from the backs of those of smaller income who are less able to carry the heavy load. Not a single taxpayer is taken off the roll by this measure, except the group of aged persons, notwithstanding the shrunken value of the dollar, and notwithstanding the complete inadequacy of the prevailing personal exemptions to assure a reasonable standard of living. There is no effort to restore any part of the personal exemptions as cut off for war purposes. There is no restoration of the credit for earned income which was of such importance to the citizens of small income up to as late as 1943. There is no effort to make the reduction of war taxes apply with reasonable equality at all income levels. Instead, great preferential consideration is given by this bill to those of large incomes as against those with small and medium incomes.

Mr. President, I have the firm conviction that the philosophy of taxation followed by this bill is unjust, undemocratic, and intolerable, and I cannot sit silently by and see this grave departure occur without voicing my strong and unyielding opposition.

The PRESIDING OFFICER (Mr. CAIN in the chair). The bill is open to further amendment.

Mr. COOPER. Mr. President, when H. R. 1, providing for tax reduction effective July 1, 1947, was presented to the Senate in May, I voted against it, upon its first passage, and again upon passage of the conference report.

In the first month of my service here, I had joined my party in the adoption of a resolution providing for a minimum payment of $2,600,000,000 upon the debt, and in opposition to my party I had voted that the entire proceeds from the sale of war-surplus property, estimated in the sum of $1,000,000,000 for this fiscal year, and now being used for current expenditures, be applied upon the debt.

My first objection to the tax measure which came before us in May was that it gave priority to tax reduction over debt reduction and, in reducing revenues for the fiscal year 1948 by the sum of $3,300,000,000, it made doubtful the debt payment of $3,600,000,000, which the Senate had fixed in its resolution. It was my belief, as it is today, that debt payment and management are, above tax reduction, historic principles of the Republican Party.

This objection, which I made in May is not tenable today. In changing the effective date of the bill from July 1, 1947, to January 1, 1948, the loss in revenue is reduced from $3,300,000,000 to $1,500,000,000. Today, it can be conservatively assumed that expenditures will be reduced by at least $2,600,000,000, and that a surplus of $5,000,000,000 after tax reduction will be assured. I believe that a minimum payment of $3,000,000,000 should be made on the debt, leaving $2,000,000,000 for contingencies.

My second objection to the original bill was of even greater concern to me. It arose from my conviction that in this fiscal year we shall be called upon for loans and grants to aid our allies and friends, particularly in western Europe, in a program of rehabilitation, and from my unwillingness to support a measure which would decrease revenues by $3,300,000,000, at a time when we did not know the extent of the demands that would be placed upon us.

On May 28, I said in the Senate:

> The chief reason for my opposition to this bill is based upon a factor which has not been discussed at any length during the debate. Two unknown factors have been commented on, the unknown factor of revenues and the unknown factor of expenditures. There is another unknown factor which I believe is more important than any that has been discussed. That unknown factor is the sum of the requirements and the demands which may be made upon this country during the remainder of this year, and in the next fiscal year, to implement our international policy. * * * So far as I am concerned, I believe that we embarked upon this program at least in 1941 when we entered the war. I do not believe it will be ended until we have assisted within reasonable limits, the nations of western Europe and certainly those who hold the seeds of democracy, to reestablish to some degree their economy. It must be done within reasonable limits, coordinated as efficiently as proposed by ex-President Hoover. It must be done within the limits of our own sound fiscal economy. * * * We have assumed a position of world leadership which we cannot ignore. It means that we must help to restore the economy of the shattered nations of western Europe, thus promoting eventually our own economic welfare. More important, it is the only hope of peace.

At the same time, I said:

> I am very sorry that the administration, if it has information upon this subject, has

not seen fit to give that information to the Congress and to the people of this country.

The debate upon the tax bill began on May 20 and continued to May 28, yet to my best knowledge, no objection to the original tax bill was ever made by the President, or by the Secretary of the Treasury, or by anyone who opposed the bill here, other than myself, upon the ground that full tax revenues under present schedules would be needed to carry out extraordinary and enlarged commitments in western Europe, in a program of rehabilitation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. McMAHON. I think if the Senator will consult the RECORD of the same day he will find that the Senator from Connecticut made a 3- or 4-minute speech—on which I may elaborate during the course of this debate—in which I pointed out, in essence, exactly what the Senator from Kentucky has been pointing out today, and which he pointed out so ably on May 28. I merely wish to call the Senator's attention to that fact. I congratulate him on the wisdom which he showed. He showed much greater wisdom than did the Senator from Connecticut, because the Senator from Kentucky documented his argument much more thoroughly than did the Senator from Connecticut.

Mr. COOPER. I thank the Senator from Connecticut, and agree that he called attention to our international obligation.

Subject to the correction which the Senator from Connecticut has just made, let me say that the entire debate against the bill was directed to its alleged inequities, the need for debt payment, now assured, the need for general tax revision, and the uncertain status of expenditures, which it was first argued could be determined by June 6. No mention was made of the implications of the so-called Truman doctrine. In fact, on April 5, at a time when the Congress and the American people were being asked to make sacrifices in the expenditure of $400,000,000 for aid to Turkey and Greece, the President, speaking at a Jefferson Day dinner, implied the unwillingness of the administration to make any sacrifice at all for the provision of funds, by stating that his budget of $37,500,000,000 could not be reduced.

On June 5, Mr. Marshall made his great speech at Harvard University, which was to set a new course in foreign affairs. The swift succession of events that have occurred in the 5 weeks since his speech indicates the deep hopes which it has aroused, both at home and abroad.

On June 13, the distinguished President pro tempore of the Senate [Mr. VANDENBERG] in the tradition of his great leadership, proposed the appointment of a bipartisan committee, to study, in our own self-interest, the over-all necessities for aid, our ability to furnish aid, and the basis upon which it should be undertaken. The President acted upon his proposals and appointed committees.

On June 17 the British and Foreign Ministers met at Paris, and on June 27 they were joined by Mr. Molotov. Despite Russia's withdrawal, 14 nations have accepted the invitation of Great Britain and France for a conference upon European reconstruction.

Questions have been voiced as to the intention and meaning of Mr. Marshall's speech, but whatever was intended, it is certain that it has been interpreted by these 16 nations as a conditional offer of aid.

Despite the great significance of these events, all of which revolve around this country, I can find no utterance of the President, or by any representative of the administration, which clearly and unequivocally informs the people and the Congress that the implementation of the Marshall plan requires that the Congress in this year shall make grants or loans to participants, or that unusual and extraordinary sums shall be needed.

On June 13, 8 days after Mr. Marshall's speech, the New York Times quoted Mr. Snyder, Secretary of the Treasury, as having said on the previous day:

> I am not against the principle of tax reduction. I am thinking of the financial stability of this country and our fiscal policy. We must know what our expenditures are going to be before we cut our revenues. Otherwise, that might make these expenditures exceed the revenues.

The context indicates that he was speaking of ordinary budget expenditures.

On June 16, after Mr. Marshall's speech, after the statement of the Senator from Michigan [Mr. VANDENBERG], after the French Foreign Minister, Mr. Bidault, had invited Mr. Bevin to Paris, and at a time when it was evident that our position was being interpreted as one that offered material assistance, the President vetoed the tax measure.

It was a message which bristled with full arguments against the alleged inequities of the bill, but which contained only one short, general statement concerning foreign responsibilities. It was:

> We continue to be confronted with great responsibilities for international relief and rehabilitation that have an important bearing on our efforts to secure lasting peace.

No word can be found which can be construed directly to relate his veto to any new responsibility arising because of the proposal of Mr. Marshall. The very absence of comment and the fullness of other arguments would indicate that the Marshall idea had no relation to the veto message.

I have read the President's speech at Kansas City on June 7, his speech at Ottawa on June 18, his speech at Monticello on July 4, and in none of these can there be found the direct and unequivocal statement that this country will be called upon this year to undertake extraordinary loans or grants in support of the Marshall plan. In fact, the speech at Kansas City emphasized again his support of large domestic expenditures.

Only yesterday the newspapers reported that on Thursday the President, responding to inquiries as to whether American economic assistance under the Marshall plan might make necessary a fall session of the Congress, stated flatly that he had given no thought to calling a special session and that he did not anticipate any reason for such action.

I am now convinced that tax reduction will not be opposed by the administration upon the ground that the full revenues for the full fiscal year under the present structure are needed to implement the Marshall plan, for such a position would logically make impossible the advocacy of any later tax bill, equitable or inequitable, bearing as its effective date January 1, 1948. I have been informed by several upon the other side of the aisle, by some who oppose this bill, and by some who favor it, that a tax bill will be advocated at the next session, effective as of January 1, 1948. If this is to be done, then the arguments of tax revision and the danger of inflation are without meaning.

Under these circumstances, I shall assume that the $2,000,000,000 which will be available after a payment of $3,000,000,000 on the public debt is all that will be required for contingencies during the current year. Since the loss of revenue has been reduced from $3,300,000,000 to $1,500,000,000, I shall vote for this tax bill which I believe to be equitable, with an effective date of January 1, 1948, rather than one which will be passed in an election year with the same effective date, but which may be less equitable.

I vote for it in the hope that the words attributed to the distinguished Senator from Nevada [Mr. MCCARRAN] may be realized. Yesterday's papers quote him as saying that if the United States is "to continue lending encouragement and assistance to the people of other countries, it seems to me to be only just and fair that we extend encouragement and assistance to the people of our own country by reducing their tax burden."

I have not made these comments in a partisan vein. I have supported the foreign policy of the administration. I believe now, as I believed on May 28, and as I have believed since 1944, that the long-term stability of our domestic economy and the permanency of peace depend to a tremendous extent upon the rehabilitation of Germany, of western Europe, and of the United Kingdom.

I do not know if any of us fully appreciates the sacrifices that must be made if we are to attain our objectives. During the war we suffered no physical damage at home, and in a material sense all groups prospered. We prosper today because of the war.

The people will undertake any great task, if they know the objective and their responsibilities.

The task of information is that of the Administration. It should keep the people and the Congress continuously and adequately informed as to the demands that will be made upon us. I believe it has not done this. In the provision of funds, it should give an example by reducing expenditures. This it certainly has not done.

Mr. MAYBANK. Mr. President, I desire to make a few observations with reference to the bill which is now pending before the Senate. I voted against the tax bill which was considered and passed a few months ago. As everyone

knows, the only difference between that bill and the pending bill is that the effective date of this bill is January 1, 1948, instead of July 1, 1947, as in the case of the previous bill. There have been no other changes.

It appears to me that there has been too much politics in connection with the bill. I regret exceedingly that the House saw fit to pass the bill which was sent to the President some time ago and which the President vetoed, and that the House is asking the Senate to pass this bill without any changes in it whatsoever except the change of the effective date, despite the fact that the veto was sustained by the House.

In my judgment, the bill is no cure-all for the inequities in the tax system of the United States. It is my purpose to vote against it, regardless of what pending amendments may be adopted that have so far been offered or may be offered.

In this connection, Mr. President, I should like to state that I supported the Lucas amendment which was offered to the Senate a few months ago, but things have changed in world situations. I am one who certainly believes in tax reduction, but at the same time believe that the entire situation should be surveyed and that any reduction made should be fair and equitable not only to all individuals but to all sections of the country.

As to how much surplus there will be, no on one knows. Likewise, no one knows what appropriations this Congress will finally make. But let us hope there will be a surplus; and let us hope it will be large, and let us utilize it to reduce the national debt of approximately $257,000,000,000.

I may say that the time to pay one's debts is when one has the money with which to pay them. As an individual, I was raised that way; and as a businessman, I made that my first principle. As mayor of Charleston during the serious bank holidays, when the city had no money, I was also guided by that principle. We did not repudiate our debts; we paid our debts. Today, as a result of what we did in those days by way of reducing the debts and paying them, the city has gone forward.

Another point I wish to make is that whatever surplus is talked about now is made possible by the action of the Democratic administration of last year. That administration reduced the budget by approximately $34,000,000,000, because of the supplemental deficiency estimates—including those for the British loan—the figure of reduction, as shown at page 8099 of the CONGRESSIONAL RECORD, was approximately $21,000,000,000. It was the President of the United States, Harry S. Truman, who, when the war was over, conferred with the members of the Appropriations Committee, of which the distinguished Senator from Tennessee [Mr. MCKELLAR] at that time was chairman. It was then that the cut-backs were made, and that was when the surplus was made possible. I am pleased that I had a part in it as a member of that committee.

After that action was taken and after the Congress adjourned, there was an election in the fall. It was President Truman who had the nerve, in the face of the election, to use his power, under the War Powers Act to further curtail the appropriations, even those which the Congress had made.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. MAYBANK. I am glad to yield.

Mr. CHAVEZ. Inasmuch as the Senator from South Carolina has mentioned the name of the President of the United States, I should like to call attention to the fact that on May 23, 1860, the Chicago Daily Tribune published an editorial on Abraham Lincoln. That was 5 days before Mr. Lincoln was nominated for the Presidency. When the Senator from South Carolina mentioned President Truman's name, I was reminded that I had read a reprint of that editorial. I believe history repeats itself. With the indulgence of the Senator from South Carolina I should like to take a moment or two to comment on that editorial.

Mr. MAYBANK. I am glad to yield to my friend, the Senator from New Mexico.

Mr. CHAVEZ. I should like to read part of the editorial, and I suggest that the present President would fit into the same picture which is portrayed in the editorial. The editorial, in speaking of Mr. Lincoln, said this:

> He will not be able to make as polite a bow as Frank Pierce * * * He may not preside at the Presidential dinners with the ease and grace which distinguish the venerable public functionary, Mr. Buchanan; but he will not create the necessity for a Covode committee and the revelations of Cornelius Wendell.

So said the Chicago Daily Tribune about Mr. Lincoln, and I believe that the American people today can say as much of President Truman.

Mr. MAYBANK. Mr. President, I thank the Senator from New Mexico for that statement. I may say that he knows, as well as do other Senators, that I have the greatest respect for President Truman, and I used my every effort and my all to do what I could in his behalf at Chicago some 2 years ago, and I have no regrets. I knew him as a fellow Senator and friend.

Mr. President, I was discussing the surplus. I stated that in addition to what the Appropriations Committee had done in the way of making cuts, the President, in the face of elections throughout the country, in his desire to be nonpartisan, under the War Powers Act held that unnecessary projects and all useless expenditures of money should be set aside. He even went so far in the curtailment of such matters that in my humble judgment his action caused the loss of some Democratic seats in Congress, particularly some of the congressional seats from districts where there are river and harbor projects, because he held up funds for some of the large projects, even though Congress had appropriated money for them, after they had been properly authorized. He did this in his simple honest way, as he believed, for the country's good.

Since the original budget message was sent to the Congress and since the hearings were held last winter, world conditions have become far more serious. The changing picture in Europe has been brought home to all of us. Starvation and famine exist throughout the world. There is widespread unrest; and, sad to say, in many quarters there is much distrust of government.

So at this time, in my judgment it would be a serious mistake to make any considerable reductions in taxes. If the money is found to be needed for further national defense of our country later this year, the surplus should be available for that purpose. If it is not needed in that way, then it can be applied on the national debt.

As I have previously stated, no one knows exactly what reductions will actually be made in the President's budget. Many of the appropriation bills are still in the committee.

So, Mr. President, I consider the present move to reduce taxes to be rather of a political nature in an attempt to put the Executive "on the spot," after he has vetoed the first bill and after the House of Representatives has upheld the veto.

I should also like to refer at this time to the GI terminal-leave-in-cash bill, the bill providing that such terminal leave shall be paid in cash, rather than in bonds. It was my hope that at least the Armed Forces Committee would act upon that bill by this time. Last year I used my every effort as a member of the Military Affairs Committee to have the payments made in cash. I was told that sufficient money was not available.

This year the House of Representatives unanimously passed the bill, and a duplicate of it was introduced in the Senate by the distinguished Senator from Connecticut [Mr. BALDWIN], and was referred to the Armed Forces Committee, which this week held hearings on the bill. The Veterans of Foreign Wars, the American Legion, the Disabled War Veterans, and many other groups appeared at the hearings, and I am pleased to say that there was not a dissenting group. I told the GI's, because I was the original sponsor last year, that I was delighted to know that even the brass hats approved the bill; recognized the justice of the claims of the enlisted men who so valiantly fought for and defended their country, and recognized also that they, too, even though they did not hold high rank, were entitled to equal treatment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, so as to save time, the statements which I made in this Chamber on February 17 and February 21, containing statistics which I should like to have incorporated in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD of February 17, 1947, pp. 1092–1093]

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a table making a comparison of appropriations by departments and establishments for the fiscal years 1946 and 1947. The comparison shows the great economies we accomplished.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of appropriations by departments and establishments, fiscal years 1946 and 1947

Department or establishment	Fiscal year 1946, 79th Cong., 1st and 2d sess.	Fiscal year 1947, 79th Cong., 2d sess.	Increase (+) or decrease (−), 1947, compared with 1946
Legislative branch:			
Regular annual	$55,718,868.46	$55,213,498.16	−$505,370.30
Permanent and indefinite (general and special accounts)	54,203.00	54,203.00	
Total, legislative branch	55,773,071.46	55,267,701.16	−505,370.30
The Judiciary: Regular annual	15,855,950.00	16,072,606.00	+216,656.00
Independent offices:			
Regular annual	11,692,955,893.58	11,216,670,749.61	−476,285,143.97
Permanent and indefinite (general and special accounts)	21,909,750.00	19,916,000.00	−1,993,750.00
Total, independent offices	11,714,865,643.58	11,236,586,749.61	−478,278,893.97
Agriculture:			
Regular annual	649,226,126.45	600,731,121.00	−48,495,005.45
Permanent and indefinite (general and special accounts)	124,760,336.08	128,402,347.98	−3,642,011.90
Total, Agriculture	773,986,462.53	729,133,468.98	−44,852,993.55
Commerce: Regular annual	108,463,875.11	194,284,791.86	−85,820,916.75
Interior:			
Regular annual	203,582,654.72	252,302,681.26	+48,720,026.54
War Relocation Authority	25,000,000.00		−25,000,000.00
Permanent and indefinite (general and special accounts)	14,311,248.00	12,732,300.00	−1,578,948.00
Total, Interior	242,893,902.72	265,034,981.26	+22,141,078.54
Justice: Regular annual	106,496,423.50	99,752,250.00	−6,744,173.50
Labor: Regular annual	82,288,684.50	140,481,443.00	+58,192,758.50
Military:			
Regular annual	21,498,117,980.28	7,263,542,822.64	−14,234,575,157.64
Permanent and indefinite (general and special accounts)	8,000,000.00	6,000,000.00	−2,000,000.00
Total, military	21,506,117,980.28	7,269,542,822.64	−14,236,575,157.64
Navy:			
Regular annual	23,477,591,164.22	4,148,417,440.00	−19,329,173,724.22
Permanent and indefinite (general and special accounts)	430,000.00	434,000.00	+4,000.00
Total, Navy	23,478,021,164.22	4,148,851,440.00	−19,329,169,724.22
Post Office (payable from postal revenues to the extent they are sufficient and remainder from the Treasury general funds)	1,391,081,531.75	1,279,580,069.00	−111,501,462.75
State: Regular annual	102,322,191.46	183,077,692.60	+80,755,501.14
Treasury:			
Regular annual	366,783,647.66	558,194,218.54	+191,410,570.88
Permanent and indefinite (general and special accounts)	8,045,962,794.00	7,181,632,697.00	−864,330,097.00
Total Treasury	8,412,746,441.66	7,739,826,915.54	−672,919,526.12
War, civil:			
Regular annual	364,410,952.00	333,430,498.00	−30,980,454.00
Permanent and indefinite (general and special accounts)	1,035,608.00	1,048,500.00	−12,892.00
Total, War, civil	365,446,560.00	334,478,998.00	−30,967,562.00
District of Columbia (payable from District of Columbia revenues except $8,000,000 for fiscal year 1947 and $6,000,000 for 1946): Regular annual	74,213,010.14	77,246,092.56	+3,033,082.42
Grand total:			
Regular annual	60,214,108,953.83	26,418,997,974.23	−33,795,110,979.60
Permanent and indefinite (general and special accounts)	8,216,463,939.08	7,350,220,047.98	−866,243,891.10
Total	[1] 68,430,572,892.91	33,769,218,022.21	−34,661,354,870.70

[1] Before rescissions were taken out.

Mr. MAYBANK. Mr. President, I may say that at the close of the last session of Congress, in view of the fact that I had been a member of the Appropriations Committee during the years involved, I requested this table to be prepared for my information. I may further say in connection with the President's budget and the talk we hear of decreased taxes and decreased appropriations, that considering the present status of world affairs, it is my belief that our armed forces certainly should not be further reduced. There may be room for economy within the armed forces; I hope such economy may be possible to achieve, but I believe that any savings which may be had within the armed services themselves can well be spent on the Fleet Reserve, on the National Guard and on the Reserve components of the Army, the Coast Guard, and the Navy, and I shall insist that this be done.

Mr. President, I may also say that as a member of the Appropriations Committee in the years gone by, believing as I do in economy, it was my privilege on many occasions to vote for reduced expenditures. While there may be some economy possible this year, and I hope that we may be able to reduce some of the expenditures outside the armed forces, I earnestly hope that whatever reductions we may be able to make will be applied toward redeeming the terminal-leave bonds now owned by the GI's. This will reduce our debt and reduce our interest payments in the future. The officers, of course, were paid in cash. During the last Congress, it was proposed to pay the enlisted men in cash, and nearly every one agreed to the proposal, but because of lack of funds and the recommendations of the Treasury Department, and also because of fear of a Presidential veto, that was not done.

I hope we may be able to economize. I for one will certainly vote for all possible economies, outside the armed forces. I hope such economy will be sufficient to redeem the bonds of the enlisted personnel of the armed forces, who so bravely offered their lives and gave their services for us in time of trouble, with but little remuneration.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks certain estimates for 1948 compared with appropriations for the fiscal year 1947.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Estimate, fiscal year 1948	Appropriated, fiscal year 1947	Reduction fiscal year 1948 under fiscal year 1947 (−)
Military Establishment	$5,717,791,500	$7,267,042,400	−$1,549,250,900
Navy Department	3,504,546,300	4,148,813,440	−644,267,140
Total	9,222,337,800	11,415,855,840	−2,193,518,040

Actual appropriations, fiscal year 1947, including permanent appropriations	[1] $32,734,553,120
Budget estimates, fiscal year 1948, including permanents	[1] 31,275,838,104
Decrease 1948 estimates under 1947 appropriations as of Feb. 17, 1947	1,458,715,016

[1] Taken from table 10 of the budget for the fiscal year 1948.

[From the CONGRESSIONAL RECORD of February 21, 1947, p. 1273]

Mr. MAYBANK. Mr. President, I should like to have printed in the RECORD an article which, like the editorial submitted by the Senator from Massachusetts, is entitled to serious consideration in connection with the subject now under debate. I submit a newspaper article showing that the Red army's budget is $4,000,000,000 greater than the budget for our national defense, and showing the total appropriations for the Russian

Government, translated into dollars, to be $74,280,000,000.

Last year we reduced the total appropriation to approximately $34,000,000,000, and I, for one, want to state positively that I do not intend to vote for the $6,000,000,000 reduction, nor even for the $4,500,000,000 reduction, because I do not know what serious effects it may have on the security of our country and the continuation of our armed forces.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"RED ARMY BUDGET TOPS OURS BY MERE FOUR BILLIONS

"Moscow radio, monitored by the Associated Press, said last night Russia's military expenditures during 1947 will amount to $13,400,000,000, nearly $4,000,000,000 more than the sum Congress is expected to authorize for United States defense in the United States budget now being considered.

"Arseni Zverev, Soviet Finance Minister, who submitted the new Russian budget of $74,280,000,000 to the Supreme Soviet for approval, said the 13,000,000,000 figure for national defense represented a decrease of $1,120,000,000 from the 1946 military total.

"Under President Truman's proposed $37,500,000,000 budget, $11,200,000,000 would be earmarked for national defense. The $6,000,000,000 slash approved yesterday by the House is understood to include a cut of $1,750,000,000 in the United States military appropriation.

"Thus should the reduction be approved by the Senate, only $9,450,000,000 would be granted the American War and Navy Departments for the new fiscal year. This means that the United States arms budget is approximately 29 percent less than the amount Moscow will spend for armed might."

Mr. MAYBANK. Mr. President, I wish now to talk for a few minutes about the public debt, the bonds outstanding. In 1941 it was my privilege, as Governor of South Carolina, on the request of the then Secretary of the Treasury and President Roosevelt, to create bond sales committees, to originate bond drives, and interest the people of South Carolina in the purchase of bonds. Our per capita income, as is generally known, is not that of a very wealthy State, but from the time we began that program on May 1, 1941, through January 3, 1946, the patriotic God-fearing American people of my State bought $695,000,000 worth of bonds. A large part of these bonds were bought with the blood savings of the men who fought the war, with the checks which were sent home to their parents or nearest of kin. They still own thousands and thousands of such bonds. Likewise, Mr. President, insurance companies, banks, and others in South Carolina, participated in the drives, and bought the bonds, and they are up as collateral today.

In addition to the $695,000,000 worth of bonds which were purchased through January 3, 1946, since the war finance period has ended $60,000,000 worth of additional bonds have been purchased. So that the people of my State own $755,000,000 worth of war bonds—three-quarters of a billion dollars.

These figures, I may say, were obtained from the distinguished Under Secretary of the Treasury, Mr. Lee Wiggins, former president of the American Bankers' Association, an able and successful businessman, a friend to all the people, and the first country banker ever to be appointed to that high position.

Mr. President, any decline in these bonds would not only hurt the men who have honorably and honestly invested in them, but it would affect the communities of South Carolina. I intend to speak a little later as to how Government bonds were affected in 1932 and 1933.

Before I go into that, however, I wish to say that there has been much discussion on both sides on this floor as to the unfairness of taxation in the United States, the over-all taxation. I call the attention of the Senate to the fact that in the States of California, Illinois, Ohio, Pennsylvania, and New York, according to the 1940 census, there reside some 44,000,000 people, less than one-third of the Nation's total population. I call attention to the figures which were inserted in the RECORD by a Representative from Indiana, the Joint Committee on Taxation figures, which show that these five States get $2,087,609,000 of the tax reduction under this bill; less than one-third of our population gets more than half the refunds. I am fully familiar with the fact that the citizens of these States also pay perhaps more in taxes than those of other States, but so far as the reductions coming at this particular time are concerned, those figures indicate how the people of the U. S. A. will be affected.

Turning to my own State of South Carolina, with some 1,900,000 inhabitants, according to the 1940 census, we get the small sum—and I say it is small in comparison with what applies to other States—of $17,381,000, which works out in this way: According to the 1940 census, since New York has a population of approximately 12,500,000 and New York receives approximately $800,000,000 in refunds, according to the statements in the RECORD, each New Yorker gets $64. In South Carolina, with a population of 1,900,000, each South Carolinian gets $9 in return; the remarkable fact which I discovered through endless effort and through the assistance of the Treasury Department, insofar as South Carolina is concerned. I find that there are only 106 South Carolinians whose income is in excess of $100,000, and who will be benefited. In fact, Mr. President, out of the 373,120 taxpayers in South Carolina, 365,054 have incomes of less than $5,000 on which to pay taxes.

Let me remind the Senate of the fact that, unfortunately, there are far more adults who, because of our per capita income, do not pay taxes than who do.

Mr. President, the 365,000 individuals in South Carolina who pay taxes, according to the statements of the joint committee, and according to the statements of the Treasury, get $51 a year in refunds, or less than a dollar a week. I represent the people of South Carolina, not Wall Street, and I fail to understand how I could justify my conscience in voting for a tax bill which would give my people ninety-odd cents a week, while the taxpayers of New York received $11 a week. If this is not a political tax bill, and if it is not a rich man's tax bill, then two and two do not make four.

Mr. President, the argument has been used that if we do not pass the tax bill now we will not be able to pass it at all, because next year will be an election year. I regret that that has been stated, because of all matters in which there should be no politics it is in the consideration of taxation of our people, and I see no reason now, in July, for rushing through a tax bill which will not take effect until next year, when, if a committee were appointed to sit during the recess of Congress—and committees are being appointed to investigate everything else—we could investigate the tax system of the United States, and have prepared a law which would be equitable to the people of South Carolina, New York, and all States.

The bill will have no effect until next year, and certainly we could pass a tax-reduction bill next year, if world conditions were so adjusted that we perhaps could afford to do so—and I say that with feeling—and if deficiency appropriations for the Army and Navy operations, and the other deficiencies with which we will be faced when we meet again, should not take up all the funds.

I have referred to my State because I believe it my business to compare what our people would recover with what those in New York and other States would recover, with a deep appreciation of New York and its problems. I am not one to take a potshot at the people of New York, but I merely call the attention of the Senate to great discrepancies everywhere in the tax situation.

I, too, well remember 1932 and 1933, the aftermath of the boom and bust period. It is my judgment that today we are heading in the same direction. It is my judgment that every dime that could be saved should be saved, and used to retire the enormous national debt.

I saw more than 200 banks in my State fail, and there are Senators here from Western States who saw many banks fail in their States. I saw banks fail in my State because there was a decline in Government bonds. I saw Government bonds go from 100 to 70. I saw one bank that was as sound as a dollar, a $10,000,000 bank, had it not been for the fact that they took postal savings, putting up liberty bonds against postal savings; which was required. As the bonds declined, the postal savings account called for additional bonds, so that all the money of the people was consumed and lost in the decline of Government bonds. I saw the day when a man from the West or the South could not come to Washington and obtain aid for his banks or for his people. All went to great banks of New York, in 1932. I was notified as mayor of Charleston that the Hanover National Bank would purchase no securities, they would lend money to nobody except to J. P. Morgan & Co.

So, Mr. President, I do not believe that the people of South Carolina, who have about $750,000,000 invested in Government securities, since May 1, 1941, would believe that I would vote for a tax bill that reduces their taxes less than $1 a week—ninety-odd cents—and at the same time reduces taxes in New York, for example, and in many other places,

$11 a week. I appreciate the fact that 90 cents a week is a great deal of money to people of the South. It may mean much to them, but when on the other hand one considers the solvency of local insurance companies, with whom they are insured, the solvency of the banks with whom they do business, the solvency of the merchants at the crossroads, and the solvency of the lending agencies from whom they borrow money, I feel certain that, in their hearts, they will believe, despite the cheap, dirty propaganda regarding tax reduction, that I have done right and protected their over-all interest. I know that some politicians believe in large expenditures and no taxes. This, of course, is cheap politics. If money is to be spent and if the country is to be run on a sound basis, there must be taxes. If debts are to be paid, taxes must be collected.

Mr. President, I desire at this time to read a letter from a gentleman, the president of a bank in South Carolina, the largest bank in the State, with deposits of hundreds of millions of dollars, who came to Washington to the Treasury Department, at the request of the late President Roosevelt. He worked endlessly as Assistant Secretary of the Treasury, for the grand sum of $1 a year. He would accept no salary. It is not only the intelligent people at the bottom of the ladder who know they are not to get anything from the pending legislation, but it is also certain honest financiers, who know what happened, and who went through the distressing period of 1932–33, who are fearful, if the bill should pass and if surpluses are not available, that Government bonds and securities will decline, and that pandemonium will exist. If there is a recurrence of the 1932 experience, I believe I can foresee what will happen. Congress will meet, and, by simple resolution, pass a law—which it has the power to do—authorizing the issuance of paper money to take up bonds in the sum of $260,000,000,000; and, then, where would we be?

The late President Roosevelt was criticized for going off the gold standard as a result of the depression, which in turn was the result of the decline of bonds, the failure of banks, and the mismanagement of numerous bankers. Many people were financially ruined. By going off the gold standard, the late President saved the country. In the event of a similar occurrence in the future, paper money will be issued. I do not mean to predict the happening of any such thing as that; I merely want to be sure that, while the money is in our pockets, the debt is reduced.

Mr. President, I shall now proceed to read the letter to which I referred a moment ago. It is as follows:

I have your letter of the 16th, and you are at liberty to use the statements I made to you in any way you think is best.

I don't like to pay the present high rate of taxation—as a matter of fact, prior to the period of some 10 years ago my salary and my income was not of such a substantial amount that I could provide for my family, educate my children, meet life insurance premiums and other obligations and save very much money even though taxes were not so high. During the past 10 years my income from salary and a few other things has substantially increased, but still I can't save any money of consequence because the taxes are so much higher now than they were, that after providing for my family, continuing to meet life insurance premiums and other absolutely necessary living expenses, etc., and then after making contributions to charitable organizations and paying taxes at the very high rates which now prevail, I don't have enough left that I could ever get rich even if I lived to be 100 years old. It would therefore be the natural thing for me to want to see taxes considerably reduced in order that I might have a reasonable amount left after meeting all my other obligations including the payment of taxes, but I am trying to look at this thing from a long-range standpoint.

Mr. President, that is exactly what I am trying to do—look at the situation from a long-range standpoint. Let us pay the debt. Let us have sound money. I was recently asked whether or not the Committee on Banking and Currency intended to further devalue the dollar. There had been a rumor to that effect. I replied that, as one member of the committee, I would not vote for any such thing at the present time. I stated further that, with the enormous national income of the country, we could reduce the debt considerably within a few years to such an extent that it could be reasonably handled, that sound money would be the result, and the dollar would be worth something in the purchase of wheat, corn, cotton, and other commodities. After all, money is only a medium of exchange, but its usefulness as a medium of exchange depends upon its soundness.

I continue the reading of the letter:

In the natural course of events, the same thing is going to happen to me that happens to all other men, and that is, that I won't be here on this earth for any long additional period of time, but I have some children and some grandchildren who should under normal conditions be living in this country for a good many years and they will probably have children who will follow them. I would like very much to have it said when the time comes for me to go that this country of ours and the world has been made just a little bit better place for people to live by my having once lived in it, and I want to do my full share while I am living, because I can't do it after I am dead. I don't want to leave this earth and pass on to the future generations to come any part of the indebtedness of this country or, as a matter of fact, any other obligation or part of any obligation that I should have taken care of myself.

It is much more important to protect the economy of this country and keep the Government and its affairs in good, strong, sound fiscal condition by paying taxes at a very high rate now and while the income is available to do it rather than reduce taxes and make it possible for people to spend—and, as a matter of fact, many of them will throw away a large part of whatever additional earnings or income they have left and then when times get hard find that the millions and millions of people who have tried to save something and lend it to their Government to carry on the war and save civilization and liberty have their investment impaired.

That, Mr. President, is especially true in connection with what happened in the case of Liberty bonds in 1920. History will repeat itself. So, Mr. President, again I say that every possible dime should be used to pay the debt.

It's a great temptation to me to want to see my taxes reduced, and in some respects it's hard for me to write this letter, but, on the other hand, I feel much better because of the fact that I have written it. My conscience is at ease because I feel that I am willing to make whatever sacrifice as is necessary to preserve the sound economy and a good strong fiscal condition in the affairs of our Government—and I know that this will not be a better world or a better country if we do something to destroy that situation or condition.

With kindest regards, I am,
Cordially yours.

Mr. McGRATH. Mr. President, the Providence Journal is an independent newspaper published in the capital city of my State whose views are usually sound on the very conservative side. For the most part, in national politics, I believe it favors the Republican Party. I always have great respect for its views on financial matters. Yesterday the Providence Journal published a splendid editorial in condemnation of the effort of some Members of Congress to pass a tax bill hurriedly at this time, not in an endeavor to cut taxes for the present year, 1947, but for 1948. The editorial ably points out that it is the duty of Congress to think in terms of the best taxation instead of the best politics.

I shall not take the time of the Senate to read the editorial, but I ask unanimous consent that it may be printed in full at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Providence (R. I.) Journal of July 11, 1947]

POLITICS AND TAXES

It would ill become the Republican Party if the best it could boast of tax reduction should happen to be the resurrected 1947 bill which Mr. Truman vetoed. Yet the House is overwhelmingly content with just that. Before the President rejected it the measure had a laudable purpose. It was far from a perfect plan, but it did carry the promise of tax relief effective this year. Its imperfection was ascribed to lack of legislative time in which to write a better bill.

The revived measure offers no tax relief this year. It contains nothing that could not be written into a much better bill if the Republican leadership would take the time and make the effort to accomplish it. An improved measure, scientifically framed and broader in scope as the times demand, could be made effective as of the same date that the resurrected makeshift bill would be if it should become a law.

Is the Republican leadership satisfied to go into the 1948 campaign with a tax accomplishment that perhaps was the best it could do in the spring of 1947, but certainly is not the best it can do now? Originally there was need for haste because the objective was tax reduction on 1947 incomes. But that objective has vanished. The present purpose is to provide tax relief in 1948. In executing that purpose, Congress ought to think in terms of the best taxation instead of the best politics.

The best taxation clearly is not represented by this emergency measure that Congress is so bent on passing after admitting, by changing the effective date, that the emergency is forgotten. When Congress feels it can afford to reduce the revenue from individual incomes 20 percent, it should also feel now that it can afford to take time to find an improved substitute for a bill that gives the same degree of tax relief to a millionaire and an unskilled laborer. This is especially true in view of the decisive consideration that the

proposed tax relief is for next year, not this year.

The Republican leaders responsible for revival of this makeshift piece of legislation appear to be more intent on playing politics with a matter of vital interest to the people that in passing a law that deals adequately with the tax requirements of 1948. A new law should have its own schedule of individual income tax rates, carefully computed on the basis of ability to pay, not a flat 20 percent credit that applies with equal force to incomes whether they reach $2,800 or $200,000. It should also revise the excise levies in accordance with 1948 requirements. It might make some amendment of credits and exemptions. It could deal with the lively issue of community property.

All these important considerations Congress is content to ignore in what seems to be an overriding purpose to put the President in a political hole. Such inglorious effort is a poor compromise on the part of a House that has realized neither its pledge to reduce 1947 taxes nor its promise to reduce expenditures this fiscal year by $6,000,000,000.

Mr. O'MAHONEY. Mr. President, I doubt whether the Members of this body will ever be called upon to cast a more momentous vote than the vote on the tax bill which is now before the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. I wish to say that I have such a high regard for the Senator from Wyoming that when he rises to discuss any economic problem I always think it is unfortunate that a maximum number of my colleagues are not present to hear his views, and, if the Senator will yield for the purpose of my suggesting the absence of a quorum, I shall be very glad to do so.

Mr. O'MAHONEY. The Senator is very kind. I shall yield for that purpose.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. O'MAHONEY. Mr. President, the issue which is presented to the Senate by this income-tax-reduction bill is, in my opinion, one of the most important issues that has ever been presented to the Senate. I realize the fact that a great many Members of this body are of the opinion that the bill is only a political maneuver for the Presidential election of 1948; that it is designed to provide a little reduction in tax obligations for citizens of the United States, a reduction which was promised to them by the Republican command in the last election; and that it must be granted if the promises of the campaign of 1946 are to be redeemed. If that were the fact, I would not waste my own energies this afternoon talking about the bill.

From the point of view of the actual sums involved, on the basis of the estimates offered by the Committee on Finance, when compared with the tremendous expenditures of the Federal Government, it probably would not be worth the effort; but, Mr. President, it would be a sad mistake to assume that this is only a political tax reduction. It comes at a time when the national debt of the United States has reached a pinnacle that is beyond the imagination of man to describe, a national debt which could easily have the effect of being a time bomb under the capitalistic system. This national debt, greater than anyone in the United States ever dreamed possible 5 years ago, can easily destroy the whole system of private property, because the system of private property rests solidly upon the concept that debts shall be paid. If, at a time when the people of the United States are in the midst of an inflationary spiral and the national income is increasing because prices are increasing, we deceive ourselves into cutting down the receipts of the Federal Government, we are only digging the trench holes in which the bomb will explode to destroy our system.

Is that strong language, Mr. President? Of course it is strong language; but it is based upon facts which every Member of this body can see if he will only take the political blinders off.

We know that, outside this continent, the whole world has been devastated by the most terrible war in all history. We know that that means that the productive capacity of most of the people of the world has been destroyed. The productive capacity of Europe has been almost completely wiped out. The productive capacity of Asia, China, Japan, and India, has likewise been almost destroyed. People cannot live without production; and only here in the United States of America and in our neighbor to the north, Canada, is there a successful production machine in operation. Only the United States and Canada, two great areas committed to the capitalistic system, are still enjoying prosperity.

I say, Mr. President, that the economic stability of the United States of America is the only surviving hope of mankind. If we tamper with its stability we destroy the very agency which alone in the world today can preserve the system of private property, because if our productive system is undermined and weakened, while all of Europe and Asia are looking to us for the leadership that will win permanent world peace and reestablish an economy in which people can have some hope of enjoying prosperity and a higher standard of living—if we destroy that agency the world will go into another dark age such as that which followed the destruction of the Roman Empire.

I am well aware why so many members of the Republican Party assembled in the House and in the Senate are convinced that there ought to be a tax reduction. They have convinced themselves by the arguments which they have been making for several years in the past and during the campaign. They have convinced themselves that under the Democratic administration there had been such a wasteful expenditure of public funds that if they once got a majority in the Senate and in the House it would be possible for them to cut not millions, but billions of dollars from the budget of the Federal Government. I give them the credit of believing that that could be done. I give them the credit of believing that it would be possible, somehow, to cut the cost of government back to some such figure as existed before the war. I have heard their arguments. I have heard them say, "The Federal budget is 7, 8, 9, 10 times greater than it was before the war, and therefore it will be an easy thing to cut off $6,000,000,000."

That is the explanation of the fact, Mr. President, that when the Eightieth Congress assembled last January the newly elected Republican Members of the Senate and the House were convinced that it would be a perfectly simple procedure to cut from $4,500,000,000 to $6,000,000,000 from the President's budget. They heard the Democrats say, "The President has already cut the budget tremendously," but they thought that that was merely so much political talk.

So, Mr. President, in a hasty meeting of the joint committee which was established under the Reorganization Act they determined to obey that law and to bring in a legislative budget. The House passed a legislative budget calling for a reduction of $6,000,000,000 below the budget of President Truman. When the resolution came to the floor of the Senate and it was pointed out to Members of this body that such a reduction could not be accomplished without impairing the national defense, the Republican majority undertook to be a little cautious. The distinguished chairman of the Senate Finance Committee, the Senator from Colorado [Mr. MILLIKIN], who was a member of the Budget Committee, was one of those who said, "We cannot reduce the budget by $6,000,000,000, but we can reduce it by four and one-half billion dollars."

So the Republican leadership of the Senate of the United States, against the warning of Senators who had been Members of this body for many years and who had seen the Government establishment grow and who knew why it was growing, passed, a budgetary resolution providing for a reduction of four-and-one-half billion dollars below the President's figures. That, Mr. President, was 6 months ago. The conference has not met; there has been no agreement; there is no legislative budget. The Republicans in the House now know that they cannot reduce the expenditures of

the Government in any such manner as they thought was possible. The Republicans in the Senate know that it cannot be done. Yet they go through the motions of talking about income-tax reduction and reduced expenditures of the Federal Government, while the Appropriations Committee in every report it brings to the floor asks for increased appropriations over and above the appropriations made by the House. Can anybody deny that?

I have in my hand, Mr. President, the report of the Finance Committee supporting this tax-reduction bill. Do members read the reports of the committees, do they attempt to form their judgment upon the basis of the facts that their own committees submit, or do they vote from emotional or political concepts of what should be the facts?

Bear in mind, Mr. President, that 6 months ago this body said, "We will cut $4,500,000,000 from the President's budget." But what does the Finance Committee say? I read now from the Finance Committee's report as submitted to this body by the able Senator from Colorado [Mr. MILLIKIN], the chairman of that committee; and bear in mind that this report was filed with the Senate on July 9, 9 days after the end of the fiscal year 1947, when if any committee should know what the fiscal policy and standing of this Government are, that committee should know.

> Three appropriation bills have been signed by the President and involve reductions in appropriations for the fiscal year 1948 of $1,136,000,000.

Mr. President, I pause here to remark that of that reduction of $1,136,000,000, $800,000,000 was merely the postponement of refunds of income-tax overpayments—no saving at all, merely a declaration by the Appropriations Committees of the Senate and House, "We will not meet this contractual obligation of $800,000,000 during fiscal year 1948; we will postpone it until the fiscal year 1949." No one can deny that.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. MORSE. That date of postponement will be after the 1948 election; will it not?

Mr. O'MAHONEY. I am glad the Senator from Oregon has made that comment. He can make it from that side of the Chamber. I prefer to make this a nonpolitical discussion. [Laughter.]

Mr. MORSE. Will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. I wish it could have been such in the beginning.

Mr. O'MAHONEY. I thank the Senator.

Mr. President, let me continue to read from the report of the Finance Committee:

> Six bills are pending in the Senate or in conference involving reductions in appropriations by the House for the fiscal year 1948 of $1,526,000,000.

Now listen to this sentence, I ask the Republican Senators, who boast that they belong to the party of sound finance—Republican statesmen, devoted to the capitalistic system. I ask them to listen to the confession which comes to this body from the Finance Committee:

> The total reductions in appropriations for fiscal year 1948 on this basis would be $2,662,000,000.

Mr. President, is it any wonder that the conference on the legislative budget has not reported?

Mr. HATCH. Mr. President, will the Senator yield to me for a moment?

Mr. O'MAHONEY. I yield.

Mr. HATCH. The Senator has mentioned once or twice the failure of the conference committee to report a legislative budget. I was sitting here thinking, as the Senator mentioned that. I assume that the President of the United States submits his budget annually by virtue of statutory mandate. The President is required to do that, and he does it.

Mr. O'MAHONEY. That is correct.

Mr. HATCH. The President did that; did he not?

Mr. O'MAHONEY. He did.

Mr. HATCH. He submitted a budget, whether it was right or wrong; he complied with the law of the land, and he gave to the Congress and the country his best estimate of what that budget should be; is that correct?

Mr. O'MAHONEY. That is correct.

Mr. HATCH. Is it not true that the statute which the Congress itself passed, requiring and commanding a legislative budget, is just as mandatory as the statute making that requirement of the President?

Mr. O'MAHONEY. There is not the slightest doubt about it. I say to the Senator from New Mexico that not only have the Republican leadership in the Senate and the House failed to bring in a legislative budget, as they undertook so boastfully to do last January, but they have not even begun, as yet, to prepare a legislative budget to be filed next January when the Congress reassembles.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. HATCH. I am going to ask the Senator to indulge his imagination, if he can, to visualize what would have happened and what would have been said by Senators on the other side of the Chamber if the President of the United States had simply neglected and refused to submit a budget. What would our Republican brethren have said about a Democratic President who had absolutely, arbitrarily, and willfully refused to submit a budget? What comments would have come from the party which has for long, long years clamored for a balanced budget, and then at the first opportunity has even refused to submit an estimate as to how it could balance the budget?

Mr. O'MAHONEY. Not only have they refused to submit an estimate as to how the budget could be balanced, but they have gone even further: They are not preparing for the future, and they are operating upon a basis which seems to me to express their belief that the people of the United States can be fooled by this financial maneuvering.

Mr. President, the people cannot be fooled, I shall undertake to show, from the reports filed by the majority, that all this talk about cutting expenditures has arisen out of their failure to comprehend the necessities of the era in which we live.

Mr. KILGORE. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. KILGORE. If the Senator will indulge me, I should like to ask the Senator from New Mexico what, in his opinion, would be the reaction of the large banking houses to a corporation in the United States which undertook to cut the price of its product before it had a complete study of its costs of manufacture and distribution, and without making any arrangements for curtailing its indebtedness?

Mr. O'MAHONEY. Mr. President, the question answers itself.

In the Senate and in the House, action is being taken upon the theory that the people do not understand the fiscal situation, and that they can be bought in the next election by a reduction of taxes.

I said at the outset that I felt reasonably sure that those few Republican Members of the House and the Senate who assumed their duties for the first time in 1940, and some who had come here before then, were under the impression that it would be a very simple matter, indeed, to cut the expenditures of th Federal Government by simply getting rid of the New Deal adventures in Government activity. Have not we heard that over and over again, Mr. President?

The Government of the United States has undertaken tremendous Government expenses, greatly increasing the cost of government. The Senator from Colorado this morning, in talking about the pending bill, responding to a question by the Senator from West Virginia, said that the cost of living cannot be reduced until the cost of government is reduced—exactly the same statement that was made at the beginning of the session.

Mr. MILLIKIN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I do not believe I said that the cost of living could not be reduced until the cost of government was reduced. I said that the cost of government is a part of the cost of living, and that to the extent that we reduce the cost of government, we reduce the cost of living. There are still other fields in which the cost of living can be reduced.

Mr. O'MAHONEY. That is what I understood the Senator to say, but my point was that when the Senator from Colorado made that statement he was apparently indulging the same misconception of what is possible in this era that was indulged by the Republican leadership at the beginning of this Congress. What I was undertaking to say was that the Republican leadership and many Republican voters thought that all in the world we had to do was to cut the wasteful New Deal spending and stop the New Deal programs.

Let us see how successful we have been in doing that. The House of Representatives, when it passed the agriculture

appropriation bill, cut the appropriation for soil-conservation payments by about 45 or 47 percent, cut it below the budget to $150,000,000. What has the Senate Committee on Appropriations done about soil conservation?

Bear in mind, Mr. President, the Soil Conservation Act was passed under the Roosevelt administration; it is a New Deal measure. Let there be no mistake about that. I charge the Republican leadership with the responsibility either of repudiating that New Deal expenditure altogether, or of acknowledging that soil conservation has become a Federal expenditure which even they cannot abandon. They say so in the report I hold in my hand.

I now read from page 9 of report No. 474 of the Senate Committee on Appropriations, filed on July 11 by the Senator from Illinois [Mr. BROOKS], who is not a New Dealer, but who says in his report:

The committee takes exception to the House bill provisions for the agricultural program. The committee recognizes the obligation resting upon Congress by virtue of the authorization by Congress last year of an agricultural "conservation and use of agricultural resources" program for 1947 and provides for carrying out that program by appropriating the amount of $258,000,000.

Mr. President, there was an increase over the appropriation of $150,000,000 allowed by the House. Here we are getting back to the President's budget. We are not cutting expenditures, we are not cutting appropriations. We are manipulating figures, as, for example, in the case of the postponement of the $800,000,000 obligation to refund taxes for a year, delaying the payment of the bill, like any bad debtor.

Is that the standard which the Republican Party wants to hold forth in the next campaign—"We postpone our debts, and we manipulate our books"? I say that, and I will prove it when I come to talk about the school-lunch program.

Let me continue with the conservation of agricultural land resources.

This amount—

Two hundred and fifty-eight million dollars—

This amount, together with the surplus of approximately $37,000,000 carried over from the 1946 program—

Oh, Mr. President, imagine how it was possible that a Department of Agriculture headed by a Democratic appointee of the President could end the year with a surplus of $37,000,000. These wasteful Democrats never had a surplus; did they? I have the authority of the chairman of the Senate Committee on Appropriations, who is not a Democrat and not a New Dealer, for the fact that there was a surplus of $37,000,000. So it is proposed in this report to use that surplus, quite properly. They are not proposing to rescind it. Expenditures could be cut, Mr. President, by rescinding that $37,000,000, but do they propose to do that? No, indeed; they propose to go right along with the New Deal policy of soil conservation.

I read again:

This amount, together with the surplus of approximately $37,000,000 carried over from the 1946 program, will provide $267,620,754 estimated to be needed to make the payments to farmers authorized a year ago and leave approximately $27,500,000 for the administration of the program.

So, Mr. President, under this report we are going to spend $27,500,000 of "the taxpayers' money," to use the common phrase, $27,500,000 of the taxpayers' money to administer a New Deal program.

While this procedure does not provide a carry-over fund to initiate the 1948 program, the Department of Agriculture has a standing authorization to borrow $50,000,000 from the Commodity Credit Corporation to assist in carrying the program until the succeeding appropriation becomes available.

"To borrow $50,000,000." From what? From the Commodity Credit Corporation, another New Deal agency.

Mr. MAYBANK. Mr. President, will the Senator yield to me to mention something about the Commodity Credit Corporation?

Mr. O'MAHONEY. I am very glad to yield.

Mr. MAYBANK. Much has been said about some of the New Deal agencies, and about the administration of the New Deal agencies. I should greatly appreciate if the Senator would think of what happened in the Commodity Credit Corporation so far as cotton was concerned.

There was a most distinguished gentleman, Mr. C. C. Smith, who was in charge of the cotton program, and who made a most excellent record. He retired from the Government on the first of July. It was my privilege and pleasure to know him as a cotton man, and it was further my pleasure to have served on the Committee on Banking and Currency with the late distinguished Senator John Bankhead when some of the laws relating to the Commodity Credit Corporation were written and some renewed, and when much was done regarding those matters. I am sure the Senate will be interested in knowing what was accomplished through the Commodity Credit Corporation.

The Commodity Credit Corporation made loans on nearly 32,000,000 bales of cotton, and the loans on about 21,700,000 bales have been repaid.

The Commodity Credit Corporation acquired title to 9,500,000 bales of cotton under its loan program, and purchased about 3,000,000 bales under its purchase program. It was, therefore, necessary to dispose of nearly 12,500,000 bales acquired under the loan-and-purchase program. All this cotton has been sold with a gross profit to the Government of about $241,000,000. It has been necessary to spend $54,204,000 of Commodity Credit Corporation funds under the export program, thereby leaving a profit to Commodity Credit Corporation of $187,283,000, made during a Democratic administration.

The cotton from the 1938 and later crops, which was not redeemed from the loan, was placed in the pool and sold for the account of the producer. Settlement has been made of the pool of the 1938 through 1943 crops, and producers have been paid over $12,000,000 above the cost of the loan and carrying charges. Settlement has not been made on the 1944 and 1945 crop pool, but all of the cotton has been sold and it is expected that settlement will be made by September of this year.

I might say to the Senator from Wyoming that presumably all the money that was made for the CCC by C. C. Smith, one of the greatest cotton experts in this country, who gave of his time on a salary here in Washington to work for the Government, the Republican Party now wants to borrow for other uses. A great deal of that money came from the cotton profits of the South.

Mr. O'MAHONEY. Mr. President, I was reading a particularly interesting sentence from the report of the Senate Committee on Appropriations:

The committee further recognizes that Congress is considering the development of a future agricultural program, but believes that until such time as a new program is developed it should be a continuing program similar to the one now in operation. To that end the committee recommends the authorization of an agricultural program for 1948 in the amount of $150,000,000 to cover the payments to farmers and the administration of the program.

I call the attention of the Senators from Florida to the fact that the Committee on Agriculture, in making its report, is recommending an appropriation for the fiscal year that is ahead of them of $150,000,000 to carry out this New Deal program of soil conservation. The report is full of items of this kind, showing how this Congress, in the House and in the Senate, is supporting the expansion of Government power which was accomplished to serve the welfare of the people of the United States during the administration of President Roosevelt.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. Mr. President, I think perhaps the Appropriations Committee was aware of the fact that members of the Agricultural Committee, whether Democrats or Republicans, were almost unanimously in support of the agricultural program as laid down by the Congress 2 years ago. The able Senator from South Dakota [Mr. BUSHFIELD] made a remarkable fighting speech on the floor of the Senate about 10 days ago, in which he advocated restoration of practically all the appropriations requested by the President of the United States in his budgetary message. I want to say that, since the days of the fight over the McNary-Haugen bill, the agricultural group has stood pretty well together, regardless of politics, and it is because of that fact that there are additional appropriations now. It is the one appropriation that the Republican majority know they cannot defeat on the floor of the Senate, because of the united effort on the part of those representing agricultural communities throughout the Nation, whether Democrats or Republicans. That is the basic reason why the agricultural appropriation bill comes before us with appropriations restored in line with what the President has requested, and in line with what the Congress authorized 2 years ago.

Mr. O'MAHONEY. I thank the Senator from Illinois for his comment. I

may add that the reason the restorations are contained in the various bills, whether it be the agricultural bill or the Interior Department bill or the independent offices bill, or whatever the bill may be, for the armed forces, the Navy or the Army, is that the people of the United States want the Federal services which were set up under the administration of the late President Roosevelt, with the support of the man who is now the President of the United States.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. I agree with what the Senator says. There can be no doubt about it. I know what the farmers of my section of the country want. I know that the farmers have said over and over again that the Government obligated itself to do certain things and committed itself to do certain things. They are expecting the Government to stand by its guns and to fulfill its obligation. We must do it, unless we want to repudiate a deal made in good faith with American agriculture. On the other hand, I want to say to the Senator from Wyoming that I do not want him to be too optimistic about the appropriations, because they must run the gamut of the House before they finally become the law.

We know exactly what the chairman of the Appropriations Committee and the House of Representatives have done to the Agriculture appropriation bill. We know what the Appropriations Committee did, and what the House did. What I want to say emphatically is that those in the Senate who represent agricultural interests and who are interested in agriculture know that under no circumstances can we give way to a conference report that recommends less than what the United States Senate says we ought to have.

Mr. O'MAHONEY. Mr. President, I think possibly there is some danger of the eventuality which the Senator fears, but on the other hand I point out that when the House of Representatives began acting upon appropriation bills, it was before the Republican leadership had discovered that the President of the United States had in fact cut the budget to the bone, and that they could not impose any further reductions without impairing public service; and that is the reason why the Republican leadership has been driven to the manipulation of the books, as in the postponement to next year of $800,000,000 of a contractual tax-refund obligation.

That leads me, Mr. President, to the next item. When we were talking about the budget reduction resolutions in the committee which was considering them, last January, a distinguished and important leader of the Appropriations Committee on the Republican side in the House declared to those of us who were in that committee meeting, "This $75,000,000 program for school lunches will have to go out. That is one place where we can make a substantial reduction below the President's budget." Has it gone out? Not at all, not at all. The House of Representatives cut it down by about $30,000,000, as I recall, but when the Senate Committee on Appropriations undertook to act upon it, it put back the President's estimate, $75,000,000. Here is the statement in the report:

> The committee sustains the budget estimate of $75,000,000 for school-lunch activities which is $30,000,000 above the House bill.

The Senator from Illinois remarks that that is an ultra-New-Deal program. Perhaps so.

But whatever the fact may be as to its origin—and I give great credit to the junior Senator from Georgia [Mr. RUSSELL] for the fact that he was the sponsor and the leader of the movement which brought about the passage of the law authorizing these expenditures for school lunches in the schools throughout the United States—whatever may be the fact about it, Mr. President, it certainly must be clear that there is nothing in the world more local than the serving of a lunch to a school child in a little schoolhouse. It is an expenditure which was never contemplated by the constitutional fathers. It is a local expenditure in local communities.

Why is it, Mr. President, that the Appropriations Committees, controlled in both Houses by the Republican majority, which was committed on the stump to cutting down the New Deal "wasteful" expenditures—why is it that they have now come about in the House to appropriate $45,000,000 for this purpose, and in the Senate to appropriate the full amount of the President's budget, $75,000,000? The reason, Mr. President, is clear to anyone who wants to take off the blinders and let his intelligence operate. The reason is that there has been so much economic concentration in the hands of monopolistic big enterprises that the resources of the people of the United States are channeled into the great institutions of New York and Chicago and Pittsburgh and other large cities, and the small communities, and the small States do not have the taxable property with which to raise the money necessary to support the schools, nor even to support the children.

So a humanitarian program, initiated under a Democratic administration, is now supported by committees of the House and the Senate dominated by political leaders who began the present session of Congress with a promise in the House to cut appropriations by $6,000,000,000 and a promise in the Senate to cut them by $4,500,000,000, and who to this hour have not yet made up their minds what they can do. No wonder they cannot make up their minds when the chairman of the Finance Committee comes upon the floor with his report upon the tax bill and says that the reduction of the appropriations will be $2,662,000,000.

Mr. President, I think from my position as a member of the Appropriations Committee that this "guesstimate" is just as far off as the "guesstimates" which were made at the beginning of the session. Why do I say that, Mr. President? Because every day Republican leadership is talking about new expenditures, and helping to pass bills which will require new outlays by the Federal Government.

But before I reach that I want to point out how the books are manipulated with respect to the $75,000,000 for school lunches. It does not appear in the report as being an increase above the House appropriation. Let me show the Senate what the report says in the customary table on the first page:

Amount of bill as passed House	$572,172,266
Amount of increase by Senate committee (net)	92,664,160

Why do they say "net"? Because the $75,000,000 for school lunches is not a direct appropriation in the bill as reported by the Senate committee. The $45,000,000 provided by the House was a direct appropriation. But the Senate committee takes the amount out of section 32 funds so it is not a direct appropriation—merely a little manipulation of the figures. The increased appropriation provided by the Senate committee ought to be $30,000,000 more than that. But, Mr. President, let us see in the final analysis what the Senate committee is proposing to do. Here I find at the tail end of the table:

Exceeds the appropriation for 1947	$21,682,015

Under Republican leadership in the Eightieth Congress, the Senate Committee on Appropriations reports an agricultural appropriation bill which is $21,000,000 in excess of the appropriation made by the Seventy-ninth Congress, Mr. President. It is under the Budget Bureau's estimate, but it is more than was appropriated in 1947.

Oh, there are other items. The report is full of them.

Mr. LUCAS. Mr. President, will the Senator yield.

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Is there not a possibility that the Republican leadership, before they get through with these increased appropriations, might be charged with being the spendthrifts or rather the spenders—a charge which they heretofore laid against the New Deal?

Mr. O'MAHONEY. I will say to the Senator from Illinois that if the tax bill is passed we will be voting for a deficit in the next fiscal year, and the Republican leadership will be the authors of deficit spending when, for the first time since the middle of the Hoover administration the Government of the United States has a surplus on the 30th of June.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. I have discovered recently, as the result of what the majority are doing in Congress, that they are not nearly so afraid of red ink as they once were. In other words, they have always been the "sound money" party. They have castigated the present Democratic administration for 12 or 14 years for failure to balance the budget, for failure to pay something on the national debt, charging us with being a spendthrift Government, charging us with deficit financing, but under the program now being carried out by the Republican

majority in the Congress they apparently have no fear whatsoever of deficit financing; they have no fear of going into the red again.

Mr. O'MAHONEY. Mr. President, I do not know that I will agree with what the Senator has said. He may be correct. But I am of the belief that the Republican leadership has still not awakened from the dream in which it was when it took over the control of the Congress of the United States last January. It is still of the opinion that appropriations can be cut, but it is gradually beginning to realize that its estimates were altogether too high, because, as I have pointed out in the report of the Finance Committee, the chairman of the Finance Committee, instead of predicting a reduction of $4,500,000,000, as he did last January, when he voted for the Senate legislative budget resolution, is now predicting a cut of only $2,662,000,000.

Mr. President, I do not hesitate to say that when these figures are totaled, when the appropriation bills are finally passed—and bear in mind that they are not coming as fast as they might—it will be extremely doubtful if any saving at all will be accomplished. I do not hesitate to say that whatever saving will have been accomplished will be at the expense of necessary public service.

The undeniable fact is that the expenditures during the fiscal year 1947 were $20,000,000,000 less than they were in the previous fiscal year, because of the care with which President Truman scrutinized expenditures, because he took executive action when it was necessary to prevent expenditures, because he was determined to get back to a balanced budget as rapidly as possible. So the outlay was reduced by $20,000,000,000 plus in the fiscal year 1947, below the expenditures of 1946. Then, when the President of the United States was preparing his budget for the fiscal year 1948, he cut it another $5,000,000,000.

The other day the Senator from Massachusetts [Mr. LODGE] appeared upon the floor when the Army appropriation bill was under consideration and offered an amendment to increase the appropriation for the Army Air Forces to bring it up to something like $1,200,000,000, so that the Army could have a 70-group air force. He pointed out in support of that increase above the budget that the Army had asked the President for a 70-group air force, but that the budget allowed only a 55-group air force.

The Senator from Massachusetts was convinced, as were I and other Senators, that the Air Forces should have been 70 groups and not 55, so he urged an increase in the expenditure over and above the budget. Is that surprising, Mr. President?

I am sorry that the junior Senator from Nebraska [Mr. WHERRY], who occupies such an important position in the Republican Party, is not present in the Chamber. He appeared before the Appropriations Committee of the Senate yesterday asking for an increased appropriation of $1,000,000 for flood control in the Mississippi and Missouri Valleys, an appropriation which was above the budget. I was glad to support it. I did support it. He asked for an increased appropriation of $1,000,000 for flood control in the Mississippi and Missouri Valleys because of the floods which have been tearing away the topsoil.

I point out that here again is an instance of how the very logic of events drives the Republican Members of this body and of the House to adopt the expenditure estimates which were made by the President, and to go above them in certain instances.

I shall not go through this report item by item. Let me turn to the Washington Post, which is an accurate mirror for what goes on in Washington. The Washington Post of this morning, in reporting upon the action of the Appropriations Committee of the Senate on the agricultural bill, says:

> More than half the cuts voted by the House in Agriculture Department appropriations for this year were recommended restored by the Senate Appropriations Committee yesterday.
>
> The committee's appropriations would provide the Agriculture Department with $1,048,266,136 for the fiscal year, or $200,664,160 more than voted by the House.

The report from which I have already read shows that the increase—net—was $92,664,000; but the difference is covered up by the use of language which changes one appropropriation from a direct appropriation to an indirect appropriation, so that it will not appear in the figures which are counted when the Senate leaders undertake to say, "We have cut the President's budget so much."

These appropriation bills are filled with what are called contract authorizations. That is only a polite system of concealing the appropriations. Instead of making a direct appropriation we put a little phrase in the bill authorizing the agency concerned to make contracts for X million dollars, to create obligations which must be paid at some time in the future. That is the way we get the figures which appear on the first page of the Finance Committee report when it predicts that the cut in the President's budget will be $2,662,000,000.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Illinois.

Mr. LUCAS. In view of the fact that the able Senator has discussed an article in this morning's Washington Post, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "King Taber," published in the Washington Post of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KING TABER

> In his column in the Post Wednesday, Marquis Childs called attention to the disruption caused in Congress by what may be termed the veto of the purse. Mr. Childs' indignation is well justified by the extent to which the Appropriations Committees have become self-appointed determinants of policy, using their control over funds to thwart measures already approved in substance. The outstanding example of this abuse is the Greek-Turkish aid bill. Understandably, both administration and responsible Republican congressional leaders are wringing their hands over the new hurdle posed by Chairman JOHN TABER of the House Appropriations Committee. Mr. TABER says that the $400,000,000 authorized by both Houses after 3 months of debate is too much, and he is able to block implementation of the bill accordingly.
>
> Though legislation by appropriation is by no means a new practice, the miscarriage has been more flagrant in this Congress than in any of recent date. The record of Mr. TABER'S committee is notorious. His negativism, for example, is now blocking the $350,000,000 European relief bill. His committee made mincemeat of the soil-conservation and school-lunch programs after contracts had been undertaken. The House committee made a farce of the current rent-control bill by denying enforcement funds. It crippled reclamation and power activities of the Interior Department. It blackmailed the Conciliation Service by cutting of the director's salary, and it reduced child-labor protection to a joke. Nor is the Senate Appropriations Committee guiltless. In two current instances—the State Department foreign-information program and the Civil Aeronautics Administration safety and airport-development programs—Senator BALL has led the effort to legislate by forced starvation.
>
> No one can question the duty of Appropriations Committee to scrutinize expenditures. There is a great difference, however, between legitimate inquiry into need and what has been happening. It is unthinkable, for instance, that a little band of capricious men—and capricious is not too strong a term to apply to Mr. TABER'S obstructionism—should be permitted to delay and hamstring important tools of our foreign policy. For the appropriations power has been turned into a vehicle of personal aggrandizement. We have witnessed hatchet wielding, not on grounds of economy, but as an expression of whim and spite. Part of the explanation no doubt lies in the political split between Congress and the Executive. A more strictly enforced party responsibility would cure some of the more obvious inconsistencies in dealing with the national interest, and surely the times call for it.

Mr. O'MAHONEY. On page 2 of the report of the Senate Committee on Agriculture and Forestry I find a table comparing the appropriations and loan authorizations of the Senate bill with those of the House bill. The last column shows that the Senate bill has direct appropriations of $91,564,160 more than the House had, and that it has permanent appropriations of $83,000,000 more than the House had. The House had cut the budget by $25,000,000 on this item, but the Senate increased it. The total direct appropriations in the Senate bill in excess of those in the House bill are $174,564,160; borrowings authorized from the RFC, $25,000,000; total appropriations, reappropriations, and authorizations to borrow from the RFC and the Secretary of the Treasury, $199,564,160 more than the amounts carried in the bill passed by the House.

Let me make one further reference to the manner in which the Eightieth Congress is adopting New Deal policies.

Here is the report with respect to rural electrification:

> The committee sustains the budget estimate of $250,000,000 for loaning funds to rural-electrification cooperatives, with the provision that the full amount shall be borrowed directly from the Secretary of the Treasury.

Here we go back to that New Deal agency, the Rural Electrification Administration, which was established by a

Democratic Congress under the leadership of a great liberal, the late Senator from Nebraska, George Norris, who realized the necessity for extending the functions of the Federal Government. Now the party which undertook to say that the President's budget should be reduced by $6,000,000,000 is adopting one after another of the New Deal agencies and providing appropriations with which to continue them. How can it be said that there is any possibility of making these reductions? I say, Mr. President, that this is not waste. It is because there is abroad in the country, without regard to party, a conviction that the Government of the United States must take action which it never before took and must make expenditures which it never before undertook to make. Twice the Senate of the United States has passed a bill to provide for support for the wool program. It is being held up in the House, but it will pass. That bill involves an expenditure. There are other new expenditures. We have added millions of dollars to fight the foot-and-mouth disease in Mexico. We did it because we had to do it. That is a new Federal expenditure.

Congress has passed over the President's veto the Taft-Hartley bill which expands the National Labor Relations Board, gives it new duties, and establishes a new conciliation service. So that, whatever may be thought about the Taft-Hartley bill, it is certain that it is a bill which will require additional Federal expenditures.

There is pending, although it is not upon the agenda which was announced by the Senator from Ohio [Mr. TAFT] for the remainder of this session, a bill which was originally introduced in Democratic Congresses by the Senator from Utah [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Alabama [Mr. HILL], to provide Federal aid for education in the States. That is a new Federal function which requires a new Federal expenditure. It is endorsed by Republicans and Democrats. It is not on the agenda for this year, but I am given to understand—I do not know how correct the statement is, but it is attributed to a Republican candidate for the Republican nomination for the Presidency, Mr. Stassen—that the program of the Republican majority in this Congress is to cut appropriations and taxes, this year, and next year to spend the money on Federal aid for education and, perhaps, for housing—a program which is being politely forgotten this year.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, Mr. Harry Hopkins is reputed, I think erroneously, to have said at one time—and it has been given color by many newspapers—"We shall tax and tax, spend and spend, elect and elect."

The Republican version, which the Senator from Wyoming just intimated, is: "We shall cut and cut, spend and spend, elect and elect."

Mr. O'MAHONEY. I think the Senator has made a very acute observation with respect to the situation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. While the Senator is cataloging bills which are not on the agenda for the next 2 weeks but which will be held over as a reserve for expenditures when Congress returns in January, it might be well to mention the fact that the House has passed, I think by unanimous vote, a bill to pay in cash the terminal-leave bonds of the GI's. The bill has been messaged over to the Senate, and I have no doubt it will be passed by practically the same sort of vote when it comes up here. It also is not on the agenda, and will go over until January, which will be the middle of the fiscal year. It will involve an expenditure of approximately $2,500,000,000. In other words, the accumulation of these postponed expenditures will be more than sufficient to wipe out any saving which may be accomplished in this session by reducing the President's budget.

Mr. O'MAHONEY. Mr. President, there is not the slightest doubt about it.

I see that the Senator from California [Mr. KNOWLAND] desires to make some comment at this point.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. With reference to the remark made by the able minority leader regarding payment of terminal leave bonds, I understood him at least to give the impression that the payment of those bonds would, in effect, be a charge against the expenses for this year. On the contrary, I believe that the payment of the terminal leave bonds will, in fact, be a reduction of the pubilc debt to that extent.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. The Senator from California is undoubtedly sincere in that remark, but he is looking into a mirage. The $2,500,000,000, or whatever the amounts may be, will be chargeable in the fiscal year in which it is paid. The House bill provides that those payments shall begin in September of this year. I take it for granted the postponement by the responsible leadership of the Senate until the next session will put it off until that time, but that is still within the fiscal year in which it would appear if it were paid in September. While it is true that the $2,500,000,000 worth of bonds held by ex-servicemen constitute a part of the public debt of the United States, nevertheless to pay them we shall have to borrow more money, because the Treasury does not carry as current funds a sufficient amount of money to pay the bonds. It will have to sell other bonds in order to obtain the money to pay those bonds. So there will be no net reduction of the public debt by reason of the cashing of the terminal leave bonds. There is no question about that whatever. It is simply taking money out of one pocket and putting it into the other, because the Treasury does not currently have the money with which to discharge the bonds and will have to raise the money by selling other bonds to other people. I am for it. I think that inasmuch as the officers who received terminal leave pay were paid in cash at the time of their discharge from the Army, it set a precedent that we cannot very well avoid; and I have no doubt that when that bill comes before the Senate it will probably be unanimously agreed to. But it is a delusion to think that action would bring about any net reduction in the public debt. It will be just the same, or practically the same. After we have paid off the bonds the Treasury will have to borrow money with which to discharge the debt.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. Of course, the process of borrowing and paying back is constantly going on in the Federal Government. I respectfully call the attention of the able Senator from Kentucky to the fact that payment of terminal-leave bonds would be a payment on the Federal debt. Assuming that there is a surplus of receipts over expenditures, as has been indicated by the chairman of the Finance Committee, there will be sufficient funds to pay at least $2,600,000,000, which this Congress has indicated it wants to pay as a minimum; and the best estimate that I have seen of the amount estimated to take care of terminal-leave bonds is approximately $1,800,000,000. The reason why that was not paid in cash to the enlisted men, as it was paid in cash to the officers, is because when that legislation was under consideration by the Seventy-ninth Congress, notice was served on the Congress that if the terminal leave were made payable in cash, the bill would be vetoed by the President. The able Senator from Oregon, I remember just as well as though it were yesterday, brought out that situation very clearly when the question of payment of the terminal leave was before the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. This juggling of figures, by which we delude ourselves into the belief that we are reducing the total of the public debt by paying the terminal-leave bonds by borrowing from someone else the money with which to pay them, reminds me of the story of Gov. Bob Taylor, who was running for reelection as Governor of Tennessee, and a businessman was running against him. The businessman was urging that the public debt of Tennessee was about to become due and had to be refunded, and that it took a businessman to do that, and that Governor Taylor, having been a lawyer or politician or public servant all his life, knew nothing about the refunding of the public debt.

One of Governor Taylor's associates told him that he should pay some attention to that argument, that this opponent was making a little headway with it. Finally, in one of his speaking engagements, Governor Taylor said, "My opponent has said that the public debt

has to be refunded, and that I know nothing about refunding the debt, and that he, being a businessman, knows all about it." Then he said, "What is the refunding of a debt? It is nothing more than taking up one note and putting down another one, and I have been doing that all my life."

Mr. O'MAHONEY. Mr. President, I appreciate what the Senator from Kentucky has said, because it is so apt, and it is precisely in line with the present proposal. We owe the $2,000,000,000 now to the GI's; and when it is paid, we shall owe it to the commercial banks. That will be the only difference.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McFARLAND. I regret very much that the payment of the terminal-leave bonds is to be postponed until next January. The GI's need the money now. They need to know what to count on. The time limit of the present Congress could not be an item, because that bill could be passed in a few minutes in the Senate. I think now is the time to pay the GI terminal-leave bonds.

Mr. O'MAHONEY. Mr. President, the Senator from Arizona is entering the debate upon a bill that is not before the Senate and is not on the agenda. I wish to discuss the issue that is presently before us.

I merely wish to remark, in view of what the Senator from California has said, that our friends upon the Republican side of the aisle have become so accustomed to the juggling of figures and to self-deception that they think when creditors are transferred, the debt is being cut. The Senator is making a great mistake.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. COOPER. I do not know that I can add anything in regard to the problem of refunding, after my distinguished colleague has spoken in regard to it.

Mr. O'MAHONEY. Perhaps the junior Senator from Kentucky has another Kentucky story.

Mr. COOPER. I am afraid I cannot match my colleague in stories, either.

But in speaking of refunding, let me say there is the possibility of obtaining a lower rate of interest, is there not? So if in refunding and in securing money with which to pay the bonds a lower rate of interest is obtained, that will represent a saving, will it not?

Mr. O'MAHONEY. Mr. President, I am glad the Senator from Kentucky has asked that question. It is another "iffy" question, of course—"if the interest rate is lower." But the trouble is that under the present situation, with a national debt of $258,000,000,000, every time we lower the interest rate we come that much closer to greenbacks. The interest rate has been reduced. There was a recent change, when interest rates were going up. I doubt very much whether under the conditions now taking shape that will be possible.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. I can fully appreciate, from the statements made by my able colleague, the minority leader, how it is difficult for some of our colleagues on the other side of the aisle to understand——

Mr. O'MAHONEY. Mr. President, does the Senator from California understand the story about the Governor of Tennessee?

Mr. KNOWLAND. I understand that.

I was saying that I can fully appreciate, in view of the statements made by the minority leader, how difficult it is for some of our colleagues on that side of the aisle to understand this problem of reducing debts as we are reducing them, the party of the able minority leader having run the public debt up from approximately $22,000,000,000 to $257,000,000,000 during the last 12 or 14 years. But I wish to say to the Senator from Wyoming——

Mr. O'MAHONEY. Mr. President, the Senator will pardon me, because that is one of the typical statements which are utterly baseless, but which have been made by Republicans over and over again—statements by which they have deluded themselves and also some of the people of the country.

The fact of the matter is that the national debt, before we became involved in the war, was less than $50,000,000,000. This debt of $258,000,000,000 is not at all a debt due to the spending of any Democratic administration. It is due to the patriotic cooperation of all of the Members of Congress, Democrats and Republicans alike, to borrow the money with which to fight the war; and I shall show the Senator precisely what I mean. There can be no argument about the fact. I hold in my hand a report of the Treasury Department which shows the debt of the United States from the very beginning. The total gross debt of the United States in 1919, 1 year after World War I ended, was $25,482,000,000.

Mr. KNOWLAND. And during the subsequent——

Mr. O'MAHONEY. Pardon me; let me give the figures. In 1920, the debt was reduced to $24,299,000,000. In 1921, for the fiscal year—in June 1921, before President Harding had organized the new administration—the debt had been reduced to $23,977,000,000.

Then during the next several years under Republican administrations, five tax-reduction bills were passed, on the argument that if such tax-reduction bills were passed, they would result in increased income-tax receipts. But the figures show that the reverse was the fact, that the reduction of the tax rates resulted in a reduction of income-tax receipts.

It is true that by 1930 the over-all national debt had been reduced, under the administrations of Harding, Coolidge, and Hoover, to $16,185,000,000. That is the $8,000,000,000 reduction of which we hear so much talk. But that was in 1930.

There was not another Presidential election until the fall of 1932, after the fiscal year 1933 was well begun.

Now let us see what happened.

Mr. KNOWLAND. The Democrats took control of the House of Representatives in 1930, did they not?

Mr. O'MAHONEY. Mr. President, deficit spending began in 1930. The next year the debt increased to $16,801,000,000. In 1932, it increased to $19,487,000,000. In the fiscal year 1933, it was $22,538,000,000.

So there was a net reduction, during that period, of only a little over $2,000,000,000. Tax reduction did not bring down the debt.

But the war in Europe began. There was the "phony" war in 1939.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment.

Mr. TAFT. Why does the Senator skip 10 years?

Mr. O'MAHONEY. Mr. President, I did not skip 10 years, but I decline to yield at this time.

The PRESIDING OFFICER. The Senator from Wyoming declines to yield.

Mr. O'MAHONEY. As I have said, Mr. President, I did not skip 10 years. I am pointing out the fact that in 1939, when the war in Europe was beginning, the debt had increased to $40,439,000,000, and in 1940 to $42,900,000,000.

True, lend-lease, which had the support of the Republican Members of this body and the Republican Members of the House, except for those who were called at the time "isolationists," involved expenditure of Federal funds. What I am pointing out is that in 1941 the total national debt was $48,961,000,000; in other words, before we became involved in the war, the national debt of the United States, including even all the preparatory expenditures we were making, to build airplanes, to train our troops, to increase the Army, to build a Navy, even with all that, the national debt was not $50,000,000,000. The remainder of the $258,000,000,000, and more than that, was the result of expenditures for war.

Mr. KNOWLAND. Mr. President, will the distinguished Senator yield?

Mr. O'MAHONEY. I yield to the Senator from California.

Mr. KNOWLAND. I wish to state to the Senator from Wyoming, for whom I have the highest regard—

Mr. O'MAHONEY. I thank the Senator.

Mr. KNOWLAND. That I am delighted to see my colleagues on the other side of the aisle concerned with the public debt, because I well remember, not so very many years ago, when there were some officials of the administration who apparently thought that the public debt did not amount to very much, since "you owe it to yourselves." But I will say that the able Senator from Wyoming joined me in support of the amendment which I offered some time ago providing that a figure should be set for the reduction of the national debt. We proposed that not less than $2,600,000,000 should be applied to the debt. I think that is very good doctrine, very good Republican doctrine, and I am glad to see the able Senator join with us.

The statement was made by the able minority leader that the terminal leave

bonds would not be payable this session. I think he has assumed something that is not in evidence. I do not pretend to have a crystal ball, but I do believe——

Mr. O'MAHONEY. The Senator is basing his whole argument on the assumptions of the Committee on Finance.

Mr. BARKLEY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Just a moment.

Mr. BARKLEY. But the Senator from California is talking about me. [Laughter.]

Mr. O'MAHONEY. The Senator from Kentucky can very well take care of himself. I wish to point out that it is now acknowledged that the debt which now burdens the taxpayers and the people of the United States, and, indeed, burdens all civilization, because the system of private property cannot endure unless it is reduced and well-managed, was the result of the war, and not the result of New Deal spending.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. I merely called attention a while ago to the fact that the responsible leadership of the Senate had left the terminal pay bill off the agenda. It is not on the list which was given out yesterday as the "must" legislation for the remainder of the session. I merely called attention to the fact that, whether the bonds are paid as the result of legislation at this session, or are put over to January, they will be paid out of money which must be available in the fiscal year 1948, which will not end until next July 1. I do not see how anybody can controvert that statement.

Mr. KNOWLAND. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I am glad to yield.

Mr. KNOWLAND. I do not pretend at this time to speak for the majority leadership, but I do call attention to the fact that most of the items on the so-called must list were items which were already on the calendar. As I understand, the particular bill referred to is now before the Armed Services Committee, and personally I believe that before the session is over that committee will very likely report the bill to the Senate. If it reports the bill to the Senate, I have not a very great question of doubt that the bill will be passed.

I wish to say to the able Senator from Wyoming, who has been making a very interesting argument, that when he points to this side of the aisle and to some of our fiscal policies, I want him to let his mind run back to the last session, when this administration itself proposed the repeal of the excess-profits tax, during a period of time when the Federal public debt was some $11,000,000,000 greater than it is now, and when, instead of operating with a surplus for a greater part of the fiscal year, we were actually running into the red by some $20,000,000,000 or more. Yet during that period of time, under those conditions, this administration represented by the able minority leader and the able Senator from Wyoming came to the Congress and recommended the repeal of the excess-profits tax.

Mr. O'MAHONEY. Mr. President, I am very grateful to the Senator for the kind adjectives he uses when he refers to me. I wish to say, first, that I voted and spoke against the repeal of the excess-profits tax. But more than that, Mr. President, I want it understood, and I think the RECORD should show, that the repeal of the excess-profits tax, while I differed with it and voted against it, was urged upon the Congress by the able Senator from Georgia [Mr. GEORGE], upon the theory that if it were repealed it would enable the business interests of this country to have funds with which to carry on reconversion. The argument was, "If we allow business, which has been making excess profits, to retain the sum that would be taken by the excess-profits tax law, the businesses may invest those funds in plant expansion and in reconversion."

I feel that we probably would have had the same result or some results, but whatever the fact may be with respect to what might have been, what we do know is that we did have plant expansion, we did have reconversion, and this country returned to an industrial peacetime basis much more rapidly than anybody dreamed possible. It may be that the repeal of the excess-profits tax had something to do with that.

Mr. BARKLEY rose.

Mr. O'MAHONEY. Did the Senator from Kentucky desire to make some comment?

Mr. BARKLEY. Inasmuch as the Senator from California has by implication charged that the Democratic Party is always increasing the public debt rather than reducing it, I merely wished to call attention to the fact that since the end of the war this administration, the Truman administration, has reduced the public debt from $278,000,000,000 to $258,000,000,000, which means a payment of $20,000,000,000.

Mr. LUCAS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Will the Senator from Wyoming repeat the figures showing what our national debt was when Roosevelt came into power in 1933?

Mr. O'MAHONEY. On June 30, 1933, the total national debt was $22,538,672,560. So that $22,538,000,000 must be subtracted from the national debt of 1941, $48,961,000,000, if we wish to obtain the amount of the debt which can be attributed to expenditures during the depression and the period of the attempt to recover.

Mr. LUCAS. That is the point I wanted to make. In other words, during that period, up to 1940, we increased the national debt around $26,000,000,000 if my arithmetic is correct; then we increased it, of course, during the war to more than $200,000,000,000.

Mr. O'MAHONEY. About $26,400,000,000 was the increase due to the New Deal.

Mr. LUCAS. That is correct.

Mr. O'MAHONEY. The increase due to the war is, after making allowance for the $20,000,000,000 already paid, if we forget that, the difference between $26,400,000,000 and $258,000,000,000.

Mr. LUCAS. It seems to me, if I may make the observation, that those who constantly charge that the $258,000,000,000 is due to New Deal spending through all these years lose complete sight of the fact that we were in the World War, or they use such a statement for deceptive purposes, or they are telling the American people that we should not have spent the money we did to win the war. I deplore such methods and tactics.

Mr. O'MAHONEY. Mr. President, I will say that these statements are all to be attributed to the rationalization which is now going on on the Republican side to justify the reduction of the receipts of the Government at a time when we do not know whether we have peace in the world or not.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Florida.

Mr. PEPPER. Will the able Senator from Wyoming tell us what he recalls the national income to have been in 1932?

Mr. O'MAHONEY. The national income in 1932 had gone down to about $29,000,000,000.

Mr. BARKLEY. Thirty-eight billion dollars.

Mr. O'MAHONEY. About $38,000,000,000.

Mr. PEPPER. It was about $38,000,000,000, as I recall. Does the Senator recall what the national income was in the year 1940?

Mr. O'MAHONEY. I do not recall the figures, but it was very much higher.

Mr. PEPPER. It was approaching $80,000,000,000; so that the difference in the national income, the increase in the national income in 1 year, in 1940, over 1932, exceeded the total New Deal-incurred national debt.

Mr. O'MAHONEY. I thank the Senator.

Mr. President, I was pointing out that the country and the Congress, even under Republican leadership, is steadily tending toward the expansion of Federal activities, and the Republican leadership, even under the impulsion under which they are laboring to justify their promises to cut the budget by from $4,500,000,000 to $6,000,000,000 are themselves initiating new expenditures and voting for appropriations to carry out the very enterprises which increased the national debt during the administration of Franklin D. Roosevelt from the $22,000,000,000-plus which he inherited in 1933, to the $48,000,000,000 which was the amount of the debt when the war began. But this expression of a trend comes not only from Republican Members of Congress; it comes from editors, who themselves are sometimes talking about cutting oppressive expenditures. I have here the New York Times of this morning, with an editorial entitled "Mr. Truman Backs the MVA." I read the first paragraph:

> We have had a costly lesson this year in the necessity for further control of the upper Mississippi and Missouri Rivers and their tributaries. This investment of at least a quarter of a billion dollars is not recoverable, except as it may stimulate action to prevent such losses in the future. Congress has authorized the expenditure of

$2,000,000,000 on a long-range flood-control, power, navigation, and soil-conservation program. It has not, however, appropriated much of the money. This year's budget includes $35,000,000 for flood control, or about one-eighth of the minimum estimate of this year's flood losses. And this niggardliness is in no sense economy.

The failure, the editor of the New York Times tell us, to spend more than $35,000,000 is false economy. The point I make, Mr. President, is that we are entering into a new era, and that is the reason why Senators from the great West, Republicans and Democrats alike, are urging these very expenditures.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. I am very sorry to be so delayed in bringing up this point, but I want to make it for the RECORD. Some moments ago the junior Senator from California called attention to the fact that in the Seventy-ninth Congress the junior Senator from Oregon pointed out in regard to the terminal-leave legislation that in all probability if the amounts were payable in cash the legislation would be vetoed; which was the understanding of the junior Senator from Oregon at that time, the trend of press releases of that time, as the CONGRESSIONAL RECORD will show. I referred to that in the RECORD and indicated very clearly the President would veto such legislation, and hence we went along with the bond-payment proposal. Since then, however, there has been the election of 1946. I do not think in the first place there is now any danger of a veto of such legislation; but if there is such a danger, I am satisfied that as the result of the election of 1946 the veto can be overridden.

The other point I desire to make while I am on my feet is this: I should like to have the Senator from Wyoming repeat for me, if he will, the reference he made to a statement by Governor Stassen. I was busily engaged at my desk and I did not quite catch it.

Mr. O'MAHONEY. Perhaps I should not have made that statement upon the floor, because it is wholly hearsay, but it comes from members of the press who are usually more or less accurate. The statement was made to me that Governor Stassen said the program of the Republican Congress would be to try to cut expenditures and to cut the taxes this year, and, next year, to pass legislation, such as the national education bill and the repayment of the GI bonds, the terminal-leave bonds, the housing program, and the other social programs which a portion of the Republican leadership has sponsored.

Mr. MORSE. I simply want to say to the Senator from Wyoming that if that is a correct quotation of what Governor Stassen said, it would be subject to the interpretation of his support of this tax bill; which is just as disappointing to the junior Senator from Oregon as his reported statements in the press, in support of the Taft-Hartley labor bill.

Mr. O'MAHONEY. Mr. President, I do not care to engage in a discussion of preconvention Republican politics. I am merely trying to point out, Mr. President, that in all the policies which are being followed here, we are not cutting the expenditures but we are cutting the receipts. There was, for example, the reduction of some $20,000,000 in the appropriation for the Internal Revenue Bureau, in the face of testimony that that appropriation for the collection of hidden taxes was producing revenue at the rate of about $20 of new revenue for every dollar expended; but in order to make an apparent reduction in the appropriation of $20,000,000 receipts of more than $400,000,000 were sacrificed. That, Mr. President, seems to me to be unsound fiscal policy.

This, Mr. President, is a very serious question. I am sorry that the interruptions which have taken place have tended to give it a rather partisan turn, because it was the furthest thing from my mind when I started to talk this afternoon to indulge in any political "wisecracking." I think we are dealing with a fundamental question of the preservation of the system of private property, and that many persons in Congress, and many persons throughout the country, in editorial sanctums, and even in bank offices have failed to understand how grave the danger is that confronts us.

Reference has been made to the national debt which now totals $250,000,000,000. During the fiscal year the interest upon that national debt amounted to $4,500,000,000. It would have amounted to $5,000,000,000 or more if President Truman had not succeeded in using surplus funds to pay off some $28,000,000,000.

I hope Senators will heed these words. The interest upon the national debt, paid during the fiscal year 1947, was $4,500,000,000. Senators sometimes talk about 1939, and ask why we cannot get back to 1939. I want to point out that the total receipts of the Government of the United States from income and profit taxes in 1939 were $2,188,757,289. In other words, the interest upon the national debt last year was almost twice as much as the total receipts of the Federal Government from income and excess-profits taxes in 1939. That discrepancy, Mr. President, is due solely to the fact that the new expenditures which we have undertaken, on top of the tremendous cost of the war, have so changed the fiscal scene that we cannot pretend to act according to the standards of 1939.

Early in the year when the tax debate began the National City Bank of New York, which issues a monthly economic letter, published in its issue for February 1947 a comparison of the Federal budget for 1939 with the Federal budget for 1947. That is a most illuminating document. It comes from probably the largest bank in the world. It is not a Government document. It shows that the budget expenditures by major programs for 1939 amounted to $9,027,000,000, and for the fiscal year 1948, as estimated by the President, $37,528,000,000. When confronted by those figures, it is only natural that people who have not studied the details should think, "Of course, there can be a cut there." But let us see what the National City Bank said about it. After publishing the table showing the various programs for 1939 and for 1948, it said:

> It will be seen that five items alone—national defense, veterans' services and benefits, interest on the public debt, international affairs and finance, and tax refunds—come to $29,200,000,000, or almost four-fifths of the total budget.

There, Mr. President, is the answer of the ability of Republican leadership to cut the President's budget. Four-fifths of that budget was for items arising out of the war which could not be reduced. Argument was made in the Senate Appropriations Committee, for example, that the appropriation which was approved by that committee for the care of veterans this year will be inadequate, by some $70,000,000, to take care of existing needs. We do not realize what a tremendous burden was placed upon the country by the war in the creation of new demands for expenditures to take care of the war. Then, on top of that, there are added the other expenditures which I have been discussing—for soil conservation, for rural electrification, for flood control, for irrigation and reclamation, for a wool program, for a Missouri Valley Authority, if it should be authorized. It becomes clear that we have entered into a completely new era, which will require the best judgment of all the people of the United States, and certainly of their leaders who sit here in the Senate and in the House, if we are to preserve our system.

Mr. President, when I rose this afternoon to speak it did not occur to me that I should be on my feet so long, but Members of the Senate have interrupted and have asked questions, and have indulged themselves in the statement of their own views, with the result that I have not begun to develop the very serious points with respect to this matter which I think should be in the RECORD.

During an interruption, when I yielded to a Senator, I consulted the Senator from Nebraska [Mr. WHERRY]—I was about to say the new "New Deal" Senator from Nebraska because of his success in adding an appropriation of $1,000,000 over and above the Budget Bureau's estimate for flood control. I wish to ask the Senator from Nebraska and the Senator from Maine [Mr. WHITE] what the program of the leadership is.

Mr. WHITE. Mr. President, since the question is addressed to me I may say that the program is to continue the consideration of the bill in the hope that at some reasonable time debate shall cease and we may have a vote on the measure.

Mr. O'MAHONEY. I would have taken much less time if Senators had not interrupted me with their interesting and intelligent questions. I see the Senator from Colorado [Mr. MILLIKIN] has entered the Chamber. Does the Senator from Colorado think that a roll call now would bring a quorum to vote upon the bill? I feel under some embarrassment with respect to the Senator from Arkansas who desired to discuss his amendment relating to community property, but I am frank to say I doubt whether it will be possible in the present circumstances to secure a vote upon that amendment tonight.

Mr. MILLIKIN. Mr. President, I hope the Senator from Arkansas will proceed with his amendment. That is what we are here for.

Mr. O'MAHONEY. Mr. President, I have some additional comments I desire to make upon the bill, and I suppose I shall be compelled to proceed. I understand quite well why the Senator from Colorado desires to have a vote upon the measure without a full discussion. So if we must have a full discussion by taking additional time now at 5:30 p. m., I shall accommodate the Senator and take the additional time.

The newspaper accounts from New York City yesterday and the day before indicate that the stock market is going up again. That means only one thing. It means that the patrons of the stock exchange in New York City are convinced that we have stepped into a new inflationary spiral. I do not need to tell Members of this body or the people of the country what another inflationary spiral would mean. I have here what I call the "fever chart" of the capitalistic system. That chart contains three lines. The lower line shows the Federal receipts during the period from 1910 through 1946. Federal receipts in all that period, and throughout the war, never reached $50,000,000,000.

The black line at the top shows the national income, the income of all the people of the United States. That line shows that the national income in 1920 was about $65,000,000,000, and that during the depression of 1921 it fell off to $50,000,000,000. During the period from 1920 to 1929 it went up. That was the period of prosperity. The national income in the great prosperous era of Coolidge and Hoover was about $80,000,000,000. Then when the crash came it fell. This chart shows that in 1932 it reached a low of $38,000,000,000, lower by far than it had been at any time since World War I.

Beginning with 1933 it began to increase. That is to say, the income of the people rose during 1933, 1934, 1935, and 1936; and in 1937, when President Roosevelt sent up a budget calling for a reduction of Federal expenditures for relief and for other items, the national income went down again. It fell in 1937, and there arose a demand here on the floor of the Senate, from Democrats and Republicans alike, to restore the appropriations.

The national income began to rise again; but when we became engaged in lend-lease, those expenditures calling for new employment and new production caused the national income to rise steadily during the succeeding years until in 1946 it had reached about $160,000,000,000. It is now estimated at $170,000,000,000 or $172,000,0000,000.

Financial experts who have been consulted by the Finance Committee with respect to this bill, as well as members of that committee, have predicted that the national income next year or the year after will probably go above $200,000,000,000, because they say we are in the inflationary rise. The history of the system of private property through all the years shows that whenever we allow inflation to gain headway we prepare for the crash that is inevitable.

What I want to say, particularly to Republican Senators who do me the honor of sitting here during this talk, is that this chart, with the red line showing the national debt, proves to everyone who has eyes to see that if we permit a crash now, the only result will be the repudiation of the debt. If the bonds which have been issued to the banks, the insurance companies, and the people of the United States are repudiated, if they cannot be paid, that will put an end to the system of private property. There is the story. We cannot endure another crash.

There is no duty before the Congress of the United States greater than the duty of preserving this system. The senior Senator from Michigan [Mr. VANDENBERG], chairman of the Committee on Foreign Relations, who has done such a magnificent job in that position, recently made a statement which I have repeated over and over again. This sentence ought to be written upon the desk of every Senator who thinks for one moment that he intends to vote for the proposed tax reduction. The sentence is, "If America sags, the world sags with her."

We cannot doubt it, Mr. President. Joe Stalin does not doubt it. At this very moment his policy in Europe is guided by the conviction that the United States is headed for a crash. He sees that debt if the Republican leadership does not. He knows what it means to take four and a half billion dollars out of the pockets of the taxpayers of the United States every year to pay the interest on that debt. Joe Stalin is under no illusions. He is not kidding himself. He is not deluding himself by talking about what the New Deal spent. He knows that a large part of that debt was expended to furnish airplanes to the Russian Army. He knows that a large part of that debt was expended to supply arms, ammunition, and clothing to the Russian Army. He knows that if it had not been for that debt his forces never would have entered Berlin.

The taxpayers of the United States assumed that burden, and they are now paying interest upon it at the rate of four and a half billion dollars a year. We did so to win the war. But the leader of the Soviets, convinced as he is that the capitalistic system is bound for destruction, has given orders to his satellite countries that they shall not participate in the Marshall program. For the first time he has revealed his hand. The people of Europe now know that the political purpose of the Soviets is to make communism sweep over Europe and over the world, because Stalin believes that the strongest capitalistic nation in the world does not have the leadership that will protect it and its institutions.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McMAHON. I take exception to the Senator's statement that this is the first time that Stalin has shown his hand. I think he has been showing his hand ever since Potsdam.

Mr. O'MAHONEY. I shall agree with that; but I think that the people of Europe did not see what his plan was. It was in the sense of what the people of Europe understood that I was speaking. I say that now, for the first time, the nation's of Europe understand that at this hour Mr. Stalin would rather have economic chaos in Europe than production with the cooperation of the United States.

As I said at the outset of these remarks, the economic stability of the United States is the sole hope of the world. If we delude ourselves, mankind will enter an era of darkness which will last no man can say how long. We have the issue of a free world in which the people shall control their own economic system and their own governments, or a controlled world in which totalitarian dictators shall tell us what we must and shall do. This is the issue, Mr. President. It is not whether there shall be a Republican elected in 1948 to the Presidency of the United States. Oh, Mr. President, that is pettiness. That is the language of the lilliputian who does not understand that the world has gone through the greatest trial in history. There come great crises upon mankind every thousand years or so, when systems change, and if men do not then have the leadership that understands the meaning of the issue, men suffer. They are suffering in Europe tonight—in England, in France, in Italy, in Germany, in Austria, in Hungary, in Poland, in Czechoslovakia. They are suffering wherever the war raged, because their leadership lacked the comprehension and the will to save the system of freedom.

Is it thought that Hitler came into power in Europe because he had convinced the people of Germany and the people of Europe that his was the proper way? He came into power in Germany solely for the reason that the leaders of the capitalistic system in Germany were too greedy to permit all the people to share with them. So Hitler said to the unemployed of Germany, "Give me the power and I will put you to work. I will give you the food which your families need." So he rode into power. That is also the story of Mussolini. It is the frank story of the Soviet dictatorship.

Mr. President, here is the issue in our hands. Are we going to toy with inflation and cut the receipts of Government while the demand for international expenditures is increasing? If we toy with that idea, we are inviting destruction.

I call to the attention of the Senate the fact that the War Department appropriation bill which is now before the Senate contains an increase of $103,000,000 for the purchase of airplanes. That increase of $103,000,000 was placed in the bill solely because the cost of planes had increased. It was an increased appropriation not to build more planes or to buy more planes, but to meet increased costs. That is a measure of inflation. That is one item. Then there is the action of the stock market. That is inflationary. The dealers in stocks in New York are now betting that the Republican leadership will put through this tax-reduction bill over the President's veto. Therefore, prices are skyrocketing, although for 6 or 7 months prices

of stocks were down because during that period the dealers in stocks were convinced that inflation would be brought under control. This tax-reduction bill is another step on the road to inflation because it increases the supply of money available for expenditure. All the talk which we hear about providing funds for investment, for risk capital, is just so much poppycock, because the fact is that we have had so much investment of risk capital for the expansion of plant facilities and for the construction of new facilities that we are not producing enough of the commodities needed to meet the expenditure. If we had greater production, we would have more investment.

The information which is before the Joint Committee on the Economic Report indicates quite clearly that there has been no doubt at all about plant expansion. Through the cooperation of Dun & Bradstreet, the committee had a survey made of approximately 650 or 700 businessmen throughout the country. Their names were not used, but the question was asked of them, "What about the outlook for your industry and the outlook for industry as a whole?" When these men were talking about their own industry, the responses invariably were, "The outlook is fine." But in talking about industry as a whole, they thought it was rather gloomy. When they were speaking about the things of which they had intimate personal knowledge, their predictions were rosy. Their predictions about things with respect to which they did not have intimate knowledge were on the gloomy side. But the fact was clear that the money for investment was at hand. It is at hand now, because we have a tremendously high national income.

Today it is proposed that the receipts of the Federal Government be cut, that the revenue of the Federal Government be cut, before we have even begun to develop a program of debt reduction.

Every statement that is made with respect to debt reduction is based upon rosy estimates. The only surplus we have had in 17 years was $754,000,000. With that surplus established as of June 30, 1947, on the basis of guesses as to what the future holds, we are now being invited to cut the Federal revenue. If we do it, we endanger our system, because to that extent we shall make it more difficult to carry the debt. Inflation and reduced receipts threaten our system.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Wyoming yield to the Senator from Indiana?

Mr. O'MAHONEY. I yield.

Mr. CAPEHART. I should like to ask the able Senator from Wyoming what is the difference, insofar as inflation is concerned, between whether we leave an extra $4,000,000,000 in the hands of the 50,000,000 taxpayers of the country, for them to spend, or whether the Government taxes the people an extra $4,000,000,000 and spends that money overseas, in dollars which eventually come back to this country? What is the difference between the two? A dollar spent by the Government is always inflationary. In hard times or depressed times it is still inflationary, because it increases the turn-over of business in the United States. So what is the difference?

Mr. O'MAHONEY. Mr. President, I shall tell the Senator. When we increase the supply of money in the United States for expenditure in the United States in a time of short supply of commodities, we are creating a demand which exceeds the supply. But when we expend the same amount of money—the amount of the proposed tax reduction—for the stimulation of production in the devastated countries of Europe, we are saving money for ourselves and for mankind. That is the reason.

Mr. CAPEHART. Will the able Senator explain a little further the difference between $4,000,000,000 spent by the people and $4,000,000,000 spent by the Government? It eventually gets back to the people; it is dollars spent.

Mr. O'MAHONEY. I am pointing out to the Senator that the question he has asked is about $4,000,000,000 spent in Europe. Four billion dollars spent in Europe under the Marshall plan will be a productive expenditure, because the principle of that plan is to have the United States help the people of Europe to help themselves. In other words, one would be an expenditure which increases production, and the other would merely create a further demand on a short supply of commodities.

Mr. CAPEHART. I am not so certain that I agree with the able Senator from Wyoming. But is one of the reasons why he and the President are opposed to tax reduction at the moment, that he proposes to spend in Europe the money of American taxpayers which we might save?

Mr. O'MAHONEY. Not at all. I have no idea what the expenditure would be. I heard the Senator from Ohio [Mr. TAFT] say on the floor of the Senate this afternoon that he has never heard any estimate of an expenditure in excess of $5,000,000,000 for that purpose. But I say to the Senator from Indiana that an expenditure at this time for the rehabilitation of Europe is the wisest expenditure this country can make.

I hold in my hand a table which I should like to insert in the RECORD at the appropriate place, if the Senator will pardon me for a moment. It is a statement which I requested from the Bureau of the Budget. It shows the rescissions of appropriations made by the Congress, and in accordance with public law, during the Seventy-ninth Congress. In other words, I wished to find out to what extent Congress had rescinded appropriations which had been made for the purpose of winning the war. In the first session of the Seventy-ninth Congress, the Congress, by a law enacted on the 29th of May 1945, rescinded appropriations in the amount of $3,100,000,000. The total of appropriations rescinded by the Seventy-ninth Congress was $60,070,015,046.

The Eightieth Congress, in which we are now meeting, has rescinded a total of $3,075,900,976, making a total of direct appropriations which have been rescinded of $63,145,916,022. In addition to that, contract authorizations to the amount of $9,280,644,605 have also been rescinded. So there is a total in excess of $72,000,000,000 of authorized expenditures for war purposes which have been rescinded by the Congress. We authorized the expenditure of that more than $70,000,000,000 for the purpose of waging the war and carrying on the destruction of war, because we were insistent upon winning the war.

I say that we could well afford to spend every dollar of that amount, if the result would be to rehabilitate the devastated areas of the world, because that would bring about new production which would mean new trade for our people and for our businesses.

Mr. CAPEHART. And it would not be inflationary in any respect?

Mr. O'MAHONEY. It would not. I do not think such an expenditure would be inflationary. In other words, a dollar which is expended to increase production, and which results in production, is not inflationary. But a dollar which is spent merely to create a greater demand for a short supply of commodities is inflationary. That is the difference.

Mr. CAPEHART. Mr. President, we are talking about tax reduction and about money. Let us forget for a moment the humanitarian standpoint in regard to the spending of money in Europe. The policy the Senator is advocating, purely from a business standpoint, is the same thing as though I were to say to him, as a salesman, "Here are 100 $1,000 bills. Go out and find someone who would like to buy what we are making, and say to him, 'If you buy it, I will give you the 100 $1,000 bills to buy it with.'"

Mr. O'MAHONEY. Oh, no; not at all. I completely disagree with the Senator.

Mr. CAPEHART. I know the Senator does.

Mr. O'MAHONEY. I am not saying that. I never have said it, and the Senator cannot put such a statement in my mouth. But if a businessman makes an expenditure by which he takes his salesmen to a new market, if he makes an expenditure to bring about the production of a commodity he needs in order to carry on his business, that is not an inflationary expenditure, if it results in production.

Mr. CAPEHART. If we give people money with which to buy that which we sell, the example I gave a moment ago is an accurate example. I said I would leave out of the example the humanitarian standpoint, which is certainly worth while.

Mr. O'MAHONEY. I am not advocating such a program, and no one I know of is, and the program which is visualized under the Marshall plan is to have the United States give the credit and the goods as well. That is a program designed to help Europe to help itself, and, if I understand what the Secretary of State said in his Harvard address, it is based wholly upon the willingness of Europe to start producing.

Mr. CAPEHART. Will the able Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. CAPEHART. I am afraid I did not make my point clear. What I am

trying to suggest is that for the first time since I have been in the Senate I find those who have been advocates all along of spending and spending and spending now all of a sudden deciding that we have to stop spending.

Mr. O'MAHONEY. The Senator is wrong if he applies that phrase to me, because I have not been an advocate of spending and spending and spending. If the Senator had been on the floor of the Senate during my discussion today, he would have heard me point out that the part of the debt of the United States which was incurred under the Roosevelt administration for the purposes of relieving the distress which resulted from the depression, amounts to scarcely $27,000,000,000. The rest of all this spending program has been spending for the war.

I call the attention of the Senator to the statement which I have just made, that the Seventy-ninth Congress, which was the last Congress, instead of spending appropriations, rescinded over $60,000,000,000 of appropriations already made.

I also call the attention of the Senator to the fact that the present President of the United States reduced expenditures in the year 1947 by over $20,000,000,000 below what they were in the fiscal year 1946. So the talk about those who are advocating spending is merely idle; it is not based on any fact.

Mr. CAPEHART. Of course, the Senator is including the appropriations which Congress made strictly for war purposes. We all understand that; it is easy to understand. I remember, when I was first a Member of the Senate, we appropriated an average of over a billion dollars each day we were in session.

Mr. O'MAHONEY. If the Senator had been on the floor of the Senate today, he would have heard me read from the report of the Republican-controlled Appropriations Committee, which is appropriating millions of dollars to carry on the very New Deal programs which the Senator seems not to like. The Senate Committee on Appropriations has restored about $130,000,000 for soil conservation; it has put in the full $75,000,000 for school lunches; it has put in the entire budget estimate for rural electrification; and it has appropriated $1,000,000 more than the budget estimate for flood control in the agricultural appropriation bill.

Mr. CAPEHART. Is the Senator opposed to those things?

Mr. O'MAHONEY. Not at all.

Mr. CAPEHART. The Senator is talking about not leaving with the American taxpayers, 50,000,000 of them, $4,000,000,000 more, because he is opposed to reducing their taxes by $4,000,000,000. Is that $4,000,000,000 any more inflationary than for the Government to spend $4,000,000,000? We were talking a moment ago about sending the money overseas. Is one any more inflationary than the other?

Mr. O'MAHONEY. Of course, the expenditure which is made which creates a new demand for a short supply is inflationary, but that expenditure which is made for the purpose of preserving production and increasing production is not inflationary.

Take the case of the automobile industry. The automobile companies cannot make within 5,000,000 the number of units the people will buy. The result has been that although the manufacturing companies have been endeavoring to hold their cost prices down and not charge what the traffic will bear, there is a black market. There is a black market in Detroit, there is a black market in Washington, there is a gray market, as it is called, in some cities. New cars are run around the corner and then sold with 100 miles on the speedometers at prices which are one-third to one-half greater than the list price. That is inflationary, and when we reduce taxes of the people of the United States by $3,000,000,000 or $4,000,000,000, and put that money into the pockets of the people who will be demanding these things which are in short supply, we will be contributing to inflation.

Mr. CAPEHART. That is absolutely correct; there can be no question about it. My position is, Why deny the American people some tax relief, and then have the Government spend literally billions of dollars for all kinds of purposes. I agree with the Senator that the way for us to get a sound economy, and avoid the very things about which he has been talking, is by reducing Government expenditures by billions of dollars, and apply it on the debt, but not burden the American people with a tax rate that is unbearable. If the able Senator will travel over the country and talk to the people of America today—and I am talking about the common folks, the laboring man, those who pay the taxes—he will be surprised at the millions and millions of them who are interested in getting some tax reduction.

Mr. O'MAHONEY. I wonder if the Senator from Indiana has talked to the laboring people of the State of Indiana. I call his attention to an argument which was made on the Senate floor today by the able junior Senator from Florida [Mr. HOLLAND] with respect to the effect of this proposed tax reduction.

Mr. CAPEHART. Mr. President——

Mr. O'MAHONEY. I will ask the Senator to be good enough to bear with me. A table presented by the junior Senator from Florida shows that the decrease in effective rates provided by the bill on which we are about to vote, for those who are receiving incomes of less than $5,000, ranges from 2.9 percent down to 1 percent, for the little fellow with an income of $1,200, whereas the decrease for those with incomes above $5,000, up to and including those receiving $5,000,000 a year, amounts to from 3.2 percent for the lowest, or the $5,000 group, up to 13.4 percent for the maximum. In the State of Indiana there are 1,323,532 taxpayers, of whom 1,287,050 receive under $5,000. When the Senator votes for this bill—although I hope he will not—he will be voting to give the 1,287,050 taxpayers of Indiana who received incomes under $5,000 a decrease of less than 2.9 percent, but he will be voting to give those in the upper brackets, receiving above $5,000, a decrease up to 13.4 percent.

Mr. CAPEHART. Where does the Senator get the 2.9 and 13 percent figures, when he knows the bill specifically ranges from 10 to 30 percent? What sort of finagling do those figures represent? Let me take a look at them. What is the 2.9 percent a percentage of?

Mr. O'MAHONEY. They are the figures of the effective rates compared with the present law.

Mr. CAPEHART. Will the Senator explain it more in detail?

Mr. O'MAHONEY. This is a table that was presented to the Senate this morning by the distinguished and able Senator from Florida [Mr. HOLLAND], who is on the floor at the moment. I am sure he will be very glad to tell the Senator from Indiana where he got his figures.

I say to the Senator from Florida that the Senator from Indiana has used the elegant language of "finagling" when his attention was called to the table put into the RECORD by the able Senator from Florida.

Mr. CAPEHART. I apologize for using the term "finagling." What I meant was, different figures are used to arrive at different conclusions.

Mr. LUCAS. The Senator knows what that expression means, of course.

Mr. CAPEHART. I resent that. The remark of the able Senator from Illinois, just made, is typical of the Senator from Illinois, and no one is any better qualified to make such a remark than he is.

Mr. O'MAHONEY. I do not yield for any personalities.

Mr. HOLLAND. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. I should like to say, if I may, to the distinguished Senator from Indiana, since he is interested in the source of the figures I have placed in the RECORD this afternoon, that they were compiled at my request by the Treasury Department, were submitted by me to the Joint Committee on Taxation——

Mr. CAPEHART. Will the Senator yield? My position is that the pending bill would reduce the taxes from 10 to 30 percent. Does the Senator agree with that? It reduces the taxes from 10 to 30 percent.

Mr. HOLLAND. The Senator means the pending bill?

Mr. CAPEHART. Yes.

Mr. HOLLAND. It reduces the amount of taxes.

Mr. CAPEHART. It reduces the taxes of the smallest income group by 30 percent, and of the highest-paying group by 10 percent of the taxes they have been paying. Is not that a correct statement?

Mr. HOLLAND. It is substantially correct, but I should like to call the attention of the Senator to the fact that those figures are applied to the entire tax list, under the 1945 law, which includes all the prewar taxes, and the compilation I used, or several parts of it, called specific attention to the fact that this application of cut does not apply at all equably to the war taxes—that is, to the increase in taxes voted for war purposes since 1939.

In my remarks this afternoon I called attention to the fact that if the program proposed by the Republicans at this session of Congress had gone through as originally presented, it would not only have cut off all war taxes from

the taxpayers in the higher brackets but would have actually reduced the level of taxes for them alone below their peacetime level prevailing in 1939. That is shown by the compilations, and is a fact.

Mr. CAPEHART. But the fact remains that those in the lowest-income groups will get the benefit of 30 percent of what they paid last year, for example, and those in the highest-income groups will get the benefit of 10 percent of what they paid in taxes last year in dollars and cents.

Mr. O'MAHONEY. Let me interrupt at this point. The Senator from Indiana has the table in his hand. I ask him to look at the first column, which is the net income before personal exemption.

Mr. CAPEHART. That is $1,200.

Mr. O'MAHONEY. The next column shows the amount of the tax paid under the present law. The next column shows the amount of the tax to be paid by each of the income groups under the bill which is before us. That shows that under the present law a man with an income of $1,200 net pays $38.

Mr. CAPEHART. That is correct.

Mr. O'MAHONEY. Under the bill, he would pay $27. In other words, he would save $11. The man with an income of $1,500 would save $28, and the man with an income of $5,000——

Mr. CAPEHART. Mr. President, will the Senator yield for a moment?

Mr. O'MAHONEY. Let me finish with these two items. The man at the $5,000 level, who now pays $798 in taxes, under the new bill would pay only $638, or would get a reduction of $160. The man in the $6,000 bracket would get a saving of the difference between $1,045 under the present law and $836 under the new law, or $209. Then, going to the $100,000 man, we find that he would save about $13,000. So that is where the percentage comes in.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CAPEHART. Let us go back to item 1, where a man with an income of $1,200, under the present law, would pay $38. Under the new bill he would pay $27, a difference of $11.

Mr. O'MAHONEY. That is, in a year.

Mr. CAPEHART. That is a 30-percent saving in taxes. Now let us take the highest income on the table, $5,000,000, or, let us take the highest one the Senator used, on which he stated the saving would be about $13,000.

Mr. O'MAHONEY. The highest rate of decrease is 13.4 percent, for the income of $250,000.

Mr. CAPEHART. Let us take an income of $100,000. Under the present law, the taxpayer would pay $63,128, and under the proposed law, $50,502, a difference of $13,000.

Mr. O'MAHONEY. That is the item I used.

Mr. CAPEHART. That is a saving of 20 percent, approximately, over the taxes paid last year.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment. I want to point out to the Senator from Indiana that in his State the $13,000 beneficiaries number 163. One hundred and sixty-three persons in the State of Indiana would get the $13,000 benefit, while about a million and a quarter persons would get from $11 to $28.

Mr. CAPEHART. If the million and a quarter were to get $100,000 next year, would they receive the benefit of the $13,000 saving?

Mr. O'MAHONEY. They would.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Florida.

Mr. PEPPER. I wish to call the attention of the Senator from Indiana, if I may, to the fact that while he says the small taxpayer gets a larger percentage of reduction in his tax than the large taxpayer, yet if we turn it around and calculate the percentage of benefits which each taxpayer derives, it will be seen from the charts, that my distinguished colleague has so ably presented, that the man in the $1,200 bracket has about 1 percent more money as the result of the Republican bill than he would have under the present law, whereas the man in the $100,000 bracket will have over $12,000 in cash, as compared to the $11 saving of the man in the $1,200 bracket, but the man with an income of $100,000 will have about 33⅓ percent more money under the Republican bill than he would have under the present law. In other words, the Republican bill will give the $1,200 man 1 percent more money to spend than he would have under the present law, whereas the $100,000 man will have 33⅓ percent approximately more money to spend if the Republican bill should become a law.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Mr. President, I do not want my time to become involved any further in a discussion of the details.

The PRESIDING OFFICER. The Senator declines to yield further.

Mr. O'MAHONEY. Of course, it is unavoidable, when Senators come and go, and have not heard the earlier part of the discussion, that they raise questions which have already been threshed out. What I desired, today, was not to discuss the details of the bill.

I agree—I feel it most deeply, Mr. President—that what the country needs is tax reform, the kind of tax reform which will create new opportunities for productive taxation. The bill does not give it. But what I rise here today to warn against is the short-sighted policy of cutting the receipts of the Government at a time when the world crisis makes it impossible for any man to guess what the demand upon our production will be. The Secretary of State, with the support of the President, has issued a summons to the peoples of Europe to begin reproduction, to reconstruct their economy, to produce coal and food and all the other items that go into trade. Without that, we are lost. Those who talk about a benefit of three or four billion dollars to American taxpayers are, I solemnly believe, deluding themselves with the belief that we can isolate ourselves from the economy of the world. That cannot be done, Mr. President. We have fought two world war which have taught us that the people of the United States cannot live to themselves alone. We are in this world. A Republican candidate for the Presidency, Wendell Willkie, traveled from end to end of the country and all over the world saying that we are in one world. It is one world. What I am saying to the Senate of the United States and to the people of the United States is that we must give all our thought and all our energy to the reconstruction of the productive capacity of the world, and if we do not do that, it is idle to talk about benefits to taxpayers. Cut the tax receipts, isolate the United States from the rest of the world in this crisis, and we will bring the temple of freedom clattering down about our ears.

Mr. President, I now submit for the RECORD the table to which I referred earlier in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Statement showing rescissions of appropriations by Congresses and by public laws

	Public Law		Amount	Total
	Number	Date		
Appropriations:				
79th Cong.:				
1st sess.	68	May 29, 1945	$3,100,000,000	
Do.	127	July 3, 1945	92,119,000	$3,192,119,000
2d sess.	301	Feb. 18, 1946	47,579,587,542	
Do.	391	May 27, 1946	6,243,217,831	
Do.	521	July 23, 1946	3,055,090,673	56,877,896,046
Total, 79th Cong.				60,070,015,046
80th Cong.:				
1st sess.	20	Mar. 22, 1947	567,461,151	
Do.	46	May 1, 1947	1,011,423,325	
Do.	76	May 26, 1947	2,500,000	
Pending bills:				
Independent offices, H. R. 3839			55,100,000	
Interior, H. R. 3123			450,000	
War, military, H. R. 3678			1,438,966,500	3,075,900,976
Total, rescissions of appropriations				63,145,916,022
Contract authorizations:				
79th Cong.:				
1st sess.	68	May 29, 1945		4,265,000,000
2d sess.	301	Feb. 18, 1946	4,240,793,604	
Do.	391	May 27, 1946	468,763,001	
Do.	521	July 23, 1946	174,178,000	4,883,644,605
80th Cong:				
1st sess.	20	Mar. 22, 1947		132,000,000
Total, rescissions of contract authorizations				9,280,644,605

Mr. McCLELLAN. Mr. President, I should like to inquire, if I may, what is the program for the remainder of the evening?

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. It is my understanding that the program for the remainder of the evening is to hear the presentation of the measure before the Senate and of the issues involved.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. Is there any possibility that we can obtain a unanimous-consent agreement to vote on the bill and all amendments, let us say, by 2 o'clock on Monday?

Mr. MILLIKIN. I understand there is no possibility of that. I wish we could reach such an agreement, but I am informed that there is an objection to it.

Mr. LUCAS. May I ask whether the objection comes from this side of the aisle?

Mr. MILLIKIN. I have been told that the Senator from Oregon [Mr. MORSE] would object.

Mr. LUCAS. The Senator from Oregon?

Mr. MORSE. What is the question?

Mr. LUCAS. I was wondering whether we might not be able to enter into a unanimous-consent agreement to vote on the bill and all amendments, let us say sometime on Monday afternoon.

Mr. MORSE. Mr. President, I am sorry that I have not made myself clear in regard to my determination to object to unanimous-consent agreements to vote as of a certain hour. I have made a very careful study of unanimous-consent agreements in the present session of Congress, and the RECORD will show that we have made greater use of unanimous-consent agreements in the present session than during the total of the six past years, which I think is a very undesirable trend in the United States Senate.

I have reference, Mr. President, so far as I am concerned, to a procedural principle in the Senate of the United States. We had a demonstration here the other day when there was an informal attempt made to secure a unanimous-consent agreement to vote the next day at 2 o'clock upon a piece of legislation then pending, and I said, informally, I would object to it. I said: "If Senators will permit consideration of the matter to proceed, I think they will secure a vote sooner than tomorrow afternoon at 2 o'clock." The fact is that we voted that night, as I recall, around 6 o'clock, and we saved time by a refusal to enter into a unanimous-consent agreement.

Be that as it may, Mr. President, it is my sincere belief that the present session of Congress is abusing the unanimous-consent rule, and I do not intend to consent to a unanimous-consent request to vote on the pending bill as of a certain time. I am ready to vote right now. I have no desire to delay the matter so far as voting is concerned. But I shall take the position, because I think I am right about it, that the Senate of the United States must stop and consider the whole trend toward doing its business under the unanimous-consent rule, because if we continue it we are going to weaken what I think is one of the bulwarks of the Senate; namely, the rule of unlimited debate.

The PRESIDING OFFICER. As the Chair understands the parliamentary situation there is no unanimous-consent request pending at the present time. The Senator from Arkansas [Mr. McCLELLAN] has the floor. To whom does the Senator yield?

Mr. McCLELLAN. I do not desire to yield at the moment. I wish to make a further inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. I wish to ask if it would be agreeable to the Senator from Colorado that we continue until the bill is voted upon without recessing? I am willing to do that if all the other Senators are. But, Mr. President, I do not wish to stay here and present my amendment and then have the Senate adjourn thereafter. If it is proposed that we stay here and abuse ourselves by overworking, when there is no particular emergency in having the bill pass tonight, then I feel that we should stay in session tonight until we vote on the passage of the bill. I am willing to do that, or I am willing that the Senate now recess until Monday. It is my personal wish that the Senate take a recess until Monday. I can assure the leadership and other Senators that it will not be my purpose on Monday to consume any great amount of time. I shall be perfectly willing to limit myself. There is one amendment I am going to press, and on that amendment I shall limit myself to speaking for 30 minutes. I have two other amendments on which I shall limit myself to 10 minutes each. If we recess now until Monday I shall require 50 minutes on Monday, which is less than 1 hour. But if it is proposed to continue in session tonight I should like to speak on the bill again.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. I wish there were some assurance that the time could be limited, as the distinguished Senator from Arkansas is willing to limit himself.

Mr. McCLELLAN. I wish to assure the Senator from Colorado and all my colleagues that I have no purpose to delay, but it is my desire that the Senate either now adjourn, or recess, until Monday, or that we conclude action on the bill tonight without stopping.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. PEPPER. I want to say for myself that it is my intention to make some remarks on the bill, but I should be perfectly willing to limit myself to a reasonable time, say at least 30 minutes, or some such time as that. I am obliged to go to a radio station in a little while. I think we might well recess until Monday, and dispose of the bill reasonably soon after meeting, say possibly at 11 o'clock, on Monday.

Mr. McCLELLAN. I should like the Senate to recess now until Monday. I think more can be accomplished by recessing now than by continuing.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CONNALLY. I wish to make an observation to all members present, particularly to those on the other side of the aisle. I have been a Member of the Senate for some years. It is my observation and experience that nothing is gained by forcing or ramming things down the throats of the Members of the Senate. I will say particularly to Senators on the other side of the aisle that they would make better headway if they would recess now until Monday, with the understanding which Senators have already given, that they are not seeking to delay, but they are seeking to secure consideration of their amendments. I very much hope that the majority leadership will take that view and let us go home some time or other. We have been here all week. We are now here at 6:30 Saturday night. The departments downtown have been idle all day. The people in the departments have sense enough to make use of a vacation when they can. We do not seem to have sense enough to do so. We stay here and work until 6:30 o'clock on Saturday. I understand from some Senators that if the majority are determined to keep the Senate in session, we will be in session until midnight without any vote. I take no part in any such thing. I feel like saying that if the majority will put consideration of the bill over until Monday I shall not take any time on the bill, if that should be an inducement.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. MILLIKIN. I wonder if the acting minority leader could tell me what the speaking program is so far as the opposition is concerned.

Mr. LUCAS. I know of no Senator on this side of the aisle who wishes to speak except the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Florida [Mr. PEPPER]. I do not know whether the Senator from Kentucky [Mr. BARKLEY] expects to make a few remarks.

Mr. MILLIKIN. I had understood he does.

Mr. LUCAS. I doubt if 2 hours would be consumed upon this side of the aisle on the basis of what was said a few moments ago.

Mr. McCLELLAN. If the Senate should go over till Monday I am perfectly willing to limit myself to 50 minutes. That is less than 1 hour.

Mr. MILLIKIN. May I ask the distinguished Senator whether he would call up his amendments the first thing Monday?

Mr. McCLELLAN. I would do so.

Mr. MILLIKIN. And will the Senator, so far as he is concerned, pursue them with diligence? I have no right to ask this question, but is there any Senator present who would have any intention of speaking on those amendments except the Senator from Arkansas?

Mr. McCLELLAN. I know of no other Senator. So far as I know no one else will speak on the amendments.

Mr. LUCAS. The entire subject has been well covered. I doubt if any other Senator will speak on the amendments.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HOLLAND. In view of the statement I made half an hour or more ago to the chairman of the Committee on Finance, I think I should make this statement at this time:

I stated to him a half an hour ago that I did not expect to speak further on this measure. That was my intention at that time. I do not know whether that will be my intention when I have an opportunity to see what was apparently said by the junior Senator from Indiana [Mr. CAPEHART] about the exhibits which I placed in the RECORD earlier in the day. If, as has been indicated by some, the authenticity of those exhibits has been questioned, I shall certainly have something to say, and in some detail, on Monday or tonight, or whenever the matter comes on to be heard. I hope there has been no challenge of that kind, but I certainly want to make it clear now that I reserve the right to speak as I see fit when I see what has been said by the Senator from Indiana with reference to the compilations which I placed in the RECORD. I want to repeat for the benefit of the Senator from Indiana, or any other Senator, that those compilations were prepared by the Treasury Department. They were checked by the staff of the Joint Committee on Internal Revenue Taxation, which is the body which so ably serves the Finance Committee, of which the distinguished Senator from Colorado is the chairman. It never occurred to me that anyone would have the temerity to question the authenticity of those compilations; but if that is the intention, and if that is the purport of what has been said, I want to make it crystal clear that I expect to speak in some detail in answer to that charge. I am sorry that I did not catch the statement, because I was engaged in conference when the statement was made.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. Let me say to my friend from Florida that I heard the colloquy between the Senator from Indiana and other Senators. I do not believe that he questioned the authenticity of the figures presented by the Senator from Florida. The truth of the matter is that the Senator from Indiana came into the Chamber late, after the Senator from Wyoming had made a rather detailed and lengthy speech upon various questions; and in the course of the colloquy between the Senator from Indiana and the Senator from Wyoming the Senator from Indiana failed to appreciate and understand just what the Senator from Wyoming had said. Some of the questions which he asked would indicate that he questioned some of the figures, but I am sure it was because of his failure to understand. Once he reads the RECORD, I feel sure that there will be no question that he is not making a serious charge against the Senator from Florida.

Mr. HOLLAND. I trust that the situation may be as the Senator from Illinois indicates.

The first and only word I caught was the word "finagling." I do not know what the meaning of the word "finagling" may be in the Hoosier State, but down our way it is not a very creditable word to apply to what has been spoken in seriousness and with intent to present a sober argument in the open. I do not know exactly what was intended by the Senator from Indiana. Perhaps he will have an opportunity to explain for the RECORD what he meant.

Mr. LUCAS. Mr. President, I feel certain that if we should take a recess until 11 o'clock Monday morning, between that time and 2 o'clock in the afternoon the tax bill would be passed. I say that on the basis of what I know of the situation on this side of the aisle. I hope the majority will let us adjourn and go home at this time. Otherwise, I am afraid that we shall be here until 12 o'clock or longer. I for one do not want to remain here that long unless I am forced to do so. I do not want the Sergeant at Arms to try to find me if I should leave between now and then.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. Let me suggest that we proceed, and I shall make some inquiries. The subject will probably come up again.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. The Senator from Florida [Mr. PEPPER] wishes to speak.

Mr. WHERRY. Mr. President, what is the parliamentary situation? Who has the floor?

The PRESIDING OFFICER. The Senator from Arkansas [Mr. McCLELLAN] has the floor at the moment. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. McCLELLAN. I yield.

Mr. WHERRY. Is it the intention of the Senator from Arkansas to proceed with the debate?

Mr. McCLELLAN. I was not debating. I was trying to see if we could arrive at some agreement for the convenience of all Senators. I was not debating.

Mr. WHERRY. Mr. President, does the Senator from Arkansas have the floor?

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

Mr. BREWSTER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BREWSTER. Has any business been transacted since the last quorum call?

The PRESIDING OFFICER. Yes; business has been transacted. The Senator from Arkansas makes the point of no quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

The bill is open to further amendment.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Senator from Florida.

Mr. PEPPER. Mr. President, may I ask whether a decision has been reached by the majority?

Mr. WHERRY. In keeping with the announcement made 3 days ago and this morning, it is the intention of the joint leadership, if it is agreeable to the Senate, to remain in session for some time yet, to see if there is any chance to dispose of the bill. We do not wish to antagonize anybody, but Senators have made arrangements to stay here awhile this evening, and I think it is only fair to proceed. The debate has been very interesting. To be perfectly frank about it, there are more Senators on the floor now than there have been at any time this afternoon. During the debate and the discussion by the distinguished Senator from Wyoming [Mr. O'MAHONEY] there was intense interest exhibited and keen colloquy was exchanged. I feel that, so long as we are here, and it was announced that we would continue until at least early in the evening, and since Senators have made arrangements to be here, it is certainly the time to proceed with the debate. There is no disposition to keep anyone here and punish them. There is no ulterior motive involved. Our only object is to be constructive. If we continue for awhile this evening and see that it is impossible to come to any conclusion on the pending legislation, I am satisfied that there will be a recess until Monday. Inasmuch as plans have been made, I would deeply appreciate it if we can have the full cooperation of Senators on both sides of the aisle, and I am satisfied that at the proper time a recess can be had if the proposed legislation has not been concluded.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Nebraska said that we would stay here "awhile." What does that mean—2 hours, 4 hours, all night, or just what does it mean?

Mr. WHERRY. I am satisfied that the distinguished Senator from Texas can answer that question without asking me for an answer.

Mr. CONNALLY. The Senator is the one who used that language.

Mr. WHERRY. The Senator from Texas has been here many years. The other day I stated that he had been here "many, many years." The Senator has been here a long time and understands the procedure, and I am satisfied that in view of the announcement which was made we shall have full cooperation from the senior Senator from Texas if we proceed at least until 9 o'clock—if the Senator wants a definite answer—and then recess until Monday. I say that in the spirit of reasonableness, not in the spirit of unreasonableness.

Mr. CONNALLY. The Senator said that the Senators had made their plans to be here. Some have made other plans. It would appear to me that the tactics of the majority would give us the "third degree," and wear us down to a point where we will say "All right; I will sign the confession."

Mr. WHERRY. The Senator from Texas is not one who would easily sign on the dotted line. This is normal procedure. I am satisfied that the distinguished Senator from Texas will be agreeable to proceeding until at least 9 o'clock tonight.

Mr. CONNALLY. The Senator has bragged about having a good attendance here. We have been here day after day when there were only three or four Senators on the floor. Now, because they have been "hijacked" in here on Saturday night, expecting a vote, the wish is to keep us here all night. In my country all the Republicans are out somewhere having a good time on Saturday night. They do not work on Saturday. The Government departments here do not work. They take all day Saturday. I am not trying to obstruct. I have been present pretty regularly listening to the debate when there were only four or five Senators on the floor. But this is Saturday night. We owe ourselves something. We owe ourselves a little rest and relaxation. I am not filibustering; but this kind of tactics is what makes filibustering, if the Senator wants my view.

Mr. WHERRY. The distinguished Senator from Texas may want to get home and get his Saturday-night bath. I am sure we will enable him to leave in time to get plenty of rest and sleep and return refreshed on Monday morning.

Mr. CONNALLY. That is what I am trying to do—come back on Monday and have some order about this procedure.

Mr. WHERRY. The arrangement was made last Thursday to proceed with the tax bill and conclude it by Saturday night, if possible. I think the debate has been most interesting and helpful. I say again that I do not know when we have had better attendance during the last 3 days than we have at this time. So far as I am concerned, although I am a little tired physically, I feel fine and optimistic, and I think there might be a chance to get something done if we stay until 9 o'clock.

Mr. PEPPER. Mr. President, I think it is apparent that the majority has made up its mind about this measure, and that nothing that may be said in the debate is likely to change its mind or to alter the course it has decided upon.

For myself, I wish to say that I oppose this proposed legislation for four reasons: First, it is unfair to the taxpayers of the country because it discriminates against the small taxpayers, and in favor of the large taxpayers. In the second place, it is unwise as a fiscal policy on the part of the Government of the United States. In the third place, it endangers American cooperation with the other nations of the world, particularly in connection with the Marshall plan. In the fourth place, it will contribute thereby to economic chaos and another depression in the United States.

Mr. President, my distinguished colleague has given the Senate what I regard as uncontrovertible evidence relative to my first point, namely, that this bill discriminates against the small taxpayers. He has pointed out that the man in the $1,200 a year income class will save $11 under this bill on 1 year's taxes, that under this bill he will have 1 percent more money to spend than he would have under the present law. That amounts to 21 cents a week, and for an average family of four, the individual saving for a week is about a nickel.

In my State there are 585,000 taxpayers who make less than $5,000 a year. Those in the $1,200 class will save $11 a year; those in the $1,500 class will save $28 a year; those in the $2,000 to $2,500 class will save $57 a year; those in the $4,000 class will save $118 a year; for example, by this bill. On the contrary, only a few taxpayers of Florida are in the higher income brackets who will reap the real benefits this bill provides. For example, in my State the number of persons who make between $5,000 and $10,000 a year is 16,000; the number making between $10,000 and $25,000 is 8,000; the number making between $25,000 and under $50,000 is 1,800; the number making between $50,000 and $100,000 is 582; the number making between $100,000 and $300,000 is 192; and the number making over $300,000 is 42. Yet, Mr. President, approximately 26,000 of the taxpayers of Florida will receive about the same number of dollars in benefits that 585,000 of the citizens of my State and the State of my colleague will receive under this bill.

Therefore, it is obvious that the bill is unfair, when the $100,000-a-year man will save more than $12,000 under this bill, as compared with the present law, and when his percentage of increase in spendable money under this bill will be approximately 33⅓ percent.

So we see that under this bill the man receiving $1,200 a year will save $11, whereas the man receiving $100,000 a year will save nearly $13,000; the $1,200-a-year man will have 1 percent more money to spend, and the $100,000-a-year man will have 33⅓ percent more money to spend; and as my colleague has pointed out, nothing will have been done to lower the exemptions or to make the benefits more appreciable for the small taxpayers.

So it is clear that this bill was not intended to be a comprehensive tax-reduction bill. It was not designed to benefit all the taxpayers in the same proportion. It is for the benefit of the big fellow, for the benefit of the fortunate few. At a time when inflation has so shrunken the family budget that the masses of the people of America cannot even have an adequate nutritious diet, I am not willing to give a high level of luxury to the fortunate families before I am willing to give a decent level of living to the unfortunate families.

Mr. FULBRIGHT. Mr. President, has the Senator observed any signs that this inflation is diminishing at all?

Mr. PEPPER. On the contrary, even those who are the supporters of this bill have been known to say that they believe there will be more inflation, instead of less, in the future; and therefore the suffering of the low-income groups in the United States will be greater.

Mr. President, the Committee on Labor and Public Welfare has been holding hearings on a health bill. In the testimony before a subcommittee headed by the able Senator from New Jersey [Mr. SMITH], it has been brought out that in 1939 the American Medical Association published a report in which it was stated that people making less than $3,000 a year in the United States were not able to purchase the medical care they should have. That amount of money means today approximately $4,500 a year; and that means that a negligible proportion of the taxpayers of the United States, therefore, are even able to obtain the needed medical care to preserve their health and their lives. Yet we propose to give the principal benefit of this tax-reduction program to the man who is more fortunate, and to deny a decent level of American living to the man in the less fortunate income class in this country.

My point is that this bill is an unwise fiscal policy for our Government. We do not yet know what our appropriations will be, because we have not yet finished action on the appropriation bills. We do not know what new emergencies may arise. We do not know whether the Congress will be back in special session this fall or not. So what harm could there be in letting this matter go over until next year, when we would know better what the Government's receipts for this year are and what moneys we have appropriated and what emergencies may have arisen and where we are in relation to fixing the fiscal policies of the Government? If we wish to pass a tax-reduction bill in January or February, and wish to make it retroactive to January 1, the date this bill purports to make the cut effective,

that could easily be done; but at that time we would be able to proceed with knowledge of the past as a basis for our conduct, and we would not have to speculate again as to what may happen during the remaining part of this year.

So I say it is an unwise policy for the Congress to lay down what the tax revenue is to be, before the majority has been able to make up its mind in regard to what the year's budget will be. We know that the Senate passed a resolution reducing the President's budget by $4,500,000,000, and we know that the House of Representatives passed a resolution reducing the executive budget by $6,000,000,000. They have not been able to agree upon what the budget of the year is to be. Yet by this legislation they now propose to fix the tax revenues of the Government. I say again that is unwise fiscal policy on the part of the Congress, for the Government of the United States.

In the third place, I say this bill will threaten and jeopardize, if it does not defeat, economic collaboration and cooperation between the United States and the destitute and distressed nations of the world, and particularly I affirm that it threatens the Marshall plan before we have ever had a chance to hear the detailed proposal from the Secretary of State or to know what the European nations will indicate as the possibilities of their acceptance of it.

Mr. President, what will it mean as an indication of the intent of Congress to those statesmen in Europe trying to save democracy in Europe, when they hear that the Congress of the United States has determined to cut taxes, and to give the benefit of the reduction to the American taxpayer, when Senators are able to say that they are tired of giving relief to everybody everywhere, and not give relief to the American taxpayers?

Mr. President, will not that be interpreted as an indication of the return to isolationist sentiment on the part of the Congress of the United States? Is not that a red flag to those who believe that the Congress intends to back up the Secretary of State in working with the distressed people of the world? I say, Mr. President, that they would be justified in being concerned about this measure, if it should be passed by the Congress, and if the veto of the President of the United States, who senses so delicately the situation abroad, should be overridden by the United States Congress.

Mr. President, what can come as a benefit to the taxpayer who is the beneficiary under this supposed tax reduction if the result of it is to tear apart the economy of the world in which he lives and to thrust the world into totalitarianism, to involve it in a deeper distress and to bring it so much nearer to the verge and brink of war itself?

I say, Mr. President, this is no time to think of a few more dollars in the pocket of the American taxpayer when, as has been so well said by the Senator from Wyoming, the private-enterprise system in the world trembles today upon the very kind of destruction and collapse. The truth is that we do not yet know whether we are going to save the private-enterprise system in the world or not. Able and distinguished Senators have said to their colleagues that if we have a war even American capitalism cannot survive it. We have seen Britons, who have prided themselves upon allegiance to sound principles of democracy, have to take socialism in order to survive. That was the only way left open to them. They did not prefer it; it was thrust upon them by stern necessity.

Mr. President, this is no time for us to think of the mess of pottage we are going to gain for the taxpayer, if we may lose the world as the price we have to pay for it.

Mr. President, if we are to cut taxes, are we going to raise the national debt to let Europe and Asia and the Middle East and South America have more economic aid? If we are going to do that, then we are simply giving the American people and the taxpayer a deceptive appearance of things.

Does it mean that we are going to lower taxes now and raise them next year to meet the costs of economic cooperation with the other nations of the world, or does it mean that this is simply another step back down the road of isolation, a step that deserves to be mentioned along with the threatened attack upon the trade agreement act, a step that needs to be taken in connection with the passage of the wool bill, and in connection with many other indicia which have appeared in the Congress and in the country that we are already beginning to tire of cooperation with other pepole of the world, that we are already beginning to turn a deaf and calloused ear to the plaintive cries of the needy and suffering in other parts of the world, and to take again the shortsighted course we took after the last war, when we thought we could live alone, and let the rest of the world sink or swim, live or die?

Mr. President, this is going to be an ominous vote the Senate will take on the pending measure. It is going to have a significance which will reach to the very ends of the earth. I believe it is going to strike a chilling sense of fear into the hearts of Bevin and Bidault and others who are trying to put a structure together which will enable Europe to survive as a democratic part of the world.

I regret exceedingly that there has not been wholehearted cooperation among all members of the European family of nations in the collective effort to save Europe and to save the world, and us included, under the indication of General Marshall, and under the conditions he laid down.

I say, therefore, Mr. President, that we might as well remember, in the first place, that this great debt we have is due to the war, and we have to pay for it. When can we better pay it than when we have the highest national income we have ever had in the peacetime history of this Nation?

I am not a financier, and I do not pretend to be, but I have enough common sense to know that when a man is making a good income, when he has more money than he ever had, and has the biggest debt he ever had, it is a good time to start paying on the debt, instead of trying to enjoy new luxuries, more than he has been able to have in the past.

In the second place, I say that the disordered world of today is a part of the war, and if we are to fight the war through to the end, we have to carry on the fight until we save the world economically from chaos and starvation, and from totalitarianism, just as we saved it from the evil Hitler, the dastardly Mussolini, and the vicious Japanese.

If we are not willing to pay the debt, we repudiate our solemn obligation. If we are not willing to fight through to the end until we save the world we set out to save, we are not living up to the obligation we assumed both to the living and the dead.

Mr. President, it is no folly, it is no fantasy, to say that America has to pour in billions of dollars if Europe is to be saved. We have to do it not only for 1 year; we have to do it many years. It is not a question whether we can afford it. We cannot afford not to do it. We might as well recognize that. We might just as well be prepared to tighten our belts and do it.

Now, within 2 years of the end of the war, with the largest debt we have ever had, with the dollars of the nations of the world running out, with Europe getting ready to submit to us a cooperative plan to help themselves as a condition upon which they seek aid from us, to have the American Congress hold out to the American taxpayer the delusive hope that the time for great spending has about come to an end, and now he can begin to relax and to enjoy the extraordinary income which he personally derives from the inflated American economy, is not a good omen of the future.

Mr. President, this is one world. One does not have to believe it is one world to make it that, and denying it does not keep it from being one world. I regret to see that there are still many of our people who have not really come to embrace that concept. They still hope somehow that all this nightmarish picture that is presented to us from abroad may pass away like a bad dream in the night, that there will be a new quiet dawn, and we will not be troubled by the fears and by the horrible shapes and forms that reach out toward us.

We cannot depend on that. We know that is a foolish hope and not a fact. The condition of the world is getting worse instead of better. Today it is worse than it was at the end of the war. There are more people hungry today than there were when the war ended. There are fewer dollars in the world with which to buy American goods. There is a greater tendency to economic and political collapse. There is a greater menace and danger of a new fascism today than there was the day the war ended.

Mr. President, for the Congress to hold out to the American taxpayer—yes, burdened; of course he is burdened—but to hold out to him that things are going to

get better for the taxpayers of America, Mr. President, instead of telling him frankly that they will probably get worse, I say is a deception of the American taxpayer, a policy unworthy of the American Government.

Mr. President, I say, in the fourth place, that the trend of the future was well indicated by a headline in the Washington Post of yesterday, the gist of which was, "Mexico curtails imports because of shortage of American dollars." That is a danger sign for the American economy as well as a danger sign for the people of Mexico.

I affirm that if we must live up to the Marshall doctrine, and more—because when I speak of the Marshall doctrine, I think of it as a principle, as a policy; it should apply to the Far East, to Asia, to the Middle East, to South America, as well as to Europe. In time it will have to apply to all the world. In fact, the one world of which Willkie spoke is not only one world geographically, but it is one world economically. It is of a single pattern. Tear it in one place, and the whole fabric is weakened.

I regret, Mr. President, I believe in the United Nations, with the Social and Economic Council. Many of us thought that the Social and Economic Council was going to be a more sturdy bulwark of peace than the Security Council, that had the power to use force. I regret that this Social and Economic Council has not from the date of its inception been preparing a world economic plan by which all the nations of the earth could work together to help one another and to save the world either from totalitarianism of one sort or another, or from utter economic disintegration. I can affirm that the United Nations is the right and the only agency which can effectively draw such a world economic pattern, the only agency through which such a policy can properly and effectively be implemented and carried out. I hope, therefore, that we are going to get back into the United Nations and work through the United Nations in our economic cooperative policy with other peoples of the world. I hope that the Marshall plan will be declared as being extended to all areas of the earth, because American prosperity, Mr. President, depends not alone upon Europe's purchasing from us; it depends upon other peoples and parts of the world being our customers as well.

Mr. President, the other day, in the Foreign Relations Committee room, some of us Senators from the citrus-growing States had a conference with the Assistant Secretary of War, Mr. Petersen. We were trying to find a market for our surplus processed citrus fruits and foodstuffs, Mr. President, that are already hanging as a great threat upon the new harvests which are not far away.

In the course of that conversation, the Assistant Secretary of War, just back from the occupied area of Germany, reminded us that the volume of wheat which today is being exported from the United States is the equivalent of the surplus in the wheat crop of the United States. What does that mean, Mr. President? That means that if the wheat growers of this country lost the purchasing power of the parts of the world now buying our wheat, largely with our money and our credit, the price of wheat would drop the day after it occurred to a dangerous low, which would bankrupt many of the wheat-growing farmers of America and many of the people and the institutions depending upon the great wheat crop of this country.

In the case of our citrus products, we have such large surpluses that if we do not find an outlet for them abroad, unless we can find some new purchasing power on the part of the masses of our people, which is unlikely, it means that the citrus industry in my State and in the other citrus-growing States is going to suffer a catastrophe. The Senators from California could tell Senators what they told us in that meeting, that millions of boxes of California oranges were allowed to rot and ruin, because there was not a market for the juice or for the product, and they did not want to put any more money into the crop, because there was no hope of being able to find a satisfactory market for its disposal.

I tell Senators that the Marshall plan is not only necessary for the salvation of Europe; it is necessary to preserve the prosperity of the American economy.

We are geared in our production from the farm and the factory in America to a market which has been absorbing our exports to the amount of some $16,000,000,000 a year. Mr. President, we all know that the foreign purchasers are running out of dollars, and that about half of the purchases they have been making in the past have come from American credit. When their own savings are exhausted, and we are not able or willing to take more of their goods, if we do not renew and enlarge our credit, how are they going to be able to buy our products?

So, Mr. President, this prosperity that we now have hangs by a very slender thread. It could be lost in a short time by just a few false steps and short-sighted—and, I may say, selfish—policies on the part of the Government of the United States of America.

Mr. President, the Bible says, "For what is a man profited, if he shall gain the whole world and lose his own soul?" I ask the question, What shall it profit a taxpayer in the United States if he gets his tax reduction as the result of a policy which lets the rest of the world collapse into some dangerous Fascist totalitarianism and robs us of our market, which so diminishes our production from factory and farm that the income of that taxpayer will be so reduced that he will lose in income far more than he gains in the little tax reduction that the Republican tax bill made available to him?

So I say, Mr. President, that this is folly. I say that this is striking a blow at the standard of living, at the income of every man in America, rich and poor alike.

Mr. President, if some of these big businessmen, some of these men whose factories are whirling around the clock in their efforts to turn out the goods that the demand today exacts of them, if they think that this is continuous and cannot possibly be curtailed or ever come to an end, they have a bitter shock, I am afraid, ahead of them. Let them remember how busy those factories were in the days of the American depression, when the American purchaser was unable to buy, and when there were no markets abroad.

The prosperity we enjoy today can be extended, but it can be lost almost overnight if we make a few such foolish mistakes as I believe are embodied in the tax reduction proposal which the Senate is now considering today.

Mr. President, I believe the world today stands at the crossroads. I like to think of it in connection with what I have heard is a Chinese symbol which has a double meaning. It is said that the word "crisis" in Chinese has a double meaning. It means on the one hand a great danger, and on the other hand a great opportunity. I think today, with atomic energy made into a weapon of destruction, and with the economy of the world on the verge of collapse, as it is, that the human race has it within its power for the first time to destroy itself. But on the other hand, Mr. President, I think the human race has it within its power to lift itself to the highest level of living and the greatest health and happiness that human beings ever dared to dream of in all the long and tortuous history of the race.

I do not know which way we are going. Sometimes I am concerned about our course. It is so difficult to keep the eye on the long point of view. It is so difficult, Mr. President, to keep the eye on the horizon instead of on the ground. There is such a tendency to see the short-sighted gain rather than the long benefit which may lie at the end of a wise and painfully pursued course of action.

Mr. President, I remember reading in a little psychology book as a high-school student words, if I remember them correctly, about as follows:

> The fundamental of human progress is the ability to hold the attention to that which at present exists only as an end to be realized, or as an ideal to be achieved.

It is so difficult, Mr. President, to see that we are going to save America by saving at the same time the rest of the world. It is so difficult to see that American prosperity is directly related to the well-being of other nations and other peoples all over the globe. It is so natural to say, "I will look after myself. Let the other people look after themselves. America will be strong. We will let the rest of the world survive if it can."

Mr. President, things simply do not work out that way. We used to think the oceans could keep up out of war, but we found out they can not; we used to think that if we would let Europe alone Europe would let us alone, but it will not; we used to think that if we would be peaceful other people would but, Mr. President, they will not always be peaceful.

I say that my country today is making some momentous decisions, and I think the one we are about to make is

one of the wrong decisions. The majority thinks it is going to receive credit from the American taxpayers in the elections of next year for saving them some taxes. Yes; I can imagine some of the speeches their platform orators expect to make. I imagine I can hear them say, "We cut your taxes, did we not? We stopped some Government spending. We finally got around to you. We quit helping other people everywhere, and started to help the people here at home."

That would sound fine, Mr. President, if the proposed program would work. But let us imagine the composition of the audience to which the platform orator is appealing for votes for the Republican Party in reward for pursuing the foolish policy now being pursued. Imagine that some of the members of the audience are businessmen and let us suppose that their orders have fallen off. Suppose some of them are having to close their factories. Suppose their profits are being curtailed. Suppose markets are shrinking. Suppose inventories are beginning to decline in value before they can be sold. Suppose some of the workingmen in the audience have already received notice that there are no longer any jobs for them. Suppose others have received notice that their wages have been cut, that their social-security benefits have been taken away from them, which were provided, perhaps, by some private plan which they lost with their jobs. Suppose, Mr. President, some of the members of the audience are farmers. Suppose surpluses are again piling up in their storage places. Suppose they are beginning to worry about meeting notes, suppose they are beginning to wonder whether the Government is going to come along with another price-stabilization program. If those conditions should come to pass, I ask, Mr. President, what is going to be the response of all those people to the Republican platform orator who gives a glowing account of the dollars which have been saved to them by the passage of the tax bill?

In the first place, Mr. President, if the audience is a typical American audience about half of its members will make less than $2,500 a year, and the family of a man making $2,500 will save, under the bill, roughly $20, if he receives every dime the proponents say they are going to give him. That means, Mr. President, about, we will say, thirty-odd cents a week, and to a family of four it will mean about 8 or 9 cents per person per week. By that time inflation will have risen so high that such savings will be more than wiped out. And what if the members of the audience stood up and said, "Well, Mr. Speaker, Mr. Orator; you are asking for our vote as a reward for your alleged service. What did we get?" Oh, it may be true that a fortunate few may be seated in the audience, or, if the meeting is a "pay" meeting, may be sitting in the boxes, who might be able to listen complacently and shout "Amen" to the platform orator, but only a few under this bill.

Mr. President, the risk which is run by adopting the bill is that of taking a step in the wrong direction. It is a leap backward instead of a step forward.

Mr. President, I do not know whether we learn much from history or not. I thought we learned a lesson after the last war that God would never let us forget, even if we tried. Senators remember we had prosperity during that war. We lost it only after the war's end by reason of the policies we pursued and the mistakes we made at that time, and I must say that the party which is in the majority in the Congress today came in there at a time when the Nation had that prosperity, and the responsibility for the policies which lost it must be laid at the door then, as now if we lose it, of that same party.

Mr. President, they passed legislation cheapening labor in America and condemning the workingman to less than a living wage. They curtailed his purchasing power and they laid down the foundation for a depression, which inevitably came. The same party has done the same thing again this year to the working people of the country.

Mr. President, indications have come to me from all over the country of how the working people feel. I have never seen the working people, organized and unorganized, as deeply stirred as they are today in indignation against that legislation. So when the Republican platform orator next year in October speaks before the chambers of commerce and before the manufacturers' associations whose members are sitting in their guilded halls, telling of the virtues of the Grand Old Party which has protected them from the brigandage of labor, Mr. President, it may turn out that the services will not be considered such as to entitle that party to reward by the voters, by the people of America.

Mr. President, I say that after the last war the Republican Party adopted dangerous labor policies which were contrary not only to the interests of the working people, but to the public interest, and they reaped the harvest of a depression. They also did the same thing about taxes that they are doing now. That also, Mr. President, contributed to the same result.

I find that if I want to know what the majority is going to do in Congress now, the best thing to do is to read the history of what they did after the last war. We can almost make a dependable prediction about what they are going to do this time from reading the history of what they did before. But, Mr. President, I wish the majority would turn over and read the last chapter in that sad story. The sad chapter is the tragic ending of it. I wish they would turn over and read where they came out then, where their policies led to. I confess that I believe the majority party is today following a policy in Congress which is undermining not only the security of the world but the prosperity of the United States of America. I think those who advocate this bill will prove to be the enemies of the businessman instead of his friend when we see how their policies work out.

I say also, Mr. President, that I think the majority party, by these policies, is gradually but firmly closing the American door to the people of the world who with outstretched arms and in many instances with shriveled bodies, are pleading and calling to America, as the cry came from Macedonia, "Come over and help us." I believe, Mr. President, that the majority party closed that door after the last war. I see it relentlessly swinging shut again. Beware of the consequences.

I simply wish to make a record as we go through these tortuous days. I think there is tragedy at the end. I think another dark valley must be traversed. There is a hill beyond to be sure; but what suffering there will be in the passage of those dark ways through which I think we must go. If anyone cares to look back to these momentous days I should like to be found among those who, as best they could, waved the red flag of danger and raised their voices in protest and remonstrance.

So, Mr. President, I am against this bill. First, it is unfair to the American taxpayers, because it discriminates against the poor and rewards the rich—favors the few, not the many, of America.

In the second place, it is an unwise fiscal policy for the Government of the United States.

In the third place, it endangers American cooperation to save the economies of the world, and threatens the possibilities of the Marshall plan.

In the fourth place, by contributing to the deprivation of markets for American production, it will contribute to a shrinkage in our prosperity and to another depression in the United States.

Believing that, I can do nothing less than protest to the limit of my ability against the commission of such a wrong and such folly by the Congress of the United States.

Mr. GREEN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

The PRESIDING OFFICER (Mr. YOUNG in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. CONNALLY and Mr. KILGORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, I desire to comment on the spectacle which the Senate is making of itself at nearly 8 o'clock on this Saturday night. The leadership of the majority party is insisting on keeping us here when every Member of the Senate is worn out and tired, both intellectually and physically. We have had two quorum calls already. As soon as one quorum call is completed the leaders of the majority drift out and leave us to listen while they play politics in the cloakroom. They line up the Members, issue instructions, and put them on the carpet.

Mr. President, that kind of tactics cannot prevail. Time will be saved if we take a recess and resume the matter on Monday. There are Senators here who are not willing to stand for it. I am not one of them; I am good natured and want to get along, and I do not indulge in any "rough stuff" unless I have great provocation. It is an absolute shame to keep the Senate in session under these circumstances. I suggest to the Senators who have been maneuvering this bill that they know that a vote will not be had tonight. If they have not heard enough oratory already, I have a surplus which I will hand over to them which I have heard in the past 3 or 4 weeks while Senators on the other side have been meeting in committee rooms and fixing up slates. They will not get anywhere with that sort of procedure. If they want to proceed in order, accomplish something, and get the bill voted on, they had better recess until Monday. The country does not appreciate the Senate's performing in this kind of manner. So I appeal to the leadership of the Senate to take a recess and let us go home.

After going through such treatment we need rest. We need a little period in which to resuscitate our weary bodies and our weary minds. All the week we have had no attendance to speak of. I have been here pretty regularly and have frequently found only four Senators present. One day I counted only three on both sides of the chamber. If one asks where the Members are, he is told, "They are all attending to business."

The new streamlined bill which was rammed down our throats last year provides that the committees cannot meet while the Senate is in session, and yet every day the leadership asks unanimous consent that such-and-such a committee may be allowed to sit. That is all they do—sit and sit, when the Senate is in session supposedly to transact the business of the Senate. I shall have some remarks to make a little later, unless we get better conduct of the business of the Senate. In all good nature, I say to the Senators who are conducting the bill, take a recess and resume it on Monday.

Mr. KILGORE. Mr. President, I send to the desk an amendment in the nature of a substitute for the pending bill, and ask that it be printed and lie on the table, so that all Senators may see it, in order that it may take its appropriate course.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. McCLELLAN. Mr. President——

Mr. McFARLAND. Mr. President, does the Senator wish to yield to permit the suggestion of the absence of a quorum?

Mr. McCLELLAN. No; I do not wish to yield for that purpose.

Mr. President, I regret that we were not able to have a recess taken at the proper hour, so that we could go home and get our rest tonight. But I realize that there are two sides to the matter; and I do not wish to take a contrary attitude and, by so doing, cause inconvenience or discomfort to my colleagues. I know that actually, after all, all of us wish to make progress and to expedite the business of the Senate.

In connection with these highly controversial issues, we have our very deep feelings and convictions, and we feel that we should, in the prosecution of our positions, do everything within our power to persuade others to arrive at the viewpoints we entertain.

Mr. President, I have felt very keenly about the amendment which I intend to propose to the bill. I wanted to have as advantageous a hearing, as patient a hearing, and as sympathetic a hearing as it would be possible for me to obtain, because not only am I pleading for a conviction which I have, not only am I pleading for the rectification of a wrong that has been perpetrated upon the people of my State, but I am also pleading the cause of the people of 35 other States of this Union. That is why I hoped that I might proceed under conditions and circumstances in which, without bias or prejudice or feeling or precommittals or anything which would interfere with a fair and open consideration on this issue, I might present the matter so that Senators might thereafter vote according to their sincere convictions.

Mr. President, before I conclude if I may have an understanding that a vote will not be taken tonight on the amendment which I intend to propose, I shall offer the amendment so that it will be the pending question on Monday morning; and on Monday morning, I give assurance to my colleagues, I shall consume only a few minutes time, if any at all, in any discussion of the amendment. I make that statement because I do not feel that we should vote on the amendment tonight and then postpone the final vote on the bill.

I have two or three other amendments which I shall have to present if this amendment is rejected. If this amendment is accepted, I shall not present any other amendments. But I do have three other amendments; and one of them, particularly, I know many Senators will agree with me about. Senators may disagree with me in regard to the one relative to the raising of personal exemptions, but I know many other Senators have the same condition that I have in regard to the community-property or family-partnership States and the situation in which the Federal Government does not recognize the partnership-property law of one State, but does recognize the community-property law of other States. So, Mr. President, if this amendment is rejected, I shall be compelled to present the other amendments. However, the issues they present are fairly well known.

I do not assume that I can influence the vote of any Senator by making a long speech, Mr. President.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. MILLIKIN. As to the last two amendments referred to by the Senator, do I correctly understand that the Senator does not intend to take a great deal of time on them?

Mr. McCLELLAN. Oh, no; I am simply saying that they have been well discussed. I refer to the amendments relative to personal exemptions. Everyone knows about it, and I shall present it for a record vote.

But I do wish to present the family-partnership amendment, because it should be given attention and should receive action.

First, Mr. President, I wish to express my appreciation to the Senators from the community-property States because they have not offered fighting opposition, let me say, at least, to this amendment. I do not know how all of them will vote. I know that some of them have already announced, in a spirit of fairness, that they do not believe the Federal Government should collect income taxes in one State on one basis and in another State on another basis. I wish to express my personal appreciation to the Senators from the community-property States, and particularly to those who have manifested that spirit of fairness and have said they believe this present system is wrong and that they wish to help me correct it so that in all States husbands and wives, citizens of this Nation, will be treated alike with respect to income taxes, irrespective of the State of their domicile.

I am also grateful for the fact that such a large number of my colleagues have joined me in sponsoring this amendment. I shall read their names now, so as to have them in the RECORD. When I offer the amendment, I shall not then take time to read the names of the sponsors. But I wish Senators to know that I am not the only one who is interested in this amendment. I wish to say to my colleagues that many of the Senators who join me in sponsoring the amendment came up voluntarily and asked that their names be placed on the amendment as cosponsors of it. That shows what a very keen interest there is throughout the Nation today in regard to this issue.

I shall offer the amendment in my own behalf and in behalf of my colleague from my State [Mr. FULBRIGHT], and in behalf of the junior Senator from West Virginia [Mr. REVERCOMB] incidentally, his sponsorship of the amendment is evidence that this issue is not a partisan one. Mr. President, I do not wish to make it a partisan issue. Let me state

that there are two other Senators, sponsors of the amendment, who are not of my party. I want Democrats and Republicans alike, irrespective of party, to assume a joint responsibility, and if there is any credit in it, as there is, to have equal credit as the first tax reduction bill is passed, to have this amendment that will place all of us on a basis of equality. Let us not reduce taxes and leave them unequal, and therefore perpetuate that inequality.

I shall offer the amendment on behalf of the senior Senator from Alabama [Mr. HILL]; the senior Senator from South Carolina [Mr. MAYBANK]; the senior Senator from Connecticut [Mr. MCMAHON]; the junior Senator from Maryland [Mr. O'CONOR]; the junior Senator from Rhode Island [Mr. MCGRATH]; the senior Senator from Maryland [Mr. TYDINGS]; the senior Senator from West Virginia [Mr. KILGORE]; the junior Senator from Oregon [Mr. MORSE], a Senator from a community-property State, but I believe the people of his State applaud him for that quality of legislative intellect which will cause him to reach across the aisle and reach across his State line and say, "Yes, my State has that advantage, but I am willing as a matter of justice and right to give my vote and my influence and my official power to the correction of an injustice which I know exists." I think the people of his State will applaud him for doing that.

Mr. President, I shall offer the amendment on behalf of the senior Senator from North Carolina [Mr. HOEY]; the junior Senator from Florida [Mr. HOLLAND]; the senior Senator from Tennessee [Mr. MCKELLAR]; the senior Senator from Montana [Mr. MURRAY]; the Senator from Mississippi [Mr. EASTLAND]; the junior Senator from Georgia [Mr. RUSSELL]; the junior Senator from Tennessee [Mr. STEWART]; the senior Senator from Florida [Mr. PEPPER]; the junior Senator from Alabama [Mr. SPARKMAN]; the senior Senator from Rhode Island [Mr. GREEN]; the senior Senator from Pennsylvania [Mr. MYERS]; the senior Senator from North Dakota [Mr. LANGER], who is another who comes across the party line because he believes that justice should be done, and he is willing, as far as his power and influence go, to see that it is done now, at the time when we have the opportunity.

I offer it also on behalf of the junior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from North Carolina [Mr. UMSTEAD], the senior Senator from Colorado [Mr. JOHNSON].

If any other Senator wants to join while I am speaking I shall be glad to place his name on the amendment, and let him become a joint sponsor of it.

Mr. President, I want my colleagues to listen as I tell them what this means to those who are from non-community-property States. I shall call the roll of the States and place in the RECORD the amount of excess taxes now being collected from the people in their States, amounts in excess of what is being collected from the same number of taxpayers in the same income category in other States which have the community-property system.

Alabama, $9,265,000. I am happy that both Senators from Alabama have joined me in sponsoring the amendment.

Arizona is a community-property State.

Arkansas is a non-community-property State. I have been saying, in round numbers, that it is costing the people of Arkansas $5,000,000. According to the estimate prepared by the staff of the Joint Committee on Internal Revenue Taxation, it will cost them $4,930,000.

Colorado. I am glad the senior Senator from Colorado [Mr. JOHNSON] has joined me in offering the amendment. The amount paid by the people of Colorado in excess is $7,735,000.

California is a community-property State.

Connecticut. Where are the Senators from Connecticut? Pennsylvania has just enacted a community-property law. I can tell the people in the States near Pennsylvania what will happen if they do not correct this injustice. They will find many citizens from adjoining States moving into the State of Pennsylvania. That is exactly what is occurring in Arkansas today, and the people are fully justified in what they are doing. They can save money. I placed a table in the RECORD showing the amounts, and Senators can determine that for themselves.

Connecticut, $30,175,000. Will not the Senators from Connecticut, whose people suffer this burden, join me in this vote and correct this inequality now? There is a promise that it will be corrected next year. I have been a Member of the Senate about 5 years, or a little less, and I was a Member of the House of Representatives 4 years, and I know that many of the promises that are made, made in all honor and sincerity, are not kept, because subsequent events and contingencies arise which prevent their being carried out.

Even if the provision I am seeking were adopted next year, unless it were made retroactive to January 1, the Senators from Connecticut, by their votes, if they voted against the amendment, would help to perpetuate the injustice and prolong the righting of the wrong for another year. I appeal to the Senators from Connecticut to help me, and help their people, to get out from under the burden.

Mr. SPARKMAN. Mr. President, will the Senator from Arkansas yield?

Mr. MCCLELLAN. I yield to the Senator from Alabama.

Mr. SPARKMAN. I believe I am correct in calling the Senator's attention to the fact that one Senator from Connecticut is sponsoring the amendment, the senior Senator [Mr. MCMAHON]. I think I am correct in that.

Mr. MCCLELLAN. I appreciate the Senator's correction. I do stand corrected. I was looking at the other side of the aisle, and was really appealing to the junior Senator from Connecticut [Mr. BALDWIN], on the other side, who I think should join with us. I am glad the Senator from Alabama called the matter to my attention. I am glad the senior Senator from Connecticut is on the amendment as a sponsor. It is further evidence of the strong interest in the necessity of Congress acting, and acting now.

The next State is Florida, and the amount is $14,025,000.

The next is the District of Columbia, and the amount is $11,645,000. The people of the District of Columbia have no one to represent them but us. They are entitled to some relief, they are entitled to have their taxes collected on an equitable basis. It is our responsibility to see that they are treated equitably. They have no voice here except our voice, and we should regard them.

Mr. MCGRATH. Does not the Senator think the people of the District of Columbia should have a voice here?

Mr. MCCLELLAN. That is controversial, and I do not care to enter into that argument at the moment. I have never said they should not have representation, and I shall be very happy to join the Senator in a study of the question. I do not know but that they should have.

Mr. President, the next State is Idaho, a community-property State.

Then I come to the State of Illinois. The amount is $81,600,000 that the people of Illinois are penalized. I am happy to say that when I presented the amendment before, both Senators from the State of Illinois, one on one side of the aisle and the other on the other, undertook by voting for the amendment, to relieve their people of this injustice, and I trust, Mr. President, that we may have their support again in the second attempt to remove the injustice.

Indiana is the next State. The amount is $1,825,000.

In some of these States I am listing—and I am not going to call the names—one Senator at least will be before his people next year for election. I know how I would feel about the matter, as a citizen, if an opportunity had been presented to the Senator from my State to do what I am asking Senators to do. I would want to know why on two occasions, when he had the opportunity, he refused to help give equity and justice to me as a taxpayer of the State he represented.

I would not be surprised if someone is going to be asked the question next year "Why? Why?" If the amendment does not carry. If anything happens that it is not in a tax revision bill—and plenty can happen—Senators are going to be asked "Why?" I cannot answer for them, but I give Senators the chance now to give an answer that will obviate the necessity of an answer then. I hope Senators will join me in the amendment.

Iowa, $11,815,000.

Kansas: I see the senior Senator from Kansas here. The amount is $9,265,000. Why should the people of Kansas have to bear that unjust burden? I know the Senator has had years of honorable service here, and I appeal tonight to the honorable Senator from Kansas—I appeal to both Senators from Kansas to join me in reducing the tax load of their people.

Kentucky, $8,075,000. I trust that the Senators from Kentucky will vote for this amendment.

Louisiana is a community-property State adjoining the State of Arkansas.

Maine, the home of the majority leader: Her people have to pay $4,420,000 more than the people from a community-property State. Why? I say there will be no question of why, if we pass the amendment and incorporate it in the bill. Senators will not have to answer. But "Why?" is going to be asked—"Why?" "Why?" and "Why?" again. Senators can answer it now, and they will not be asked that question.

Maryland, $21,590. I am glad to say to the people of Maryland that both their Senators are sponsors of this amendment. I know their people are applauding them. They deserve to be applauded.

Massachusetts, $42,500,000. I do not see the Senators from Massachusetts in the Chamber at present. If they are in the cloakrooms, I hope they will hear my voice now—$42,500,000. I hope the people of Massachusetts will hear their voice ringing "yea, yea," giving their support and helping me to help them right the inequity and injustice their taxpayers are carrying.

Michigan has just passed a community-property law and relieved her people of $65,790,000.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. FULBRIGHT. Did the Senator say a moment ago that Pennsylvania had recently passed a community-property law?

Mr. McCLELLAN. Yes. Pennsylvania saved her people $81,175,000. Senators see what happened. It is a form of Federal coercion. Whether it was ever intended as such or not, it is operating that way. A State must either pass such a law or lose a great deal of its wealth. A great many of its citizens are going to move to those States where they can get relief.

The next is the State of Kansas. The State adjoining it, Nebraska, has just passed a community-property law. Let it operate under that law for 5 years, and some of the best people will be found moving from Kansas into Nebraska. That is what is going to happen. That is what is happening in other places, and it is going to be repeated; it is going to continue.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to my colleague.

Mr. FULBRIGHT. With the enactment of community-property laws in Pennsylvania and Michigan, assuming a certain amount must be collected in Federal taxes, will it not mean that the amount saved to Pennsylvania and Michigan will represent the increased burden upon States such as Maine, Kansas, and Arkansas? Their tax burden would be proportionately greater, with the passage of the law in Pennsylvania and Michigan?

Mr. McCLELLAN. If there is an increase in the cost of government, certainly the proportion will be greater.

Mr. FULBRIGHT. If the cost remains the same, the tax burden would naturally be increased in States which do not have the law?

Mr. McCLELLAN. It would rise in the non-community-property States that remain; that is true.

Minnesota, $13,345,000.

Mississippi, $5,015,000.

Missouri, $23,205,000.

I do not believe I see either of the Senators from Missouri in the Chamber at the moment, but I hope they will feel that same keen interest in their people and will be willing to join with me in the amendment. Missouri is a neighboring State of Arkansas. I have many friends there. I feel an interest in her welfare, and I trust that Missouri's representatives in this body will join us and give us their vote.

Mr. President, may I say that if the Senators on the floor of the Senate will tonight, or Monday, when the amendment is reached on a vote, vote in the interests of the people, and vote in the interests of their constituents, then I have no doubt of what the result will be.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. Will the Senator please repeat what the penalty is to the people of Colorado, because of this present inequitable situation?

Mr. McCLELLAN. I am very happy to repeat it—$7,735,000. That is the amount in Colorado.

Montana: I am happy to say that the senior Senator from Montana has joined me in this amendment. The amount for Montana is $3,485,000.

Nebraska, right next to Kansas, has just recently become a community-property State. It will not be long before people will be moving from the noncommunity-property States to Nebraska, in order to obtain the advantage.

Nevada is also a community-property States.

New Hampshire is affected to the extent of $2,465,000.

New Jersey: I want my colleagues from New Jersey to get this figure—$43,520,000. I do not know; it may be all right for the people of New Jersey to let this go on and on. It would not be all right for the people of Arkansas. I know my people. I am not going to let it go on, if I can help it. I am going to act now. I am not going to promise—I am going to perform at the hour of performance, when the opportunity is present. There cannot be anything wrong about it. To tell the truth about it, if Senators are worried about it, the amendment will make it a better tax bill, a far better tax bill. It will improve it. There has been criticism. The bill has been criticized. The amendment will improve the bill. All I am asking of Senators is that they improve the situation in their own States. Insure right and justice to the people of the States they represent.

The next is New Mexico, a community-property State.

New York, $170,000,000. Of course, it is to be expected that the amount would be much greater in the Empire State.

North Carolina: I am happy to say that both Senators from North Carolina have joined me in sponsoring this amendment. The amount, in North Carolina is $10,625,000.

In North Dakota the savings would be $1,330,000. I am glad that one of the Senators from North Dakota has joined me in this fight. I hope that both Senators from North Dakota will give me their support on the amendment, and by its adoption eliminate the discrimination against their people.

In Ohio the savings would be $65,280,000. Why should the people of Ohio be required and compelled to pay this excess tax even for another year? They will have to pay it for another year and for years thereafter unless at some time before the next date for paying taxes comes around Congress shall have acted.

The next State is Oklahoma, which is a community-property State.

The next State is Oregon, which recently became a community-property State.

Following that is Pennsylvania, which recently became a community-property State.

Then comes Rhode Island. I am happy to say that both Senators from Rhode Island have joined us in this fight. Their people will appreciate their efforts to relieve them of this unjust burden.

The next State is South Carolina. Again I am happy to say that both Senators from that State are supporters of the amendment.

Mr. McGRATH. Mr. President——

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator from Arkansas yield to the Senator from Rhode Island?

Mr. McCLELLAN. I yield.

Mr. McGRATH. I should like to have the Senator place in the RECORD at this time the amount the taxpayers of Rhode Island would save by the adoption of the amendment.

Mr. McCLELLAN. I am sorry I failed to place that in the RECORD. The savings would be $7,565,000 annually. Is not that an amount worth fighting for? Is it not worth voting for, especially when the excess payment must be made by reason of discrimination? Certainly it is worth fighting for. It is worth voting for, and I hope every Senator will join me in the fight.

Next comes South Carolina. Both Senators from South Carolina are stanch supporters of the amendment. The amount which would be saved to the taxpayers of South Carolina would be $4,505,000. Why should the people of South Carolina be compelled to bear the extra burden of $4,505,000? That is a considerable amount of tax money. If the people of that State were relieved of this unjust tax burden they could use the money, if they were willing to have the State impose a tax upon them of the same amount, for building all the public buildings and institutions they now need. I know we could make use of the money that would be saved in Arkansas, for such purposes. We could use the $5,000,000 a year which we are now inequitably taxed, to serve our people by

giving them the facilities they need by way of public institutions.

The next State is South Dakota. While the amount involved is not so great as is involved in other States, the amount being $1,360,000, I hope the Senators from South Dakota will join in the fight to save that amount for their people. I do not believe the people of South Dakota want to pay it. They are willing to continue to bear such a burden if the people of other States bear a similar burden, but they do not want to do so when 13 other States do not. They are paying the excess taxes into the same Government Treasury into which a proportionately smaller amount is being paid by the people of some other States, who are receiving the same services and benefits. Why should they pay proportionately more than the people of other States? I do not think they should.

The next State is Tennessee. I am glad that both Senators from Tennessee are sponsors of the amendment. The people of Tennessee would be saved $11,475,000 by the amendment.

Texas is a community-property State and my neighboring State. The people of Texas are wonderful people. But we would not want anyone to move from Arkansas to Texas except under normal circumstances. We would not want special inducements, held out to our people to move to Texas. I have no quarrel, Mr. President, with community-property States. Such States have a right to enact community-property laws. I suppose I would fight just as hard to protect them and protect their rights, if a legislative proposal were made to take their rights away from them. I would not want to do them an injustice, because I believe State laws should be respected.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield.

Mr. O'DANIEL. The Senator has mentioned the State of Texas. It has been stated that many individuals have moved from Arkansas to Texas. I would not say, however, that they have moved to Texas solely because of the community-property law we have in Texas. Texas possesses many other advantages which I shall not take time now to enumerate.

I wish to say Mr. President, that I voted for the amendment of the Senator from Arkansas on a previous occasion even though I am on the other side of the fence and our people in Texas are receiving the benefits of the community-property law. But I believe in equity and justice and I believe that sooner or later the existing inequity must be corrected, and it will be corrected.

I shall vote for the Senator's amendment again for two reasons. One reason is that I believe in honesty and equity. I believe that the citizens of non-community-property States should have the same benefits as those of Texas and other community-property States. The other reason is the matter of self-protection. I desire to protect the people of my State and give them assurance that they will retain the tax privilege of the husband and wife rendering separate returns. To give them that protection justifies my vote to extend the same benefit to citizens of other States, because if the inequity is not corrected by the process suggested by the Senator from Arkansas, it will be corrected by another method of taking the advantage away from the community-property States. The only time this inequity can be corrected by giving it to the non-community-property States is when we are reducing taxes. At a time when we are not reducing taxes I believe it would be very difficult if not wholly impossible to obtain that sort of adjustment in the tax law, because it would be necessary to increase taxes to offset this reduction. But when we are reducing taxes I think it is time to straighten out some of the many inequities which exist in our tax law, and this is one of them. I voted for the Senator's amendment before. I will vote for it this time for the benefit of the non-community-property States and for the protection of the community-property States. This amendment will place husbands and wives in all States on exactly the same basis as regards income taxes.

Mr. McCLELLAN. Mr. President, I am very grateful indeed to the Senator from Texas. I want to express my appreciation to him, and I tell him that the people of Arkansas appreciate his position. I know the people of Texas will applaud him, because in taking the position he has, he insures, so far as he can, that the laws of his State will not be interfered with.

Mr. O'DANIEL. Mr. President, I may say that if the matter is not straightened out at this time I shall feel that our people in Texas will continue to be in danger of losing their present status. I feel sure that if their inequity is not adjusted in this manner that sooner or later on this Senate floor we will be face to face with another attempt being made to take from the married people of my State the advantage which they are now enjoying. This attempt to deprive citizens of community-property States of this advantage has been made many times, and as there are only 11 community-property States, we Senators from those States are in a hopeless minority and heretofore our only recourse has been our willingness to devote long hours of debate in an effort to persuade the majority Senators of the justness of our cause.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. McGRATH. I wish to support what the Senator from Texas has said. While I served as Solicitor General of the United States I tried this very issue in the Supreme Court of the United States, And I would remind Senators from community-property States that while the decisions of the Court thus far handed down have supported the constitutionality of the division of community-property and non-community-property States, the decisions have been 5 to 4 decisions, so it will not take very much to tip the scales one way or the other.

I argued the Government's contention at the time, that it was unconstitutional in our country to tax the people of Rhode Island differently than we were taxing the people of Texas, and I am sure that eventually that theory will prevail in the courts of the land.

What the Senator from Texas has said is true. The Senators from the community-property States ought to take heed and warning, because either this inequality is going to be straightened out by the adoption of the amendment offered by the Senator from Arkansas, or there is real danger that it will be straightened out by a legal decision which will take the tax favoritism away from the community-property States.

While I am on my feet, if the Senator will further yield, I will say that I am impressed by the figures the Senator from Arkansas has placed in the RECORD. I asked him the question as to what it would save the taxpayers of my State, and the answer was that it would save them $7,000,000 a year. I am impressed with the fact that my little State has an annual budget of between $28,000,000 and $30,000,000 a year, which means that we would be, in effect, saving one-quarter of the cost of the government of our State.

I should not be at all surprised to find that the figures would run rather constant. Every Senator who votes for this amendment is probably voting to relieve the taxpayers of his State of a burden equivalent to 20 or 25 percent of the cost of operation of his State.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. O'DANIEL. I thank the Senator from Rhode Island for his observation. I am not unmindful of the fact that Texas is entitled to the advantage of a community-property law, and has enjoyed such an advantage by virtue of laws which have existed in our State for more than 100 years. I am mindful of the fact that any State which does not enjoy the benefits of a community property law could enjoy such benefits by enacting a community-property law. But here in the United States Senate we have no power or authority to direct State legislatures to enact legislation. However, we do have the power, and have exercised the power and authority, to impose income-tax laws upon all the citizens of the United States. Every citizen must comply with the law. We impose the income tax laws on all citizens. Some of the States, by virtue of their own State legislation, are benefited by community property laws, which create an inequity which must be adjusted, and sooner or later will be adjusted. I am in favor of adjusting it at this moment, when it is possible to adjust it, because we are now in a position to reduce taxes and are reducing taxes in this bill. In my opinion, that is the only time when we can make an adjustment without increasing the tax burden on Texas and the other community property States.

Mr. FULBRIGHT rose.

Mr. McCLELLAN. Mr. President, I am happy to yield to my colleague.

Mr. FULBRIGHT. I was anxious to have the Senator from Wisconsin [Mr. WILEY] present to hear the figures which my colleague is giving, but apparently he has stepped out of the Chamber.

Mr. McCLELLAN. I shall reach the State of Wisconsin in just a moment. I shall proceed in alphabetical order. I spoke of Texas.

The next State is Utah. The figure for Utah is $2,635,000.

The figure for the State of Vermont is $1,360,000. I do not know what the tax burden of Vermont is, or what it costs to operate the State government, in comparison with what it costs to operate the State government of Rhode Island; but obviously, Mr. President, the people of that State do not want to pay something which other citizens are not required to pay in support of the Federal Government. They want equality. They want justice. They want wrongs righted, and they want them righted now. I hope that will be done.

The next State is Virginia. The figure for that State is $14,535,000. I do not see why the people of Virginia would not want the situation corrected. I am persuaded that they do. I am persuaded that they want it corrected now, rather than to take a chance on what may occur in the future. Who knows what kind of a tax-revision bill we shall have before us next year? Who knows what controversies may enter into it? Who knows what the Preisdent may do when and if it reaches him? Who knows whether or not a veto can be overridden? Who knows whether the discrimination can be removed next year or not? I do not. I know that we now have the opportunity to express our sentiments. We have such an opportunity for the second time. We have the opportunity to record our will as representatives of our people. I cannot promise anything for the future with assurance; and neither can anyone else.

Mr. President, the next State is Washington, a community-property State.

The next State on the list is West Virginia. The figure for West Virginia is $5,355,000. I know that the people of West Virginia are proud of their two Senators. One is a Republican and the other a Democrat. But irrespective of party, our duty to our constituents, our States, and our Nation is to enact honest laws, fair laws, and laws which will operate equitably. That is my first duty, and that is the first duty of the Senators from West Virginia. Irrespective of party, we should be prepared to meet that obligation.

The next State is Wisconsin. I saw the senior Senator from Wisconsin [Mr. WILEY] in the Chamber a few moments ago. I wanted him to hear these figures. I presume possibly he has stepped into the cloakroom; but if he will incline his ear in this direction I shall give him the figures. The people of Wisconsin are paying $16,575,000 unjustly. What will her able representatives do? I trust that they will join me. It is said that the amendment may be stricken out in conference. It is said that the House will not accept it. If the Senate will place this amendment in the bill and let the Congress, the President, and the American people know the sentiment of the Senate, Members of this body will not have to explain. They will not have to say, "I intend to do it someday." They will have done their best to put it into the law to correct an injustice. They will not have to offer excuses. They will not be caught in a critical hour and forced to try to explain when no explanation will suffice.

The last State on the list is Wyoming. It is not a large State so far as taxes are concerned, but I am sure that $1,700,000 is of some importance to the people of Wyoming when it is taken from them by discrimination.

Mr. President, that is the list.

Mr. WHITE. Mr. President——

Mr. McCLELLAN. I am glad to yield to the Senator from Maine.

Mr. WHITE. Has the amendment which the Senator has been discussing been offered, so that it is now before the Senate?

Mr. McCLELLAN. I shall offer it so that it will be before the Senate. Some Senators who would like to vote for the amendment are not present this evening. If I may have an understanding that it may be the pending business——

Mr. WHITE. If the amendment is offered and is pending, it will be the pending question when we meet on Monday, if we are able to reach an agreement for a recess at this time.

Mr. McCLELLAN. That is correct.

Mr. WHITE. I presume the Senator would be recognized on Monday to continue his discussion of the amendment.

Mr. McCLELLAN. I will say to the able majority leader, as I believe I stated in my opening remarks, that if this action is taken now and we can recess until Monday, I shall make my remarks very brief on Monday. I have no desire to prolong the discussion. Many persons do not know of this discrimination. I simply want to get the truth before the country. I want my colleagues to recognize the importance of this question, and not treat it as something trifling. It is not trifling. We should realize how great this discrimination is. When the people realize how great it is, they will demand an accounting, and a rectification of the discrimination. It will be rectified some day; but let us render justice to the people now.

Mr. WHITE. I think there is some disposition on this side of the aisle to take a recess very shortly. However, there are one or two matters which I should like to clear up if I can.

Some apprehension has been expressed—and it is an apprehension in which I do not personally share—that if and when the bill is passed, there may be some untoward delay on the part of the Executive in manifesting his views concerning the legislation. I am wondering if the minority leader can give us any assurance that there will be a reasonably expeditious disposition of the legislation by the White House if it reaches there. Can the Senator from Kentucky give any assurance on that score?

Mr. BARKLEY. Mr. President, let me say by way of preliminary remark that I was astonished earlier in the evening to discover a suspicion on the part of certain Members of the majority that some sort of chicanery was in progress by which we were seeking to delay final action upon the bill in the hope that the President would indulge in the same kind of chicanery by holding it until after the 26th of July, when Congress is scheduled to adjourn.

I did not take that suspicion seriously at first, until I found it really existed in the minds of Senators. I am as anxious to get the Senate out of Washington on the 26th of July as is any Senator in the Chamber. It had never occurred to me that anyone could think we were seeking to delay a vote upon this bill until sometime next week so that the President would have 10 days in which to hold it beyond the 26th day of July. I discovered that there were some suspicious souls in the Senate who harbored that hallucination. I have no way of knowing on what date the President will send his veto to the Congress, which he has already indicated frankly to the Congress and the American people that he will do. Personally, I would hope that he would send his veto to the Congress on the bill immediately upon its receipt by him. I cannot guarantee that. I would recommend it, however, because he knows what the bill contains; he has vetoed it once, and he knows that the only difference between what he vetoed before and what is now before us is a change in the date to January 1, 1948.

The Senator from Maine [Mr. WHITE] does not, I am glad to say, share the suspicion to which reference has been made. But to any other Senator who still harbors any such suspicion let me say that I take it upon myself to assure any such Senator that the President of the United States will act as promptly as he can act, in decency, in expediting his message to the Congress, which he has already indicated he will send in vetoing this legislation.

Mr. WHITE. As far as I know—and I think I speak for the great majority on this side of the aisle, if not for all—what the Senator from Kentucky has said is reassuring and wholly satisfactory. I would want to challenge somewhat the suggestion by the Senator from Kentucky that there lurked behind his inquiry some plan, some chicanery. I think there has been a recognition that in the closing days of the session there is an accumulated burden of many tasks and many problems which come to the desk of the President. I think it was a recognition of that which allowed what I will call a fear, perhaps that it might be overlooked in the rush of the burdens presented to the President.

Mr. BARKLEY. I appreciate the good faith of the Senator from Maine, to whom I accord to the fullest degree my sense of appreciation of his high qualities and his lack of any participation in this suspicion, public or otherwise,

that the President of the United States would be guilty of an executive act of that sort. It would be utterly futile and silly on his part if he attempted it, because the majority can determine when to adjourn the Congress, and they would have the power to thwart any such effort on his part if it were evidenced. But the President of the United States is not that sort of man. While I acquit the Senator from Maine of any suspicion on his part that the President, in dealing with some of us on the minority side, would indulge in any such deal involving a piece of bad faith, which it would be, I am sorry to say there were Senators here who expressed to me the fear that such a thing would take place.

Mr. WHITE. I can only repeat that no such belief is in my mind. Certainly after hearing what the Senator from Kentucky has said, no such thought lingers in my mind. I am entirely satisfied with what the Senator from Kentucky has said.

I am prompted to make one other inquiry. Can any assurance be given that the debate on Monday will proceed so that we may come to a conclusion of the debate and a conclusion of the matter on Monday?

Mr. BARKLEY. Personally, I want to say to the Senator frankly, I had hoped we would conclude the debate today and vote on the bill. The Senator from Arkansas [Mr. MCCLELLAN] has already announced that on Monday his remaining remarks on his amendment will be very brief. I do not know what other amendments may be offered. I have heard that one or two other amendments may be offered, but I am not assured of that. I do not know whether it is true. I do not think there will be any prolonged discussion on Monday. Frankly, I want to make a few brief remarks on the bill on Monday, or at some time before the final vote on it. I have every reason to believe that we can conclude consideration of the bill on Monday. I can also assure the majority Members of the Senate that the clerical assistants of the Senate will, as promptly as possible, expedite the bill to the White House so that it will be before the President for his consideration; and with due regard to the dignity of his position, I have every reason to feel and to say that the President will promptly return it to the Congress with his message.

Mr. WHITE. Mr. President, the Senator from Kentucky has said what I would expect the Senator from Kentucky to say. I have a high respect for him, as he knows.

Mr. MCCLELLAN. Mr. President, I believe I have the floor.

Mr. WHITE. Will the Senator yield a moment?

Mr. MCCLELLAN. I yield.

Mr. WHITE. Unless there is someone on the majority side who holds different views from those which I have expressed, I will inquire of the Senator from Arkansas whether enough has been said to satisfy him and whether he would yield to me to move a recess.

Mr. MCCLELLAN. If the Senator will withhold his motion for a second, I want to send now to the desk the table from which I read. I ask unanimous consent that it be printed in the RECORD at this point. It shows the amount by which each State is affected.

I call the attention of the Senate to the fact that instead of the amount being $850,000,000, according to this estimate, after we take off Pennsylvania and Michigan, the amount is only $703,035,000.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated distribution by States of the revenue loss (after enactment of H. R. 3950) of the "split income" proposal

(In thousands of dollars)

	Revenue loss
Alabama	$9,265
Alaska	1,360
Arizona	(1)
Arkansas	4,930
Colorado	7,735
California	(1)
Connecticut	30,175
Delaware	5,610
District of Columbia	11,645
Florida	14,025
Georgia	12,665
Hawaii	(1)
Idaho	(1)
Illinois	81,600
Indiana	20,825
Iowa	11,815
Kansas	9,265
Kentucky	8,075
Louisiana	(1)
Maine	4,420
Maryland	21,590
Massachusetts	42,500
Michigan	65,790
Minnesota	13,345
Mississippi	5,015
Missouri	23,205
Montana	3,485
Nebraska	(1)
Nevada	(1)
New Hampshire	2,465
New Jersey	43,520
New Mexico	(1)
New York	170,000
North Carolina	10,625
North Dakota	1,530
Ohio	65,280
Oklahoma	(1)
Oregon	(1)
Pennsylvania	81,175
Rhode Island	7,565
South Carolina	4,505
South Dakota	1,360
Tennessee	11,475
Texas	(1)
Utah	2,635
Vermont	1,360
Virginia	14,535
Washington	(1)
West Virginia	5,355
Wisconsin	16,575
Wyoming	1,700
Total	850,000
Michigan	—65,790
Pennsylvania	—81,175
	—146,965
	703,935

[1] Community-property States.

NOTE.—Michigan and Pennsylvania became community property States after these estimates were made.

Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MCCLELLAN. Mr. President, I now send to the desk and offer the amendment to which I have referred in my remarks this evening. It is jointly sponsored by those whom I have named.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator desire to have the amendment read, or merely printed in the RECORD?

Mr. MCCLELLAN. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new section:

"SEC. 7. Splitting of income by husband and wife.

"(a) Joint returns: Section 51 (b) of the Internal Revenue Code (relating to joint returns by husband and wife) is hereby amended to read as follows:

"'(b) Husband and wife—

"'(1) A husband and wife may make a single return jointly. Such a return may be made even though one of the spouses has neither gross income nor deductions. No joint return may be made if either the husband or wife is a nonresident alien or if the husband and wife have different taxable years. The status of individuals as husband and wife shall be determined as of the last day of the taxable year.

"'(2) If a joint return is filed under this subsection, the taxes imposed by sections 11 and 12 shall be determined—

"'(A) by computing a tentative normal tax under section 11 upon an amount equal to one-half of the aggregate net income of the husband and wife in excess of the credits against net income provided in section 25;

"'(B) by computing a tentative surtax under the table set forth in section 12 (b) upon an amount equal to one-half of the aggregate surtax net income of the husband and wife;

"'(C) by reducing, in accordance with the table set forth in section 12 (g), the aggregate of the tentative normal tax and tentative surtax ascertained under subparagraphs (A) and (B) of this paragraph; and

"'(D) by multiplying the amount ascertained under subparagraph (C) by two.

"'(3) If a joint return is made under this subsection, and the aggregate adjusted gross income of the husband and wife is less than $10,000 and the taxpayers elect to pay the tax imposed by supplement T, the tax imposed by section 400 shall be determined—

"'(A) by computing for each spouse a tax under section 400 upon an amount equal to one-half of the aggregate adjusted gross income of the husband and wife, with each spouse taking the number of exemptions to which he is entitled; and

"'(B) by adding the amounts of tax ascertained under subparagraph (A) of this paragraph.

"'(4) If a joint return is made, the liability with respect to the tax shall be joint and several.'

"(b) Standard deduction: Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"'(1) Allowance: In the case of an individual at his election, a standard deduction as follows:

"'(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"'(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"'(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400.'

"(c) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6."

Mr. BARKLEY. The amendment has been offered and is the pending question.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—AMENDMENT

Mr. KILGORE (for himself and Mr. McCLELLAN) submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to the bill (H. R. 3950) to reduce individual income-tax payments, which was ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. FLANDERS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing nominations, which nominations were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

STATEMENT BY SENATOR CHAVEZ ON PUBLIC HEALTH BILL

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a statement made by him before the Subcommittee on Health, of the Committee on Labor and Public Welfare, on July 11, 1947, which appears in the Appendix.]

EFFECT OF TAFT-HARTLEY LAW ON LABOR RELATIONS—STATEMENT BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD a statement entitled "Will the Taft-Hartley Law Improve Labor Relations in Industry?" made by him on Town Meeting of the Air, on Thursday, July 10, 1947, which appears in the Appendix.]

RECESS TO MONDAY

Mr. WHITE. Mr. President, I am about to make a motion with respect to a recess. I feel justified in expressing the hope that we may proceed with the debate on Monday as speedily as all the circumstances permit; and I think I should say that, if it becomes necessary, there will have to be an evening session on Monday.

I now move that the Senate stand in recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 8 o'clock and 49 minutes p. m.) the Senate took a recess until Monday, July 14, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 12 (legislative day of July 10), 1947:

ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS

Willard L. Thorp, of Connecticut, now an Assistant Secretary of State, to serve concurrently and without additional compensation as the representatives of the United States of America in the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Charles A. Livengood, of Washington, now a Foreign Service officer of class 1 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Frederick B. Lyon, of Michigan, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

G. Frederick Reinhardt, of California, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls of the United States of America:

Niles W. Bond, of Massachusetts.
John K. Emmerson, of Colorado.
Outerbridge Horsey, of New York.
E. Allan Lightner, Jr., of New Jersey.
Brewster H. Morris, of Pennsylvania.
Marselis C. Parsons, Jr., of New York.
Arthur L. Richards, of California.
Livingston Satterthwaite, of Pennsylvania.

The following-named persons, now Foreign Service officers of class 4 and secretaries in the diplomatic service, to be also consuls of the United States of America:

H. Gardner Ainsworth, of Louisiana.
John H. Burns, of Oklahoma.
Donald B. Calder, of New York.
Leonard J. Cromie, of Connecticut.
Richard H. Davis, of New York.
Irven M. Eitreim, of South Dakota.
Robert S. Folsom, of Massachusetts.
Edward L. Freers, of Ohio.
Paul E. Geier, of Ohio.
Lewis E. Gleeck, Jr., of Illinois.
Richard E. Gnade, of Pennsylvania.
Caspar D. Green, of Ohio.
Richard H. Hawkins, Jr., of Pennsylvania.
John P. Hoover, of California.
John Evarts Horner, of Colorado.
Richard A. Johnson, of Illinois.
M. Gordon Knox, of Maryland.
William L. Krieg, of Ohio.
Sidney K. Lafoon, of Virginia.
Donald W. Lamm, of the District of Columbia.
Robert H McBride, of Michigan.
David H McKillop, of Massachusetts.
John M. McSweeney, of Massachusetts.
Albert E. Pappano, of Ohio.
Milton C. Rewinkel, of Minnesota.
Stuart W. Rockwell, of Pennsylvania.
William Langdon Sands, of Florida.
Bromley K. Smith, of California.
Henry T. Smith, of Georgia.
John W. Tuthill, of Massachusetts.
William W. Walker, of North Carolina.
Fraser Wilkins, of Nebraska.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

James J. Blake, of New York.
Raymond J. Becker, of California.
Hollis B. Chenery, of New York.
John A. Conway, of New York.
Jesse D. Dean, of Michigan.
John M. Dennis, of Pennsylvania.
Robert C. Foulon, of Illinois.
A. Eugene Frank, of Illinois.
James A. Garvey, of California.
Converse Hettinger, of Wisconsin.
David Klein, of Illinois.
Max V. Krebs, of California.
Robert E. Moberly, of Idaho.
William Nesselhof, Jr., of Missouri.
Miss Anne M. Oehm, of Massachusetts.
Wayne E. Snyder, of Pennsylvania.
C. Melvin Sonne, Jr., of Pennsylvania.
Robert A. Stevenson, of Florida.
Harrison M. Symmes, Jr., of North Carolina.

IN THE MARINE CORPS

Maj Gen. (Temporary) William P. T. Hill to be a brigadier general in the Marine Corps, for temporary service, from the 1st day of February 1944, and to be a major general in the Marine Corps, for temporary service, from the 1st day of April 1945, while serving as The Quartermaster General of the Marine Corps.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Helen L. Hellwig, Bodega Bay, Calif. Office became Presidential July 1, 1947.

Pau A. Bianchi, Friant, Calif., in place of R. L. Byington, transferred.

Alleene L. Quigley, Lucerne, Calif. Office became Presidential July 1, 1947.

Martin E. Gross, Orick, Calif. Office became Presidential July 1, 1947.

Richard D. Bricker, South Pasadena, Calif., in place of G. H. Banning, resigned.

Hazel J. Martin, Stirling City, Calif., in place of D. P. Musselman, resigned.

COLORADO

Alfred H. Sandercook, Hayden, Colo., in place of M. F. Hofstetter, transferred.

FLORIDA

James L. Mayton, Carrabelle, Fla., in place of R. G. Bradford, deceased.

Henry Homer Belton, Sumterville, Fla. Office became Presidential July 1, 1947.

Lindsay J. Moody, Valrico, Fla., in place of E. M. Porter, retired.

GEORGIA

Horace V. Wells, Hinesville, Ga., in place of O. S. Fraser, resigned.

HAWAII

Helen T. Moritsugu, Kaneohe, T. H., in place of A. M. Redfearn, resigned.

ILLINOIS

Harold C. Carson, Pocahontas, Ill., in place of W. H. Truebe, transferred.

INDIANA

Claay B. Hushaw, Attica, Ind., in place of O. W. Irwin, resigned.

James F. O'Neal, Crane, Ind. Office became Presidential April 1, 1944.

Bert W. Postill, Mexico, Ind. Office became Presidential July 1, 1945.

Myrle T. Keller, Stilesville, Ind., in place of M. J. Giles, resigned.

Deloris B. Bock, Sulphur Springs, Ind., in place of I. Y. Cook, resigned.

KANSAS

Alvin A. Pfeiffer, Linn, Kans., in place of D. L. McGregor, transferred.

Lloyd Bacon, Rexford, Kans., in place of R. R. Morgan, transferred.

Wayne B. Blackburn, Rozel, Kans. Office became Presidential July 1, 1945.

LOUISIANA

Willard M. Elliott, Grayson, La., in place of T. W. Hendrix, transferred.

MARYLAND

Philip M. Pastorfield, Jr., Royal Oak, Md. Office became Presidential July 1, 1947.

MASSACHUSETTS

John J. Moriarty, Ware, Mass., in place of J. H. Anderson, deceased.

MISSISSIPPI

Inez Hiller, Calhoun City, Miss., in place of G. E. Hill, resigned.

NEW JERSEY

William H. Fraser, Metuchen, N. J., in place of Harry Kramer, resigned.

NEW YORK

Jeanette R. Bye, Highland Lake, N. Y. Office became Presidential July 1, 1947.

James P. Boyd, Ray Brook, N. Y., in place of R. A. Lundy, retired.

NORTH CAROLINA

Harry L. Adams, Lake Lure, N. C., in place of A. B. Price, resigned.

W. Henry Lomax, Linwood, N. C., in place of W. L. Shoaf, deceased.

Ben S. Houston, Mooresville, N. C., in place of J. M. Kennette, deceased.

Elsie A. Paisley, Sedalia, N. C., in place of L. E. Andrew, retired.

George Isham Henderson, Tryon, N. C., in place of R. O. Andrews, resigned.

OKLAHOMA

Kinley Case, Paden, Okla., in place of Kinley Case. Incumbent's commission expired June 23, 1942.

William R. Smith, Tryon, Okla., in place of Loyd Barclay, transferred.

PENNSYLVANIA

Dean F. Wagner, Coalport, Pa., in place of R. E. Giles, deceased.

Raymond T. Stuckey, Newport, Pa., in place of W. G. Loy, deceased.

Charles W. Henne, Straustown, Pa. Office became Presidential July 1, 1947.

RHODE ISLAND

Hazel E. Durand, Hope, R. I., in place of B. M. Brayton, deceased.

Bertha J. Huntley, Longmeadow, R. I. Office became Presidential July 1, 1945.

SOUTH CAROLINA

Edmund P. Grice, Jr., Charleston, S. C., in place of P. M. Clement, resigned.

William W. Turner, Sr., Johnston, S. C., in place of J. H. Payne, retired.

Dorothy M. Bellamy, Pawleys Island, S. C., in place of W. F. Lachicotte, deceased.

William F. Adkins, Piedmont, S. C., in place of L. C. Lindsey, resigned.

VERMONT

Vera R. Perkins, Quechee, Vt., in place of L. L. Veyette, resigned.

WASHINGTON

Ernest W. Wendelin, Grays River, Wash. Office became Presidential July 1, 1947.

LeRoy P. Jensen, Lopez, Wash. Office became Presidential July 1, 1947.

WITHDRAWALS

Executive nominations withdrawn from the Senate July 12 (legislative day of July 10), 1947:

UNITED NATIONS

Francis Biddle, of Pennsylvania, representative of the United States of America in the Economic and Social Council of the United Nations.

POSTMASTER

Frank E. Kline to be postmaster at Jones, in the State of Michigan.

SENATE

MONDAY, JULY 14, 1947

(Legislative day of Thursday, July 10, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

O God, our Father, by whose grace we live and move and have our being, grant that we may have such a reverence for accuracy and such a respect for ideals that we may be able to serve well the day and generation in which we live.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, July 12, 1947, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety-two Senators having answered to their names, a quorum is present.

The Chair desires to make an announcement.

For the information of the Senate, the Chair wishes to report to his colleagues that at this morning's congressional conference at the White House the President confirmed the statement made Saturday evening by the distinguished minority leader, the senior Senator from Kentucky [Mr. BARKLEY], regarding the timetable for the pending tax bill. The President stated that he will act promptly when the tax bill reaches him, and Congress will be promptly advised, so that there need be no interference with the adjournment schedule on this account.

The President also stated that he does not presently contemplate or anticipate a special session of the Congress next fall, although, of course, he must reserve to himself the right to act in the event of an emergency.

The Chair thought the Senate should have this direct information.

ANNOUNCEMENT OF HEARINGS ON FAIR EMPLOYMENT PRACTICE BILL

Mr. DONNELL. Mr. President, announcement is hereby made that the subcommittee of the Committee on Labor and Public Welfare, which consists of the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. ELLENDER], and myself, of which subcommittee I am chairman, is considering Senate bill 984 and will hold an open public hearing in respect to that bill on Wednesday, July 16, 1947, at 10 o'clock a. m., and will hold another hearing with respect to said bill on Thursday, July 17, 1947, beginning at 10 a. m.

The hearings are scheduled to be held in the office of the Committee on Labor and Public Welfare.

Senate bill 984 is entitled "A bill to prohibit discrimination in employment because of race, religion, color, national origin, and ancestry."

MEETINGS OF COMMITTEES DURING SENATE SESSION

Mr. WHITE. Mr. President, I have been asked to request that the Committee on the Judiciary of the Senate might sit during the present day's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHITE. I have also been asked to request that a subcommittee of the Committee on Public Lands be permitted to sit during the session of the Senate this afternoon.

The PRESIDENT pro tempore. Without objection, the order is made.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

TEMPORARY AID TO AND REPATRIATION OF UNITED STATES NATIONALS

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize temporary aid to and repatriation of nationals of the United States in need in foreign countries, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

ALASKA CENTRAL ROAD SYSTEM

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the construction of a road connecting the Kenai Peninsula, Alaska, with the central road system of the Territory (with an accompanying paper); to the Committee on Public Works:

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

By Mr. TYDINGS:

Resolutions adopted by the Baltimore (Md.) Chapter of Hadassah, Inc., favoring the establishment of a Jewish national home in Palestine; to the Committee on Foreign Relations.

A memorial of sundry railroad employees of Baltimore, Md., remonstrating against certain provisions of the so-called Crosser bill to amend the Railroad Retirement Act;

to the Committee on Labor and Public Welfare.

A petition of sundry members of the State Council of Maryland, Daughters of America, praying for the enactment of House bill 138 to deny admittance into the United States to all immigrants while the number of unemployed persons within the United States is 100 or more, and sundry other legislation; to the Committee on the Judiciary.

A memorial of sundry members of the State Council of Maryland, Daughters of America, remonstrating against the enactment of House bill 36, to make available to certain European nationalities having small quotas the unused parts of the quotas of other European nationalities, and sundry other legislation; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 885. A bill to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States; without amendment (Rept. No. 512); and

H. R. 3598. A bill granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; with an amendment (Rept. No. 513).

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

H. R. 3247. A bill to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes; without amendment (Rept. No. 514); and

H. R 3494. A bill to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes; without amendment (Rept. No. 515).

H. R. 3672. A bill to create an Academic Advisory Board for the United States Merchant Marine Academy; without amendment (Rept. No. 516).

By Mr. FERGUSON, from the Committee on Appropriations:

H. R. 3756. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 517).

By Mr. McCARTHY, from the Committee on Banking and Currency:

S. 421. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the entrance of the Utah pioneers into Salt Lake Valley on July 24, 1847; without amendment (Rept. No. 518).

By Mr. WILEY, from the Committee on the Judiciary:

S. 1039. A bill for the relief of Ada B. Foss; without amendment (Rept. No. 519);

S. 1077. A bill to amend the Administrative Procedure Act to authorize commissioned officers of the Coast Guard to preside at the taking of evidence in proceedings under section 4450 of the Revised Statutes, as amended, and for other purposes; with amendments (Rept. No. 520); and

H. R. 2746. A bill to provide secretaries for circuit and district judges; without amendment (Rept. No. 521).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

S. J. Res. 144. Joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes; with an amendment (Rept. No. 522).

By Mr. WATKINS, from the Committee on Public Lands:

S. 310. A bill authorizing the issuance of a patent in fee to Jonah Williams; with amendments (Rept. No. 528);

S. 311. A bill authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.; with an amendment (Rept. No. 523);

S. 312. A bill authorizing the issuance of a patent in fee to Charles Kills the Enemy; with an amendment (Rept. No. 524);

S. 313. A bill authorizing the issuance of a patent in fee to Calvin W. Clincher; with amendments (Rept. No. 529);

S. 499. A bill authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear; with an amendment (Rept. No. 525);

S. 500. A bill authorizing the issuance of a patent in fee to Tom Eagleman; with an amendment (Rept. No. 526);

S. 542. A bill authorizing the issuance of a patent in fee to Mrs. Ella White Bull; with amendments (Rept. No. 530);

S. 1372. A bill authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery; with an amendment (Rept. No. 527);

H. R. 205. A bill to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska; without amendment (Rept. No. 532);

H. R. 734. A bill to amend the act of February 12, 1925, and for other purposes; without amendment (Rept. No. 533);

H. R. 981. A bill to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens; with amendments (Rept. No. 531);

H. R. 1337. A bill authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; without amendment (Rept. No. 534);

H. R. 1486. A bill to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land; without amendment (Rept. No. 535);

H. R. 1882. A bill for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district; without amendment (Rept. No. 536);

H. R. 2097. A bill to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof; without amendment (Rept. No. 537);

H. R. 2151. A bill authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe; without amendment (Rept. No. 538);

H. R. 2484. A bill to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes; without amendment (Rept. No. 539);

H. R. 2825. A bill to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children; without amendment (Rept. No. 540);

H. R. 2885. A bill authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light; without amendment (Rept. No. 541);

H. R. 2886. A bill authorizing the sale, under supervision, of land of Richard Little Light; without amendment (Rept. No. 542);

H. R. 3173. A bill relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes; without amendment (Rept. No. 543); and

H. R. 3323. A bill to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.; without amendment (Rept. No. 544).

By Mr. ECTON, from the Committee on Public Lands:

S. 1150. A bill authorizing the issuance of a patent in fee to Mrs. Margert Pickett Yellowtail; with an amendment (Rept. No. 545).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 14, 1947, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

Br. Mr. WILEY, from the Committee on the Judiciary:

T. Vincent Quinn, of New York, to be an Assistant Attorney General to fill an existing vacancy;

Alton Adolor Lessard, of Maine, to be United States attorney, for the district of Maine, vice Hon. John D. Clifford, Jr., resigned;

Leo P. Flynn, of South Dakota, to be United States attorney for the district of South Dakota, vice George Philip, resigned; and

A. Roy Ashley, of South Carolina, to be United States marshal for the western district of South Carolina, vice Reuben Gosnell, term expired.

ADDITIONAL REPORT OF JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL PERSONNEL

Mr. BYRD. Mr. President, I ask unanimous consent to present an additional report of the Joint Committee on Nonessential Federal Expenditures, relating to Federal personnel, and I request that the report, together with a statement by me, be printed in the RECORD.

There being no objection, the report and statement presented by Mr. BYRD were ordered to be printed in the RECORD, as follows:

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, CONGRESS OF THE UNITED STATES, PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941, ON FEDERAL PERSONNEL, APRIL–MAY 1947

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MAY 1947, AND COMPARISON WITH APRIL 1947

(All figures compiled from reports submitted by the heads of Federal establishments or their authorized representatives)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the United States during the month of May decreased 19,334 from a total of 1,933,667 in April to 1,914,333

in May. Excluding War and Navy Departments, personnel decreased 7,411 from the April figure of 1,216,957 to the May figure of 1,209,546. The War Department within the continental United States decreased 8,828 from the April figure of 399,957 to the May figure of 391,129. The Navy Department within the United States decreased 3,095 from the April total of 316,753 to the May total of 313,658. (See table I.)

Outside the continental United States, Federal personnel decreased 7,585 from the April total of 271,343 to the May total of 263,758. The majority of these were industrial workers. (See tables II and IV.) Exclusive of War and Navy Departments, there was a decrease of 302 from the April figure of 55,622 to the May figure of 55,320.

The consolidated table, presenting data with respect to personnel inside and outside the continental United States, shows a total decrease of 26,918 from the April total of 2,205,010 to the May total of 2,178,092. Excluding War and Navy Departments' reductions of 19,206, there was a decrease of 7,712 employees in the executive branch of the Federal Government from the April figure of 1,272,579 to the May figure of 1,264,867. (See table III.)

Industrial employment during the month of May decreased 6,695 from the April total of 603,064 to the May total of 596,369. War Department reductions outside the continental United States of 5,655 were offset by increase in employment within the United States, indicating a net decrease of 4,524 employees. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government, who are working on construction projects, such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees. (See table IV.)

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during May 1947, and comparison with April 1947*

Departments or agencies	April	May	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	83,121	88,909	+5,788
Commerce Department	35,181	35,916	+735
Interior Department	46,865	47,307	+442
Justice Department	24,294	24,293	−1
Labor Department	6,802	6,030	−772
Post Office Department	466,166	468,001	+1,835
State Department	8,227	8,084	−143
Treasury Department	101,490	98,414	−3,076
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	98	96	−2
Office of Scientific Research and Development	107	100	−7
Selective Service System	7,338	1,567	−5,771
POSTWAR AGENCIES			
Council of Economic Advisers	42	42	
Office of Government Reports	141	139	−2
Office of Housing Expediter	[1] 3,365	9,253	+5,888
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	103		−103
Office of Price Administration	9,204	1,115	−8,089
Civil Production Administration	723		−723
Philippine Alien Property Administration	2	2	
Price Decontrol Board	5	5	
U. S. Atomic Energy Commission	4,225	4,165	−60
War Assets Administration	46,072	44,733	−1,339
INDEPENDENT AGENCIES			
American Battle Monuments Commission	3	3	
Bureau of the Budget	605	603	−2
Civil Aeronautics Board	530	532	+2
Civil Service Commission	3,505	3,476	−29
Export-Import Bank of Washington	118	115	−3
Federal Communications Commission	1,313	1,306	−7
Federal Deposit Insurance Corporation	1,180	1,170	−10
Federal Power Commission	775	766	−9
Federal Security Agency	32,878	32,487	−391
Federal Trade Commission	587	584	−3
Federal Works Agency	24,618	24,694	+76
General Accounting Office	10,895	10,759	−136
Government Printing Office	7,932	7,884	−48
Interstate Commerce Commission	2,280	2,271	−9
Maritime Commission	10,790	10,900	+110
National Advisory Committee for Aeronautics	5,833	5,897	+64
National Archives	396	394	−2
National Capital Housing Authority	281	283	+2
National Capital Park and Planning Commission	18	18	
National Gallery of Art	306	311	+5
National Housing Agency	15,311	14,937	−374
National Labor Relations Board	837	824	−13
National Mediation Board	106	111	+5
Panama Canal	529	554	+25
Railroad Retirement Board	2,767	2,673	−94
Reconstruction Finance Corporation	7,782	7,723	−59
Securities and Exchange Commission	1,186	1,170	−16
Smithsonian Institution	509	504	−5
Tariff Commission	228	231	+3
Tax Court of the United States	123	123	
Tennessee Valley Authority	13,884	14,098	+214
Veterans' Administration	225,281	223,974	−1,307
Total, excluding War and Navy Departments	1,216,957	1,209,546	−22,605 +15,194
Net decrease, excluding War and Navy Departments			−7,411
Navy Department	316,753	313,658	−3,095
War Department	399,957	391,129	−8,828
Total, including War and Navy Departments	1,933,667	1,914,333	−34,528 +15,194
Net decrease, including War and Navy Departments			−19,334

[1] Adjusted over prior incorrect figure of 2,609.

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during May 1947, as compared with April 1947*

Departments or agencies	April	May	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	1,330	1,459	+129
Commerce Department	2,853	3,082	+229
Interior Department	4,605	4,421	−184
Justice Department	442	382	−60
Labor Department	101	84	−17
Post Office Department	1,427	1,472	+45
State Department	13,670	13,671	+1
Treasury Department	742	710	−32
EMERGENCY WAR AGENCIES			
Selective Service System	80	27	−53
POSTWAR AGENCIES			
Office of Housing Expediter	[1] 16	44	+28
Office of Temporary Controls:			
Office of Price Administration	32		−32
Civilian Production Administration	1		−1
Philippine Alien Property Administration	83	96	+13
War Assets Administration	468	487	+19
INDEPENDENT AGENCIES			
American Battle Monuments Commission	90	95	+5
Civil Aeronautics Board	13	13	
Civil Service Commission	5	5	
Export-Import Bank of Washington	1	1	
Federal Communications Commission	36	36	
Federal Deposit Insurance Corporation	3	3	
Federal Security Agency	852	1,106	+254
Federal Works Agency	320	319	−1
Maritime Commission	333	324	−9
National Housing Agency	48	47	−1
National Labor Relations Board	2	2	
Panama Canal	26,123	25,477	−646
Reconstruction Finance Corporation	110	122	+12
Smithsonian Institution	8	8	
Veterans' Administration	1,828	1,827	−1
Total, excluding War and Navy Departments	55,622	55,320	−1,037 +735
Net decrease, excluding War and Navy Departments			−302
Navy Department	[2] 53,564	[2] 52,403	−1,161
War Department	[2] 162,157	156,035	−6,122
Total, including War and Navy Departments	271,343	263,758	−8,320 +735
Net decrease, including War and Navy Departments			−7,585

[1] Adjusted from previous figure of 12.
[2] Figures as of Mar. 31, 1947.
[3] As of Apr. 30, 1947.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1947*

Departments or agencies	April	May	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	84,451	90,368	+5,917
Commerce Department	38,034	38,998	+964
Interior Department	51,470	51,728	+258
Justice Department	24,736	24,675	−61
Labor Department	6,903	6,114	−789
Post Office Department	467,593	469,473	+1,880
State Department	21,897	21,755	−142
Treasury Department	102,232	99,124	−3,108
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	98	96	−2
Office of Scientific Research and Development	107	100	−7
Selective Service System	7,418	1,594	−5,824
POSTWAR AGENCIES			
Council of Economic Advisers	42	42	
Office of Government Reports	141	139	−2

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1947*—Continued

Departments or agencies	April	May	Increase (+) or decrease (−)
POSTWAR AGENCIES—con.			
Office of Housing Expediter	[1] 3,381	9,297	+5,916
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	102		−103
Office of Price Administration	9,236	1,115	−8,121
Civilian Production Administration	724		−724
Philippine Alien Property Administration	85	98	+13
Price Decontrol Board	5	5	
U. S. Atomic Energy Commission	4,225	4,166	−59
War Assets Administration	46,540	45,220	−1,320
INDEPENDENT AGENCIES			
American Battle Monuments Commission	93	98	+5
Bureau of the Budget	605	603	−2
Civil Aeronautics Board	543	545	+2
Civil Service Commission	3,510	3,481	−29
Export-Import Bank of Washington	119	116	−3
Federal Communications Commission	1,349	1,342	−7
Federal Deposit Insurance Corporation	1,183	1,173	−10
Federal Power Commission	775	766	−9
Federal Security Agency	33,730	33,593	−137
Federal Trade Commission	587	584	−3
Federal Works	24,938	25,013	+75
General Accounting Office	10,895	10,759	−136
Government Printing Office	7,932	7,884	−48
Interstate Commerce Commission	2,280	2,271	−9
Maritime Commission	11,123	11,224	+101
National Advisory Committee for Aeronautics	5,833	5,897	+64
National Archives	396	394	−2
National Capital Housing Authority	281	283	+2
National Capital Park and Planning Commission	18	18	
National Gallery of Art	306	311	+5
National Housing Agency	15,359	14,984	−375
National Labor Relations Board	839	826	−13
National Mediation Board	106	111	+5
Panama Canal	26,652	26,031	−621
Railroad Retirement Board	2,767	2,673	−94
Reconstruction Finance Corporation	7,892	7,845	−47
Securities and Exchange Commission	1,186	1,170	−16
Smithsonian Institution	517	512	−5
Tariff Commission	228	231	+3
Tax Court of the United States	123	123	
Tennessee Valley Authority	13,884	14,098	+214
Veterans' Administration	227,109	225,801	−1,308
Total, excluding War and Navy Departments	1,272,579	1,254,867	−23,136 +15,424
Net decrease, excluding War and Navy Departments			−7,712
Navy Department	[3] 370,317	[3] 366,061	−4,256
War Department.			
Inside continental United States	399,957	391,129	−8,828
Outside continental United States	[2] 162,157	156,035	−6,122
Total, including War and Navy Departments	2,205,010	2,178,092	−42,342 +15,424
Net decrease, including War and Navy Departments			−26,918

[1] Adjusted from previously reported figure of 2,621.
[2] As of Mar. 31, 1947.
[3] As of Apr. 30, 1947.

TABLE IV.—*Industrial employees* [1] *of the Federal Government, inside and outside the continental United States, employed by executive agencies during May 1947*

Departments or agencies	April	May	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Commerce Department	1,269	1,310	+41
Interior Department	6,627	7,209	+582
State Department	334	318	−16
Treasury Department	4,781	4,590	−191
POSTWAR AGENCIES			
U. S. Atomic Energy Commission	593	557	−36
INDEPENDENT AGENCIES			
National Housing Agency	11	10	−1
Panama Canal	2,292	2,241	−51
Tennessee Valley Authority	6,802	7,007	+205
Total, excluding War and Navy Departments	22,709	23,242	+82 −295
Net increase excluding War and Navy Departments			+533
Navy Department	256,613	253,909	−2,704
War Department:			
Inside continental United States	193,298	194,429	+1,131
Outside continental United States	[2] 130,444	124,789	−5,655
Total, including War and Navy Departments	603,064	596,369	−8,654 +1,959
Net decrease, including War and Navy Departments			−6,695

[1] Industrial employees include unskilled, semiskilled, and skilled and supervisory employees on construction projects; maintenance and custodial workers not included.
[2] As of Mar. 31, 1947.

STATEMENT MADE BY SENATOR HARRY BYRD, OF VIRGINIA, CHAIRMAN, JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, TO THE UNITED STATES SENATE WITH REFERENCE TO FEDERAL CIVILIAN PERSONNEL

Today, Senator BYRD, chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, released a monthly report of personnel activities for the month of May 1947. According to a compilation of monthly personnel reports submitted to the committee, the consolidated table which presents data on an over-all basis, shows a total decrease of 26,918 from the April total of 2,205,010 to the May total of 2,178,092. If the War and Navy Department figures are deducted from these totals, the over-all decrease is reduced from 26,918 to 7,712. While the War and Navy Departments decreased 19,206 during the month, the other departments increased 15,424.

Personnel within the continental United States decreased 19,334 from a total of 1,933,667 in April to 1,914,333 in May. By excluding the War and Navy Departments the report shows that personnel decreased only 7,411 from the April figure of 1,216,957 to the May figure of 1,209,546. The War Department within the continental United States decreased during May 8,828, from the April figure of 399,957 to the May figure of 391,129. The Navy Department within the United States decreased 3,095, from the April total of 316,753 to the May total of 313,658. Therefore it is obvious that of the 19,334 reduction in personnel the War and Navy Departments are responsible for 11,923 of that figure.

The April total of personnel outside the continental United States was 271,343. This figure was decreased 7,585 to a May total of 263,758, the majority of which was industrial workers. By excluding the War and Navy Departments from this figure the decrease is reduced 302.

Industrial employment during the month of May decreased 6,695 from the April total of 603,064 to the May total of 596,369. War Department reductions of 5,655 outside the continental United States were offset by an increase within the United States, showing a net decrease of 4,524. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government, who are working on construction projects, such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eighteenth Congress, first session, the following reports were received by the Secretary of the Senate:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
July 8, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 1, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

Smith, Everard H., chief clerk, gross annual salary, $10,000.

Tolbert, Cecil H., assistant chief clerk, gross annual salary, $8,997.45.

Teague, Adelbert F., assistant clerk, gross annual salary, $7,075.06.

Fox, Helen C., to February 28, 1947, assistant clerk, gross annual salary, $3,461.04.

Baker, Grayson F., to January 31, 1947, assistant clerk, gross annual salary, $4,205.91.

Mills, Charles M., from February 7, 1947, to March 25, 1947, assistant clerk, gross annual salary, $7,075.06.

Downey, Herman E., assistant clerk, gross annual salary, $5,447.37.

Jeneau, Marie, clerical assistant, gross annual salary, $3,461.04.

Wassam, Bernadine, from February 18, 1947, clerical assistant, gross annual salary, $3,047.22.

King, Edmund T., from March 1, 1947, assistant clerk, gross annual salary, $7,075.06.

Yanick, Mary K., from April 1, 1947, clerical assistant, gross annual salary, $3,212.74.

Joyce, H. Maurice, from April 7, 1947, to April 30, 1947, clerical assistant, gross annual salary, $6,026.72.

Franks, Mary S., from May 6, 1947, clerical assistant, gross annual salary, $2,909.28.

Darling, Philip M., from May 1, 1947, assistant clerk, gross annual salary, $7,075.06.

Montgomery, Robert H., from March 15, 1947, professional staff member, gross annual salary, $8,023.09.

Thomas, John F., from March 20, 1947, professional staff member, gross annual salary, $8,023.09.

Knight, Hale G., from April 2, 1947, professional staff member, gross annual salary, $7,470.07.

Hewitt, Francis S., from May 1, 1947, professional staff member, gross annual salary, $7,075.06.

Graves, Thomas J., from May 1, 1947, professional staff member, gross annual salary, $8,023.09.

Cooper, Earl W., assistant clerk, gross annual salary, $7,549.08.

Merrick, Harold E., assistant clerk, gross annual salary, $7,812.42.

Scott, Thomas J., assistant clerk, gross annual salary, $7,549.08.

Gravlin, Leslie M., from March 5, 1947, consultant, $35 per diem.

Jones, Arnold W., from March 15, 1947, assistant clerk, gross annual salary, $7,075.06.

Paulson, Helen W., from March 25, 1947, to March 27, 1947, assistant clerk, $4.67 per diem.

Dodd, Alice M., from April 25, 1947, to May 6, 1947, assistant clerk, gross annual salary, $1,463.

Case, H. C. M., from May 12, 1947, consultant (temporary), gross annual salary, $10,000.

Joyce, H. Maurice, from May 1, 1947, assistant clerk, gross annual salary, $6,026.72.

Futterer, Marianne S., from June 16, 1947, to June 28, 1947, assistant clerk, gross annual salary, $3,129.98.

Funds appropriated, $108,544.74.

Funds expended, $26,071.97.

STYLES BRIDGES,
Chairman.

UNITED STATES SENATE,
ARMED SERVICES COMMITTEE,
July 1, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned Armed Services Committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

Adams, John G., committee clerk, gross annual salary, $8,023.29.

Atkinson, Herbert S., assistant clerk, gross annual salary, $5,281.24.

Chambers, Justice M., staff adviser, gross annual salary, $9,050.11.

Earle, Georgia B., clerical assistant, gross annual salary, $3,626.50.

Galusha, Mark H., staff adviser, gross annual salary, $9,050.11.

Mudge, Verne D., staff adviser, gross annual salary, $9,050.11.

Murphy, Katherine K.,[1] clerical assistant, gross annual salary, $3,047.22.

Posey, Irene, clerical assistant, gross annual salary, $3,626.50.

Smalley, Walter I., assistant clerk, gross annual salary, $5,281.24.

Van Beek, Roberta, clerical assistant, gross annual salary, $3,626.56.

Funds appropriated, $10,000.

Funds expended, $2,759.25.[2]

CHAN GURNEY,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
June 30, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned Committee on Public Works, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

Committee staff:

E. W. Bassett, professional staff, gross annual salary, $10,000.

Ronald Moist, professional staff, gross annual salary, $10,000.

William A. Stevens, clerical staff, gross annual salary, $7,944.09.

Eloise Porter, clerical staff, gross annual salary, $4,868.02.

Jeanette H. Grooms, clerical staff, gross annual salary, $2,964.45.

Norma Christenson, clerical staff, gross annual salary, $2,964.45.

Frances Stovall, clerical staff, gross annual salary, $4,619.73.

Funds appropriated (under Reorganization Act), $10,000.

Funds expended: Amounts expended for holding hearings, $1,836.62; amounts expended for witnesses, etc., $415; total, $2,251.62.

CHAPMAN REVERCOMB,
Chairman.

[1] Employment terminated April 1, 1947.

[2] Approximate. Certain bills for reporting hearings have not been received and are estimated.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 1624. A bill granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River; to the Committee on Public Works.

By Mr. BREWSTER:

S. 1625. A bill to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States; to the Committee on the Judiciary.

By Mr. MYERS:

S. 1626. A bill for the relief of Herman L. Weiner; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1627. A bill to amend the act of July 23, 1946 (60 Stat. 596), entitled "Strategic and Critical Materials Stock Piling Act"; to the Committee on Armed Services.

Mr. PEPPER. Mr. President, I ask unanimous consent on behalf of myself and other Senators to introduce a bill for appropriate reference. The purpose of the bill is to repeal the Taft-Hartley Act, lock, stock, and barrel.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

By Mr. PEPPER (for himself, Mr. WAGNER, Mr. MURRAY, Mr. TAYLOR, Mr. JOHNSTON of South Carolina, Mr. MORSE, Mr. LANGER, Mr. DOWNEY, Mr. MAGNUSON, Mr. MCGRATH, Mr. GREEN, Mr. MYERS, Mr. CHAVEZ, Mr. KILGORE, and Mr. JOHNSON of Colorado):

S. 1628. A bill to repeal the Taft-Hartley Act; to the Committee on Labor and Public Welfare.

By Mr. BALDWIN:

S. 1629. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; to the Committee on Civil Service.

PROMOTION AND ELIMINATION OF OFFICERS OF ARMY, NAVY, AND MARINE CORPS—AMENDMENTS

Mr. OVERTON submitted amendments intended to be proposed by him to the bill (H. R. 3830) to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes, which were referred to the Committee on Armed Services, and ordered to be printed.

INVESTIGATION OF ALLEGED IRREGULARITIES IN FIFTH MISSOURI CONGRESSIONAL DISTRICT DEMOCRATIC PRIMARY—MOTION TO DISCHARGE COMMITTEE

Mr. KEM. Mr. President, I ask unanimous consent to submit a resolution to discharge the Committee on the Judiciary from the further consideration of Senate Resolution 116, to investigate the nonaction of the Department of Justice in connection with the alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District, of August 6, 1946. I request that the resolution lie over, under the rule.

There being no objection, the resolution (S. Res. 150), was received, and ordered to lie over under the rule, as follows:

Resolved, That the Committee on the Judiciary be, and it is hereby, discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

SETTLEMENT OF COAL STRIKE—STATEMENT BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement issued and released today by the President of the United States discussing the impact and effect of the increase in the wages of coal miners upon the cost of living, with particular reference to the cost of coal and steel to the American people. It is a very thoughtful and constructive discussion which I hope the American people and the Congress will take seriously to heart.

I wish to quote one sentence in the next to the last paragraph of the statement issued by the President, as follows:

It is only reasonable to ask coal and steel producers to wait until a fair test has been made of the actual effects of the wage advances under conditions of maximum production. If prices are raised at once and a wave of increases in related prices upsets our economy, we never will know what would have happened if the coal and steel managers had been willing to wait.

I think we might well take that admonition to ourselves not only with respect to the effect of the increases in the wages of coal miners upon the prices of coal and steel, but we might well take to heart our own willingness to wait until we see a little further ahead with respect to the effect upon our economy not only of wage increases but of inventories and decreases in the taxes as proposed by the bill now under consideration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

Deep concern is being expressed in many quarters over possible results of the recent settlement between the miners and the coal operators. It is widely feared that this settlement may lead to a substantial increase in the price of coal, which is an important factor on the cost sheets of American industry, and that this would in turn induce an increase in commodity prices and renew the inflationary spiral which we had much reason to hope had been halted.

This would be a serious blow to our economy and to the continuance of the present high level of production and employment. But such a blow need not fall upon us.

The effect of the wage settlement is badly misrepresented by the bare statement that it amounts to an increase of about 45 cents per hour in the wages of miners. It is unfortunate that the public does not yet fully understand, through the complicated details of the agreement, what is the actual impact of this settlement upon the cost of producing coal.

The major features of the wage settlement are these: The miners receive a daily wage of $13.05 instead of $11.85, this being the $1.20 increase recently awarded in other major industries. The working day becomes 8 hours at straight rates instead of 9 hours, of which 7 hours have been at straight-time rates and 2 hours have been at overtime premium rates. Overtime is paid for Saturday work only if it has been preceded by 5 days of work in that week, and the employers will no longer find their schedules disorganized by the inclination of some miners to work on the overtime Saturday and to lay off on some other day. The employers also pay an additional 5 cents per ton into the welfare fund.

When the most important coal operators and steel producers in the country made this settlement, they asserted that it would be of great benefit to the country by making it possible to continue full production and employment for a long period. We can all agree that a coal strike would have seriously endangered our prosperity. But whether this settlement does permit that prosperity to continue depends in very large degree upon the decisions of these business managers themselves as to how they will deal with their costs and prices in the light of this settlement.

In their explanation to the public and to their stockholders of the reasons which led them to make this contract, these business leaders have emphasized the desirability of certain provisions and conditions which they assert will increase productivity and offset a considerable part of the increase in money wage rates. It is quite impossible for them, they say, to make any estimate of the savings in costs which will accrue from the regularized workday and workweek, from the increased effort of workers who enjoy better wages and greater security, and from the improvement in plant efficiency which it is always the duty of management to create and in the present situation is even more emphatically the obligation of these managers to secure.

In view of the uncertainty as to whether or how mine costs of coal may be raised, the people of the country have the right to demand that their prosperity shall not be imperiled by immediate increases in the price of coal and in the price of steel. It is only reasonable to ask coal and steel producers to wait until a fair test has been made of the actual effects of the wage advances under conditions of maximum production. If prices are raised at once and a wave of increases in related prices upsets our economy, we never will know what would have happened if the coal and steel managers had been willing to wait.

The risk involved by continuing present prices of coal and steel long enough to learn what the increased costs of production will actually be under the new wage agreement is not serious, especially in view of the fact that such action will greatly reduce the hazards of renewed inflation. The producers of coal and steel have been enjoying their full share of the high profits which are flowing to industry today in our present prosperous economy. I am sure that they, as responsible leaders of industry, will want to invest a portion of those profits in the maintenance of business stability and prosperity for all our people.

REDUCTION IN ARMY RESERVE FLIER TRAINING

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an Associated Press article published on the front page of today's Washington Post under the heading "Army Reserve flier training cut to a third." Several days ago I voted for the amendment offered by the Senator from Massachusetts [Mr. LODGE] providing for an increase in the appropriation for the Army Air Forces, believing that additional funds were necessary if the Army Air Forces Reserve should continue to function.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMY RESERVE FLIER TRAINING CUT TO A THIRD—REDUCTION IN BUDGET HITS TEACHING STAFFS, CREWS, AND FACILITIES

The Army Air Forces said yesterday that because of its budget-trimmed program only 9,766 of the 28,630 reserve flying officers who enrolled for part-time training are receiving such training.

The reduced funds are limiting teaching staffs, maintenance crews and training facilities, said an announcement in connection with the forthcoming celebration of the fortieth anniversary of the AAF on August 1.

The Air National Guard is now organized with 8,512 officers and men while the planned strength is 57,946. When at full strength, the air element of the guard will consist of 84 squardons, of which 12 will be light bombardment and the remainder fighter outfits, the AFF said.

In addition to conventional-type fighters—P–51's and P–47's—the announcement said that " it is also contemplated that some Air National Guard fighter squadrons will receive jet-propiled Lockheed P–80 Shooting Stars within the next 12 months."

STATEMENT BY SENATOR MYERS ON FLOOD CONTROL AND RIVERS AND HARBORS APPROPRIATIONS

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made today before the Senate Appropriations Subcommittee considering House bill 4002, flood control and rivers and harbors appropriations for the fiscal year beginning July 1, 1947.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY UNITED STATES SENATOR FRANCIS J. MYERS, OF PENNSYLVANIA, BEFORE SENATE APPROPRIATIONS SUBCOMMITTEE ON H. R. 4002, FLOOD CONTROL AND RIVERS AND HARBORS APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1947

I think the members of this committee have been fully impressed with the fact that on these vital appropriations for flood control and rivers and harbors work the budget of the President, far from being bloated and extravagant, is actually bone-bare and far from adequate. The House conceded that in some specific instances in connection with these appropriations and provided more money than the budget has recommended. In other instances the House allowed every single cent of the budget amounts. Nevertheless, committed as it is to sweeping economy, the House proceeded to make numerous substantial cuts in individual projects.

I am coming before you today for a number of reasons, first and foremost among them the fact that I hope this committee, as it has done in previous instances, will recognize the urgent necessity for placing dollar economy second to people's lives and health and safety. Some of the cuts made by the House in budget recommendations for individual projects do not in themselves appear to be too severe but an analysis of them shows that they merely postpone work everyone recognizes must be done eventually and that the sooner it is done the less prospect there is for these rivers going wild and causing untold damages, swirling around uncompleted flood walls and partially completed reservoir structures to bring real suffering to hundreds and thousands of our citizens.

I have noticed a tendency in the past on the part of the Senate Appropriations Committee, while repairing the damage to our many existing Federal programs as contemplated in severe cuts made by the House of Representatives, to try to find items in the budget not cut by the House or items where the House has provided more than the budget recommendations, and to make Senate cuts in these items. I think it is largely true that whenever the Senate has reported out a bill substantially restoring funds cut by the House in important programs it has proceeded to pick out several substantial items where the House has been fully convinced of the necessity for the funds it has voted, and the Senate committee has cut them. This happened in the Labor Department appropriation bill particularly, where the House, after cutting most of the funds for the United States Employment Service National Office, had nevertheless voted the full budget amount for the individual State employment services. The Senate restored much of the funds for the USES and then turned around and made such a deep slash in the appropriation for the various individual State employment agencies that the final Senate bill, even though it was far more realistic than the House bill as to almost every program of the Labor Department, nevertheless ended up, because of this deep cut of many millions of dollars in the State employment services, at a lower total than the House bill.

One of the first things I want to impress upon the committee in connection with these flood control and rivers and harbors appropriations is that in my opinion the House committee has examined every project pretty thoroughly in an effort to cut the amounts as deeply as possible—much too deep, I think—but that the attention to detail they have shown on each of these items indicates that wherever the House failed to make a cut or wherever it went so far as to provide more money than the budget recommended, they did so only after being thoroughly convinced of the urgent necessity.

Anticipating that this committee in the Senate might be inclined to question any particular item where the House failed to make a cut or where it provided more money than the budget had recommended, I would like to point out that in these projects in Pennsylvania where this occurred, projects with which I am thoroughly acquainted, the need for this money is compelling. Any attempt on the part of the Senate to balance off some of the severe cuts made by the House by restoring some of the money and then taking it away from projects where the House did not cut or where the House allowed more than the budget amount, would be most unfair and would be an attempt to do what we all accuse the Communist Party of trying to do, and that is standardize poverty.

For instance, the budget provided only $3,200,000 for the Conemaugh Reservoir on the Conemaugh River, the key reservoir in a series of dams designed to protect the great city of Pittsburgh from a repetition of that disastrous flood of 1936 which, had it occurred during the war, would have been a greater blow to America than was the Pearl Harbor attack, because such a flood would have smothered war production in the very arsenal of our country's fighting force.

The House committee and the House itself, after receiving the most thoroughgoing analysis of the importance of full speed ahead on the Conemaugh Reservoir, disregarded the budget recommendations—recommendations which I have always maintained ever since they were announced last January are far too small—and voted $5,200,000 for this project, or an increase of $2,000,000 over the budget amounts. I am fearful that this $2,000,000 might strike the eye of the Senate

committee as one place where you could cut the House figure, in view of the fact that you no doubt will be increasing the House figures on many other projects.

The budget figure of $3,200,000 for the Conemaugh River Reservoir represents what the Budget Bureau thinks should be allocated for this reservoir out of a bone-bare budget. In other words, the Budget Bureau has a very small pie to divide for flood control this year, and so it has cut the size of each piece out of that pie and has cut it proportionately just about across the board, to mix a metaphor. The engineers, who are the people most familiar with the needs and with the urgency of these various projects, know that the $3,200,000 recommended by the Budget Bureau for the Conemaugh Reservoir was far from sufficient. They were not allowed to say so, however, until members of the House committee asked them exactly how much they did need in order to continue operations on this project at the speed the engineers know to be necessary; the engineers thereupon reported this $5,200,000 figure. The House committee and the House were so impressed by the unanimous insistence of not only the people of Pittsburgh but of the entire western Pennsylvania area that this project was so vital to the future of one of our greatest industrial regions and to the actual safety of the United States itself that it voted the full $5,200,000.

I therefore ask that this committee review this project will all of those considerations in mind and I am sure that if you do so you will agree, that the budget amount here was far from adequate, was wholly inadequate, and that the full amount voted by the House should be upheld also in the Senate.

There is another project in Pennsylvania where the House allowed more than the budget recommendations and that is in connection with the flood walls for Punxsutawney, Pa. As I feared last January when the over-all flood control recommendations were made public, the total amounts recommended were not sufficient to provide sufficient funds where they were needed and events have borne out my fear, for the budget provided no money for Punxsutawney. I asked the House committee to provide as much as it possibly could this year of the $1,463,000 needed to complete this very urgent project. The House committee and the House did provide $400,000, which is something, which is a little, but which is far, far from enough. In this case, I am asking not only that you not seize on this item as one which is above the budget and make a cut in it but also that because this $400,000 is so little compared to the need, that you actually boost it substantially. One unit of this project is between 90 and 100 percent of completion but until the second unit is substantially completed the protection it will accord will be far from adequate. Industrial plants, utilities, municipal properties, railroads, and highways along with thousands of people and 300 commercial establishments are in jeopardy until the project is completed. There is only about $100,000 of unobligated funds available from previous appropriations and I am informed that if the engineers had the money they could just about complete much of the work on unit 2 of this project during the present fiscal year.

I have started out with these two projects, Conemaugh Reservoir and the Punxsutawney project because of this tendency I have noticed on the part of the Senate committee in the past to cut House items which are at or above the budget merely as a balancing mechanism when restoring many of the terrific cuts made by the House in other items where the need is also great. I sincerely hope you will not cut Conemaugh and that you will add to funds for Punxsutawney.

WILLIAMSPORT, PA.

I asked the House committee to provide at least three million and preferably four million dollars for the flood walls at Williamsport or about as much as has so far been spent on the project. I did not know at the time what the budget recommendation would be but I assumed, as I did on most projects, that in trying to make this little pie, the small total amount contemplated by the President in his economy drive for flood control, go as far as possible, the amount recommended for Williamsport would not be adequate. My fear was borne out when the actual budget figure for Williamsport of $2,436,000 was made public. To my chagrin, however, the House even cut this small amount and provided only $1,836,000.

In the priority list which the engineers made public way back in September of 1945 for flood-control projects which had been delayed or abandoned during the war, the Williamsport project rated a No. 1 priority listing. It was urgent then; it is infinitely more urgent now in view of the fact that Williamsport in May of 1946 suffered its second disastrous flood in 10 years, sustaining damage estimated at nearly $9,000,000. Ten years before, the same community had been hit by its record flood which cost them $10,500,000 or more. This project is designed to provide protection to Williamsport and the Borough of South Williamsport against Susquehanna River floods 4 feet higher than that 1936 flood which was the highest flood of record there. In May of 1946, when a lesser flood caused almost as much damage as their record flood of 10 years before, the citizens of Williamsport found little solace in the fact that had their partially completed flood walls been finished prior to the 1946 flood this latest disaster would not have touched them at all, they would have been high and dry. Instead they watched the waters curl around the partially completed dykes and swirl through the openings and inundate the entire business section and devastate the community.

During the war with the shortage of men, of materials, and other factors the patriotic citizens of Williamsport of course recognized the fact that the United States had some very important things on its collective mind and that if delaying their flood-control project was going to help shorten the war they could not object to their own personal inconvenience in view of the sacrifices so many Americans were then making in that war. Times are different now. The material and the manpower are available for full speed ahead on this work. The urgency of the work has never been questioned. In terms of dollars and cents, delay is ridiculous because an $8,000,000 flood, translated into terms of deductions in income-tax payments under the heading of fires, flood, storms, and so on, means a very substantial loss to Uncle Sam as well as to the people of Williamsport who suffered through these floods.

Thus I can see no justification in the world for the House action in reducing a budget recommendation which was already manifestly too low. I ask that this committee not only restore the budget amount on this project but to go further and provide enough so that this project can be completed as quickly as possible. Saving nickles and dimes—and you are not actually saving any money just by putting off paying out money you know you have to spend eventually anyway—but making these so-called savings merely for fiscal bookkeeping purposes at the expense of people's lives and safety is an intolerable abuse of economic common sense.

SUNBURY

Sunbury's situation is substantially the same as Williamsport's. As in the case of Williamsport only about one-third of the money actually needed to complete the project has so far been provided in previous appropriation bills and about $3,000,000 is still needed. Just as happened in Williamsport, Sunbury was hit by a record flood on the Susquehanna River in 1936 and 10 years later was hit again by another flood, this time causing damage estimated at $1,800,000. Had the flood walls now under construction been completed in May of 1946 there would have been no damage. The engineers report that Sunbury is extremely vulnerable to floods. I think that is a sufficient and compelling argument for the most expeditious work on this project and so I ask that the House cut here be restored and that, as a matter of fact, even more money be appropriated.

I hope I have made clear that I do not think the budget recommendations for any of these projects are sufficient. Although the budget recommended $1,369,000 for this fiscal year I think we should provide at least $1,500,000 so that by this time next year the work can be about two-thirds completed. The House has allowed only $1,169,000.

This is false economy. Floods are continually getting worse as the years go by, as our forests are denuded and as river channels fill up, and when we know that a city very vulnerable to floods can be damaged by nearly $2,000,000 in a sudden flash flood and that it will only cost $3,000,000 or so to protect that city for the foreseeable future against any and all floods, then I say saving money on the books in any one year while knowing that we are going to have to pay the money eventually is not economy—it is absurdity.

EAST BRANCH, CLARION RIVER RESERVOIR

Even though this project was not included in the budget, I ask the House to provide at least $1,500,000 to augment the $500,000 voted for it last year. The House gave some study to this project but ended up without voting any money. I am sorry it did not and I think that here, too, there has been false economy. The money now available will, according to the engineers, not allow very much work to be done. The annual economic benefits of this project are estimated at about $375,000, that is, a year. The total cost of the project is estimated at somewhere around seven million, or about 5 percent a year. At that rate it would pay itself off as an investment within a relatively short time. That is the dollar and cents aspect. But if you saw some of the mail I have received from people in Johnsonburg and Ridgway and St. Marys and other communities in the Elk County area, where a flood just a few years ago caused untold suffering and havoc and loss of lives, you would realize that dollars and cents, although certainly important, are by no means the only compelling factors in a situation of this sort. Some of the people in the area find it hard to understand our providing funds in the hundreds of millions of dollars for relief and for strategic purposes abroad when there is so much difficulty in getting relatively small appropriations through Congress for matters as urgent as this project to that whole area. Now, of course, I believe in our foreign policy program and have supported it wholeheartedly ever since I came to the Congress in 1939. To me it is not a question of whether we have to eliminate flood control or pinch pennies on flood control or delay flood control for bookkeeping purposes in order to carry out our obligations and commitments abroad. Both the flood control and the foreign program are urgent in their own rights and we must do both. We can do both. We have heard extensive testimony before the Joint Committee on the Economic Report on the relative soundness of America's economy and of the prospects for continued high levels of employment, production, and national income if only we can obtain some moderation on prices and, this being so, I think it is imperative that we protect the sources of that prosperity and that national income by affording protection from floods which devastate whole communities and cripple farm and industrial output.

OTHER PROJECTS

The House made a 50-percent cut of $2,000,000 in budget estimates for plans and speci-

fications for flood control. I think this is sorry economy. There are many important projects in Pennsylvania, authorized by Congress and now in the planning stage which will be held up materially if this cut stands. Among them are the Allegheny River Reservoir, for which the budget asked $75,000 in planning funds; the Bear Creek Reservoir above the Lehigh River designed to protect Allentown and Bethlehem, for which $100,000 was asked; the Turtle Creek Reservoir, intended to further strengthen flood control in the western Pennsylvania and Ohio Valley area, for which the estimate was $60,000; work at Ridgway, Johnsonburg, Brockway, and vicinity for which $25,000 was scheduled; and at Tyrone, Pa., for which $81,500 was the budget's estimate. I assume that if the planning funds of $4,000,000 asked by the budget and including these items I have just mentioned is cut in half to $2,000,000, that the cuts against individual items will be proportionate. There is such a big backlog of work of a planning nature waiting to be done and the necessity is so compelling for having these plans ready and waiting for use instantly when construction funds are available, which will, I hope, be soon, that I am asking his committee to approach this problem from a practical standpoint and to undo the damage evident in the House action.

RIVERS AND HARBORS

Among rivers and harbors items, I find that the House has refused to appropriate any of the $500,000 recommended by the Budget Bureau for the Delaware River between Philadelphia and the sea. The budget estimate itself was very low, not nearly enough. Now we find that nothing, not even part of this inadequate budget amount, has been recommended by the House. I want to say that Philadelphia's future is closely bound up with this necessary work at her port. Present anchorages are not adequate for the newer vessels and for the type of traffic we want to maintain as users of our port. The congestion there has been substantial and aggravating and, I think, unnecessary in view of the fact that it could be corrected with such a comparatively small outlay as the $7,000,000 or so needed to complete a project on which the Federal Government has already spent nearly $35,000,000. The $500,000 sought by the budget would be spent largely on continuation of work at Marcus Hook, but there is also much work yet to be done in channel deepening and in anchorage work at Port Richmond and Mantua Creek. The work is necessary in the interest of economy—that is the engineers' own evaluation of it, and their word carries weight with me—and in the interest of safety and of expediting existing and prospective commerce consisting of petroleum, petroleum products, coal, lumber, grain, raw sugar, molasses, raw materials for industrial plants, and many manufactured articles. I ask that in addition to restoring the budget amount of $500,000 you allow at least an additional $500,000 for continuation of other work in that area. The existing authorized project for the Delaware River, particularly in the Philadelphia area, is sufficient to meet the needs of the area if the project is allowed to continue at expeditious speed.

The House failed to provide any of the $200,000 recommended by the Budget Bureau for open channel work on the Ohio River. The problem there is similar to the one of the Delaware in that it is one of the greatest avenues of water-borne commerce in America and I ask you to review this item with the intent of determining the full need and providing funds for it. Steel and coal and iron ore and many, many other items of strategic importance to our country move in great volume on the Ohio and its tributaries and maintenance of open channels to a sufficient depth there is as urgent as efficient operation of our railroads and of our highway routes.

NEW PROJECTS

Because of the President's sincere desire to cut his 1948 fiscal year budget as much as he thought he could safely cut it, to the final figure of $37,500,000,000, he provided for a delay in the start of any new flood control or rivers and harbors projects for which initial construction appropriations had not already been made. I have always opposed this policy because I know that the urgency of a project does not necessarily find reflection in the fact that it has already received an initial appropriation for construction. For instance, there are areas in Pennsylvania which have plans under way to curb flood evils which have been consistently manifested over the years and the mere fact that they were not among the very first after the war to receive initial construction appropriations does not mean they are any the less urgent. Knowing that the mood of Congress is to cut and cut and cut and to begrudge the budget estimates and to rise almost in indignation at anything over the budget, nevertheless I sincerely think that this committee, after studying the situation in regard to floods and after realizing what is happening in the Midwest and after weighing all the factors will join me in the conclusion that we cannot afford to delay the start of urgent projects just because they have not so far received initial construction appropriations. I would like to see money provided for construction for the projects I listed above as being recommended for planning funds; I would like to see money for Latrobe, Pa., for construction where planning work has been largely completed, and I would like to see the engineers given greater flexibility than this waterways budget, which I consider a bone-bare budget, gives them.

Among those new projects in rivers and harbors which are held up because initial construction appropriations have not been made is the one in the city of Philadelphia to widen and deepen the Schuylkill River. A total of about $2,000,000 was authorized for this work between the mouth of the Schuylkill and the Passyunk Avenue Bridge and from there to the University Bridge. There is no reason in the world why the Congress must be bound by Budget Bureau hesitancy on starting new projects. The Congress has certainly not been bound by Budget Bureau estimates of needs in many of the other programs of Government when it came to cutting these estimates, sometimes drastically, and so I ask that you show independent judgment on this particular phase of allowing new projects to start. We are building up a tremendous backlog of rivers and harbors work, work which must be done, and the longer we let it go without getting to work on any of these new projects the more colossal a task will confront us in later years.

PUBLIC HOUSING — CORRESPONDENCE BETWEEN SENATOR MYERS AND ROBERT M. WILSON

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram I recently received from a constituent in opposition to the Taft-Ellender-Wagner bill, and my reply thereto, in which I set forth my reasons for supporting Senate bill 866.

There being no objection, the telegram and a letter were ordered to be printed in the RECORD, as follows:

PHILADELPHIA, PA.

Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

The press notices in connection with the Fight for Housing Day rally indicate that it is being sponsored by groups some of which are sincerely interested in getting housing but others of which are interested only in getting public housing. Members of these groups are being told that the Taft-Ellender-Wagner bill will produce housing, and therefore they should fight for the bill's passage. I sincerely believe that this bill will not produce houses rapidly, but will further stifle construction of housing by private industry. Private industry can and will produce housing if it is permitted to do so. The threat of additional housing is discouraging construction by private industry. I urgently recommend you to properly interpret this activity as a concerted agitation by subsidized housing forces to unnecessarily expend taxpayers' funds on the Federal construction program of public housing. The construction of housing can best be accomplished through the resources of the Nation's privately financed housing industry.

ROBERT M. WILSON,
President, Philadelphia Real Estate Board.

JULY 10, 1947.

Mr. ROBERT M. WILSON,
President, Philadelphia Real
Estate Board, Philadelphia, Pa.

DEAR MR. WILSON: I acknowledge receipt of your telegram which was actuated by press reports of the Fight for Housing Day Rally, recently held here at Washington and which also expressed your opinion regarding the effect of Senate bill 866 upon a building program by private industry.

Senate bill 866, commonly referred to as the Taft-Ellender-Wagner housing bill, has been specifically framed to insure private enterprise a full and free opportunity to provide housing for the Nation. It limits Federal aid for public housing to families whose incomes are at least 20 percent below the lowest level at which private enterprise is furnishing a substantial quantity of decent housing, new or used, in any locality.

This not only insulates private home building from any possible competition from publicly aided housing for the low-income groups, it also leaves the way open for private enterprise to provide homes at lower costs than it has ever achieved with the assurance that when, as it does so, the area of public housing will be forced further downward in the income scale limits.

The bill also affords additional aids to private enterprise and enables it to provide housing for lower-income groups through private investment. It broadens and liberalizes financing insurance for private construction to enable private enterprise to meet a larger part of the middle-income group; it furnishes Federal aid to communities to write off the uneconomic cost of blighted areas, so they can be replanned and rebuilt with private enterprise doing the major part of the job; it guarantees a minimum investment yield on large-scale rental housing for middle- and lower-income families; it throws the resources and facilities of the Federal Government behind private industry in housing research directed toward the development of lower cost home production by private enterprise; and it enables the Federal Government to aid and cooperate with private enterprise through consistent and coordinated policies that recognize private enterprise's prime responsibility.

In other words, under S. 266 private enterprise is given opportunities it has never before had to meet that increasing margin of mass need in the middle and low-income brackets that has been beyond its reach.

I am unable to subscribe to the attitude that if private enterprise unaided cannot provide homes for low-income families, then no one should. I firmly believe this attitude will do more to speed Government-sponsored housing than any other course. On the other hand, S. 866, by its clear limitation of the function of public housing, gives private enterprise a clear field to do more of the job, and through performance, to reduce and

even eliminate the need for housing subsidies. Even public housing, under this bill, would be provided through the normal channels of private enterprise, with the capital financing and the construction coming from private sources, and only the subsidies and the management, to insure proper use of the subsidies, being reserved to the Federal and local governments, respectively.

Private enterprise has not and currently cannot provide decent housing for the lower-income groups. Repetition of statements to the contrary does not change the facts. Even with the financing aids of the FHA—which, incidentally, were also bitterly fought at first by many private groups, only to be accepted by nearly all of them later—the cost of housing has not yet been brought within the reach of large numbers of people. In 1940 only 5 percent of FHA home financing was for families with annual incomes of $1,500 or less, while 7½ percent was for families with incomes of $2,000 or more. Yet in 1940, nearly one-third of the housing need lay in that income group which had been virtually unserved by private enterprise except in terms of slums.

The situation is much worse now that costs have risen so greatly since 1940. The median cost of homes built in 1946 was $7,500, yet surveys showed that 85 percent of the veterans in need of housing could afford to pay only $6,000 or less.

The facts do not support the claim that either public housing or government assistance to private enterprise in housing, where it is needed, hamper private homebuilding. The opposite has been true.

The first public housing was provided in 1936 and continued until the outbreak of war. During that period private enterprise, far from being frightened out of the market, more than doubled its annual production of homes, from 304,000 units in 1936 to 619,000 in 1941, the highest peak since the boom twenties.

During 1946, when some private interests stormed and complained about the emergency measures the Government undertook to help them obtain materials and revive a war-weakened home-building industry, we witnessed a fourfold increase in home building, the greatest in any nation's history. In the face of unprecedented obstacles, we put more than 1,000,000 units under construction, of which more than 650,000 were privately built new permanent homes and apartments.

To call that program a failure, as some do, while at the same time acclaiming the enormous increase in production of building materials and home construction that it made possible, is to make a shambles of elementary logic.

For decades an inadequate system of home building and home finance has left larger and larger quantities of slum and blight for the people to pay for. Property values have been destroyed and countless human values lost. Communities have paid bitterly in crime, disease, fire, and other less tangible costs and have lost tax revenues that have brought some of them virtually to bankruptcy.

S. 866 is designed to stop this disastrous decline of our greatest national asset—the homes of America. It is further designed to enable private enterprise to work better, not to eliminate it, and to substitute a limited and supportable subsidy for housing the low-income groups for the mounting endless toll that we have been paying.

Refusal of some segments of private enterprise to accept the help of Government in the common interest of those who need homes and those who build them can lead only to extreme remedies forced by hopelessness and despair. Those who say they cannot and will not work with the Government in the people's interest destroy the people's faith in their motives. On a problem so acute and personal as housing is today to millions of American families, neither the Government nor the people can be damned.

Sincerely yours,

FRANCIS J. MYERS.

STATEHOOD FOR HAWAII

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD four editorials favoring statehood for Hawaii; the first entitled "Hawaii Nears Its Goal," from the Christian Science Monitor; the second entitled "Hawaii, Forty-ninth State," from the Boston Herald; the third entitled "Statehood for Hawaii," from the Waterbury (Conn.) Republican; and the fourth entitled "Case for Hawaii," from the Dallas News; which appear in the Appendix.]

BUSINESS RECESSION—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "That Recession," published in the Washington Times-Herald of July 14, 1947, which appears in the Appendix.]

INTENTION TO VETO—EDITORIAL FROM THE WASHINGTON POST

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Intention to Veto," published in the Washington Post of July 13, which appears in the Appendix.]

GRAVY IN THE KITCHEN, TOO—EDITORIAL FROM THE CHICAGO TIMES

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Gravy in the Kitchen, Too," from the Chicago Times of July 11, which appears in the Appendix.]

LOCAL AND NATIONAL ELECTIONS IN JAPAN

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD a letter dated June 1, 1947, addressed to him and describing local and national elections recently held in Japan, which appears in the Appendix.]

SUCCESSION BILL—EDITORIAL FROM THE WASHINGTON POST

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an editorial entitled "Succession Bill," published in the Sunday, July 13, 1947, issue of the Washington Post, which appears in the Appendix.]

UNITED STATES LARGESSE TOTALS TWENTY BILLION — ARTICLE BY CLARKE BEACH

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an article entitled "United States Largesse Totals Twenty Billion," by Clarke Beach, from the Washington Post of July 13, 1947, which appears in the Appendix.]

AUTHORIZATION FOR CITY AND COUNTY OF HONOLULU TO ISSUE SEWER BONDS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1419) to enable the Legislature of the Territory of Hawii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, which were, on page 1, lines 8 and 9, to strike out "construct, maintain, and repair" and insert "construct", and on page 2, line 10, after the word "Act", to insert "69."

Mr. BUTLER. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on the pending question.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment to House bill 3950, submitted by the Senator from Arkansas, for himself and other Senators, on which the yeas and nays are requested.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, in keeping with the general understanding and agreement among Senators last Saturday evening, I shall take but little time today to conclude my remarks on the pending amendment. I shall forego any lengthly discussion of it, but do wish to remind Senators that this is the last chance we will have at the present session of Congress to dispose of the issue presented by the amendment, and dispose of it in the right way. This is the second opportunity Senators have had to vote on this amendment at this session. It may be the last opportunity for some of us. I am unwilling to leave the record as it is. I want again to vote on the amendment and record my position so that all husbands and wives in the non-community-property States of the Nation may know that a sincere, diligent, earnest effort was made by the amendment to bring to them relief to which they are justly entitled, at the present session of Congress, at this time, when the last opportunity is afforded Members of Congress to grant them this equitable, just relief.

Mr. President, on Saturday evening I placed in the RECORD a chart which shows how much money each of the non-community-property States is penalized. I call upon my colleagues to turn to page 8812 of the CONGRESSIONAL RECORD. If a Senator is from a non-community-property State, I ask him to read the table and weep, and then vote with me his tearful sentiments when the roll is called. I propose to fight for the people of the non-community-property States, and vote for them, and if Senators from such States will join me we will adopt the amendment today, and not leave the situation in a state of promise, an indefinite status for an indefinite time.

Mr. President, there may be some Senators here now who were absent when I discussed the table of figures Saturday evening. I hope every Senator from a non-community-property State will look at the table before he votes, and ask himself, "Can I afford to vote 'nay'? Can I afford to continue to impose this indefensible injustice upon the people of my State?"

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Arkansas whether he considers his amendment fair and just to all the people of the United States? And I ask the further question, Does the Senator de-

sire to do anything more than what is fair and just by offering his amendment?

Mr. McCLELLAN. Mr. President, the amendment is fair and just to everyone. I have no desire to do other than what is just and fair. Already a number of Senators from community-property States have joined with us in the fight because they believe justice should be done. It is a nonpartisan matter. It simply represents American justice and integrity in legislation. Of course, the primary, the major responsibility rests upon the Republican Party, because it is in control of Congress and has the power and the opportunity to adopt the amendment. It is, however, nonpartisan in nature.

Mr. JOHNSTON of South Carolina. Has anyone who opposes the Senator's amendment been able successfully to show any respect in which the amendment would not be fair and just to all the people of the United States?

Mr. McCLELLAN. No such showing has been made on the floor of the Senate. If any such showing has been made, it has been made somewhere else than in the Senate Chamber.

Mr. President, the Republican Party has the major responsibility, but Senators of that party are not the only ones who have a responsibility. A majority of the membership of the Senate comes from non-community-property States and they collectively also have the power to adopt the amendment. That is not all, Mr. President. We have got to accept individual responsibility to our constituents. I plead with Senators from non-community-property States to vote right on the amendment. In the campaign next year Senators are going to be asked by the husbands and wives in their States why they did not take advantage of this opportunity to give them the relief to which they are entitled. The question is going to be an embarrassing one. It would be for me. I could not answer it. I could not provide an alibi for failing to vote right. If we vote right today the embarrassing question will not be asked. The answer will have been given by Senators today if they vote right. Senators who vote for the amendment will have done all they can; they will have met their responsibility; their obligation will have been discharged. In order properly to discharge our obligation we should vote for the amendment, vote to make it a provision of the bill, and finally to be enacted into law.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Colorado. I presume the Senator from Arkansas has called the attention of the Senate and the country to the provision of the Constitution which requires that the Congress shall cause duties and imposts and excise taxes and taxes generally to be uniform throughout the United States. If the Senator will permit me, I should like to read one paragraph of section 8 of article I of the Constitution into the RECORD at this time.

Mr. McCLELLAN. I am glad to yield to the Senator from Colorado for that purpose.

Mr. JOHNSON of Colorado. The very first article of the Constitution, in section 8, provides:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Of course, what the Senator from Arkansas is trying to correct is the method of laying and collecting taxes in those respects in which they are not uniform. The Senator is attempting to make them uniform in accordance with the highest authority, the authority which gives us the power to tax.

Mr. McCLELLAN. The Senator is correct. I am undertaking, in accordance with the provision of the Constitution, to rectify an injustice which has grown up in our tax system.

Mr. President, I wish to say something else to my friends across the aisle. In different debates during the past year we have heard the charge that there are some who are yes-men. I have never been a yes-man. I vote with my party when I can. I often yield my own judgment out of deference to the leadership of my party, but there are times when I think the position of the leadership of my party contravenes principle, and then I cross the aisle and join with Senators on the other side in voting as I believe to be fundamentally correct. I make no promise that I shall not do so again. I shall. I ask Senators who are members of the majority party, and who have power to adopt the amendment, not to be hide-bound respecting any proposal which the majority leadership demands to be carried through here at the unjust expense of and as an imposition upon their own people. That is the way to get good legislation. Let the Congress legislate. Let it weigh the pros and cons, and then have the courage, when the opportunity is presented, to vote its sincere convictions.

Mr. President, the die may be cast. This may be a losing fight at this hour, but it will not always be a losing fight. Like truth crushed to earth, this issue will rise again and again until some future Congress—if this one does not—responds to the just demands and expectations of the people of the Nation. The die may be cast to defeat this amendment; but the die is also cast in the hearts and minds of the people and in the public sentiment of the Nation to demand and secure the rectification of this wrong. I plead with Senators to join me today and do it now. It can be done. It ought to be done.

Mr. President, I want the Senate to know that the country is thinking about this question. I have before me a number of editorials which I wish to insert in the CONGRESSIONAL RECORD.

The first is from the Minneapolis Star of July 3, 1947, and is entitled "Pass the Tax Bill." This is the concluding paragraph of the editorial:

> So the tax bill should go through Congress now—with a correction of the community-property discrimination if that is at all possible.

The people favor it, Mr. President, and no one can say that it is impossible. It may be considered impossible because of an arbitrary decision on the part of those who are making the legislative policies of this country at this hour. That is the only reason it is impossible. There is no other excuse.

I ask unanimous consent to have the editorial from the Minneapolis Star printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PASS THE TAX BILL

Passage of the tax-reduction bill to take effect January 1, 1948, is being endangered by the efforts of some Democrats to attach a community-property amendment to the bill. Senator McCLELLAN, of Arkansas, has said that he and at least three other Democratic Senators will refuse to go along with any reduction bill that does not carry authority for husbands and wives to divide their income for tax purposes.

Still other Senators have expressed doubts about the proposed amendment, though why they should is difficult to understand.

By everyone's admission, including the Treasury Department, there is a present unfair discrimination in favor of nearly a dozen States with community-property laws. In them husbands and wives may divide their incomes when calculating income taxes, even though the husband may be the only one getting a pay check. Thus, they take advantage of lower tax rates in the lower income brackets.

If those privileges were extended to the other 37 States, an estimated 4,900,000 families would benefit. This is especially true of the $2,000 to $4,000 earning class, where some 3,700,000 families would be aided.

Treasury Secretary Snyder recently presented such a plan to a House committee as a possible way to eliminate one bad form of tax discrimination. It would reduce Treasury revenues by only $744,000,000 annually, a relatively small price for remedying a gross inequity.

If Congress doesn't pass a tax-reduction law effective next January before it adjourns this session, it will postpone the problem until next January, an election year, when it will be under supreme pressure to make appropriations for large-scale expenditures. Only if it lowers taxes now will it have the courage to remain adamant to the many election-year demands for increased spending.

So the tax bill should go through Congress now—with a correction of the community-property discrimination if that is at all possible.

Mr. McCLELLAN. Mr. President, I hold in my hand an editorial from the St. Louis Post-Dispatch of July 10, 1947, entitled "The Community Property Favoritism." I note that the senior Senator from Missouri [Mr. DONNELL] is present. I want him to know that the husbands and wives of the State of Missouri expect this injustice to be corrected. I trust that it will be corrected, and I trust that I may have the Senator's help at this hour, when the opportunity is present. This editorial says:

> No one knows whether Congress will keep the Ways and Means Committee's promise, or when. Meanwhile, each new State in the community property list heightens the discrimination against residents of hold-out States.

Mr. President, as I have said before on this floor, this system is a form of Federal coercion. It is our constitutional duty to legislate uniformly in the matter of raising taxes. I hope the Senators from Missouri realize what the present system is now costing the people of their State, and how much they are penalized. The penalty amounts to $23,205,000 a year. That is worth doing something about. There can be no justification for postponing the day of judgment. Today is the day of judgment. Why postpone it until tomorrow? Why postpone until tomorrow what we can do and ought to do today?

Mr. President, I ask unanimous consent to have the editorial from the St. Louis Post-Dispatch printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE COMMUNITY-PROPERTY FAVORITISM

The second tax-cut bill may fail because it does not end the favoritism to community-property States. The House Ways and Means Committee promised to make the correction in a bill to be written next year. But in the Senate, Senator MCCLELLAN and others insist on immediate action.

In community-property States, the incomes of a husband and a wife are regarded as jointly and equally owned. A family in which the husband has $5,000, and the wife has nothing, pays $38 less tax than a similar couple in a non-community-property State. It pays taxes on two $2,500 incomes, qualifying for lower rates than are levied on a single $5,000 income. The privilege increases in value with the size of the incomes.

Such discrimination among Federal taxpayers is unjust, and repeated efforts have been made in Congress to abolish it. But the community-property States hold a balance of power. Attention has, therefore, turned to ending the inequality by making the tax-saving privilege available everywhere.

In the continued absence of relief from Congress, additional States lose patience and pass their own community-property laws. Only nine had them a few months ago; now there are 13. Pennsylvania has just joined, because, as Governor Duff put it, the resulting $100,000,000 annual saving to married Pennsylvanians cannot possibly be overlooked.

No one knows whether Congress will keep the Ways and Means Committee's promise, or when. Meanwhile, each new State in the community-property list heightens the discrimination against residents of hold-out States. Our legislature should thus make this matter a first order of business after the recess.

Mr. McCLELLAN. Mr. President, I hold in my hand an editorial from the Atlanta Constitution of May 29, 1947, entitled "No Sense in Procrastination." That is the way the press and the people of the country are looking at this issue. I shall not take the time to read the entire editorial. Its concluding paragraph says, with respect to the promise of the Ways and Means Committee:

That means another year of the unfair burden. There is no sense in procrastination. If we are going to reduce taxes, let us adopt equity first and remove the injustice and discrimination under which the people of 38 States so long have suffered.

That is a quotation from my remarks when this issue was under consideration before. My remarks are quoted approvingly by this great newspaper.

Mr. President, I ask unanimous consent to have the editorial from the Atlanta Constitution printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO SENSE IN PROCRASTINATION

It is to be regretted that the Senate has voted to reject the proposal to eliminate the discrimination which now exists because of the so-called community-property laws of 10 of the 48 States.

It means that for at least another year residents of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Oregon, Texas, and Washington will continue to be accorded special tax-exemption privileges denied citizens of other States.

Senator MCCLELLAN, of Arkansas, sought to amend the income-tax bill to extend the community-property-tax system throughout the country, so that the 38 States which currently do not have it would not be forced to bear a disproportionate share of the tax load. Under that system, husbands and wives are allowed to split their incomes for tax purposes, thus effectuating a considerable family saving.

MCCLELLAN's amendment was rejected by a vote of 51 to 29—13 Democrats joining with 38 Republicans to kill it.

Republican spokesmen, while giving lip service to the idea of a community-property-tax set-up, contend that now is not the time to inaugurate it.

For our part, we are more inclined to agree with Senator MCCLELLAN, who, answering a GOP promise that the plan would be put at the top of the tax-revision agenda next year, declared:

"That means another year of the unfair burden. There is no sense in procrastination. If we are going to reduce taxes, let us adopt equity first and remove the injustice and discrimination under which the people of 38 States so long have suffered."

Mr. McCLELLAN. The next editorial is from the Nashville Tennessean of May 29, 1947, and is entitled "Saving the Top Dressing." I shall not take the time to read it, but it states the position which I am taking. I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAVING THE TOP DRESSING

Rejection by the Senate of Senator MCCLELLAN's amendment to raise personal exemptions on the income tax to $750 was not unexpected. The amendment was out of harmony with the main objective of the bill, which is "relief for the greedy" instead of the needy. But why turn down the community-property-law amendment, also presented by the Arkansas legislator?

The merits of the community-property-law proposal are indisputable. It would merely put income-tax payers in all brackets in 38 States on a basis of equality with those in 10 States which by virtue of having once been Spanish territory can lay claim to the Roman-law principle on property holding.

In rejecting the amendment the Republicans promised to put it high on the list for next year, when general tax reform is promised. Interpreted in plain English, this means that the party of big wealth plans to decorate its plan to eliminate corporation and high income taxes with an obviously good and just measure. Hence, they are putting this top-dressing justice (and maybe the exemption increases, too) into the ice box for safekeeping until the 1948 tax cake is pulled out of the oven.

In casting aside Mr. MCCLELLAN's amendment to raise exemptions, the Republican majority rejected the one means of sustaining mass purchasing power without releasing inflationary pressures. We are even now in a recession, with unemployment figures approaching 3,000,000, mainly because the power to buy consumer goods is drying up at the lower income levels. The Bureau of Labor Statistics index indicates that approximately $2,200 a year is needed to maintain a family of four at the minimum level of health and decency. Income-tax relief at the bottom, through the simple expedient of raising exemptions, would enable more families to maintain a minimum standard of living and brighten existence with moderate buying of such additional goods as would keep our economy going at a high level.

Relief at the top is not needed. Leading business magazines report that all businesses of any size are having no trouble getting all the capital needed or desired for operation or expansion. Reduction of taxes on high incomes now will merely increase savings, not capital investments.

In working against sound tax measures, the Republicans are lessening their chances to win the national leadership. There would be little to worry about if that were the only result. Unhappily, their current tax reforms, if they manage to get by the White House, can make trouble for most of the Nation also.

Mr. McCLELLAN. The next editorial is from the Arkansas Democrat of July 1, 1947, and is entitled "Community-Property Law." I shall not take the time to read it. The people of my State realize the penalty they are suffering. They know that they must look to the Congress for aid. They know that our fight is in the interest of justice, uniformity, and proper government relationship between the citizens of all States, irrespective of State law or domicile.

I ask unanimous consent that the editorial from the Arkansas Democrat be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMUNITY-PROPERTY LAW

Arkansas' Senator MCCLELLAN may be tackling a job that is too tough for him in fighting for a Federal community-property law, but he should have the support of all fair-minded people.

We are told that a coalition to revive the vetoed tax-reduction bill has been set back by Senator MCCLELLAN's announcement that he and others will insist on a community-property amendment.

We are told that a move to attach the clause in the Senate apparently would defeat any plan for quick passage by both Houses of the measure reducing individual taxes $4,000,000,000. Supporters propose to revive the measure to make it effective next January 1 instead of July 1, as was provided in the vetoed tax bill.

Whether Senator MCCLELLAN's proposal would block passage of a new measure still is anybody's guess, apparently. But it would be a strange quirk of even so strange a Congress as the current session if this plain demand for common decency in taxation should upset the apple cart.

Isn't it about time that Congress pay some attention to the theory that our Government is based upon the belief that a majority

should rule? Haven't we had enough of shake-downs by potent minorities, as witness the silver bloc and several others we might mention?

Isn't it a joke, in fact, a travesty, that because of State laws 10 States can legally dodge taxes which 38 others have to pay? The community-property laws have been upheld by the courts, but that does no more than put the seal of approval upon a rank injustice, a prize example of discrimination.

There's another angle to the argument. The 10 States which have community-property laws have persistently fought all efforts to extend such rights to other States. Nobody else is going to share the gravy, is their attitude. Good neighborliness is fine—so long as it doesn't hit the pocketbook.

Mr. TYDINGS. Mr. President, will the Senator yield ?

Mr. McCLELLAN. I am glad to yield to the Senator from Maryland.

Mr. TYDINGS. Has the able Senator from Arkansas considered what would be the state of the United States Senate if we were to pass a tax bill dealing with excise and similar taxes, and providing that such taxes should be levied on rubber tires, automobiles, amusements, and so forth, except in the States A, B, C, D, E, F, and G, for example?

Mr. McCLELLAN. That is exactly what we are doing now, in effect.

Mr. TYDINGS. What is the difference in principle, so far as the National Government is concerned, between exempting the citizens of certain States from the payment of excise taxes and exempting the citizens of certain States from the full payment of their just share of income taxes?

Mr. McCLELLAN. Fundamentally they are the same. I am pleading for a principle. I am not pleading for something for the citizens of my State alone. I am pleading for a principle, on behalf of millions of American husbands and wives.

The next editorial is from the Memphis Commercial Appeal of May 29, 1947, and is entitled "Not a Lost Cause." This editorial was published immediately after the vote on this amendment when the tax bill was previously before us. The people know that it is not a lost cause. They know that public sentiment is going to demand that action be taken. If this Congress will not take it, some day a Congress will be elected which will correct the situation. The people will see to that.

Mr. President, I ask unanimous consent that the editorial from the Memphis Commercial Appeal be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT A LOST CAUSE

The Senate refused an amendment offered by Senator McCLELLAN, of Arkansas, to the tax-reduction bill, that would have extended the benefits of the community-property principle to the people of all the States, Senator McCLELLAN made a good fight in a worthy cause, which is by no manner of means a lost one.

The Senate's rejection of Senator McCLELLAN'S proposal was based on a feeling that it was not wise to complicate further the pending measure, and not on any widespread feeling that his ideas lacked justice and usefulness. Chairman MILLIKIN, of the Senate Finance Committee, though he led the fight against the amendment, said the proposition had top rating among matters to be considered in a general tax-revision bill.

Senator McCLELLAN may be depended on to continue his campaign for tax equality, and if the people of some 39 States wake up to what he has in hand, his drive will soon be successful. There are 9 States of the 48 that operate under the community-property law. In these 9 States the theory is that husband and wife make equal contributions to family income. On that basis, the family income may be divided for income tax purposes, with the husband and wife each reporting a half. The benefits are considerable in any case, an increase with the amount of taxable income.

The community-property principle was incorporated in the basic law of most of the States that have it, but one or more have taken action to apply the idea. As matters now stand, the authorities on laws and taxes believe action by Congress is necessary if the principle is extended. Married people ought to concern themselves especially with seeing that equality is established, and in general no such state of unbalance should be permitted.

Mr. McCLELLAN. Mr. President, these editorials come not alone from the press of the South. Here is one from the Boston Herald, of Boston, Mass., entitled "Speed Tax Splitting." I wonder if the Senators from Massachusetts are cognizant of the penalty which is imposed on the people of their State? Let us see what it is. The penalty is $42,500,000. Should not that be of interest to them? Are they not willing to help correct the situation?

Mr. President, I ask unanimous consent to have the editorial from the Boston Herald printed in the RECORD at this point as a part of my remarks

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPEED TAX SPLITTING

The inequity between community-property States and the rest of the country, including Massachusetts, is growing. When the Herald last deplored this disparity, nine States provided by law for the sharing of income by husband and wife. In these States married persons with $3,000 or over paid substantially less Federal tax because their taxable income could be split. Now there are 10 such States, Oregon having just joined the bargain group. In addition, the tax-reduction bill now being considered by the Senate happens unintentionally to increase the special privilege enjoyed by the 10 States.

The inclination in Congress appears to be to let this income-splitting business alone for the present year and take it up in connection with next year's general revision of the revenue law, on which the House Ways and Means Committee has already begun work. One argument is that the House has already passed a bill and not much time remains to rewrite it in the Senate and in conference. Another is that to permit income splitting for husbands and wives affords no comfort for the unmarried—say for a widower with one child. And still a third is that the big gainers would be the upper-bracket boys, for the helping of whom there is no political profit.

But these arguments can all be upset, seriatim.

Senator McCLELLAN, of Arkansas (a non-community-property State contiguous to three that are), has perfected a draft amendment which provides a simple tax reduction for everyone, coupled with income splitting, the whole thing to cost no more in revenue than the present bill, H. R. 1. He would raise personal exemptions to $750 for single persons and $1,500 for the head of a family. That would remove between eight and nine million persons from the tax rolls, lower the taxes in all other brackets, and cost about $3,000,000,000 in revenue. The income-splitting provision would cost another $800,000,000. This is also the cost of H. R. 1. The saving in each surtax group is almost the same under the two bills.

It will be noted that the widower with one child gets a break under this bill because of the increased exemption. It may not always be as great as what would be enjoyed by the married man in the same bracket, but this inequity is far less than maintaining the present 10-State disparity.

And the contention that the wealthy would be great gainers is ill-founded. A married man in the high surtax brackets, with competent legal advice, can find a loophole, and usually does. It is the salaried married man that mostly gets hit.

Here is a way to settle the community-property absurdity this year. By acting now, Congress will have gained 6 months or a year's experience of the actual revenue effects of such a change and be in a much better position to judge the situation when undertaking an over-all revision of the tax laws next year. The time to act is now. Massachusetts would like to hear its Senators speak up on this one.

Mr. McCLELLAN. Mr. President, these are only a few editorials of many.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Arkansas yield for a question?

Mr. McCLELLAN. I am glad to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. If we should not be able to adopt the Senator's amendment, would the Senator vote for an amendment providing that all the people of the United States should pay income tax on the basis of not being able to split the family income under the community property law?

Mr. McCLELLAN. No. I believe it would be wrong for us to take such action. I will defend the rights of the community property States here or elsewhere. I do not want to do them any harm. I am pleading with those in community property States to help us rectify this wrong now. I respect the State laws. I do not want to say to the people of any State that they cannot divide their property as they wish under State law. But I will not sit here and see my State imposed upon and the laws of my State ignored by the same Government which recognizes the State laws of community property States.

Mr. JOHNSTON of South Carolina. Do I correctly gather from the Senator's remarks that he does not want to make any State change its present laws which it has on the statute books, but that he does want equal taxation so far as the Federal Government is concerned?

Mr. McCLELLAN. That is all I am pleading for.

Mr. President, I conclude. I have made the fight sincerely. I have pleaded with my colleagues from every State to join me in doing this act of simple justice and to help me prevent a prolongation of this discrimination. Let us assure the husbands and wives in the other 35 States of the Nation that this Congress is equal to the issue of the hour and that it will meet it honorably, with integrity, and with positive action today, not tomorrow. Why delay? Today is the day of salvation for our people. This is the

hour of opportunity. Let us strike now while we know we have the power and the votes. Let us correct the situation now.

I am ready for a vote at any time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. MCCLELLAN], which has been offered on behalf of himself and several other Senators.

Mr. HATCH. Mr. President, the Senator from Arkansas has just concluded a most earnest, strong, and sincere appeal for the correction of what he conceives to be an injustice in our tax laws. He has called upon the majority party in charge of the pending bill to correct that injustice and to write into the tax measure the amendment for which he has so earnestly pleaded. I am sure the majority party needs no assistance from me; but in the light of the manner in which the amendment has been suggested and the appeal which has been made, and coming, as I do, from a community-property State, I think I should state briefly some of the other considerations which are involved in this amendment.

I know full well, Mr. President, that neither the Senator from Arkansas nor any of the other Senators who have joined in this amendment desires to create any other discrimination whatsoever; and the Senator from Arkansas a moment ago, in reply to a question by the Senator from South Carolina [Mr. JOHNSTON] exhibited a very fine attitude when it was suggested, possibly as a threat to us who come from community-property States, that if the Senate could not agree to this amendment, then another amendment would be agreed to or a law passed which would take away from us the rights and privileges granted by the laws of our various States. The Senator from Arkansas very frankly said that he would oppose any such legislation as that. I appreciate the attitude of the Senator from Arkansas in that regard.

It is not my purpose at all to argue at this time the merits of this particular amendment, but I do want to suggest to the majority party that there is much more involved than merely agreeing to an amendment which would authorize husbands and wives to divide their incomes, regardless of the ownership of such incomes. That, after all, is exactly the proposition which is submitted here. I want to make it very distinct and very clear that there is no question of constitutionality involved. There is no question of uniformity of taxation under the Federal laws. The Federal laws are now uniform, and they have been uniform throughout the years. The levy of taxes in the State of New Mexico is exactly on the same principle which obtains in the State of Colorado or in the State of Arkansas.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. JOHNSON of Colorado. The Senator may be technically correct, so far as the law is concerned, but the Senator knows that the application of the law in the State of New Mexico is very different from its application in the State of Colorado. The Senator knows that to be so.

Mr. HATCH. I do not agree to that statement at all. I do not think the application of the law is any different.

The historic and basic principle of all taxation is ownership of property or ownership of income. That is the way it should be. That is the law at this time. It happens, however, that in the community-property States the income which husband and wife acquire by their joint efforts during marriage is owned equally by the husband and wife. It is not a fictitious ownership; it is an absolute ownership. Therefore the Federal Government applies a rule of taxation which is just the same in my State as it is in non-community-property States—that of ownership of income.

The amendment would change the historic and basic principle of ownership of income and would establish for the first time in the history of the country a new rule and principle for the levying of taxes. The rule which it lays down is not ownership of income at all. It does not make any difference as to the source from which it comes. Husband and wife can arbitrarily divide the income for the purposes of taxation. That is not all. It will create still further discriminations than those which now exist. To show the Senate something else which would happen, in my State the income which the husband acquires from his separate estate and property is his separate income. The income of the wife is her separate income. They account for it separately under the community-property law. Each pays a tax because each owns the income. Under this amendment that would be wiped out. They could lump their individual separate incomes in one pot, if I may use the expression, and divide it for income-tax purposes. That is only one of the effects which the adoption of this amendment would have.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield further?

Mr. HATCH. I yield.

Mr. JOHNSON of Colorado. The Senator is, of course, familiar with what is happening in many of the States which were not originally community-property States but which are now adopting such laws, such as Michigan, New York, and other States. In order to save their citizens from discrimination in the collection of taxes as between their States and community-property States, they are enacting laws covering the situation. Does the Senator think that Congress is justified in compelling those States, in order to avoid discrimination, to pass laws themselves on the subject, which may create controversial questions which do not exist in other States, and which would require legal decisions and even Supreme Court decisions? Does the Senator think that is the way for Congress to act in this matter?

Mr. HATCH. Mr. President, in answer to the Senator I will say that the Congress is not compelling any State to pass any law whatever. The ownership of property within a State is a matter for determination by the State itself.

Mr. JOHNSON of Colorado. If the Senator will yield further, the people of Colorado are being penalized to the extent of more than $7,000,000 a year. If that is not compulsion, I do not know what is compulsion.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. HATCH. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, I should like to read the Senator a paragraph from an article on community property issued by the Legislative Reference Service. I call my colleagues' attention to the fact that is one point that seems to be overlooked by some of those who come from the non-community-property States. They keep talking about the tax advantages, and so forth, accruing to the residents of the community-property States, but they completely lose sight of the fact that certain liabilities or disadvantages go with the community-property system. I quote from this memorandum:

> Balanced against this advantage are the following liabilities which the system entails for the husband. Should his marriage end in divorce, a distribution and division of the marital gains becomes necessary in a manner akin to the dissolution of a business partnership. If his wife predeceases him, he may likewise be compelled to liquidate his business assets in order to satisfy the claims of his wife's heirs and beneficiaries; and such liquidation may ruin him financially.

As I pointed out on the floor the other day, in my State of California, which is a community-property State, a husband and wife are considered partners, and that is a part of the system that was handed down to us from the Mexican law. The husband and wife are considered partners during their marriage, and the wife is considered as doing her job in the home and the husband as doing his job. But under the community-property principle, both of them are considered as contributing to the family partnership; and during the period of years, the earnings are jointly owned by the two partners to the marriage partnership. In the State of California, assuming that the husband and wife during their married life have accumulated an estate of $25,000 or $50,000 or $100,000. If the wife dies first she can will her community interest to anyone to whom she desires to leave it, or she can dispose of her property as she sees fit to dispose of it.

As the Senator will undoubtedly bring out during the course of his remarks, in 1942 there was enacted legislation which distinctly discriminates against the community-property States in the matter of inheritance taxes.

Mr. HATCH. As a matter of fact, in that situation the wife pays an inheritance tax upon property which is hers, and which she does not inherit.

Mr. MCCLELLAN. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. MCCLELLAN. Does not the Senator have an amendment to correct that

situation, which he is prepared to offer if my amendment is adopted?

Mr. KNOWLAND. I have an amendment which I intend to offer, but only in the event the Senator's amendment is adopted, because I believe that this tax situation has so many ramifications that it should be considered in all its aspects. We have the assurance of the able chairman of the Finance Committee of the Senate and also the chairman of the Ways and Means Committee of the House that they recognize the existence of some of these problems which have been so ably brought out by the Senator from Arkansas and others. We have their assurance that that matter will be taken up under the general tax revision legislation next year.

Mr. McCLELLAN. I hope my amendment will be adopted, and I hope the Senator from California will offer his amendment. I should like to have him correct the situation.

Mr. HATCH. Mr. President, I wish to say that I am entirely sympathetic with the attitude of the Senator from Arkansas relative to the problem he is trying to meet. However, I wish to point out another phase of the matter which has not been discussed, namely, what will happen, if this amendment is adopted, which does not now happen.

Suppose, for instance, in a community-property State there are a husband and wife who have recently married. Let us say that before the marriage the wife had an income of a million dollars, a year, as her separate property. Under existing laws, in a community-property State she pays taxes on that whole million dollars. But under this amendment that amount could arbitrarily be divided between the husband and wife, for taxation purposes, and the Government would lose that much money. That is one of the matters to which I am inviting attention.

The inheritance-tax law, which the Senator from California has already mentioned, is another law which discriminates against the community-property States. There are other burdens not related to taxation which attach to the community-property States and from which, if this amendment were adopted, all husbands and wives in non-community-property States would escape and be free. They would have all the benefits and all the advantages, and none of the corresponding burdens.

As I say, I am interested in the problem which confronts the non-community-property States, but I shall urge that this amendment be rejected now. I shall urge that the chairman of the Finance Committee of the Senate and the chairman of the Ways and Means Committee of the House consider all these problems, as they have promised to do, and submit to the Congress a bill which will be fair to the non-community-property States and fair to the community-property States. When that is done I shall be glad to support such a measure. I shall be sympathetic toward the claims of the non-community-property States, but I do not think this amendment touches the question; and I do know that if it alone is adopted and made a part of the law, in trying to relieve against discriminations in the non-community-property States, other discriminations will be raised against the community-property States, and I do not believe the Senate wishes to do that.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas for himself and other Senators.

AMENDMENT OF LABOR-RELATIONS LAW

Mr. HATCH. Mr. President, because I have been asked several questions, I shall digress for a moment, and shall discuss another subject. When the Taft-Hartley bill was before the Senate, I thought all of us knew it was not a perfect bill. The question of labor-management relations is too great, too involved, and too complex to be solved by one or even a series of legislative acts, if it is possible to solve those problems by legislation at all.

Nevertheless, many of us believed that notwithstanding those apparent defects, the Taft-Hartley bill contained much worth-while legislation, sufficient to require its passage. Even when the conference report was discussed on the floor and when one of the more objectionable features was plainly pointed out, the thought continued with some of us that corrections could be made by subsequent legislation and that it would be better to pass that measure and let it become the law, notwithstanding the defects. I myself was of that mind, but I made it plain that whenever an injustice or wrong appeared I would sponsor legislation to correct it.

Accordingly, last week I was glad to join with the Senator from Vermont [Mr. AIKEN] in submitting to the Taft-Hartley law an amendment which we believe will correct at least one wrong and error which was contained in the original act. The amendment we offer merely strikes out the word "expenditures" from what was first section 304 of the House bill, and was later incorporated into the legislation finally drawn up by the conferees representing the two houses. The bill which passed the Senate did not contain that provision. So far as the Senate is concerned, that provision appeared in the Senate only when the conference report was submitted to it.

By including the word "expenditures," it was sought to place expenditures on the same basis as contributions, and to apply both of those terms to both corporations and labor organizations. At first glance, that provision would seem to be a fair one; it would seem to be fair to place corporations and labor organizations upon the same basis. However, it is this provision including the word "expenditures" which caused considerable debate in the Senate, and it was claimed that the provision violates certain constitutional guaranties of freedom of speech and freedom of the press.

As I have said, there was some discussion of this provision at the time when the conference report was being considered, but it must be remembered that in the consideration of a conference report no opportunity for vote on separate provisions is given and the only vote possible is to either adopt or reject the conference report. Therefore, Senators never had an opportunity to express themselves on the inclusion of the word "expenditures" in the general restrictions against political contributions.

The amendment the Senator from Vermont and I have offered will give an opportunity to vote on the exact question and the precise issue. This is one of my reasons in offering the amendment. If at all possible, it should be reported by the committee and discussed and acted upon before the present session adjourns.

I am not discussing the constitutional aspect of the situation. Regardless of that, it appeared to me at the time the conference report was being discussed that including the word "expenditures" did unfairly discriminate against labor organizations. It was a defect, however, which I believed could be corrected by later legislation, and, therefore, I am glad to sponsor an amendment which will give the opportunity to make what I concede to be a needed correction.

At this time I shall not argue the proposition as to why including the word "expenditures" does unfairly discriminate against labor organizations, but inasmuch as I have said that at first glance it appears it would be fair to place labor organizations upon the same basis as corporations, it should be pointed out that prohibiting corporations from making expenditures is not quite the same as prohibiting expenditures by labor organizations. There is not an exact equality as between corporations generally and labor organizations. If it is desired to be fair and to place those who labor and their organizations upon an exact basis of equality, a broader term than "corporations" should be included. My own past investigations of political activities, especially as relates to contributions and also to expenditures, cause me to believe—I might use a much stronger word and say "to know"—that many of the excessive campaign contributions and expenditures are made by individuals. In fact, most of them are; they are not made by corporations. Yet those individuals derive much of their wealth, much of their ability to make contributions and expenditures, from the ownership of stock in corporations, and some of the individuals who make huge contributions are even large employers on their own account, but they are not affected.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. HATCH. I yield.

Mr. MORSE. The Senator realizes that very frequently contributions are made by corporations indirectly, in that officers of the corporation, being given very liberal expense accounts, are able to make the contributions out of the expense accounts, but, like the hidden

"raincoat" expense, they do not show in the expense account.

Mr. HATCH. I thank the Senator for his contribution. As a matter of fact, I not only agree with what he has said, but I think it can be demonstrated.

Mr. TAFT. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield to the Senator from Ohio.

Mr. TAFT. Did the Senator ever examine the expense accounts of labor leaders reported by the labor unions? In many cases they are a good deal larger than those of the corporation executives.

Mr. HATCH. I have not examined the expense accounts of labor leaders.

Mr. MORSE. I think an investigation will show one marked difference; there will not be any hidden "raincoats" in the expense accounts of the average labor leader; the expense accounts will show what the money was spent for. The labor leader in most well-run unions has to have his expense account approved by a floor vote of the union at the next convention. That check does not exist in the case of the business executive who makes hidden political campaign donations out of expense accounts.

Mr. HATCH. Mr. President, all this should conclusively prove my thought about the amendment. The provision to which I refer never should have been included in the bill. It is a matter about which there is much dispute, and much argument can be made on both sides. It is a measure relating to political activities, and it does not relate to the affairs of management and labor whatsoever. It should never have been considered by the Committee on Labor and Public Welfare. It should have gone in the first instance to the committee which properly considers the problems of political contributions and political activities.

Mr. LUCAS. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator knows that leaders of labor organizations throughout the country are paying no attention to this provision of the Taft-Hartley Act. In fact, they are advising their followers to openly violate it.

Mr. HATCH. I shall discuss that subject in a moment. I point out that when we consider contributions by the laboring man, the individual worker himself does not have the means, the money, to make excessive campaign contributions.

Mr. LUCAS. Has the Senator discussed, in his able argument, whether or not he believes this particular phase of the Taft-Hartley law as passed is constitutional?

Mr. HATCH. I am coming to that in a moment.

With some reason, it is rather strenuously argued in various circles that to deny the labor organizations the right to make campaign expenditures does, in actual effect, deny the laboring people the means and weapons so effectively used in campaigns by the employer, acting individually or through other legitimate sources. On the other hand, it is argued that this prohibition is for the protection of the laboring man, himself, to safeguard the individual union member against misuse of funds for political purposes, to which he, the individual member, would not subscribe.

Whatever may be the correct view, the contentions raised on both sides are so serious, they ought to be fully examined and explored by appropriate committees of the Congress, and a fair determination of the matter made in a bill which has had full consideration by the proper committee upon the exact issue. Such a provision should never have been included in a bill relating to labor-management relations.

I have not discussed the constitutional features of the question—and I see the Senator from Illinois has been compelled to leave the Chamber—but the contention has been made that this particular provision is a violation of the constitutional guaranty of free speech and of a free press. Whether that is true or not is a question which certainly should be explored and determined by the Congress before it is made the permanent law of the land.

It has been my opinion, long adhered to, that Congress should never enact legislation which even approaches a violation of free speech or of the freedom of the press. These freedoms are so essential, there should never be any question as to whether they have been violated. If any doubt arises in any measure pending before the Congress, that doubt should be resolved against the proposal and in favor of complete freedom of press and freedom of speech.

The Senator from Illinois stated just now that certain labor leaders are planning a deliberate violation of this particular provision of the Taft-Hartley law in order that a test in the courts can be made. I think it is wrong for the Congress to enact legislation which would invite a test in the courts of these freedoms.

Mr. AIKEN. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield to the Senator from Vermont.

Mr. AIKEN. I think it is entirely possible that the labor leaders may be inviting a test which they feel they are almost certain to win, because there is not the slightest shadow of a doubt that this rider on the labor bill, which was adopted in the conference committee, is a direct violation of the right of free speech and the right of a free press.

I wish to join the Senator from New Mexico at this time in urging that action be taken to correct, at the earliest possible date, this bit of foolish legislation on the part of Congress. I understand that if interpreted literally, as a law should be interpreted, most of the newspapers of the country would be violating the law if they commented on political issues during political campaigns. Certainly there are many organizations, some on one side of an issue and some on another, which are incorporated, which would be strictly prohibited from spending a single penny to distribute voting records of Members of Congress, or even commenting on issues in a political campaign.

This rider on the labor bill is, in my opinion, about the most foolish bit of legislation which has been accepted and adopted by the Congress at this session. It simply cannot work. It will force those who now take part in political campaigns openly to work through subterfuges, to change their methods, to do in an underhanded way what up to now they have been able to do openly. I think it is the duty of the Congress to correct at the earliest possible date this gross violation of the constitutional rights of the American people.

Certainly, as the Senator from New Mexico has said, everyone has the right to express himself freely as to candidates or issues entering into our political campaigns. I think Senators have a duty that should be discharged without delay.

Mr. HATCH. Mr. President, I do not desire to delay the Senate; but I wanted to bring this question to the attention of Senators and to urge immediate action. It is argued that there is no necessity for considering it now, because the law relates only to Federal elections, and therefore action may well be deferred until the next session. There is always the possibility of a special congressional election. I think one is approaching soon in the State of Maryland, and the law, if constitutional, is applicable in that instance. But even supposing there were no special elections, why not repeal the provision now? No harm could be done by repealing it. No harm could be done by removing the doubt which exists today in the minds of so many people. If there be a doubt as to whether the freedom of the press or the freedom of speech is being infringed, the matter is one that should cause immediate concern. I am not arguing that the provision is constitutional or unconstitutional. The only thing I am asking is that the appropriate congressional committee take the amendment, report it to the Senate, and let Senators express themselves by their votes on the precise question. I urge the committee to take that action.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MORSE. I want to say to the Senator from New Mexico that I wish to commend him for the position which he has taken on the Taft-Hartley bill, and in regard to this particular amendment.

Mr. HATCH. I am sure the Senator restricts his commendation to what I have said on this particular amendment.

Mr. MORSE. I am about to do that by this sentence. I think it is commendable of the Senator. I am glad to hear him and the Senator from Vermont [Mr. AIKEN] support the amendment, because the points the Senator is now making were all made before a vote was taken on the bill. I think it would be much more beneficial if the Senator from New Mexico would join with us who have already offered a bill to repeal the entire act.

Mr. HATCH. Mr. President, in reply to what the Senator from Oregon has said, I made it clear in the beginning that at the time this particular question was discussed I was greatly disturbed about it. I decided that the best procedure would be to pass the bill and

later correct its defects. I am still of that opinion. I am still of the opinion I entertained when I voted for the Taft-Hartley bill. I am not receding from or changing my position, but I do think this is a matter which ought to be corrected.

ALLOCATION OF TAXES BETWEEN FEDERAL AND STATE LEVELS OF GOVERNMENT

Mr. MARTIN. Mr. President, in his discussion of the pending tax bill the distinguished Senator from Oregon [Mr. MORSE] suggested a study of an allocation of taxes between the Federal and State levels of government.

The overlapping and duplication of government in the United States is not only confusing to the citizen but extremely costly.

Upon request of the governors' conference a committee of three from the Ways and Means Committee and a committee of three from the Senate Finance Committee were appointed to confer with a committee of six governors to plan allocation of sources of revenue to the States and the Federal Government.

That meeting was to have been held this afternoon in Salt Lake City, but owing to the importance of the legislation now pending it was, of course, improper for the Members of Congress to leave their duties here. I was honored by being appointed from the Finance Committee.

I feel that the simplification of our government procedures is one of the paramount duties of the three levels of government at the present time. With that in mind I prepared a statement setting forth some of my thoughts on this subject to be presented at the conference in Salt Lake City this afternoon. Without taking the time of the Senate to read it I now ask unanimous consent to have this statement here inserted in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In seeking to analyze the tug-of-war for position, power and authority between Washington and the several States, the man who has served both as governor and as United States Senator is in a particularly advantageous position.

I have been fortunate enough to have had a place on both sides of that contest. This advantage has brought me a greater tolerance and a better understanding of why Congress frequently reaches out and arrogates to itself control of functions which have belonged to the States for a century and a half.

But it has likewise brought confirmation of the position I held so strongly when I served my State as governor—that when the Founding Fathers limited the powers of the Federal Government to those specifically delegated to it by the Constitution, they wisely omitted any provision under which the National Government could take away those rights reserved to the States or to the people.

On the contrary, the States were then, and are now, the keystone in our arch of freedom. They are the strong wall of defense set up against the centralization of power in a total national government.

In recent years, there have been cracks in that defense. A great bureaucracy has been undermining the wall and threatening its destruction. The present Congress is patching the structure, but it needs help from the States and their governors to do more than a jerry-built job.

Let us now consider briefly why this help is needed and let me point out one of the reasons why Congress is reluctant to surrender some of the powers which have come under control of the Federal Government.

On the one hand, the States and their local subdivisions demand a return of portions of their sovereignty which have been wrested from them in recent years. On the other hand, these same States and local subdivisions exert pressure upon the Government for continued and increasing fiscal aid.

Every department of the Federal Government is now larger than it was before the war, and still the demand comes from individuals and from States and their subdivisions for the continuance of all the services they have enjoyed, and that some new ones be instituted. In 14 years, $43,000,000,000 of subsidies and grants have been made to States, local governments, corporations, and individuals.

Washington is now spending at the rate of almost $40,000,000,000 per year. In the last prewar year it was less than $9,000,000,000. In 1930, it was less than $4,000,000,000.

There seems to be a mistaken idea somewhere that the Federal Government has an exhaustible source of revenue, a fountain of gold that will never run dry. The notion seems to be that Government money is something unique, that it does not come out of the same pockets as State money, or municipal money, or private money.

I realize that the States' cost of doing business has also gone up, just as have the costs of the counties, the townships, the municipalities, and the school systems.

Figures showing the soaring costs of government and the division of those costs among the three levels of government offer opportunities for fascinating study.

For instance, in 1913, when the total cost of all government was $2,656,000,000, 26 percent of the total was expended by the Federal Government, 14 percent by the States, and 60 percent represented the cost of local government.

Ten years later, in 1923, the picture had changed considerably. The total cost had risen to $8,284,000,000. Local governments' share of the cost had dropped to 49 percent of the total, the States's percentage was unchanged at 14, while the Federal percentage had advanced to 37.

In 1940, with the total cost of government reaching $17,918,000,000, there was a further rise in the Federal share to 49 percent. The State government portion of the total had advanced to 19 percent, while the percentage of local government expenditures had dropped once more to 33 percent.

If there were no other reason than the one I have mentioned—the belief that Uncle Sam has a private pipe line to Midas—I should still advocate returning to the States as much as possible of their former powers and responsibilities. Because, you see, people don't have the same idea about the States, the counties, and the cities.

They know, as night follows day, that they must pay out of their pockets for what Philadelphia, or Chicago, or Salt Lake City, or Green County, or Wayne township, or California spends.

Of course I am not advocating a return to 1790 or 1850. We cannot turn back to the division of responsibility and authority which existed then; our method of living has changed and our system has grown more complex. We must fit ourselves within the modern framework.

But between the sky of spending unlimited by Uncle Sam, and the sea of absolute minimum Federal expenditures, there is a horizon—a point of balance. In the past decade and a half, this horizon seemed to be located north of the sun, the moon, and the stars. It has been as unstable as the cow that jumped over the moon, and just as high and giddy.

I propose that we do something about this. Let us join forces to find out where the horizon belongs. One way to help would be to bottle up those who approach Uncle Sam with their hands outstretched and the words, "give us a hand-out" on their lips.

I would like to recommend for your consideration the suggestion that there should be frequent meetings of the representatives of the three levels of government. The leaders of Congress should meet with representative leaders of State and local legislative bodies, to work out proper division of labor and responsibility. I realize, of course, that such a meeting would have no authority. It would be advisory.

But there are some things it could do. It could clear away a great deal of conflict and misunderstanding. It could help educate the people. It could drain from their systems the poison that makes so many turn to Washington morning, noon, and night for everything they want. It could take some of our people by the scruff of their necks and shake them back into their self-reliance which made our country great.

Such meetings could help simplify governmental functions and suggest allocation to each of the three levels the taxes needed to pay for such functions.

I would like to see a sharp redefinition of the traditional fundamental duties.

Local government is closest to the people. Its functions could well consist of care of the indigent, control of public schools, local police power, elections and local courts.

The State government could well have the duties of conservation, health, higher education, mental hospitals, stream pollution, flood control, and through-road systems.

The Federal Government, of course, has the great duty of national defense, care of veterans, currency, foreign affairs, rivers and harbors, and interstate relations, where necessary. Where State lines are crossed, the Federal Government must step in as arbitrator. For example, West Virginia and Pennsylvania pollute the Monongahela River, to the detriment of the States along the Ohio and Mississippi Rivers. Ohio, Pennsylvania, and West Virginia pollute the Ohio River in its upper reaches—again to the damage of States lower down. If, upon reasonable notice, the offending States will not desist, the Federal Government should step in and force that necessary duty.

A start toward a redefinition of duties should be made without delay. It is easier not to start something than to relinquish it after the start has been made. Congress is under steady and relentless pressure from groups back home to spend more on some functions and to commence others. Once needless things get into a Federal budget, it seems to take atomic power to blast them out. The way to prevent such things is never to start them.

Our Federal Government is in bad fiscal shape. It has a $258,000,000,000 debt. Despite strenuous efforts by Congress, the 1948 fiscal year may cost close to $40,000,000,000 when the deficiency appropriations come in next spring—unless there is legislation to halt reckless spending in excess of authorizations.

Those figures can prove tragic if the National income falls off as little as 5 or 6 percent.

And this one thing I know, if the Federal Government goes down, all goes down. The States would go down even if they are well managed. Therefore, I urge again that the States step forward to reclaim their rights and responsibilities, and even though there be a tight squeeze that the State and local units refrain from seeking more financial help from Washington.

America is the last remaining hope of a free world. We cannot make the weak strong by making the strong weak. We cannot be

an influence for good in the world by destroying our own financial structure. If we fail—civilization may not have another chance for a hundred years.

NOMINATION OF PHILIP B. PERLMAN—MOTION TO DISCHARGE COMMITTEE

Mr. TYDINGS. Mr. President, I ask unanimous consent, as in executive session, to submit a resolution to discharge the Committee on the Judiciary from further consideration of the nomination of Philip B. Perlman to be Solicitor General of the United States.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Maryland?

Mr. MILLIKIN. Mr. President, reserving the right to object, I should like to inquire what, if any, interference to the pending bill his request would cause.

Mr. TYDINGS. None at all.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REVERCOMB. Is it the intention that the resolution shall be taken up immediately for a vote?

Mr. TYDINGS. No; it will lie on the table.

Mr. REVERCOMB. Very well.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LANGER. I should like to make it clear that the junior Senator from Michigan [Mr. FERGUSON], chairman of the subcommittee——

Mr. TYDINGS. I am coming to that.

Mr. LANGER. Announced this morning that hearings would be held this afternoon.

Mr. TYDINGS. I want to make a brief explanation.

Mr. LANGER. We are going to vote on the nomination anyway within 2 or 3 days.

Mr. TYDINGS. That is correct.

There being no objection, the resolution (S. Ex. Res. 53), submitted by Mr. TYDINGS was received, as in executive session and ordered to lie over 1 day under the rule, as follows:

Resolved, That the Committee on the Judiciary is hereby discharged from the further consideration of the nomination of Philip B. Perlman to be Solicitor General of the United States.

Mr. TYDINGS. Mr. President, I should like it clearly understood that in submitting the resolution to discharge the committee, I am doing it only as a precaution. If the Senate were to adjourn in the next 2 weeks and the hearings were not terminated, I might have difficulty, as a result of postponing action until too close to the end of the session, in obtaining effective and decisive Senate action on it. For that reason I have submitted the resolution simply as a precautionary measure.

I am advised that, as brought out by the able Senator from North Dakota, the Senate Judiciary Committee was advised this morning by the junior Senator from Michigan that he contemplated closing hearings on the Perlman nomination tonight, and it was implied that within a very short while thereafter it would be presented to the Committee on the Judiciary for action. With that prospect there is every probability the nomination will be reported to the Senate prior to the adjournment of Congress.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LANGER. I might say the distinguished chairman of the Committee on the Judiciary, the Senator from Wisconson [Mr. WILEY], announced a special meeting of the committee this week, at which time the nomination will be considered.

Mr. TYDINGS. That was my advice. I thank the Senator. I wish to repeat, sometimes we make plans which do not always succeed. I have taken this precaution only in the event there should be a disarrangement of the contemplated plan by the subcommittee and by the able chairman of the Committee on the Judiciary to dispose of the matter from a committee standpoint within the next few days, certainly, at the outside. In the event the resolution were not entered now, a situation might arise which would preclude my offering it later. I have taken this step only as a matter of precaution. I am perfectly willing to wait until the committee—tonight, I hope—finishes its hearings, with the understanding that the full committee will be called to consider the nomination when the subcommittee concludes. I do not wish to comment on the merits of the case now, but I felt there was no other course left, with 2 weeks remaining of the session, if the Senate proceeds according to the schedule already agreed to, except to suggest such procedure as would imply that the Senator from Maryland, in justice to the nominee, would take action accordingly.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

COMMITTEE CONSIDERATION OF POSTMASTER NOMINATIONS

Mr. LANGER. Mr. President, since both the Senator from Maryland and the Senator from Illinois are on the floor, I wish to advise, in connection with the special resolutions submitted to discharge the Committee on Civil Service from the further consideration of nominations of postmasters, that by next Tuesday each one of those appointments will have been considered.

Mr. TYDINGS. May I reply to the Senator from South Dakota that since our last discussion on the floor the Senator from Maryland had reached the conclusion that the Senator from North Dakota was going to deal with these matters in due time and before the session is over, and he had no desire to press the matter. If the Senator had been present when the resolutions were originally submitted, probably a great deal of this controversy would never have taken place.

Mr. LUCAS. Mr. President, I merely want to associate myself with the Senator from Maryland in extending sincere thanks to the Senator from North Dakota for the very tolerant attitude he has taken in connection with the nominations of postmasters. I sincerely hope they will all be considered before adjournment, and that all of them will be reported favorably by the distinguished Senator, because there are still a great many veterans who are languishing by the wayside as the result of delays that have occurred. I appreciate the Senator's position, and I want to thank him for the remarks he has made.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. REVERCOMB. Mr. President, I am glad to rise in support of the amendment offered by the able Senator from Arkansas [Mr. MCCLELLAN] on behalf of himself and other Senators, which is the pending question. My name, with those of other Senators, appears as one of the sponsors of the amendment, and I wish to say that it is entirely in keeping with the position I have taken upon the subject of tax reduction ever since that question has been raised in the Congress.

Earlier this year I introduced in the Senate a bill to relieve the people of my State of West Virginia from the discrimination against them which has existed over a period of years in favor of what were formerly 8 States of the Union and now are 13 States. That discrimination has yearly cost the people of my State the sum of $5,355,000. Since I have heretofore asked that my own people be relieved of the discrimination, it was but natural that I should join with others in demanding that the people of all the States receive the same treatment, that there be real equality, and, I may say, equity done in the matter of income-tax levies and collections.

Moreover, it is in keeping with my view, which I have expressed in this forum and at other places, that where relief is to be given from the great burden of taxes upon our people very high consideration should be accorded those who have families to support. The pending amendment, Mr. President, reaches out to that end. It provides that the income earned by husband or wife may be divided equally between them, as is done in 13 States, and only 13 States, today. In that way, of course, family taxes will be lessened. The family will have more with which to pay for the needed commodities it must purchase. It will have more for the support of those who are dependents. There is no measure which has a more equitable and just appeal than the amendment which is now before the Senate to be voted upon.

Mr. President, the subject has been very thoroughly and ably discussed in the Senate, and I shall not take the time of the Senate in the closing days of the session to repeat or to elaborate upon the arguments which have been made. But I appeal to my colleagues, as a matter of reason, as a matter of right, as a matter of justice and equity, to adopt the amendment and to make it a part of the law in the great program of reducing the taxes laid upon the American people, a reduction which is sorely needed.

Mr. FULBRIGHT. Mr. President, I do not intend to take very much of the time of the Senate, but there are one or two observations I desire to make in support of the pending amendment. I, like the Senator from West Virginia [Mr. REVERCOMB], want to compliment the senior

Senator from Arkansas for the able way in which he has presented his arguments in favor of the amendment, and I do not propose to go over them.

I simply wish to emphasize two points, which have already been alluded to. One is that the adoption of the community-property laws in some of the States recently, especially Oklahoma, Pennsylvania, and Michigan was, by reason of the development of the progressive rate in income taxation, purely for the purpose of alleviating the tax burdens of the citizens of those States.

I wish to read one paragraph from a statement by Stanley S. Surrey, of the United States Treasury Department. It is reported in the Tax magazine, volume 24, No. 10, at page 982, in the issue of October 1946, under the heading "Family income and Federal taxation." I read as follows:

> Finally, we must not forget that Oklahoma was motivated entirely by the tax factor. Formerly, it could be solemnly stated that the community system was an aspect of State policy respecting property holding and the material relationship adopted long ago without an eye to taxes. In short, it was at least respectable, and tax avoidance existed not in its origin but in its result. The community system would in this respect claim some kinship with joint tenancy or tenancy by the entirety, which in other States could also work wonders in splitting family income from property. But Oklahoma has stripped the community system of this moral cloak and brought it to the level of other tax avoidance schemes. The Oklahoma statute is purely tax motivated—the community system commends itself to the State only because of the Federal income-tax dollars it saves for its citizens.

While that article was written last October, I believe the same thing could be said of the action of the States which have recently adopted the same principle, that is Pennsylvania, Michigan, and Nebraska. So I do not think the whole question is properly discussed from the point of view of the family relationship, and so forth, as some of the opponents have contended, particularly opponents from community-property States. From our point of view the proposal now before the Senate is not a tax-reduction scheme. While it involves tax reduction in some instances, it is purely a tax-equalization measure. In other words, its purpose is to remove the inequities of the existing system.

One other point I wish to emphasize is that the amendment bears particularly upon people who derive their income from earnings, that is, salaried people, as opposed to persons whose income is derived from investments.

There is one short statement I wish to read from the June 27, 1947, issued of the United States News in the division called Finance Week, under the heading "New support for tax splitting." I read as follows:

> Where his money comes from may be another factor. People with investment income sometimes can divide that income among members of the family through gifts of income-producing property, through family partnerships, family trusts, and other devices. Except in community-property States, where income splitting is automatic, this privilege is denied to salaried people.
>
> How investments are divided among members of the family might determine the amount of a family's tax. The Treasury points out that, because of family relationships and the nature of their investments, some families living on investment income cannot make use of tax-saving devices such as partnerships and trusts, while others effect big savings through such devices.
>
> Income splitting, as the Treasury study shows, would help to eliminate all of these forms of tax-discrimination.
>
> Residence in community-property States no longer would offer any tax advantage, because married couples in all States would be on the same tax basis.
>
> Salaried people would get, by law, about the same income-splitting privilege that people with investment income now get through family trusts, partnerships, and other tax-saving devices.
>
> All families with investment income would be put on more nearly the same footing, so far as taxes are concerned. In many cases, the incentive to divide income-producing property through trusts, gifts, and partnerships would disappear.

One of the arguments advanced in favor of the tax bill itself is that it will afford an incentive to those who devote their energies to various industries—I take it primarily salaried people. The benefit from the amendment offered by the senior Senator from Arkansas and other Senators would accrue primarily and particularly to those very salaried people, as opposed to those who derive their income from investments.

Mr. President, I do not wish to go further in repeating the arguments. I sincerely hope that the Senate will give serious consideration to this amendment and approve it.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

The PRESIDENT pro tempore. Ninety-two Senators have answered to their names. A quorum is present.

The question is on the amendment submitted by the Senator from Arkansas [Mr. MCCLELLAN] on behalf of himself and other Senators. On the amendment the yeas and nays have been ordered.

Mr. MILLIKIN. Mr. President, so that we may have a more exact understanding of the problem which we are asked to solve on the Senate floor, I wish to make a very brief review of the community-property situation in the States which have community-property laws.

The community-property system rests on the theory that marriage is a partnership between husband and wife; that the wife is an equal contributor with the husband in the production of income, whether she works or does not work. In a series of decisions of the Supreme Court of the United States it is well settled that the community property is possessed by the husband and wife by halves, and that the wife's interest in the community property is in all respects equal to that of her husband. Accordingly, in the States having the community-property system the community income is equally divisible between husband and wife and taxable to them at their election in separate income-tax returns.

There is a misapprehension that the community-property system was adopted as a method of tax avoidance.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. The statement has just been made that that was the purpose of it in Oklahoma. I did not refer to the States originally having the community-property system, but in regard to States which have recently adopted it I think it is very clear that that is the motive. I think the same statement applies in the case of Pennsylvania, Michigan, and Nebraska.

Mr. MILLIKIN. If the distinguished Senator will "hold his horses" for a minute, I shall make the very distinction to which he alludes.

The community-property system which prevails in 13 States was recognized prior to the sixteenth amendment to the Constitution. It is based upon Spanish and civil laws which were enacted into statute and/or constitutions of those States before income taxes were a consideration.

The distinguished senior Senator from Louisiana [Mr. OVERTON] has told me, as I recall it, that the community-property system originated in Spain in the year 700 A. D.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. OVERTON. I stated that it originated in the seventh century.

Mr. MILLIKIN. I thank the Senator. The States of Oklahoma, Oregon, the Territory of Hawaii, Michigan, and Pennsylvania, are late comers to the system. I would not for a moment pretend that the rather recent adoption of the community-property system by one or more of the later States is entirely free of tax-avoidance implications. What I am driving at, as I said before, is to illustrate the complexities of the problems which we are asked to solve on the Senate floor; and that, I believe, requires rather exact knowledge of what is involved so far as the community-property States are concerned.

Let me give the Senate a few examples of the system in action in a few of the States. Let us first consider Arizona.

In 1863 Arizona became a separate Territory, and 2 years later a law was enacted which definitely recognized the community-property system in that Territory. The system has continued under the laws of that State since that time.

Let me invite the attention of the Senate especially to what community property consists of in Arizona, because, generally speaking, the same pattern is followed in all the other community-property States. When there has been a deviation for a pure tax-avoidance purpose, without accepting the blessings or the handicaps of the philosophy of the system, as one may wish to view them, the Supreme Court has declared the effort ineffectual, so far as avoidance of Federal taxes is concerned.

Community property in Arizona consists of all property acquired by either husband or wife during marriage, except that which is acquired by gift, devise, or descent, or earned by the wife or her minor children in her custody while she has lived or may live separate and apart from her husband.

The Supreme Court of the United States in the test case of *Goodell* v. *Koch* (282 U. S. 118 (1930)) held that the wife in Arizona—and, roughly speaking, this is what the spouses have by way of property interest in income in all of the community-property States—has a vested present and subsisting interest in the community property and the right to file a separate tax return of one-half of the income arising therefrom. In general community income in Arizona consists of earnings of the husband or wife and the income from community property. However, the earnings of a wife and of her minor children in her custody while she is living or may live separate and apart from her husband is deemed to be the separate income of the wife.

The last-mentioned provision appears in the statutes of a number of community-property States.

Take the State of California. The California community-property system was originally incorporated in its constitution in 1849 by defining the separate property of the wife. In the early case of *United States* v. *Robbins* (269 U. S. 315), decided in 1925, the Supreme Court of the United States held that the wife, in California, did not possess a present subsisting right in one-half of the community property, but only an expectancy interest of survivorship.

Let us see what happened. It was accordingly held in the case mentioned that the income from such property was taxable to the husband as the administrative head and owner in enjoyment of the property. Thereafter the California law was amended. The pertinent provision is as follows:

> The respective interests of the husband and wife in community property during continuance of the marriage relation are present, existing, and equal interests under the management and control of the husband as is provided in section 172 and 172a of the Civil Code. This section shall be construed as defining the respective interests and rights of husband and wife in community property.

In a subsequent income-tax case the Supreme Court ruled, in the case of *United States* v. *Malcolm* (282 U. S. 792), that the California amendment gives the wife in that State an equal present and vested interest in community property with her husband.

The glib assertion is sometimes made that this present and vested interest is only a theory in the community-property States; that the spouse who has the money owns it in fact and controls it and does as he or she pleases with it. If any of my colleagues are under that delusion, all that needs to be done to correct it is to look at the newspapers in community-property States when there is a divorce or a death.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HAWKES. What the Senator is saying in regard to California is absolutely correct. I am somewhat informed on the subject. Many loose statements have been made to the effect that these laws are merely for effect, but the truth of the matter is that the community-property laws of California definitely give a vested right in the property, as the Senator has stated. In order to avoid such vested right in community property between the husband and the wife the husband and the wife can enter into an agreement not to live under that California rule. In that event the vested right in the property remains where they agree it shall remain, but I wish to call attention to the fact that when they enter into such an agreement, they can no longer avail themselves of the special taxation privilege which we are discussing.

Mr. President, if the Senator will permit me to say a further word, because I do not wish to consume much time now in discussing this tax question, let me say that I think the people of the United States want some tax reduction now. I think the people of the United States who want to pay their national debt want tax reductions so they can keep the industrial machine going and can produce the profits from which come the taxes with which the debt will be paid. I am as deeply interested in paying the national debt as any other American citizen can be, but I would not promise to attempt to pay it at a rate more rapid than we can maintain under normal procedures.

I am deeply interested in correcting the inequity and injustice between the States, which comes from some States having community-property laws and others not having such laws, but I should like to do it in such a way that it will be done correctly, and stand the test of the Supreme Court. A few moments ago I heard the Senator from Vermont [Mr. AIKEN] talk about the labor legislation recently enacted and about the precipitate action which he suggests we should now try to undo. I think one of the problems before the Senate, and one of the mistakes which we wish to try to avoid in the future, is the hasty enactment of legislation which subsequently takes years to correct. I wish to point out particularly that when husband and wife in California agree not to live under the community-property rights law, they do not have the advantage of the proposed Federal provision which gives the privilege of dividing income for Federal tax purposes.

Mr. MILLIKIN. Mr. President, I appreciate the Senator's contribution.

Now let us consider Idaho. Idaho adopted the community-property law while she was a Territory. The Idaho code covers the property status of the spouses. It provides, briefly, that all property of the wife owned by her before marriage, and that which is acquired afterward by gift, bequest, devise, or descent, or that which she acquires with the proceeds of her separate property, shall remain her sole and separate property, to the same extent and with the same effect as that of the husband similarly acquired. With respect to the husband, it provides that all property owned by him before marriage and that acquired by gift, bequest, devise, or descent after marriage, is his separate property.

All other property acquired after the marriage by either husband or wife, including the rents and profits of the separate property of the husband and wife—and that provision is a considerable departure—is held to be the community property. In Idaho a case arose, and went to the supreme court of that State, in which it was held that the wife's interest in the community property is a present and vested interest moiety.

In Louisiana, the Territorial Legislature of Orleans, which in 1812 was admitted to the Union as Louisiana, as early as 1807, recognizing that the ancient Spanish laws, secured to them by the act of Congress of March 26, 1804, needed to be made more available, ordered a digest of the laws to be made. The digest was adopted March 31, 1808. It was superseded by the Louisiana Civil Code of 1825. The community-property system in Louisiana therefore antedates 1807, and has consistently been the law of that State up to the present time.

A case arose from that State, and went to the Supreme Court of the United States; and in that test case of *Bender* v. *Pfaff* (282 U. S. 127, in 1930), the Court held that the wife's interest in the marital community in Louisiana was a present, vested interest of one-half, and that she could file a separate tax return covering one-half of the community property.

That same pattern of law has long existed in Nevada, since Nevada was a Territory, and with roughly the same legal effects.

The same situation has existed in New Mexico since New Mexico was a Territory, and with roughly the same legal effects.

The community-property law of Oklahoma originally was made effective July 29, 1939. It was the first State to provide the elective features for the spouses, whereby they could elect to be governed in their property relations by that State's community-property law. The law as originally passed was refused recognition by the Bureau of Internal Revenue. Subsequently, the United States Supreme Court held, in the test case of *Commissioner* v. *Harmon* (323 U. S. 44), that the

Oklahoma act of 1939 was ineffective for Federal income-tax purposes. In other words, that act did not really separate the ownership of the community property.

Thereafter, and on April 28, 1945, the Oklahoma Legislature repealed the 1939 act, and adopted a new community property law which contains no elective features, and which has met the tests, including the test of the United States Supreme Court in the case of *Commissioner* v. *Harmon* (323 U. S. 44).

Texas also has had a community-property system since it was Spanish territory, and later while it was Mexican territory, and later while it was a republic, and ever since it has been a State of the Union; and in Texas the legal incidence of their system is much the same as that which I have mentioned as characterizing the other systems. The Supreme Court of the United States has examined the Texas system; and in the case of *Hopkins* v. *Bacon* (282 U. S. 122), the Supreme Court found that the wife in Texas has a present vested interest in the community property of one-half, and equal to that of her husband. Accordingly, it was held that husband and wife domiciled in Texas may, in rendering separate income-tax returns, each report one-half of the community income.

The same situation exists in the State of Washington, the Territory of Hawaii, and in the State of Oregon. As I have stated before, Pennsylvania, Michigan, and Nebraska now have community property laws.

I do not mention this fact, or the facts which have been discussed, to negative the proposition that there is a strong cry to authorize the splitting of income all over the United States. The theory for that is that there is an equality and a real division in the consumption of the income, as distinguished from its ownership. The demand is so strong that I am inclined to believe, indeed I feel practically certain, that we will have a readjustment for Federal income tax purposes so that there may be Nation-wide splitting of incomes between the spouses. But the matter is related to gift taxes and estate taxes and trusts, and the benefits which the noncommunity States would receive under such a system will leave certain residual problems in the community-property States, which will have to be ironed out, and this cannot be done on the floor of the Senate.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. As I understand the position of the Senator now, that will be done next year?

Mr. MILLIKIN. The senior Senator from Virginia [Mr. BYRD] has the written assurance of the chairman of the House Committee on Ways and Means that provisions rectifying injustices in the Federal tax treatment of family income will be included in the next revision bill, and I understand that before the chairman of the committee wrote that letter he received the authority to do so from the House Ways and Means Committee.

Mr. LUCAS. If the pending tax bill should be sustained over the President's veto, the Senate, according to the Senator's statement in the newspaper this morning, will have before it the same kind of a tax bill next session. If this is true, may I inquire of the Senator from Colorado if it is his opinion that we will also have this community-property-tax amendment attached to it.

Mr. MILLIKIN. My own thought in regard to that is that the bill for a general revision will come later in the next session, and that the income-tax-reduction bill, if the pending one shall be vetoed, will come early in any session of Congress between now and the next one, or in the next one.

Mr. LUCAS. The Senator takes the position then that, under any circumstances, we are going to have two tax bills in the next year before the Congress of the United States; that is to say, we are going to have the pending tax bill reintroduced, and then we are going to have a general revision of the tax structure, including the community-property tax, which will cost the taxpayers at least another two or three or four billion dollars.

Mr. MILLIKIN. I do not concede we are going to have two bills in the next session, because I do not concede that the veto will be sustained, but assuming the veto shall be sustained, and assuming there will be no special session, I believe we will have two bills in the next session. I believe we will have an income-tax-reduction bill offered promptly at the beginning of the next session of Congress, and thereafter we will have a general revision bill.

Mr. LUCAS. It is very interesting, to say the least, to know that the majority now are planning that, in case the veto of the pending bill shall be sustained, there will be two tax bills in the national election year of 1948.

Mr. McCLELLAN. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. I think it is quite interesting to know the position the able Senator has taken—and I assume he is speaking for the majority party—that we will never get tax reform unless we pass a tax-reduction bill, and then we will get the revision or reform feature. I understand the majority party are keeping tax reduction in front of tax revision and the elimination of discrimination.

Mr. MILLIKIN. I think there is somewhat of a distinction. The pending bill has been canvassed in the Congress, hearings have been held on it, and it is essentially a very simple piece of legislation. Therefore we are ready to move on it now, we will be ready to move on it in a special session, if there is one, and we will be ready to move on it in the next session if a veto shall be sustained.

Mr. McCLELLAN. Will the Senator yield for a brief observation?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. The Senator in his remarks thus far has referred to trying to legislate on this matter on the floor of the Senate. The Senate Committee on Finance was given an opportunity to consider the amendment when the original bill was before it. I appeared before the committee and presented the amendment, and the committee had opportunity then to go into its ramifications, if and, and draft a proper amendment if this one was not adequate, or if there was some objection to its form. I merely want to keep the record straight that the amendment was presented, not the last time the committee was considering the bill, but when it had the original bill before it, because according to my information no hearings were held on the bill now pending.

Mr. MILLIKIN. I should like to keep the record straight, that the majority of the Senate Committee on Finance has felt that this is a subject which is properly within the purview of a general revision statute, and is not properly a part of an income tax reduction statute. The House Committee on Ways and Means has commenced its studies in connection with the general revision bill. It has already had witnesses before it on the community property amendment. The distinguished Senator from Arkansas has himself appeared before the committee in behalf of an amendment of this kind. This is related to 20 or more other group inequities which have to be considered together, and which are being so considered. We intend to correct special group inequities in a general revision bill, which will be in the next session of Congress.

Mr. WHERRY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. WHERRY. I am very much interested in the pending community-property amendment. Since the last tax-reduction bill was considered, my State of Nebraska has passed a community-property statute. If I understand the colloquy between the Senator from Colorado and the Senator from Arkansas correctly, at the beginning of the second session of the Eightieth Congress there will be a tax-reduction bill.

Mr. MILLIKIN. There will be a tax-revision bill during the next session of the Congress.

Mr. WHERRY. That is not predicated on whether the Senate passes a tax-reduction bill at this time or in a special session, or even if we are to wait until 1948. Is that correct?

Mr. MILLIKIN. The Senator's impression coincides entirely with the assurances which I have received from the chairman of the House Committee on Ways and Means, which is the initiating committee in these matters. It coincides entirely with my own view, and I believe with the views of the majority of the Senate Committee on Finance.

Mr. President, we have heard the roll of State benefits under the proposed amendment. That is an interesting argument, but it is not an entirely conclusive test, because we could achieve more equalized benefits in the same amounts to those States by simply increasing the rate of reduction of taxes in the pending income-tax bill.

I should like to call the roll of the States which will receive benefits under the pending bill before us, and also the

roll of the States which will derive no benefit from the proposed amendment.

Alabama, under the bill, will get a benefit of $30,190,000.

Arizona will get no benefit under the amendment, but will get a benefit of $11,459,000 under the bill.

Arkansas will get a benefit under the bill of $14,235,000.

California will get no benefit under the amendment, and will receive under the bill a benefit of $415,959,000.

Colorado will receive a benefit of $28,667,000 under the bill.

Connecticut will receive $76,538,000.

Delaware will receive $25,276,000.

Florida will receive $54,942,000.

Georgia will receive $43,032,000.

Idaho will receive no benefit under the amendment and will receive a benefit under the bill of $9,161,000.

Of course, when I speak of the States, I am speaking of the income-tax payers in the States.

Illinois will receive a benefit of $335,902,000 under the bill.

Indiana will receive a benefit of $72,298,000.

Iowa will receive a beneft of $40,876,000.

Kansas will receive a benefit of $35,621,000.

Kentucky will receive a benefit of $31,045,000.

Louisiana will receive no benefit under the amendment, and will receive a benefit of $36,834,000 under the bill.

Maine will receive a benefit under the bill of $14,541,000.

Maryland will receive a benefit of $140,830,000.

Massachusetts will receive a benefit of $167,327,000.

Michigan will receive no benefit under the amendment, but will receive $197,042,000 under the bill.

Minnesota will receive a benefit of $62,362,000 under the bill.

Mississippi will receive a benefit of $12,529,000.

Missouri will receive a benefit of $94,432,000.

Montana will receive a benefit of $8,928,000.

Nebraska will receive no benefit under the amendment, a benefit of $30,724,000 under the bill.

Nevada will receive no benefit under the amendment, a benefit of $6,363,000 under the bill.

New Hampshire will receive a benefit of $9,783,000 under the bill.

New Jersey, $139,887,000.

New Mexico, no benefit under the amendment; under the bill, $7,135,000.

New York, under the bill, $800,608,000.

North Carolina, $41,381,000.

North Dakota, $7,549,000.

Ohio, $227,513,000.

Oklahoma, no benefit under the amendment; under the bill, $31,474,000.

Oregon, no benefit under the amendment; $38,991,000 under the bill.

Pennsylvania, no benefit under the amendment; $307,627,000 under the bill.

Rhode Island, $25,086,000 under the bill.

South Carolina, $17,381,000.

South Dakota, $7,159,000.

Tennessee, $39,382,000.

Texas, $133,098,000, under the bill; nothing, under the amendment.

Utah, $10,658,000.

Vermont, $5,177,000.

Virginia, $46,555,000.

Washington, under the amendment, nothing; under the bill, $73,412,000.

West Virginia, $21,690,000, under the bill.

Wisconsin, $69,495,000, under the bill.

Wyoming, $4,776,000, under the bill.

It may be asked, "Why not do both? Why not add the community-property amendment to the existing bill, and add the benefits contemplated by it to those contemplated by the bill, and pass it in that way?" That is a fair question, and it should be met squarely. I shall give several reasons against doing so. One of them appears in a statement which was made by Secretary Snyder when he appeared before the House Ways and Means Committee in connection with a general revision bill. Under the heading of "Family income," he said:

> Under present law there are inequalities in taxation of families arising out of the fact that couples in community-property States are permitted to divide their community earned and investment income for Federal income tax purposes, thereby reducing their taxes under the progressive rate schedule. There are also inequalities arising out of the fact that in all States recipients of investment income have opportunities for splitting that income among members of the family, whereas in non-community-property States earned income is taxed to the earner. The tax value of income splitting varies with size of income. Couples with not more than $2,000 of net income after exemptions can realize no tax benefit from income splitting—

To that statement I invite especially the attention of those who are clamoring for greater benefits for those in the lower income-tax brackets—

> whereas under the graduated rates couples with large incomes may realize substantial benefits. These tax savings have created difficult administrative problems and endless litigation in the field of family trusts, family partnerships, and various other types of property assignments.
>
> Over a period of years the Congress and the Treasury have both considered means of eliminating or reducing the resulting tax inequalities among similarly situated families, but no adequate solution of the problem has been adopted. One limited approach that has been considered in the past would be to eliminate the tax advantages of the community property system by taxing earned income to the earner and other community property income to the spouse who exercises management and control. A more comprehensive approach to the problem, which has also received congressional attention in the past, would be to require joint tax returns by husbands and wives. Still another approach, which has only recently been given widespread attention, would be to eliminate tax differences resulting from income splitting between husbands and wives by granting couples in all States the option to divide their combined incomes for tax purposes.
>
> The existing inequalities in taxes on family incomes are significant and call for careful consideration of this problem. It must be recognized that the various solutions that have been suggested would have different but important effects on the revenue yield of the income tax and on the distribution of taxes among different income groups and between married and single persons. It is, therefore, desirable to consider the family income problem in connection with any comprehensive revision of the individual tax.

I wish to repeat that the House Ways and Means Committee, assisted by a group of outstanding experts, not only the experts of the Joint Committee on Internal Revenue Taxation, but experts who have been brought in for the purpose, are canvassing and sifting the whole field of Federal revenue law, and are getting ready to present a revision bill which will aim at group inequities and other defects under present law—and there are a dozen or more of them which I could mention which also have claims on our sense of fairness. Such a general revision bill will come before the next session of the Congress. This study is not something that is being promised; it is not something that we may hope to obtain at some future time. It has been under way. It will continue under way. As I said a while ago, the distinguished senior Senator from Arkansas presented this precise problem to the House Ways and Means Committee while it was hearing witnesses on the subject.

There is another reason why the amendment of the able Senator from Arkansas should not be made a part of the pending bill. It is the desire of an overwhelming majority of the Members of both Houses of Congress that the bill be a simple measure limited and beamed to one objective, namely, income-tax reduction. The bill will benefit 49,500,000 income taxpayers—every one of them. There are no discriminations. Any one falling within a certain bracket gets equal treatment with all others in that bracket. The treatment ranges in percentage from the highest tax cut in the lowest bracket, to the lowest in the highest, but every income taxpayer will receive a benefit under this measure. It has that simple, direct purpose. It is not a revision bill; it was never intended to be one. Group inequities will be treated in a general revision bill.

What is it we are asked to do here, in the way of incorporating an amendment into the bill? The amendment would not benefit the entire 49,500,000 taxpayers; it would benefit but a limited group, who find themselves in brackets which are already being treated most generously by the bill which is before the Senate.

It has been asked, "How will we answer questions when we go home?" I reply, How will we square ourselves with our constituents when we go home if we take a bill which rests on fair and equitable treatment all the way along the line, from bottom to top and say "Yes, in the last minute of the debate we added a $750,000,000 windfall for a limited group of people, who were already receiving a great benefit under the income-tax-reduction bill before us. While we are thinking about the questions we shall have to answer when we go home let us think about that question. Let us not be fools. What is the nature of the benefit? Who receives it? Those having family incomes of $10,000 and up. On $10,000 and less it is negligible. Persons with incomes of $2,000 and less would get nothing from the amendment. I empha-

size this again to those who are talking about specific additional benefits for those in the lower-income-tax brackets. Those in the highest brackets get nothing. The $750,000,000 or $800,000,000 windfall would be centered in the middle brackets of the pending income-tax reduction bill which already afford an income-tax reduction of 20 percent.

Does that mean that there will never be relief in this field. I repeat, and I shall continue to repeat, that there are inequities in a dozen or 15 groups, all having a right to have their problems considered together, all having the right to have their adjustments coordinated and brought into fair relationship with each other, and that job will be done in a revision bill which will come before the next session of Congress.

I repeat, the intended benefits of the pending bill are uniform to all according to the brackets in which they find themselves. No income taxpayer is deprived of relief. No income taxpayer receives any benefits which are not equally available to all who find themselves within the same controlling brackets. The benefits are graduated from 30-percent tax reduction in the lowest brackets to 10½ percent in the highest.

The amendment at this time opposes our primary purpose, the primary purpose of the overwhelming majority of the Congress, to give relief, because we can give it now, without further consideration, by way of income-tax reduction.

What is the nature of the special group benefit which is sought by the amendment? Let us see whether it distributes itself equally and fairly to all who find themselves in the same status. It goes to the family relationship. Who does it benefit? In the family relationship it benefits a husband or a spouse who has all the income of the family. It does not benefit husbands and wives where the income is split, where they both work, where they both contribute about equally to the family income. They do not receive anything important from the amendment. It does not give any benefit, substantially speaking, where there is an approximation of equal income. It does not help a person who is single. We talk about the family relationship, and doing fairness in that relationship, and we should. Is not a widow who is looking after her children representative of a family relationship that should be cherished? Not one penny of benefit goes to her under the amendment. The same statement applies in the case of a widower who is looking after his dependent children. It equally applies in the case of children who are supporting parents.

The amendment does not equalize benefits. It does not spread itself over the whole front of income-tax taxpayers. It has its merits in a general revision bill, and there is where it will find itself. It will have action in the next session of Congress. But when we are bringing to the public's attention and are focusing the public mind on the fact that there is now to be an income-tax reduction fairly applied to every income taxpayer, it would be the height of folly to introduce a specially focused, limited, group benefit on top of the benefits already provided by the proposed income-tax reduction bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the senior Senator from Arkansas [Mr. McCLELLAN] on behalf of himself and other Senators.

On the amendment the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER], who is necessarily absent. On this vote I transfer that pair to the senior Senator from Utah [Mr. THOMAS] and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting, he would vote "yea."

Mr. LUCAS. The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 40, nays 52, as follows:

YEAS—40

Aiken	Lucas	O'Mahoney
Brooks	McCarran	Pepper
Chavez	McCarthy	Revercomb
Eastland	McClellan	Robertson, Wyo.
Fulbright	McGrath	Russell
Green	McKellar	Sparkman
Hill	McMahon	Stewart
Hoey	Magnuson	Thomas, Okla.
Holland	Maybank	Tydings
Johnson, Colo.	Morse	Umstead
Johnston, S. C.	Murray	Williams
Kilgore	Myers	Wilson
Langer	O'Conor	
Lodge	O'Daniel	

NAYS—52

Baldwin	Dworshak	Millikin
Ball	Ecton	Moore
Barkley	Ellender	Overton
Brewster	Ferguson	Reed
Bricker	Flanders	Robertson, Va.
Bridges	George	Saltonstall
Buck	Gurney	Smith
Bushfield	Hatch	Taft
Butler	Hawkes	Taylor
Byrd	Hayden	Thye
Cain	Hickenlooper	Vandenberg
Capehart	Ives	Watkins
Capper	Jenner	Wherry
Connally	Kem	White
Cooper	Knowland	Wiley
Cordon	McFarland	Young
Donnell	Malone	
Downey	Martin	

NOT VOTING—3

Thomas, Utah	Tobey	Wagner

So Mr. McCLELLAN's amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KILGORE. Mr. President, on Saturday I sent to the desk an amendment in the nature of a substitute, which incorporates the amendment on which we recently voted. It is an effort to equalize the system Nation-wide under the present tax law, and is offered by the Senator from Arkansas [Mr. McCLELLAN] and myself as a substitute for the pending bill.

The PRESIDENT pro tempore. The amendment offered by the Senator from West Virginia for himself and the Senator from Arkansas will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

That so much of section 12 (b) of the Internal Revenue Code (relating to the computation of surtax) as precedes the table therein is hereby amended to read as follows:

"(b) Computation of surtax.—

"(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 5 percent thereof.

"(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"(C) by reducing the amount ascertained under subparagraph (B) by 5 percent thereof.

"(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:".

STANDARD DEDUCTION

SEC. 2. Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"(1) Allowance: In the case of an individual, at his election a standard deduction as follows:

"(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400."

TAXABLE YEARS TO WHICH APPLICABLE

SEC. 3. The amendments made by this act shall be applicable only with respect to taxable years beginning after December 31, 1947.

Mr. KILGORE. Mr. President, after the first paragraph the amendment is identical with the amendment offered by the Senator from Arkansas [Mr. McCLELLAN], who joins me in offering this amendment as a substitute for the bill. It has been ably discussed.

I disagree with the very able argument of the Senator from Colorado [Mr. MILLIKIN], who says that in assessing Federal taxes we should abide by the actions

of our State legislatures. I think that as a Federal Government we should equalize taxes. For that reason I urge the adoption of this amendment as a substitute, and as an amendment to existing income-tax law.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from West Virginia for himself and the Senator from Arkansas [Mr. McCLELLAN].

Mr. KILGORE. Mr. President, I ask for the yeas and nays.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. OVERTON. What is the amendment? As I understand, it is the amendment of the Senator from Arkansas plus something. What else?

Mr. KILGORE. Plus nothing. It is offered as a substitute for the pending bill. It is offered as an amendment to the existing income-tax law.

Mr. OVERTON. Is it the same as the amendment of the Senator from Arkansas?

Mr. KILGORE. Exactly the same, but it is offered as an amendment to existing tax law, rather than as an amendment to the pending bill. It is offered as a substitute therefor.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. HATCH. If I correctly understand what the Senator from West Virginia proposes, it is that this amendment, which is identical with the amendment offered by the Senator from Arkansas, shall be a substitute for the entire bill.

Mr. KILGORE. That is correct.

Mr. HATCH. If his substitute were adopted, it would become the bill.

Mr. KILGORE. The present existing tax law, subject to this amendment, would be in effect, without the pending bill.

Mr. HATCH. It is a complete substitute for the pending bill.

Mr. KILGORE. Exactly.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MILLIKIN. What are the significant features of the amendment?

Mr. KILGORE. The reason for the amendment is that, in my humble opinion, the existing tax law should be changed by way of equalizing the payment of taxes, rather than necessarily by a reduction. This amendment would effect only a small reduction, but it would equalize the payment of taxes as between community-property States and other States, without affecting existing tax laws.

Mr. MILLIKIN. What is the amount of the reduction in revenue?

Mr. KILGORE. It is my information that it is approximately $800,000,000. It would make people in all the States pay income taxes on the same basis.

Mr. MILLIKIN. Would it provide the income-tax reductions which are provided in the present bill?

Mr. KILGORE. No. It is a substitute for the pending bill.

Mr. MILLIKIN. For the community-property amendment?

Mr. KILGORE. It is really an amendment to existing law, offered as a substitute for the pending measure.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. KILGORE] for himself and the Senator from Arkansas [Mr. McCLELLAN].

Mr. OVERTON. Mr. President, as I understand, if we adopt the Senator's amendment, it will be a substitute for the ending bill and will simply substitute the McClellan amendment.

Mr. KILGORE. Yes. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. McCLELLAN obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I desire to give notice that tomorrow evening, at 10:45, on the American Broadcasting Co. chain, it will be my privilege to discuss the pending tax bill. I assume to give that notice in order that those who may wish to listen may know that the discussion will take place at that time.

The PRESIDENT pro tempore. The Senate will take due and timely notice.

Mr. McCLELLAN. Mr. President, I have sent to the desk another amendment, which I wish to call up.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Arkansas.

The CHIEF CLERK. It is proposed at the end of the bill to add the following new section:

SEC. 7. Family partnerships, partners not contributing to partnership funds.

(a) Section 3797 (a) (2) of the Internal Revenue Code, as amended, is amended by adding at the end thereof a new sentence, as follows: "The fact that he is related to another member, or that his interest in such syndicate, group, pool, joint venture, or organization may have been obtained through gift or loan from another member, or without the contribution by himself of any money or other property, shall not affect a member's status as a partner."

(b) The amendment made by subsection (a) of this section shall be applicable with respect to taxable years beginning after December 31, 1938.

Mr. McCLELLAN. Mr. President, I want to make a very brief statement.

The Bureau of Internal Revenue recognizes community-property laws. Because the Bureau does recognize them, and rightly so, I contend that it is absolutely proper that the Bureau of Internal Revenue recognize State partnership laws relating to property as between husband and wife. Having recognized community-property laws such as we have discussed for the past several days, I insist that the same Bureau of the Government should be required by law to recognize partnership statutes of the several States. Under the application and operation of the law as it now exists, according to the interpretation and the rules and regulations of the Bureau of Internal Revenue, assuming that I want my wife to become an equal partner with me in my business in Arkansas, under Arkansas laws, I may, by gift, confer upon her one-half of all the property I own, one-half of all my business, a one-half interest in all my income, and make it legal and binding under the laws of my State. But the Bureau of Internal Revenue will not recognize it. They say it is a device to evade taxes. What about the States which are now passing community-property laws? Read what the Governor of Pennsylvania said recently when he signed the bill providing a community-property system for his State. He said it was not to evade taxes, but to have just taxation and to prevent discrimination.

All that I ask in this amendment is that the Bureau of Internal Revenue be required to recognize and to give validity and force to State partnership laws. It may be said, "Well, it is merely a device to evade taxes." In Arkansas I can form a partnership with another citizen of my State and make him a gift of a one-half interest in my business, pay the gift tax on it, and the Bureau of Internal Revenue will recognize it as valid and binding. But if I make such a gift to my wife or to my son or to some other member of my family, which would be the most natural thing for me to do, it is said, "No; that is a device or an action to enable the family to evade taxes." I feel that if a State has the right to pass a community-property law and receive the advantage of it, why should not I, as a citizen, under the laws of my State, have a right to form a partnership with my wife or with a member of my family and have it recognized by the same tribunal and the same Government which recognizes the other situation?

That is what this amendment provides. I earnestly ask the Members of the Senate to vote for it.

Are we not to have any fairness in our tax laws anywhere? Since when are we afraid to legislate honestly and squarely and to face the issue?

If this amendment shall be agreed to, it will not cause any great loss in revenue. Certainly it would take many years of operation before it would accumulate the loss which would arise by passing the community-property amendment which I offered. It would simply compel the Bureau of Internal Revenue to recognize the laws of the States and to recognize partnership relations between husband and wife and between the husband and other members of the family. The Bureau of Internal Revenue recognizes the law in regard to someone who is unrelated. It recognizes the law and cannot do anything about it; but if one wishes to give his wife or child an interest in his business, it is said that it is wholly for the purpose of evading taxes, and is, in a sense, a fraud upon the Government.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, this amendment goes to what is a colorable transaction between husband and wife

for the evasion of income taxes. Personally, I believe the Bureau of Internal Revenue in many cases has been oversuspicious and has not acted wisely. I believe there should be a redefinition that will minimize the amount of discretion which the Bureau of Internal Revenue and the Treasury Department can use in these cases. But I point out to my colleagues that definitions which exclude colorable transactions will always be required if we wish to protect the Federal revenues. This subject is intimately connected with the community-property subject. It is intimately connected with the whole subject of family relations as they are affected by taxation. It has other ramifications. It is among the subjects which are under study by the House Ways and Means Committee. I am hopeful that out of the study there will come something constructive which will enable the Federal Government to protect its revenues against colorable transactions and, at the same time, limit the field of the Treasury and of the Bureau of Internal Revenue in annoying people who have made honest gifts and are conducting honest transactions. I hope the amendment will be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arkansas, on which the yeas and nays have been ordered. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I make the same announcement that I previously made as to the transfer of my pair with the Senator from New York [Mr. WAGNER] to the Senator from Utah [Mr. THOMAS]. Having transferred the pair, I am at liberty to vote; and I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. The Senator from Minnesota [Mr. BALL] is unavoidably detained on committee business. If present and voting, he would vote "nay."

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business at important committee meetings.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, has been announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from Utah would vote "nay."

The Senators from Florida [Mr. HOLLAND and Mr. PEPPER] are detained on official business, appearing before a committee of the House of Representatives.

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

The result was announced—yeas 25, nays 61, as follows:

YEAS—25

Brooks	Langer	Murray
Capehart	Lodge	O'Conor
Eastland	Lucas	Russell
Fulbright	McCarthy	Stewart
Hickenlooper	McClellan	Thomas, Okla.
Hill	McKellar	Tydings
Hoey	Magnuson	Umstead
Johnston, S. C.	Maybank	
Kilgore	Morse	

NAYS—61

Aiken	Flanders	O'Mahoney
Baldwin	George	Overton
Barkley	Green	Reed
Brewster	Gurney	Revercomb
Bricker	Hatch	Robertson, Va.
Bridges	Hawkes	Robertson, Wyo.
Buck	Hayden	Saltonstall
Bushfield	Ives	Smith
Butler	Jenner	Taft
Byrd	Johnson, Colo.	Taylor
Cain	Kem	Thye
Capper	Knowland	Vandenberg
Connally	McCarran	Watkins
Cooper	McFarland	Wherry
Cordon	McMahon	White
Donnell	Malone	Wiley
Downey	Martin	Williams
Dworshak	Millikin	Wilson
Ecton	Moore	Young
Ellender	Myers	
Ferguson	O'Daniel	

NOT VOTING—9

Ball	McGrath	Thomas, Utah
Chavez	Pepper	Tobey
Holland	Sparkman	Wagner

So Mr. MCCLELLAN's amendment was rejected.

Mr. MCCLELLAN. Mr. President, I call up the amendment marked "C," which is at the desk. I send up a copy of the amendment in a modified form.

The PRESIDENT pro tempore. The Senator from Arkansas offers an amendment. Does the Senator wish to have it read?

Mr. MCCLELLAN. I can state what it provides.

The PRESIDENT pro tempore. The amendment will be printed in the RECORD, and the Senator will then make a statement.

The amendment proposed by Mr. MCCLELLAN proposes, at the proper place in the bill, a new section, as follows:

SEC. —. Increase in personal exemption.

(a) Subparagraphs (A) and (B) of section 25 (b) (1) of the Internal Revenue Code, as amended, are amended to read as follows:

"(A) In the case of a single person or a married person not living with husband or wife, a personal exemption of $600.

"(B) In the case of the head of a family or a married person living with husband or wife, a personal exemption of $1,200. A husband and wife living together shall receive but one personal exemption. The amount of such exemption shall be $1,200. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them."

(b) Sections 51 (a), 58 (a) (1), 58 (a) (2), and 142 (a) of the Internal Revenue Code, as amended, are amended by striking out "$500" wherever it appears therein and inserting in lieu thereof "$600."

(c) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1947.

Amend the tables contained in sections 400, 1622 (b) (1), and 1622 (c) (1) of the Internal Revenue Code to conform to the above amendments.

Mr. MCCLELLAN. Mr. President, this is a simple amendment, to raise personal exemptions. When I offered the amendment to the bill as originally proposed I intended to raise the personal exemption of single persons from $500 to $750, and of married persons or heads of families from $1,000, as it is now, to $1,500. I have now modified the amendment as I originally offered it so as to raise the personal exemption to $600 for single persons, and to $1,200 for heads of families.

There is no use arguing the amendment. Senators know they are either for it or do not favor it. I know it will be said it would increase the loss of revenues to result from enactment of the bill. Certainly it would. That is what we are doing, proposing to lose revenues, and if we are to lose revenues, and keep on losing them, I want to lose some to the advantage and for relief to wage earners and small-salaried folks who are trying to make a living, who are having a hard struggle to meet the high cost of living. I should like to remove some of them from the Federal tax rolls. They are the ones who need tax relief most. Their tax burden is much greater than many whom this bill is designed to benefit.

Mr. MILLIKIN. Can the Senator tell us what the cost of the amendment, as modified, would be?

Mr. MCCLELLAN. I believe the Senator from Illinois could answer the question. He had a similar amendment when the tax bill was before the Senate on a previous occasion, and, as I recall, the cost was a billion and some million dollars. Does the Senator from Illinois recall?

Mr. LUCAS. What is the inquiry of the Senator from Colorado?

Mr. MILLIKIN. I was asking the distinguished Senator from Arkansas what the loss of revenue would be as a result of the amendment.

Mr. LUCAS. This would increase the exemption from $500 to $600?

Mr. MCCLELLAN. And from $1,000 to $1,200.

Mr. LUCAS. The loss of revenue would be a billion and a half dollars.

Mr. MILLIKIN. As the amendment was originally drawn, for $750 and $1,500 the loss would have been $3,900,000,000, and it is roughly half of that, or $1,800,000,000.

Mr. MCCLELLAN. According to the estimate of the staff, on the basis proposed, it would be $1,800,000,000?

Mr. MILLIKIN. That would be in addition to the reduction in revenue provided by the bill before the Senate.

Mr. MCCLELLAN. Oh, yes; it would be in addition. I understand that. I am merely offering it as an amendment. It would be an addition, unless in conference the conferees made some adjustments in the rates in higher-income brackets now in the bill.

Mr. LODGE. Mr. President, I am trying to find out just what amendment the Senator is offering. There is one amendment, the one marked "B," offered on behalf of the Senator from Arkansas and seven or eight other Senators, and there is an amendment which the Senator is offering for himself alone.

Mr. MCCLELLAN. That is correct.

Mr. LODGE. Which is the one the Senator is offering now?

Mr. McCLELLAN. Amendment C, raising the personal exemptions, except that I have modified it as it was printed, and wherever "$750" appears I have made the figure "$600," and wherever "$1,500" appears I have made it "$1,200."

Mr. LUCAS. Mr. President, it must be understood that the amendment would apply to the calendar year starting January 1, 1948, and that so far as the fiscal year is concerned, the loss of revenue would be only half of approximately one and a half billion dollars.

Mr. McCLELLAN. The Senator is correct, because it would not go into effect until the bill went into effect, next January 1. Actually it would affect half the fiscal year, and therefore the loss for the fiscal year would not be more than half the billion eight hundred million.

Mr. MILLIKIN. Mr. President, I should like to have it made clear whether, under the Senator's conception, for the full fiscal year the cost of his amendment would be an additional $1,800,000,000.

Mr. McCLELLAN. If that is the estimate of the staff of the joint committee, of course I accept it. Their judgment should be better than mine.

Mr. LUCAS. Mr. President, will the Senator from Colorado tell me just where the additional $300,000,000 comes from?

Mr. MILLIKIN. What is the question?

Mr. LUCAS. Will the Senator advise the Senator from Illinois where the additional $300,000,000 comes from? All through the testimony before the Committee on Finance there was no witness from the staff, the Joint Committee on Internal Revenue Taxation, or the Treasury Department, who said the loss would exceed more than a billion and a half.

Mr. MILLIKIN. It comes because of the increase in the level of national individual income payments. The Senator before was figuring on an average annual income much lower than we are now figuring on.

Mr. LUCAS. I can understand that there would be some difference, but every time we debate the bill we get a new set of figures on each and every one of the propositions. From the very beginning, from the time we started taking testimony before the Committee on Finance, we got different figures from the Joint Committee on Internal Revenue Taxation, we got different figures from the Treasury Department, we got different figures from every expert who appeared. I presume there was some reason for that, and I accept the reason given.

Mr. MILLIKIN. Those figures vary according to the view of what the national individual income payments will be during the fiscal year.

Mr. LUCAS. It is still rather confusing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McCLELLAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Murray	

The PRESIDENT pro tempore. Ninety-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment submitted by the Senator from Arkansas.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER], who is necessarily absent. I therefore withhold my vote.

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained on committee business.

Mr. LUCAS. I announce that the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, would vote "yea," if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from New York would vote "yea."

The result was announced—yeas 43, nays 47, as follows:

YEAS—43

Aiken	Langer	O'Daniel
Brooks	Lodge	Pepper
Chavez	Lucas	Revercomb
Downey	McCarran	Robertson, Va.
Eastland	McClellan	Russell
Ferguson	McFarland	Sparkman
Fulbright	McGrath	Stewart
Green	McKellar	Taylor
Hill	McMahon	Thomas, Okla.
Hoey	Magnuson	Tydings
Holland	Maybank	Umstead
Ives	Morse	Watkins
Johnson, Colo.	Murray	Wilson
Johnston, S. C.	Myers	
Kilgore	O'Conor	

NAYS—47

Baldwin	Dworshak	Millikin
Ball	Ecton	Moore
Barkley	Ellender	O'Mahoney
Brewster	Flanders	Overton
Bricker	George	Robertson, Wyo.
Buck	Gurney	Saltonstall
Bushfield	Hatch	Smith
Butler	Hawkes	Taft
Byrd	Hayden	Thye
Cain	Hickenlooper	Vandenberg
Capehart	Jenner	Wherry
Capper	Kem	White
Connally	Knowland	Wiley
Cooper	McCarthy	Williams
Cordon	Malone	Young
Donnell	Martin	

NOT VOTING—5

Bridges	Thomas, Utah	Wagner
Reed	Tobey	

So Mr. McCLELLAN's amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of the debate on the tax bill, an editorial published in the St. Louis Post-Dispatch of July 9, 1947, which comments upon the abandonment by the Republican leadership in the tax bill of the supposed principles of the Republican Party.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE HOUSE SUCCUMBED

One of Oscar Wilde's wisecracks was that the best way to overcome temptation is to succumb to it. Which is what the House did yesterday when it passed the second Knutson bill. On the theory that 49,000,000 taxpayers can't be displeased if $4,000,000,000 is lopped off their income-tax bills, the House plumped for this unstatesmanlike measure by a vote of 302 to 112. That's more than enough to override another Presidential veto.

In his rejection of the first Knutson bill (identical to the present one except that the effective date has been changed from July 1, 1947, to January 1, 1948), Mr. Truman summed up the arguments against it. Those arguments still hold. Business is booming in the country and needs no spur in the form of lower taxes. Inflation is threatening and to pour $4,000,000,000 into people's pockets will aggravate inflationary pressures. The public debt is astronomically high, and it behooves the country to reduce it while the reducing it good. Vast international commitments are being made and the money has got to be found to honor them.

Under all the circumstances, the wise and strong thing to do is to keep taxes at their present level. But the House, under the leadership of the GOP, saw fit to court the voters and to make hay for the 1948 Presidential year. This kind of opportunism is likely to plague the opportunists. The GOP has long prided itself on its sound fiscal policies, its zeal for budget balancing, and its concern over the public debt. None of these principles was honored in yesterday's performance.

Mr. TAYLOR. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 16, after line 22, it is proposed to insert the following:

SEC. 7. Taxation of trailer coaches.

Section 3403 (b) of the Internal Revenue Code is hereby amended by inserting after "tractors" the following words: "and except trailer coaches, their furnishings and equipment."

Mr. TAYLOR. Mr. President, the object of the amendment is simply to amend the Revenue Code so as to remove the tax on trailer houses. The tax was imposed on trailer houses at a time when they were considered to be a luxury. The purpose was to discourage their manufacture, and to put the energy and the materials so used into war production. The picture now has entirely changed. Seventy percent of the trailer houses sold last year were sold to veterans. The industry has set aside 60 percent this year for the veterans. The trailer houses are no longer a luxury. They are homes for veterans. Those buying the trailer houses must pay a tax of 7 percent on each trailer house, which amounts to $100, and sometimes up to as high as $200. With homes so scarce and the veterans so hard pressed, I think we could do no better than to remove this tax on trailer homes which veterans use for homes.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Idaho.

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which recently appeared in the Pittsburgh Post Gazette. The editorial discusses the bill with relationship to the Marshall plan.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DETERMINED, BUT BLIND

Like a blind mule with a hot foot, Congress is plunging importunately along toward repassage of the tax-reduction bill, the only change being to make the effective date next January 1 instead of July 1, 1947.

Congress seems determined to try to adjust the Nation's spending to a new tax rate rather than to adjust the tax rate to spending requirements as logic dictates.

Under the Legislative Reorganization Act of 1946 Congress was required by last February 15 to adopt a joint resolution putting a ceiling on Government expenditures for the current fiscal year.

Nearly 5 months after the deadline, Congress still hasn't agreed on how much can be cut from the President's $37,500,000,000 budget and has not adopted a budget resolution. Economy-minded Senator BYRD, of Virginia, has announced quite properly that he will not support a tax reduction until this is done. We hope that enough Senators to sustain another Presidential veto will take the same sound position.

There is another compelling reason for proceeding carefully in fiscal affairs.

On July 12 most of the nations of Europe are expected to gather in Paris to start work on a European recovery plan suggested by Secretary of State Marshall.

Britain and France, who have taken the initiative in European recovery, are in as much haste to survey Europe's needs as Congress is to cut taxes. They can be expected to present us with a plan late in the summer or early in the fall.

Unofficial estimates have been that we will be asked to provide assistance in the sum of five or six billion dollars a year for the next 4 years.

When the recovery plan is presented, Congress will face a momentous decision. It can support Secretary Marshall's suggestion and help Europe get back on its feet in our own national self-interest or it can give world communism a wonderful opportunity to sneer and say, "I told you so."

We need have no doubt that Russian refusal to participate in European recovery is well calculated upon the possibility that we will renege on Secretary Marshall's proposal, thus discrediting this country in the eyes of the world.

To follow through on the Marshall proposal and thus frustrate Russian ambition to control Europe, Congress probably will be asked to spend considerably more than the four billion it expects to save in a tax reduction. Weighing the possibilities in grave decisions ahead, we might yet do well to keep the budget balanced at the present tax rate, with little or nothing left for debt retirement.

We favor a tax reduction in principle. We also support heartily any Government economy that serves the national interest. Unquestionably there is great popular support for strong arguments in favor of relief from burdensome taxes now that the war is over.

But we believe it is the better part of wisdom to proceed cautiously at this time, accumulating as much surplus as possible during a period of prosperity, determining more fully the demands upon our economy before reducing our ability to meet them.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment, the question is on the third reading of the bill.

The bill was ordered to a third reading and read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

Mr. MILLIKIN and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. REED. I have a general pair with the senior Senator from New York [Mr. WAGNER], who is necessarily absent. On this vote I transfer that pair to the Senator from New Hampshire [Mr. TOBEY] and will vote. I vote "yea."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY], who is necessarily absent because of illness in his family, is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

Mr. LUCAS. I announce that the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, would vote "nay" if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. TOBEY] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay," and the Senator from New Hampshire would vote "yea."

The result was announced—yeas 60, nays 32, as follows:

YEAS—60

Aiken	Bridges	Byrd
Baldwin	Brooks	Cain
Ball	Buck	Capehart
Brewster	Bushfield	Capper
Bricker	Butler	Cooper
Cordon	Knowland	Saltonstall
Donnell	Lodge	Smith
Dworshak	McCarran	Stewart
Ecton	McCarthy	Taft
Ferguson	McKellar	Thye
Flanders	Malone	Tydings
George	Martin	Umstead
Gurney	Millikin	Vandenberg
Hawkes	Moore	Watkins
Hickenlooper	O'Conor	Wherry
Hoey	O'Daniel	White
Ives	Reed	Wiley
Jenner	Revercomb	Williams
Johnson, Colo.	Robertson, Va.	Wilson
Kem	Robertson, Wyo.	Young

NAYS—32

Barkley	Holland	Morse
Chavez	Johnston, S. C.	Murray
Connally	Kilgore	Myers
Downey	Langer	O'Mahoney
Eastland	Lucas	Overton
Ellender	McClellan	Pepper
Fulbright	McFarland	Russell
Green	McGrath	Sparkman
Hatch	McMahon	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	

NOT VOTING—3

Thomas, Utah	Tobey	Wagner

So the bill (H. R. 3950) was passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOSEPH J. MANSFIELD, late a Representative from the State of Texas, and transmitted the resolution of the House thereon.

ENROLLED JOINT RESOLUTION SIGNED

The message announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, and it was signed by the President pro tempore.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

Mr. BROOKS. Mr. President, I move that the Senate proceed to the consideration of House bill 3601, the appropriation bill for the Department of Agriculture.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

FEDERAL POWER COMMISSION—REFERENCE OF NOMINATION OF BURTON N. BEHLING

Mr. BROOKS obtained the floor.

Mr. WHITE. Mr. President, will the Senator from Illinois yield to me?

Mr. BROOKS. I yield to the Senator from Maine.

Mr. WHITE. I thank the Senator from Illinois for his courtesy in yielding to me. I desire to make a very brief statement, and then to proffer a unanimous consent request. There is on the desk a resolution, Senate Executive Resolution 52, submitted by me several days ago, proposing the discharge of the Committee on Public Works from further consideration of the nomination of Mr. Burton N. Behling to be a member of the

Federal Power Commission, and providing for the rereference of the nomination to the Committee on Interstate and Foreign Commerce.

The question is controversial. The Senator from West Virginia [Mr. REVERCOMB] will agree with me when I say that he and I have discussed this matter back and forth many times in the hope that we might find some adjustment of our differences and avoid bringing the question of committee jurisdiction to the floor of the Senate itself. But we have failed in our efforts, and we have reached the conclusion that our differences are irreconcilable, and that the question can be settled only by the Senate itself.

I desire, first, as in executive session, to ask unanimous consent that when the pending measure, in charge of the Senator from Illinois [Mr. BROOKS], is disposed of the Senate, in executive session, may proceed to the consideration of Senate Executive Resolution 52, which lies on the desk, making that the unfinished business of the Senate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine?

Mr. LANGER. Mr. President, what is the resolution?

Mr. WHITE. The resolution proposes to discharge the Committee on Public Works from further consideration of the nomination of Burton N. Behling to be a member of the Federal Power Commission, and to refer the nomination to the Committee on Interstate and Foreign Commerce, where nominations of this character have gone from time immemorial, and where jurisdiction has been unchallenged until lately.

Mr. REVERCOMB. Mr. President, I join in the request by the majority leader, that after the pending business is disposed of we proceed, in executive session, to consider the issue raised by the executive resolution now on the table.

I think the Senate ought to know about this case, and the urgency of it. The nomination of Burton N. Behling to be a member of the Federal Power Commission was sent to the Senate by the President on May 5 of this year. It was referred—and I feel properly so, although we shall take that subject up later—to the Committee on Public Works, where it arrived on May 6.

I want the record to show that on May 6, as chairman of the Committee on Public Works, I wrote to the chairman of the Subcommittee on Water Power, the Senator from Nevada [Mr. MALONE], requesting that he proceed at once with hearings upon this nomination. Before such hearings could be had the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Maine [Mr. WHITE], requested me to hold up further proceedings on the nomination, saying that his committee protested the jurisdiction of our committee with respect to the appointment. The counsel for the Committee on Public Works has prepared an extensive brief, and I understand that the counsel for the Committee on Interstate and Foreign Commerce has also prepared a brief. This matter must be disposed of. We must proceed with hearings promptly, because it would be utterly unfair to the nominee to delay. A decision must be made, and for that reason we must proceed, as I say, promptly to settle the matter of jurisdiction and the question of the confirmation of the nomination.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine [Mr. WHITE]? The Chair hears none; and the order is made.

IMPORTANCE OF HOUSING LEGISLATION

Mr. SALTONSTALL. Mr. President, I earnestly hope that some general housing legislation may be enacted by the Senate before we conclude our work. I realize that time is short. I also realize that writing legislation that will help build more low-cost homes is extremely difficult, but the fact still remains that housing is one of our greatest domestic problems. For that reason, I feel that we should make this genuine effort to encourage more decent housing for our veterans and civilians in the lower-income brackets. I understand perfectly that this problem cannot be overcome by legislation alone. I know there is no magic way to bring down the present high cost of construction and to prevent recurrent shortages of materials. I have received a most interesting statement of the housing problem in Massachusetts from Lewis H. Weinstein, chairman of the State board of housing. These statistics speak for themselves, and I know Massachusetts is not alone in this situation by any means. Mr. President, I ask unanimous consent to include his brief statement on Massachusetts housing needs as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEED FOR HOUSING IN MASSACHUSETTS

It is estimated that the families of 50,000 Massachusetts veterans are in desperate need of housing. It is also estimated that there will be a need for about 350,000 new residential units in Massachusetts during the next 10 years.

This pent-up demand is due to numerous factors, most important of which are:

1. Massachusetts population increased 641,000 between 1920 and 1945.

2. There has been a sharp increase in the formation of new families in recent years; the marriage rate in 1946 was almost 2½ times as great as in 1934.

3. In 1940, 40 percent of the existing houses had been built prior to 1899, and it is now estimated that 290,000 units are improper for adequate living.

4. It is estimated that over 80,000 families were doubled-up at the end of 1946.

5. Present estimates call for the construction of 35,000 units a year for the next 10 years, while the yearly average between 1929 and 1946 was less than 7,000 units and the peak year, 1925, only produced about 27,000 units.

Contrasted with these various estimates of need, it is estimated that starts in 1947 will not exceed 12,000 units, and that rental units will approximate no more than 10 percent of the total.

It is estimated that a total of 60,000 veterans in Massachusetts (of which 50,000 are in desperate need) are desirous of buying homes or renting new apartments. Sixty-four percent of those desirous of buying are willing to pay no more than $7,000, while 80 percent of those veterans desirous of renting new quarters can afford no more than $50 a month. The failure of the present building program to satisfy these needs is evident in both the comparatively small number of units which are being built, and in the price range at which units are being placed on the market. The market price of the average sale unit is over $10,000, whereas less than 9 percent of the veterans can afford such a price. A comparison of the percentage range of rental units authorized by the FHA and the expressed needs of the veterans shows even more strikingly the failure to meet veterans' demands, particularly when it is borne in mind that total rental units to be constructed this year will likely equal only 4 percent of the total veterans' demand. The percentage distributions follow:

Per month	Below $30	$30 to $40	$40 to $50	$50 to $60	Over $60
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
Expressed veteran need	9.2	35.4	35.4	13.7	5.7
FHA permits, first quarter 1947	.8	3.3	5.1	4.3	86.5

TRIBUTES TO SENATOR CAPPER ON HIS EIGHTY-SECOND BIRTHDAY

Mr. MALONE. Mr. President, I think it both fitting and proper to pause a moment in our work to pay brief tribute to one of our fellow Senators who is serving his twenty-ninth year as United States Senator, and today celebrates his eighty-second birthday.

I refer, as all Senators know, to the Senator from Kansas [Mr. CAPPER], whose constituents have paid their highest tribute to him by their continued reelection of him to the United States Senate since November 5, 1918.

The widespread knowledge of the details of his career makes it presumptuous of me to do more than mention a few in tribute.

ARTHUR CAPPER, Republican, was born in Garnett, Kans., July 14, 1865, and was educated in the common schools and high schools of Garnett. He started his career in newspaper work and now owns the third largest newspaper and magazine printing establishment in the United States, known as the Capper Publications.

His election to the United States Senate was preceded by 4 years of elective service as Governor of the great State of Kansas.

His initial election to the United States Senate was the start of a career of service to both the people of Kansas and all the people of our country. The Senator from Kansas has always been regarded as the spokesman of farming interests in the Halls of Congress. The Capper-Volstead Act which legalized farm cooperatives is the basis for every farm cooperative today. The Capper-Ketchem Act, under which the 4-H Clubs were organized and now operate, is a tribute to his interest both in agriculture and in the welfare of children.

The Senator from Kansas has repeatedly demonstrated his love for children, the future citizens and leaders of our country, by his acts even more than by his words. At Christmastime 1920 he founded the Capper Fund for Crippled Children which has grown in its service through the years and constitutes one of his principal hobbies.

Years ago he organized the Capper boy and girl clubs in which he goes into personal partnership with each member of the club, the object of which is the building of character and leadership among farm boys and girls.

Mr. President, in regard to the legislative accomplishments of this man of service, it is enough to say "Look at the record." He has always stood for clean politics, and when the final results of any controversy have been announced, he has immediately and without equivocation given his wholehearted support to the expressed will of the majority.

He is more than a man—he is an institution; a fine, wholesome influence in his State and in his Nation. Mr. President, I am sure I express the sentiment of the Members of this august body when I say to him, "Best wishes and a happy birthday."

Mr. AIKEN. Mr. President, I wish to add my word to what has been said by the Senator from Nevada [Mr. MALONE]. Since I came to the Senate it has been my privilege to be associated with the Senator from Kansas in working for American agriculture and to consider legislation proposed for the benefit of American agriculture. I want to say that I do not think any man living has done more to promote it and to help the farm people of the United States to live a happier and more prosperous life than has the Senator from Kansas.

Mr. BROOKS. Mr. President, I think I ought to take advantage of this opportunity to express my appreciation of the tributes paid to the distinguished Senator from Kansas. They are especially appropriate in that they have been paid immediately preceding the taking up by the Senate of the agricultural appropriation bill for the fiscal year 1948. I want to join my colleagues in paying my deep respect and tribute to the Senator from Kansas, who has long been known as one of the greatest friends of American agriculture.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1948

The Senate resumed the consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes.

Mr. BROOKS. Mr. President, I think I can give an over-all picture of the bill rather briefly. The estimate of the Budget Bureau recommended appropriations of $1,188,571,318. The bill as passed by the House carried $847,601,976, or a reduction in the budget estimate of $340,989,342. The Senate bill as reported to the floor at this moment contains an authorization for appropriations of $1,048,266,136, or an increase of $200,664,160 over the bill as it came from the House. The major part of that $200,000,000 is contained in eight specific items.

The first is the item for conservation and use of agricultural land resources. The committee has increased the appropriation for this item by $93,000,000, using $37,000,000 which the Department of Agriculture has as a carry-over from year to year, to be spent in the program for this year. That was the most highly controversial item.

In last year's appropriation bill the Congress authorized a $300,000,000 program for conservation and use for this year. Based upon that authorization, the Department of Agriculture went forward with its program. When the House considered the appropriation bill, it cut back the appropriation for that item from $301,000,000 to $165,000,000, authorizing only $150,000,000 to be used as payments and $15,000,000 to be used for administrative purposes. The Senate committee believed it was its duty to follow through with the program which was authorized by both figure and language in the 1947 Appropriation Act, and therefore the committee voted to reinstate the full payments of $267,500,000, reducing the appropriations for expenses, however, to $27,500,000, or making a total of $295,000,000.

Moreover, the House had eliminated any authorization for any program for the ensuing year. The Senate committee voted to revive that program and to authorize a $150,000,000 program for the fiscal year 1948, but the committee changed the procedure. Believing that the soil-conservation program should be utilized as an incentive, the committee is of the opinion that those who can afford to pay for their own soil-conservation programs in large amounts should be required to do so. So in the authorization for next year the committee has provided that no participant shall receive more than $500 in payments for participating in this program with the Government of the United States. The present limitation is $10,000. So the committee has voted to reduce it by $9,500 to the participants so that more of the smaller participants and those in the lower income groups on the farms may participate and may have the incentive which we believe this program will provide.

The second item was that for the Farmers Home Administration. As to that item, the House eliminated entirely the $35,000,000 estimated by the Bureau of the Budget for tenant loans. There are a great many veterans as well as other persons, who have applied for loans. But because of the rising cost of land, the President's own concern about it, in calling a special meeting to consider ways and means of stopping the inflationary rise in the cost of land, and believing that many veterans might—unless the administration screens each case carefully—be loaded down with land that will prove to be not beneficial to them, if a time of low prices comes, as we believe it inevitably will, we did not restore the full $35,000,000 of the Budget Bureau's estimate; nevertheless, by unanimous vote in both the subcommittee and the full committee, we restored $20,000,000 for the item for loans, and added $6,000,000 to the item for salaries and administrative expenses, making a total addition of $26,000,000 over the amounts allowed by the House.

For the Rural Electrification Administration, the appropriation for loans was reduced by the House to $225,000,000, and the appropriation for administrative expenses was reduced by the House by $1,600,000. The subcommittee and the full Senate Appropriations Committee restored $25,000,000 to the appropriation for loans, making a total of $250,000,000, and restored $1,000,000 for the appropriation for administrative expenses; and in the report the committee suggests that this appropriation be devoted to the areas where at the present time there is less opportunity to enjoy the benefits of the REA.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. AIKEN. I desire to congratulate the committee, under the leadership of the Senator from Illinois [Mr. BROOKS], for restoring the cuts made by the House of Representatives in the appropriations for the Rural Electrification Administration. I congratulate the committee because I think its action is to be commended, and I think the appropriation as recommended by our committee will prove to be most beneficial.

On page 12 of the report there is a statement which I should like to have clarified at this time. It appears at the top of the page, as follows:

> The committee instructs the Administrator of REA to report to both the Senate and House Appropriations Committees in writing 30 days in advance of approving allocations of funds for acquiring or building generating plants.

I can see no objection to that instruction at a time when the Congress is in session, but I should like to ask whether it would apply under certain conditions which I shall describe. For instance, there is an REA system in my own State. At the present time it is purchasing power from one of the corporate power companies. But that company itself is so desperately short of power that it may have to cut off the supply of power to the REA, and it has said so in so many words; and it has also provided in the contract that in the event that it becomes too short of power, it may cut off the supply to the REA.

The REA itself has a small Diesel generating plant which would be totally inadequate to supply its members in case the other source of power is lost. If that source of power is lost, it probably will happen during the coming fall, during the period of low water, when Congress is not in session. In such event it would be almost necessary for the REA cooperative to add to its generating equipment on short notice.

Would the Senator from Illinois expect that this instruction to the REA would hold under such conditions at a time when the Senate was not in session, or would a notice to the committee clerk that a loan was to be made for the purpose of the installation of the generating equipment suffice, even though the Senate were not in session?

Mr. BROOKS. Mr. President, I speak only for myself. I wish to tell the Senator from Vermont that there was considerable feeling that something on the subject should be written into the law, and offer was made of an amendment which would prohibit the REA from building or acquiring any generating plants without first going to the State authority, after the determination had been made as to the necessity of supplying additional power at a reasonable rate. The committee felt that such a

provision should not be placed in the bill, but that we would have a better understanding of how far the REA was to go, and would have a chance of being notified of any acquisition or building of a generating plant, by requiring that 30 days' notice be given by them.

If the REA in the Senator's State can foresee such a situation, I think it should report it 30 days in advance. Certainly it can foresee 30 days in advance what its problem is going to be.

In view of the shortage of generating equipment, which is one of the bottlenecks all over the United States, we did not provide that they could not do it, but we simply say that we wish to be notified 30 days before they do so.

Mr. AIKEN. I understand the purpose, and I do not disagree with it. I was simply bringing up the possibility that an emergency might arise. For instance, we lost a substantial source of power in Vermont, the other day, when a dam burst. That power is very badly needed. The bursting of that dam will make our very short supply of power still shorter.

In the event of the occurrence of such an emergency, when it is necessary to get power somewhere very quickly, is it the opinion of the Senator from Illinois that the committee would have objection to the installation of such generating equipment, even though the Congress was not in session; and would a notice to the committee clerk, who will be in Washington, we assume, meet the requirements of this instruction of the committee?

Mr. BROOKS. I think a notice to the clerk, addressed to the chairman of the committee, will be adequate notice. It is not stated that it has to be delivered in hand. There will be somebody here, and he can be notified. It is merely for the purpose of having a better understanding, and some notice, of when they are going to build generating plants. I think the provision could hardly be more liberal.

Mr. AIKEN. Notice to the clerk of the committee would suffice?

Mr. BROOKS. Notice addressed to the chairman.

Mr. AIKEN. I am satisfied with the statement of the Senator from Illinois. I am speaking of a very possible emergency which may occur in my State, and it would have to be met in some way.

Mr. BROOKS. The next item, Mr. President, relates to the school-lunch program. Last year the Federal Government provided $81,000,000 toward this program. The Budget Bureau's estimate this year was $75,000,000. The House reduced it to $45,000,00, and eliminated the possibility of the practice which has been followed in the past, of considering the money that is paid in by school children for their lunch as a part of the matching fund. The Senate committee has restored the full $75,000,000, and deleted the restriction against the use of the payments by the children for their lunches as a part of the matching fund. We did suggest, in our report, however, that we felt that the States might move faster in assuming their rightful share in caring for this program.

The House pointed out that almost every State government today has a very large surplus, while the Federal Government is operating under a deficit of $257,000,000,000. I might say that it was my purpose, as the chairman of the subcommittee, to suggest to various witnesses who came before us, parent-teacher associations and others, that they use diligence, and all their influence, to try to impress on local government—county, city, and State—that they should assume a large proportion of this very beneficial program. Because only 22 States had by legislative authority authorized or appropriated money for this purpose, and 26 States had not, we felt that the program should be continued. I might say, further, that in my own State more than a year ago I urged the chief advocates of the program to go to the State government, which they did, and they received a larger appropriation than they ever received before.

I believe the program is a beneficial one, but I think we should take account of the fiscal condition of the Federal Government. As was pointed out in the debate in the House, we are giving billions of dollars to feed the children of Europe; and it was made plain that that is a responsibility which falls on the Federal Treasury, and that a larger proportion of this program should be assumed by the local governments.

The next item is section 32 funds. The House allowed only $40,000,000; the Senate committee increased the amount to $48,000,000 which will, we are told by the Under Secretary of Agriculture, meet any foreseeable problem in meeting the obligations for the purpose for which section 32 funds were originally set aside, and with the $8,000,000 additional, they will be given 4 percent of the $48,000,000, which will give them an adequate fund for the administration of the agricultural marketing program.

Another item of $6,140,000 pertains to meat inspection. The House provided $5,000,000, and suggested that it be a revolving fund, that the packers from now on should pay all the costs, by fee, of meat inspection. There was much objection to that in the Senate committee, on the ground that meat inspection is a public health measure. It was provided for by law with that in mind. Seventy-five percent of the meat of the country today which is slaughtered is federally inspected. That percentage has grown during the war, but a great many more packing plants have come in under meat inspection. Six hundred and fifty were participating before the war, and 900 are now participating, showing that a greater number of plants have come in, and therefore, with the feeling that the meat inspection might be done away with, or avoided, by different packing companies, thereby endangering the health of the country, if the cost were imposed as a fee, and that the expense would be put back on the consumer, the amount of $6,140,000 was restored.

The next item is Federal crop insurance. The House reduced the amount from $9,000,000 and a little more to $1,000,000. Since that time the Senate has passed a bill, whose author is the Senator from Vermont [Mr. AIKEN], and in the House there have been hearings on a similar bill. We have increased the amount by four or five million dollars, and put the crop insurance on an experimental basis.

With the million dollars allowed by the House, the Department would not be able even to collect the premiums this year. There are some 540,000 contracts in force now, some fifty-one or fifty-two millions in premiums outstanding, with a possible insurable loss of $500,000,000. We felt that adequate funds should be provided to service those loans, to collect those premiums, to service the losses as they were reported, and to place the new Federal crop insurance project on a strictly experimental stage, so that it might become a sound program, and then extend it on that basis.

The other amount of $4,000,000 that was restored was in the item of forest roads and trails.

With this explanation, Mr. President, I ask that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDENT pro tempore. The order has already been made. The clerk will state the first amendment of the committee.

Mr. YOUNG. Mr. President, I wish to commend the Senator from Illionis [Mr. BROOKS], chairman of the subcommittee in charge of agricultural appropriations, for his great service to agriculture. I think his understanding of and sympathy with agricultural problems merit commendation. His tolerance and patience through many days of hearings are to be commended also. The chairman's job was not an easy one. It was his difficult task to reconcile and bring together those on the committee who favored curtailed appropriations for farm programs and those, like myself, whose business has always been farming, who strongly favored strong and adequately financed farm programs. I think he did a very excellent job indeed.

I am very happy at the result of the hearings in the subcommittee. I believe they represent great gains for agriculture, which would have been lost if the House action had been allowed to stand.

At this point in my remarks I ask to have inserted in the RECORD Wayne Darrow's Washington Farm Letter, which gives a very good review of agricultural appropriations as set forth in the committee bill now before the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS

The more-liberal-than-the-House farm appropriations bill reported today by Senate Appropriations Committee will clear the Senate late next week with little change.

Senator BROOKS, Republican, of Illinois, chairman of farm subcommittee, has made as sure as he can that no floor amendments will be pushed, and that many House GOP Members will go along when bill gets there. YOUNG, Republican, North Dakota, led fight in committee for restorations, helped by RUSSELL, Democrat, Georgia.

TABER, Republican, New York, and DIRKSEN, Republican, of Illinois, will put up a fight to keep many of the original cuts when bill comes back to House. Our check-up indi-

cates they will lose more than they will win, and that final bill will be much nearer Senate than House bill.

Here are high lights of Senate bill, compared to House:

AAA: Full conservation payment funds for 1947, or $130,000,000 over House figure, and $27,500,000 for administration (nearly twice what House allowed); $150,000,000 for 1948, with limit of $500 on individual payments, and allocations to States on basis of conservation needs except no State can be reduced more than 15 percent below the 1946 distribution.

SCS: Soil conservation research funds restored to full budget request by adding $750,000 to House allowance.

FHA: Tenant-purchase loans of $20,000,000, with priority recommended for veterans; $6,000,000 more administrative funds. This is $20,000,000 more than allowed by the House.

School lunches: Full $75,000,000 restored, to come from section 32 funds (tariff revenues), and prohibition removed against use of school-children payments as offsets to Federal funds. This is $30,000,000 more than the House figure.

Section 32 funds: Upped from $40,000,000 allowed by House to $48,000,000 for surplus purchases, and $75,000,000 for lunches.

REA: Full $250,000,000 loan power restored and $1,000,000 replaced in administrative funds. Empty provision: Senate and House Appropriations Committees must be notified 30 days in advance of any generating-plant expansion.

Market research: Hope-Flannagan funds upped from $9,000,000 to $9,500,000, with suggestion USDA set up separate unit to handle.

Meat inspection: Full funds restored—packers not to pay cost.

Crop insurance raised from $1,000,000 to $5,000,000. BAE got $500,000 restored for economic investigations. Home economics cut $245,000 below House. Solicitor's office had $200,000 restored.

Mr. YOUNG. Mr. President, I should like to touch on one or two of the accomplishments of the Senate committee. One is the restoration of the PMA conservation and land-use program for next year. In my opinion that is the major accomplishment of our committee's work. In fact, I cannot see how any future agricultural program can be written and made effective without the machinery provided by the committee system now in use under the present conservation and land-use program. There must be a farmer-committee system functioning if any sound agricultural program is to be really effective.

In my opinion, it would have been desirable to provide for the 1948 program on a scale larger than the $150,000,000 program set forth here; but in the interests of economy there was some justification for this reduction and a substantial program can still be carried forward under this figure.

Another great and important accomplishment was the restoration of the section 32 funds, which are badly needed in the support of farm prices. It should be noted that the committee restored $8,000,000 in section 32 funds for the support of farm prices and otherwise fully provided for farm-support prices.

The restoration of $25,000,000 in REA loan funds is very important to many areas of the United States, and particularly in my State which now has the lowest percentage of electrified farms of all the States of the Nation.

It was absolutely necessary that crop insurance administration funds be restored if this program is to operate successfully. There are some appropriations in which I would rather have seen larger restorations than are made in this bill, but I believe that the committee action, as a whole, is very favorable. I hope the Senate will adopt the action of the committee without major amendment.

I had been hopeful of a larger raise in loan funds for the Farmers Home Administration, which gives valuable service to farmers generally and particularly to farmer veterans. However, the $20,000,000 increase granted by the committee will be very helpful, as will the substantial increase in administrative funds.

The restoration of $25,000,000 in REA loan funds also was a commendable action on the part of the committee, although I would have preferred a larger restoration of funds for REA administrative needs than the $1,000,000 allowed.

There is one further amendment to which I would like to refer very briefly. In restoring the conservation and land-use program for next year on a basis of $150,000,000, an amendment was adopted placing this program on a basis of need. The ceiling limiting to $10,000 the maximum payment which can be made to any one farmer under the present program was changed so that the ceiling will be $500 under the 1948 program. On the over-all picture for the United States there would be no material change in the amount of money going to the various States as a result of this amendment, with the exception of three or four States. Kansas, under a $300,000,000 program, would have had its funds under this program reduced from approximately $10,000,000 to $5,000,000. North Dakota's share would have been reduced from $7,726,000 to $3,753,000. The amendment that I offered to the committee, which was accepted, prohibits a change of more than 15 percent from last year's figures. The effect of this amendment of mine is to prevent a loss of $2,809,000 to North Dakota farmers in payments under this year's program and a possible loss of $1,404,550 to them under next year's program as set forth in this bill. This, I believe, makes the amendment offered by the Senator from Georgia [Mr. RUSSELL], to make grants on the basis of need, workable, and will make possible a good program for next year, even with the more limited funds. I hope that the final action on these agricultural appropriations will remain substantially as left by our committee. The important place agriculture occupies in our national economy makes absolutely necessary all of these funds if we are to prevent another bankrupt agriculture such as that which followed the last war.

Mr. AIKEN. Mr. President, before the vote on the amendments, I would like to say just a word. The subject of American agriculture is very close to my heart, and I want to take this opportunity to congratulate the junior Senator from Illinois and the members of his subcommittee on the very excellent work they have done in connection with this bill. I consider it perfectly fair and generous treatment of American agriculture. I want to express my appreciation to the Senator from Illinois [Mr. BROOKS] for his excellent leadership on the Agriculture appropriation bill.

Now that this seems to be a day of compliments and congratulations, Senators having just now congratulated one of our colleagues on his birthday after 30 years of service in this body, I wish to say a word about the work of one of our colleagues who has been here only a comparatively short time. I refer to the junior Senator from North Dakota [Mr. YOUNG]. I have been associated with him since he has been here. I want to say that his work on the Committee on Agriculture, as well as on the Committee on Appropriations, has been most outstanding. He has been diligent in his attendance at committee hearings. He has studied the bills thoroughly, and he has been fair not only to agriculture but to all other groups of people as well. I know of no one who has made a greater contribution to constructive agricultural legislation in so short a time as has Senator YOUNG. I am glad to take this opportunity to say what I think about his work.

Mr. BARKLEY. Mr. President, I wish to take a brief moment to express my gratitude to the Committee on Agriculture for the improvements they have made in the situation confronting the agricultural appropriation bill. I was very much discouraged, I will say frankly, when the House of Representatives, for whom I have the highest respect, having served in it for a long time, got through with the agricultural appropriation bill, especially in view of what it did to the Rural Electrification Administration, soil conservation, the Farmers Home Administration, and certain other items of the appropriation bill. I naturally am interested especially in those items which are the basis of our improved agricultural situation, because I was here when the original legislation providing for them was enacted and when we set out to try to stop the ravages of soil erosion in the United States, which takes millions of acres of rich surface soil down our creeks and rivers, and into the oceans and gulfs every year. I have always felt, and I am sure every other Senator will agree, that as our population increases, every acre of land must support more people than it did before. We cannot allow our soil to become wasted. We must not only retain its fertility but we must reclaim large areas which in the early days were allowed to go to waste because it was not needed. So it is encouraging to see the Senate committee restore substantially the funds which we felt were absolutely indispensable to carry on the soil-conservation program.

The same thing applies to the REA. We know that under its administration of the funds loaned to it, millions of our farmers, farmers' wives, and children have had lifted from their backs the drudgery of hard hand labor. It is one of the things in which the States and local communities could not indulge. It had to come through the loaning power of the Federal Government. It could not have been done even by commercial banks and lending agencies. In that view of that important situation, which has found encouragement in all States

of the Union by the formation of REA cooperatives and by improved conditions in all the homes in the country, although they are not yet all electrified, the increase since the inauguration of the program has justified the effort on the part of the Federal Government, in my judgment, and I think it has met with the general approval of the people, especially of the farmers throughout the country.

In regard to the Farmers Home Administration, which was originally known as the Resettlement Administration and then the Farm Security Administration, I believe all Senators recognize that the object was to make it possible for more American farmers to own their own homes, to hold out encouragement and assistance to tenant farmers to become land owners and home owners. We know that the larger the proportion of our farmers who own their homes, the greater the number of farmers who have a stake in the soil which they cultivate, the more stable our institutions will be. Foreign ideologies and nostrums find little welcome and little fertility in the soil of farmers who own their land and their homes, and who cultivate their own land. It is the hopelessness and despair of the tenant who, looking down the dim corridors of the future, can see no chance of owning his own farm and his own home, that offers opportunity for instability and insecurity, which is the feeding ground of foreign nostrums of which we speak so much in this day.

I want to express my own appreciation to the committee for improving the situation so far as the appropriation is concerned. I hope the increases that have been provided in the bill will be retained when the bill goes to conference. I want to thank all the members of the committee for the assistance they have rendered in that respect.

The PRESIDENT pro tempore. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Penalty mail," on page 4, line 4, after "(39 U. S. C. 321d)", to strike out "$3,186,000" and insert "$3,486,000."

The amendment was agreed to.

The next amendment was, under the heading "Research and Marketing Act of 1946," on page 4, line 19, after the numerals "1946", to strike out "$3,000,000" and insert "$2,500,000"; in line 20, after the amendment just above stated, to strike out "of which such amount as shall be allotable to Alaska shall be transferred to and make a part of the appropriation 'Research on agricultural problems of Alaska,' without matching requirement"; and in line 23, after the amendment just above stated, to insert a colon and the following proviso: *"Provided*, That section 11 of said Bankhead-Jones Act, as amended by said act of August 14, 1946, is amended by striking out 'authorized to be appropriated under section 9 (a)' and inserting in lieu thereof 'appropriated pursuant to section 9 (a).'"

The amendment was agreed to.

The next amendment was, on page 5, line 4, after the word "act", to strike out "$2,500,000" and insert "3,000,000."

The amendment was agreed to.

The next amendment was, on page 5, line 14, after the numerals "1946", to strike out "$2,000,000" and insert "$2,500,000."

The amendment was agreed to.

The next amendment was, on page 5, line 15, after the words "In all", to strike out "$9,000,000" and insert "$9,500,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of the Solicitor," on page 6, line 9, after the word "service", to strike out "$2,025,000" and insert "$2,225,000", and in line 17, after the word "exceed", to strike out "$1,597,000" and insert "$1,500,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Information—Printing and binding," on page 10, line 20, after the word "appropriated", to strike out "for administering the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U. S. C. 608C 608d), such sums as may be necessary for printing and binding in connection therewith" and insert "to carry into effect the terms of section 32 of the act of August 24, 1935 (7 U. S. C. 612c), as amended, such sums as may be necessary for printing and binding in connection with the activities under section 32"; and on page 11, line 4, after the word "exceed", to strike out "$95,300" and insert "$170,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Economics," on page 11, line 17, after the word "exceed", to strike out "$1,887,000" and insert "$2,387,000."

The amendment was agreed to.

The next amendment was, on page 12, line 8 ,after the word "trends", to strike out "$1,743,600" and insert "$2,243,600."

The amendment was agreed to.

The next amendment was, under the heading "Agricultural Research Administration—Research on agricultural problems of Alaska," on page 18, after line 9, to strike out:

To enable the Secretary, through such officers and employees of the Department of Agriculture and the Territory of Alaska as he may designate, to establish and maintain a program for research into the basic agricultural needs and problems of the Territory of Alaska $144,940, including printing and binding, the employment of personal services in the District of Columbia, and the construction or acquisition of necessary buildings and facilities without regard to restrictions of existing law. In carrying out such program the Secretary is authorized to use such authorities as have heretofore been made available by the Legislature of the Territory of Alaska to the Agricultural Experiment Station of the University of Alaska, and by the laws of the United States, and to cooperate with the University of Alaska and with other public and private agencies. The provisions of this paragraph shall be effective from and after the date of the enactment hereof, and the Secretary is authorized to take such steps and to issue such regulations as he may determine to effectuate the orderly discharge of his responsibilities hereunder. There are hereby transferred to the Secretary the use of such equipment and other facilities, buildings, and grounds of the Territorial agricultural experiment station, including its branches, as he may determine to be necessary, other than any land in general use heretofore for other university purposes, and the Secretary may to the extent deemed advisable continue the employment of the existing personnel of the station. Notwithstanding any other provision of law, including the laws of the Territory of Alaska, there are hereby transferred for the use of the Secretary any unexpended balances now available, and any moneys hereafter received for credit thereto, of all funds heretofore appropriated by the legislature or acquired under authority of law for the construction, use, and development of the Territorial agricultural experiment station, the availability of such funds to be unaffected by this transfer. The moneys so transferred shall be available for the settlement, in such manner as the Secretary shall direct, of obligations outstanding at the time of the transfer.

The amendment was agreed to.

The next amendment was, at the top of page 20, to strike out:

OFFICE OF EXPERIMENT STATIONS

PAYMENTS TO STATES, HAWAII, AND PUERTO RICO

For payments to the States, Hawaii, and Puerto Rico to be paid quarterly in advance, to carry into effect the provisions of the following acts relating to agricultural experiment stations:

Hatch, Adams, Purnell, Bankhead-Jones, and related acts: Hatch Act, the act approved March 2, 1887 (7 U. S. C. 362, 363, 365, 368, 377, 379), $720,000; Adams Act, the act approved March 16, 1906 (7 U. S. C. 369), $720,000; Purnell Act, the act approved February 24, 1925 (7 U. S. C. 361, 366, 370, 371, 373, 376, 380, 382), $2,880,000; Bankhead-Jones Act, title I of the act approved June 29, 1935 (7 U. S. C. 427, 427g), $2,661,268, none of which shall be available for Alaska; Hawaii, the act approved May 16, 1928 (7 U. S. C. 386–386b), extending the benefits of certain acts of Congress to the Territory of Hawaii, $90,000; Puerto Rico, the act approved March 4, 1931, as amended (70 U. S. C. 386d–386f), extending the benefits of certain acts of Congress to Puerto Rico, $90,000; in all, payments to States, Hawaii, and Puerto Rico, $7,161,268.

SALARIES AND EXPENSES

Administration of grants and coordination of research with States: For necessary expenses, including not to exceed $197,525 for personal services in the District of Columbia, to enforce the provisions of the acts approved March 2, 1887, March 16, 1906, February 24, 1925, May 16, 1928, March 4, 1931, and June 20, 1936, and acts amendatory thereto (7 U. S. C. 361–363, 365–369, 370–383, 386, 386d–386f); relative to their administration and for the administration of an agricultural experiment station in Puerto Rico, $211,000; and the Secretary shall prescribe the form of the annual financial statement required under the above acts, ascertain whether the expenditures are in accordance with their provisions, coordinate the research work of the State agricultural colleges and experiment stations in the lines authorized in said acts with research of the Department in similar lines, and make report thereon to Congress.

The amendment was agreed to.

The next amendment was, on page 21, after line 14, to insert:

To enable the Secretary, through such agencies of the Department of Agriculture as he may designate, to establish and maintain a program for research into the basic agricultural needs and problems of the Territory of Alaska, $100,000, including printing and binding, the employment of personal services in the District of Columbia, the acquisition of land and the construction or acquisition of necessary buildings and facilities without regard to restrictions of existing law, including the construction of such buildings and facilities upon land provided by the Territory or otherwise.

The amendment was agreed to.

The next amendment was, at the top of page 22, to insert:

OFFICE OF EXPERIMENT STATIONS

PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

For payments to the States, Hawaii, Alaska, and Puerto Rico to be paid quarterly in advance, to carry into effect the provisions of the following acts relating to agricultural experiment staticns:

Hatch, Adams, Purnell, Bankhead-Jones, and related Acts: Hatch Act, the act approved March 2, 1887 (7 U. S. C., 362, 363, 365, 368, 377-379), $720,000; Adams Act, the act approved March 16, 1906 (7 U. S. C. 369), $720,000; Purnell Act, the act approved February 24, 1925 (7 U. S. C., 361, 366, 370, 371, 373-376, 380, 382), $2,880,000; Bankhead-Jones Act, title I of the act approved June 29, 1935 (7 U. S. C. 427-427g), $2,663,708; Hawaii, the act approved May 16, 1928 (7 U. S. C. 386-386b), extending the benefits of certain acts of Congress to the Territory of Hawaii, $90,000; Alaska, the act approved February 23, 1929 (7 U. S. C. 386c), extending the benefits of the Hatch Act to the Territory of Alaska, $15,000, and the provisions of section 2 of the act approved June 20, 1936 (7 U. S. C. 360a), extending the benefits of the Adams and Purnell Acts to the Territory of Alaska, $27,500; in all, for Alaska, $42,500; Puerto Rico, the act approved March 4, 1931, as amended (7 U. S. C. 386d-386f), extending the benefits of certain acts of Congress to Puerto Rico, $90,000; in all, payments to States, Hawaii, Alaska, and Puerto Rico, $7,206,208.

SALARIES AND EXPENSES

Administration of grants and coordination of research with States: For necessary expenses, including not to exceed $197,525 for personal services in the District of Columbia, to enforce the provisions of the acts approved March 2, 1887, March 16, 1906, February 24, 1925, May 16, 1928, February 23, 1929, March 4, 1931, and June 20 1936 and acts amendatory thereto (7 U. S. C. 361-363, 365-383, 386-386f), relative to their administration and for the administration of an agricultural experiment station in Puerto Rico, $211,000; and the Secretary shall prescribe the form of the annual financial statement required under the above acts, ascertain whether the expenditures are in accordance with their provisions, coordinate the research work of the State agricultural colleges and experiment stations in the lines authorized in said acts with research of the Department in similar lines, and make report thereon to Congress.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Animal Industry—Salaries and expenses," on page 24, line 4, before the word "for", to strike out "$1,059,000" and insert "$1,061,840."

The amendment was agreed to.

The next amendment was, on page 26, line 7, after the word "products", to strike out "$5,000,000" and insert "$11,140,000"; and in line 7, after the amendment just above stated, to strike out "for deposit in the Treasury of the United States as a working capital fund, without fiscal year limitation, to be designated as the 'Meat inspection fund,' which shall be available for all expenses necessary to furnish an adequate and efficient inspection or service, and hereafter every person, firm, public agency, or other organization furnished inspection or service under said laws, including inspection of meat and meat food products offered for import or export and the inspection of horse meat and horse meat products, shall pay the United States therefor in accordance with regulations prescribed by the Secretary of Agriculture and at rates and fees to be fixed by him, which payments, to be deposited in the meat inspection fund, shall provide full reimbursement for the estimated cost attributable to the furnishing of such inspection or service, including scientific and technical investigations and laboratory services; investigations relating to violations of, and authorized exemptions under, the laws relating to Federal meat inspection; supervisory, administrative, statistical, business management, and other costs; personal services in the District of Columbia and elsewhere, without regard to section 607 of the Federal Employees' Pay Act of 1945, as amended; rent in the District of Columbia and elsewhere; purchase and hire of passenger motor vehicles; printing and binding, including the purchase of printed tags, labels, stamps, and certificates as authorized by the act of September 21, 1944 (7 U. S. C., 431); and other necessary expenses: *Provided*, That the Secretary of Agriculture may require advance payment, posting of bonds, or other assurance of payment, in order to protect the interests of the United States, and may withhold or withdraw such inspection or service for nonpayment of charges or fees, or failure to provide the required assurance of payment: *Provided further*, That inspection or other technical services may be rendered to Government and other public agencies, upon request, under the terms and conditions herein provided: *Provided further*, That a schedule of obligations and reimbursements of the meat-inspection fund, as of the close of the last completed fiscal year, and as estimated for the current and ensuing fiscal years, shall be included in the budget as submitted to Congress annually: *And provided further*, That payments shall be made for inspection or service rendered on and after July 1, 1947."

The amendment was agreed to.

The next amendment was, on page 28, line 5, after the word "animals", to strike out "$290,000" and insert "$340,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Dairy Industry", on page 29, line 19, after the word "exceed", to strike out "$500,000" and insert "$540,912."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Plant Industry, Soils, and Agricultural Engineering—Salaries and expenses", on page 31, line 20, after the word "control", to strike out "$359,280" and insert "$379,280."

The amendment was agreed to.

The next amendment was, on page 32, line 6, after the word "management", to strike out "$1,391,000" and insert "$1,491,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Entomology and Plant Quarantine—Salaries and expenses", on page 34, line 3, after the word "exceed", to strike out "$692,000" and insert "$709,440."

The amendment was agreed to.

The next amendment was, on page 35, line 14, after the numerals "166", to strike out "$2,697,100" and insert "$3,047,100."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Human Nutrition and Home Economics", on page 39, line 15, after the word "exceed", to strike out "$381,700" and insert "$305,000", and in line 24, after the word "subject", to strike out "$1,045,000" and insert "$800,000."

The amendment was agreed to.

The next amendment was, under the heading "Forest Service—Salaries and expenses", on page 40, line 22, after the word "exceed", to strike out "$1,055,378" and insert "$1,033,378."

The amendment was agreed to.

The next amendment was, on page 44, line 6, after the word "forests", to strike out "$23,764,891" and insert "$24,014,891."

The amendment was agreed to.

The next amendment was, on page 45, line 3, after the word "elsewhere", to strike out "$1,000,000" and insert "$1,250,000."

The amendment was agreed to.

The next amendment was, on page 45, line 8, after "section 10", to strike out "$572,000" and insert "$822,000."

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition of lands for national forests," on page 46, line 19, after the numerals "521", to strike out "$500,000" and insert "$750,000"; in line 20, after the amendment just above stated, to strike out "to be available only for payment toward the purchase price of any lands acquired"; and in line 21, after the amendment last above stated, to insert a semicolon and "the administrative cost of such acquisition to be met from the appropriation 'National Forest Protection and Management'."

The amendment was agreed to.

The next amendment was, under the heading "Forest roads and trails," on page 47, line 25, after "(1)", to strike out "$10,000,000" and insert "$11,000,000"; in line 26, after "(2)", to strike out "$5,300,000" and insert "$8,300,000"; on page 48, line 3, after the words "in all", to strike out "$15,300,000" and insert "$19,300,000"; and in line 4, after the word "exceed", to strike out "$100,000" and insert "$109,530."

The amendment was agreed to.

The next amendment was, under the heading "Flood control," on page 48, line 23, after the word "improvement", to strike out "$500,000" and insert "$1,500,000"; on page 49, line 5, after the word "situated", to strike out the colon and the following additional proviso: "*Provided further*, That allocations of funds for the fiscal years 1947 and 1948 for works of improvement on individual watersheds shall be in the respective amounts set forth in the Department's Budget justifications to the House Appropriations Committee and shall not be decreased except as may be necessary by reason of a decrease in the estimates of available prior year balances."

The amendment was agreed to.

The next amendment was, on page 49, line 12, after the amendment just above stated, insert a colon and the following additional proviso: "*Provided further*, That $1,000,000 of the funds hereby appropriated shall be used to make preliminary examinations and surveys in the watersheds of the upper Mississippi, Missouri, and Ohio Rivers and their tributaries."

The amendment was agreed to.

The next amendment was, under the heading "Soil Conservation Service," on page 49, line 22, after the word "exceed", to strike out "$838,500" and insert "$875,000."

The amendment was agreed to.

The next amendment was, on page 51, line 5, after the word "installations", to strike out "$673,000" and insert "$1,423,000."

The amendment was agreed to.

The next amendment was, under the heading "Production and Marketing Administration—Conservation and use of agricultural land resources," on page 52, after line 4, to strike out:

For expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 71, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 203, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; $165,614,290, to remain available until December 31, 1948, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the act of February 29, 1936, as amended, during the period July 1, 1946, to December 31, 1947, inclusive: *Provided*, That not to exceed $15,000,000 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, but not more than $1,950,000 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That payments to claimants hereunder shall be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of the act of March 4, 1909, as amended (18 U. S. C. 80): *Provided further*, That none of the funds herein appropriated or made available for functions assigned to the Agricultural Adjustment Agency pursuant to the Executive order (No. 9069) of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That no funds shall be available for salaries or other administrative expenses in connection with the formulation or administration of any 1948 program of soil-building practices and soil- and water-conservation practices, under the act of February 29, 1936, as amended, or programs under the Agricultural Adjustment Act of 1938, as amended, except those pertaining to marketing quotas under the latter act: *Provided further*, That the Secretary may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of said Office in auditing payments under this item: *Provided further*, That such amount shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in the 1947 program under said act of February 29, 1936, as amended: *Provided further*, That the Secretary is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and Use of Agricultural Land Resources," in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer (or the person entitled to payment in case of death, disappearance, or incompetency of the farmer under regulations issued pursuant to section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., 1940 edition, 1385)) within 1 year from the date of his discharge from the armed forces, or by December 31, 1947, whichever is later: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: *Provided further*, That where farmer participation in the program in any State, region, or area is not sufficient to require the full amount of the money apportioned thereto any such sum or sums in excess of such requirement shall be reapportioned to States, regions, or areas whose original apportionments have not been sufficient to meet such requirements.

And in lieu thereof to insert the following:

For expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 303, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; $258,000,000, to remain available until December 31, 1948, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the act of February 26, 1936, as amended, pursuant to the provisions of the 1947 programs carried out during the period July 1, 1946, to December 31, 1947, inclusive: *Provided*, That not to exceed $27,500,000 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, including the peanut-marketing quota program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $7,080,813 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of the act of March 4, 1909, as amended (18 U. S. C. 80): *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order No. 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1948 programs (amounting to $150,000,000, including administration, and formulated on the basis of a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs as determined by the Secretary: *Provided further*, That the proportion allocated to any State shall not be reduced more than 15 percent from the 1946 distribution and that no participant shall receive more than $500) of soil-building practices and soil- and water-conservation practices, under the act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended; but the payments or grants under such program shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made, in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committee appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended for the respective States: *Provided further*, That the Secretary may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of said Office in auditing payments under this item: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in the 1947, 1948, and 1949 programs under said act of February 29, 1936, as amended: *Provided further*, That the Secretary is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and use of agricultural land resources", in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer (or

the person entitled to payment in case of death, disappearance, or incompetency of the farmer under regulations issued pursuant to section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., 1940 ed., 1385)) within 1 year from the date of his discharge from the armed forces, or by December 31, 1947, whichever is later: *And provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

The amendment was agreed to.

The next amendment was, on page 61, after line 2, to strike out:

NATIONAL SCHOOL LUNCH ACT

To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), $45,000,000: *Provided*, That no part of this appropriation shall be used for matching funds from sources within the States derived from the sale of lunches.

The amendment was agreed to.

The next amendment was, on page 61, after line 8, to strike out:

ADMINISTRATION OF AGRICULTURAL MARKETING AGREEMENTS AND ORDERS

For expenses necessary to enable the Secretary to administer the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U. S. C. 608c–608d), including personal services in the District of Columbia, $525,300.

The amendment was agreed to.

The next amendment was, under the subhead "Marketing services," on page 61, line 16, after the word "exceed", to strike out "$2,211,000" and insert "$2,286,000."

The amendment was agreed to.

The next amendment was, on page 62, line 1, after the word "products", to insert "(including broilers)"; and in line 3, after the word "products", to strike out "$1,527,500" and insert "$1,566,250."

The amendment was agreed to.

The next amendment was, on page 63, line 13, after the word "newspapers", to strike out "$1,000,000" and insert "$1,100,000."

The amendment was agreed to.

The next amendment was, under the heading "Commodity Exchange Authority," on page 66, line 12, after the word "exceed", to strike out "$141,000" and insert "$153,000."

The amendment was agreed to.

The next amendment was, under the heading "Farmers Home Administration," on page 66, line 22, after the word "Loans", to strike out "For loans under" and insert "Title I and section 43, $20,000,000."

The amendment was agreed to.

The next amendment was, on page 67, line 8, after the numerals "1946", to strike out "$18,000,000" and insert "$24,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Rural Electrification Administration," on page 69, line 17, after the word "reports", to strike out "$4,000,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 69, line 20, after the word "thereof", to strike out "$225,000,000" and insert "$250,000,000."

The amendment was agreed to.

The next amendment was, under the heading "General provisions," on page 78, after line 9, to insert:

SEC. 8. Limitations on amounts to be expended for personal services under appropriations in this act shall not apply to lump-sum leave payments pursuant to the act of December 21, 1944 (Public Law 525).

The amendment was agreed to.

The next amendment was, on page 78, line 14, to change the section number from 8 to 9.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Government corporations," on page 78, line 22, after the word "expenses", to strike out "$1,000,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 80, line 11, after the word "flax", to insert a colon and the following additional proviso: *"Provided further*, That none of the funds herein appropriated shall be used to insure any 1948 or subsequent crop except wheat in not to exceed 633 counties and flax in not to exceed 87 counties, in accordance with section 508 (a) (1) of the Federal Crop Insurance Act, as amended, and five additional crops in 1948 under the provisions of section 508 (a) (2) of said act, as amended, including corn and tobacco in not to exceed 50 counties each and cotton in not to exceed 56 counties, unless otherwise provided by legislation."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Reduction in appropriation—Exportation and domestic consumption of agricultural commodities," on page 81, line 7, after the word "than", to strike out "$40,000,000" and insert "$48,000,000"; and in line 9, after the word "act", to insert "To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), there is hereby made available $75,000,000 of the funds appropriated for the fiscal year 1948 by section 32 of the act approved August 24, 1935 (7 U. S. C. 612 (c)), such amount to be without regard to the 25 percent limitation contained in said section 32, and to be exclusive of funds expended in accordance with the last sentence of section 9 of the National School Lunch Act."

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. Are there further amendments to be offered?

Mr. BROOKS. Mr. President, I ask unanimous consent for reconsideration of the vote by which the committee amendment on page 34, line 3, was agreed to; so I may offer an amendment to the committee amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BROOKS. I offer an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 34, line 3, it is proposed to strike out "$709,440" and insert in lieu thereof "$758,688."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. COOPER. Mr. President, for myself, the senior Senator from Kentucky [Mr. BARKLEY], the Senator from Oregon [Mr. CORDON], and the Senator from North Carolina [Mr. UMSTEAD] I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 13, line 13, it is proposed to strike out "$428,000" and insert in lieu thereof "$578,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. BARKLEY. Mr. President, after conferring with the Senator from Illinois [Mr. BROOKS], my colleague the junior Senator from Kentucky [Mr. COOPER], the Senator from Oregon [Mr. CORDON], and the Senator from North Carolina [Mr. UMSTEAD], it was the understanding that the Senator from Oregon, the Senator from North Carolina, and I would join in the amendment, which we are glad to do.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. COOPER. I should like to say that the amendment which I offered and sent to the desk carries on its face the names of the senior Senator from Kentucky, the Senator from Oregon [Mr. CORDON], the Senator from North Carolina [Mr. UMSTEAD], and myself. I wish the clerk would read the amendment, including the sponsors.

Mr. BARKLEY. I wish to associate myself in the offering of the amendment, and the Senator from Oregon [Mr. CORDON], and the Senator from North Carolina [Mr. UMSTEAD], with whom we have discussed this matter, desire to be associated with it.

Mr. COOPER. Mr. President, I ask that the clerk read the wording of the amendment as it was sent to the desk.

The PRESIDENT pro tempore. The wording of the amendment will be read.

The legislative clerk read as follows:

Amendment proposed by Mr. COOPER (for himself, Mr. BARKLEY, Mr. CORDON, and Mr. UMSTEAD) to the bill H. R. 3601, viz, on page 13, line 13, strike out "$428,000" and insert in its place "$578,000."

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me explanatory of the amendment just offered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I am happy to join with the distinguished senior Senator from Kentucky [Mr. BARKLEY] and the distinguished Senator from Oregon [Mr. CORDON] and the

distinguished Senator from North Carolina [Mr. UMSTEAD], in the amendment to increase the appropriation for the Office of Foreign Agricultural Relations by $150,000, from $428,000 to $578,000.

The proposed reduction in funds of the Office of Foreign Agricultural Relations would have required the Department of Agriculture to surrender to the State Department the vital job of protecting American farmers' interests in the forthcoming battle for our fair share of agricultural exports. This is the very thing the House Appropriations Committee said it wanted to prevent.

Practically every foreign government now imposes controls over trade which restrict the chances of American producers to export their surplus farm products. The best way to remedy this situation is to bargain directly with other countries and to negotiate in international conferences and international organizations. American farmers need an export market.

If this section of the Department of Agriculture is made weaker, the State Department must step in to fill the vacuum. Farmers prefer to be represented through their own Department. Farmers want representation which knows the facts on the world agricultural situation, and the domestic agricultural situation. It is the only kind of representation which can be effective.

Furthermore, it is necessary that farmers, farm organizations, and farm leaders have the facts about competitive production and about market opportunities and market conditions abroad. They want those facts made available to them through our Department of Agriculture.

The proposed reduction in funds for the Office of Foreign Agricultural Relations will cripple these vital services to American agriculture at the very time when they are most needed.

If this cut is sustained, the Department of Agriculture will no longer be able to provide experienced men to represent farm interests in these international negotiations, now more important than ever before.

Furthermore, such representation as will remain will not have at its command the detailed facts on the agriculture of other countries and the analyses of the world agricultural situation which are essential to success in the job of protecting American farmers' interests.

And just as important, American farmers, agricultural producers' organizations, and American exporters will not have the information which they need, in the form of summarized reports and analyses of production, competition, and market opportunities abroad.

This is particularly true for my own State of Kentucky, whose chief crop in value is tobacco. Export outlets are absolutely necessary for tobacco producers. Already the Office of Foreign Agriultural Relations has performed notable service in finding new markets for Kentucky tobacco, and it looks forward to increased aid and service on its part to the farmers of the Nation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER], for himself and other Senators.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I wish to have printed in the body of the RECORD at this point a brief memorandum of two pages with reference to the services of the Office of Foreign Agricultural Relations to the producers of tobacco throughout the United States in undertaking to facilitate the securing of foreign markets for this particular agricultural product throughout the world, wherever they are available.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DIRECT SERVICES TO TOBACCO GROWERS AND EXPORTERS

The Office of Foreign Agricultural Relations renders many services, direct and indirect, to tobacco growers and exporters. Three instances will illustrate: the Czechoslovakian loan for the purchase of American tobacco, the Italian loan for the purchase of American tobacco, and the issuance of licenses for importation of American tobacco into China.

THE CZECHOSLOVAKIAN LOAN FOR THE PURCHASE OF UNITED STATES LEAF TOBACCO

Reports from the American Embassy, Praha, Czechoslovakia, indicated that the tobacco monopoly of that country wished to purchase American leaf tobacco for the manufacture of American-type blended cigarettes and other products. The Office of Foreign Agricultural Relations supplied information regarding our tobacco to the Czechoslovak Embassy which led to a loan by the Export-Import Bank to the Czechoslovak Government of $2,000,000 in September 1946. Since that time we have shipped to Czechoslovakia more than 4,000,000 pounds of tobacco made up as follows: Burley 1,534,000 pounds, flue-cured 1,933,000 pounds, Virginia fire-cured 559,000 pounds, and cigar 52,000 pounds. This is the largest amount of tobacco ever shipped to that country in 1 year. But for the recent unfortunate circumstances, a profitable market would have been established for American tobacco in Czechoslovakia. It may yet result if conditions again become favorable to trade relations with that country.

THE ITALIAN LOAN FOR THE PURCHASE OF UNITED STATES LEAF TOBACCO

Report No. 312 of November 30, 1945, from the American Embassy at Rome gave a concise statement of the tobacco situation in Italy. It was noted that stocks of leaf tobacco on June 30, 1945, amounted to only 44,600,000 pounds as compared with 244,500,000 pounds on the same date in 1939. This indicated a serious shortage of tobacco and the need for additional supplies. The United States at one time had supplied Italy with the bulk of its requirements and it was thought that the situation might lead to the reestablishement of trade with that country.

The Office arranged for a conference with the commercial counselor of the Italian Embassy and the situation was discussed. It was found that the Italian Monopoly wished to purchase tobacco in this country but had insufficient dollars for this purpose. After several conferences between officials of the Embassy and this office, the Italian tobacco monopoly decided to apply to the Export-Import Bank for a loan to purchase tobacco. At this point it was thought best to place further negotiations in the hands of the trade, and a conference was arranged for the Export Committee of the Tobacco Association of the United States to discuss the matter with officials of the Italian Embassy. The conference took place on July 12, 1946, and there were several subsequent conferences. The final result was a loan by the Export-Import Bank of $5,000,000 to the Italian tobacco monopoly for the purchase of American tobacco.

Through May of this year we had exported to Italy 7,632,000 pounds of tobacco made up as follows: Burley 5,528,000 pounds, fire-cured 1,471,000 pounds, flue-cured 630,000 pounds, and black fat (a processed tobacco) 3,287 pounds. The tobacco trade between the United States and Italy was thereby reestablished, and it is expected that Italy will continue to be a market of importance for our tobacco.

THE CHINESE SITUATION

The Chinese Government was, and still is, short of dollar exchange when hostilities with Japan ceased. The Government of China decided that certain goods and commodities, absolute essentials, could be imported freely; certain others, nonessentials and luxuries, were prohibited; and a third class, including leaf tobacco, could be imported only by permit and that permits would be allocated.

This action by the Chinese Government was condemned by flue-cured tobacco growers and exporters. They passed several strongly worded resolutions and wrote letters of protest to Members of Congress. This office was requested to call a conference of growers and exporters to discuss the situation. A conference was called by a farm organization (North Carolina State Grange) for April 17, 1946.

The situation in China was explained as regards both the financial situation and the basis to be used in allocating licenses for the imports of leaf tobacco. Tobacco growers and exporters were advised to wait until licenses were allocated before taking any definite action, as until licenses were issued there was no basis for a protest. They agreed to this procedure, but drafted resolutions which were forwarded to the Department of State. That Department cabled the United States officials in China certain views expressed in the resolutions sent to the State Department.

On June 13, 1947, the Department of State received from Shanghai, China, a cable which stated:

"All American dealers leaf tobacco here have received authorization to import quantities and values of American leaf tobacco as applied for covering March-September, 7 months' period."

It, therefore, paid to wait out the situation rather than lodge formal complaint before we had full information. Exports to China in 1946 amounted to 72,900,000 pounds.

The statement has been made that the Office of Foreign Agricultural Relations is tied too closely to the Department of State. The instances cited indicate that close cooperation between the two agencies is desirable.

Mr. SALTONSTALL. Mr. President, I offer an amendment, on page 6, to strike out the proviso which reads:

Provided further, That no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof.

I will say very briefly that this provision, which was put into the appropriation bill this year, would eliminate the opportunity to carry out the purposes of the act of 1946 to treat fish and shellfish as agricultural products in connection with transportation rates, and matters of that kind. There is no money involved. The striking out of the language would simply allow the Department of Agriculture to include fish and shellfish as agricultural products in connection with rates on the railroads and similar matters. I hope the Senator from Illinois will be able to accept the amendment.

Mr. BROOKS. Mr. President, we had no testimony on this item. It was not mentioned, and we did not know there would be any controversy about it. I will accept the amendment, with the understanding that it has to do only with giving fish and shellfish the benefit of freight rates. If however it will include fish and shellfish as a part of the program for support prices for agriculture, I shall certainly object, if I find that to be a fact in conference.

Mr. SALTONSTALL. Mr. President, I do not understand that to be the situation, and if there is anything of that character, I agree with the statement of the Senator from Illinois.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 3601) was read the third time and passed.

Mr. BROOKS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BROOKS, Mr. GURNEY, Mr. REED, Mr. BUSHFIELD, Mr. RUSSELL, Mr. HAYDEN, and Mr. TYDINGS conferees on the part of the Senate.

Mr. WILLIAMS. Mr. President, we have just passed an appropriation bill containing appropriations which exceed those of last year by a little more than $20,000,000. I shall not make any extended remarks at this time. However, I ask unanimous consent to have printed in the RECORD a number of tables which show the distribution of some of these funds during the past 12 months.

The first is a table which shows the distribution by States in connection with the wool program. This chart is based upon a loss of 10 cents a pound, which was estimated by the Department of Agriculture. It shows how much each State will contribute toward the payment of this bill, and also how much each State will receive. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Re Senate bill 814, to provide support for wool, to continue Commodity Credit Corporation as an agency of the United States, and for other purposes, based on loss of 10 cents per pound

	Proportional part of—	
	Amount to be paid	Amount to be received
Alabama	$188,800	$11,300
Arizona	60,800	352,100
Arkansas	80,000	35,600
California	2,662,400	2,040,800
Colorado	192,000	1,337,200
Connecticut	553,600	3,600
Delaware	316,800	1,300
Florida	310,400	6,100
Georgia	320,000	6,000
Idaho	48,000	1,182,500
Illinois	2,800,000	518,900
Indiana	723,200	364,800
Iowa	252,800	855,700
Kansas	307,200	513,100
Kentucky	560,000	434,200
Louisiana	272,000	71,900
Maine	105,600	20,500
Maryland	$569,600	$28,100
Massachusetts	1,145,600	4,200
Michigan	1,555,200	500,100
Minnesota	473,600	701,500
Mississippi	73,600	19,400
Missouri	860,800	861,900
Montana	48,000	2,395,800
Nebraska	220,800	272,400
Nevada	28,800	454,000
New Hampshire	60,800	4,800
New Jersey	1,004,800	3,800
New Mexico	35,200	1,379,700
New York	6,412,800	170,400
North Carolina	864,000	22,400
North Dakota	35,200	622,600
Ohio	,044,800	1,195,600
Oklahoma	230,400	185,100
Oregon	217,600	838,700
Pennsylvania	2,531,200	209,500
Rhode Island	179,200	1,200
South Carolina	144,000	2,000
South Dakota	35,200	1,108,700
Tennessee	256,000	179,000
Texas	848,000	7,915,100
Utah	64,000	1,790,100
Vermont	35,200	10,200
Virginia	595,200	153,500
Washington	428,800	343,800
West Virginia	153,600	166,800
Wisconsin	665,600	242,600
Wyoming	25,600	2,563,100
Total	31,596,800	32,101,700

Re Senate bill 814, to provide support for wool, to continue Commodity Credit Corporation as an agency of the United States, and for other purposes, based on loss of 10 cents per pound—Continued

Mr. WILLIAMS. Mr. President, I also have a table showing the distribution in connection with the school-lunch program, of the $55,000,000 which was distributed among the States last year. This table is broken down by States. I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Re Public Law 396, 79th Cong., school-lunch program—Table showing the amount contributed by each State toward the school-lunch program (according to Federal income-tax percentages), and the amount apportioned to each State by the Federal Government for this program, for fiscal year ending June 30, 1946

State	Proportional part of—		Increase or decrease
	Amount paid	Amount received	
Alabama	$324,500	$1,996,954	Increase.
Arizona	104,500	309,976	Do.
Arkansas	137,500	1,361,384	Do.
California	4,576,000	2,182,698	Decrease.
Colorado	330,000	381,089	Increase.
Connecticut	951,500	327,070	Decrease.
Delaware	544,500	207,790	Do.
Florida	533,500	1,203,813	Increase.
Georgia	550,000	2,787,875	Do.
Idaho	82,500	279,219	Do.
Illinois	4,812,500	2,713,592	Decrease.
Indiana	1,243,006	1,173,258	Do.
Iowa	434,500	855,413	Increase.
Kansas	528,000	541,786	Do.
Kentucky	962,500	1,385,763	Do.
Louisiana	467,500	1,872,104	Do.
Maine	181,500	260,476	Do.
Maryland	979,000	364,851	Decrease
Massachusetts	1,969,000	1,099,187	Do.
Michigan	2,673,000	1,658,016	Do.
Minnesota	814,000	1,185,193	Increase
Mississippi	126,500	1,240,235	Do.
Missouri	1,479,500	1,541,796	Do.
Montana	82,500	193,237	Do.
Nebraska	379,500	256,318	Decrease.
Nevada	49,500	60,525	Increase.
New Hampshire	104,500	115,791	Do.
New Jersey	1,727,000	986,189	Decrease.
New Mexico	60,500	271,872	Increasd.

Re Public Law 396, 79th Cong., school-lunch program—Continued

State	Proportional part of—		Increase or decrease
	Amount paid	Amount received	
New York	$11,022,000	$4,018,877	Decrease.
North Carolina	1,485,000	2,957,399	Increase.
North Dakota	60,500	169,220	Do.
Ohio	3,514,500	2,269,988	Decrease.
Oklahoma	396,000	1,418,010	Increase.
Oregon	374,000	484,864	Do.
Pennsylvania	4,350,500	1,158,441	Decrease.
Rhode Island	308,000	202,217	Do.
South Carolina	247,500	2,128,789	Increase.
South Dakota	60,500	198,510	Do.
Tennessee	440,000	2,241,273	Do.
Texas	1,457,500	3,544,115	Do.
Utah	110,000	353,268	Do.
Vermont	60,500	128,291	Do.
Virginia	1,023,000	1,216,214	Do.
Washington	737,000	830,383	Do.
West Virginia	264,000	1,117,564	Do.
Wisconsin	1,144,000	956,942	Decrease.
Wyoming	44,000	180,932	Increase.
Total	54,307,000	54,388,677	

NOTE.—The round figure of $55,000,000 was used to compute the figures in column 1. Column 1 would equal this $55,000,000 if the District of Columbia tax percentage was included.

Mr. WILLIAMS. I also have a table showing the distribution of the agricultural conservation payments by States. I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Re agricultural conservation program (payments)—Appropriation: Conservation and use of agricultural land resources, fiscal year 1946—Table showing amount of each State's contribution to the subject appropriation (according to Federal income-tax percentages) and the amount of payments received by each State under subject appropriation

State	Proportional part of—		Increase or decrease
	Amount contributed	Amount received	
Alabama	$1,495,785	$4,538,000	+$3,042,215
Arizona	481,693	1,283,000	+801,307
Arkansas	633,807	4,065,000	+3,431,193
California	21,093,113	8,340,000	−12,753,113
Colorado	1,521,138	4,495,000	+2,973,862
Connecticut	4,385,947	511,000	−3,874,947
Delaware	2,509,877	657,000	−1,852,877
Florida	2,459,173	2,093,000	−366,173
Georgia	2,535,230	4,442,000	+1,906,770
Idaho	380,284	2,322,000	+1,941,716
Illinois	22,183,262	10,745,000	−11,438,262
Indiana	5,729,619	6,683,000	+953,381
Iowa	2,002,831	14,626,000	+12,623,169
Kansas	2,433,820	7,967,000	+5,533,180
Kentucky	4,436,652	9,944,000	+5,507,348
Louisiana	2,154,945	2,640,000	+485,055
Maine	836,625	883,000	+46,375
Maryland	4,512,709	2,100,000	−2,412,709
Massachusetts	9,076,123	784,000	−8,292,123
Michigan	12,321,217	6,550,000	−5,771,217
Minnesota	3,752,140	14,528,000	+10,775,860
Mississippi	583,102	5,082,000	+4,498,898
Missouri	6,819,768	9,144,000	+2,324,232
Montana	380,284	6,249,000	+5,868,716
Nebraska	1,749,308	7,719,000	+5,969,692
Nevada	228,170	324,000	+95,830
New Hampshire	481,693	339,000	−142,693
New Jersey	7,960,622	1,279,000	−6,681,622
New Mexico	278,875	2,946,000	+2,667,125
New York	50,806,009	6,681,000	−44,125,009
North Carolina	6,845,121	5,655,000	−1,190,121
North Dakota	278,875	13,121,000	+12,842,125
Ohio	16,200,119	7,187,000	−9,013,119
Oklahoma	1,825,365	6,593,000	+4,767,635
Oregon	1,723,956	2,763,000	+1,039,044
Pennsylvania	20,053,669	5,950,000	−14,103,669
Rhode Island	1,419,728	87,000	−1,332,728
South Carolina	1,140,853	2,339,000	+1,198,147
South Dakota	278,875	6,369,000	+6,090,125
Tennessee	2,028,184	7,947,000	+5,918,816
Texas	6,718,359	19,988,000	+13,269,641
Utah	507,046	1,173,000	+665,954
Vermont	278,875	1,027,000	+748,125
Virginia	4,715,527	4,804,000	+88,473

Re agricultural conservation program (payments)—Continued

State	Proportional part of—		Increase or decrease
	Amount contributed	Amount received	
Washington	$3,397,208	$3,478,000	+$80,792
West Virginia	1,216,910	1,974,000	+757,090
Wisconsin	5,273,278	9,749,000	+4,475,722
Wyoming	202,818	2,138,000	+1,935,182
Total	250,328,587	[1]253,523,000	

[1] Including Alaska, Hawaii, Puerto Rico, and naval stores—not listed.

NOTE.—If the District of Columbia tax percentage was included and the figures carried out to dollars and cents, total of column 1 would equal $253,523,000. (District of Columbia percentage—$3,194,389.80; cents not included—$23.20.)

Mr. WILLIAMS. Mr. President, an analysis of these tables will explain why certain States must insist upon a continuation of these programs. The administrative expenses of the programs are not included in the tables.

I realize that it is useless to criticize the increase in appropriations at this time, but I wish to let the people of the various States know how they fare in these programs. Perhaps with this knowledge we can approach appropriation bills with more caution another year.

FEDERAL POWER COMMISSION—REFERENCE OF NOMINATION OF BURTON N. BEHLING

The PRESIDENT pro tempore. Under the order of the Senate, the Senate is now bound to consider the controversy between the Committee on Public Works and the Committee on Interstate and Foreign Commerce. However, the Chair doubts whether the Senator from Maine [Mr. WHITE] and the Senator from West Virginia [Mr. REVERCOMB] are prepared to go forward.

Mr. WHITE. Mr. President, I am reluctant to go forward at this time. Certainly I would not wish to do so in the absence of the Senator from West Virginia.

TRUSTEESHIP AGREEMENT FOR THE TERRITORY OF THE PACIFIC ISLANDS

The PRESIDENT pro tempore. Before the Senator makes a motion to adjourn or recess, the Chair suggests that he would like very much, under the circumstances, if he might be permitted to clear up the trusteeship agreement problem, because the Chair is very sure that it can be done in 10 minutes.

Is there objection to a unanimous-consent agreement to proceed to the consideration of House Joint Resolution 233, Calendar No. 526, which unanimously passed the House? The joint resolution relates to trusteeship agreements.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 233), authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

The PRESIDENT pro tempore. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 233) authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. CAIN in the chair). The Senator from Michigan is recognized.

Mr. VANDENBERG. Mr. President, I wish to make a very brief statement regarding the joint resolution.

The Security Council of the United Nations has unanimously agreed to this trusteeship agreement, on the basis of recognizing the ex-mandated Japanese islands in the Pacific as strategic areas. It is the only strategic trusteeship which the Security Council has developed. It applies, as the Senate knows, to the 98 ex-mandated Japanese islands. The House of Representatives has unanimously passed the joint resolution. The Senate Foreign Relations Committee has unanimously approved the joint resolution. However, before it did so, it called before it for categorical cross-examination the five men who are most responsible for the national security, namely, Secretary of State Marshall, Secretary of War Patterson, Secretary of the Navy Forrestal, General Eisenhower, and Admiral Nimitz.

I say to my colleagues that each of these five officers of the Government, representing the top responsibility for national security, categorically says that the national security is amply and adequately protected under the strategic agreement; and each of the five categorically recommends passage of the joint resolution in the name of national security.

Under all these circumstances, I am sure there ceases to be the slightest controversy, and I hope that the House joint resolution may pass, and that the Senate joint resolution may be indefinitely postponed.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 143 is indefinitely postponed.

FEDERAL POWER COMMISSION—REFERENCE OF NOMINATION OF BURTON N. BEHLING

The PRESIDING OFFICER. Senate Executive Resolution 52 will be read for the information of the Senate.

The resolution was read as follows:

Resolved, That the Committee on Public Works be, and it is hereby, discharged from the further consideration of the nomination of Burton N. Behling, of the District of Columbia, to be a member of the Federal Power Commission for the term expiring June 22, 1952, and that it be referred to the Committee on Interstate and Foreign Commerce.

Mr. BREWSTER. Mr. President, I should like to address the Senate briefly on a bill which I introduced earlier in the day, dealing with the disposition of our ex-Presidents.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. HATCH. I have been engaged in conversation, and I did not hear what the Senator said. Is the Senator from Maine undertaking to obtain consideration of the measure which he introduced earlier in the day?

Mr. BREWSTER. No. I intended to speak about it, to elucidate the reasons why I am interested in it.

Mr. REVERCOMB. Mr. President, am I to understand that the pending business is the resolution to discharge the Committee on Public Works from further consideration of the nomination of Burton N. Behling?

The PRESIDING OFFICER. That is the opinion of the Chair.

Mr. REVERCOMB. Will that be the pending business when the Senate convenes tomorrow?

The PRESIDING OFFICER. That will be determined by whether or not the resolution is disposed of prior to the close of business today.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Will it not also depend on whether the Senate recesses or adjourns?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHITE. Mr. President, if the Senate adjourn, the pending business will be the order of business at the close of the morning hour.

The PRESIDING OFFICER. A motion to go into executive session would be in order at any time, for the reason that it is a privileged motion.

Mr. WHITE. Mr. President, let me say to the Chair and to all Senators who may be interested that the Senator from West Virginia [Mr. REVERCOMB] and I are equally anxious to proceed with this question to the earliest possible determination. I shall rest comfortably in the belief that a motion to proceed to the consideration of the resolution tomorrow will be acted upon favorably, and that we can move forward from then on to a conclusion.

Mr. REVERCOMB. Mr. President, I heartily join in the expressed wish that we proceed promptly. I may say further that, because this matter has been delayed so long—not through the fault of the Senator from Maine or myself, but because of important business pending from day to day before the Senate—we have reached the point where action must be taken. Unless we can dispose of the question, since the nomination is before the Committee on Public Works, I shall be impelled, under the circumstances, to give notice of a hearing upon the nomination. For that reason, I think the question of jurisdiction should be determined just as early as possible, and tomorrow.

Mr. BREWSTER. Mr. President, it is my understanding that there will be a motion to adjourn and that after the morning hour this matter will be taken up. I am speaking this evening only because it was my understanding that the two Senators immediately concerned would prefer to take the matter up in the morning rather than try to conclude it tonight. That was my only reason for seeking the floor.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. REVERCOMB. I am perfectly willing that the Senator from Maine proceed, but I am ready to proceed at any time, and should like to dispose of the matter as soon as possible.

Mr. BREWSTER. I have spoken with my colleague the senior Senator from Maine [Mr. WHITE], and he felt that it would unduly delay the Senate, since we have been in late session for several days.

Mr. REVERCOMB. Undoubtedly, we would not conclude it this afternoon, unless we hold a very late session.

The PRESIDING OFFICER. A motion to go into executive session is in order at any time, whether it be later this afternoon or tomorrow morning.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Wisconsin.

Mr. WILEY. I have talked with the majority leader and also with several other Members. I am hoping that the majority leader will give notice that if convenient the calendar will be called tomorrow for the consideration of all measures reported after July 3, when the calendar was last called, because bills are coming in now en masse. I think it will not take very long to dispose of the bills which are not in controversy.

Mr. TAFT. Mr. President, will the President yield?

Mr. BREWSTER. I yield.

Mr. TAFT. I think the first order of business is the passage of the appropriation bills. Government employees are going without their salaries, and the bills are long past due. We should consider those bills as rapidly as they are reported to the Senate. I have no doubt that we can reach a point in the consideration of the appropriation bills when the calendar can be called, but I think the appropriation bills should have first priority.

Mr. WHITE. In connection with what the Senator from Ohio has said, notice should be given before there is a call of the calendar. I agree that the pendency of appropriation bills is of such transcendent importance that they should not be shunted aside except for reasons of the greatest importance.

Mr. TAFT. If agreeable to the Senator, I think probably by Wednesday we can call the calendar.

Mr. WILEY. Will the Senator yield?

Mr. BREWSTER. I yield.

Mr. WILEY. It was not my idea to interfere with the regular order. If we had not had notice that the Senator from Maine had a speech in his system we could have cleared it up in 20 minutes.

Mr. TAFT. I think it would take a couple of hours.

Mr. BREWSTER. Mr. President, I object to any intimation that the Senator from Maine has delayed the Senate.

Mr. WILEY. Not at all.

Mr. BREWSTER. It is utterly impossible to proceed without a quorum call, and I am sure there will be some difficulty in getting a quorum without any previous notice. So I hope the Senator will withdraw the suggestion that the junior Senator from Maine is responsible for the calendar not now being called.

Mr. WILEY. Will the Senator yield?

Mr. BREWSTER. I yield.

Mr. WILEY. I am sure the Senator misinterpreted my remark. I probably spoke too fast. I said that if the Senator had not had a speech in his system, and notice had been given, we might easily conclude the call of the calendar in 20 minutes.

Mr. BREWSTER. The Senator makes me think of the gentleman who said that if he had some bread he could have a ham sandwich if he had some ham.

DESIGNATION OF EX-PRESIDENTS AS SENATORS AT LARGE

Mr. BREWSTER. Mr. President, I suppose we find no complaint more frequently expressed in executive and legislative offices than that concerning our inability to keep experienced men in Government.

Despite the inducements Government offers, men who attain the caliber to administer and to advise wisely, shortly find the inducements of private enterprise in this free economy of our so attractive that they abandon public office and leave their places to be filled by understudies. Hence we find our administrators, counsellors, and prosecutors too often men who lack experience and maturity of judgment. Government service becomes the preparatory school, or the stepping stone for our law firms and business houses.

There is no full remedy for this situation. So long as the profit motive prevails, and our whole economic structure rightly builds upon that urge, we shall continue to see our most capable men seek the less tumultuous and better-paid life of business and the professions. We can remedy this in part only by increasing the attractiveness of Government service through better salaries, greater assurance of security, and more liberal retirement provisions. Considerable progress has been made along these lines in recent years, but at one point we have been sacrificing needlessly men who are by all odds equipped to render our Government a service beyond that of all others. I speak of the highly extravagant and singularly ruthless abandonment of the men who have served this Nation in the highest office of the land.

History records some very tragic personal consequences of this oversight. Numbers of the men who have served as President have ended their years in financial distress, and a few in abject poverty. It seems a paradox that the man endorsed by the electorate to bear the gravest responsibilities for the Nation's welfare should suddenly find himself completely removed from the intense activity of the Presidency, shorn of all his power and authority, and without even a forum within which he may feel free to speak.

Rutherford B. Hayes described the situation in which an ex-President finds himself in these words:

> There is no place in the United States for an ex-President. If I could go into any of the great business enterprises of the country, I would hardly fit, and the country would not think it proper, so I am devoting my life to delivering lectures before schools, academies and colleges.

This situation lends itself to a very simple and, in my opinion, a very proper solution. I have today introduced a bill to create an office in the Senate of the United States for our ex-Presidents. My bill gives the title of this office "Senator at Large"——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BREWSTER. I am happy to yield to the Senator from Texas.

Mr. CONNALLY. I should like to call the Senator's attention to a provision of the Constitution which I think makes it impracticable for the Senator to accomplish that which he is proposing. Section 3 of article I of the Constitution provides:

> The Senate of the United States shall be composed of two Senators from each State, * * * and each Senator shall have one vote.

If we create another office of Senator it would seem to me that it would be in violation of that section of the Constitution.

I do not wish to take up the Senator's time unless he is interested.

Mr. BREWSTER. I am quite interested.

Mr. CONNALLY. The Constitution also provides for amendment of the Constitution, and says that no State without its consent shall be deprived of its equal suffrage in the Senate. The Senator might say that since an ex-President serving as Senator at Large could not vote, that clause of the Constitution would not be impinged upon. But if he could not vote, what would he do in the Senate? He could talk; but we have plenty of that now. He might appear before committees and make speeches, but he could not vote.

It seems to me that the Senator ought to give serious consideration to those clauses in the Constitution before he goes very far with his bill.

Mr. BREWSTER. I will say to the Senator from Texas that I appreciate his interest. This matter has at various times had a good deal of consideration. While there is some conflict of opinion, the prevailing opinion of the legislative council with whom I took the matter up, is that it would be feasible. The Senator very properly points out that the matter of suffrage could not be affected.

Mr. CONNALLY. But suffrage is not all. The Constitution provides that the States shall not be deprived of their equal representation in the Senate. Voting is not all of their representation. They lobby and talk to many Senators. That is a part of representation, as well as is suffrage.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I am happy to yield to the Senator from Wisconsin.

Mr. WILEY. I feel that there is much in what the Senator from Texas has said. It seems to me the distinction is plainly one of creating an office. I question whether we could create an additional

Senator unless there were a constitutional amendment. I am satisfied that an office could be created, if it did not impinge upon constitutional provisions. Perhaps in that category there might be found a solution of the problem. I do not know just what the office would be; but I feel very deeply myself on the subject which the Senator from Maine is presenting. I feel that men who have devoted their lives to public service and have learned the rules of the game, so to speak, in the Presidency of the United States, should have some way of utilizing their knowledge.

Mention was made of President Hayes. We know that Mr. Hoover and Mr. Coolidge, when they left office, engaged in business. Mr. Coolidge was appointed to an office in one of the great insurance companies.

I shall follow with interest the remarks of the distinguished Senator from Maine.

Mr. BREWSTER. I may say that the analogy upon which much of this opinion has been based is that of the Delegates who serve in the House under statutory provision. There is no constitutional provision for it. But they have been freely admitted to all the perquisites of a Representative, other than the privilege of voting.

As the Senator from Texas points out, it is possible that there is a distinction, although as to article V, providing that "no State, without its consent, shall be deprived of its equal suffrage in the Senate," I think it is very clear that this bill would not affect that provision, since such Senators at Large would not have a vote.

As to whether there are other provisions in section 3 of article I, which the Senator referred to first, there might be more argument. But I think the prevailing opinion in the occasional discussions of this matter over a long period of time has been that it might be accomplished in the way proposed by this bill.

Mr. President, I may say that my first approach to this matter was by way of constitutional amendment, until I became satisfied that this other approach was perhaps warranted; and we shall present it to the Committee on the Judiciary, to which I assume the bill will be referred, upon that basis.

My bill gives this office the title of Senator at Large. The bill provides that the office shall be available to "any person who heretofore or hereafter shall have held the office of President of the United States and who shall have left such office other than by impeachment." The bill further provides that the office shall carry with it life tenure and all the rights and privileges, including salary and allowances, accorded to Members of the United States Senate, except that such Senator at Large shall not be entitled to vote, and committee assignments shall be specially provided for by rule of the Senate.

Mr. President, it has seemed to me for some time that a means should be devised in our governmental structure whereby the rich abilities of those who have served us as President might be made available after the expiration of their terms of office, and I believe this is the way to do it. We can ill afford to ignore the enormous reservoir of wisdom and experience which has heretofore been lost to the Nation through the habit of bypassing men possessed of so great a wealth of knowledge and experience in the science of government.

Had this profligate practice prevailed in Great Britain, men of the caliber of Winston Churchill would have been forgotten as long as 25 years ago, with the result that England, and perhaps the world, too, might have been bereft of his dynamic leadership.

Charles Francis Adams, ex-Secretary of the Navy, and a noted author, addressed a letter to John Bigelow in 1906, in which he said in part:

> The plan of graduating ex-Presidents directly into the Federal Senate for life is one that has long been a favorite theory of mine. We have lost absolutely the value of the ripe experience, the great abilities, and strong sense of patriotism of such men as Washington, John Adams, Jefferson, Madison, Monroe, Jackson, Van Buren, Cleveland, and Benjamin Harrison. In more than one instance, too, these eminent citizens were cut off from public utility at the maturity of their powers and during the best years of their lives as counselors; while, in more than one case, they themselves have been not only without occupation, but practically without means—objects, almost, of public charity; in the cases of Jefferson and Monroe, indeed actually so.

The pressures on men who leave the Presidency, which dissuade them from seeking commercial or further political preferment, are clearly apparent from the fact that only two of our ex-Presidents have served in the Congress after holding that office. They were John Quincy Adams and Andrew Johnson. Adams served in the House of Representatives for 18 years after retirement from the Presidency, and in fact in certain respects this was the most noteworthy part of his career. Probably it is not so generally remembered that Andrew Johnson came to the Halls of Congress after serving as President, but it is a fact that he was elected to the Senate from the State of Tennessee, and took office in 1875. He lived, however, only a few months after taking office, but, nonetheless, long enough to hear the apologies of many who voted for his impeachment from the Presidency.

Only twice in our history have we been without an ex-President. Washington did not live through John Adams' term, so from 1799 to 1801 we had no ex-President; and with the passing of Andrew Johnson in 1875, the last 2 years of Grant's administration were without any ex-President. We have had as many as five ex-Presidents at one time, but this occurred only once, in the year 1861, and was of less than a year's duration. Milton S. Mayer, writing for Forum in March 1933, said about that period that Von Buren, Fillmore, Tyler, Pierce, and Buchanan, "stood around unable to be of use to a Nation that had never been in worse way for sound advice." For the past 75 years the average number of living ex-Presidents has been less than two.

We may well test that fact for its significance. The abrupt change from such tremendous activity, interest, and responsibility to an abnormally inactive retirement, is, in its effect on a man, not unlike the reaction of the perspiring athlete who is forced to sit unprotected in a freezing temperature. It is beyond the ability of most men to make the adjustment.

Considerable attention has been given to the name by which this office should be designated. I have chosen to stand by the term "Senator at Large," which has had general acceptance by most of those who have expressed interest in this proposition heretofore. I do, however, recognize that quite an advantage might accrue if a better term could be found. The names of the offices of ancient Rome—"consul," "tribune," "praetor"—and our own word "counselor" have come to mind, but do not seem entirely fitting. It is not unlikely that a new word for the office might be coined. For example, a combination of the ideas expressed in the words "consul" and "counselor" could be expressed in a new spelling as "counsul." I should welcome any suggestions on this point.

Questions as to the constitutionality of this proposal are sure to arise, so I have given that phase of the matter some attention. I am confident that there is no constitutional prohibition to the creation of this office, and my opinion is supported by that informally given to me by members of our legislative counsel's staff. Representative GORDON CANFIELD, of New Jersey, who has introduced a similar proposal in the House of Representatives, has obtained the opinion of the legislative counsel in the House to the effect that even as the House admits Delegates from our Territories, giving them the right to speak on the floor and other prerequisites of the Members of the House of Representatives, except that of voting, so the Senate could admit ex-Presidents as Senators at Large without voting privileges.

If these officers were to have the right to vote, then of course it would be necessary to amend the Constitution to admit them to the Senate. Without this right, the equal voting representation of the States in the Senate will not be disturbed. I am confident, too, that the lack of this power will in no wise impair the effectiveness and great influence of those who are entitled to hold the office.

It seems entirely logical to assume that the American electorate which chooses Presidents by popular vote should at the end of the term of a President wish to extend his services in the Senate, whose Members are also elective servants of the people.

In 1943, Gov. Thomas Dewey, of New York, endorsed this idea of establishing an office in the Senate for our ex-Presidents. He said:

> For 150 years men have discussed the necessity of bringing into government the ablest men in the country, and yet we have ignored the most obvious means to that end.

Few legislative proposals come to us with almost everything to be said for them on the positive side. By enacting this measure, we assure a proper forum for those whose experience in governmental affairs cannot be duplicated; we afford an honorable livelihood for those

whose position of prestige in public regard makes it virtually impossible for them to enter the usual pursuits of economic or political activity, and we forthwith eliminate this unnecessary loss of the wisdom and advice of our elder statesmen.

I hope the proposal will have sympathetic consideration.

Mr. WILEY. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I am very happy to yield.

Mr. WILEY. I presume the bill will be referred to the Committee on the Judiciary. I can assure the distinguished Senator that during the interim between the end of this session and next January, assuming there will be no special session, the specialists of the Committee on the Judiciary will be assigned to study the bill, and be ready to report to the committee, so that definite action can be taken in January.

Mr. BREWSTER. I very much appreciate the assurance of the chairman of the committee. I am quite sure that what he suggests will accomplish all we could desire, as in the recess obviously there would be no purpose of functioning under the bill, and before another election rolls around we shall be able to give the matter the consideration it deserves.

Mr. WILEY. I should like to ask one question. I was a little disturbed when the Senator was talking. Did he define the duties of the proposed officer or officers?

Mr. BREWSTER. That is left entirely within the discretion of the incumbent. He would have a seat in the Senate, he would have the privileges of the floor, and the right to speak; he would have all the perquisites, the salary, and office and staff of a Senator, but without the right to vote. How far he would exercise that responsibility and privilege should be left entirely to his discretion, it seemed to me. I am quite sure we would never need to be concerned that he would exercise the privileges of the floor in a way to delay unduly the deliberations of the Senate.

Mr. WILEY. I understand, then, that he would have all the rights of a Senator except the right to vote.

Mr. BREWSTER. The Senator is correct.

Mr. WILEY. That is the Senator's idea?

Mr. BREWSTER. That is the concept.

Mr. HATCH. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield.

Mr. HATCH. In the light of what the Senator from Wisconsin has just said, and the Senator from Maine has made abundantly clear, the ex-President would have all the prerogatives of a Senator except the right to vote.

Mr. BREWSTER. That is correct.

Mr. HATCH. He would serve on committees, I assume.

Mr. BREWSTER. It is provided in the bill that the rules of the Senate should provide regarding that.

Mr. HATCH. If the bill were enacted, and if the rules were amended accordingly, he could be assigned to various committees of the Senate, just as any other Senator is.

Mr. BREWSTER. That is within the power contemplated in the bill, but presumably it would be left to the consideration of the Senate and of the ex-President.

Mr. HATCH. As a member of a committee he would have a vote in the committee.

Mr. BREWSTER. That certainly was not contemplated. I assume that would be determined by the rules. If he did not have a vote in the Senate, I do not anticipate he would have a vote in a committee. Whether that should be provided in the bill or in the rules may be a matter of discussion, but it was not contemplated.

Mr. HATCH. I merely raised the question to point out that the theory of having two Senators from each State may be violated by the suggestion of the Senator. The Senator knows full well, of course, the history surrounding the provision in the Constitution. It was a compromise arrived at because of the insistence of the smaller States that they be afforded protection against undue domination and influence of the larger States.

Mr. BREWSTER. That is correct.

Mr. HATCH. If under the proposal the Senator makes a Senator-at-large were permitted to come into the Senate, he necessarily would come from some State; his residence would be in some State. He might reside in the largest State in the Union. He might exercise his influence as a resident of that State. If not in contravention of the terms of the Constitution itself, it would undoubtedly do violence to the theory of having two Senators from each State. I merely make the suggestion as something for the Senator and others to consider.

Mr. BREWSTER. I quite appreciate the suggestion. We accord all former Senators the privileges of the floor, so that they are able to do everything on the floor except to speak. Whether the eloquence of an ex-President would influence the Senate more than the activities around the edges of the Chamber I do not know.

Mr. CONNALLY. An ex-Senator is not supposed to utilize the floor for lobbying purposes, he is not supposed to sit on committees, he is not supposed to vote. When he comes here he comes as a guest of the Senate, and is supposed to take off his robes of influence and power before he steps through the Senate door. If I should ever see an ex-Senator on this floor doing anything else, I would rise to a question of the highest privilege.

Mr. BREWSTER. I am sure the Senator from Texas does not mean to intimate that any of our friends who have occupied the high office of President would in any way violate any of the proprieties.

Mr. CONNALLY. I do not know that because a man is President he is much higher than a Senator, so far as ethics and the like are concerned. Why would the Senator want him to be a Member of the Senate if he could not do anything? Why would we want him to be an extra Senator if he could not do anything? He could not vote. What would the Senator do with him? We would add another bench, and that would be all we would be doing.

Mr. BREWSTER. I would provide that he would have the right to speak, and anyone who possesses the silver tongue of the Senator from Texas I am sure can realize how potent an instrument that is.

Mr. BARKLEY. There have been very few Presidents who had the silver tongue of the Senator from Texas.

Mr. WILEY. Hear! Hear!

Mr. BARKLEY. I might offer a suggestion in connection with the remarks of the Senator from Texas about ex-Senators coming into the Senate and taking advantage of the floor. I would not want to be bound to the accuracy of this statement, but I think the Reorganization Act declares that everyone who lobbies, or is here as a lobbyist, must register, whether he is an ex-Senator or not. So that if one is here as a lobbyist in the interest of legislation he is required to register as such, and if he came on the floor of the Senate after having registered as such, we would know he was here probably in a double capacity, that is, as an ex-Senator and as a lobbyist, and we could make up our own minds as to which one was predominant.

Mr. BREWSTER. I am very sure there is no occasion for concern either as to the presence of former Senators on this floor or as to the prospective presence of any who may be former Presidents. Of course, I am very hopeful that after next year there may be one from each party available to exercise this privilege.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. WILEY. I believe the distinguished Senator who has presented the proposal has placed in the lap of the Committee on the Judiciary a matter which is going to be very interesting to study and consider. First impressions are not always those I follow after studying a subject. I believe that there is a field in which the experience and the talents of ex-Presidents, the results of what they have learned through life, can be utilized for the benefit of the Republic. I believe there is such a field.

The Senator spoke of Churchill. Of course, under the British Constitution, as I understand, he goes into the House of Commons. Under legislation we have provided for the presence in the House of Representatives from the Territories.

It may be that out of this proposal there may be evolved the correct solution, and I hope that will follow. My first impression, as I have said, is that it is very difficult to give an individual all the rights of a Senator for life except the right to vote. It seemed to me that that transgressed the constitutional provision referred to by the Senator from Texas. However, that matter will be thoroughly studied. If it is found, in the judgment of those who go into the subject, that the proposal meets head on with the constitutional provision, I take it that it will be consistent with the views of the distinguished Senator if there should be a suggestion from the committee as to how to utilize the brains,

the intellect and the training of an ex-President, a subject which for a long time has been in my mind.

Mr. BREWSTER. Mr. President, my initial approach was the constitutional one, and I drafted a constitutional amendment to that end. I may say to the Senator from Texas that I quite concur with him that there is no office of higher distinction than that of a Senator of the United States: That is why I felt it was an honor that we might properly confer upon those who have served our country in the high office of President.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. BARKLEY. Is that the reason no Senator ever aspires to be President or Vice President, because there is nothing higher than the Senate?

Mr. BREWSTER. That is right. I think that is why there is such an observance of the Self-Denying Ordinance of Oliver Cromwell.

Mr. CONNALLY. I do not think I would oppose a pension for an ex-President, if it were desired to compensate him adequately for his services. Former President Hoover has been available in the postwar period. He has rendered some very distinguished, some very fine service, but he did not have to be elected Senator to do it. If he were a pensioner of the Government, adequately remunerated, I think we could use an ex-President, and I think his services would be rewarded with more appreciation and dignity than if he were one of the Senate.

Mr. BREWSTER. That is all a matter to be considered. But I wonder if the Senator from Texas realizes that for 14 years we did not avail ourselves of the services of former President Hoover, that it was only done during the past 2 years.

Mr. CONNALLY. He availed himself of it, if we did not. He has been from time to time handing out interviews on various matters, like Mr. Baruch. He is a prominent citizen. I think Mr. Hoover deserves well of his country. I think he has done some fine work, but he did not do it because he was a Member of the Senate. If we should pension ex-Presidents, and merely have them sit on a bench outside the Senate, to be called when needed, I think it would be better than to have them in the Senate. If an ex-President were in the Senate, whether with or without a vote, he would soon be lined up with one little group on this side, or with another little group on the other side, and he would be playing politics. He would be telling them how to do things, and he would be planning how he could get back into the office of President again. In that event, instead of having seven or eight candidates for President on the Republican side, there would be still another one.

Mr. BREWSTER. I wonder if the Senator from Texas realizes the protocol which kept Herbert Hoover out of Washington 14 years because he was not welcome at the White House, and that it was only when President Truman invited him, shortly after his accession, that it became even appropriate under the unwritten rules that he should come to Washington and counsel with those who were concerned.

Mr. CONNALLY. The Senator knows more about backstage gossip than does the Senator from Texas, and about matters of protocol, the fact that Mr. Hoover was not welcome and all that sort of thing. I do not know that that is true. If the Senator from Maine says it is true and that he knows it, I accept it. But what has that to do with the question before us? Mr. Hoover could still be ignored by the President in the same way, even if he were a so-called Senator. I have known several Senators who were ignored. I have a private list of them. I could add several more to it.

Mr. WILEY. The Senator is looking at Senators who have been ignored.

Mr. CONNALLY. No, I am not. I have a high regard for the chairman of the Judiciary Committee, formerly a member of the Foreign Relations Committee over which I was privileged to preside. I am sure he would never be ignored by anybody, because he would not permit it. I do not think the question of whether the President takes an ex-President to his bosom or not has anything to do with the Senate. Under the bill, we would be the ones to take him to our bosoms.

Mr. BREWSTER. That is precisely what I am proposing, and while I would not undertake to set forth what is in the Presidential mind at the time, because we do not quote the President, I can say that I quoted him in his earlier incarnation, when he was a Senator. This subject was many times discussed, and the idea was rather cordially at that time approved.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. BARKLEY. The Senator from Maine seems to specify ex-President Hoover as being the only living ex-President ever to have been ignored by the White House. I seem to recall that Theodore Roosevelt, while he was an ex-President, was ignored at the White House by President Taft; so completely ignored that he ran against Taft for the nomination. He was defeated. He then ran as an independent on the Bull Moose ticket.

Mr. BREWSTER. Certainly the Senator from Kentucky did not object to that?

Mr. BARKLEY. I had nothing to do with it. I was not in the convention, and I had no right to object. I did not take any part in that controversy at all. I recall when I was a young man Grover Cleveland went out of the Presidential office and moved to Princeton, where he continued to reside for a long time thereafter. I do not recall that he was ever invited to come to Washington to consult with a President then in office. He wrote many articles, in the Saturday Evening Post and other magazines, and he was a very distinguished figure.

Mr. BREWSTER. He came back to the Presidency after 4 years, though, of course.

Mr. BARKLEY. I am speaking of the period following his final retirement, in 1897. He lived at Princeton, an honored ex-President, until his death in 1908. I do not recall that Grover Cleveland was ever invited to Washington to consult with the President, whoever he might have been, McKinley or Theodore Roosevelt, either one, in order that he might help him to run the Government. So the instance, if it is an instance, of Mr. Hoover's not having been invited to come to Washington by Mr. Roosevelt, who was his successful opponent in 1932, is no isolated case, even if it were true. I do not recall that even Presidents of the same party as the one who is retiring, or who had retired immediately preceding, have been conspicuous in inviting their predecessors to come to Washington to help run the Government. So I do not think it is exactly fair to point to Mr. Hoover as not having been invited here for 14 years. I do not know whether he was invited or not. I know that Franklin D. Roosevelt invited Wendell Willkie, who ran against him in 1940, although not elected, to come to Washington. They conferred very frequently, and I think there grew up between them a high degree of respect because of the frankness with which their views were expressed.

Mr. BREWSTER. I did not mean in any way to reflect on the action of President Roosevelt. I welcome the suggestion about precedents in other cases, which would establish that it was not an isolated occurrence. I only meant to refer to the fact that under the practices and precedents it is awkward for a former President to visit Washington under a successor; let us say, of any party. If he were established here in a respectable, a responsible position, all that would be washed away. I think it was a great loss to the country that Grover Cleveland was not available in the Senate during that period, with his outstanding experience and public service; and I think that would similarly be true of Presidents of either party, throughout our entire history.

Mr. BARKLEY. I do not know that I am right, but I have a feeling that if Grover Cleveland had been sent to Washington as a sort of ex officio, roving Senator during the long years he lived after he retired from the White House he would have lowered his own dignity and in a way cheapened his influence with the country. He was free to speak and to write. Whatever he said was read by the people of the United States. It was done in a dispassionate way. It was not done because of any office that he held. Every utterance of an ex-President, if he were an ex officio Senator, would be construed in the light of his Senatorship, and not simply because he was an ex-President, free from the turmoil of senatorial debate, free from the political clashes which take place here and which sometimes even weaken our own influence and our own standing among our constituents. I am interested, I will say to the Senator, in finding a way—it has been under discussion a long time—by which former Presidents may be utilized in the service of their country. Various suggestions have been made, but I should want to think about it a long time before I accepted the theory that an ex-President would add dignity or influence to his personality

and to his advocacy of anything, because he might be permitted to become a Senator, draw a senatorial salary, and rise and speak on any subject, but not to vote on it. In my judgment, the right to vote may not be given to any roving Senator, any Senator emeritus, if we might call him that, without amending the Constitution of the United States.

Mr. BREWSTER. I appreciate very much the Senator's suggestion. I introduced the bill at this time in order that there might be an opportunity during the recess for the mature deliberation which a proposal of this importance would undoubtedly invite. I shall seek to keep an open mind myself about the matter, both as to the Constitution and as to the wisdom of such a plan.

DEATH OF REPRESENTATIVE MANSFIELD, OF TEXAS

The PRESIDING OFFICER laid before the Senate a resolution from the House of Representatives, which was read, as follows:

In the HOUSE OF REPRESENTATIVES, U. S.,
July 14, 1947.

Resolved, That the House has heard with profound sorrow of the death of Hon. JOSEPH J. MANSFIELD, a Representative from the State of Texas.

Resolved, That a committee of five Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. CONNALLY. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution submitted by the Senator from Texas will be read.

The resolution (S. Res. 151) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOSEPH J. MANSFIELD, late a Representative from the State of Texas.

Resolved, That a committee of two Senators be appointed by the President pro tempore to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. As the committee provided for in the second resolving clause of the resolution, the Chair appoints the senior Senator from Texas [Mr. CONNALLY] and the junior Senator from Texas [Mr. O'DANIEL].

ADJOURNMENT

Mr. WHITE. Mr. President, as a further mark of respect for the memory of the deceased Representative, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 22 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, July 15, 1947, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 14, 1947

The House met at 12 o'clock noon.

Chaplain Daniel F. Meehan, United States Navy, offered the following prayer:

Let us pray:

O ineffable Creator, out of the treasures of Thy infinite wisdom, grant to these representatives of our people clearness of discernment, acumen in judgment, righteousness in decision, honesty of purpose, and fidelity to their office, so that our Nation may benefit from their deliberations and our beloved country prosper by their legislation. Amen.

The Journal of the proceedings of Friday, July 11, 1947, was read and approved.

SPECIAL ORDERS

The SPEAKER. Without objection, Members who have been granted special orders for today may, if they so desire, extend their remarks in the Appendix of the RECORD.

There was no objection.

TERMINATING CERTAIN EMERGENCY WAR POWERS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 288, Rept. No. 902), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 123) to terminate certain emergency and war powers, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

NATIONAL SCIENCE FOUNDATION ACT OF 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 289, Rept. No. 903), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4102) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TRANSFERRING LANDS TO THE SECRETARY OF THE INTERIOR

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 290, Rept. No. 904), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3043) to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Merchant Marine and Fisheries now printed in the bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE AND DEPARTMENT OF THE INTERIOR APPROPRIATION BILLS, 1948

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file conference reports on the legislative appropriation bill, 1948, and the Department of the Interior appropriation bill, 1948.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent that

the special order previously granted me for today may be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the special order previously granted me for today may be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 12, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

THE LATE JOSEPH JEFFERSON MANSFIELD

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, it is with a feeling of terrible sadness and of anguish that I announce to the House the passing of JOSEPH JEFFERSON MANSFIELD, for more than 30 years a Member of this body. He died soon after he had passed his eighty-sixth birthday.

You all knew Judge MANSFIELD. You have seen him as the chairman of a great committee, as he had himself rolled into the well of this House, and he always had his bill well in hand.

I have said it before, and I say it again, that in my opinion Judge MANSFIELD was the most popular man, the most loved man, not only in his own delegation but in the House of Representatives, and he deserved it.

I have served in this House with more than 2,100 men and women in 34 years. That shows how fast we change. It shows that a turn-over of more than 100 occurs each election. With 18 elections, more than 2,100 men and women have served in this House with me. They have been men and women of high character and lofty ideals, the majority of them of outstanding ability.

But of all those men and women, none surpassed and few equaled Judge MANSFIELD in ability or in bigness of soul. God never made a finer man nor greater character that Judge MANSFIELD. After 30 years of his loyalty to me, and mine to him, the sadness deepens that I will not see him again, nor again see his like as I have few times in my life—towering, good, just, pure patriot. Wherever good men and women who have passed from this earth are assembled this day, Judge MANSFIELD is with them, welcomed with open arms.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, with the passing of Judge MANSFIELD, the oldest Member of this House, we have lost one of our ablest colleagues. We have lost a great and precious friend.

Judge MANSFIELD was a constant inspiration to me. He was a tireless worker and he radiated happiness and contentment. He was happy in the service of his district, his State, and his country. And I do not believe any man has made a greater contribution.

I shall always remember the courteous consideration he gave me when I first came here as a new Member of Congress. He was patient and understanding.

Judge MANSFIELD was a kindly man, a good man who was never touched by the pomp of power. His everlasting smile expressed the goodness and sincerity of his heart. I do not believe I have ever been associated with a man of finer character and greater stature. Truly, he was one of God's noblemen, whose vision, integrity, and talents were worthy of any man.

In Judge MANSFIELD the Nation has lost a strong man and a devoted servant. All of us have lost a dear friend. While he is no longer with us, his words and deeds are enshrined forever in our hearts, and we would do well to emulate him. He has left "footprints on the sands of time which perhaps another, some forlorn and forsaken brother, seeing, may take heart again."

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, the flags over the Nation's Capital are at half mast. It is notice that an elected Representative of the people has fallen. JOSEPH J. MANSFIELD, of Texas, will no longer respond to a call of the House. He will answer "present" in that silent chamber where there is no middle aisle. Every Member mourns his passing.

Born during the tragic era of our beloved country, his span of life—fourscore years and six—covered more than one-half our Nation's history. James Buchanan, the fifteenth President, was in office at the time of his birth. He lived during the administrations of more than one-half of all Presidents of the United States.

He was best known to all of us as "Judge" MANSFIELD. His noble character and genial personality endeared him to everyone.

To serve as a Member of the House of Representatives is a distinction for any man. To serve continuously for more than 30 years is an honor and a tribute which comes to very few men in public life. Only 4 of the 435 Members of the House of Representatives exceeded him in length of continuous service. It testifies to the ability and public service of JOSEPH J. MANSFIELD. It is mute evidence of the respect, esteem, and affection in which he was held by the people he represented in this body.

To him also belong the unique distinction and honor, both nobly earned, of having served longer on the Committee on Rivers and Harbors than any other man, since that committee was created 64 years ago. That service extended over a period of 26 years.

He was my chairman for 14 years. He was always fair. Politics were unknown in his rulings and decisions. To the members of his committee, Republicans and Democrats alike, he always exhibited uniform respect, kindness, consideration, and courtesy.

We were often amazed in committee by his remarkable memory and thorough grasp of the river and harbor systems of our country. His counsel and advice was eagerly sought and respected.

He was indeed an eminent and illustrious American. By the suffrage of his people he had been entrusted with public responsibility for over 58 years. I doubt if there is a comparable record for integrity and fidelity which exceeds that of our departed colleague. The people of his congressional district, the State of Texas, and the country at large have lost a valuable, honest, and capable Representative.

The entire membership of the House unites in tendering our sincere sympathy to his family.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, the Ninth Congressional District of Texas has lost one of its greatest citizens. This body has lost a valuable Member. The Nation has lost an outstanding public servant.

Judge MANSFIELD was a great man and he came of great stock. He was a direct descendant of Thomas Jefferson. He not only believed in, but he practiced, democracy. His father was killed in the Civil War. When the war was over his mother took young JOSEPH JEFFERSON MANSFIELD, and her other children to Texas to become citizens of that growing empire.

For approximately 60 years, without a break, he was honored by his people. He has held public office in his own county and district for 30 years, and at the age of 56 he came here to serve 30 years, and he died one of its most distinguished and one of its most beloved Members.

No man can serve his people for 60 years without being a man of character, ability, and the highest order of patriotism. So I am sure I voice the sentiments of every Member of this House in saying that he is going to be greatly missed. Until his recent illness he seldom missed a roll call or an important session of the House. He never complained or made reference to his physical misfortunes. He scattered sunshine and wisdom wherever he went. He was a Christian gentleman and a great statesman. All I can say is that all of us not only will miss him but we will do well to emulate his virtues.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Speaker, I have lost a friend.

A great man from a great State in this Union has gone to receive the accolade of "just men made perfect." May he rest in that peace for which a lifetime he fought.

If ever there were a man who could claim the distinction of being self-made, then JOSEPH JEFFERSON MANSFIELD preeminently qualified for that distinction. Farm laborer, baggagemaster, freight clerk, lawyer, judge, mayor of city, school superintendent, captain of the Texas National Guard, grand master of the Texas Masons, newspaper editor and publisher, head of a fire department, for 20 years or more vestryman of St. John's Episcopal Church, this man MANSFIELD came to Congress eventually to become one of its most distinguished and outstanding leaders and most respected Members. What a career! What a challenge to those who say there are no frontiers for the youth of today.

JOSEPH JEFFERSON MANSFIELD did not lose his life. He gave it; and all of it. He contributed so much to the welfare of the people of the country he loved that words are not sufficient, adequately to measure the loss we feel or the debt we owe to him.

Those of us who have enjoyed the high privilege to serve with him will miss the little old wheel chair, and our friend who accepted his physical disability and responsibility so philosophically, so cheerfully, and so gracefully and beneficently contributed of himself and of his wisdom to us over the years.

Although he was not a native, Texas never had a son more typically Texan, nor better qualified to represent it in the Halls of Congress than JOSEPH JEFFERSON MANSFIELD.

The country has lost one of its ablest legislators and most zealous defenders as well as one of its most concientious representatives. The House has lost a friend—a man who surmounted a serious physical handicap to inspire every one of us to try to do a better day's work each day. All of us will miss Judge MANSFIELD, the Democrat of Columbus, Tex.

As Antony said of Caesar, so say we all of Judge MANSFIELD:

His life was gentle; and the elements
So mixed in him, that Nature might stand up,
And say to all the world, "This was a man!"

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, in the passing of JOSEPH J. MANSFIELD the House has lost its noblest and most lovable Member. I join with his colleagues from the great State of Texas and with all the Members of the House in tribute to his life and character.

Judge MANSFIELD was born February 9, 1861, and he died on July 12, 1947. The span of his life was 86 years, 5 months, and 3 days. His successes, like the length of his days, were many, and his achievements were beneficial alike to his district, his State, and the country.

Judge MANSFIELD was well prepared for service in the House. He had occupied positions of importance in public life for 30 years before he became a Member of the House of Representatives. He had thus grown up in the public service. He was familiar with the problems of his district, with the needs of his State, and with public questions that confronted the country. While always interested in the problems of his district, he possessed the national viewpoint. He was aware that his district could not advance unless there were progress and improvements in all of the States.

He was industrious. No Member was more constant and attentive in his committee work. There is no better opportunity to take the real measure of a Member of the House than in connection with committee work. Members of the committees know full well the work and the worth of fellow members. It is on committees that Members come to know and esteem one another as is not possible in connection with other services in the House.

Judge MANSFIELD served as chairman and as a member of the Committee on Rivers and Harbors longer than any other person who has ever been a member of that committee since it was established in 1883. He was a great chairman. He was more familiar with rivers, harbors, and waterways than any other man in the Congress. He was an accomplished chairman. He was courteous, patient, tolerant, and well informed. He knew his bills. The members of the committee relied upon him, and the House followed his judgment. He enjoyed the confidence of the members of his committee and of the House to an unusual degree.

Judge MANSFIELD served as a Member of the House for more than 30 years. He was elected and reelected for 16 terms. For the past 25 years he was compelled to use a wheel chair. His affliction resulted from a bone infection. Notwithstanding his handicap, it is said that he never took a vacation. He devoted himself exclusively to his congressional duties. In fact, he seemed to concentrate and to be capable of doing even better work as a result of his affliction. As a result of his industry, his achievements, his devotion to the work of his committee, and his success as chairman, he was an inspiration to the entire Membership of the House. I marveled at his work when I thought of his handicap. Personally, I was inspired to greater efforts when I reflected that I was more fortunate than he with his physical handicap.

Judge MANSFIELD was devoted to service in the House of Representatives. He was a patriot. When he was an infant in his mother's arms, his father was killed on the field of battle. He was courageous. He had convictions, and he had the courage of his convictions. With him his country came first. He was a great American.

Judge MANSFIELD had become an institution in the House of Representatives. The House will not be the same without him. He was a gentleman. He was an accomplished legislator. We shall not see his like again.

Judge JOSEPH J. MANSFIELD, full of honors and full of years, has been gathered unto his fathers. His passing has brought universal regret. He lived a full and an abundant life. He leaves to his family a good name. He gave to his district, his State, and his country a record of splendid public service.

We honor his memory, and we pay tribute today to one of the most remarkable Members who ever served in the House of Representatives.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. ELLIS].

Mr. ELLIS. Mr. Speaker, in addition to expressing my own feelings, I am quite sure the people of my district would want me to join with our colleagues from Texas, and others, today, in paying respect to our deceased colleague from Texas, the Honorable JOSEPH JEFFERSON MANSFIELD.

Mr. MANSFIELD was born in what is now the district which I have the honor of representing—in Wayne County, W. Va., which is adjacent to my home county. I met him soon after I came to Congress.

While he left our State in the eighties to go to Texas, he knew our country well, knew the older families, and always displayed a keen interest in our section. We visited together frequently and he always liked to talk about his old home county and the people there. Many in West Virginia knew him and often inquired about his well-being. I learned to admire him greatly and found him to be a man of splendid character and fine ability.

Mr. MANSFIELD was loyal to his country, his State, and the district he represented so faithfully and ably.

The people of my community in West Virginia join with his thousands of Texas friends and the Members of this body in paying respect to the memory of a great man, and our sympathy goes out to his loved ones.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, I was greatly pained by the passing of our distinguished colleague and my good friend, Judge MANSFIELD. In my opinion there is not a Member of this body for whom the entire membership had a higher or more affectionate regard. Judge MANSFIELD was a true, able, efficient, and diligent representative of the people and of his district, and outstanding in his service to the entire country. We all remember how he carried on under his great affliction and his great physical handicap. He was finally an inspiration to all of us. His passing not only is a great loss to his district and to the State of Texas, but to the Nation as a whole. To the members of his family I extend my deepest and most sincere sympathies in their great sorrow and bereavement. A truly great and a truly good man has passed to his final reward.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Speaker, I am one of the younger Members who knew Judge MANSFIELD. I came to know him almost the first day that I entered Congress, because my office was on the same floor where he had his office. There is very little that I can add to

what has been said about Judge MANSFIELD today.

He was a kind, tolerant man. He was very friendly. He tried to help the new Members. I distinctly remember a number of occasions when he helped me tremendously. As you look back over his life, I can think of no man whose life covered as varied and wide a sweep and tremendous change in our national life as did the life of Judge MANSFIELD. Think of it. He was born at the time of Lincoln, and he lived to see the atomic age. If a man can live in that sort of a period, I can think of no better time than in such a time.

Judge MANSFIELD had a very broad outlook on the United States as a nation. His study of harbor problems encompassed the whole Nation. As has been mentioned heretofore, when he came on the floor with river and harbor bills, he always knew the last detail of those bills.

While we have to confess that when a man is 86 years of age the end is certainly in sight, it is sad to get the bad news but it is pleasant to know and remember that everything about this man that you can think of is good. We will always look back upon his memory as a modest, able, tolerant, and Christian gentleman. It certainly was a pleasure to know him, and everybody that knew him will miss him tremendously.

With all the tremendous changes that have taken place in the physical world during JOSEPH J. MANSFIELD's life he still is a forcible reminder that kindness, courtesy, gentleness, and character are the mark of a man. He will be a model that we hope we will be strong enough to emulate. In that way his influence will have a marked effect on many of us for many years to come. Judge MANSFIELD was a true gentleman in every sense of the word, and I am thankful that I had the opportunity of knowing him and confess he has had great influence over me.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, late yesterday the body of Judge MANSFIELD began its last trip to Texas, his home country, to the people whom he loved. Judge MANSFIELD loved Washington, he loved Texas, he loved his colleagues, he loved life, and it is not surprising that people loved him, it is not surprising that people were drawn irresistibly to him.

When I first came here as a new Member, Judge MANSFIELD was well more than twice my age, but his exuberance and boyishness of character easily spanned those years. There was something about him that made all those associated with him love him and confide in him.

No tongue is sufficiently eloquent and no pen is sufficiently facile to pay adequate tribute to our beloved and departed friend. I shall not undertake to do so.

Mr. Speaker, at present I am serving as chairman of the Texas delegation in Congress. In that capacity I should like in a measure, as has the gentleman from Texas [Mr. RAYBURN], to speak for all, as it is not possible for all to be heard and some are not here. He was much beloved among us. We took pride in the fact that he was tops with us all, the most beloved Member of the House of Representatives. In our frequent councils of the Texas delegation, Judge MANSFIELD made it a point to be present. He spoke last; he always spoke best. His counsel, his judgment, his smile, that indefinable something about him which no one can describe, drew us always to him. We pay tribute and honor to our departed friend.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. ROHRBOUGH].

Mr. ROHRBOUGH. Mr. Speaker, may I pay tribute to the memory of our friend as one who has known him and his family for many years?

To my mind, our late colleague the gentleman from Texas symbolizes as much as anyone I have known the literal meaning of the word gentleman. His was a gentle spirit. He was able, wise, and strong, yet always considerate of others. I have never seen him when he was not adequate to the situation that confronted him.

When the pronouncement was made, "The gentleman's time has expired; all time has expired," I am sure he faced the inevitable with the same courage and fearlessness that characterized him when he was among us.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the passing of our beloved colleague Judge MANSFIELD constitutes a keen personal loss to me. Our colleagues from the other States of the Union join with the delegation from the State of Texas in the loss that they have sustained and share with them the keen regrets that they feel as a result of the death of such a distinguished Representative from their great State.

The death of Judge MANSFIELD is also a great loss to this body and to the people of the United States. If ever a Member of this body with whom I have served exemplified the broad national spirit of our country in its finest aspects, it is our late friend, Judge MANSFIELD.

The feelings we possess on an occasion like this are more completely expressed by what we do not say rather than what we do say. At the end of one's journey in life, what really remains is the spirit, the light, so to speak, from his candle of life. The light from some candles shine on forever. The length of time that the light which reflects a person's life will shine on depends on what a person puts into life while he is making his journey on this earth.

Judge MANSFIELD's light will always shine on and will always remain in the hearts of the people of his district. It will always be a pattern for future Representatives of his congressional district to follow. That light will remain in the memory of all of us who have had the honor of knowing our late beloved friend.

I have never met anyone in my journey of life for whom I have a higher regard; and I say these words with all sincerity—I have never met anyone who exemplified to a greater degree kindness, gentleness, and tolerance, and the other fine elements that go to make up nobility of character, than did our late colleague, Judge MANSFIELD.

God, in His infinite wisdom, has taken Judge MANSFIELD into His eternal home.

Because of the life that Judge MANSFIELD exemplified, I am confident he did not fear the call that came from the Supreme Being. I am certain he faced that call with confidence, and that God, in His infinite wisdom, has welcomed him into His kingdom.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, it was with a sad heart I learned of the passing of our beloved and venerable colleague JOSEPH JEFFERSON MANSFIELD, late chairman of the Rivers and Harbors Committee of the House. I have been a member of the Rivers and Harbors Committee of the House since I entered the Congress and through the years have learned to know and to love our departed friend.

I know of no one in the Congress who took a greater or more personal interest in the new Members of the House than did Judge MANSFIELD. He presided over the meetings of this great committee with absolute fairness and without any partisan considerations. While he was a member of the majority party, he was never found wanting in courtesy and consideration to every member of the minority party. There was no other man in the Congress and perhaps anywhere in the Nation who had a broader understanding and more accurate knowledge of the water developments of our country. He knew every river and port and from memory could give detailed statistics as to tonnage shipments and characteristics thereof. In his personal associations with the members of his committee and his colleagues he maintained an enviable position. He was beloved by everyone who knew him. It can be said that Judge MANSFIELD did not have an enemy in the Congress.

Those of us who have learned to lean upon him and to profit by his broad experience in legislative matters, particularly those having to do with our waterways and ports, will miss him. A great and good man, beloved by all of us, has left this Chamber forever, but his good works will live on as an inspiration to all of us who may linger on yet a little while, until our call comes.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it has been my good fortune to serve with more than 2,800 men during my service in this House. They were, generally speaking, great and able men, but I do not know of a single one of them who possessed more learning in the science of government and was a finer character or dominated by a greater interest in and love of country than Judge MANSFIELD. He was broadminded, tolerant, understanding, and patriotic. I have long known him personally because of the interest he took in the general welfare of people of the whole Union and especially those of his own district. Only a few men have been given opportunity to serve here so long as our departed friend, only

four Members having longer service than he at the time of his passing.

In all his legislative work he well lived up to part of the illustrious name he bore, Jefferson.

Early in my service here, realizing the agricultural future of America and opportunities afforded here, especially in the great State of Texas, on occasion I advised many foreigners, including Bohemians, to acquire land, which was easily obtainable at about $2 an acre in Texas, thus avoiding overcrowded cities. From the day that Judge MANSFIELD came to this House he continually informed me how well those people whom I had helped to reach that section of the country and his district were doing, what good citizens they were, and how pleased he was with the good results. Naturally, I have always been proud of that fact.

Mr. Speaker, I wish I possessed the ability to add to the deserved tributes that have been paid to this honorable deceased, because he was a great and wonderful soul, a great American. I join with others in paying my tribute to this eminent legislator, this great Member of this House, and a man who so unselfishly took such a profound interest in the welfare of the whole country which, I know, will very much miss him and his wise counsel.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I feel I might be remiss to the instincts of gratitude and friendship if I did not pay a tribute to the memory of our distinguished colleague, Judge JOSEPH J. MANSFIELD.

When I first became a Member of the House of Representatives I was appointed to the Committee on Rivers and Harbors, of which Judge MANSFIELD was chairman. I remember how kind, how helpful he was not only to me but to all the members of that committee. I remember his profound knowledge of the questions that came before the committee. He was a gentleman in the highest sense of the word. His genial nature radiated something akin to sunshine on an April day. All who knew him had a profound respect not only for his knowledge and ability but for his character. Judge MANSFIELD was an able man, and as usual with able men, he was a simple man. In him there was no vanity, nor jealousy, nor envy. He never spoke evil of anyone.

He will long be remembered by his colleagues, and I know by his State and by his Nation as a great public servant. It is given to few men to serve his people as long as Judge MANSFIELD has served them. He has a record of service of which his friends may well be proud and which must be a solace to his family in their hour of grief. He has builded a character and he has made a record that will entitle him to the reward that comes to the faithful and the just.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, this is a sad day for our membership, but I think more particularly so perhaps for the gentleman from California [Mr. LEA] and myself, for we came to Congress nearly 31 years ago with Judge MANSFIELD. Some great men came in that Congress, former Speaker William B. Bankhead and Judge MANSFIELD, among others.

It hardly seems possible that more than 30 years have intervened since I first became acquainted with the able, indefatigable, and genial Member from Texas, Judge MANSFIELD; and today my heart is heavy. We grieve with the sorrowing family. We deplore the loss our country and the great State of Texas have sustained in his passing.

Judge MANSFIELD was probably one of the best-posted authorities on rivers and harbors with whom I have served; and those of you who ever had occasion to call upon him in connection with some project in your home State or district will remember with a glow of satisfaction and gratitude this great brotherly American who has passed to his reward. I can visualize him now sitting on the stoop of that place that we all hope to go to some day, visiting and talking over old times and days with Joe Cannon, Champ Clark, Jim Mann, Nick Longworth, Henry Rainey, Joe Byrnes, Bill Bankhead, and the many other colleagues who have passed on to that undiscovered bourne from whence no traveler returns. They will want to know how JOE MARTIN is making out as Speaker, and how is SAM RAYBURN. They will bid their old friend welcome, and want to know what is holding some of the old-timers, and that will remind "Uncle Joe" of an incident that happened while he was riding the circuit with Abe Lincoln, which will open the daily anecdote hour.

I can see them, all honest, able, conscientious Americans who served their country with fidelity and conspicuous ability.

Why anyone should dread the transition from this vale of tears to the many mansions our Father has prepared for us is beyond my understanding. Rather it should be life's greatest adventure, and so I know JOE MANSFIELD, my old-time friend, has found it.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, another milestone along the highway of life has become the monument to a departed friend.

Judge MANSFIELD will undoubtedly be the last Member of the Congress of the United States whose father was killed in that unfortunate conflict known as the Civil War or the War Between the States.

His passing marks the end of an era as well as the end of a great and noble career.

Left an orphan in his infancy, he went through all those trials and struggles that go to make America's great, and was honored by his State and by his district as few men have ever been honored by the people of the great Lone Star Commonwealth.

He was at one time grand master of the Masonic Lodge of Texas, an honor which to us Masons is second to none the people of his State can bestow.

For 30 years he had been a Member of this, the greatest legislative body on earth. They may talk about the body at the other end of the Capitol being the greatest deliberative body in the world, which it is; but the House of Representatives of the Congress of the United States is the greatest legislative body on earth, as well as the greatest representative body in the world.

When I came to Congress, Judge MANSFIELD'S office was next to mine. I learned to love him as a father. He could walk in those days, although he walked with a cane. It was several years before he reached the point where he had to move around in a rolling chair.

I served with him on the Committee on Rivers and Harbors and I do not hesitate to say that no man who has come to Congress from the great State of Texas within the last 50 years has done more for the people of that great Commonwealth than did JOSEPH J. MANSFIELD in the development of the great Intercoastal Waterway, which should bear his name. His life should be an inspiration to every struggling youth of the land, because it exemplifies what America means, individualism.

When I think of the great struggles through which he passed from the time he was orphaned in his infancy until he had visited upon him the greatest honors the people of his State and of his district could bestow, I am reminded of those immortal lines:

One ship drives east and another drives west
  As the selfsame breezes blow.
'Tis the set of the sail and not the gale
  That bids them where to go.

Like the winds of the sea are the ways of fate
  As we journey along through life,
'Tis the set of the soul that decides the goal
  And not the calm or the strife.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, after the beautiful tributes that have been paid to our beloved friend, JOSEPH J. MANSFIELD, it is with a feeling of distinct handicap that I attempt to express in my own way the feeling of loss and sadness as well of abiding and deep affection that I have for that great and fine American. The tribute which was paid to Judge MANSFIELD by our distinguished friend, the gentleman from Massachusetts [Mr. MCCORMACK], and the tribute paid by the gentleman from Minnesota [Mr. KNUTSON], and that of the gentleman from Mississippi [Mr. RANKIN], as do what I say, come from the heart and are moving tributes to those of us for whom it is difficult upon such an occasion to speak. But I think of Judge MANSFIELD as one of the first men with whom I became acquainted when I came here, because to so many in the gallery he was the "gentleman in the wheel chair." But when we reflect a little upon his career, of how he spent over 50 years in public service, starting as a county attorney, and serving his people and impressing them with his tolerance and his sincerity and ability, and coming from there to Congress, where he helped solve the tremendous problems of the past 30 years, and considering the physical handicaps and afflictions that he had, you will remember that usually it was he was said John or Joe or Bill "How are you?" And extended that hand of friendship to you

as he met you in the corridor. He was a kindly, saintly man. I recall with some trembling that I approached him upon what I thought was a very small matter before his committee, pertaining to my district. Immediately he made me feel at ease and impressed me with the fact that that was one of the important matters which should be considered by his committee. I think the greatest lesson we could leave by example—the greatest thesis for a sermon that could be preached—would be to take Judge MANSFIELD's life, with the physical handicap that he had, maintaining a youthful mind, and a kindly mind, and a helpful mind, as an example of the Golden Rule in a troubled and often harried existence as Members of Congress.

He never forgot that the other person had problems which to that person were equal to his, yet Judge MANSFIELD had the greatest problem of all. He was afflicted with ill health, yet he never let it affect the humanness of his mind or the tolerance of his decisions or his kindly spirit. That gracious virtue—of the Christian spirit—endeared Judge MANSFIELD to all of us. May his soul rest in eternal peace.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, much as I shall miss my noble friend, Judge MANSFIELD, I can think only of how very fortunate this country is that he has lived. My life has been enriched because I knew him and was associated with him. My country is a better place, my State is a finer State, my life is a finer life because Judge MANSFIELD lived. Upon such characters, such fine minds, such noble hearts was built this magnificent country of ours.

Mr. Speaker, saddened as we are, I think we should all rejoice that we have had the privilege of living in the presence of so noble, so good, and so fine a man.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I know of no greater contribution a person can make to his nation than to live the type of life that has been lived by Hon. JOSEPH JEFFERSON MANSFIELD. I have had the pleasure of knowing him through all the years I have served in Congress, and I can endorse all the beautiful things that have been said about him by men who have taken the floor here today to pay tribute to him.

It has been said that there is no act of man which is not the beginning of a chain of consequences so long that there is no human providence high enough to give us a prospect to the end. Judge MANSFIELD has made a tremendous contribution to the character of this great Nation of ours. I wish every youth in the United States could see his life spread out before him so that he might be inspired to emulate him.

Judge MANSFIELD was a true American. He believed in the fundamental principles which have made this Republic great. He believed in the principles set forth in the Declaration of Independence and in the Constitution of the United States, and he lived according to those principles. His spirit will live on for years and years. I could demonstrate that it would live on for centuries inspiring the youth of this land. I am sure now that we know the great contribution our dear friend has made as a public servant we may feel a greater sense of responsibility in the official position which we occupy. Judge MANSFIELD has lived a life that will be an example and an inspiration to the youth who are coming along to take our place. Perhaps we sometimes fail to realize the extent to which the public spotlight is upon us because of the positions we hold. The Congress, therefore, is judged by the conduct of its Members. I hope that in the future the reputation and the character of Congress can be judged by the life, the splendid life, the Christian life, the fine American life, which Judge MANSFIELD has lived.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, a great soul has passed away. He has now crossed the river and stands on the other side in the cool of the evening. Judge JOSEPH J. MANSFIELD, after 30 years of service in the House of Representatives, has left us for a higher service.

During his long and distinguished career in the House, "the JUDGE," as we fondly called him, gave his time and talents to rivers and harbors work. No one like myself who comes from the State of Louisiana, with its thousands of rivers, streams, creeks, and bayous, could be oblivious to the guiding genius which our deceased colleague used as chairman of the important Committee of the House on Rivers and Harbors, in which position he served until the beginning of this Congress. In fact, no one wherever inland waters flow can fail to appreciate his solicitude, his earnest direction, and his great ability applied to the need and to the development of our great water resources.

Years ago, while actively serving in this body, Congressman MANSFIELD sustained a tragic physical set-back. One of lesser determination might have fallen by the wayside and given up. But not so with our late departed colleague. He met the handicap with renewed efforts and greater determination. A poet has well said:

> It is easy enough to be pleasant
> When life flows by like a song;
> But the man worth while
> Is one who will smile
> When everything goes dead wrong.

Congressman MANSFIELD met the world with a smile. "Ever with a gladsome heart, he took the sunshine and the rain opposed." He was always courteous and friendly. As he daily sat here to the right of his desk in his wheel chair, he greeted everyone with affection and with genuine and continuing interest. As we commend him to the Almighty, we know we have lost a great friend. We shall miss him very much.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, it is rare indeed when we pay tribute to a man who is alive instead of waiting until he dies. One of the few men who has served in this body who had that rare privilege was Judge MANSFIELD. I remember in 1942 on the occasion of his twenty-fifth year of service in this body we paused to pay tribute to him. The Chaplain of the House referred to Judge MANSFIELD as "the concentrated essence of the sunshine of Congress." The entire membership nodded approval when our then Speaker RAYBURN stood in the well of the House and said, "Judge MANSFIELD's life is an inspiration to everyone who knows him. Long may he live to serve his country and to give joy to his thousands of friends."

When I came here 9 years ago I was appointed to serve on the Committee on Rivers and Harbors. I learned to know Judge MANSFIELD, not as an old man, because one never thought of him as an old man. No man was younger in spirit than he. All the things that have been said about his kindly, wholesome influence, I am sure can be repeated again and again, because they cannot be said too often. I am sure the State of Texas will elect a good man to occupy the seat that he occupied, but there is no one who can take his place because there is just not that kind of person alive.

I am sure it is heartening to our guests today to witness this fine tribute being paid by the Members of this body, regardless of partisanship, to a man who loved his country so dearly. He was not only a great Texan—he was a great American. He knew every river and harbor. He knew every stream and every bridge. He never had to refer to a map in his work. He knew all about what he was doing. Every member of his committee loved him and respected him. I am sure that is true of every Member of the House.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Alabama [Mr. JARMAN].

Mr. JARMAN. Mr. Speaker, as one who has long been especially fond of the distinguished gentleman who is gone, and a great admirer of his delightful personality, his stalwart character, and his outstanding ability, I thoroughly share the great bereavement which is felt today not only by every Member of this House but, I am sure, by every person everywhere whose privilege it was to know Judge MANSFIELD. In fact, I seriously doubt whether there ever has been or ever will be a Member of this House who could so thoroughly deserve the superlative complimentary references which have been so generally indulged in relative to Judge MANSFIELD today. Certainly his district, his State, his Nation, and particularly its waterway development, this House and every one of us have suffered a great loss. Certainly there exists a void or vacuum which probably can never be filled. Yet, my colleagues, I am impressed that we should not today dwell too much on our sadness and on our great bereavement, but, on the other hand, that we should think of the great good fortune of his district, his State, his Nation, this House, and ourselves in having been permitted to know, to associate with, to love, and to profit by the great ability of such a man. I am impressed that as we say goodbye to the grandest old Roman of them all, we should do so with a smile on our faces in

appreciation of his great life and of our good fortune in having profited by our association with him, in appreciation of his having been permitted to remain with us until such a ripe old age, and having so completely retained his faculties to the very end, rather than in sadness because of our immediate great bereavement.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. I was privileged to become a member of the House Committee on Rivers and Harbors when I came here as a Member of the Seventy-ninth Congress, and I soon came to know the kindly influence of the distinguished chairman of that committee, Judge JOSEPH MANSFIELD, whom we are commemorating here in the House today. Being a member of the minority at that time, I was never made to realize it because of the friendly attitude of Judge MANSFIELD. He recognized me, although a new member, on many occasions during considerations before the committee. He made me feel that I was part of the committee. Although the many years he had served naturally entitled him to superiority, he never exerted that influence in any of the committee deliberations.

I think Judge MANSFIELD'S greatness lay in his humility and his modesty. Many days he sat in his wheel chair in the House and greeted us kindly as we came in, and how many of us knew that he perhaps was suffering, suffering severely, but he still had a smile to greet us all. I think that his memory will live long in this Nation. I do not know of any man who was more alert and more conscious of his responsibilities and to the needs of the Nation through the great Rivers and Harbors Committee, of which he was chairman, than was Judge MANSFIELD; and today there exist many lasting monuments to his memory all over the Nation, monuments of constructive work on rivers and harbors, bridges, and inland waterways, that have added to the great wealth and to the comfort and benefit of the people of this Nation.

I want to pay my respects to my good and kindly friend, Judge MANSFIELD, whom I think will never be replaced insofar as his devotion to duty and his consideration for mankind's needs is concerned. The great State of Texas can be comforted in having had a fine and loyal representative in Judge MANSFIELD during his term of service in the House. We will miss him greatly here. May he rest in peace.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Speaker, all of us have lost a great friend.

We have known Judge MANSFIELD for many years. We have known all the time that he was a great, lovable character. He liked to help other people, he liked to help the Members of his own committee and the other Members of the House, and he liked to do nice little kindly deeds to and for the people back in his district.

Many fine things have been said about Judge MANSFIELD and I am sure that I cannot add any more. When it is all said and done, Judge MANSFIELD was a fine Christian gentleman who lived a life of service to mankind, and the remainder of us in this House can well emulate that fine spirit. I know that his home is in heaven.

I join with his fine, lovable family in the deep sorrow they are now going through.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, there is some kind of mystical affection which binds together Members of this great body that perhaps can be explained by the fact that we are all dedicated to the service of our country. Of course it is true that we do not all think alike on matters of national importance and we argue with vehemence and insistence in defense of our views, but the deep-seated respect that we have for each other endears us to one another. We represent Americans, and America looks to us for leadership.

This mutual respect and esteem which binds us together frequently grows into a sincere and deep affection and that spirit of affection is abundantly manifested here today. All who were privileged to meet the gentleman from Texas, Judge MANSFIELD, had the most profound respect for him, and one did not need to know him long or be associated with him for any length of time to acquire an affection for him which grew greater and greater as time went by. His gentle manner, his charm and delightful wit, his honest thinking and his wholehearted patriotism could not help but have their effect in bringing about a lasting love for the man. In addition to all this, his deep and abiding interest in the development and preservation of the natural resources of our country was indeed such a part of him that it stamped itself indelibly on one's consciousness. We, his colleagues, drew inspiration from him by merely being in his presence. He was a great man and we mourn our loss.

But, my colleagues, instead of mourning his passing let us rather be happy that we were privileged to know him and to have been associated with him. Let us gain strength in the knowledge that by his force of character and his militant patriotism he set an example of service for us to emulate. He lived a long and useful life on this earth and he now rests secure in the knowledge of work well done. Let us rejoice with our countrymen that such a man was an American and let us strive in the days to come to carry on to the same brave, unselfish, and cheerful spirit that he did, for he was faithful to the last and has earned his crown of life. We are better Americans for having had him as our friend.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, the great number of our colleagues who have spoken on the passing of our beloved colleague Judge JOSEPH J. MANSFIELD, of Texas, testifies to the esteem in which he was held by all of us, and the tributes paid by all those who have spoken indicate their realization of the great loss sustained by this Congress and our country in the passing of Judge MANSFIELD.

In thinking of Judge MANSFIELD I am reminded of what Young said: "The man of wisdom is the man of years."

In the passing of our beloved colleague Judge MANSFIELD we have indeed lost a man of wisdom. During the long years of his service in the Congress his ability and leadership was outstanding and recognized, especially with respect to rivers and harbors and flood-control matters, and only recently on the occasion of his birthday we eulogized his service to his State and to his country over the long period that he was chairman of the Rivers and Harbors Committee, and on which committee it has been my privilege to serve with him since I have been in the Congress.

Recently, in praising the great work of Judge MANSFIELD, I stated that it was most unusual that recognition was given to the work of a public servant during his lifetime; but the service of Judge MANSFIELD to his State and Nation was recognized by his great State and the Congress when a magnificent dam built in his native State was named in his honor, as a tribute to his memory and in recognition of the great work of Judge MANSFIELD as chairman of the Rivers and Harbors Committee.

We will miss the counsel and fellowship of our colleague, and his guidance and wisdom in the Congress and in our committee.

In the passing of Judge MANSFIELD I am again reminded of the words of Longfellow:

> Time has laid his hand
> Upon his heart, gently, not smiting it,
> But as a harper lays his open palm
> Upon his harp, to deaden its vibrations.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, the great Grecian poet, Homer, said, "We are a part of all we meet." The tributes paid to the memory of Judge MANSFIELD in this House today are evidence that he made an indelible impression on the minds and hearts of all who came within the radiance of his personality. We are better for having known him. To know him was to love him. Only those who have suffered are loved. For years he suffered great bodily handicap. Despite his physical impairment his life was characterized by an unflagging industry, keenness of intellect, fullness of knowledge, and cheerfulness of spirit. He was the living embodiment of many inspiring truths. When the Almighty commissioned Samuel to anoint David, King of Israel, he was directed to reject all of David's stalwart, towering brothers, saying of each: "Look not on his countenance, or on the height of his stature; for the Lord seeth not as man seeth; for man looketh on the outward appearance, but the Lord looketh on the heart." Judge MANSFIELD'S intellect, his moral and spiritual strength, his goodness of heart made his face to shine.

So long as he lived he was a fountain of light.

Were I so tall as to reach the pole
And measure the ocean with a span,
I must be measured by my soul;
The mind is the standard of the man.

His was a beautiful soul, a great mind. "The bravest are the tenderest; the loving are the daring." No braver man ever served in this House.

When a man dies those who knew him, his neighbors, ask, "What did he leave in this world's goods?" The angels ask, "What good deeds did he send before him?" Only the records of eternity can disclose his countless good deeds.

Judge MANSFIELD was rich in character, rich in service to his fellow man and to his country. Ripe in years, he embodied that other truth: "Gray hairs are a crown of glory when found in the paths of righteousness."

A good man never dies. Judge MANSFIELD is not dead. He lives in the hearts of his sorrowing kin, in the hearts and minds of those who knew him best. He lives in that better world where the spirits of just men are made perfect.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Speaker, I think the First Psalm must have been written about this great and good man who just left us:

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful.

But his delight is in the law of the Lord; and in His law doth he meditate day and night.

And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither; and whatsoever he doeth shall prosper.

This I do know—the First Psalm was written to urge and encourage all men to lead and to live the fine Christian life which was that of our dear friend and colleague, Judge JOSEPH JEFFERSON MANSFIELD of the Lone Star State of old Texas.

Judge MANSFIELD was a great, kindly, sympathetic, understanding soul; a great American, a great Texan, who loved and worshipped his God, who loved his family, who loved his Nation, who loved his district and his State, who loved his colleagues, who loved folks. You know, I also believe that the following little verse must have been written about Judge MANSFIELD because of his lovely disposition, his wonderful character, and his true devotion to his fellow man, because he certainly spread sunshine and happiness into the hearts and into the homes of every person with whom he came in contact. I recited this little verse to the Judge on his 85th birthday and he gave me a warm, firm handshake. The twinkle in his eye indicated to me that he liked the thought it expressed:

Making friends is a lot of fun
Shaking hands with everyone
Hearing what each has to say
As we meet them day by day
Swapping smiles and trading cheer
Makes us happy while we're here.
For all the joy of life depends
On the art of making friends.

Judge MANSFIELD was a master at making and keeping friends. His family indeed should be happy to know that this world is a finer and a better place because Judge MANSFIELD lived here. He has answered his last roll call here in the House of Representatives, but he has gone to answer the roll call of the Master of all legislative bodies, lodges, and men. He will be present there for all time to come. It is his reward for the beautiful life he lived and the example he set here on earth. His courage should be a source of inspiration to all—he overcame his disability to become one of the most active Members on the floor. His wisdom, his vast knowledge, his service to his people are landmarks which are monuments to his achievements.

Judge truly let his light so shine before men that they may see his good works and glorify his Father, who art in heaven.

May God bless and preserve his family forever and a day.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM. Mr. Speaker, would that I had the imagination, the gift of foretelling, the utterance of a prophet, that I might picture to you in language expressive and sincere the worth, the dignity, and the character of our beloved friend.

Mr. Speaker, for almost an hour and three-quarters we have listened to beautiful expressions from his fellow Members in tribute to this great man. This is one of the longest memorial services it has ever been my privilege to hear since I have been a Member of this body, and no man has deserved it more. I will always feel sorry for anyone who did not know Judge MANSFIELD, for no one who knew him would ever forget the warmth of his smile, the cheer that came from contact with him, and the inspiration that helped every man with whom he came in contact.

Shortly after I came to Congress, one day he wheeled his way up through the aisle and stopped and said, "Mr. GRAHAM, you come from Beaver, Pa.?" I said, "Yes." He said, "You live beside a beautiful river, the Ohio River." He said, "That was the home of former Senator Quay. Did you know him?" I said, "Yes, I knew him." He said, "When I was superintendent of schools in Texas, Senator Quay taught in my community, and I caused to be erected a memorial to his memory, as a United States Senator who had taught in that section."

I cite this to show you the universality of this man, his wide knowledge of every Member of this Congress, of his home, of his locality, of his friends and associates, and of the noted characters who had come from his community.

I always think that each man has a phrase that expresses him. A moment ago he was referred to as "a tree planted by the rivers of water, that bringeth forth his fruit in his season." I shall think of him in terms of another expression from the pslam, as one "who passing through the valley of Baca make it a well."

Then, Mr. Speaker, as I stand almost beneath the star of Texas, the lone star of Texas, I am thinking what was the lone star of his life, the guiding purpose of his life. It was a deep, undying faith in his fellow man and love of his God and of genuine Americanism, that made him the peer of all around him.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Speaker, it is always good to rest in the shadow of a sturdy oak when we are tired and careworn and borne down by the burdens of our responsibilities, or when we are young and life looms out ahead of us in good expectancy. I have shared both of these experiences with Judge MANSFIELD. I hope you will pardon a personal reference, but I was assigned to serve on the Committtee on Public Works, which includes rivers and harbors, and served with Judge MANSFIELD from January 17 to the time that he became ill and went to the hospital. On his eighty-sixth birthday my son, a quiet, tow-headed young soldier, was on his way to his assignment at Fort Clayton in the Canal Zone and had come by to visit his mother and me on the way. I told him that we were having a birthday party for Judge MANSFIELD over at the Public Works Committee room and asked him if he would like to go. He did. We went there and took along a box of candy as a little gift. I introduced the lad to the judge. Judge MANSFIELD patted my boy on the arm and said, "Son, you look like a good soldier to me." We visited awhile at the party and returned to the office. The lad did not say much. But on the way back he said, "Dad, you know I like Judge MANSFIELD. One just can't afford to let a man like that down."

I am grateful for that experience for my son, whose life is out before him. He had rested in the shadow of the great oak and had caught his spirit.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, many of the Members have referred to their friendship for Judge MANSFIELD and to the splendid work that he has performed for the Nation. It is not surprising that many of our colleagues should make reference to the same attributes of this great man because he always treated each of us with the same courteous respect and loving kindness.

If there ever was a man in the House of Representatives who all viewed in the same light, it was Judge MANSFIELD. There are so many of us who are viewed in one light by some and in still another light by others. To our friends most of us are heroes. To those who are not our friends, we may be villains. Judge MANSFIELD had only friends, and he himself was the friend of all.

Reference has been made to his long life and public service. I recall that he often liked to tell that he was born in the State of Virginia, but that his birthplace was not in Virginia but rather that it was in West Virginia since the State of West Virginia came into existence after his birth. There are few who can point

to so long a life and I know of none who can point to a longer life of public service. Two-thirds of this long span of life Judge MANSFIELD devoted to his country. Certainly none can show such a long life of service without having been worthy of public respect. Our democracy demands service of the highest order of those it continues in public office so long.

We know of the material monuments that have been erected to our departed friend. Reference has been made to the great dam on the Colorado River in the State of Texas which bears his name, but that is only one of the hundreds of river development projects all over the United States that could well bear his name. His monuments are written in all the major streams and all the teeming harbors of America. There you will find tangible monuments to the material work of Judge MANSFIELD.

But it was not the material work, great as it was, that endeared him to those of us who know him here. As a citizen of Texas and as a member of the legislative body of that State, I had, of course, known Judge MANSFIELD years before I become a Member of this body. But it was only after having the opportunity to know him personally, to deal with him day by day, to know something of his ever-present kindness, his willingness to help, that I had any opportunity to understand why those who had known him longer held him in such deep affection. Affection is the only word we can use to describe our association with Judge MANSFIELD. Everybody respected him. We all respect those who accomplish great things, but we can only love those who love the rest of mankind. That is what made Judge MANSFIELD so really great.

It seems to me that the reason so many of us have found it so difficult to express the thoughts in our hearts today has been that we want to express more than mere appreciation for the great work that he did for his State and his Nation. We want to express, even where we are unable to do so, our own feelings of appreciation and love for his kindness and his love for every Member of the House as well as for all who came in contact with him. As he embarks on that journey from which no traveler returns, he carries to that brighter shore love and good wishes of all those he left behind.

Mr. RAYBURN. I yield to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. I join with my colleagues in mourning the passing of one of the most lovable and genuine men I have ever known. Never in my life have I known a man who was so constantly bright and cheerful and friendly. Although a wheel chair confined him physically, it was never sufficient to restrict his greatness. Time after time I have marveled at his tremendous energy and the unusual skill with which he handled legislation entrusted to him as chairman of one of our great committees. For over 60 years he enjoyed the implicit confidence of his electorate. Honor after honor came to him from his people. No greater tribute could be paid to any man. A great loss has been sustained by his constituency, by the State of Texas, and by the Congress of the United States.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD on the death of Judge MANSFIELD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, I join my colleagues of the House in paying tribute to the memory of the Honorable J. J. MANSFIELD, whose passing last Saturday morning has saddened the hearts of all of us who knew him.

First of all, the State of Texas and the Nation as a whole has lost a truly great and good public servant. It is not too much to say that for more than a quarter of a century no man in the Congress did more for the improvement of our waterways, our rivers and harbors, and their utilization for commerce and trade than Judge MANSFIELD. He believed devoutly in harnessing the floodwaters and converting their destructive force to the beneficial use of our people. He believed in the principle that these God-given streams and waterways, wherever situated, belong to all of the people of our Nation, and therefore should be developed by the Government for the use of all the people.

Gifted with a keen and alert mind, a noble concept of public duty, and boundless energy, he devoted them all to the service of the people. As chairmar of the Rivers and Harbors Committee, his amazing knowledge of waterway problems and the high esteem in which he was held by his colleagues of both parties made him an inspiring leader for waterway development. He was ever alert to keep considerations of narrow partisanship from dividing the members of his committee or influencing their decisions concerning waterway improvements. The great river and harbor, flood-control, and other waterway improvements throughout this Nation during the 16 years he served as chairman attest the vision and effectiveness of his leadership.

Judge MANSFIELD devoted nearly 60 years of his long and useful life to public service. He was city attorney and mayor of Eagle Lake, and county Judge of Colorado County for 20 years before coming to Congress. He was interested also in civic and fraternal work, serving as grand master of Masons in Texas during the years of 1913–14. To all of these tasks he devoted his heart, mind, and energy.

But great as were his accomplishments as a Member of Congress, his colleagues in this House will remember him best for his sterling character, his genial good humor, and his unselfish friendship. For, in spite of a physical infirmity which handicapped him for many years, he never ceased to have an optimistic outlook on life, nor did he fail to extend a warm hand of greeting and a friendly smile to all he met. His alert and active mind, his noble character, and sunny disposition made him one of the most inspiring characters I ever knew. A truly great man has passed to his reward. But in doing so he has left for us an inspiring example of unselfish public service worthy of our emulation, and the memory of a true and noble friendship.

Mr. FISHER. Mr. Speaker, Judge MANSFIELD, whose death we mourn and whose memory we revere, has been stricken from our midst by the Grim Reaper. He served continuously in public office for a period of more than a half a century. That is a record of public service and evidence of public esteem seldom equaled and rarely exceeded in the annals of our history.

When I came to the Seventy-eighth Congress I was given an assignment on the Committee on Rivers and Harbors, of which Mr. MANSFIELD was chairman. There I had the privilege of observing him as he presided in a manner that commanded the absolute respect of every member of the committee, regardless of party affiliation. His expert knowledge of the smallest details of river and harbor works at any point around our thousands of miles of shore line was simply amazing.

Mr. Speaker, others have paid tribute to Mr. MANSFIELD'S character, his high sense of fairness, his fine sense of humor, his outstanding statesmanship, and his devotion to his trust. I shall not dwell upon them. I can only say that a man so completely free of demagoguery, so faithful in his service to the public, lived a life that we can all do well to emulate. The world is a little darker because his light has gone out. The world is a little colder now that his heart has grown cold in death. But his memory lives and his example shines like a beacon light on the hillside.

Statesman, yet friend to truth; of soul sincere,
In action faithful and in honor clear;
Who broke no promise, served no private end,
Who gained no title, and who lost no friend.

Mr. BECKWORTH. Mr. Speaker, I consider it a real privilege to have served in Congress with Judge MANSFIELD. Judge MANSFIELD was loved and appreciated to the same extent by all his friends who knew him well—to the fullest extent. Indeed, to know him was to love him and to name him was to praise him.

Last summer I visited his home at Columbus, Tex. It is an humble and simple home. Truthfully it may be said of him in the words of the poet:

Far from his rank he neither sank nor soared,
But sat an equal guest at every board.
No beggar ever felt him condescend
No prince presume for still himself he bore
at manhood's simple level
And where e'er he met a stranger there he
left a friend.

I know he did justly, loved mercy and walked humbly with his God and fellow man.

Judge MANSFIELD was an outstanding Member of Congress for his district, Texas and the Nation. He worked in behalf of projects and fought for causes that will benefit his Nation for many years to come.

The efforts of and life lived by the deceased constitute an excellent example of what can be accomplished by one who is handicapped. In fact, insofar as his usefulness to his district and nation was

concerned, he mastered completely his handicap. His mind was alert always, his spirit was never bent.

Judge MANSFIELD fought a good fight, he kept the faith, he has finished his course; that his reward will be great we have no doubt.

To his family we express our sincere sympathy. You have lost a devoted and true father and kinsman. His district, Texas and the nation have lost a statesman of vision and a tireless worker for good and better things for all the people. We who knew and loved him here have lost a warm, valued and true friend.

Mr. KILDAY. Mr. Speaker, I want to join in the expressions of sorrow at the passing of our distinguished friend and colleague, Judge JOSEPH J. MANSFIELD. During my service here I have not known a member more universally loved and respected than he. His was a long and fruitful public service. Notwithstanding his advanced age and the physical handicap which he suffered, he remained active and vigorous, his mind as keen as any man much his junior. I doubt if many members can boast of a better attendance record than his.

His principal interest was the waterways, the rivers and harbors of the country. Not so long ago I was amazed to hear him recite from memory the principal characteristics of the major ports and harbors of the country. He knew their depth, their dock facilities, their tonnage capacity, the nature of the freight moving through them and every other detail. His work as member and chairman of the Committee on Rivers and Harbors has left a permanent mark upon those facilities.

During the years that I knew him I never saw anything of anger or resentment in his nature. He was always in good humor and the best of spirits. Though his physical disability may have justified otherwise there was no bitterness, but the acceptance of his condition.

For more than 60 consecutive years he had served his people well and faithfully. His enthusiasm for their rights and their interests was as strong as the end approached as it was when he first began representing them. The tribute I would like to pay him at this time is, in my opinion, a high one. It is simply that his district, his State, and his Nation are better because he lived.

Mr. HAYS. Mr. Speaker, no man could know JOSEPH J. MANSFIELD without entertaining for him a profound admiration and deep affection. His quiet influence extended far beyond the limits of his professional and political associations. His devotion to the public service was a great inspiration to every Member of the House.

He accepted his honors with modesty and complete naturalness, yet he responded with warmth and appreciation to every display of friendship. His leadership in his special field has made a lasting impression upon our Nation. The House will never seem the same without him and we all join our colleagues from the great State of Texas in mourning the passing of our beloved friend, Judge MANSFIELD.

Mr. RAYBURN. Mr. Speaker, I offer a resolution (H. Res. 291).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JOSEPH J. MANSFIELD, a Representative from the State of Texas.

Resolved, That a committee of five Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER appointed the following committee: Mr. PATMAN, Mr. JOHNSON of Texas, Mr. COMBS, Mr. PICKETT, and Mr. CLIPPINGER.

ADJOURNMENT

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect, the House do now adjourn.

The motion was agreed to; accordingly the House (at 1 o'clock and 48 minutes p. m.), pursuant to its order heretofore entered, adjourned until tomorrow, July 15, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

925. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to authorize the construction of a road connecting the Kenai Peninsula, Alaska, with the central road system of the Territory; to the Committee on Public Works.

926. A letter from the Secretary of State, transmitting a draft of a proposed bill to authorize temporary aid to and repatriation of nationals of the United States in need in foreign countries, and for other purposes; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 288. Resolution providing for the consideration of Senate Joint Resolution 123, joint resolution to terminate certain emergency and war powers; without amendment (Rept. No. 902). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 289. Resolution providing for the consideration of H. R. 4102, a bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; without amendment (Rept. No. 903). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 290. Resolution providing for the consideration of H. R. 3043, a bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; without amendment (Rept. No. 904). Referred to the House Calendar.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 4108. A bill to reduce in area the Parker River National Wildlife Refuge in Essex County, Mass., and for other purposes; without amendment (Rept. No. 905). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 3370. A bill to direct the Secretary of Agriculture to support the price of milk at not less than $3.10 per hundred pounds; with an amendment (Rept. No. 906). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAGEN: Committee on Post Office and Civil Service. H. R. 4109. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; with amendments (Rept. No. 908). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1109. A bill to provide for one national cemetery in every State and Territory and such other national cemeteries in the States and Territories as may be needed for the burial of war veterans and certain other persons as provided for in section 281, title 24, United States Code, as amended; with amendments (Rept. No. 909). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1597. A bill to relocate the boundaries and reduce the area of the Gila Federal reclamation project, and for other purposes; with an amendment (Rept. No. 910). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2502. A bill to provide for the general welfare and advancement of the Klamath Indians in Oregon; with amendments (Rept. No. 911). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2867. A bill to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest designated as a game sanctuary, and for other purposes; with an amendment (Rept. No. 912). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 2347. A bill for the relief of Mrs. Akiko Tsukado Miller; without amendment (Rept. No. 907). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 4183. A bill to prescribe the pay and allowances of aviation cadets in the Air Corps, Regular Army, and for other purposes; to the Committee on Armed Services.

H. R. 4184. A bill to amend Public Law No. 26, Eightieth Congress, approved March 31,

1947, to provide for additional functions, duties, and employees in the Office of Selective Service Records, and for other purposes; to the Committee on Armed Services.

By Mr. CURTIS:

H. R. 4185. A bill to provide for the deduction from gross income for income-tax purposes of expenses incurred by farmers for the purpose of soil conservation and leveling land used or to be used in farming operations; to the Committee on Ways and Means.

By Mr. JAVITS:

H. R. 4186. A bill to prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KEARNEY:

H. R. 4187. A bill to amend subsection (d) of section 500 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. MACKINNON:

H. R. 4188. A bill to provide that Members of Congress may act as notaries public during their terms of office; to the Committee on the Judiciary.

By Mr. SMITH of Wisconsin:

H. R. 4189. A bill to provide for the deportation of certain aliens eligible to citizenship who do not take action to become citizens; to the Committee on the Judiciary.

By Mr. WILSON of Indiana:

H. R. 4190. A bill to amend the General Bridge Act of 1946; to the Committee on Public Works.

By Mr. HOLMES:

H. R. 4191. A bill to authorize the construction of the Klickitat unit of the Wapato project, Yakima Indian Reservation, Wash., and for other purposes; to the Committee on Public Lands.

By Mr. McDONOUGH:

H. R. 4192. A bill to amend paragraph (A) (1) of Public Law No. 662, Seventy-ninth Congress, chapter 869, second session, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 4193. A bill to guarantee that the civil liberties of labor shall not be abridged; to the Committee on Education and Labor.

H. R. 4194. A bill to amend the Labor-Management Relations Act of 1947 to equalize legal responsibilities of labor organizations and employers, and for other purposes; to the Committee on Education and Labor.

By Mr. RAINS:

H. R. 4195. A bill to amend the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. REED of Illinois:

H. R. 4196. A bill to incorporate the Society of the First Division; to the Committee on the Judiciary.

By Mr. REES:

H. R. 4197. A bill to further amend the Classification Act of 1923, as amended; to clarify the meaning of references in the act of number of employees supervised and size of organization unit; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H. J. Res. 238. Joint resolution to amend paragraph 1772 of the Tariff Act of 1930; to the Committee on Ways and means.

By Mr. HOFFMAN:

H. Con. Res. 70. Concurrent resolution authorizing the Committee on Expenditures in the Executive Departments of the House of Representatives to have printed for its use additional copies of the hearings on the bill (H. R. 2319) the National Security Act of 1947; to the Committee on House Administration.

By Mr. SEELY-BROWN:

H. Con. Res. 71. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:

H. R. 4198. A bill for the relief of Miss Denise Simone Bouttant; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 4199. A bill for the relief of George Haniotis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

741. By the SPEAKER: Petition of Mrs. Johanna Hansjacob, St. Petersburg, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

742. Also, petition of Miss Martha Moffitt, Sanford, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

743. Also, petition of Miss Sue Laverents, Jacksonville, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

744. By Mr. LYNCH: Petition of Catholic War Veterans, St. Helena Post, No. 202, urging enactment of H. R. 1981 to make Good Friday a national holiday; to the Committee on the Judiciary.

SENATE

TUESDAY, JULY 15, 1947

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

In these days of stress and strain, O God, give us a faith and a wisdom that can match the problems of this hour. Believing it is "not by might, nor by power, but by My Spirit, saith the Lord," help us to give attention to those moral and spiritual goals without which our material progress is in vain and our scientific advancement can become a curse rather than a blessing.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 14, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel;

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon;

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land;

S. 558. An act for the relief of the alien Michael Soldo;

S. 880. An act for the relief of Rev. John C. Young;

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia;

S. 1360. An act for the relief of Eric Seddon;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; and

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, and 110 to the bill, and concurred therein, and that the House insisted upon its disagreement to the amendment of the Senate No. 78 to the bill.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 14 and 17 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 12 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DIRKSEN, Mr. PLUMLEY, Mr. H. CARL ANDERSEN, Mr. HORAN, Mr. PHILLIPS, Mr. CANNON, Mr. SHEPPARD, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

H. R. 3950. An act to reduce individual income-tax payments; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

ANNOUNCEMENT OF HEARINGS ON FAIR EMPLOYMENT PRACTICE BILL

Mr. DONNELL. Mr. President, yesterday an announcement was made that the subcommittee of the Committee on Labor and Public Welfare which is considering Senate bill 984 will hold an open public hearing in respect to that bill on Wednesday, July 16, 1947, and another hearing with respect to the same bill on Thursday, July 17. Inadvertently, the hour stated for each of those hearings in the notice as set forth in yesterday's RECORD is given as 10 o'clock a. m. I give notice that the hour of each of those hearings is 9:30 a. m.

NEEDS AND REALITIES OF THE AMERICAN MERCHANT MARINE—INVITATION TO SENATORS TO ATTEND PROGRAM

Mr. CAIN. Mr. President, I invite the attention of Senators to an invitation which I hold in my hand. The invitation is signed jointly by the Senator from Maine [Mr. WHITE], chairman of the Senate Committee on Interstate and Foreign Commerce; Hon. ALVIN F. WEICHEL, chairman of the Merchant Marine and Fisheries Committee of the House; and Hon. CHARLES A. WOLVERTON, chairman of the House Committee on Interstate and Foreign Commerce.

Several weeks ago, at a dinner which was given in Washington by the International Union of Marine and Shipyard Workers, a very dramatic and graphic program was presented showing the needs and realities of the American merchant marine. Among the guests were a number of Senators and Representatives. They were exceedingly interested and impressed by the character of the program which they witnessed and of which they were a part.

In consequence, the three gentlemen whose names I have just given have arranged to repeat that program, beginning at 4 o'clock this afternoon, in the House caucus room. I believe that those among us who are able to attend will receive additional information on a subject of rich concern to all of us.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

TRANSFER BY NAVY DEPARTMENT OF A NAVAL LANDING CRAFT

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Junior Naval Reserve Unit, Sanford, Fla., a nonprofit organization incorporated under the laws of the State of Florida, had requested the Navy Department to transfer a naval landing craft for use in training boys; to the Committee on Armed Services.

FEBRUARY 1947 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of that Corporation for the month of February 1947 (with an accompanying report); to the Committee on Banking and Currency.

PETITION

Mr. CAPPER presented a petition signed by 60 citizens of Wilsey, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce, which was referred to the Committee on Interstate and Foreign Commerce.

PROTEST AGAINST SALE OF WYANDOTTE INDIAN BURIAL GROUND, KANSAS CITY, KANS.

Mr. CAPPER. Mr. President, I have a letter from the city attorney of Kansas City, Kans., expressing vigorous opposition of the mayor and the board of commissioners of that city to Senate bill 1372, which would authorize the sale of the Wyandotte Indian burial ground, commonly known as the Huron Cemetery.

Since I was unable to lay this protest before the Senate Committee on Public Lands prior to their reporting the measure to the Senate Calendar, I present the letter for appropriate reference and ask unanimous consent that it may be printed in the RECORD so that my position will be understood when, upon the call of the calendar, I find it necessary to object to the bill.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

CITY OF KANSAS CITY, KANS.,
July 9, 1947.

Senator ARTHUR CAPPER,
Capitol Building, Washington, D. C.

DEAR SIR: In re H. R. 3685, entitled "A bill authorizing the Wyandotte Tribe of Oklahoma, through its business committee, to sell and convey, subject to the approval of the Secretary of the Interior, the Wyandotte Indian public burial ground in Kansas City, Kans.," introduced by Mr. SCHWABE of Oklahoma.

I am writing this letter at the direction of Mayor Clark E. Tucker and Commissioners Edward W. Becker and Francis Blake, who constitute the governing body of Kansas City, Kans.

Mr. Grant W. Harrington, a lawyer of this city, has prepared a history of what is now called the Huron Cemetery in Kansas City, Kans. He is the author, among other books, of a book entitled "Historic Spots in Wyandotte," which is the name of the county in which Kansas City, Kans., is situated and is the original name of the largest city among five separate cities which are now embraced within the corporate limits of Kansas City, Kans.

It will be noted from Mr. Harrington's history that Wyandotte County was originally settled by the Indians who had moved here from other States by virtue of treaties with the Government.

The Wyandottes who settled in Wyandotte County and their decedents were a progressive and intelligent group of people. Some of their decedents during my time have earned promotion in business concerns of high rank, and have been prominent in the city affairs of the community. The names of some of these progressive people are in some cases preserved by having streets named after them, and the fact that this particular county bears the name of Wyandotte is also a further testimonial of how the people regard it.

There is no public demand on the part of the people residing here now to have this cemetery desecrated and the use of the ground changed from that for which it has been used for more than a hundred years to a commercial use that would destroy it historically as well as desecrate the last resting place of the Indians buried there and the soldiers who fought in the War of 1812 and the others of whom fought in the war to preserve the Union of the States.

The people of this city believe the dead should rest in peace and that it is the duty of the living to see that their resting places are kept in a state of beauty and with proper reverence. This is, we believe, as it should be.

The laws of our State place the burden of the maintenance of abandoned cemeteries upon its public bodies and in the case of private burial grounds place them under the jurisdiction of the probate court of the county with full authority to maintain actions to recover damages when such private burial grounds are desecrated. This statement is made to show that it is a State policy to let the dead rest in peace.

By the agreement made with the United States, this city entered into a solemn contract with the United States to maintain and preserve this cemetery as a cemetery and to give to it the same care that it gives to a park similarly situated. This cemetery is joined on the north and east by Huron Park and the accompanying photograph taken from the air shows that Huron Park and Huron Cemetery together constitute a beautiful place in the very heart of the retail business district.

True, from its location, its Minnesota Avenue frontage would undoubtedly be valuable as a location for retail business, but it must be remembered that it is the last resting place of many of the first settlers of this community. They rest in a place selected by their friends or by themselves during their lifetime. It is private to them—the title has rested.

Those who bought their property from the Delaware Indians were among those who constituted the original planners of Wyandotte—the pioneer city which constitutes Kansas City, Kans. Their chiefs were members and officials in that partnership of the Wyandotte Town Co. They planned their city wisely.

By the treaty of 1855 the Wyandottes who made that treaty and their decedents became loyal citizens of the United States. Many of them are buried there. The people of this city, as represented by the governing body of the city, make the request and express the hope that House Resolution 3685 be not enacted into law, and that this cemetery be never desecrated, but that it may be and remain what it has been, a place of eternal rest. We hope that each of those who represent us in Congress will be diligent in securing the defeat of this resolution.

Respectfully submitted.

ALTON H. SKINNER,
City Attorney.

GENERAL HOUSING LEGISLATION—LETTER FROM NORWALK (CONN.) CITY COUNCIL

Mr. McMAHON. Mr. President, I present for appropriate reference a letter from the Common Council of the City of Norwalk, Conn., relating to the so-called Wagner-Ellender-Taft general housing bill, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

CITY OF NORWALK,
Norwalk, Conn., July 11, 1947.

Hon. BRIEN MCMAHON,
Senator, United States
Senate Building, Washington, D. C.

DEAR SENATOR MCMAHON: In accordance with the action of the Common Council of the City of Norwalk at its regular meeting held July 8, 1947, I am reminding you that said council at its regular meeting held May 14, 1946, voted unanimously to recommend the passage of the Wagner-Ellender-

Taft general housing bill, S. 1592, and the amendment to this bill as introduced in the Senate committee.

In a letter dated May 20, 1946, you were advised of the action of the common council and a reply dated May 24, 1946, was received from you.

In response to a petition received by the council, it was voted that this matter be called to your attention once again and that Senator BALDWIN and Congressman LODGE be advised of the council's action.

With kindest personal regards, I am,

Very truly yours,

EDWIN T. CHARIOTT,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON of Virginia, from the Committee on Banking and Currency:

S. 318. A bill to authorize the coinage of 50-cent pieces to commemorate the patriotic services of Patrick Henry and to perpetuate his home as a historic shrine; without amendment (Rept. No. 546).

By Mr. ROBERTSON of Wyoming, from the Committee on Public Lands:

S. 1368. A bill to amend section 2357 of the Revised Statutes to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; with an amendment (Rept. No. 547).

By Mr. BUTLER, from the Committee on Public Lands:

S. 1220. A bill to transfer jurisdiction of certain lands comprising a portion of Acadia National Park, Maine, from the Department of the Interior to the Department of the Navy, and for other purposes; without amendment (Rept. No. 548);

H. R. 175. A bill to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against the laws of the Territory of Alaska; without amendment (Rept. No. 549);

H. R. 187. A bill to amend Public Law 304, Seventy-seventh Congress; without amendment (Rept. No. 550);

H. R. 1554. A bill to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932; without amendment (Rept. No. 551);

H. R. 1609. A bill to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States; without amendment (Rept. No. 552);

H. R. 2938. A bill to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior; with an amendment (Rept. No. 554);

H. R. 3343. A bill to amend the Alaska game law; without amendment (Rept. No. 553); and

S. Res. 148. Resolution authorizing the Committee on Public Lands to hold hearings at such times and places it may deem advisable; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. ECTON, from the Committee on Civil Service:

H. R. 1203. A bill to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters; without amendment (Rept. No. 555); and

H. R. 2857. A bill to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments; without amendment (Rept. No. 556).

By Mr. COOPER, from the Committee on the Judiciary:

S. 323. A bill authorizing the Comptroller General of the United States to allow credits to and relieve certain disbursing and certifying officers of the War and Navy Departments in the settlement of certain accounts; with amendments (Rept. No. 557).

By Mr. McGRATH, from the Committee on the District of Columbia:

S. Res. 144. Resolution authorizing an investigation of law-enforcement and police administrations in the District of Columbia; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

H. R. 2331. A bill to amend section 20a of the Interstate Commerce Act; without amendment (Rept. No. 558).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

S. J. Res. 136. Joint resolution authorizing the President to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations; with amendments (Rept. No. 559).

INVESTIGATION OF OPERATIONS OF POST OFFICE DEPARTMENT

Mr. BALDWIN. Mr. President, from the Committee on Civil Service, I report favorably Senate Concurrent Resolution 20, providing for a joint investigation of the operations of the Post Office Department. The resolution contains the names of several Senators as sponsors. I ask unanimous consent to add the names of the Senator from North Dakota [Mr. LANGER] and the Senator from South Carolina [Mr. JOHNSTON] to the concurrent resolution as sponsors.

The PRESIDENT pro tempore. The report will be received and the concurrent resolution will be referred to the Commitee on Rules and Administration; and, without objection, the names of the Senator from North Dakota [Mr. LANGER] and the Senator from South Carolina [Mr. JOHNSTON] will be added as sponsors of the concurrent resolution.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 15, 1947, he presented to the President of the United States the enrolled bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the months of January through June 1947, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
SENATE FOREIGN RELATIONS COMMITTEE,
July 15, 1947.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate for the months of January 1947 through June 1947, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Francis O. Wilcox, 4323 Albemarle Street NW., Library of Congress, annual salary, $9,975.

Mary G. Sheppard, 3365 Rittenhouse Street NW., Library of Congress, annual salary, $2,770.

Above-named employees have been full-time employees of the committee since January 1947.

A. H. VANDENBERG,
Chairman.

REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it.

Philip Levy, counsel-professional staff, gross annual salary, $8,339.10.

Robert D. L'Heureux, counsel-professional staff, gross annual salary, $7,075.

Robert C. Hill, chief clerk, gross annual salary, $7,075.

Eunice Avery, clerk, gross annual salary, $4,950.79

Caro M. Pugh, stenographer, gross annual salary, $3,543.80.

Edna A. Stewart, stenographer, gross annual salary, $2,964.45.

Pauline C. Beam, stenographer, gross annual salary, $2,964.45.

George P. Richards, Sr., investigator, March 3–8, 10–15, salary, $333.33.

Funds appropriated, $10,000.

Funds expended, $4,501.68.

CHAS. W. TOBEY,
Chairman.

UNITED STATES SENATE,
SENATE CIVIL SERVICE COMMITTEE,
July 11, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution No. 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it.

George D. Riley, staff director, gross annual salary, $10,000.

Frank Vogel, staff member, gross annual salary, $10,000.

John D. Phenix, actuary, gross annual salary, $10,000.

William E. Posey, staff member, gross annual salary, $7,075.06.

Colette E. Homan, clerk, gross annual salary, $5,695.66.

Tom F. Fox, clerical, gross annual salary, $4,288.68.

Dorothy Lynott, clerical, gross annual salary, $3,626.56.

Anna Baca, clerical, gross annual salary, $3,626.56.

Esther Peterson, clerical, gross annual salary, $3,626.56.

Funds appropriated, $10,000.

Funds expended, $4,[illegible]9.81

WILLIAM LANGER,
Chairman.

UNITED STATES SENATE,
SENATE COMMITTEE ON THE
DISTRICT OF COLUMBIA,
June 30, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned Committee on the District of Columbia, pursuant to Senate Resolution No. 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it.

J. George Stewart, chief clerk, gross annual salary, $8,023.09.

James R. Kirkland, counsel, gross annual salary, $8,971.11.

Edna L. Ward, stenographic secretary, gross annual salary, $3,626.56.

Ruth W. Wood, stenographic clerk, gross annual salary, $3,295.51.

Hart, Alderson, McCabe & Harkins, public reporters.

Dr. Selden D. Bacon, witness at hearing.

Dr. E. M. Jellinek, witness at hearing.

Estate of M. W. Pickering, House majority, cutting stencils, etc.

Funds appropriated, $10,000.

Funds expended, $3,212.86.

C. D. BUCK,
Chairman.

UNITED STATES SENATE,
SENATE COMMITTEE ON FINANCE.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution No. 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 1, 1947, to July 1, 1947, together with the funds appropriated to and expended by it.

Sherwood B. Stanley, clerk, yearly gross salary rate, $7,549.09.

Elizabeth B. Springer, assistant clerk, yearly gross salary rate, $5,116.32.

Janice Everly, stenographer, yearly gross salary rate, $3,626.56.

Bernice Crouze, stenographer, yearly gross salary rate, $3,626.56.

Jesse R. Nichols, document clerk, yearly gross salary rate, $3,129.98.

Samuel D. Mercer (resigned June 15, 1947), research clerk, yearly gross salary rate, $4,619.73.

Contingent fund	$10,000.00
Senographic reporting	2,807.43
Expense of witnesses	1,832.29
Telephone charges	3.96
Total expended	4,643.68

E. D. MILLIKIN,
Chairman.

UNITED STATES SENATE,
SENATE COMMITTEE
ON FOREIGN RELATIONS,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

Francis O. Wilcox,[1] chief of staff, gross annual salary $9,975.

C. C. O'Day, clerk, gross annual salary $7,549.08.

Emmett M. O'Grady, assistant clerk, gross annual salary $4,040.38.

Mary G. Sheppard,[1] assistant clerk, gross annual salary $2,770.

Isabel M. Smith, assistant clerk, gross annual salary $3,378.27.

Funds appropriated, $10,000.

Funds expended, $2,138.66.

A. H. VANDENBERG,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it.

Edward Jarrett, clerk, gross salary $8,339.10.

Edward Cooper, professional staff member, gross salary $8,339.10.

Halford G. Davis, professional staff member, gross salary $7,075.06.

Vera Rudolph, clerical staff, gross salary $3,792.09.

Harriet Gray, clerical staff, gross salary $3,212.74.

Dorothy Prout, clerical staff, gross salary $3,212.74.

C. H. Dolan, air accident investigator (temporary), gross salary $8,339.10.

Funds appropriated, $10,000.

Funds expended, $6,386.94.

WALLACE H. WHITE, Jr.,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
July 14, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned Committee on the Judiciary, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

Richard Arens, professional staff (legal), gross annual salary $7,944.09.

Maurice Covert, professional staff (legal), gross annual salary $7,075.06.

Joseph A. Davis, assistant clerk, gross annual salary $7,944.09.

Miriam O. Fox, stenographer, gross annual salary $4,040.38.

Helen W. Ganss, stenographer, gross annual salary $3,461.04.

Margaret Holland, stenographer, gross annual salary $3,047.22.

David Kammerman (no longer employed), professional staff (legal), gross annual salary $7,391.07.

Mary Rogers, stenographer, gross annual salary $4,040.38.

J. Carlisle Ruddy, professional staff (legal), gross annual salary $7,944.09.

Edna E. Vernlund (no longer employed), stenographer, gross annual salary $3,047.22.

H. R. Wilde, clerk of committee, gross annual salary $10,000.

Robert B. Young, professional staff (legal), gross annual salary $7,944.09.

Funds appropriated, $10,000.

Funds expended as of June 30, 1947, $6,879.36.

ALEXANDER WILEY,
Chairman.

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
June 30, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned National Defense Committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 1 to June 30, 1947, together with the funds appropriated to and expended by it:

Jerome S. Adlerman, assistant counsel, employed June 16, 1947, gross annual salary $6,495.72.

Bernard S. Bercovici, investigator, employed April 15, 1947, gross annual salary, $8,075.76.

Lucille Bruskin, assistant clerk, gross annual salary, $2,798.92.

Margaret B. Buchholz, clerk, resigned February 15, 1947, gross annual salary, $4,040.38.

Janie M. Burkhardt, assistant clerk, resigned January 31, 1947, gross annual salary, $3,047.22.

Frank D. Byrnes, special agent from General Accounting Office, left January 31, 1947, gross annual salary, $7,341.60.

Pauline Chaternuck, assistant clerk, resigned March 30, 1947, gross annual salary, $2,633.40.

William S. Cole, assistant counsel, gross annual salary, $7,285.74.

Walter Connell, special agent from Internal Revenue, left March 24, 1947, gross annual salary, $5,905.20.

Peter J. Connolly, assistant counsel and special assistant to chairman, resigned February 15, 1947, gross annual salary, $9,050.11.

Frederick M. Coughlin, assistant counsel, employed May 9, 1947, gross annual salary, $6,026.72.

Agnes F. Dodge, assistant clerk, employed April 23, 1947, gross annual salary, $2,716.16.

Charles H. Fisher, messenger, resigned February 15, 1947, gross annual salary, $1,931.

Francis D. Flanagan, chief assistant counsel, gross annual salary, $9,655.80.

Thomas F. Flynn, Jr., investigator, gross annual salary, $5,392.22.

Mary Frances Harmer, assistant clerk, resigned January 31, 1947, gross annual salary, $2,798.92.

Minnie B. Horner, assistant clerk, resigned January 31, 1947, gross annual salary, $2,798.92.

Phelps Hunt, editorial clerk, gross annual salary, $1,931.60.

Eleanor B. Keating, assistant clerk, resigned June 15, 1947, gross annual salary $3,212.74.

Joseph B. Kenkel, messenger, resigned February 15, 1947, gross annual salary, $1,089.

Jean F. Kerr, assistant clerk, employed June 27, 1947, gross annual salary, $2,798.92.

Kathryn L. Kohler, assistant clerk, gross annual salary, $2,798.92.

W. Harold Lane, special agent from Internal Revenue, left March 31, 1947, returned June 2, 1947, gross annual salary, $7,102.20.

Lydia Lee, editor, gross annual salary, $5,033.55.

Joseph M. Mannix, investigator, gross annual salary, $5,695.66.

Mary Ellen McFerran, assistant clerk, resigned March 8, 1947, gross annual salary, $2,716.16.

George Meader, chief counsel and consulting counsel, gross annual salary, $10,000.

Gladys E. Montier, assistant clerk, gross annual salary, $3,212.74.

Jeanie Moore, assistant clerk, gross annual salary, $2,798.92.

Constance L. Morris, assistant clerk, employed June 17, 1947, gross annual salary, $2,633.40.

Paul F. Morrison, special agent from General Accounting Office, left January 31, 1947, gross annual salary, $5,403.80.

Thomas Nichol, Jr., special assistant to chief counsel, resigned January 16, 1947, gross annual salary, $7,285.74.

Eric Nordholm, messenger, gross annual salary, $1,183.

Thomas O'Connell, investigator, gross annual salary, $6,495.72.

[1] Dr. Wilcox and Miss Sheppard are on the pay roll of the Library of Congress.

Franklin N. Parks, assistant counsel, gross annual salary, $6,522.05.

William P. Rogers, chief counsel, employed April 23, 1947, gross annual salary, $10,000.

Haven Sawyer, investigator, gross annual salary, $5,392.22.

James F. Sheridan, investigator, employed June 16, 1947, gross annual salary, $5,392.22.

Mary E. Slack, assistant clerk, resigned January 31, 1947, gross annual salary, $2,633.40.

Dorothy M. Smithson, assistant clerk, gross annual salary, $2,798.92.

M. Louise Spilman, assistant clerk, gross annual salary, $3,957,62.

Eleanor L. Taylor, assistant clerk, gross annual salary, $2,964.45.

Agnes S. Wolf, investigator, gross annual salary, $4,205.91.

Ruth M. Young, clerk, employed February 10, 1947, gross annual salary, $3,626.56.

Funds appropriated: Balance of authorization, January 1, 1947, $56,658; Senate authorization, March 25, 1947, $150,000.

Funds expended, $74,495.73.

OWEN BREWSTER,
Chairman.

UNITED STATES SENATE,
RULES AND ADMINISTRATION,
July 14, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January to June 30, 1947, together with the funds appropriated to and expended by it:

Albert L. Seidel, clerk, gross annual salary, $10,000.

George J. Nilles, assistant clerk, gross annual salary, $6,522.05.

Ela Hathaway, clerk (research), gross annual salary, $3,461.04.

Phyllis Morehead, clerk (stenographic), gross annual salary, $2,964.45.

B. Floye Gavin, clerk (research), gross annual salary, $4,868.02.

Funds appropriated, pursuant to section 134 (a), Public 601 (Reorganization Act, 1946), $10,000.

Funds expended, $585.83.

C. WAYLAND BROOKS,
Chairman.

UNITED STATES SENATE,
SUBCOMMITTEE ON PRIVILEGES AND
ELECTIONS OF THE COMMITTEE ON
RULES AND ADMINISTRATION,
June 30, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned subcommittee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 17 to June 30, 1947, together with the funds appropriated to and expended by it:

Francis T. Kelly (January 18–June 30), chief investigator, gross salary, $2,799.54.

Henry P. Kiley (January 18–June 30), investigator, gross salary, $2,578.82.

Roy A. Moon (January 18–January 31), investigator, gross salary, $205.67.

B. B. Gilchrist (January 18–June 30), investigator, gross salary, $2,578.82.

J. M. Poorbaugh (January 18–June 30), investigator, gross salary, $1,946.41.

Mary L. Walpole (February 1–May 10), administrative assistant, gross salary, $1,101.61.

G. E. Johnson (February 1–June 30), finance clerk, gross salary, $2,476.65.

Camille Jeneau (May 12–June 30), secretary, gross salary, $437.27.

J. William Graham (January 21–31) challenger, gross salary, $100.73.

Henry T. Tarantino (January 21–31), challenger, gross salary, $100.73.

Edward G. Chaney (January 21–31), challenger, gross salary, $100.73.

Frank M. Duval (January 21–31), challenger, gross salary, $100.73.

Samule J. Macaluso (January 21–31), challenger, gross salary, $100.73.

Irma M. Anderson (January 21–31, March 10–22, June 2–30), challenger, gross salary, $624.54.

Elda G. Quast (January 21–31, March 10–22, June 2–30), challenger, gross salary, $624.54.

James O. Onderdonk (January 21–31, February 5–14, June 2–6), challenger, gross salary, $251.82.

Evelyn Kearsey (January 21–31, February 5–14, March 10–22, June 2–13), challenger, gross salary, $452.29.

Sam Schenker (January 27–31), challenger, gross salary, $40.29.

Pearl Podlich (January 21–25), challenger, gross salary, $50.36.

Nicholas Orem, Jr. (February 5–14), challenger, gross salary, $100.73.

Allen Perrie (February 1–14), challenger, gross salary, $100.73.

Percy Wolfe (February 1–14), challenger, gross salary, $100.73.

Elizabeth Shipley (February 1–14), challenger, gross salary, $100.73.

Isabella Purdy (February 1–14), challenger, gross salary, $100.73.

Ralph W. Powers (February 5–14), challenger, gross salary, $100.73.

Ethel C. Babcock (February 7–14), challenger, gross salary, $80.58.

Edwin A. Glenn (February 7–14), challenger, gross salary, $80.58.

Robert J. McElroy (March 10–22, June 1–30), challenger, gross salary, $423.08.

John F. Ford (March 18–25), challenger, gross salary, $80.58.

Thomas A. Warga (March 10–17, June 2–7), challenger, gross salary, $141.02.

Thomas H. Mayfield (March 17–26), challenger, gross salary, $100.73.

Helen C. Earp (March 24–27, June 2–12), challenger, gross salary, $151.10.

Justinius Gould (March 10–12), challenger, gross salary, $30.22.

Richard J. Oppitz (June 17–30), challenger, gross salary, $141.03.

David Halley (June 16–26), challenger, gross salary, $110.81.

John N. Maguire (June 11–30), challenger, gross salary, $182.

Sylvan Katz (June 12–30), challenger, gross salary, $191.40.

Gerald J. Zeller (June 13–20), challenger, gross salary, $181.32.

George D. Solter (June 13–30), challenger, gross salary, $181.32.

M. J. Yamin (June 13–30), challenger, gross salary, $181.32.

Fannie Angelos (June 10–30), challenger, gross salary, $211.54.

Alan M. Winner (June 9–30), challenger, gross salary, $211.62.

Mary D. Allmond (June 1–30), challenger, gross salary, $100.73.

Leah G. Miller (June 17–20), challenger, gross salary, $40.29.

Charles R. Askew (June 2–13), challenger, gross salary, $120.88.

Arianna Blizzard (June 2–30), challenger, gross salary, $292.13.

Andrew J. Hopper (June 2–11), challenger, gross salary, $100.73.

Eva E. Leon (June 2–9), challenger, gross salary, $80.58.

John H. McFaul, Jr. (June 2–16), challenger, gross salary, $151.10.

John A. B. McElveney (June 2–10), challenger, gross salary, $90.66.

Joseph G. Oronson (June 1–30), challenger, gross salary, $302.21.

Anna M. Melvin (June 7–30), challenger, gross salary, $241.76.

Fred A. Rochester (June 2–12), challenger, gross salary, $110.81.

Evelyn Deihl (June 2–16), challenger, gross salary, $151.10.

Marie A. Heid (June 30), challenger, gross salary, $10.07.

Charles M. Hartung (January 21–31, February 1–16), guard, gross salary, $208.11.

Harry Orme (January 21–31, February 1–16), guard, gross salary, $205.67.

Walter M. Garner (February 3–18), guard, gross salary, $128.07.

Everett Garner (February 3–18), guard, gross salary, $128.07.

William W. Williams (February 17–June 30), guard, gross salary, $1,072.62.

Charles E. Lentz (February 17–May 30), guard, gross salary, $832.48.

Philip L. O'Connell (May 21–31, June 1–5), guard, gross salary, $120.06.

John P. O'Toole (May 21–31, June 1–5), guard, gross salary, $120.06.

Theodore P. Mullan (June 1–30), guard, gross salary, $240.14.

James H. Cunningham (May 22–June 30), checker, gross salary, $410.80.

D. J. Laupheimer (June 1–30), checker, gross salary, $316.

R. K. Lyle (June 1–30), checker, gross salary, $316.

David E. Pollock (June 1–30), checker, gross salary, $316.

B. J. Dugan (June 2–30), checker, gross salary, $305.47.

David H. Putnam (June 8–30), checker, gross salary, $242.27.

Jack W. Hardy (March 20–June 30), counsel, gross salary, $2,117.93.

Arthur R. Breor (April 1–June 30), chief investigator, gross salary, $1,279.08.

John H. Fallon (April 1–30), investigator, gross salary, $426.36.

George C. Hartman (April 1–June 30) investigator, gross salary, $1,279.08.

E. P. Roberts (April 1–June 30), investigator, gross salary, $1,279.08.

R. R. West (April 1–May 30) investigator, gross salary, $852.72..

J. M. Hirst (April 1–June 2), investigator, gross salary, $881.14.

W. E. Stevenson (May 1–June 30), investigator, gross salary, $852.72.

J. F. Carr (June 3–30), investigator, gross salary, $397.93.

J. V. McCann (June 4–30), investigator, gross salary, $383.72.

Mary L. Green (May 1–June 30), clerk-typist, gross salary, $535.44.

Martha Pringle (May 6–June 30), secretary, gross salary, $490.82.

Total salaries, $37,487.80.

The amounts in each instance represent gross salaries paid each employee of the subcommittee for the period shown in parentheses.

Funds appropriated pursuant to Senate Resolution 54 agreed to January 17, 1947, as increased by Senate Resolution 114 agreed to May 19, 1947, $120,000.

Funds expended, $53,001.19.

WILLIAM E. JENNER,
Chairman, Subcommittee on Privileges and Elections, Committee on Rules and Administration.

UNITED STATES SENATE,
SPECIAL COMMITTEE TO STUDY
PROBLEMS OF AMERICAN SMALL BUSINESS,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned special committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from February 1 to June 30, 1947, together with the funds appropriated to and expended by it.

Bauer, Virginia Lee, file clerk, gross annual salary, $2,633.40.

Dickey, Raymond R., chief counsel, gross annual salary, $9,050.11.

Guyon, Catherine L., consultant, gross annual salary, $6,522.05.

Holshouser, Dorothy J., editorial secretary, gross annual salary, $3,792.09.

Loveland, Ailene J., secretary, gross annual salary, $3,792.09.

McNamara, Catherine G., secretary, gross annual salary, $2,964.45.

Meredith, George F., executive director, gross annual salary, $10,000.

Nichols, Pearl Mae, secretary, gross annual salary, $3,295.51.

Southmayd, Charlotte M., clerk, gross annual salary, $2,964.45.

Wimer, Bertram H., counsel, gross annual salary, $7,812.42.

Wolken, Albert J., investigator, gross annual salary, $7,812.42.

Wynes, Gene, messenger, gross annual salary, $2,004.20.

Youse, Alma M., secretary, gross annual salary, $2,964.45.

Funds appropriated, $50,000.

Funds expended, $29,416.32.

Per diem employees at $25 per day plus additional compensation (Public Law, 390):

Johnson, Albert E., special counsel, 21 days per month.

Broadgate, William C., special counsel, 2 days per week.

Per diem employees at $25 per day without additional compensation:

Rowell, M. W., consultant.

Zopf, Homer, consultant to prepare report on iron and steel exports.

KENNETH S. WHERRY,
Chairman.

UNITED STATES SENATE,
SENATE COMMITTEE ON PUBLIC LANDS,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 1, to June 30, 1947, together with the funds appropriated to and expended by it:

Hugh R. Brown, chief clerk, gross annual salary, $10,000.

Albert A. Grorud, professional staff, gross annual salary, $7,022.40.

Nellie D. McSherry, assistant chief clerk, gross annual salary, $6,026.72.

Orville Watkins, clerical assistant, gross annual salary, $5,116.32.

Estelle Bedsworth, clerical assistant, gross annual salary, $3,295.51.

Charlotte Mickle, clerical assistant, gross annual salary, $2,964.45.

Funds appropriated, $10,000.

Funds expended, $2,448.50.

NOTE.—Due to the inability of the stenographic reporter to get word counts from the Government Printing Office, and the vouchers incident thereto, filed in time, it is not possible to give accurate figures as to the actual expenditures of the committee. The committee is advised, however, that statements for stenographic reporting will approximate the balance of our account.

HUGH BUTLER,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 16 to June 30, 1947, together with the funds appropriated to and expended by it:

J. H. Macomber, Jr. (employed January 16, 1947), chief clerk, gross annual salary, $9,524.13.

Ann M. Grickis (employed January 16, 1947), clerical assistant, gross annual salary, $5,033.55.

E. B. Van Horn (employed January 27, 1947), staff director, gross annual salary, $9,524.13.

Florence C. LeMan (employed January 27 to February 28, 1947), clerical assistant, gross annual salary, $2,964.45.

Walter L. Reynolds (employed February 1, 1947), professional staff member, gross annual salary, $8,734.11.

Mary L. Michael (employed from March 4 to March 31, 1947), clerical assistant, gross annual salary, $2,964.45.

Mrs. Ellen C. Larson (employed from March 10 to March 31, 1947), clerical assistant, gross annual salary, $2,964.45.

Thomas A. Sappington (employed March 16, 1947), professional staff member, gross annual salary, $7,075.06.

Mrs. Emily I. Tennyson (employed March 24, 1947), clerical assistant, gross annual salary, $3,212.74.

Marie C. Tylor (employed April 7, 1947, clerical assistant, gross annual salary, $3,212.74.

Velda Blanche Holder (employed April 8, 1947), clerical assistant, gross annual salary, $2,964.45.

James F. Carr (employed April 29 to June 2, 1947), professional staff member, gross annual salary, $7,075.06.

Glenn K. Shriver (employed June 3, 1947), assistant chief clerk, gross annual salary, $7,391.07.

Funds appropriated, $10,000.

Funds expended, $1,150.70.

GEORGE D. AIKEN,
Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY (by request):

S. 1630. A bill for the relief of Louis L. Williams, Jr.; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 1631. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Andrew Johnson, Alexander H. Tongue, James F. Sirlouis, James W. Dixon, J. Frank Tongue, Thomas E. Wroten, Halvor H. Hellen, George J. Carey, Robert C. O'Berry, Norman C. Carey, James W. Hungerford, Sarah E. Webster, Nathaniel M. Dare, and Richard J. Johnson; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1632. A bill to authorize the transfer of certain troop kitchen railway cars to the War Department, and for other purposes; to the Committee on Armed Services.

By Mr. IVES:

S. 1633. A bill to authorize the attendance of the Marine Band at the National Convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; to the Committee on Armed Services.

By Mr. REVERCOMB (by request):

S. 1634. A bill to authorize the Federal Works Administrator to construct a building for the General Accounting Office on square 518 in the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. JOHNSON of Colorado:

S. 1635. A bill to promote the safety and health of employees engaged in baggage, mail, or express-train service in interstate commerce by requiring common carriers by railroad and any express company to install and maintain all such cars and equipment used or furnished by them for such purposes in safe and suitable conditions for use in the service for which they are put; to the Committee on Interstate and Foreign Commerce.

By Mr. CAPEHART (for himself, Mr. MYERS, and Mr. MCMAHON):

S. 1636. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; to the Committee on Finance.

By Mr. TAFT:

S. 1637. A bill for the relief of Leo Hamermann; and

S. 1638. A bill for the relief of Elis Holger Lindquist; to the Committee on the Judiciary.

By Mr. HATCH:

S. 1639. A bill authorizing the repair and rehabilitation of irrigation works damaged by flood in the prevention of flood damage in the Fort Sumner irrigation district, and for other purposes; to the Committee on Public Lands.

APPROPRIATIONS FOR GOVERNMENT CORPORATIONS AND INDEPENDENT AGENCIES, 1948—AMENDMENT

Mr. LUCAS submitted an amendment intended to be proposed by him to the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, which was ordered to lie on the table, and to be printed, as follows:

Strike out the proviso beginning on page 4, line 19, and ending on line 23.

WEST VIRGINIA SENATORIAL ELECTION

Mr. KILGORE presented a motion to dismiss the petition filed by Tom Sweeney contesting his right to a seat in the Senate from the State of West Virginia, together with a verified answer to said petition, which was referred to the Committee on Rules and Administration.

STATEHOOD FOR HAWAII—LETTER FROM FORMER SENATOR HAWES

Mr. DONNELL. Mr. President, I present for the RECORD, and ask to have incorporated therein, a letter which, on November 30 of this year, will have been written 50 years. It is a letter to a distinguished former Senator of my State, the Honorable George Graham Vest. It was written by a man who was then a young man, and who later was himself destined to become a Member of the United States Senate. I am pleased to say that he is still living and is reasonably active, consistent with his health, in Washington, D. C. I refer to the Honorable Harry B. Hawes.

This letter refers to the annexation of Hawaii. I think the letter is appropriately introduced into the RECORD, in view of the current importance of the subject of statehood for Hawaii.

The letter which I have presented for the RECORD was reduced in size by Senator Hawes in order to come within the rules of the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO.,
November 30, 1897.

Hon. G. G. VEST,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: [After 50 years, 1897, now reduced for discussion, July 14, 1947.] I refer to the annexation of Hawaii, which first pre-

sented itself to my attention when acting as a delegate to the Trans-Mississippi Congress which met in Salt Lake last summer, where I was one of the delegates acting for Missouri. The proposition of annexation came before that body and was thoroughly discussed, the 32 votes of Missouri being cast for annexation.

The discussion was reinforced by an acquaintance and friendship which I formed for the Honorable Lorrin A. Thurston, ex-Minister from Hawaii.

From these various causes, my interest in the subject has led me to make a thorough study of the proposition, and has resulted in my making a number of speeches favoring annexation, as well as writing articles furthering the project. I take this opportunity of presenting to you what I consider to be good reasons why our representatives in the Senate should favor the annexation treaty.

I find that since President Tyler in 1842, every President, Secretary of State, and Secretary of the Navy, down to and including McKinley, have favored a protectorate leading to annexation or annexation itself, with the exception of Lincoln, who was engaged in the Civil War, and the late Grover Cleveland, who devoted his attention more especially to the action of Minister Stevens than to the question of annexation itself.

The men who brought about the revolution in Hawaii are patriotic citizens, who felt that the very existence of their country required the action which they were compelled to take, as the old monarchy was corrupt throughout, finding its main support from foreign adventurers, and the late monarch relying upon the advice and counsel of white men, who had no property interests in Hawaii, and whose advice to the ruling monarch was a combination of flattering adulation, mingled with the advocacy of those measures which would redound to their own selfish benefit and ruin the interests of those natives and citizens who had acquired property, homes, and needed protection against the opium, lottery, and gambling rings, who were fast gaining control of the public affairs in Hawaii.

Taking the condition as we find it today, the Republic of Hawaii is a stable and permanent one, and the little Republic, if left alone, could succeed and prosper in its present form were it not for the insidious encroachments of Japan. Four times within the history of that country has the United States warned foreign powers to leave the country, and every time the request has been complied with as Webster and other statesmen declared that foreign nations should be removed if it took the whole power of our Army and Navy to remove them.

It goes without saying, therefore, that it is but a question of time before the conquest of Hawaii will be accomplished by Japan in the most peaceful and yet the most practical and complete manner possible. The attitude of the Japanese, therefore, threatens the present Republic with overthrow, and presents to American statesmen the prospect of having the strongest strategical point in the Pacific placed in the hands of a nation who has recently grown arrogant because of its victory over a rival, and having within easy sailing of our shores a large naval station in foreign hands.

Turning our attention to the southern waters of the Pacific, we find there Australia and all the South Pacific isles, occupied by the great nations of Europe, fortified as naval posts, and every point of strategical vantage made ready for any conflict that might arise.

Then turn our attention to the center of this vast area of water, we find the island of Hawaii is the only spot in the Pacific from the Equator on the south to Alaska on the north, and between America on the east and Asia on the west, where water, food, or coal can be obtained. It is also on or near the principal trade route across the Pacific. Its unique position is what has given it the name of the "Crossroads of the Pacific," the "Key of the Pacific," and the "Gibraltar of the Pacific."

Captain Mahan, of the United States Navy, one of the highest authorities on naval strategy, says that Hawaii is the most important strategical point in the world, as it stands alone, having no rival and admitting no rival. As my friend Thurston puts it, all of the great powers of Europe lie, or have coaling stations within steaming distance of the Atlantic coast of the United States. On the other hand, no nation, either European or Asiatic, lies or possesses a coaling station near enough to the Pacific coast to be practically available as a base of hostile naval operations against that coast or its commerce.

From the Equator on the south to Alaska on the north, from the coast of China and Japan on the west to the American Continent on the east, there is but one spot where a ton of coal, a pound of bread or a gallon of water can be obtained by a passing vessel, and that spot is Hawaii.

The immensity of this area of the earth's surface is comprehended by but few.

The Atlantic is, comparatively, so narrow, that way-stations are not absolutely necessary; while the islands in the Atlantic north of the Equator, capable of use as way-stations, are so numerous that it is practically impossible for the United States to absorb them all.

A modern battleship without coal is like a caged lion—magnificent, but harmless.

One of the first principles of naval warfare is that an operating fleet must have a base of supply and repair.

Any country in possession of Hawaii would possess a base of operation within 4- or 5-days' steam distance of any part of the Pacific coast.

Without the possession of Hawaii all the principal countries possessing interest in the Pacific are so far away that the distance is practically prohibitory of hostile operations against the Pacific coast. For instance, the nearest English station is 4,600 miles distant from San Francisco. The nearest French station is 3,600 miles distant. The nearest Spanish station is 4,700 miles distant. Russia is 4,700 miles away; Japan 4,500 miles, and China 5,500 miles.

The United States, in possession and control of Hawaii will thereby, by simply keeping other nations out, afford almost absolute protection to her Pacific coast and commerce from hostile naval attack. On the other hand, Hawaii in possession of any foreign country, will be a standing menace against not only the Pacific coast, but against all the ocean-bound commerce to and from that coast, and all American commerce on or across the North Pacific.

It appears that the issue in Hawaii is not between monarchy and the republic, as has been stated. That issue has been settled. There are some persons who do not recognize this fact. There are never lacking those who set their faces backward; who mourn over every lost cause and vainly hope for the restoration of abused and fortified power.

The issue today is the preliminary skirmish in the great coming struggle between the civilization and the awakening forces of the East, and the civilization of the West. The issue is whether, in the inevitable struggle, Asia or America shall have the vantage ground of the control of the naval "key of the Pacific," the commercial "crossroads of the Pacific."

All that has held, and is now holding, Hawaii for the United States, is the indomitable will and pluck of the men of Hawaii, of not only American, but of Hawaiian and European blood, who, against heavy odds, are doing and will continue to do all that is within the bounds of possibility to prevent Hawaii from retrograding into an Asiatic outpost, and to hold the country to that destiny which American statesmen have, for 50 years, regardless of party, outlined for it.

While the tendency of events in Hawaii is against American interests, they have not progressed so far that they cannot be arrested, if the United States will take radical action for its protection. Annexation will accomplish such a result and nothing else will. It is sufficient to say here that the alternative of annexation of protectorate has successively been presented to Presidents Pierce, Harrison, and McKinley, and Secretaries of State Marcy, Foster, and Sherman, in 1854, 1893, and 1897, and has each time been decided in favor of annexation; for the reason that a protectorate imposes upon the United States responsibility without power to control; while annexation imposes practically no more responsibility, but is accompanied with the full powers of ownership.

Whether the Hawaiian population is unfit for incorporation into the American system, depends upon two things: First, the existing facts and, second, the outlook for the future.

First, as to the existing conditions in Hawaii. The foundation of Hawaiian law is the common law of England. The general statute court procedure and legal methods of Hawaii are as much like those of Illinois as those of Illinois are like those of Massachusetts. The laws of Hawaii are based upon—many of them copies of—those of the United States. The two statutes, for example, which Japan is now objecting to, as limiting Japanese immigration, are almost exact copies of the United States immigration laws, restricting the immigration of contract laborers and undesirable persons. All legal documents are modeled on those in use in the United States. Most of the lawyers and judges are either from the United States or educated therein. English is the official language of the schools and courts, and the common language of business. The railroads, cars, engines, water works, water pipes, dynamos, telephones, fire apparatus, are all of American make. United States currency is the currency of the country. All government and private bonds, notes, and mortgages are made payable in United States money. Practically manhood suffrage among all Hawaiian citizens has existed since 1852. All American holidays, Washington's Birthday, Decoration Day, Fourth of July, and Thanksgiving Day are as fully and enthusiastically celebrated in Hawaii as in any part of the United States. This is not the growth of a day, but of two generations, so that even the native Hawaiian appears to think it the natural order of things.

There is not and never has been any color line in Hawaii as against native Hawaiians, and they participate fully and on an equality with the white people in affairs political, social, religious, and charitable. The two races freely intermarry one with the other, the results being shown in a present population of some 7,000 of mixed blood. They are a race which will in future, as they have in the past, easily and rapidly assimilate with and adopt American ways and methods.

The Chinese and Japanese are an undesirable population, from a political standpoint, because they do not understand American principles and government. The Asiatic population of Hawaii consists largely, however, of laborers who are temporarily in the country for what they can get out of it. As soon as they accumulate a few hundred dollars they return home. Shut off the source of supply and in 10 years there will not be Asiatics enough left in Hawaii to have any appreciable effect.

Moreover, most of them are making as much or more money in Hawaii than they can in the United States, and they have no object in trying to come to this country. This is evidenced by the fact that prior to the passage of the Chinese Exclusion Act by Congress there were as many Chinese in Hawaii as there are now, but practically none came to California. The Japanese are now free to come to California from Honolulu, but none come.

The Treaty of Annexation prohibits emigration of the Chinese now in Hawaii to any other part of the United States, and the treaty with Japan, which went into effect in 1899, allows the United States to regulate the immigration of Japanese laborers.

Individually, the Chinese and Japanese in Hawaii are industrious, peaceable citizens, and as long as they do not take part in the political control of the country, what danger can the comparatively small number there be to this country? They are not citizens, and by the Constitution of Hawaii, they are not eligible to become citizens; they are aliens in America and aliens in Hawaii; annexation will give them no rights which they do not now possess, either in Hawaii or in the United States.

The remaining inhabitants in Hawaii are some seven or eight thousand Americans, English, and Germans; strong virile men who have impressed their form of government upon the much larger population living there, and have acquired the ownership of more than three-fourths of all the property in the country. If they were able to do this against the hostility, and in the face of an unfavorable monarchy, why is there any reason to believe that they will be any less strong under the fostering influence of the Republican Government of the United States? No territory of the United States was ever annexed with so strong a leaven of Americanism in it as exists today in Hawaii.

As to the future prospects. Within a hundred years Hawaii possessed a population of 400,000 people, who were supported by the lax methods of cultivation then in effect. With the advanced methods of today, and the irrigation of the heretofore barren plains, there is no reason why Hawaii cannot support a population of a million as easily as it now does 100,000. With stability of government will come immigration, development, and growth, which will as certainly take place in Hawaii as it has in all the other territories heretofore annexed by the United States.

War between the United States and any foreign country may or may not require the fortification of Hawaii, but this question depends not in the remotest degree upon annexation. It depends on whether the United States is to continue its policy of the past 50 years, to wit, the barring out of all other nations from Hawaii. This policy was initiated by President Tyler in 1842, when he said that "it would but create dissatisfaction on the part of the United States at any attempt by another power to take possession."

It was reiterated by Daniel Webster a short time thereafter, upon being informed that the French were contemplating taking possession of the islands, he said:

"I trust the French will not take possession, but if they do, they will be dislodged, if my advice is taken, if the whole power of the Government is required to do it."

In 1894, the House of Representatives formally adopted a resolution, declaring that, "intervention in Hawaii by any foreign power will not be regarded with indifference," while the Senate adopts a resolution embracing stronger language, to the effect, that such intervention "will be regarded as an act unfriendly to the United States."

Having long ago decided that its policy concerning Hawaii should be to keep other countries out, the question now to be decided is, can that policy best be subserved by vesting the legal title in the United States, or by leaving Hawaii as an independent country.

There has been no disfranchisement of votes in Hawaii. The only persons who could vote under the monarchy and who cannot now, are those who disfranchised themselves by refusing to accept the Republic.

The situation then is: First, neither the Constitution or the laws of the United States or Hawaii require a popular vote; second, during 50 years there have been four annexation treaties negotiated by Hawaii with the United States, viz: in 1851, 1854, 1893, and 1897, in which neither, under the monarchy, provisional government, nor the Republic, has any provision been made for the popular vote, either in the United States or Hawaii; third, six annexations of prohibited territory by the United States during the past 100 years, have been made without a popular vote being taken; fourth, the Constitution, in general terms and of Hawaii specifically authorizes the respective President and Senate to conclude a treaty of annexation.

Under the circumstances, what basis is there for claiming that an annexation treaty cannot legally be concluded, except by popular vote?

If it be admitted that the legal right exists, and that the objection is based on a sentimental regard for the Hawaiians, he may well pray: "Deliver me from my friends." America has given him a taste of American liberty and civilization. America-wards lies the full freedom and the proud status of American citizenship. Unless annexation takes place, the only future for the native Hawaiian is retrogression to the status of the Asiatic coolies, who are already crowding him to the wall.

If the excess of my zeal in the advocacy of annexation has led me to extend this argument and statement of facts at too great a length, I trust that you will, nevertheless, give the subject matter of the same that consideration which you accord to an expression of opinion by your constituents.

With high regards and esteem for your great personality, I am,

Respectfully,

HARRY B. HAWES.

PROBLEMS OF SMALL BUSINESS—STATEMENT BY C. WILSON HARDER

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD a statement prepared by C. Wilson Harder, president of the National Federation of Small Business, and presented before the Joint Committee on the Economic Report by George J. Burger, director in charge of the Washington office of the Federation, which appears in the Appendix.]

THE IDEALS OF AMERICA—ADDRESS BY BISHOP SHEIL, OF CHICAGO

[Mr. MURRAY asked and obtained leave to have printed is the RECORD an address delivered by the Most Reverend Bernard J. Sheil, D. D., auxiliary bishop of Chicago, at the national convention of the American Veterans' Committee, on June 20, 1947, at Milwaukee, Wis., which appears in the Appendix.]

MODERNIZATION OF RAILROADS—EDITORIAL FROM THE WYOMING EAGLE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an editorial entitled "Come West, Mr. Young," relating to the modernization of railroads, from the Wyoming Eagle of July 4, 1947, which appears in the Appendix.]

EXECUTIVE SESSION

Mr. WHITE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. LANGER. Mr. President, from the Civil Service Committee, I report favorably 173 post-office nominations for the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be received and placed on the Executive Calendar.

FEDERAL POWER COMMISSION—REFERENCE OF NOMINATION OF BURTON N. BEHLING

Mr. WHITE. Mr. President, I ask that there be laid before the Senate the resolution to which I made reference yesterday.

The PRESIDENT pro tempore. Under the order of the Senate, the pending question is on agreeing to Senate Executive Resolution 52, which the Clerk will now read.

The Senate proceeded to consider the resolution (S. Ex. Res. 52), which was read, as follows:

Resolved, That the Committee on Public Works be, and it is hereby, discharged from the further consideration of the nomination of Burton N. Behling, of the District of Columbia, to be a member of the Federal Power Commission for the term expiring June 22, 1952, and that it be referred to the Committee on Interstate and Foreign Commerce.

Mr. WHITE. Mr. President, I wish to make a very brief preliminary statement and then submit my views with respect to the proper disposition of the resolution.

Mr. McFARLAND. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. WHITE. I prefer not to yield for that purpose. I thank the Senator.

I was about to say that I desire to speak very briefly, in a preliminary way, and then to make my main statement with respect to the proper jurisdiction of the two committees which are involved in the question before the Senate.

Mr. President, the nomination of Mr. Burton N. Behling to be a member of the Federal Power Commission was sent to the Senate by the President while I was in Maine, as I recall. I did not know for a while after my return that the nomination had been sent in, or that it had been referred by the Chair to the Committee on Public Works. Shortly after learning of the situation, I conferred with the Senator from West Virginia [Mr. REVERCOMB] chairman of the Committee on Public Works, about the matter. I discussed with him the propriety of his committee relinquishing jurisdiction, such as it had, and turning the nomination back to the Committee on Interstate and Foreign Commerce, where I insisted it rightfully belonged. We had an arrangement that pending a determination of the ultimate and rightful reference we would maintain the status quo. We went beyond that and submitted to each other briefs in the nature of statements as to the jurisdictional question. I submitted a brief, or statement, to the Senator from West Virginia, I think perhaps two, and he in turn submitted to me a brief prepared by him. A study of those briefs

convinced neither of us that the other was right as to the correct ultimate disposition of the nomination.

Some days ago we reached a definite conclusion that we could come to no agreement by further discussion, and since then we have joined in an effort to bring the matter before the Senate, submit the question to the Senate, the ultimate authority, and take the judgment of the Senate.

Mr. President, with this preliminary statement, let me proceed to my statement of the situation as I believe it to be, and to give my views as to the proper determination of the issue.

The statement I am about to submit is in support of a resolution to discharge the Senate Public Works Committee from the consideration of the nomination of Burton N. Behling to the Federal Power Commission and to re-refer the nomination to the Senate Interstate and Foreign Commerce Committee.

The resolution is submitted because of the belief that the reference of this nomination to the Senate Public Works Committee was in error, and that the provisions and intentions of the Reorganization Act of Congress require the rereference to the Senate Interstate and Foreign Commerce Committee. This conclusion is based upon, first, precedent established by the Eightieth Congress under the Reorganization Act; and, second, the nature and the volume of duties undertaken by the Federal Power Commission.

At the outset, it is pertinent to consider the difference in character of the jurisdiction given to these two Senate committees under the Reorganization Act. Briefly, but I think accurately, the distinction between the two committees may be thus stated in this way: The Senate Committee on Public Works is concerned primarily with construction projects, programs for which a Cabinet officer, such as the Secretary of War, the Secretary of the Interior, or the Secretary of Agriculture, is responsible. Under this general heading of jurisdiction over public works, matters which I admit come under the jurisdiction of the Committee on Public Works are those relating to the Tennessee Valley Authority, the Missouri Valley Authority, and other like agencies having to do with reclamation projects, flood-control works, and other developmental and construction operations.

The Federal Power Commission itself is not engaged in any construction work.

The duties of the Senate Committee on Interstate and Foreign Commerce are fundamentally different from those conferred on the Committee on Public Works. This committee is concerned with regulatory activities of the Government exercised by such agencies as the Interstate Commerce Commission, Federal Communications Commission, Civil Aviation Authority, and other regulatory agencies, which do not direct any construction or have an accountability for construction funds, but which fix rates, and supervise and regulate service, and are responsible directly to the Congress. This important distinction must be borne in mind in considering the matters which should be referred to the respective committees.

The Legislative Reorganization Act consolidated the duties of some previous committees and classified others in new committees created by the act. In these circumstances precedent is not entirely controlling in considering the jurisdiction of the present committees of the Senate. It may be observed, however—and I emphasize this because it is important—that prior to the enactment of the Reorganization Act all basic legislation and all nominations affecting the Federal Power Commission were considered by the Senate Committee on Interstate Commerce. I think there can be no dispute as to that fundamental proposition. The committee report on the Reorganization Act stated that the new Senate Committee on Interstate and Foreign Commerce should assume the duties and the jurisdiction of the old Senate Committee on Interstate Commerce and also certain of the duties of the former Committee on Commerce, with all the other duties of the Commerce Committee assigned to a new committee designated as Senate Committee on Public Works. In neither instance, however, did the report indicate that the jurisdiction over the Federal Power Commission should be in any respect changed.

It follows, Mr. President, that the new Senate Committee on Interstate and Foreign Commerce should continue the jurisdiction of the former Senate Committee on Interstate Commerce, including that over the Federal Power Commission, while the new Senate Committee on Public Works should only have that part of the jurisdiction of the old Senate Committee on Commerce and the new authority expressly conferred by the Reorganization Act. With reference to the Federal Power Commission, the lack of jurisdiction by the former Committee on Commerce was very definitely indicated by the late Senator Bailey, chairman of the former Senate Committee on Commerce, when he wrote former Senator Wheeler on March 8, 1946, advising him that House bill 3704, Seventy-ninth Congress "the term of office bill for the Federal Power Commission" had been mistakenly referred to the Senate Commerce Committee and that rereference should be made of the bill to the then Senate Committee on Interstate Commerce. That course was followed.

Precedents in the Eightieth Congress likewise confirm the distinction between the Senate Committee on Interstate and Foreign Commerce and the Committee on Public Works. Senate bill 289, introduced in the Eightieth Congress on January 20, "A bill to amend section 1 of the Federal Power Act with respect to the terms of office of members of the Federal Power Commission," was referred to the Interstate and Foreign Commerce Committee. The provisions of this bill are basic to the activities of the Federal Power Commission, and thus are of direct concern to the Senate Committee on Interstate and Foreign Commerce. It follows that if the bill providing for the length of the term of office of a Federal Power Commissioner should be referred to the Senate Committee on Interstate and Foreign Commerce, then certainly the designation of the occupant of the office of Commissioner should likewise be referred to that committee. There can be no question that this bill and any nomination to the Federal Power Commission should come under the jurisdiction of the same committee.

The intention that Federal Power Commission legislative matters and nominations should be referred to the Senate Committee on Interstate and Foreign Commerce is also shown by the debates and the committee report on the Legislative Reorganization Act. This report states that the House and Senate committees were intended to be on a parity of equal and identical jurisdiction in the respective bodies. As the committee stated it on page 2:

> The correlation of the committee systems of the Chambers with each other would facilitate joint action on specific measures * * * increase efficiency.

The House enumeration of powers for its committee specified:

> (k) Committee on Interstate and Foreign Commerce.
>
> (1) Interstate and foreign commerce generally.
>
> * * * * * *
>
> (6) Interstate oil compacts; and petroleum and natural gas, except on public lands.
>
> * * * * * *
>
> (8) Regulation of interstate transmission of power, except the installation of connections between Government water projects.

In the consideration of the jurisdiction of the committees of the Senate, the debates on the floor referred to many committees in general terms. But it is to be noted that the Senate accepted the conclusion of the committee report that both House and Senate committees were to be on a parity. In Senate debates, it was stated thus:

> The Committee on Interstate and Foreign Commerce would take jurisdiction over all interstate commerce (vol. 92, pt. 5, p. 6526, CONGRESSIONAL RECORD).

This broad inclusion of all interstate commerce is illustrated by the recent reference by the Parliamentarian of Senate bill 734 and Senate bill 1028, bills to amend the Natural Gas Act, to the Senate Committee on Interstate and Foreign Commerce. Yet, nowhere in the list of subjects for Senate committee jurisdiction is natural gas mentioned by name; in other words, particularly in description of subjects, is not needed if interstate commerce is affected. The general term, those general words, that general authority fix jurisdiction.

It appears that the Reorganization Act intended that the new Senate Interstate and Foreign Commerce Committee should possess generally the same jurisdiction, which included the Federal Power Commission, had by the former Senate Committee on Interstate Commerce. With emphasis on interstate commerce, it may also be noted that construction projects, such as concern the Senate Committee on Public Works, are generally defined as local projects, whereas, activities involving regulations

of the transmission of electrical power and transportation of natural gas concern interstate commerce and are intended for the Senate and House committees of the same name.

The House of Representatives is making assignments of legislative proposals in accordance with this distinction under the Reorganization Act, and construction projects only are assigned to the House Public Works Committee, whereas the regulatory interstate commerce legislation is assigned to the House committee of that name. The same division between the administrative construction and operating functions, on the one hand, and regulatory duties, on the other, should be maintained in the Senate, as the Reorganization Act clearly intends.

In reference to a determination of the jurisdiction of the Senate committee by an analysis of the Power Commission activities, an attempt has been made to determine a division of duties of the Commission from its annual report. A careful consideration of the annual report of that Commission's activities does not permit a determination of how the personnel are classified, nor what the duties are of any classification. The report sets forth a summary of all Commission activities without specifying what division did the work. Any endeavor to classify—see Revercomb brief, page 3—any percentage of the Commission's activities as natural-gas duties, and to assign the remainder to such power projects as would concern the Senate Public Works Committee is definitely incorrect and misleading. The Power Commission is not engaged in any construction work. And, more important, pursuant to my request, the Power Commission has submitted the figures on the classification of personnel and duties used by the Commission in budget consideration. The figures are reported herewith and are an accurate determination of Commission activity. I cite them because of what has been indicated to be bearing a preponderance of interest in the Interstate Commerce Committee. The figures do not depend upon an undisclosed source of computation for a division of duties. A total of 777 employees is involved. Of that number, general administrative duties common to all Commission duties require 208 employees. In addition, there is a total of 60 clerks, stenographers, and lawyers in the Bureau of Law, an additional 265 people in the Division of Accounts, Finance, and Rates, and 107 persons in the Bureau of Power. Of this latter number of 107 only 46 persons, or 5.9 percent of total Commission employees, are assigned to flood-control matters, and 30 persons, or 4 percent of total employees, assigned to licensed project matters. A combination of these two percentages results in a total of 9.9 percent of the entire Federal Power Commission personnel assigned to matters which would be of some concern to the Senate Public Works Committee, and 90.1 percent of all Federal Power Commission personnel are concerned primarily with matters relating to interstate commerce. Of the 90.1 percent a very large percentage are engaged directly in the regulation of interstate natural-gas transportation companies, that work having increased greatly since the enactment of the Natural Gas Act in 1938, and especially since the major amendment of that act in 1942. Nearly all the rest pertains to the regulation of interstate functions of electric-power companies, which also is a matter for consideration by the Senate Committee on Interstate and Foreign Commerce.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. OVERTON. What agency fixes or establishes the power rates for distribution of electric power from works established at dams constructed by the United States Government? The Federal Power Commission, does it not?

Mr. WHITE. So far as any agency of the Government having authority over such rates, I think it is true the Federal Power Commission has it.

Mr. OVERTON. The Senator says "insofar as the agency has any authority." The rates are fixed by the Federal Power Commission, are they not?

Mr. WHITE. Yes, I think that is true.

It is respectfully submitted that the nomination of Burton N. Behling to the Federal Power Commission is properly the subject of consideration only by the Senate Committee on Interstate and Foreign Commerce. The only claim by the Senate Public Works Committee originates from two words in the Reorganization Act, namely, "water power." When those words are considered in connection with the type of duty assigned to the Public Works Committee, such as consideration of construction projects of reclamation, irrigation, and conservation undertaken by the United States Government, then those words do not carry jurisdiction over an independent regulatory agency, such as the Federal Power Commission, engaged primarily with the interstate commerce activity of business organizations generating and transmitting electricity, natural gas, and issuing securities, while the Commission regulates rates, and service in all parts of the United States to public and private consumers who rely upon independent agencies to adjudicate their disputes. If the words "water power" were to include all that is claimed, then even the St. Lawrence water power bill should be rereferred to the Senate Public Works Committee. The Senate Committee on Interstate and Foreign Commerce is now considering a part of the basic legislation affecting the Power Commission, as it has always done without exception, and the jurisdiction over nominations is certainly a part of the same consideration.

In my judgment, Mr. President, the Behling nomination should be rereferred to the Senate Committee on Interstate and Foreign Commerce, and I ask the support of the Senate for the resolution which is now before the Senate.

Mr. REVERCOMB obtained the floor.

Mr. MARTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

Mr. WHERRY. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. REVERCOMB. Mr. President, on May 5 of this year the President of the United States nominated Burton N. Behling to be a member of the Federal Power Commission, and the Presiding Officer of the Senate referred the nomination to the Committee on Public Works. On the following day, May 6, as chairman of the Committee on Public Works, I wrote a letter to the Senator from Nevada [Mr. MALONE] advising him that the nomination was before our committee. I wrote to him because he is chairman of the Subcommittee on Water Power. I suggested at that time that a week's notice be given and that the subcommittee proceed with a hearing.

Before the notice was given, the Senator from Maine [Mr. WHITE], the able chairman of the Committee on Interstate and Foreign Commerce, advised me that the members of his committee felt that the nomination should be before that committee. Thereupon I submitted the matter to counsel, because, as I see it, it involves a purely legal question dealing with the interpretation of the law. Counsel prepared an opinion at some length. No request was made to sustain the jurisdiction of the committee, but to give me an opinion as to whether or not there had been a proper reference. I have read the opinion and studied it, and have discussed it with counsel, and have reached the conclusion that the reference was properly made. I am convinced that

it is a proper reference under the Reorganization Act, under which we went into operation at the beginning of this year.

Counsel for the Committee on Interstate and Foreign Commerce then prepared a brief for that committee. He arrived at the conclusion that the nomination should have been referred to the Committee on Interstate and Foreign Commerce.

There has been no arbitrary action whatsoever on the part of the Senator from Maine or myself with respect to this question. It is a serious question. This is the first time it has arisen under the Reorganization Act with respect to a nomination to the Federal Power Commission.

It was pointed out in the argument by the able Senator from Maine that heretofore nominations for positions on the Federal Power Commission have been referred to the old Committee on Interstate Commerce. That is correct. However, when such references were made there was no distinct and direct provision of law upon that subject, such as is contained in the Reorganization Act. I wish to read from subsection (n) of section 102, of the Reorganization Act, wherein the authority and jurisdiction of the Committee on Public Works are explicitly set forth. It provides that the committee shall have jurisdiction over proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Flood control and improvement of rivers and harbors.
2. Public works for the benefit of navigation, including bridges and dams. * * *
3. Water power.

I shall not read further, because I have reached the point which is directly involved in this controversy. It is because the committee has exclusive jurisdiction of every subject dealing with water power that it has the right to the consideration of the nomination which has been referred to.

I call attention to the fact that under the provisions of subsection (n) of section 102 of the Legislative Reorganization Act of 1946 it is provided that all proposed legislation and other matters, as I have pointed out, relating to the subject of water power, shall be referred to the Committee on Public Works. This nomination was so referred.

Section 797, chapter 127, of the Federal Power Act, title 16 of the United States Code sets forth in seven paragraphs the general powers of the Federal Power Commission. The Rivers and Harbors Act of 1946 carries a provision to the effect—

That penstocks or other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers and of the Federal Power Commission.

To the same effect are sections of the Flood Control Act of 1946.

It was stated by the Senator from Maine [Mr. WHITE] that the work and the scope of work of the Committee on Public Works had to do only with construction. With that I cannot agree. I know of no incident or of no example which refutes that statement more clearly than the Tennessee Valley Authority. The Tennessee Valley Authority is acknowledged to be within the jurisdiction exclusively of the Committee on Public Works. There is not a matter of construction. There, indeed, is a matter of the operation of a vast structural unit.

Quite recently the Senate had under consideration the nomination of the managing director and the president of the board of directors of the Tennessee Valley Authority, which nominations were referred to the Committee on Public Works. So it is not a committee which deals exclusively with construction. It is a committee which deals with water power, whether there is construction or whether a structure already exists. Such subjects, under the Act of Congress, are referred exclusively to the Committee on Public Works.

The important and basic character of water-power activities of the Federal Power Commission is clearly shown in excerpts from pages 2 to 5 of the twenty-sixth annual report of that Commission for the fiscal year ending June 30, 1946. A printed copy of the annual report was referred to the Committtee on Public Works of the Senate on March 27, 1947.

I point out the fact, which seems to me to have the strongest bearing upon this issue, that when the report of the Federal Power Commission which is required to be made each year was filed this very year, it was referred to what committee? It was referred to the Committee on Public Works; not the Committee on Interstate and Foreign Commerce. Congress has recognized, under the Reorganization Act, that subjects dealing with the Federal Power Commission primarily come under the jurisdiction and consideration of the Committee on Public Works.

Let us see what the report itself said. It comes from the Commission with respect to its water power activities:

The year just closed shows a sharp increase in the demands upon the Commission for participation in the conservation and development of the Nation's water-power resources.

I wish to say at this point that the Federal Power Commission found its birth in the Federal Water Power Act, which was the beginning of the Water Power Commission. Its greatest activity, its broadest scope, is in dealing with Federal power. Later on I shall desire to point out that the members of the Commission, when they went before the Congress on the independent offices appropriation bill for 1948, clearly set forth that the work load in man-years had to do primarily with water power.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. In connection with the statement of the Senator regarding legislation with reference to the Federal Power Commission, it may be of interest to note that heretofore that Commission's reports had historically always been filed with the Committee on Commerce, not with the Committee on Interstate Commerce.

Mr. REVERCOMB. That is correct.

Mr. BREWSTER. In the Reorganization Act certain powers, as has been pointed out, were transferred, as shown on page 16 of the Legislative Reorganization Act, from the Committee on Commerce to the Committee on Public Works. There were no powers transferred from the Committee on Interstate and Foreign Commerce to the Committee on Public Works. I think that statement is correct, so far as the Legislative Reorganization Act is concerned.

Bearing on the matter of the reference of a bill dealing with the terms of office of members of the Federal Power Commission, I have a very interesting item which may be familiar to the Senator, in which a bill dealing with the terms of office of the members of the Federal Power Commission was referred, by inadvertence, to the Senate Committee on Commerce. The late Senator Bailey, chairman of the Committee on Commerce, with whom I was at the time serving, immediately and promptly wrote to the then Senator Wheeler, chairman of the Committee on Interstate Commerce, and said:

The bill has been improperly referred to my committee, and I am asking that it shall be referred to your committee which has sole jurisdiction of matters of this character.

The letter was dated March 8, 1946. The late Senator Bailey was certainly as jealous as anyone regarding matters of jurisdiction, and he recognized very promptly that the bill should have gone to another committee. The bill provided that a member whose nomination was not confirmed should hold over until his successor was named. The fact that the matter was handled by the Committee on Interstate and Foreign Commerce it seems to me is a fairly conclusive reply to the suggestion that the reference of reports of the Federal Power Commission to the Committee on Commerce in any degree established jurisdiction regarding terms of office of members of the Federal Power Commission.

Mr. REVERCOMB. I will say to the able Senator that I do not know of the incident to which he has referred, in connection with which the late Senator Bailey wrote a letter. However, I take it that that occurred before the effective date of the Reorganization Act.

Mr. BREWSTER. Of course, because the Committee on Commerce was eliminated by that act.

But if we examine the Reorganization Act, on page 19 we find that no matters over which the old Interstate Commerce Committee had jurisdiction were transferred to the Public Works Committee. So certainly in the view of the late Senator Bailey, at that time the Interstate Commerce Committee had jurisdiction of this matter, and that would not have been affected, as we understand it, by any provision of the Reorganization Act.

Mr. REVERCOMB. Yes. I point out to the Senator from Maine, however, that the Reorganization Act had for its very purpose the defining of the jurisdiction of these committees, just as much as the dividing of the work load between committees, to decide once and for all where certain legislation and nominations should be dealt with; and, from my

point of view, what might have been done prior to that time as a matter of practice cannot have a great deal of bearing upon what should be done now under the Reorganization Act, if the Reorganization Act itself clearly, as I think it does in this case, can lead to but one conclusion as to the question of jurisdiction.

I say to the able Senator that as a result of the discussions which we have heard from time to time on the floor of the Senate, we know that time after time there was conflict between the committees. Apparently one procedure was followed for a while and then another procedure, but there was no set pattern.

So it seems to be that what might have been done prior to the Reorganization Act itself can have very little bearing, and certainly cannot wipe out the clear subjects of jurisdiction as set forth in the Reorganization Act.

Therefore, I say to the Senator from Maine that when water power is expressly placed in the jurisdiction of the Committee on Public Works, all subjects dealing with water power must come within the jurisdiction of that committee.

Let me read one statement from the Reorganization Act which may put at rest the point which has been raised. In this respect, the act is just as explicit as is any specification of the act with respect to the work and subject matter to come under a committee. Section 137 of the Reorganization Act reads as follows:

DECISIONS ON QUESTIONS OF COMMITTEE JURISDICTION

SEC. 137. In any case in which a controversy arises as to the jurisdiction of any standing committee of the Senate with respect to any proposed legislation, the question of jurisdiction shall be decided by the presiding officer of the Senate, without debate, in favor of that committee which has jurisdiction over the subject matter which predominates in such proposed legislation; but such decision shall be subject to an appeal.

The principle there is that this is a new act; and regardless of where matters may have been referred before or regardless of the jurisdiction which committees may have had before, if the subject is one as in this case, let us say, in which water power predominates, it should be referred to the Committee on Public Works. If, on the other hand, it is a subject in which commerce predominates, then it should be referred to the Committee on Interstate and Foreign Commerce.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I was addressing myself to the intent of the Reorganization Act, which, as it has seemed to me, could not have intended a transfer of jurisdiction which, as this item shows, had clearly been established in the Interstate Commerce Committee prior thereto. Under the Reorganization Act there could not have been an intent to transfer it, or the act would have recited it on page 19, at which point various other functions were transferred to the Public Works Committee, but there were not included any items formerly within the jurisdiction of the Interstate Commerce Committee.

I did not go beyond that point as to other matters; but I think the unbroken line of precedents is that this particular phase of the jurisdiction had always rested in the Committee on Interstate Commerce, and I certainly find no clear indication that a transfer was intended.

Mr. REVERCOMB. Mr. President, I see the Senator's viewpoint in regard to the matter, but I say that, regardless of what the prior practice had been, if that practice is in conflict with the terms of the Reorganization Act, the Reorganization Act must prevail.

With respect to water power, the Senator well knows that that subject was under the jurisdiction of the Committee on Commerce in days gone by. Today it is under the jurisdiction of the Committee on Public Works. Some of the greatest powers of the Public Works Committee are derived from the old Committee on Commerce. But that is not the question before us, at all. Where there is any conflict whatsoever between a former practice and the written terms and prescribed rules of the Reorganization Act, of course the Reorganization Act must prevail.

Mr. President, it will be noted that section 137 provides that the Presiding Officer of the Senate shall decide the question without debate, and that there shall be an appeal. At one time I thought that question might well be raised in arrest of procedure, but that decision was made by the Presiding Officer when the reference was made to the Public Works Committee, to which the nomination goes as a matter of course.

There could have been an appeal from that decision at the time, but the question now arises on a resolution to discharge. I looked into that question, and I became convinced that the resolution to discharge could be properly presented. But, in essence, it is an appeal from the ruling of the Chair. That is all it is. The Chair is directed and bound to make a reference of this nomination—I take it that this rule would apply to all nominations, as well as to bills and other matters dealing with a legislative subject—to the committee which has jurisdiction over the subject matter which predominates.

After going into this subject, I say there is no question at all as to what predominates with respect to the Federal Power Commission. It is water power.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. McCLELLAN. Is there any other agency of Government that has functions having to do with water power more so than does the Federal Power Commission?

Mr. REVERCOMB. I certainly know of none.

Mr. McCLELLAN. In other words, it is the agency of Government definitely created to deal with the water power which is being developed, is it not?

Mr. REVERCOMB. Exactly so; and let me say, as I have already pointed out, that the Federal Power Commission had its birth and its creation out of the Federal Water Power Act.

Mr. McCLELLAN. And the Reorganization Act definitely places the jurisdiction of water-power matters in the Public Works Committee.

Mr. REVERCOMB. Exactly so.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. In order further to clarify the point raised by the able Senator from Arkansas, let me quote the law bearing on the subject, relative to the Federal Power Commission.

Mr. REVERCOMB. I shall be glad to have the Senator do so.

Mr. OVERTON. I read section 797, title XVI, chapter 12, United States Code:

SEC. 797. General powers of the Commission.

The Commission is hereby authorized and empowered—

(a) Investigations and data:

To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value of such power, to the extent the commission may deem necessary or useful for the purpose of sections 791–823 of this title.

When the able Senator from Maine was addressing the Senate on the subject, I asked him whether it is not a fact that all rates for surplus power generated at dams created by the United States Government, are fixed by the Federal Power Commission. The Senator from Maine very promptly said that they are. The Federal Power Commission is the one which has jurisdiction over the water resources of the United States, when it comes to power.

Mr. REVERCOMB. That is correct.

Mr. OVERTON. The Public Works Committee is the committee which has jurisdiction over all matters pertaining to water power in the United States. It does not matter what happened under the old regime. I am one of those who think that it was a mistake ever to have the Reorganization Act, for under it we are apt to get into trouble.

Apparently the able junior Senator from Maine is somewhat confused about the matter because the late Senator Bailey, for whom I had the highest regard, wrote a letter giving up the jurisdiction of the Senate Commerce Committee over a certain matter, and referring it to the Senate Interstate Commerce Committee. If the Reorganization Act had been in force I think Senator Bailey would have sent that matter to the Committee on Public Works. I do not think there is any doubt about that.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. In a moment. Not only does the Federal Power Commission fix the rates on electricity generated by the Federal Government, and which is ancillary, I may say, to water power, but I will say to the able Senator from Louisiana that it more than fixes the rates; it prescribes the surveys, it sets forth the

plans, it grants the permits and the licenses. In other words, it has from the very beginning a control over water-power development. The plans must be supervised, the permits to go ahead must be issued, and then the power is developed, and the Commission fixes the rate on the product. The fact that it may be carried in interstate commerce makes it no less water power, and ancillary to water-power development.

Mr. BREWSTER. Mr. President, will the Senator now yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I appreciate what the Senator from Louisiana said, and I am sure he shared with me a very high regard for Senator Bailey, under whom we served as chairman of the committee. Certainly no one was more jealous of the prerogatives of his committee, so I am sure his relinquishment indicated a very carefully considered opinion that it was just, and that his committee was not being robbed in any sense.

I am a little at a loss to understand the contention made, since I have before me a letter from the Federal Power Commission reading in part as follows:

> The Commission's regulation of interstate commerce in the fields of electric power and natural gas derive from three major statutory mandates: The Federal Water Power Act of 1920 (now part I of the Federal Power Act of 1935), involving the licensing and regulation of hydroelectric projects constructed by others than the Federal Government; part II of the Federal Power Act of 1935, providing for the regulation of the interstate transmission and sale at wholesale of electric energy however produced; and the regulation of interstate natural-gas pipe lines under the Natural Gas Act of 1930, as amended.

The interesting fact is that TVA, which I am sure all will agree in the outstanding example of Federal development, was not referred to either of these committees, but was handled, as I have understood, by the Committee on Agriculture and Forestry.

Mr. REVERCOMB. It is now under the Committee on Public Works.

Mr. BREWSTER. I mean in its origin; I am referring to the time of its origin. It was handled originally by the Committee on Agriculture and Forestry. Is not that correct?

Mr. OVERTON. That is correct.

Mr. REVERCOMB. Not only is everything dealing with TVA under the Committee on Public Works, but recently when Gordon Clapp was nominated to be directing head of TVA, the nomination was referred to the Committee on Public Works, which held very extended hearings on it.

Mr. BREWSTER. I was referring to the historical record, because that had seemed to be in question here as to the transfer of functions.

Coming back to the point at issue, there is nowhere in the language referring to the allocation of functions under the Reorganization Act a reference to the taking of power hitherto exercised by the Committee on Interstate and Foreign Commerce.

Mr. REVERCOMB. The able Senator brought up an interesting point with respect to the TVA being under the Committee on Agriculture and Forestry.

Mr. BREWSTER. I said it originated under that committee.

Mr. REVERCOMB. Yes, which demonstrates more forcefully than anything I may say the absolutely unsettled condition, not to say confusion, as to references and distinctions between the committees, so far as jurisdiction was concerned, prior to the Reorganization Act. Therefore what may have been prior to the Reorganization Act I feel can have very little bearing, and certainly cannot do away with the express provisions of the Reorganization Act.

Mr. McCLELLAN. Mr. President, will the Senator from West Virginia yield?

Mr. REVERCOMB. I yield.

Mr. McCLELLAN. Was not the desire to clarify the matter of jurisdiction of committees one of the reasons for the enactment of the Reorganization Act?

Mr. REVERCOMB. Exactly so.

Mr. McCLELLAN. That is why we undertook to spell out, in the Reorganization Act, the jurisdiction of each committee. Much confusion existed prior to the Reorganization Act, and it was difficult, from the terms of a bill, to tell to which committee the bill should go. Different committees would claim it, and in the past a bill might have gone to a committee whose name had no relationship to the subject matter. The purpose was to clarify and to spell out and to place the jurisdiction definitely somewhere, and in spelling it out Congress in the Reorganization Act said that water power should be under the jurisdiction of the Committee on Public Works.

Mr. REVERCOMB. And all things pertaining to water power shall come within that jurisdiction. That is the provision of the Reorganization Act.

Mr. OVERTON. Mr. President, will the Senator from West Virginia yield?

Mr. REVERCOMB. I am delighted to yield to the Senator from Louisiana.

Mr. OVERTON. It seems to me the whole matter is clear when we consider the Reorganization Act. The Reorganization Act vests authority in the Committee on Interstate and Foreign Commerce to handle all subjects relating to inland waterways. It is very obvious that what is meant is transportation over inland waterways—the carrying of commerce over inland waterways—and jurisdiction over that subject should have been vested in the Committee on Interstate and Foreign Commerce.

Note the distinction. The Federal Government is not engaged in the creation of power except through hydroelectric energy, and when we come to water power—and that is what we are dealing with now—there is a separate and distinct provision in the Reorganization Act as to what committee should have jurisdiction over water power—water power in all its ramifications and in its broadest sense. Congress vested authority over water power in the Committee on Public Works.

It seems to me that anyone reading the two provisions in the Reorganization Act must come clearly to the view, as indicated by the Presiding Officer when he referred the nomination, that the nomination was bound to go to the Committee on Public Works, and not to the Committee on Interstate and Foreign Commerce.

Mr. REVERCOMB. I very much appreciate the very able observation of the Senator from Louisiana. I was glad he said "in all its ramifications" because the able Senator from Maine, in presenting his side of the case, said that the Committee on Public Works dealt only with construction. That is erroneous. Let us see what the statute itself says. It does not say that the Committee on Public Works shall deal only with construction of these particular aspects and subjects. It says that to the Committee on Public Works "shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects," and then it mentions "water power," meaning everything relating to water power, not only construction.

As I have said before, the Federal Power Commission, from the very inception of a plan, before the plan is drawn to lay out the project, has authority over water power projects in this country in interstate relations. It issues the permits, it issues the licenses, and has control over the electricity generated. That still comes under water power, and is a water-power product.

Therefore, I say, Mr. President, that we have come in this controversy to this issue: Is the Federal Power Commission a commission which deals with water power? Definitely it is. I read again from the statement filed in the report made to Congress this year:

> The year just closed saw a sharp increase in the demands upon the Commission for participation in the conservation and development of the Nation's water-power resources.

Upon the subject of the extent to which the Federal Power Commission is engaged with the subject of water power, particularly in view of the letter which the able Senator from Maine has just quoted, I wish to point out that in this very year, 1947, when the members of the Federal Power Commission and their staff members appeared before the Committee on Appropriations of the House of Representatives seeking an appropriation for 1948, there is set forth on page 939 of the transcript of the hearings a statement of the work load of the Federal Power Commission. Let us analyze it. On pages 939–941 of the House hearings on the Independent Offices appropriation bill for 1948—that is right up to date, now, while we have this subject pending before us—there appears a statement showing the number of man-years of work applied to the various functions of the Federal Power Commission for the fiscal years 1945, 1946, 1947, and 1948 as proposed. Let us follow through the 1947 column as a typical example, since all the other columns are in approximately the same proportion. The statement is an official statement of the Commission, furnished to a committee of Congress in support of the Commission's request for annual appropriation. The first group of functions is headed "Licensed Hydroelectric Projects," and

shows 117.2 man-years applied to this group. Hydroelectric projects are by definition and in fact water-power projects, so that this group of functions applies entirely to water power.

A lengthy discussion of these functions appears on pages 869–883 of the hearings. Incidentally, the revenues received by the Commission from the licensed hydroelectric projects amount to about $1,000,000 a year, according to the statement of the Chairman of the Commission.

I am discussing the testimony of the Commission itself, as it appears in the transcript of the hearings on the appropriation bill before the Congress this year.

The second group of functions is headed, "Power requirements and supply," and shows 122.1 man-years applied to this group. The discussion of these functions on pages 883–903 of the hearings shows that they are almost entirely water-power functions. In fact, the congressional authority for the power market service—that is section 4 (a) of the Federal Power Act—is quoted on page 895 of the hearings, and I desire to read it into the RECORD:

> The Commission is hereby authorized and empowered (a) to make investigations and to collect and to record data concerning the utilization of water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value for such power, to the extent the Commission may deem necessary or useful for the purposes of this act.

One of the prime reasons for the existence of the Federal Power Commission—I say, its greatest work, its most extensive work; its longest hours are spent upon it—is the water-power projects, and water power by express provision of the statute is under the Public Works Committee.

The third group—and I am again referring to the testimony of representatives of the Federal Power Commission before a committee of the House of Representatives when they were seeking an appropriation this year, and it is their own definition of their work—the third group, headed "River basin service," shows 121.3 man-years applied to its functions for the year 1947 having to do with studies of potential water-power developments on rivers throughout the Nation. A complete description of this work is found on pages 909–912 of the hearings. Here again there can be no doubt as to the classification of the functions. They are water-power functions, pure and simple, and only water-power functions.

On page 941 of the hearings before the House Appropriations Committee this year, we find another group headed "Duties Relating to Federal Hydroelectric Projects," with a work load of 8.8 man-years. Those are purely water-power functions. These four groups of functions come to a total of 369.4 man-years on water power alone. The remainder of the functions shown in the statement—and here is the heart of this whole situation; if one wants to know the duties and work of the Federal Power Commission, here they are, and this is the point which I submit will settle this whole question—the remainder of the functions shown in the statement consist of 140 man-years for gas regulation functions, 239 man-years for general electric-power functions, which pertain both to water power and to steam power. Since the ratio of water-power plants to the total of all electric-power plants in the country is 1 to 3, it can be fairly said that one-third of the 290 man-years applied to general electric-power functions, or 97, plus 5 man-years for water-power functions, for the generation of electricity. This brings the grand total—and to this statement I invite the attention of the Senate—this brings the grand total for water power to 467 man-years, comparing this with a total of all other types of functions for the year 1947 which, as I say, is a year that is in keeping with other years, of the work of the Federal Power Commission. Comparing the 467 man-years with all other types of functions for the year, amounting to 803 man-years, we find that 58 percent of the Federal Power Commission's functions and actual work is for water power—58 percent. That figure is not a figure which is built up in any way by going outside the Federal Power Commission. That conclusion is based upon their own testimony this year before the House Appropriations Committee. Fifty-eight percent of the Federal Power Commission's work in many years—that is, in effort—is water power. The remainder of it is divided between the rate-making for, perhaps, gas, fixing the price of gas in interstate commerce, and other functions it may have.

Mr. BREWSTER. Mr. President, will the Senator yield at that point?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I am puzzled. I do not know that we want to get into a statistical discussion which may lead us on very long journeys, but I have before me a letter from the Federal Power Commission under date of July 10, 1947, addressed to the chairman of the committee, with this concluding paragraph:

> On the basis of the number of persons directly and continuously utilized on water-power matters, the pay-roll records indicate that slightly under 10 percent of the Commission's personnel is devoted to water power and flood-control projects, as such, including flood control and other construction projects of the Federal Government.

That certainly would seem to be at considerable variance with the figures just cited—under 10 percent.

Mr. REVERCOMB. The letter was written after the controversy arose in the Senate. I do not know the interest of Mr. Nelson Lee Smith, who is Chairman of the Federal Power Commission, in writing the letter. It is certainly at variance, if I may say so, with the testimony given long before the controversy arose, within this year, before the House Appropriations Committee when funds were sought with which to carry on the work of the Federal Power Commission. I am familiar with the letter. I have a copy of it. Let me say, with respect to the last paragraph, the statement of the writer of the letter that only 10 percent of the Commission's personnel works on water-power matters is a qualified statement. It may be misleading unless the qualifications are fully explained. The statement refers to the personnel employed continuously and full time solely on water-power matters. The 10 percent is set aside for continuous employment. According to statements made by representatives of the Commission at hearings before the House Appropriations Committee, a large proportion of their employees, such as engineers, lawyers, and clerical staff, are shifted from job to job as the demands vary and from time to time throughout the year. If the same qualifications were applied to other functions of the Commission, such as rate regulation and natural gas matters we would always find that the percentage employed continuously on any one function would be relatively small.

The statements made by the representatives of the Power Commission before the House committee explain the statement in the letter read by the Senator from Maine. Only a relatively small percent, perhaps 10 percent, are regularly employed all the time upon the function of water power, but as the representatives of the Commission stated before the House committee, and as is shown by the record, their engineers, their clerical staff, are shifted from project to project, and it could likewise be shown that the number of persons employed regularly upon any matter with which the Federal Power Commission dealt, would be relatively small.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I shall be glad to yield in a moment. Let me complete my statement. The analysis of functions by work load rather than continuous employment of personnel is, we feel, the only accurate method of classification for functions. There can be no question that the statement of work load in man-years, as shown in the appropriations hearings, is an accurate statement of actual work conditions, since this statement represents the basis for the funds appropriated by Congress for the Commission's work. In other words, in the letter which as I understand, was written to the Senator from Maine when the controversy arose, it was stated that "10 percent of our personnel are employed continuously upon water projects." But the writer does not tell the Senator what a small percentage of employees are employed continuously upon the various divisions of work.

Mr. BREWSTER. Oh, yes, he does.

Mr. REVERCOMB. I do not so understand from the letter, because as the representatives of the Commission say in their statement before the House committee, of the man-years of time devoted to work, 58 percent are shown to be upon water-power projects.

Mr. BREWSTER. I will read further from the letter, if the Senator will per-

mit me, a copy of which he has before him.

Mr. REVERCOMB. Very well.

Mr. BREWSTER. I read further:

On this basis—

Referring now to the part-time basis—

On this basis analysis of the work-load figures for fiscal 1947 shows that approximately 28 percent—

Not 57 percent—

Twenty-eight percent (230 man-years out of a total of 803) of the personnel is accounted for under functions relating in whole or in part to water-power activities. These classifications include licensed project work (the issuance of licenses for determination of costs), power requirements and surveys, river basin surveys, and "duties relating to Federal hydroelectric projects."

He goes on to say:

Allowing further for estimated overhead services, it is indicated that about 40 percent of the Commission's personnel is concerned in some degree with water-power matters.

I submit that if 40 percent of the employees are concerned in some degree with water-power matters—and I emphasize "in some degree"—it would surely be impossible to build up to 57 percent from 40 percent.

Mr. REVERCOMB. I want to say to the Senator that it is very apparent the writer of the letter left out many elements and many topics concerning which the representatives of the Commission testified before the House Appropriations Committee. I have the transcript of the hearing before me, and shall be glad to submit it to the Senator from Maine or any other Senator who desires to consider it.

I have read the figures which were presented. The writer speaks of 40 percent, and of man-years. I have before me a table, and the testimony of the witnesses, showing that for licensed hydroelectric projects the man-years are 117.2, and that for power requirements and supplies the man-years are 122.1.

Mr. BREWSTER. Surveys.

Mr. REVERCOMB. Power requirements and supplies.

Mr. BREWSTER. In the letter it is given as "power requirements and surveys."

Mr. REVERCOMB. Then for river-basin surveys, there are 121.3 man-years. Federal hydroelectric projects, 8.3 man-years. When those figures are totaled up it will be found that they aggregate 369.4 man-years.

Then there is another item of 140 man-years for gas-regulation function. That is purely because it does not come under water power. Also 293 man-years for general electric functions, which pertain both to water and steam power. As I said, taking only one-third, or a 1-to-3 ratio, which is shown in the testimony to be the proper ratio of the steam- and water-power generation, we get 58 percent of the work, in man-years, of the Federal Power Commission, devoted to water-power work.

Mr. President, it seems to me that that should close the whole argument. It seems to me that when we consider together section 137 of the Reorganization Act, which provides that jurisdiction shall be decided in favor of that committee which has jurisdiction over the subject matter which predominates, and the language of the same act, that the Public Works Committee shall have charge of all matters pertaining to water power, and when we have shown the facts we have shown, it seem to me there can be no question that the reference was properly made, and that the reference as made, should be sustained.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. When the reorganization measure was before the Senate and was debated, it was my privilege to undertake to oppose its enactment.

Mr. REVERCOMB. I recall that.

Mr. OVERTON. Among other things I pointed out was the very confusing provision with reference to the jurisdiction of different committees. One can take the Reorganization Act and pick out one small portion of it and concerning the reference of a bill, say, "The bill ought to be referred to such and such a committee, because here is what the Reorganization Act provides." But the matter must be carefully analyzed. Let me illustrate by analysis. Let us consider the Committee on Interstate and Foreign Commerce. The Reorganization Act provides with respect to that committee as follows:

Committee on Interstate and Foreign Commerce, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

* * * * *

16. Inland waterways.

Therefore the Interstate and Foreign Commerce Committee might be considered to be vested with entire control over inland waterways. But that would mean not only transportation; that would mean improvement of the inland waterways; it would mean flood control; it would mean the harbors on inland waterways; it would mean the rectification of channels, the dredging of channels, anything that would improve inland waterways. If a bill undertaking to authorize flood control projects or river improvement should be introduced, members of the Committee on Interstate and Foreign Commerce could very well say that it should be referred to that committee because it involves inland waterways, just as they are contending that this nomination ought to be referred to the Committee on Interstate and Foreign Commerce. But if they read a little further, as they should have read in connection with this nomination, which has been fully gone into and very ably explained by the Senator from West Virginia, they will find the following:

The Committee on Public Works, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Flood control and improvement of rivers and harbors.

2. Public works for the benefit of navigation, and bridges and dams (other than international bridges and dams).

3. Water power.

And so forth. That is the specific, detailed investment of jurisdiction in the Committee on Public Works. It may be contended that all river and harbor improvements ought to be referred to the Committee on Interstate and Foreign Commerce because that committee has full jurisdiction over inland waterways. It may be contended, as is contended in this case, that a nomination should go to the Committee on Interstate and Foreign Commerce. But when we read the act, and read the powers and jurisdiction vested in the Committee on Public Works, we find an entirely different situation.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I certainly welcome the Senator from Louisiana over on this side of the aisle, where he certainly presents a very fine appearance. I am sure that he would be a great addition to our ranks.

Mr. OVERTON. Some of the Members on the Senator's side of the aisle need information and elucidation.

Mr. BREWSTER. I solicit the same generosity of interpretation in the current issue that we have accorded to the Senator in connection with other potential controversies, so that our committee will be allowed the jurisdiction which it has historically enjoyed, even when the Senator from Louisiana and the Senator from Maine were serving on the Committee on Commerce. I ask from the Senator the same generosity of construction that we accord to him in connection with other potential controversies which he points out, but which, as I think the Senator will recognize, we have never had the effrontery to raise.

Mr. OVERTON. Not so far.

Mr. BREWSTER. I am quite sure that we are not going to raise them. So I hope the Senator will be as generous with us as we are seeking to be with him, since the Senator and I are divided in our respective responsibilities.

Mr. OVERTON. If electric power could be transported up and down a river in barges and boats, then I should say that the Senator's committee would have jurisdiction; but that is the only way in which it can obtain jurisdiction.

Mr. REVERCOMB. Mr. President, I wish to proceed further by pointing out and enlarging upon the water-power activities of the Federal Power Commission, according to the Commission's own statement. When the Commission files reports with Congress and makes statements we must accept them as the views of the Commission, and we do so accept them. When the report came to Congress from the Federal Power Commission, was it referred to the Committee on Interstate and Foreign Commerce? No. It was referred directly to the Committee on Public Works, and not to the Committee on Interstate and Foreign Commerce.

Mr. BREWSTER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from West Virginia yield to the Senator from Maine?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. As I have pointed out, it was historically the case that such reports went to the Committee on Commerce, although jurisdiction as to appointments and terms with respect to the Federal Power Commission was in the Committee on Interstate Commerce. So it seems to me that the precedent has little significance.

Mr. REVERCOMB. As now provided by law, all matters pertaining to water power in connection with the work of the Federal Power Commission must go to the committee having jurisdiction over the predominating subject. Under the new law it cannot be said that appointments can be separated and sent to one committee, and legislation and reports to another. There is no such division under the Reorganization Act. The Reorganization Act explicitly divides the jurisdiction of the committees, and explicitly provides that everything pertaining to a certain subject must go to a certain committee. The fact that prior to the Reorganization Act legislation went to the Commerce Committee and appointments, by practice—there was no rule of law on the subject—went to the Committee on Interstate Commerce, is of no significance. That situation may have obtained prior to the Reorganization Act, but in the Reorganization Act Congress said that everything pertaining to a particular subject should be referred to a particular committee. That did away with the old practice, when jurisdiction could be divided. There is now no division.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. REVERCOMB. For what purpose?

Mr. GURNEY. I have conferred with the Senator from Virginia [Mr. BYRD] and other Senators interested in the provisions which were not agreed to the other day when we were considering the appropriations for the Military Establishment for 1948. We have reached an agreement, and I believe that if given an opportunity, we can complete action on the Military Establishment appropriation bill in a few minutes. Will the Senator yield for that purpose?

Mr. WHITE. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. WHITE. Mr. President, I do not feel that we ought to be asked to give way. We have been struggling for a week or more to fix a definite time for the consideration of this jurisdictional question. The question is complex and troublesome. It involves the functioning of the Senate as a whole. It involves the functioning of a committee of the Senate, and it involves Senators who are interested in the question. I believe also that there is some public concern over it.

Mr. GURNEY. I will say to the Senator that I do not believe that more than 2 minutes would be required.

Mr. WHITE. If only 2 minutes were required, that would be one thing; but I am always apprehensive when I hear assurances that a matter will require only a short time.

Mr. GURNEY. Evidently the Senator thinks it would take too long.

Mr. REVERCOMB. Mr. President, the Senator from West Virginia has the floor.

Mr. GURNEY. I shall present my request a little later.

Mr. REVERCOMB. I thank the Senator.

Quoting further from the language of the report made by the Federal Power Commission:

> The river basin surveys carried on during the war have included rivers in all parts of the country. They have provided a basis for the carrying out of the Commission's responsibilities in connection with both the licensing of hydroelectric projects and the recommending of power facilities under the Flood Control and Rivers and Harbors Acts.
>
> The magnitude of the Commission's responsibilities in connection with the licensing of water-power projects is suggested by the fact that 40 percent of all the generating capacity installed in non-federally-owned hydroelectric plants in the United States is operating under Commission license.
>
> The Commission's licensed project work requires determination of the economic feasibility of proposed projects and their adaptation to the comprehensive development of the stream for all beneficial purposes—

I call this specifically to the attention of the senior Senator from Maine [Mr. WHITE] who said that the Public Works Committee dealt only with construction. It deals with everything pertaining to water power. I am now enumerating some of the works and water-power projects over which it would have supervision in dealing with the administrative agency of the Federal Power Commission—

> checking of the adequacy and safety of the project structures; establishment of license conditions safeguarding all Federal interest in lands and waters of the United States, including flood control and navigation; inspection of the projects during construction, and periodically thereafter, to assure safety, efficiency of use of the resource, and conformance with the requirements of the license; fixing of headwater benefits; and investigation of unlicensed water-power projects to determine whether a license should be required.
>
> The Commission also has the responsibility of withdrawing public lands for proposed water-power developments and also restoring such lands and other reserved lands for homesteading, grazing, mining, and other purposes under conditions protecting the ultimate realization of their power values.

I recite this, Mr. President, to show that the work of the Federal Power Commission has to do primarily with water power. I realize that its jurisdiction has grown, under the Lea Act, to dealing with the transportation of gas. Its jurisdiction has been expanded considerably over the years, but it does not yet reach out to the proportions of its work done in connection with water power. As I say, the Federal Power Commission was originally created to deal with water power, and the Commission reports this year that there has been a sharp increase in the demands upon it to deal with water-power subjects.

> The continuing work of the Commission on power requirements and supply is closely associated with its functions in connection with development of the country's water-power resources and is essential to its licensed project work and its participation, under the Flood Control and River and Harbor Acts, in the Federal river basin programs.

When the Commission made the report from which I have been reading it did not know that this condition would arise, but, reading their own statement as to the extent of their work, it will be seen that there is time after time a reference to their work dealing with water power, connected with the improvement of rivers and harbors, which subject is also under the jurisdiction of the Committee on Public Works.

> The greater part of the Commission's work in this field consists of (1) collection, analysis, and compilation of basic engineering data from the entire electric power industry; (2) power utilization and marketing surveys in connection with river development programs; (3) investigations to determine the best interconnection and coordination of electric systems throughout the United States; and (4) investigations of special power problems at the request of governmental agencies, the Congress, and others.

In conclusion, regarding the subject of water power, let me say, if I may, at the risk of repetition, that the testimony of the representatives of the Federal Power Commission was given before the House Committee on Appropriations this year without thought of any controversy and without furnishing any information or evidence upon this issue. Those representatives of the Federal Power Commission have definitely shown that 58 percent of the work of the Commission has to do with water power. If that be true, then there can be no question about this reference being a proper reference, because, if I may reiterate, the Committee on Public Works has exclusive jurisdiction of everything pertaining to water power; not only construction, but every phase of water power comes under the jurisdiction of the Committee on Public Works.

Then, there is the further provision of the Reorganization Act that any subject shall go to the Committee on Public Works as to which the interests and jurisdiction of that committee may predominate.

There are great reclamation projects in the West. Those projects are for the purpose of storage of water to irrigate the land. Where that is the primary function, Mr. President, matters relating to such projects are referred to the Committee on Public Lands, even though there may be flood control and water power involved. Where the primary purpose of the construction of a project and the maintenance of it is irrigation, the matter is referred to the Committee on Public Lands. By the same rule, where the primary purpose of a project is navigation, flood control, or water power, it is referred to the Committee on Public Works.

Here we have an outstanding example—and I say the whole issue should turn upon this—of the nomination of a member of the Federal Power Commission, which Commission deals primarily with water power. If this reference be reversed, I do not know where we shall

find ourselves with respect to the division of jurisdiction of committees. If it be reversed, Mr. President, we shall go back to the old confusion which existed prior to the enactment of the Reorganization Act. It was to eliminate that confusion that the Reorganization Act was enacted. The things done prior to the Reorganization Act have little bearing upon this question, because, Mr. President, no practice prior to that time can override or destroy the express provisions of the act. I repeat that if this reference be reversed, if it be changed, we shall go back to the old confusion that existed in times past. Why do I say that? Let me point out that there is now pending before the Committee on Public Works, referred to it since the effective date of the Reorganization Act, Senate bill 972, a comprehensive bill declaring the policy of the United States with respect to hydroelectric power generated in connection with federally financed water-power projects. That bill, Mr. President, deals primarily with the Federal Power Commission. It gives that Commission authority over the sale of power either at the dam site or at point of production, and over federally owned and operated transmission lines. If this ruling be changed, what will happen to that bill? If this nomination be referred to another committee, to what committee would the bill which is now pending, and which has been referred to the Committee on Public Works, be referred?

So I say that if we take this step we will step back to the confusion of the days that preceded the Reorganization Act which defines the jurisdiction of the several committees.

I point out, Mr. President, that there is pending before the Committee on Public Works Senate bill 1156, which is entitled "A bill to establish a Missouri Valley Authority for the purpose, among other things, of providing unified water control and resource development on the Missouri River, its tributaries, and watersheds, and to stimulate industrial expansion and development of low-cost hydroelectric power." Much of this bill would be under the jurisdiction of the Federal Power Commission. The Federal Power Commission, under the terms of that proposed legislation, is given supervisory duty over the generation, transmission, and disposition of electric power.

I submit, Mr. President, that this whole problem in the last analysis comes to this, that 58 percent of the work of the Federal Power Commission is devoted to water power. That is sustained by the testimony of representatives of that Commission before the House Committee on Appropriations when they asked for an appropriation. That is their own testimony. It comes from evidence adduced prior to the arising of this issue. If it is devoted primarily in its duties and functions to water power, under the express provisions of the statute, anything relating to a subject which predominates shall come under the jurisdiction of the committee which has jurisdiction over that subject. We know that the Committee on Public Works has jurisdiction of water power and of all matters relating thereto.

Therefore, Mr. President, I submit that the reference was clearly correct, that it should be sustained, and that the resolution to discharge the committee should be rejected.

Mr. REVERCOMB subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks on Senate Executive Resolution 52 the matter which I send to the desk.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SECTION 797, TITLE 16, UNITED STATES CODE

SEC. 797. General powers of the Commission.

The Commission is hereby authorized and empowered—

(a) Investigations and data.

To make investigations and to collect and record data concerning the utlization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value of such power, to the extent the Commission may deem necessary or useful for the purposes of sections 791–823 of this title.

(b) Statements as to investment of licenses in projects; access to projects, maps and so forth.

To determine the actual legitimate original cost of and the net investment in a licensed project, and to aid the Commission in such determinations, each licensee shall, upon oath, within a reasonable period of time to be fixed by the Commission, after the construction of the original project or any addition thereto or betterment thereof, file with the Commission in such detail as the Commission may require, a statement in duplicate showing the actual legitimate original cost of construction of such project, addition, or betterment, and of the price paid for water rights, rights-of-way, lands, or interest in lands. The licensee shall grant to the Commission or to its duly authorized agent or agents, at all reasonable times, free access to such project, addition, or betterment, and to all maps, profiles, contracts, reports of engineers, accounts, books, records, and all other papers and documents relating thereto. The statement of actual legitimate original cost of said project, and revisions thereof as determined by the Commission, shall be filed with the Secretary of the Treasury.

(c) Cooperation with executive departments; information and aid furnished Commission.

To cooperate with the executive departments and other agencies of State or National Governments in such investigations; and for such purpose the several departments and agencies of the National Government are authorized and directed upon the request of the Commission, to furnish such records, papers, and information in their possession as may be requested by the Commission, and temporarily to detail to the Commission such officers or experts as may be necessary in such investigations.

(d) Publication of information, and so forth; reports to Congress.

To make public from time to time the information secured hereunder, and to provide for the publication of its reports and investigation in such form and manner as may be best adapted for public information and use. The Commission, on or before the 3d day of January of each year, shall submit to Congress for the fiscal year preceding a classified report showing the permits and licenses issued under sections 791–823 of this title, and in each case the parties thereto, the terms prescribed, and the moneys received if any, or account thereof. Such report shall contain the names and show the compensation of the persons employed by the Commission.

(e) Issue of licenses for construction, and so forth, of dams, conduits, reservoirs, and so forth.

To issue licenses to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of the United States or any State thereof, or to any State or municipality for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses, transmission lines, or other project works necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from, or in any of the streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States, or upon any part of the public lands and reservations of the United States (including the Territories), or for the purpose of utilizing the surplus water or water power from any Government dam, except as herein provided: *Provided*, That licenses shall be issued within any reservation only after a finding by the Commission that the license will not interfere or be inconsistent with the purpose for which such reservation was created or acquired, and shall be subject to and contain such conditions as the secretary of the department under whose supervision such reservation falls shall deem necessary for the adequate protection and utilization of such reservations: *Provided further*, That no license affecting the navigable capacity of any navigable waters of the United States shall be issued until the plans of the dam or other structures affecting the navigation have been approved by the Chief of Engineers and the Secretary of War. Whenever the contemplated improvement is, in the judgment of the Commission, desirable and justified in the public interest for the purpose of improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, a finding to that effect shall be made by the Commission and shall become a part of the records of the Commission: *Provided further*, That in case the Commission shall find that any Government dam may be advantageously used by the United States for public purposes in addition to navigation, no license therefor shall be issued until 2 years after it shall have reported to Congress the facts and conditions relating thereto, except that this provision shall not apply to any Government dam constructed prior to June 10, 1920: *And provided further*, That upon the filing of any application for a license which has not been preceded by a preliminary permit under subsection (f) of this section, notice shall be given and published as required by the proviso of said subsection.

(f) Preliminary permits; notice of application.

To issue preliminary permits for the purpose of enabling applicants for a license hereunder to secure the data and to perform the acts required by section 802 of this title: *Provided, however*, That upon the filing of any application for a preliminary permit by any person, association, or corporation the commission, before granting such application, shall at once give notice of such application in writing to any State or municipality likely to be interested in or affected by such application; and shall also publish

notice of such application once each week for 4 weeks in a daily or weekly newspaper published in the county or counties in which the project or any part thereof or the lands affected thereby are situated.

(g) Investigation of occupancy for developing power; orders.

Upon its own motion to order an investigation of any occupancy of, or evidenced intention to occupy, for the purpose of developing electric power, public lands, reservations, or streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States by any person, corporation, State, or municipality and to issue such order as it may find appropriate, expedient, and in the public interest to conserve and utilize the navigation and water-power resources of the region.

The PRESIDENT pro tempore. The question is on agreeing to the resolution submitted by the Senator from Maine.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. REED. Mr. President, I should like to have the attention of the Senate for 10 minutes on the subject now being considered, before we have a record vote. I shall yield to any Senator to make a point of order against me if I do not conclude within 10 minutes.

Mr. President, my experience with the Federal Power Commission goes back further than that of any of the Senators who have spoken today. I was a member of the Kansas Public Utilities Commission in 1920, which was a member of the National Association of State Commissions, and we helped get the Federal Power Commission set up. Primarily it was created for the purpose of controlling the issuance of licenses for water-power sites and the handling of water power. So far as the contention of the Committee on Public Works that it has complete jurisdiction over water power is concerned, there is no question; it should have.

Mr. President, I have watched the progress of this Commission, and am fairly familiar with its operations. I have the same figures before me from which the Senator from West Virginia spoke. The Federal Power Commission, in its application for an appropriation, furnished us the same information it gave the House committee. The difference between the Senator from West Virginia and myself is that I heard the testimony, and he has to pick it out of the House report.

The work of the Federal Power Commission has come to be directed about two-thirds to natural gas and commercial power, made up of power coming from privately operated and owned generators, not public generators, and one-third to water power.

The work of the Federal Power Commission takes about 803 man-years. Some of the classifications could easily be put in one column or the other. There is doubt about some of them, and some of them have to be split, but of the 803 man-years, I figure, the information coming from the same source as that furnished the Senator from West Virginia, 573 man-years must be assigned, clearly, to natural gas and electricity, and about 230 to water power. I freely admit that is an approximation, but it is the best I can do.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. REED. In a moment. The Senator from Maine, the chairman of the Committee on Interstate and Foreign Commerce, was home in Maine recuperating when the nomination in question was sent to the Senate and was referred to the Committee on Public Works. Members of the Committee on Interstate and Foreign Commerce came to me, as one of the senior members of the committee, in the absence of the chairman, and suggested I take some interest in the nomination. After the reference had been made I discussed it with the Parliamentarian of the Senate, who had made the recommendation to the Chair. The Parliamentarian and myself, after a discussion of all the facts, agreed that a mistake had been made, and the Parliamentarian suggested that he did not think we need have fear as to future references.

Granting that all water-power matters should go to the Committee on Public Works, Senators should bear in mind that the nomination before us is the nomination of a member of the Commission which deals with everything that comes before the Commission, and I agree with the Senator from West Virginia that these matters should be referred to the committee where the predominant interest lies, and in this case that would be the Committee on Interstate and Foreign Commerce.

Mr. President, I have had long familiarity with this whole question. I helped to create the Federal Power Commission. I am familiar with its work. I am in fairly intimate contact with it, as I am with other commissions of the same character, and I say without hesitation that the nomination, and any matters relating to the over-all jurisdiction of the Commission should go to the committee which handles the business which is the predominant interest of the Commission, and that would be the Committee on Interstate and Foreign Commerce.

Mr. BARKLEY obtained the floor.

Mr. REVERCOMB. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield, if the Senator desires to have me yield.

Mr. REVERCOMB. I shall appreciate it very much if the Senator will yield to me just a moment or two, in view of the statement made by the Senator from Kansas when he expressed his view as a member of the Committee on Interstate and Foreign Commerce that he thinks the nomination should go to his committee.

Of course, none of us can be guided by my wishes, or those of any other Senator. We must be guided entirely by the statute, and it says that the reference shall be made to the committee that has jurisdiction over the subject matter which predominantly exists in the proposed legislation.

The able Senator says, with all fairness, that he approximates as best he can the relative water power interest of the Federal Power Commission as compared with the other work it does. Let me say to the able Senator that the Federal Power Commission did not approximate the relative work load. The Federal Power Commission, when it appeared before the Committee on Appropriations of the House of Representatives, gave figures from which it is very clear that 58 percent of the work load it carries is water power.

If the law is to be followed, if the Senate is to follow the statute it passed, it cannot ignore facts which appear before it, not approximations, but figures themselves which are in the hearings presented before the Committee on Appropriations of the House. An appeal by any of us based on what he desires must give way before the law which the Congress itself has passed.

I thank the Senator from Kentucky for yielding.

Mr. BARKLEY. Mr. President, I rise in support of the resolution submitted by the Senator from Maine [Mr. WHITE]. I have not any doubt in my own mind that if the entire facts had been known at the time of the original reference of the nomination, it would have gone to the Committee on Interstate and Foreign Commerce.

I was a member of the Committee on Interstate and Foreign Commerce of the House of Representatives during my entire service in the House. I was a member of the Committee on Interstate Commerce of the Senate from the time of my arrival as a Member of the Senate until the Reorganization Act was passed, when I had to make a choice as between the committees on which I had served. Having been on four major committees, I had to give up two of them, and I chose to remain a member of the Committee on Finance and the Committee on Foreign Relations, for reasons which were impelling to me. I gave up my membership on the Committee on Interstate and Foreign Commerce with great regret and

reluctance, after 34 years of continuous service on that committee in the House and the Senate.

The Federal Power Act is based upon the commerce clause of the Constitution, the power of Congress to regulate commerce among the States. The legislation came from the Committee on Interstate and Foreign Commerce of the House and the Interstate Commerce Committee of the Senate, jurisdiction having been divided in the Senate between the Interstate Commerce Committee and the Commerce Committee; but, now, under the Legislative Reorganization Act, it is the Interstate and Foreign Commerce Committee of the Senate. The jurisdiction of Congress to enact the legislation controlling interstate power is based upon the commerce clause of the Constitution. The legislation came from the committee in the House and the committee in the Senate, and it seems to me indubitable that a nomination to a position involving an exercise of the jurisdiction of the Federal Power Commission ought to go to the Committee on Interstate and Foreign Commerce. Therefore, I shall feel compelled—and I do not do so with any reluctance—to vote to refer the nomination to the Committee on Interstate and Foreign Commerce.

This is not purely a public-works matter; it is not a matter in which we are engaged in an extended program of public works. It is essentially a regulation of interstate commerce, a matter over which that committee has jurisdiction, and it seems to me that nominations for members of the Commission that exercises the power granted by Congress, coming from the same committee, ought to be referred to that committee. Therefore, I shall vote to refer the nomination to the Committee on Interstate and Foreign Commerce.

Mr. WHITE. Mr. President, if no other Senator desires to speak at this time, I call for the yeas and nays on the resolution.

The yeas and nays were ordered.

Mr. REVERCOMB. Mr. President, it has been very definitely called to my attention that under the provisions of the Legislative Reorganization Act setting forth the duties of the Committee on Interstate and Foreign Commerce—and I call it to the attention of Senators because I am appealing to them in this case upon the law and not what any one individual, including myself, may desire—in the Reorganization Act it is very specifically set forth as one of the powers of the Committee on Interstate and Foreign Commerce, dealing with regulations, that that committee shall have power of regulation of interstate railroads, busses, trucks, and pipe lines, communication by telephone, telegraph, radio, and television.

Senators will understand that the only authority for regulation possessed by the Federal Power Commission is over the transportation of power and over gas. It is rather significant, I may say, that in the Legislative Reorganization Act the Committee on Interstate and Foreign Commerce of the House of Representatives, as distinguished from the committee of the Senate, is given specific jurisdiction over legislation as to matters relating to the regulation of interstate transmission of power, but the Senate committee is not. It is limited to specific authority over certain regulations.

There is a rule well known in the law and in the construction of statutes, which is set forth in 2 Sutherland Statutory Construction, third edition, section 4915, page 444, and particularly footnote 7 on page 414, as follows:

> The force of the maxim "expressio unius est exclusio alternius" is strengthened by contrast where a thing is provided in one part of the statute and omitted in another.

I would point out to the Senate upon this subject that the very fact that the statute limits the committee to a certain authority, and is absolutely silent upon the question of the transmission of electric power, the statute itself excludes the idea of the Committee on Interstate and Foreign Commerce having any authority whatsoever over the Federal Power Commission.

The PRESIDENT pro tempore. The question is on agreeing to the resolution offered by the Senator from Maine. On this question the yeas and nays have been ordered.

Mr. BREWSTER. Mr. President, I should like to add one further item in connection with what the Senator from West Virginia has just said. He referred to the fact that the Federal Power Commission had filed a report with the Committee on Public Works. I call attention to the fact that the Federal Power Commission has filed five reports during the current year with the Senate Committee on Interstate and Foreign Commerce dealing in all instances with electrical power.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. Yes.

Mr. REVERCOMB. With what subjects did those reports deal?

Mr. BREWSTER. I shall be happy to itemize them. I made the general statement to conserve time. On January 1 of this year Commission filed a report on production of electric energy and capacity of generating plants. On January 10 the Commission filed a report on industrial electric power in the United States. On March 13 it filed a report entitled "Directory of the Electric and Gas Utilities." On May 19 it filed a report entitled "Statistics of Natural Gas Companies in the United States." On June 25 it filed a report entitled "Report on Electric Utility Depreciation Practices."

Mr. REVERCOMB. I will say to the able Senator from Maine that it is very apparent that the five reports do not deal with any phase of water power.

Mr. BREWSTER. All the reports deal with electricity, which, in large measure, is obtained from hydroelectric energy.

Mr. REVERCOMB. I should like to call the attention of the Senate to the fact that the annual report required to be made to the Congress was not referred to the Committee on Interstate and Foreign Commerce, but was referred to the Committee on Public Works.

The PRESIDENT pro tempore. The question is on agreeing to the resolution submitted by the Senator from Maine [Mr. WHITE], Senate Executive Resolution 52. The yeas and nays have been ordered, and the Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from Vermont [Mr. FLANDERS] and will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. FLANDERS], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER].

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting, he would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Missouri [Mr. KEM], and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Pennsylvania [Mr. MYERS], who is absent on public business, would vote "yea" if present.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Vermont [Mr. FLANDERS] has previously been announced by the Senator from Kansas.

The Senator from Nevada [Mr. MCCARRAN] is absent on official business.

The result was announced—yeas 66, nays 19, as follows:

YEAS—66

Aiken	Hawkes	Murray
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Robertson, Va.
Brooks	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Kilgore	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Connally	Lucas	Stewart
Cordon	McFarland	Taft
Donnell	McGrath	Taylor
Dworshak	McKellar	Thomas, Okla.
Eastland	McMahon	Thye
Ferguson	Magnuson	Tydings
George	Maybank	Umstead
Green	Millikin	Wherry
Gurney	Moore	White
Hatch	Morse	Young

NAYS—19

Buck	Fulbright	Overton
Cain	Johnston, S. C.	Revercomb
Chavez	Knowland	Watkins
Cooper	McCarthy	Williams
Downey	McClellan	Wilson
Ecton	Malone	
Ellender	Martin	

NOT VOTING—10

Bushfield	Myers	Wagner
Flanders	Thomas, Utah	Wiley
Kem	Tobey	
McCarran	Vandenberg	

So the resolution, Senate Executive Resolution 52, was agreed to.

NOMINATION OF PHILIP B. PERLMAN TO BE SOLICITOR GENERAL

Mr. TYDINGS. Mr. President, I should like to ask the majority leader, after outlining very briefly a condition, if he could give me an answer to my

question. The President of the United States last January sent the name of Philip B. Pelman, of Maryland, to the Senate for the very important position of Solicitor General of the United States. Upon its receipt by the Judiciary Committee, the chairman appointed a committee to look into the qualifications of Mr. Perlman. That was, as I say, in late January of this year. Although the committee was then appointed, no hearrings were held, no work was done on it, until the 13th of May. The committee met on the 13th of May and started investigating Mr. Perlman's fitness. The hearings have dragged on from that date to this; the last hearing having been concluded at 12:15 a. m. today. I have no desire to debate the merits or the demerits of the nomination at this time, nor have I any desire at this time to delay the Senate by commenting on the investigation. But I filed in the Senate yesterday a motion to discharge the committee from further consideration of the nomination, because there are only about 2 weeks of the session left, and it would be a shame to leave the Federal Government without the services of a solicitor general who could represent the Government before the Supreme Court of the United States and elsewhere in important litigation which the Government has on hand.

The subcommittee has set its next hearing for Thursday. It is very probable that the committee will conclude its hearings about that time and make a report to the full committee; in which event the full committee would have an opportunity to vote on Mr. Perlman's nomination, and the Senate would have a chance to vote on it prior to the final adjournment of this session.

So my interrogation directed to the able majority leader is this: Will he give the Senator from Maryland and others interested an opportunity on Thursday, or thereafter, in executive session, to bring up the resolution which is on the desk for consideration by the Senate?

Mr. WHITE. Mr. President, the Senator from Maryland is rather putting it up to the Senator from Maine. I know nothing about this controversy, and in those circumstances I do not feel that the Senator from Maryland ought to ask me to make a categorical statement with respect to when the matter will be considered by the Senate. I may say generally that I am in favor of the most expeditious handling of all these matters that is possible, and I want to see any rights and any interests of the Senator from Maryland given the fullest consideration; but I hope the Senator will not ask me to say categorically that the matter will come up on any particular day.

Mr. TYDINGS. I thank the Senator for his observation, which, I believe, in the nature of things, is as far as he can go at this time. But I may point out to the able Senator, the majority leader, from Maine, that the nomination has been pending before the Senate since last January. During that period of time the nominee has been unable to practice law, for very obvious reasons; during that time the Government has been without a Solicitor General; and during that time there has been ample opportunity for the subcommittee to have made any investigation it wishes to make. I have put my interrogatory to the able Senator from Maine only because, with but 8 or 10 more legislative days available, I feel it incumbent upon me, a part of my duty here, representing in part the State of Maryland, to acquaint the majority leader and other Senators with the situation, and to appeal to their sense of justice, that the Senate be given an opportunity to pass upon this nomination, either one way or the other, either upon the committee's recommendation or, if the committee fails to report it in ample time, then I think I should be entitled to have the committee discharged, and to have those members of the committee who have made the investigation come forward and debate the question on the floor, in order that the whole Senate may pass on it before the time for adjournment. I do not want to be captious, Mr. President; I do not want to be critical of the committee, but I think my request is a fair one. I submit it to the membership of the other side, and I ask their indulgence in giving the nominee an opportunity to have his case determined before Congress adjourns.

I should like to say in conclusion that I have no desire to take the Senator from Maine off guard. I think he has been always eminently fair not only with the Members of his own party but with those of us on this side. I appreciate that he cannot give me a categorical answer, yes or no, to my question, but I am relying on his often-exhibited sense of fair play to see that we get a hearing before Congress adjourns on this important matter, not only in the interest of the nominee but in the interest of the great office which ought to be filled for the welfare of the Government.

MILITARY ESTABLISHMENT APPROPRIATIONS

Mr. GURNEY. Mr. President, I move that the Senate resume the consideration of legislative business, and resume consideration of the Military Establishment appropriation bill, House bill 3678.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendments in section 16, on page 58, which will be stated.

The CHIEF CLERK. In section 16, on page 58, line 9, after the numerals, it is proposed to insert "with respect to War Department personnel"; in line 10, after the words "to the" it is proposed to strike out "ordnance" and insert "war"; in line 13, after the name "Navy" it is proposed to strike out "Department" and insert "Department or"; in line 14, after the word "agencies" it is proposed to insert "if such personnel is charged to a ceiling determination for another agency under 607 (g) (1) of the Federal Employees Pay Act of 1945, as amended"; in line 18, after the name "Army" it is proposed to strike out the semicolon and the words "nor shall said section 14 of the act of May 24, 1946, apply with respect" and insert "or", so as to make the section read:

SEC. 16. The limitation imposed by section 14 of the act of May 24, 1946 (60 Stat. 219), with respect to War Department personnel, shall not apply to the War Department with respect to employment of and payment to personnel engaged on orders and work received from and financed by the Navy Department or other Federal agencies if such personnel is charged to a ceiling determination for another agency under 607 (g) (1) of the Federal Employees Pay Act of 1945, as amended, or the National Guard, and other civilian components of the Army or to employee personnel engaged in demilitarization of ammunition and matériel.

Mr. GURNEY. Mr. President, a few days ago at the time we were considering the Military Establishment appropriation bill we concluded consideration of the bill so far as money matters were concerned. We had still in controversy two sections, one of them printed in the bill as section 16, on page 58, and the other a new section which was to be offered by me on behalf of the committee because it was legislation on an appropriation bill.

I wish to say as to both amendments, addressing my remarks for the moment to section 16, which is presently the pending question, they have to do with ceilings on civilian employees of the War Department. As the bill came from the House section 16, page 58, did not make each department asking the War Department to do work for it charge the War Department work to the agency requesting the War Department to do the work. In other words, if the Treasury, the Department of Agriculture, or some other department of the Government asked the War Department to do the work, the War Department could have done the work, but would have had to charge the civilian employees engaged in the work to the War Department ceilings as specified in the Byrd Act. Therefore the committee amended that part of the House bill, section 16, so that the agency asking that the work be done would have to carry the load of the civilian employees on its own list.

I have had conferences with those who were not in accord with the committee's ideas regarding section 17, and have agreed to modify the language of section 16 as it appears in line 17, page 58. The Senators will notice the words "and other civilian components," that being a general term. It was decided first to have it apply only to the Organized Reserves and not to apply to the other civilian components of the Army, namely, the Reserve Officers Training Corps or the Director of Civilian Marksmanship.

In line 17, page 58, I move that the words "and other civilian components" be stricken out and that in place thereof the words "Organized Reserves" be inserted.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. GURNEY. I now move that the section be approved as amended. It is not my intention to offer the other amendment, although the War Depart-

ment was anxious that it be adopted because of the fact——

Mr. BYRD. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Virginia.

Mr. BYRD. The amendment to section 16, by inserting the words "Organized Reserve" in place of the words "and other civilian components" makes that section satisfactory to the Senator from Virginia, with the understanding that the Senator from South Dakota [Mr. GURNEY] will not offer the amendment which is now on the desk. Is that the understanding?

Mr. GURNEY. That is the understanding. It is quite agreeable, and I shall not offer the other amendment.

The PRESIDENT pro tempore. Without objection, the other committee amendments to section 16 are agreed to.

Mr. GURNEY. Mr. President, so that there shall be a full explanation of the reasons why the War Department is asking for the new section, which I am not now offering, I ask that a letter from General Eisenhower be printed in the RECORD at this point, together with an explanation of the War Department's needs for this extra privilege.

There being no objection, the letter of General Eisenhower and the explanation of the War Department's needs were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, D. C.

Hon. CHAN GURNEY,
Chairman, War Department Subcommittee on Appropriations, United States Senate, Washington, D. C.

DEAR SENATOR GURNEY: You will recall that I stated during the hearings before the War Department Subcommittee of the Senate Committee on Appropriations that for the proper discharge of the missions assigned the Army, we need 1,070,000 military personnel and 462,000 civilians. I also pointed out in connection with the determination of the Congress to discontinue selective service, that other things should be done by Congress in order to ameliorate or lessen the risks implicit in that decision.

One of the things we asked when we went to the voluntary system was that the Congress authorize us to the effect that if we could not get all our military personnel, we could take the unexpended money intended for our enlisted men or officers and employ civilians. Insofar as the War Department is concerned, civilians and soldiers alike are men. Under present ceiling limitations, the number of civilians who will be available to assist in accomplishing Army missions during the fiscal year 1948, has been severely curtailed. But it is absolutely incumbent upon the Army to adequately support our overseas forces. This requires an adequate zone of interior complement composed of military and civilian personnel. Any deficiency in the military strength of this complement must be compensated for by civilian personnel.

It is most important to point out that should the War Department be unable to reach its authorized military strength and be left without authority to hire civilians with the unexpended money intended for enlisted men or officers, the Department will find itself in an untenable and desperate position. Accordingly, I urgently request that authority to meet this eventuality be included in the Military Appropriation Act for fiscal year 1948.

To accomplish this, I have submitted for your consideration the following suggested language:

"SEC. 17. The limitation imposed by section 14 of the act of May 24, 1946 (60 Stat. 219), shall not apply to such personnel as the Secretary of War may determine to be necessary in lieu of military personnel authorized and appropriated for to carry out the purposes of this act."

As a matter of national interest, I urge your favorable consideration of my request.

Sincerely,

DWIGHT D. EISENHOWER.

PERSONNEL STRENGTH OF THE WAR DEPARTMENT

In order that the War Department may be capable of performing its missions under all circumstances, it is necessary that authority be granted to employ additional civilians when anticipated military personnel are not available. Public Law 473, Seventy-ninth Congress, approved in June 1946, authorized an Army military strength of 1,070,000 effectives. Noneffectives were to be carried in addition to the 1,070,000 effectives. Consequently, the War Department submitted to the Bureau of the Budget in the fiscal year 1948 Military Establishment estimates, requirements for 1,070,000 effective military personnel and 80,000 noneffectives. The Bureau of the Budget, however, required the Army to absorb the 80,000 noneffectives within the 1,070,000 ceiling. Thus, the effective strength of the Army was reduced by approximately 80,000 man-years below that contemplated in Public Law 473. This reduced number of military effectives should be considered along with the requirements for civilian personnel. As General Eisenhower has emphatically stated, the manpower requirements of the War Department are, for the most part, indivisible. After considerable review and examination of the total personnel requirements, the War Department has determined that it must have 1,070,000 military personnel, including noneffectives, and 455,432 civilians. The War Department has a job to do, and that total number of personnel, military and civilian taken together, is needed to do the job.

If the War Department cannot obtain the military personnel required, on a voluntary enlistment basis, then the only alternative to reactivating the selective service is authority to employ civilians in lieu of military personnel.

The War Department's first requirement is to support the overseas forces and to maintain an active Air Force. Unless the War Department has authority to regulate the employment of civilians so as to maintain the minimum level in the personnel pool, by employing civilians in lieu of military personnel, the major missions of the War Department will be placed in jeopardy.

Realizing fully the significance of this matter and in an earnest effort to assure the Chief of Staff that he had its full support in providing an effective national defense, the Appropriations Committee has recommended the adoption of section 18. This amendment provides that, for 1 year only, the War Department may employ not to exceed 25,000 graded civilian employees in the event voluntary enlisted military personnel cannot be obtained through an all-out recruiting effort.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I offer the amendment which I sent to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington [Mr. MAGNUSON] will be stated.

The CHIEF CLERK. On page 50, following section 2, it is proposed to add a new section, as follows:

SEC. 2A. No part of the appropriations made in this act shall be available for contracts, with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant.

Mr. MAGNUSON. Mr. President, long ago, prior to 1912, an engineer by the name of F. W. Taylor, in a paper which was read before the American Society of Engineers, advocated in machine shops in the Government what has become known as the Taylor system. Under that system the management of the shop was divided into two departments, one known as the planning department and the other as the executive department.

The leading functions of the planning department, according to Mr. Taylor, were (a) analysis of all orders for machine work to be attempted by the company; (b) time-study for all work done by hand throughout the shop, including that done in setting work in machines, bench work, vise work, transportation, and so forth; and (c) time-study for all operations done by various machines, and several other features.

That system was adopted by most of the Government departments, mainly by the military, because that is the largest shop-management section of the Government. The Navy is even greater than the Army in that regard.

This time-check system or stop-watch system for workers became so abused that it was the subject of a congressional investigation, which began on July 17, 1912. The investigating committee was headed by the very distinguished late Senator from Idaho, Mr. Borah. A long report was made on the viciousness of the time-checking system, the so-called Taylor system. That report has been printed in many records of many Congresses since 1912. It was again recently printed in the proceedings and debates of this Congress on June 5 of this year, in the House of Representatives. I myself have inserted the so-called Borah report on many occasions. Since the adoption of the precepts of the Borah report, by the Senate, practically unanimously, and in the House, in 1912, every appropriation bill for the military since 1913 has contained the provisions of the amendment which I have just offered. This year the naval appropriation bill contains those provisions. Every Army appropriation bill up to this time

has contained that prohibition against the possible use of the so-called Taylor system. Why that prohibition is omitted from the bill now before us I do not know. I know that on many occasions I have personally, both in the House of Representatives and in the Senate, had to stand on the floor and make a fight to have this prohibition again inserted in the bill. I find no evidence in the hearings before the House committee or in the hearings before the Senate committee to indicate that either the Army or the Navy has asked on any occasion to have this provision deleted.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GURNEY. I wish to say that a number of witnesses notified the committee that they would like to be heard on this proposition, provided this amendment were offered at the time when the committee was considering the bill. In other words, they wished to be notified if any effort were made to put this amendment in the War Department bill. No one notified the committee during the hearings that there was any intention to offer this amendment and, therefore, we notified the witnesses that it was not necessary for them to come before the committee.

Mr. MAGNUSON. Who were the witnesses, may I inquire? Whom did they represent?

Mr. GURNEY. Their names were filed with the committee. The clerk of the committee informs me that one of them, at least, was Mr. H. J. Mock, chairman of the Committee of Ex-Army and Ex-Navy Industrial Engineers, and also director of the industrial engineering department of the Ford Motor Co. I do not know the names of the others, but their names are filed with the committee.

Mr. MAGNUSON. There always are so-called efficiency experts on the outside who will take such a position. I know the gentleman the Senator has mentioned. He has previously evidenced a desire to appear on this matter. Of course, it was not necessary to offer this prohibition as an amendment, because it has been part of either the Army appropriation bill or the Navy appropriation bill ever since 1912. The gentlemen to whom the Senator from South Dakota has referred have always been trying to eliminate this prohibition against the so-called Taylor system from the Army and Navy appropriation bills. As I have said before, I cannot find in any of the hearings on the Army or the Navy appropriation bills any evidence which would show that this prohibition ever has been deleted from the appropriation bills since that time.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield.

Mr. MORSE. First, I wish to say that at the last session of Congress the junior Senator from Oregon joined with the Senator from Washington on this very issue, and I join with him again. The point he has just raised is one upon which I should like to comment briefly.

I should like to know whether there is anyone of high authority in either the Army or the Navy who is opposed to this amendment, because during the war when I was a member of the War Labor Board and when the issue was before us, the Army and the Navy supported the principle of this amendment. So I should like to know whether any of the high officials of the Army or the Navy have changed their opinion from the opinion they had and the position they took before the War Labor Board. Does the Senator from Washington know of any?

Mr. MAGNUSON. I do not know of any.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BALL. I do not know about the War Department, but I remember that last year in the Naval Subcommittee of the Appropriations Committee, of which I was a member, the Secretary of the Navy and other naval officials testified that they would like to have the provision omitted from the bill because it handicapped them in trying to improve the efficiency of the Navy yards.

Mr. MAGNUSON. I well remember that testimony. However, they did not say they wanted it stricken out because it impaired efficiency. They said they saw no reason to have it in because they had no intention of using the Taylor system.

Mr. BALL. I am sorry, but my recollection of the testimony is completely different; namely, that they said it did handicap their operations with reference to increasing the efficiency of the navy yards.

Mr. MAGNUSON. Mr. President, the Senator from Minnesota and I may have misunderstood; but I have talked to the Bureau of Yards and Docks and the Bureau of Shore Establishments at least 50 times about this matter. The naval officials always say, "We do not see any need of having that prohibition in the bill, because we do not intend to use the system." In reply, I have said, "If you do not intend to use the Taylor system, why object to having the prohibition in the bill?"

Mr. President, this prohibition has been in the appropriation bills ever since 1912. Of course, in the departments there are those who would like to see this system placed in effect. It is the most vicious system that has been devised. It makes practical slaves out of the workers.

Mr. MORSE. Mr. President, will the Senator yield to me again?

Mr. MAGNUSON. I yield.

Mr. MORSE. So far as I know, no high official of the Army or the Navy wishes to eliminate this prohibition. The Senator from Washington is quite correct in saying that there are those in the lower echelons who are so antilabor in their point of view that they would like to be able to establish in the Army or the Navy some precedent which could be used against free workers in free industry. I think the Senator from Washington is making a great contribution to this debate by taking the position he has taken in regard to this matter, and I certainly wish to join him in it.

Mr. MAGNUSON. I thank the Senator from Oregon.

Mr. President, I hope the chairman of the committee will accept the amendment. It is worded in exactly the same way as the amendment which is in the Navy Department appropriation bill. It is worded in exactly the same way as the amendments which have been placed in all appropriation bills for the Army and the Navy since 1912. No one in the Government has asked that the prohibition be eliminated, so far as I know. As a matter of fact, in the Naval and Military Establishments there are far-sighted men who wish to have this amendment placed in the bills because it gives them an opportunity to stop any such practices which might be advocated or used in the so-called industrial end of the Army or Navy Establishments. So I see no reason why the amendment should not be accepted at this time.

Mr. President, the distinguished Member of the House of Representatives from Rhode Island made a long statement on this matter. It covers six pages of the CONGRESSIONAL RECORD. It also interprets the famous Borah report. Away back in 1912 the Senate unanimously agreed with the conclusions of the so-called Borah committee, which was composed of Members from both sides of the aisle, and which investigated the vicious practices instituted under the so-called Taylor system.

For the sake of the efficiency of the industrial establishments of both the Army and the Navy, I hope the amendment will be accepted, because the high-ranking officers who have been in charge of the industrial program of the Military Establishment have stated time and time again, both publicly and privately, that they get better over-all efficiency from their workmen if they do not use the practices and methods that are used under the Taylor system.

When some officer in either the naval or military industrial establishments becomes impressed by the statements of some of the gentlemen who have wished to testify and who have always desired to have this prohibition knocked out of the bill and the officer wants to use the Taylor system in the shops, the amendment gives the leaders of the Naval or Military Establishments who are far-sighted an opportunity to say, "You cannot do this; the Congress has said, 'No.'"

Mr. President, I hope the Senator from South Dakota will accept the amendment. If it is not accepted, I feel inclined, if I have to, to read the Borah report and call it to the attention of the Senate. It has been read many times, and it states the viciousness of the practice.

So, as I have said, Mr. President, I hope the chairman of the committee will see fit to accept the amendment.

Mr. BALL. Mr. President, even if the chairman of the committee is willing to accept it, I am still opposed to the amendment. So if the Senator from Washington is threatening to read the report unless the chairman of the committee accepts the amendment, I hope the Senator from Washington will proceed to read the report.

Mr. MAGNUSON. Mr. President, I did not threaten to do anything. I

merely have said that this matter is of such great importance and was so completely gone into by the Borah committee, that I should like to call the attention of the Members of the Senate who are not familiar with the report to certain salient features of it.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GURNEY. I do not think that I, as chairman of the committee, could accept the amendment. I make that statement for two reasons. One is that the committee did not have a chance to hear the witnesses.

Mr. MAGNUSON. The Senator has named only one person who was not heard as a witness.

Mr. GURNEY. But even if there were only one, I must represent the committee, of course; and, of course, the committee was not notified that any effort would be made to offer this amendment to the bill.

That is the first reason why I could not personally accept the amendment for the committee.

The second reason is that on Thursday, April 3, 1947, this amendment was offered to the House committee, and the record of the House committee hearings shows they considered it, and then left it out of the bill as it passed the House.

Mr. MAGNUSON. The reason why this matter was not brought up before the Senate committee was that it had been a part of every War Department appropriation bill since 1912. Those of us who are for it assumed the committee would adopt it. It has been as much a part of the War Department appropriation as the figures, dollars and cents, and why it should be kept out now I do not know.

The Borah report was the reason for its insertion in the 1913 appropriation bill. The amendment I have suggested is in the same language that is now in the naval appropriation bill, and the same language that has been used all these years. I can see no reason why it should not be incorporated. I have looked at the record of the House hearings and the House testimony, and the testimony before the Senate committee, and with the exception of the suggestion of one man, I know of no one in the Government, the Army, or the Navy, who suggested that the language should be taken out of the bill.

I hope we will follow the procedure so wisely recommended by the distinguished late Senator from Idaho, and the unanimous report of the committee, and the long-time practice of having this prohibition in all military appropriation bills, for the sake of the efficiency of the industrial establishments of the military itself.

Without this prohibition there will be trouble in the industrial units of the Army and the Navy, because just so surely as that I am standing here there will always be some officer in charge of an industrial establishment who will get an idea based upon the so-called Taylor formula, and there will be trouble. There will be trouble with the workmen, there will be trouble getting out the work, there will be trouble with the efficiency of the unit itself, and if the high command of the Army and Navy were called to testify on this matter they would ask us to keep the prohibition in the bill.

Mr. President, I am sorry that the committee, upon the insistence or suggestion of probably one man—or perhaps two—a man whom I know very well, who has always been trying to have this done in regard to appropriation bills, saw fit to abolish a long-time practice, a practice dating back to 1912 in connection with all military appropriation bills, because some man said he wanted to testify that this prohibition should be knocked out.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GURNEY. The committee alone did not make the decision. The House of Representatives made the decision in the first place, and did not place the provision in the bill when it came to the Senate.

Mr. MAGNUSON. I was going to add that the House did it at the insistence of two men who have always tried to have the same course followed. Until there is some evidence on the part of the Army and the Navy themselves that this prohibition hinders them in some way, it seems to me we should follow the long-established custom.

Mr. President, I do not wish to detain the Senate on this matter. I think it is important. I do not suppose many Senators have read the Borah report, which was a very famous document, which aroused a great deal of interest at a time when the economic and industrial relations in this country, back in 1912, were becoming very strained because this stop-watch system was applied to workers.

The Borah report settled all that. American industry in general, as well as the military industrial establishments, have, under prohibitions such as this, done the best productive job ever known, and if we are to go back to the days before 1912, when the Senate itself said to the country, "You shall not do that to American workmen", if we are going back that many years, then, of course, my plea is in vain. I can see no reason at all why this prohibition should not remain in the appropriation bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. BALL. Mr. President, I shall be very brief. I have attempted to have this kind of a prohibition eliminated from the Navy Department bill two successive years. Fortunately the House of Representatives has taken it out of the Army bill. The Senator from Washington and the Senator from Oregon have labeled its elimination as a vicious antilabor move. I fail to follow the reasoning which holds that the use of an essential mechanism, namely, time studies of operation and production, in order to increase the productivity of labor, and thereby its real wages, is antilabor.

The report about which the Senator speaks was written in 1912, 35 years ago. Industrial conditions have changed tremendously since then, and any firm of good industrial engineers trying to lay out a production program and a flow of material in a plant must use a stop watch now and then in order to discover the most efficient way of performing a particular operation.

All the Senator is proposing to do in putting back this amendment is to tie the hands of the Army in its own industrial establishments so they cannot make that kind of a study in order to increase the efficiency and productivity of the workers.

Incidentally, it also prohibits any kind of incentive pay, and, from my own experience, workmen in this country, by and large, who are paid on an incentive basis receive the highest wages. I do not know whether under present civil-service rules that particular prohibition is even necessary. Perhaps we cannot even pay on an incentive basis. If we could, I think it would increase the efficiency and productivity of the Army arsenals, and also absolutely increase the remuneration of those who work in them.

Merely because Congress took a certain position in 1912 does not seem to me to be a valid argument for continuing the same position in 1947. It is essential, if we are to have the kind of a defense we need, that our Army and Navy industrial establishments do as efficient a job as they possibly can do, and industrial engineers cannot do an efficient job with this prohibition in the appropriation bill.

Mr. President, I hope the amendment will be defeated.

Mr. MAGNUSON. Mr. President, the Senator from Minnesota says we are asking for the adoption of a practice dating back to 1912. We are asking for the continuation of a practice that has been successful for 35 years. The Senator from Minnesota does not contend that the industrial establishments of the Army and Navy have not been efficient for those years. They have done one of the most efficient jobs in the world.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BALL. I was a member of the Truman War Investigating Committee, which went into the production records during the war, of the navy yards, particularly, in some detail, and I will say to the Senator that in many cases they were very inefficient industrial operation, and this language in the appropriation bill in my opinion had something to do with that inefficiency.

Mr. MAGNUSON. The naval establishments are the most efficient industrial establishments there are in this country.

Mr. BALL. The records of production of ships in Government yards and private yards do not bear out the Senator's statement.

Mr. MAGNUSON. The Senator is talking about wartime swollen navy yards, for instance, like that in my own city, where the employment went from 3,800 men to 37,000, with all kinds of workers coming in from the farms to do the war jobs. Of course, that was at the height of the war. That is the investigation in which the Senator took a part.

I am talking about the long-time planning period efficiency of these yards. No one can stand on the floor of the Senate and say that the navy yards of the United States in the past 35 years have not been efficient, and have not done an efficient job. At the peak of the war men were working on ships who had never seen a ship before. If a stop watch had been held on them and this system had been followed, all of them would have had to be fired, and the Government never would have gotten the war job done. The exposé was made in 1912, but this was a long-established practice on the part of the military industrial establishments of this Government.

Mr. LUCAS. Mr. President, the Japs and the Nazis realized the efficiency of our plants in the last war, even though the Senator from Minnesota apparently does not.

Mr. MAGNUSON. I thank the Senator. Of course, they did.

As a matter of fact, the so-called Taylor system, or its counterpart, was one of the bases of the totalitarian theory of industrial production. The bill as now drawn merely represents a return to that system. Of course, no one from the Army or the Navy will come forward to tell us that they want the prohibition eliminated. They will say, rather, "We see no reason for it, because we do not intend to use the Taylor method." If they do not intend to use it, let us keep the provision in the bill, since it has been there for so many years.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Washington.

Mr. MORSE. Mr. President, I shall take but a moment or two to support everything that has been said by the Senator from Washington, and to call attention to two points. First, the navy yards over the years have been very efficient. I think that in pointing out the dislocations that existed in many of them during the rush period of the war there has been a very unsound argument advanced in support of the report of the committee that the prohibition be eliminated. We need to keep in mind, of course, that by and large the so-called industrial-efficiency experts are speed-up artists. One may walk into any industrial plant, be it a private plant or a navy shipyard, and point out by time-clock, stop-watch methods, or any other test that he may want to make, places where men can work at a more rapid pace than he may see them working. Over the years, I have studied rather intensively the whole movement of the so-called efficiency rating of the efficiency artists, and I have often wished I could put a pair of overalls on most of them and have them keep the pace that they would have workers keep in their recommendations to employers; which recommendations, by the way, they make for handsome fees. So I think we need to keep in mind that it is necessary to strike a balance.

I hold no brief for slow-downs, and when I have found slow-downs I have rendered decisions against them. But I want to say that free workers are constantly under the danger, particularly when they do not have full collective-bargaining rights—and they do not have them in governmental shipyards—of unreasonable speed-ups. There are those in brass and braid in this country who, if they could have their way, would be little tyrants in the shipyards, and they would incorporate certain vicious speed-ups. I think that giving them such a weapon as the failure to include this prohibition in the bill will make it possible for the type of antilabor person who represents the Government in these yards to adopt the kind of speed-up which they want to foist on free workers. Workers in Government plants and yards do not have the protection of free collective bargaining which is afforded workers in private plants and yards. They are not in position through their union to say, "We are not going to tolerate this type of speed-up." They have a right to quit as individuals, but they and their families must eat. I certainly agree with the Senator from Washington it would be unfortunate now to reestablish a practice which we eliminated from these yards as far back as 1913. I do not think the Congress of the United States should underwrite at this session a program which, I tell Senators, is designed to inaugurate and effectuate a speed-up.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON]. By the sound the noes have it, and the amendment is rejected.

Mr. MAGNUSON. Mr. President, I ask for a division.

The PRESIDENT pro tempore. The announcement has been made. Without objection, the vote will be reconsidered. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] on which a division is requested.

On a division, the amendment was rejected.

Mr. MAGNUSON. Mr. President, before the announcement is made, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator suggests the absence of a quorum. The clerk will call the roll.

Mr. BALL. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state the point.

Mr. BALL. Mr. President, the Chair had already announced the result of the vote.

The PRESIDENT pro tempore. The Chair has announced the result of the vote, but a point of order respecting a quorum is always in order.

Mr. MAGNUSON. Mr. President, the Chair announced the result of the vote on a division, but I can still ask for a record vote, following a quorum call.

The PRESIDENT pro tempore. The Chair does not think so, except as the Senator wishes by unanimous consent to have the order again vacated.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the point.

Mr. MAGNUSON. This was a voice vote. A voice vote must be announced. After that is announced the Senator has a right to ask for a division. When the division is announced, any Senator has the parliamentary right to request a yea-and-nay vote. How else could the Senate proceed in order?

The PRESIDENT pro tempore. The Chair thinks it is very clear that the request for any successive step in respect to the taking of a vote must be made before the announcement of the result of the preceding step is made. The Chair stated that the question was on agreeing to the amendment offered by the Senator from Washington. The Senator asked for a division. The division was taken, and the result was announced. That result was final. If the Senator wished a yea-and-nay vote at that point, he should have made his request before announcement was made of the result. The Chair does not wish to take any advantage of the Senator. He has permitted him once to get around the rule. The Chair will ask if there is any objection to vacating the order, so the Senator may have a yea-and-nay vote. Is there objection?

Mr. BALL. Mr. President, reserving the right to object, it seems to me that a yea-and-nay vote at this time on this bill, and on this issue is going to delay the Senate considerably. I am certainly willing to have one. I shall not object. I say it is up to the chairman of the subcommittee whether he wants to take that much more time on the matter. We have several other appropriation bills awaiting action.

Mr. GURNEY. Mr. President, reserving the right to object, I believe that, protecting the rights of the committee, there was full opportunity given in the subcommittee and before the full Committee on Appropriations to consider the amendment. Inasmuch as the matter of expedition is important at this time, I believe I shall object.

The PRESIDENT pro tempore. Objection is made. The amendment of the Senator from Washington is rejected.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. I want to say that I completely agree with the Chair's statement of the rule. I think the rules are perfectly clear that after a vote has been announced unanimous consent is then required. I want respectfully to state to the Chair, however, that the Senator from Washington was seeking recognition of the Chair while the Chair was in the process of announcing the result, and before the Chair finished announcing the result. I also want to say most respectfully to the Chair that it has been my observation that in similar situations sufficient time is not allowed Members of the Senate to exercise their rights before the Chair announces the result. I think that our rights would be better protected if the Chair would not speak with the rapidity that he usually does in announcing the result of votes.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. LANGER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDENT pro tempore. The Senator from North Dakota submits an amendment, which the clerk will read.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert the following:

That all official mail of the National Guard shall have the franking privilege of the United States Post Office Department.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator.

Mr. GURNEY. I do not have information as to whether or not the National Guard has heretofore, prior to the war years, had the franking privilege. I realize this is legislation on an appropriation bill. Still, I think the matter is of sufficient importance to be taken to conference, and therefore I have no personal objection to the amendment. It was not considered by the committee, but I think it would be well to take it to conference.

Mr. BALL. Mr. President, reserving the right to object, may I ask the chairman of the subcommittee how many members there are of the National Guard who would enjoy the franking privilege? If the amendment provides that each member of the National Guard shall be allowed the franking privilege, certainly the amendment should not be adopted. I think perhaps in conference the provision can be worked out satisfactorily.

Mr. LANGER. It provides for free franking privileges for the official mail of the adjutant general of the National Guard of each State. It confers the same privilege which existed during the war.

Mr. BALL. It does not apply to the members of the National Guard during the full year?

Mr. LANGER. Oh, no. It applies to the official mail of the adjutant general of the National Guard of each State.

Mr. GURNEY. Mr. President, I am informed that whenever legislation is offered on an appropriation bill from the floor it is the duty of the Senator in charge of the bill to make the point of order that it is legislation. Therefore, I must make the point of order that it is legislation on an appropriation bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. TYDINGS. I hope the Senator will withdraw his point of order because, as I understand the amendment, it applies to penalty mail on official matters, the National Guard being under the War Department to a large extent. I believe it has been an oversight heretofore that the privilege was not extended to official business of the National Guard. I regret very much now, and I am reluctant always, to make a suggestion on the floor which alters the work of the committee on appropriation bills, but I hope the Senator will withdraw his objection and take the matter to conference because I believe he will serve the cause of national defense in a small but important way, with very little expense, and do an act of justice at one and the same time.

Mr. GURNEY. I may say that personally I should like to take the matter to conference. I believe it is due to the National Guard that such a provision be made for them. Nevertheless, it is the rule of the Appropriations Committee that the Senator in charge of the bill shall make points of order against legislation offered to appropriation bills. I make the point of order in this case.

Mr. TYDINGS. Mr. President, I make the suggestion to the Senator from North Dakota [Mr. LANGER] that if he will prepare a bill to permit the use of penalty mail by the National Guard on official business I believe it will be well received. I may say that, in my judgment, a considerable number of blank penalty envelopes are quite often sent to National Guard officers and they use them, anyway. But there ought to be a clear authority for them to use such envelopes so they cannot be charged with conniving at violating the law.

Mr. LANGER. Mr. President, I will say to the distinguished Senator from Maryland that I considered introducing such a bill, but by reason of the shortness of time I felt certain it could not be passed. Most of the adjutant generals are attending the Governors' Conference. They telephoned me and said that through inadvertence they had failed to take this matter up with the chairman of the committee. They have exercised this privilege for some years. They need this right and they want it. I thank the Senator from Maryland for suggesting that I prepare a bill to provide for the use of penalty mail by the National Guard, but, as I said, I received word only this afternoon from the adjutant generals attending the Governors' Conference. I do not see how such a bill can be passed between now and the 26th of July.

Mr. LUCAS. Mr. President, I may suggest to the Senator from North Dakota that such an amendment could be incorporated in brief language, and it could be attached to any piece of legislation that comes along between now and the 26th of July. Any legislative matter is germane to a bill being considered in the Senate, except appropriation bills.

Mr. LANGER. Mr. President, I shall be delighted if the Senator from Illinois will help me place such an amendment on some other bill.

Mr. LUCAS. We will find such a bill for the Senator.

The PRESIDENT pro tempore. The point of order is sustained.

Are there any further amendments to be proposed to the bill? If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3678) was read the third time and was passed.

Mr. GURNEY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. GURNEY, Mr. BROOKS, Mr. REED, Mr. BRIDGES, Mr. THOMAS of Oklahoma, Mr. HAYDEN, and Mr. OVERTON conferees on the part of the Senate.

LEGISLATIVE APPROPRIATION BILL, 1948—CONFERENCE REPORT

Mr. YOUNG. Mr. President, I submit a conference report and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 15, 16, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 7, 8, 10, 11, 13, 18, 19, and 20, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In the eighth line of the matter inserted by the said amendment strike out the words "radio information" and insert "recording"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$150,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$2,350,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$591,925"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$450,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the said amendment insert.

"MOTION-PICTURE PROJECT

"For expenses during the month of July and liquidation (including storage of films pending disposition and $5,030 available exclusively for terminal leave), $12,000."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$50,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 14, and 17.

MILTON R. YOUNG,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
HENRY C. DWORSHAK,
JOHN H. OVERTON,
MILLARD E. TYDINGS,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

NOBLE J. JOHNSON,
HARVE TIBBOTT,
G. CANFIELD,
P. W. GRIFFITHS,
CLARENCE CANNON,
MICHAEL J. KIRWAN,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3993, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 15, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 14 and 17 to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 12 to said bill and concur therein with an amendment as follows: In the third line of the matter proposed to be inserted by said amendment strike out the words "radio information" and insert "recording."

Mr. YOUNG. I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 12.

The motion was agreed to.

Mr. HICKENLOOPER subsequently said: Mr. President, with reference to House bill 3993 the conference report on which has been adopted by the Senate, and with special reference to amendment No. 6 in the conference report, referring to the appropriation for the operation of the Joint Committee on Atomic Energy for the coming fiscal year, I wish to say that the amount of $150,000 authorized for the joint committee is not deemed sufficient for the adequate operation of the joint committee during the fiscal year in the performance of its duties as contemplated and directed by law.

I have no intention of objecting to the conference report at this time because of that amount, but I am merely making the announcement now that if this amount proves to be inadequate for the full and satisfactory performance of the duties of the Joint Committee, I shall expect at the proper time to propose, in any deficiency bill which may be timely, an adequate amount.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. Let me say in the absence of the Senator from North Dakota [Mr. YOUNG], who was in charge of the bill, that the conference committee on both sides realize that the amount provided might not be enough, but the data were not sufficient, and the House felt very strongly that we should not go further at this time. But I think I correctly express the view of both sides when I say that it was felt that a deficiency appropriation might be necessary.

Mr. HICKENLOOPER. I should like to make it clear that in what I have said I am not criticizing the action of the conference committee. I merely wished to state my opinion at this moment, and give notice that if the sum is not adequate, I shall ask for a deficiency appropriation at the proper time, if it is indicated.

NAVY DEPARTMENT APPROPRIATION BILL, 1948—CONFERENCE REPORT

Mr. SALTONSTALL. Mr. President, I submit a conference report on the Navy Department appropriation bill, and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 11, 24, 25, 27, 29, 44, 55, 60, 68, 69, 73, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 7, 8, 13, 15, 16, 22, 26, 30, 31, 32, 33, 36, 48, 52, 66, 71, 72, 74, and 77, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$400,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That no part of any appropriation in this Act shall be available for the pay or allowances of any enlisted man of the Navy or Marine Corps assigned to duty at the Naval Academy, if such assignment will increase the total number so assigned above one thousand and twenty-five"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$320,000,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$184,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That, except in the case of those who have specifically enlisted for such duty, no appropriation contained in this Act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department; total, pay and allowances"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,214,296,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$52,796,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,267,092,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$35,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$54,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$318,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$501,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$27,480,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,174,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amend-

ment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,625,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$5,303,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$36,408,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,400,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$190,594,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,075,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$975,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$2,050,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,946,300"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,164,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$20,200"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$310,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,435,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$2,005,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$980,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,226,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,890,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$6,450,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$3,100,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$4,400,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$1,078,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$2,045,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$34,960,100"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$975,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 76, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, and 110.

LEVERETT SALTONSTALL,
STYLES BRIDGES
M. E. TYDINGS,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
ERRETT P. SCRIVNER,
HARRY R. SHEPPARD,
ALBERT THOMAS,
JOE HENDRICKS,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3493, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 15, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, and 110 to the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House insist upon its disagreement to the amendment of the Senate numbered 78, to said bill.

Mr. SALTONSTALL. Mr. President, I move that the Senate recede from Senate amendment No. 78.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

FLOODS IN THE MISSOURI-MISSISSIPPI RIVER BASINS—EDITORIAL COMMENT

Mr. MURRAY. Mr. President, I have been so forcefully impressed by editorials appearing in two of our great American newspapers, the New York Times and the Washington Post, dealing with the recent disastrous floods in the Missouri-Mississippi River Basins, that I ask permission to have them inserted in the RECORD. The Washington Post this morning on its editorial page also carries one of those revealing Herb Block cartoons which portrays with telling effect the contrast between the piecemeal approach to flood-control and river-basin development as carried on in the Missouri area, and the successful achievements of the Tennessee Valley. I regret that the Post cartoon cannot be carried in the RECORD.

Let me read the cartoon as it portrays the facts. On the one side of a huge ledger is pictured the TVA, having solved for all time the problem of flood control, and in addition having developed a great supply of low-cost hydroelectric power to light the farms and homes and power the factories of the Tennessee area. All this accomplished at relatively low cost—for the total bill is $782,000,000. This cost is now being returned to the United States Treasury as the program pays its way.

The cartoon then shows the other side of the ledger for the Missouri-Mississippi. There we see that in this one year, 1947, the property damages totaled not less than $214,500,000, the soil erosion loss adds up to not less than half a billion dollars, or a total loss of approximately the amount expended in the TVA for the

amazingly successful construction program which has provided a unified control and development of its natural resources.

Mr. President, all these losses in the Missouri area are only the immediately visible, directly calculable losses. They take no account of the toil that has gone into the work of farmers in planting and tilling the crops which have been washed away. They make no allowances for the more than 40,000 homeless people, the sickness and disease which follow in the wake of the floods, the bearing of these crop failures on the living standards of our city people, and the suffering of famine-stricken war victims who will not be able to obtain foods that have been swept away in these floods.

The New York Times editorial is headed quite appropriately "Mr. Truman Backs the MVA." It points out the costly lesson we have all learned finally in trying to control floods in piecemeal fashion. Let me quote a pertinent part of that illuminating editorial:

But the spending of money on rivers for single purposes, such as the control of floods, has been rendered obsolete by the success of the Tennessee Valley Authority. Multiple-purpose river engineering is the modern thing, and since we cannot safely turn over a whole great river valley to a single private enterprise we are compelled to invoke the powers of the Federal Government. This has been done in the Tennesssee Valley with all due respect for local autonomy and for private business. There is no reason why it should not be done in the vaster and more complicated arena of the Missouri Valley. This is the purpose of the Murray bill, creating a Missouri Valley Authority, to which President Truman gave his warm endorsement on Thursday.

The Murray bill, introduced by the senior Senator from Montana, is modeled on the TVA Act. It creates a public corporation, directed by a three-member board, to develop and carry out a plan for the use and control of the river and its tributaries. Flood control, reclamation and irrigation, industrial expansion, power, navigation, recreation and the protection of wildlife are mentioned in the bill in that order, which is probably the order of their importance.

Mr. President, it is high time we enacted the MVA. The bill is before the Senate. It was introduced in its present form on April 24 of this year, in plenty of time for hearings to have been held and a vote obtained. Every day's delay spells mounting money costs, increasing hazards to human life and property and great suffering to our fellow citizens. This bill has the fullest endorsement of President Truman and the present administration. It should be enacted into law.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 12, 1947]

MR. TRUMAN BACKS THE MVA

We have had a costly lesson this year in the necessity for further control of the Upper Mississippi and Missouri Rivers and their tributaries. This investment of at least a quarter of a billion dollars is not recoverable, except as it may stimulate action to prevent such losses in the future. Congress has authorized the expenditure of $2,000,000,000 on a long-range flood-control, power, navigation, and soil-conservation program. It has not, however, appropriated much of the money. This year's budget includes $35,000,000 for flood control, or about one-eighth of the minimum estimate of this year's flood losses. And this niggardliness is in no sense economy.

But the spending of money on rivers for single purposes, such as the control of floods, has been rendered obsolete by the success of the Tennessee Valley Authority. Multiple-purpose river engineering is the modern thing, and since we cannot safely turn over a whole great river valley to a single private enterprise we are compelled to invoke the powers of the Federal Government. This has been done in the Tennessee Valley with all due respect for local autonomy and for private business. There is no reason why it should not be done in the vaster and more complicated arena of the Missouri Valley. This is the purpose of the Murray bill, creating a Missouri Valley Authority, to which President Truman gave his warm endorsement on Thursday.

The Murray bill, introduced by the senior Senator from Montana, is modeled on the TVA Act. It creates a public corporation, directed by a three-member board, to develop and carry out a plan for the use and control of the river and its tributaries. Flood control, reclamation and irrigation, industrial expansion, power, navigation, recreation and the protecton of wildlife are mentioned in the bill in that order, which is probably the order of their importance. There are two elements of controversy. One is power. The Missouri's undeveloped power, a good deal of it in thinly settled upstream areas, is something more than 2,000,000 kilowatts, or a little less than TVA's present development. It is something in the pocket for future use. The other dispute is intragovernmental. An MVA would take over from the Bureau of Reclamation and the Army, and these agencies—especially the Army—have a human reluctance to surrender their functions.

But it is hard to see how the river can finally be controlled and used if private power companies and several Government agencies each have a vote—and a veto. The lesson of TVA is that private enterprise doesn't suffer from abundant power, flood control, and conservation. Indeed, the Tennessee Valley today hums with private enterprise, both big and little. The Missouri Valley may be too big, and in places too arid, to hum. But it can get ahead if it has an MVA to attend to the matter.

[From the Washington Post of July 15, 1947]

FLOOD CONTROL

It is estimated that in the course of the current year alone, floods have swept away close to a quarter billion dollars' worth of property in the Middle West. These same floods have washed out irreplaceable topsoil valued at not less than half a billion dollars. The bill presented by the Midwest's rampaging rivers in a single season comes, then, to almost the same amount as the total cost that has been involved in the entire Tennessee Valley Authority undertaking—$782,000,000. And the TVA, it should be remembered, has been paying dividends to the Federal Treasury from its sale of power amounting to about $10,000,000 annually as well as rendering incalculable benefits to the people of its region in the form of soil conservation, increased farm prosperity and industrial enterprise, improved navigation and recreational advantages.

These benefits have grown out of TVA because it was a carefully planned undertaking, designed to develop the entire resources of a region in addition to providing primary protection from disastrous recurrent floods. TVA was an experiment—an experiment which has proved of immense value in itself and which can have immeasurably greater value for the Nation if we give heed to the lesson it has taught. That lesson is that the water and soil and forests and power potentialities of a great river system ought to be treated, to use Mr. Lilienthal's apt term, as a unity.

We have not done this in the past with the Mississippi and Missouri Rivers. We have applied patchwork remedies to particular spots—often with the result of confining the river at one point only to enhance its rampaging at another. We have built dikes and levees only to have them overrun. It is time to look at the river problem of the Midwest in its totality. This is what we hope the President will do in the special message he is expected to send to Congress this week. This country needs to harness its river systems, not merely for the sake of keeping them under control but also for the sake of utilizing them for the general welfare. No doubt such an undertaking would entail a great financial investment. It would also afford the promise of great economic gains.

APPROPRIATIONS FOR EXECUTIVE OFFICE AND SUNDRY INDEPENDENT BUREAUS, ETC.

Mr. REED. Mr. President, I move that the Senate proceed to the consideration of House bill 3839, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. REED. Mr. President, the Senator from Kansas desires to make a brief statement with respect to the bill as a whole. Later I shall ask unanimous consent that formal reading of the bill be dispensed with and that the committee amendments be first considered.

Mr. GREEN. Mr. President, will the Senator from Kansas kindly repeat his statement? I have an amendment to offer, and I do not wish to be precluded.

Mr. REED. It is the usual procedure to ask that the formal reading of the bill be dispensed with and that it be read for amendment, and that the committee amendments be first considered.

Mr. GREEN. That is quite all right. I did not hear all of the Senator's statement.

Mr. REED. Mr. President, this is the largest appropriation bill that the Senate will handle in this peacetime session of Congress. The amount of the bill as it passed the House was $8,167,869,027. The net amount of the increase by the Senate committee was $126,137,000. At this point it might be said that the increase recommended by the Senate committee over the House figures is nearly all included in four items: An additional item of $75,000,000 for the Atomic Energy Commission; an item of $27,000,000 for the Veterans' Administration; an item of about $25,000,000 for the War Assets Administration; and a considerable item for the Maritime Commission.

The amount of the bill as reported to the Senate is $8,294,006,027. The amount of the appropriation for 1947 was $9,642,526,150. The bill as reported to the Sen-

ate is $206,491,732 under the estimates for 1948, and $1,348,520,123 under the appropriations for 1947.

Mr. President, I now ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Executive Office of the President—Emergency Fund for the President," on page 3, line 4, after the figures "$500,000," to insert "of which not to exceed $70,000 may be allocated for the President's Amnesty Board, and."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of the Budget," on page 4, line 11, after the word "exceed," to strike out "$50" and insert "$35."

The amendment was agreed to.

The next amendment was, under the subhead "Council of economic advisers," on page 5, line 3, after the numerals "1944," to strike out "$350,000" and insert "$400,000."

The amendment was agreed to.

The next amendment was, under the subhead "War Assets Administration," on page 6, line 13, after the word "exceed," to strike out "$257,149,270" and insert "$282,149,270."

The amendment was agreed to.

The next amendment was, on page 9, after line 13, to insert:

OFFICE OF GOVERNMENT REPORTS

Salaries and expenses: For expenses necessary for the Office of Government Reports, including personal services in the District of Columbia; newspapers and periodicals (not exceeding $10,000); teletype news service (not exceeding $900); printing and binding; not to exceed $2,000 for deposit in general fund of the Treasury for cost of penalty mail as required by the act of June 28, 1944; not to exceed $1,000 for services as authorized by section 15 of the act of August 2, 1946 (Public Law 600); health service program as authorized by the act of August 8, 1946 (Public Law 658); and the payment of claims pursuant to part 2 of the Federal Tort Claims Act (Public Law 601); $400,000: *Provided*, That no person paid from this appropriation shall receive a salary in excess of $7,500 per annum.

Mr. REED. Mr. President, at this point I wish to offer an amendment on page 10, after line 4. I send the amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 4, in the committee amendment, it is proposed to insert *"Provided further*, That amounts expended under the authority of Public Law 161, Eightieth Congress, shall be deducted from the appropriation herein made for the fiscal year 1948."

Mr. REED. Mr. President, the reason for offering this amendment is that Public Law 161 of the Eightieth Congress was a joint resolution extending the time in which the various agencies could operate beyond the end of the fiscal year, June 30, 1947. With respect to all the agencies except one there was the requirement that the amounts expended should be deducted from the appropriation bill for 1948 when House bill 3839 was enacted into law. In this particular case that phrase was omitted. So it is desirable to insert it here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas to the committee amendment on page 10, after line 4.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, under the heading "Independent offices—American Battle Monuments Commission," on page 10, line 18, after the word "typewriting", to strike out "$300,000" and insert "$312,000"; and in the same line, after the amendment just above stated, to insert a colon and the following proviso: *"Provided*, That where station allowance has been authorized by the War Department for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the armed forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance."

The amendment was agreed to.

The next amendment was, under the heading "Atomic Energy Commission," on page 11, line 16, after the word "uniforms", to strike out "$175,000,000" and insert "$250,000,000"; and in line 17, after the amendment just above stated, to strike out "of which not exceeding $25,000,000 shall be available for research work in connection with the control of cancer" and insert "of which amount there shall be available to the Commission for cancer research work in nuclear physics such sums (not exceeding $5,000,000), as the Commission believes can be efficiently used without duplicating the cancer research work of other public and private agencies."

Mr. HICKENLOOPER. Mr. President, I do not know that this is the proper time, but I should like to interrogate the Senator from Kansas [Mr. REED] in order to clarify the provisions on page 12 of the bill. Would the Senator like me to defer that until the amendments are acted upon?

Mr. REED. I think we might as well take it up at this time.

Mr. HICKENLOOPER. The question is in connection with the provision regarding the Atomic Energy Commission. I read from page 12, beginning in line 12, as follows:

Provided, That no part of this appropriation shall be used after November 30, 1947, to pay the salary of any officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1923—

And so forth. It is the language with respect to the phrase "scientific and technical personnel" which I have in mind. As I understand, it is the intention of this provision to limit the use of these funds in the payment of the salary of any officer or employee to similar classifications under the Classification Act of 1923, except in cases where the salary is specifically fixed by law otherwise, and except in the case of scientific and technical personnel. In those cases the Commission can go outside of the Classification Act.

Let me amplify that further, because there is a problem involved. The term "technical personnel," so far as I am concerned, needs no further explanation. Technical personnel in some categories can be defined. But may I pose this question to the Senator because, to me, this particular type of personnel would be included as technical personnel, as expressed in line 16. For instance, the manager of a highly technical plant under the Atomic Energy Commission would, as I interpret it, be technical personnel. The reason I say that is that the technical operations of some of these plants are extremely specialized. I could understand the interpretation that a scientist or a highly specialized engineer working in the plant would come under this exception; but I want to make it completely clear that if it is necessary to get a specially trained man whose technical knowledge of the over-all operation of the plant is needed, he is included in the term "technical personnel."

I should appreciate an expression from the Senator from Kansas, who is chairman of the subcommittee which handled this matter.

Mr. REED. The Senator is asking the Senator from Kansas a rather difficult question. My opinion would be that a man in an important position requiring technical knowledge might very well be included in that technical classification.

Mr. HICKENLOOPER. I will say to the Senator that that is my understanding; but inasmuch as the Senator himself admits that I am asking a rather complicated question, it illustrates, I think, the fact that there might be some confusion. I should like to clear it up. The Senator from California [Mr. KNOWLAND] is not only a member of the Joint Committee on Atomic Energy but is also a member of the Committee on Appropriations. If the Senator from Kansas will permit, I should like to ask the Senator from California his opinion in relation to the matter.

Mr. REED. I yield for that purpose.

Mr. KNOWLAND. I call the attention of both the Senator from Iowa and the Senator from Kansas to the section of the Atomic Energy Control Act—Public Law No. 585, Seventy-ninth Congress—itself, which appears on page 18, section 12, subdivision 4, where it lists the powers of the Commission, and which provides as follows:

Appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as

amended, except that to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws.

I wish further to state to the able Senator from Iowa that I believe his interpretation to be correct. I believe that what the committee was trying to do was to be sure that in those activities which are scientific, where the compensation was fixed by law and where they are technical employees—I will say that managers who have technical knowledge would, in my opinion, be included among technical employees—they would not be bound within the salary limits of the Classification Act. The Commission would be free to employ such specialized help as has been indicated.

I think the committee was interested in being sure that when we got outside of the fields mentioned, for instance, among attorneys or clerks, in the general operation of the Atomic Energy Commission, they should not use the rather broad language which is in the Atomic Energy Act to get a multitude of salaries above the point provided in the Classification Act. So far as I am concerned, I feel very clear in my own mind that the technical operation of plants in this highly technical field of atomic power would certainly come under the list of exceptions.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. RUSSELL. Mr. President, I am a member of the subcommittee which handled this bill, and I know the intent of the subcommittee was wholly in accord with the explanation given by the Senator from California [Mr. KNOWLAND]. It was not intended that it should apply to technical aids, but it was intended to prevent the Commission from the use of the very broad powers conferred by the Atomic Energy Act, and from raising clerks, stenographers, filing clerks, and employees of that nature above the limit of salaries fixed by the Civil Service Commission.

Mr. HICKENLOOPER. If the Senator from Kansas will yield further, do I correctly understand it to be the interpretation of the Senator from Georgia, who is not only a member of the Joint Committee on Atomic Energy, of which I am the chairman, but is also a member of the subcommittee which drew up this bill, that its exceptions refer to those whose technical training is peculiarly necessary to the atomic-energy project itself as a specialized project?

Mr. RUSSELL. That is unquestionably true.

Mr. HICKENLOOPER. Mr. President, will the Senator yield further?

Mr. REED. Have we not got about all the hairs split by this time?

Mr. HICKENLOOPER. It is very important, if I may say so to the Senator from Kansas. I think it is well to clear the matter up, if the Senator will be indulgent for a moment.

May I ask the Senator from Georgia if, in his opinion, the exception extends to others who may have specialized training, but not specialized training peculiarly adaptable to atomic energy, or whether it is the intention that the exception shall apply to those whose specialized training and specialized services are peculiarly necessary and adaptable to the atomic-energy project?

Mr. RUSSELL. Mr. President, in my opinion, the exception applies to anyone who has technical training which is essential or necessary in carrying on the technical functions of the Atomic Energy Commission.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kansas yield further to me?

Mr. REED. Mr. President, I think we should go ahead with the amendments to the bill. I ask the Senator from Iowa not to ask the Senator from Kansas to yield any further. I think we have devoted enough time to this matter.

Mr. HICKENLOOPER. Mr. President, I am not concerned with what the Senator from Kansas thinks about the time I have devoted to this matter.

Mr. REED. Mr. President, I have the floor.

Mr. HICKENLOOPER. Then I shall discuss the matter later.

Mr. RUSSELL. Mr. President, I have no desire to intrude myself upon any controversy between the Senator from Kansas and the Senator from Iowa, but certainly I do not like to see a precedent set to the effect that because a Senator is in charge of a bill he can preclude another Senator from speaking. If the Senator from Kansas does not wish to yield, the Senator from Iowa can obtain the floor in his own right.

The PRESIDENT pro tempore. The Senator from Iowa can obtain the floor in his own right, if he so desires.

The question is on agreeing to the committee amendment on page 11, in lines 16 and 17.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, under the heading "Federal Communications Commission," on page 16, line 18, before the word "not", to strike out "$120,000" and insert "$125,000"; in line 24, after the word "amended", to strike out "$6,000,000" and insert "$6,400,000"; and on page 17, line 1, after the word "exceed", to strike out "$3,500,000" and insert "$3,725,000."

The amendment was agreed to.

The next amendment was, under the heading "Federal Power Commission," on page 17, line 17, after the word "vehicles", to strike out "$3,390,000" and insert "$3,590,000"; in line 18, after the word "exceed", to strike out "$2,000,000" and insert "$2,082,000"; and in line 22, after the word "exceeding", to strike out "$50" and insert "$35."

The amendment was agreed to.

The next amendment was, under the heading "Federal Trade Commission," on page 18, line 23, after the word "vehicle", to strike out "$2,800,120" and insert "$3,000,120."

Mr. JOHNSON of Colorado. Mr. President, I wish to ask the Senator in charge of the bill about the amendment. I assume that the subcommittee of the Appropriations Committee heard from the Federal Trade Commission and the members of the Commission with respect to the amount of money which has been allocated to the Commission, as set forth in line 23.

Mr. REED. We heard all the members of the Federal Trade Commission, I think; and we are not in agreement as to their ideas of what is the proper policy of the Federal Trade Commission.

Mr. JOHNSON of Colorado. Yes; and I am not in agreement, either, as to the progress they are making and what they are attempting to do.

I understand that the President is very anxious that the Federal Trade Commission adopt a more cooperative attitude toward business, and that the Commission shall work out the problems with which it must deal in a more cooperative spirit, rather than in a spirit of persecution.

I was in hope that the subcommittee would increase the appropriation by $200,000 more than it did. I notice that the committee increased by $200,000 the appropriation as passed by the House of Representatives, and I wonder whether the committee gave the matter complete and full consideration and decided that that was as large an appropriation as the Federal Trade Commission should have.

Mr. REED. The estimates of the Budget Bureau this year were quite high, Mr. President. The estimates for the Federal Trade Commission happened to be the highest of any of the estimates for what we call the established agencies. The Commission wanted $1,100,000 more than it had for the year 1947. We considered all the so-called established agencies — the Interstate Commerce Commission, the Federal Trade Commission, the Federal Communications Commission, and other agencies of similar character, and, as well as we could, we gave all of them an increase in proportion to their size and importance and the amount of money they have had.

The Federal Trade Commission's share on that basis was a $200,000 increase over what the House of Representatives had allowed, and we gave it to them. I should not want to go any further, I say to the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, under the circumstances, I shall not offer an amendment, then. I did intend to offer an amendment; but inasmuch as the Senator in charge of the bill has stated the position of the committee and has said that they gave full consideration to the matter, I shall not offer the amendment which I had in mind.

Mr. REED. Let me say to the Senator from Colorado that, as we say in the committee, the Federal Trade Commission is about to dry up and blow away. Of all the Government agencies, it is perhaps the one that has suffered more in various ways and has, perhaps, a poorer efficiency record than the average of the others. If more money would help, that would be something else again.

Mr. JOHNSON of Colorado. I am glad to hear the Senator from Kansas make that statement, because he has reached the same conclusion that I have reached, namely, that they need some sort of an injection. I understand that

the President is very anxious to have them have such an injection and have them get under way and really accomplish something. That is the cause of my interest.

Mr. REED. Mr. President, the Senator from Colorado very well knows that all of us, including the President, have criticized these agencies. The difference is that the President appoints the agencies, whereas the Congress does not. The remedy for some of the conditions in some of the agencies is more in the hands of the President than in the hands of the Congress, which can only approve or disapprove.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. FULBRIGHT. I wish to question the Senator briefly on the same point. Is it true that even with this additional $200,000, the appropriation for the Federal Trade Commission will be substantially less than it was in 1941, before the war? In other words, is not this a reduction from what its appropriation was before the war, and is it not also true that similar reductions are not made in respect to most of the other Government agencies?

Mr. REED. I do not remember what all the appropriations before the war were.

Mr. FULBRIGHT. I am informed that the pending bill will maintain this agency at approximately a 20-percent reduction in personnel, as compared to what it had before the war, in 1941.

Mr. REED. I cannot tell the Senator from Arkansas when the maximum appropriation for the Federal Trade Commission was made; but in this bill we have allowed the Commission $200,000 more than it had during the fiscal year ending June 30, 1947.

Mr. FULBRIGHT. I may say that I have received a letter from the Acting Chairman of the Federal Trade Commission, Mr. R. E. Freer, and in it he states that the total staff of the Commission on July 1, 1941, was 700, and on June 1, 1947, was 598, and that the effect of the further reduction will be to reduce the Commission from its prewar personnel more than 20 percent.

But coming back to the question of enforcement of the Clayton Act, which is one of the principal activities of the Federal Trade Commission, Mr. Freer in his letter states that the bill as passed by the House will reduce by approximately 30 percent the activities of the Federal Trade Commission in that field, because there has been an addition to the activities of the Commission as a result of the provisions of the Lanham Act and, of course, under the Wool Labeling Act. Several new activities have been added to the functions of the Commission, whereas its principal activity and, I think, one of the most important of its activities, is the enforcement of the Clayton Act, which I think is being neglected.

I call the Senator's attention to a statement recently issued by Mr. Freer, pointing out the enormous increase in the number of mergers since 1941. I hope the Senator is familiar with that statement. As I have said, it points out the very great increase in the number of mergers of industrial concerns in the Nation and, I think, a great tendency to ignore the Clayton Act and the Sherman Act.

I personally feel that if we are going to ignore completely those acts, we should repeal them. The public feels that there is what is known as a Sherman Act policy or an antitrust policy, whereas, as a matter of fact, there is no such thing. We go along with these laws on the books, and we starve the agency which should be doing something about them. My own view is that this commission is another agency designed to restrict the further growth of monopolies in the country.

Mr. O'MAHONEY rose.

Mr. REED. I see the temperature of the Senator from Wyoming is rising.

Mr. FULBRIGHT. I hope some good will come out of the rise in temperature.

Mr. REED. There was appropriated for the Federal Trade Commission last year a special amount of $325,000. There is a wide difference of opinion within the Commission as to how to proceed about so-called trade practices. Mr. Lowell Mason, one of the Trade Commissioners, very severely criticizes the lack of action on the part of the Commission. In Mr. Mason's opinion the Commission should make the investigations industry-wide, so that they could reach all the people in an industry, instead of reaching merely a few.

Obviously the committee cannot settle a question of that kind. We have written into the bill an increase over their last year's appropriation, which in turn was increased by $325,000 for the special purpose I have indicated.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me while he is looking for an item for which he seems to be searching?

Mr. REED. I have found what I was looking for. By reference to the report of the committee I find that the committee recommends $3,000,120 for salaries and expenses for the Federal Trade Commission. This amount represents an increase of $200,000 over the House allowance of $2,800,120 and is $920,580 under the budget estimate of $3,920,700. In allocating the increase recommended, funds should be provided to carry on effectively the industrial reports program. The committee is of the opinion that these reports are highly desirable for the adequate analysis of the economic trends of the country.

While not specifically earmarking a portion of the money to be used for stipulation and trade practice conference work, and for industry-wide surveys in relation thereto, the committee urges increasing effort on the part of the Commission to extend these programs as far as practicable without change of existing policy with respect to enforcement of the antitrust laws.

Mr. FULBRIGHT. I do not understand how they are going to accomplish that when the committee cuts down the amount of money for which they asked.

Mr. REED. We have done nothing of the kind.

Mr. FULBRIGHT. The committee has cut down what they asked for.

Mr. REED. Of course we did. Every other agency was cut, too, in what it asked for.

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Wyoming?

Mr. FULBRIGHT. I yield.

Mr. O'MAHONEY. Since the Senator from Arkansas has raised the question of the Clayton Act, I will remark that the bill which was introduced in the House of Representatives by Representative ESTES KEFAUVER has been considered at length by the House Committee on the Judiciary, and has been favorably reported. The report was submitted by the distinguished and able Representative GWYNNE of Iowa.

Mr. President, the bill referred to would amend the Clayton Act by plugging the gap which was created by a judicial decision some 20 years ago. The judicial decision was that the prohibition in the Clayton Act against monopolistic mergers by the purchase of the stock of competing companies did not apply when the monopolist, instead of buying the stock of the competing company, bought the assets, and threw the stock out the window.

Mr. FULBRIGHT. Was that the same bill the Senator from Wyoming introduced in the Senate?

Mr. O'MAHONEY. I thank the Senator for calling attention to that. I introduced a companion bill in the Senate, and it went to the Committee on the Judiciary and was referred to a subcommittee headed by the able Senator from North Dakota [Mr. LANGER], who has been holding hearings on it.

I wish to call to the attention of the Senator and of the Senate the fact that although the House Committee on the Judiciary has made a favorable report on the bill, the Rules Committee of the House has not as yet given it clearance. Now we are hastening on to the adjournment of this session of Congress. There seems to be a passion among the Members of Congress to close down the session no matter what happens to the public interest.

I have no doubt at all that this bill will not pass at this session; it is not upon the agenda which was announced on the floor of the Senate a few days ago, although it deals with a substantial cause of the concentration of economic power, which, in turn, is the cause of the world's distress.

I believe that the adjournment of the Congress without action upon those bills to amend the Clayton Act will make this a major issue in the next campaign. The leadership of this Congress have been content to concentrate their minds upon the attempt to reduce the President's budget. As we stand here today, 8 of the 12 major appropriation bills, all of which should have been enacted before the 30th of June last because they furnish the funds to carry on the Government during the year beginning on the 1st of July last, have yet to leave this Chamber. They were piled up on the other side of the Capitol by those who were combing the President's budget in

the effort to find ways and means of making cuts.

Mr. REED. Is the Senator from Wyoming trying to help get the pending bill through the Senate?

Mr. O'MAHONEY. Yes, I am, and I think the Senator will agree with me in a moment.

I was a member of the subcommittee on independent offices of the Committee on Appropriations, which considered the bill, and I urged upon the committee the increase of this appropriation. The Senator from Kansas was good enough to go along, and we increased it by a few hundred thousand dollars.

Mindful of the fact that we have to meet the House conferees yet, and that it is the tail end of the session, I confess that it was my judgment that the increase which we allowed was the maximum which we could probably maintain in conference. Personally I should like to see the appropriation increased very much more, as the Senator from Kansas will acknowledge, but we are facing facts, we are facing conditions as they are, and I assure the Senator from Arkansas that because of the circumstances I have already mentioned, failure of the Congress to act upon the amendment of the Clayton Act will make antitrust policy a major issue in 1948, and let no one make any mistake about it, it will be an issue during the Presidential campaign.

Mr. REED. Mr. President, may I give the Senator from Arkansas the information he requested?

Mr. O'MAHONEY. Certainly.

Mr. REED. The Senator from Arkansas obviously has received a letter, as he said, from Mr. Freer, who is the Acting Chairman of the Commission, and apparently in his letter to the Senator Mr. Freer told him he has not as much of an appropriation now as he had years back. Is that a correct statement?

Mr. FULBRIGHT. That is stated in the letter.

Mr. REED. The appropriation in the bill before us is the largest appropriation the Federal Trade Commission has had for 10 years. In 1941, which year I think the Senator from Arkansas mentioned, the total appropriation for the Federal Trade Commission was $2,300,000. The next year, 1942, it was $2,360,000. That was the highest appropriation found in the records for 10 years.

Mr. FULBRIGHT. At that point, I wish to call the attention of the Senator to the paragraph I read. When translated into terms of personnel—and that is the point Mr. Freer was making—the cut amounts to a reduction of from 700 to 550. The increase in wages, and similar matters, like the difference in the size of the force, which is substantially less, less by 20 percent than in 1941, make up the difference.

Mr. REED. Was the Senator from Arkansas referring to the number of employees a while ago?

Mr. FULBRIGHT. Yes. I think that was when there was confusion in the Chamber, and possibly the Senator did not hear what I said. I read a paragraph from Mr. Freer's letter in which he stated that in July 1941, there were 700 employees on the staff of the Commission, and in 1947 there are 598, and that the further reduction now contemplated will reduce the number to 550, which is a reduction in the personnel of the Commission by 20 percent under that of 1941. The obligations and duties which have been imposed on the Federal Trade Commission, and the increases in wages, make up the difference referred to, I think.

Let me say a further word along the line of the statement of the Senator from Wyoming. I think the negligence or unwillingness to support the proposed amendment to the Clayton Act, as provided in the Gwynne bill in the House and the O'Mahoney bill in the Senate, only fortifies what I believe is the tendency of the appropriation, that is, to ignore the enforcement of the Clayton Act.

I have had letters not only from Mr. Freer, but I have had letters from a man in the Seattle office, a Mr. Harris, whom I know casually, calling attention to the vastly increased number of cases of all sorts dealing with unfair trade practices. He cited specific instances of imposition on veterans; among others, an imposition which I am sure is well known to the Senator, by agencies purporting to be able to get jobs for veterans and to give them training in business courses, and by agencies insuring their obtaining Government positions, and all that sort of thing. This has vastly increased since the end of the war. The Federal Trade Commission has been making an effort to prevent fraudulent activities of that sort and to protect veterans and other unsuspecting persons.

However, I am particularly interested in the antitrust activities. I think the point has been reached where the antitrust laws must either be enforced, as it is purported to be enforced, or an acknowledgment should be made that it will not be enforced, but that we shall follow along the line of state planning, which apparently is the policy of the Republican Party. Perhaps the Republicans want to go that way. I think that is the road to socialism. I am in agreement with the view expressed by the Senator from Wyoming, that the antitrust laws should be enforced, because I think the growth of big business and the continued consolidation of industries leads down the road toward eventual Government ownership. I am inclined to go along with the suggestion of the Senator from Colorado. I should like to see the appropriation increased in order to produce better enforcement of the act as it stands, and also with a view to the building of sentiment for the bill introduced by the Senator from Wyoming. I should like to offer an amendment to this particular provision, in spite of the fact that I am sure it is hopeless. Apparently there is support for it, but it will be said, "The House would not agree." But I do not know how far we should consider such a suggestion. We would perhaps be in a better trading position if the amount were increased and if the trading were done on that basis.

Mr. REED. Let me say to the Senator from Arkansas that we have had the same story from all the different agencies. The Chairman of the Federal Communications Commission very correctly called our attention to the fact that in the science of electronics 50 years' progress has been made in the last 4 or 5 years; which is correct. The Interstate Commerce Commission called our attention to the fact that the work of that body was heavier than it ever was before; and so on, with various agencies. Each one of them requested more money. The Federal Trade Commission asked for a larger increase in its appropriation than any of the others. The Federal Trade Commission asked to have its appropriation increased about $1,500,000. After considering all the requests, the committee granted increases, endeavoring to apportion them reasonably among the agencies, according to their size and the importance of the work being done. There is no greater reason for giving the Federal Trade Commission a disproportionate increase than there is for giving to each agency all it asked for.

Mr. FULBRIGHT. Mr. President, if the Senator will yield for a little further comment, I will say that that is what I object to. I call the Senator's attention to the fact that I have not complained about all the others. It seems to me it is the wrong approach, merely to take all the agencies and give them a 10-percent increase. Many of the agencies are not, perhaps, particularly important. I think it is the duty of the committee and of the Senate to exercise discretion and judgment as to which ones are important. I have not complained with reference to the various agencies about which the Senator speaks. So far as I am concerned, their appropriations might be cut back in line with the action of the House. I have only made two complaints throughout the hearings, and one relates to the matter we are now discussing. This refers to a fundamental activity and policy of the Government going back 50 years, one that I think is now being thrown overboard. I do not subscribe to the idea of giving each of the agencies a small increase in order to be rid of them. I think an effort should be made to select the important agencies that are performing really important tasks. I have no complaint to offer in regard to the cut of the Federal Communications Commission or of the ICC, either. So far as I am concerned, they could be cut back still further; but I think the Federal Trade Commission ought to be supported, because there is a basic value in their work in connection with curtailing monopolies, cartels, and so forth. For 5 years it has been said that such things were inherent in the Nazi system, they are typical of the present communistic system. That is why I think it important. It is not merely because it is a different agency. I do not think that represents the right approach to any appropriation. Small business has been represented by a Senate committee, and we have given them lip service. It is thought continually that something will be done for small business, but when it comes to doing something specifically, either in one field, by way of protection, directly, or in another field, by way of tax reduction, there is always a reason

why nothing can be done about it. I am greatly interested in the field of small business. If this is for the protection of small business, I think the Federal Trade Commission ought to be adequately staffed, and I do not understand why the appropriation should be lumped in with all the other agencies. Simply to say, "We will give them all a little increase, and that ought to satisfy them," is not the proper approach to the problem, in my opinion.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. MURRAY. Mr. President, I hope the Senator from Arkansas will not hesitate to offer the amendment that he has in mind. I realize, however, that it will be a futile act, because apparently the Republican Party is bound to carry out its policy of nonsupport for antimonopoly enforcement in this country. I have no doubt that it will be an issue in the 1948 campaign, as the Senator from Wyoming has just stated.

Mr. REED. Mr. President, will the Senator yield?

Mr. MURRAY. Let me continue my remarks for a moment until I make this one point. Collectivism has gone forward in this country to such a degree that Fortune magazine, in a very able study several years ago, pointed out that we have already carried it so far in this country that we are only a few theoretical steps behind the collectivistic countries of Europe. Since that time monopoly has gone forward by leaps and bounds. As the Senator from Arkansas says, it is absolutely impossible for the Federal Trade Commission, with limited appropriations, to prevent the mergers that are occurring. Within a very short time we will have nothing but big business and monopoly operating our economy in the United States. As I said on a previous occasion, before the war three of the largest nations in the world had already gone so far on the road to collectivism that they finally overthrew the capitalistic system entirely and set up dictatorial collectivistic government in its place. That is exactly what we will come to in this country, unless the Congress appropriates funds for departments of Government engaged in enforcing the antimonopoly laws.

Mr. REED. May I remind the Senator from Montana that it was a unanimous report from the subcommittee to the full committee, and it is a unanimous report by the full committee, Democrats and Republicans alike, that we are now considering?

Mr. MURRAY. I recognize that.

Mr. REED. Moreover, each of the increases or decreases, as the case may be, represents the unanimous judgment of the full committee.

Mr. MURRAY. I realize that. I realize that the aisle in the center of this Chamber is not a dividing line. There are on our side of the aisle, also, men who seem willing to see monopoly grow in this country.

Mr. REED. In the weeks we spent on this bill, there were no political speeches made in the committee, and there was no line of political demarcation. We kept our minds on our business, which was to appropriate money where money was needed, to the degree that it was needed. There was no attempt at partisanship during the several weeks' work of the committee. We are now on the floor, listening to political speeches.

Mr. MURRAY. Mr. President, that does not answer my statement.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BREWSTER. I trust the Senator from Montana will read the statement which appears in the CONGRESSIOAL RECORD, made by his colleague on his left—left wing—the Senator from Florida [Mr. PEPPER], who some days ago took part in a discussion of a similar matter on the floor of the Senate. I refer to the suggestion that under the Republican Party there is a tendency to monopoly. I am sure the Senator from Montana will agree that the senior Senator from Florida is recognized as an authority in this field. The Senator from Florida then agreed and admitted that in the preceding 14 years, under the complete control of the administration by those on the Democratic side of the aisle there had occurred the greatest concentration of economic power ever seen in the history of the United States. So I trust the Senator will pluck the beam out of his own eye before he comes across to our side of the aisle to seek the mote in the Republican eye.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MURRAY. The Senator must realize that the period when the growth of monopoly occurred was during the war, when it was necessary to allow the large corporations to escape the antimonopoly laws. The prosecution of defendants under the antimonopoly laws was stopped at the request of the Army and the Navy and other departments of the Government. That was the reason there was such a growth of monopoly. The growth of monopoly also occurred because of the fact that the small business concerns of the country were unable to secure contracts for war production, and they were compelled to sell out to the larger corporations. That is something for which the Democratic Party cannot be held responsible. It occurred by reason of requests made by the War, Navy, and other departments.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD at this point some remarks I have prepared with respect to the item under consideration. I shall place my remarks in the RECORD in order to save time.

Mr. REED. I shall not object.

There being no objection, the statement of Mr. JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

I am disturbed at the apparent encouragement that Congress is giving to the totalitarian element that remains in our Government bureaus. I know this is not intentional and comes about, only because of the gigantic task with which the legislative branch of the Government is faced. We must reduce the bloated personnel rolls which grew up under wartime conditions, and we must also try to eradicate the police state ideologies from the technique of our Government, even after the pay rolls themselves have been reduced to a size commensurate with democracy.

In the police state, it is the prosecution and enforcement functions upon which the greatest emphasis must be placed, but in a democracy, the amount of the cooperative assent of the people to the law of the land is the main criteria by which we can gage the effectiveness of a free government. The present appropriation which we are considering now, it appears to me, indicates a tendency to curtail certain very important democratic functions.

I have no criticism for the legislative action we have recently taken, giving the Antitrust Division of the Department of Justice an increase of 25 percent over their last appropriation. The President, in his recent budget message, urged that the Antitrust Division concentrate its efforts on the major violations of the antitrust laws, but while we are increasing the prosecuting appropriations, it seems to me it's a great mistake at the same time to refuse to recognize the fact that much can be accomplished in bringing about a reign of law in commerce through mass education and cooperative assent rather than by lengthy and costly litigation of hit-and-miss prosecutions. Certainly the small businessman who can't hire the high-priced lawyers and expensive experts which are necessarily required in any such litigation will benefit by Government cooperating with industry through trade-practice conferences.

The President urged that:

"The Federal Trade Commission will increase its effectiveness by operating on an industry-wide basis, rather than through the slower procedure of individual complaints. It will also sponsor a larger number of industry conferences designed to locate and eliminate unfair trade practices through cooperative action."

Here are two separate areas in which the Department of Justice and Federal Trade Commission should operate. The Federal Trade Commission, if properly administered, could be a great help toward bringing economic democracy and a reign of law to industry. That it has, in some instances, degenerated into a small-claims court badgering businessmen, big and little, with hit-or-miss prosecutions instead of tackling the broad economic problems which it was originally designed and set up to deal with, may be the fault of its present personnel, but I think a great deal of the blame rests on the shoulders of Congress. Through the years, Congress has measured the efficiency of this Commission by its prosecution of complaints. I think its effectiveness should be measured by the results it has obtained. Recognizing the ineffectiveness of past procedures, the President, last year, in his supplemental estimates of appropriation for the Federal Trade Commission urged Congress to appropriate funds to the Commission to carry out a new program, stated as follows:

"The proposed program contemplates that the Commission, on its own motion, will initiate investigations and take uniform corrective actions on an industry-wide basis rather than through the present individual company and public complaint procedure. The latter method has been found to be both slow and inequitable. Under present procedure one company, on the basis of a complaint, may be investigated and subsequently prohibited from following a particular unfair practice, leaving competitors of that company free to follow that same practice until such time as the Commission issues an individual cease-and-desist order against each company. * * *

"Under the proposed program greater emphasis will be placed on the elimination

of unfair trade practices through cooperative means. In those instances where circumstances permit, industry members will be given an opportunity to eliminate unfair methods of competition through stipulation agreements to cease and desist or through the establishment of trade-practice rules."

Last year Congress gave the Commission $325,000 to put this program into effect. This new program which is designed to acquaint the American businessman with the rules of fair play through cooperation and education is not going to get very far on that kind of money. It seems to me that if we are willing to spend, this year, $12,400,000 on a Voice of America program to tell European countries what a great nation we are, we ought to be willing to spend something on our own businessmen. Instead of that, the House cut the budget request for the Federal Trade Commission $1,122,880.

While we increase the funds for police work of the Antitrust Department 25 percent, I doubt the advisability of decreasing the cooperative and educational work of the Federal Trade Commission 33⅓ percent. This is a legislative trend, to my mind, which headed in the wrong direction.

When this cut was made in the House, it was pointed out that the Commission staff had conducted considerably less trial time and prosecution work than heretofore, and I presume it was on this basis that the cut was made. It seems to me that this merely indicates the Federal Trade Commission was shifting over into that area of mass education that it should have occupied long ago. This is as it ought to be. The Department of Justice and the Federal Trade Commission operate in two separate areas, or at least they should. The Department of Justice is engaged in prosecuting violators of the law for the purpose of imposing penalties upon the malefactors. The Federal Trade Commission has no punitive function. It is prophylactic and preventive. When it gets into the prosecution function, it is duplicating the efforts of the Department of Justice and entails a needless expenditure of the taxpayers' funds. To cut off $1,122,880 of the Commission's cooperative and educational work at this time is an indication that Congress rejects the theory of cooperation between industry and government and intends to rely principally on suits, injunctions, and prosecutions to get a reign of law in industry. I think Ralph Barton Perry has summed up the difference between a police state and a democracy. I quote from his recent book, Puritanism and Democracy:

"While the law does, it is true, invoke the sanction of force, it does so as a last resort and in exceptional cases. The efficacy of law depends on a pervasive and continuing law-abidingness, which consists of a common understanding and general acceptance, perpetually renewed. A 'reign of law' is a condition of society in which certain adjustments of man to man are rooted in the sentiment of the community and presupposed as the basis of reciprocal intercourse."

As between spending $12,400,000 to tell Europe what a fine country we are and one-third as much to educate our businessmen how to be that fine country, I think there can be no answer but that we should make available the reasonable figure provided for in my amendment for the benefit of commerce.

Mr. FULBRIGHT and Mr. MORSE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Kansas yield; and if so, to whom?

Mr. REED. If the Senator from Arkansas desires to offer an amendment, he is clearly entitled to do so in his own right.

Mr. FULBRIGHT. Mr. President, I wanted to make one observation, if the Senator will yield for that purpose, with respect to the statement made concerning the unanimity of the report. If I correctly understood him one member of the committee, who is also a member of the subcommittee, stated a moment ago that he was personally inclined to the budget estimate, but that he understood the adoption of the budget estimate was hopeless. That is a form of unanimity which I would say is not quite free and in accordance with the individual's best judgment. I mean to say a certain amount of pressure exists in such a case.

Mr. REED. If the Senator will permit, I wish to say that on several occasions there were some individual expressions, and perhaps one or two reservations made to the effect that upon the floor so and so might be done or thus and so stated. But it was a unanimous report of the subcommittee to the full committee and from the full committee to the Senate.

Mr. FULBRIGHT. Mr. President, is it in order now to move to substitute for the amount provided by committee amendment, $3,000,120, on page 18, line 23, the budget estimate of $3,920,700?

The PRESIDENT pro tempore. It is in order so long as the proposed figure does not exceed the budget estimate.

Mr. FULBRIGHT. That is the budget estimate. I make that motion.

The PRESIDENT pro tempore. The Senator from Arkansas moves to amend the committee amendment on page 18, line 23, by striking out "$3,000,120" and inserting in lieu thereof——

Mr. FULBRIGHT. $3,920,700.

The PRESIDENT pro tempore. $3,920,700. The question is on agreeing to the amendment to the committee amendment submitted by the Senator from Arkansas.

Mr. REED. Mr. President, the Federal Trade Commission asked for about a 40-percent increase over last year's appropriation. That request was entirely out of reason. We did the best we could in providing increased appropriations for the various agencies in line with their needs. Therefore, I hope the amendment will be defeated.

Mr. FULBRIGHT subsequently said: Mr. President, I have received a letter from the attorney in charge of the Seattle office of the Federal Trade Commission, and I ask unanimous consent to insert in the remarks I made a few moments ago on the amendment then pending an excerpt from the letter.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

As you know, I have been out here in Seattle as attorney in charge of this office for a little less than a year's time. The staff in this office consists of myself, an assistant, and one stenographer, yet this office handles all investigations, complaints, and other matters in the States of Washington, Oregon, Idaho, and Montana.

I want to give you a bird's-eye view of a few of the rackets which this office with this small staff has uncovered in the past year and ask you to note particularly the amount of money which has been taken from the public through these fraudulent practices.

One Seattle concern operating a so-called cooperative buying organization to aid small merchants and GI's just getting started in business to buy war surplus material, has taken $325,320 from its members in membership fees (the small merchants and GI's mentioned above). Said memberships were sold on the promise of obtaining surplus new automobiles, refrigerators, wire fencing, etc., which were practically impossible to obtain through any source and which were definitely not available through the War Assets Administration.

Mr. MORSE. Mr. President, I am very glad the Senator from Arkansas has offered his amendment, at least so that the attempt to increase the appropriation will appear in the RECORD, and I sincerely hope the amendment will be adopted.

I quite agree with the Senator from Kansas that a problem such as this should not be approached at all from any partisanship angle. The question of dealing with a great concentration of monopolistic forces is not a partisan matter. It should not be allowed to become a partisan matter. It seems to me, to have a very fundamental bearing on the preservation of what we so glibly talk about in this country, namely, private property economy, and a free enterprise business system. I do not think one has to argue at any length to establish the fact that very rapidly we are ceasing to have a free enterprise system, because the essence of a free enterprise system is free competition. The area of free competition is being restricted, month by month, as the tentacles of monopoly grip the body of our economy. I do not know of any problem that is more nonpartisan, yet so vital to the welfare of all our people, than the matter of monopoly control.

I do not think we can justify voting down the amendment offered by the Senator from Arkansas if we really mean what we say in the platforms adopted by both parties. Both parties have been paying homage to the idea of monopoly control. If the parties really mean it, when they say that monopoly must be brought under control in order to save the free enterprise system, then let the representatives of both parties on the floor of the Senate today vote for the amendment offered by the Senator from Arkansas, which is at least some demonstration of our good faith to do what we can within the budget figure, to bring monopoly under control. I think it is as simple as that.

I think a vote for the amendment serves notice on the monopolies of America that both political parties intend to carry out their obligations to the American people to keep the American economy a free economy and stopping it from becoming an economy dominated by monopolistic big business.

Mr. AIKEN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cain	Ellender
Baldwin	Capehart	Ferguson
Ball	Capper	Fulbright
Barkley	Chavez	George
Brewster	Connally	Green
Bricker	Cooper	Gurney
Bridges	Cordon	Hatch
Brooks	Donnell	Hawkes
Bushfield	Dworshak	Hayden
Butler	Eastland	Hickenlooper
Byrd	Ecton	Hill

Hoey	McKellar	Sparkman
Holland	McMahon	Stewart
Ives	Magnuson	Taft
Jenner	Malone	Taylor
Johnson, Colo.	Maybank	Thomas, Okla.
Johnston, S. C.	Moore	Thye
Kem	Morse	Tydings
Kilgore	Murray	Umstead
Knowland	O'Daniel	Vandenberg
Langer	O'Mahoney	Watkins
Lodge	Pepper	Wherry
Lucas	Reed	White
McCarran	Revercomb	Wiley
McCarthy	Robertson, Va.	Williams
McClellan	Russell	Young
McFarland	Saltonstall	
McGrath	Smith	

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the committee amendment on page 18, line 23.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED. Mr. President, this issue arises upon an attempt to increase the appropriation of the Federal Trade Commission, which this year had $2,800,000. The budget estimate was $3,920,000, an increase of $1,120,000. The House figure was $2,800,120. The Senate committee increased the amount to $3,000,120, in order to enable the Commission to carry on some trade-practice investigations.

The purpose of this amendment is further to increase the appropriation by more than $900,000. The committee believed that such an increase was unjustified; and I hope the amendment will be rejected.

Mr. BRIDGES. Mr. President, the committee gave very careful consideration to this item. It increased the House figure. I do not believe that the committee recommendation should be overturned on the spur of the moment. Fair action was taken. The question is whether or not we are to jump the committee appropriation by more than $900,000—nearly $1,000,000. For that reason I hope the committee recommendation will be sustained.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the committee amendment on page 18, line 23. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from Pennsylvania [Mr. MARTIN] and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Pennsylvania, if present and voting, would vote "nay"; and the Senator from New York, if present and voting, would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Delaware [Mr. BUCK], the Senator from Colorado [Mr. MILLIKIN], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Iowa [Mr. WILSON] are detained on official business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Louisiana [Mr. OVERTON] are absent on official business.

The Senator from Pennsylvania [Mr. MYERS] is detained on public business.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Pennsylvania [Mr. MARTIN] has been previously announced by the Senator from Kansas. If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from New York would vote "yea."

If present and voting, the Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 35, nays 47, as follows:

YEAS—35

Aiken	Johnson, Colo.	Morse
Barkley	Johnston, S. C.	Murray
Chavez	Kilgore	O'Mahoney
Connally	Langer	Pepper
Eastland	Lucas	Sparkman
Ellender	McCarran	Stewart
Fulbright	McClellan	Taylor
Green	McFarland	Thomas, Okla.
Hatch	McGrath	Tydings
Hayden	McMahon	Umstead
Hill	Magnuson	Young
Hoey	Maybank	

NAYS—47

Baldwin	Ecton	O'Daniel
Ball	Ferguson	Reed
Brewster	George	Revercomb
Bricker	Gurney	Robertson, Va.
Bridges	Hawkes	Russell
Brooks	Hickenlooper	Saltonstall
Bushfield	Holland	Smith
Butler	Ives	Taft
Byrd	Jenner	Thye
Cain	Kem	Vandenberg
Capehart	Knowland	Watkins
Capper	Lodge	Wherry
Cooper	McCarthy	White
Cordon	McKellar	Wiley
Donnell	Malone	Williams
Dworshak	Moore	

NOT VOTING—13

Buck	Myers	Tobey
Downey	O'Conor	Wagner
Flanders	Overton	Wilson
Martin	Robertson, Wyo.	
Millikin	Thomas, Utah	

So Mr. FULBRIGHT's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 18, line 23.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, under the heading "Federal Works Agency—Office of the Administrator," on page 19, line 23, after the word "of", to strike out "$75" and insert "$35."

The amendment was agreed to.

The next amendment was, under the subhead "Public Buildings Administration," on page 25, after line 2, to insert:

Return of departmental functions to the seat of government: For all expenses, including personal services in the District of Columbia and travel and other expenses of the Public Buildings Administration incident thereto, necessary to provide for the transfer to the seat of government of such bureaus, offices, agencies, or activities of the Federal Government as are designated from time to time by the President, which were removed from, or established at places other than, the seat of government by reason of the national emergency, including the expenses of travel of employees transferred; transportation of immediate families of employees; the expenses of packing, crating, drayage, transportation, temporary storage, unpacking, and uncrating of household goods and personal effects, in accordance with regulations approved by the President; and the payment to employees of special allowances at $5 per day after arrival at destination for 6 days for employees, plus $2.50 per day additional for 6 days for each member of immediate families of employees; $900,000, to remain available until expended: *Provided*, That removal to the seat of government of Government-owned or leased furniture, equipment, supplies, and other property and household goods and personal effects of employees, and costs of restoration of leased office space when required, may be accomplished without regard to section 3709 of the Revised Statutes: *Provided further*, That such sums as may be determined by the Commissioner of Public Buildings to be necessary therefor may be transferred to other agencies concerned for the payment to the transferred employees of the allowances mentioned herein.

The amendment was agreed to.

The next amendment was, on page 27, line 10, after the word "of", to strike out "$75" and insert "$35."

The amendment was agreed to.

The next amendment was, under the subhead "Public Roads Administration," on page 30, line 16, after the word "of", to strike out "$75" and insert "$35."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Community Facilities," on page 33, after line 21, to insert:

Veterans' educational facilities: The limitation on the amount for administrative expenses under this head in the Third Deficiency Appropriation Act, 1946, as supplemented by the Second Deficiency Appropriation Act, 1947, is hereby increased from $3,100,000 to $3,850,000, of which amount $395,000 shall be used exclusively for payment for accumulated and accrued leave.

The amendment was agreed to.

The next amendment was, under the heading "Interstate Commerce Commission," on page 35, line 8, after the word "automobiles", to strike out "$8,868,100" and insert "$9,268,100."

The amendment was agreed to.

The next amendment was, under the heading "National Advisory Committee for Aeronautics," on page 37, line 10, after the word "exceed", to strike out "$492,000" and insert "$622,000"; and in line 19, after the word "exceed", to strike out "$50" and insert "$35."

The amendment was agreed to.

The next amendment was, under the heading "National Archives," on page 39, line 17, after the word "expenses", to strike out "$1,236,335" and insert "$1,241,335"; and in line 19, after the word

"act", to strike out the colon and the following proviso: *"Provided,* That no part of this appropriation shall be used to pay the salary of any employee of grade 5 or above in the professional service or of grade 11 or above in the clerical, administrative, and fiscal service who was originally appointed in the National Archives to a war service appointment, except a presently employed veteran of either World War or a member of the active or inactive reserve AUS."

The amendment was agreed to.

The next amendment was, under the heading "National Capital Park and Planning Commission," on page 41, after line 10, to insert:

District of Columbia redevelopment: For expenses necessary to carry out the provisions and purposes of sections 3k, 6, and 16 of the act of August 2, 1946 (Public Law [illegible]2), including temporary services as authorized by section 15 of the act of August 2, 1946 (Public Law 600); not to exceed $50 for deposit in the general funds of the Treasury for cost of penalty mail for the fiscal years 1947 and 1948 as required by the act of June 28, 1944; $95,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Philippine War Damage Commission," on page 41, line 24, after the word "exceed", to strike out "$1,900,000" and insert "$2,500,000."

The amendment was agreed to.

The next amendment was, under the heading "Securities and Exchange Commission," on page 43, line 12, after the numerals "1944", to strike out "$5,688,700" and insert "$5,988,700."

The amendment was agreed to.

The next amendment was, under the heading "Smithsonian Institution," on page 44, line 3, after the word "Arts", to insert "for the administration, and for the construction and maintenance, of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the act of July 2, 1940, as amended by the provisions of Reorganization Plan No. 3 of 1946"; in line 16, after the word "exceeding", to strike out "$125,000" and insert "$150,000"; and in line 23, after the word "publications", to strike out "$1,700,312" and insert "$1,800,312."

The amendment was agreed to.

The next amendment was, under the heading "United States Maritime Commission," on page 47, line 15, after "Personal services", to strike out "$7,393,226" and insert $8,832,226."

The amendment was agreed to.

The next amendment was, on page 47, line 18, after the word "construction", to insert "conversion, reconversion, reconditioning."

The amendment was agreed to.

The next amendment was, on page 47, after line 20, to strike out:

Reconversion of vessels, $100,000: *Provided,* That the Commission may make allowances to purchasers of vessels for cost of putting such vessels in class, such allowances to be determined on the basis of competitive bids, without regard to the provisions of the last paragraph of section 3 (d) of the Merchant Ship Sales Act of 1946.

And in lieu thereof to insert the following:

Conversion or reconversion of vessels for sale or given in exchange, $4,500,000, including cost of moving or transporting the vessels, docking, survey, and inspection, preliminary to preparation of specifications and invitations for competitive bids, subject to the limitation that not more than $30,000 be expended with respect to any one vessel: *Provided,* That, in order to accomplish the purposes and policy of section 2 of the Merchant Ship Sales Act of 1946, the Commission may, on such terms and conditions as it may prescribe—

(1) make allowances to purchasers of vessels or persons accepting exchanges under section 8 (d) of said act for cost of converting, reconverting, or restoring for normal operation in commercial service, including removal of national defense or war service features and meeting class and requirements of Coast Guard and other regulatory bodies, such allowances to be determined on the basis of competitive bids under specifications prepared or approved by the Commission, without regard to the provisions of the last paragraph of section 3 (d) of the Merchant Ship Sales Act of 1946: *Provided further,* That if the Commission shall determine that any part of the allowance so fixed is not expended in carrying out the work covered by the allowance, an amount representing such part shall be repaid or reimbursed to the Commission. Such allowances may be applied as credits against any sums payable by the purchaser to the Maritime Commission pursuant to section 4 of the act;

(2) in lieu of making allowances as hereinbefore provided and notwithstanding any other provision of law, sell, upon competitive sealed bids, without reconversion to citizens of the United States, for operation under the United States flag, war-built vessels which have been converted from original design to military types or otherwise unsalable as commercial vessels and contracts for the reconversion of which were not entered into prior to July 1, 1947. No award of any such vessel, except a damaged unsalable vessel, or a concrete vessel, shall be made upon a bid which is less than 25 percent of the unadjusted statutory sales price determined under section 3 (d) of said act, and at least 25 percent of said bid shall be paid in cash upon the delivery of the vessel; and

(3) in either case, grant financial aid under the provisions of section 509 of title V of the Merchant Marine Act, 1936, and other provisions of said title to the extent applicable, to any person who in any manner converts, reconverts, or reconditions the vessel purchased by him if the amount expended for such conversion, reconversion, or reconditioning is in excess of $100,000.

The amendment was agreed to.

The next amendment was, on page 50, after line 6, to insert:

Maintenance and operation of terminals, $561,000.

The amendment was agreed to.

The next amendment was, on page 50, after line 15, to insert:

Provided further, That, except for payment of construction-differential subsidies as provided in section 504 of the Merchant Marine Act, 1936, as amended, no moneys or contract authority shall be available during the period beginning with the date of enactment hereof and ending June 30, 1948, for the construction of any vessel begun after such date of enactment unless the Commission has entered into a contract for the sale of such vessel.

The amendment was agreed to.

The next amendment was, on page 51, line 6, after the word "exceed", to strike out "$207,100,000" and insert "$213,439,000."

The amendment was agreed to.

The next amendment was, on page 51, line 9, after the word "of", to strike out "$207,100,000, and insert "$213,439,000."

The amendment was agreed to.

The next amendment was, on page 52, line 7, after the word "binding", to strike out "$8,320,000" and insert "$4,320,000."

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration," on page 54, line 16, after the word "equipment", to strike out "$878,040,780" and insert "$905,115,780."

Mr. GREEN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment on page 54, in line 16.

Mr. GREEN. Mr. President, as a substitute for the committee amendment, I offer an amendment increasing the amount by $100,000,000—in other words, from $905,115,780 to $1,005,115,780.

Mr. President, I offered this amendment last June 27, when I learned that, in response to a direct question, the Chief Medical Director of the Veterans' Administration informed the Veterans' Affairs Committee of the House of Representatives that the provisions in this bill for the medical care of veterans fell short of his anticipated needs by 28,000 employees and $100,000,000. The Appropriations Committee of the House had not made any reduction in this medical budget, but such reduction as had been made was made before the estimates were submitted to that committee. Without regard to how that came about, let me say that this meant that veterans who require treatment will be denied it, unless additional funds are provided so

that the Veterans' Administration is able to expand its facilities.

This raised in my mind two questions: First, will the Congress at this time curtail the medical care sorely needed by many of our veterans disabled in the service of our country? Second, can the amount of medical care they need be given with the appropriation carried in this bill?

I doubt that any Member of the Congress desires that the medical care of veterans be curtailed at this time. The war is scarcely over, and the wounds of many a veteran are not yet healed. After heavy financial sacrifice in the service of his country, the time is yet too short for the veteran to have earned enough money to enable him to purchase the quality of medical care he deserves, or to obtain it in the quantity he needs. The Congress has provided many aids to the veteran for his rehabiltation and reestablishment in the peaceful society of the Nation; and good medical care at the expense of a grateful people is one of the most important of these. At some time in the future the Congress must decide how many and what kinds of veterans will be furnished medical care at Government expense; but this is not the time to haggle over appropriations for this purpose.

This is not the time, and for two reasons. There are today more than 20,000 veterans desiring hospitalization but who cannot get into veterans' hospitals because there are not enough beds there. The number of veterans suffering from tuberculosis, almost all of it contracted while in service, is increasing daily; and no one can say when the peak of this load will be reached. There should be a hospital bed ready for every veteran who has lost his health while serving his country.

This leaves to be answered the question: Can the amount of medical care the veteran needs, and to which he is entitled, be provided with the appropriation made in this bill?

In August 1945 when General Bradley became Administrator of Veterans' Affairs, there were 79,000 beds in veterans' hospitals and less than 7,000,000 veterans. Today the Veterans' Administration has 102,000 hospital beds, but there are more than 18,000,000 veterans. The veterans have increased 157 percent, but the number of beds for their medical care has increased only 29 percent. There are more than five times as many veterans for each hospital bed today than there were in August of 1945.

The Veterans' Administration was not able, at first, to increase the number of hospital beds rapidly, because of the difficulty of recruiting adequate staffs. Large numbers of doctors and nurses were still in the armed forces; and attendants and other semiskilled help were employed in war industries. This situation no longer exists to the same extent. The reason why there are no more hospital beds for veterans today is that ceilings have been placed upon the employment of medical personnel, and insufficient money has been appropriated to operate more hospitals.

But this is not all. The number of medical people, and the amount of money, provided in the pending appropriation bill are not enough to allow the Veterans' Administration to continue all the hospital beds they have in operation. Already the Veterans' Administration is closing hospitals to meet the limits imposed in this appropriation bill. I am not asking the Senate to increase the medical help to be given each veteran who needs it, I am asking the Senate not to reduce this help in quantity or quality.

There are today in veterans' hospitals a total of 5,700 hospital beds which must remain empty because no staff can be employed. During fiscal year 1948, 6,500 new hospital beds, all in permanent construction, will be completed and ready for patients. But no doctors or nurses or attendants can be employed for these new beds within the limits of the pending bill; and either they must stand idle or an equal number of beds must be abandoned in temporary hospitals to provide the staff for the new beds.

But this is not the worst. A total of 86,933 employees are used to operate the 102,000 hospital beds now in operation, and these are even less than are required. The ratio of employees to patients is fixed by the Bureau of the Budget, and not by the Veterans' Administration, so that the Veterans' Administration is not overstaffing these hospitals. Disregarding 2,933 employees, who are specifically earmarked in this budget for opening 3 new tuberculosis hospitals not now in operation, only 81,220 employees are allowed in this bill for hospital operation. This is 5,713 fewer employees for hospital operation than are now used in these hospitals; and this means that between 3,000 and 4,000 beds now in operation must be vacated during fiscal year 1948 to meet the limitations imposed in the bill. Adding all these deficits together, we find that, before the close of fiscal year 1948, there will be between 15,000 and 16,000 beds idle in veterans' hospitals unless this appropriation is increased. These idle beds would provide hospital care for almost 200,000 veterans in the course of 1 year.

My amendment to the appropriation bill will not permit the Veterans' Administration to embark upon a program of great expansion. It will permit only the operation of the hospital beds now in existence and those which will be completed during fiscal year 1948 together with the operation of three additional surplus Army hospitals and one additional domiciliary home, and a modest expansion of the outpatient service.

There are areas in this country very short of beds for veterans by even the most modest standards. The Veterans' Administration would like to operate surplus Army or Navy hospitals in three of these areas. There are less than 15,000 beds available in domiciliary homes today, and more than 13,000 members in them. The demand for domiciliary care is increasing, and would increase very rapidly if employment should fall off.

It is not only the hospital program that will suffer unless this appropriation is increased by the amounts in my amendment. All other medical programs will have to be curtailed proportionately.

One of the most important of these is the out-patient clinic program. This is a particularly urgent program because all the patients treated in out-patient clinics have service-connected disabilities. Non-service-connected disabilities are not treated on an out-patient basis at Government expense. The savings to the taxpayer in out-patient treatment are great. There are many cases, now being treated in out-patient clinics, who would have to occupy hospital beds if this treatment were not available; and hospital treatment is very much more expensive than out-patient treatment, besides being much more wasteful of the veterans' earning capacity. The veteran can often hold his job while undergoing out-patient treatment; but his time is wholly lost when he must go into a hospital.

In one part of the out-patient program alone the saving to the Government is very great. The most eminent psychiatrists in the country have estimated that at least 25 percent of the patients now being treated in the mental-hygiene clinics of the Veterans' Administration would have to be committed to mental hospitals if this out-patient treatment were not available. Some psychiatrists estimate this proportion to be as high as 40 percent.

Think of it! Today there are approximately 15,000 veterans undergoing out-patient treatment in the mental-hygiene clinics of the Veterans' Administration If the Veterans' Administration did not have these clinics, somewhere between 3,750 and 6,000 of these veterans would today be committed to mental institutions. And the consensus of opinion among those who know is that there are 150,000 veterans in this country today who need this kind of treatment; and that, instead of only a few thousand being saved from mental institutions, as many as 50,000 might be saved if the proper facilities were available.

The Veterans' Administration wants badly to increase this kind of facility as rapidly as proper staffs can be had. Its experience is that in no other of its medical programs can it do so much good for so little money. Yet, what does this appropriation bill do to the out-patient program of the Veterans' Administration? It actually reduces it by 12 percent. There are today slightly more than 10,000 employees in the out-patient service of the Veterans' Administration. It desired to increase this number in fiscal year 1948 to 13,300—a very modest increase when the great need is considered. Yet this bill, instead of allowing any increase, actually reduces the number to 8,900.

There are other items in the budget of the medical service of the Veterans' Administration which have suffered serious reduction. The amounts involved are comparatively small, but the effect of the reductions is out of all proportion to the amounts. Among these are money for travel of employees in training and in supervision of the standard of medical care give in veterans' hospitals. This function is most important if the veteran is to be given the best in medical care.

Before I conclude, I wish to read to the Senate the correspondence I had with Gen. Paul R. Hawley, who is the Chief Medical Director, Department of Medicine and Surgery, Veterans' Administration. First I read my letter to him dated June 26, 1947.

JUNE 26, 1947.

Dr. PAUL R. HAWLEY,
Chief Medical Director, Department of Medicine and Surgery, Veterans' Administration, Washington, D. C.

MY DEAR DR. HAWLEY: As a member of the Subcommittee of the Senate Committee on Appropriations considering the Appropriation bill for independent offices, I am definitely interested in the appropriation of funds for the Veterans' Administration and in particular, for the medical services extended to the veterans by the Administration.

I would appreciate your advising me whether the funds in the independent offices appropriation bill passed by the House of Representatives and at present under consideration by the subcommittee, of which I am a member, are sufficient for the Veterans' Administration to continue medical service to veterans during the fiscal year of 1948 at the same level that it is at present. Also, is the appropriation sufficient to provide for the necessary medical expansion of this service to meet the increasing demand for additional medical services.

I wish to present my letter to you and your reply, to the committee at the hearings on the bill and I intend to talk with members of the committee regarding this particular appropriation. I would appreciate a complete report from you at an early date.

Yours very truly,

THEODORE FRANCIS GREEN.

This is his reply, June 26:

VETERANS' ADMINISTRATION,
Washington, D. C., June 26, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

DEAR SENATOR GREEN: Reference is made to your letter in which you ask my opinion as to whether or not the personnel and fiscal requirements of the Department of Medicine and Surgery as presented to the Congress in the Veterans' Administration budget for fiscal year 1948 are adequate.

In the light of present experience and our knowledge of the number of patients who will require treatment during the next fiscal year, these figures cannot be considered adequate. The personnel and the money provided in the appropriation bill, as it now stands, are insufficient to maintain even the present level of medical service provided the veteran; and, with approximately 21,000 veterans now awaiting hospitalization and evidence of an increasing demand in the next year, it has been our considered opinion that additional personnel and funds are necessary unless the policies governing medical benefits are revised.

A detailed summary of the total work load and the personnel and fiscal requirements for 1948 is enclosed. This summary shows that 28,000 additional personnel and $100,000,000 additional are required to maintain the present level of medical service and to provide for the minimum expansion that appears to be indicated.

Very truly yours,

PAUL R. HAWLEY,
Chief Medical Director.

The letters and also the summary referred to, which occupies a good many pages, giving in detail how the money will be spent, may be found in the hearings at pages 261–270. These were presented to the committee. I made the motion in the final meeting of the full committee to adopt this amendment which I then offered. The amendment was rejected. The last letter is a letter from General Hawley to me, dated July 14:

JULY 14, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: In reply to your request, I am furnishing you with the following information.

The Department of Medicine and Surgery of the Veterans' Administration submitted a budget request for purely medical expenditures of $502,355,560. The amount in the budget submitted to the Congress for these same purposes was $432,216,908.

This is a reduction of $70,138,652. But there are a number of expenditures in hospital and outpatient operation which are not paid from medical appropriations, such as maintenance of plant, supply, personnel and finance operations, special services, and the like. In general, somewhat less than 80 percent of hospital and outpatient costs are chargeable to medical appropriations, so that a deficit of $70,138,652 in medical appropriations means a deficit of $87,673,315 in hospital and outpatient operations.

I should like to point out, however, that the budget request of the Department of Medicine and Surgery for fiscal year 1948 was prepared in October 1946; and that the need for medical care, especially in outpatient clinics, has increased since that time. In view of this, when directed by the Committee on Veterans' Affairs of the House of Representatives to state the amount of additional funds required to meet the demands for medical care in fiscal year 1948, a supplemental estimate was made which totalled $100,000,000—an increase of $12,326,685 over the deficit already experienced.

To summarize, the budget request of the Department of Medicine and Surgery of the Veterans' Administration for fiscal year 1948 was reduced before submission to the Congress by $70,138,652, which represents a reduction in medical service of $87,673,315. Seven months additional experience after the preparation of the initial estimates indicated that this estimate was too low; and, when directed by the Committee on Veterans' Affairs of the House of Representatives to present present estimates, the initial estimate was revised upward by $12,326,685.

Sincerely yours,

PAUL R. HAWLEY,
Chief Medical Director.

If the amendment is not made a part of the appropriation bill, the Congress must take the position either that the veteran is to be given only a part of the medical care he needs, or else that he must accept a cheaper standard of medical care than the kind he has earned with his sweat and blood. I do not believe the good people of the United States would approve either position. It is said that the memory of a republic is short, but it cannot be so short as that. The war is not yet over. Though the fighting has stopped, the terms of peace have not yet been agreed upon. We have armies still abroad. Here at home we are gradually resuming our peacetime ways. We are even considering reducing our expenses and our taxes. Are we to begin economizing by giving fewer veterans proper medical service, or by reducing the quality of service given them? Has our pity for the maimed in body or mind been exhausted? Has our gratitude for their sacrifices been frozen? Our action on the amendment will give the answer.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Rhode Island.

Mr. REED. Mr. President, the trouble with the situation as described by the Senator from Rhode Island is that most of it is not so. I do not mean by that that the Senator from Rhode Island is misstating the matter, but this is a private matter between him and General Hawley. We gave General Bradley all he asked for, to enable him to get along. Never at any time, so far as our committee is concerned, did General Hawley or General Bradley ask for the money to which the Senator from Rhode Island refers.

Let me say, when we are talking about taking care of the veteran, for God's sake, we have treated veterans, the men who fought this war, more generously than any army in the history of the world was ever treated, in the matter of clothing, medical care, food, attention, and everything else.

General Bradley has $338,000,000 contract authority, to build hospitals, if he needs them. He has that much authority to build hospitals, in addition to what he has now; so certainly on that end of it there is no ground for complaint.

Let us now get to the question of the care of veterans. I call attention to page 17 of the report of the committee, copy of which will be found on the desk of each Senator. At the bottom of the table on page 17 there is "administration, medical, hospital, and domiciliary service." Those items are included. The appropriation for last year was $937,000,000. The estimate for this year was $919,000,000, which the House cut to $878,000,000. That is the way the situation was when the bill came to the Senate. General Bradley appeared. He very frankly and candidly discussed all these matters. To show the way General Bradley views it, in a letter to me, as chairman of the subcommittee, dated June 17, he said:

The estimate I submitted to Congress for 210,611 average equivalent full-time employees, of which 107,237 covers medical, hospital, and domiciliary care.

When the House cut that amount back to $878,000,000 General Bradley said to us, "That will cut 10,000 from my personnel. I cannot afford to lose 10,000 from my personnel. It is my intention to keep the total personnel of 107,000 which was provided for in my estimate on the medical side. If I lose 10,000 personnel it will cramp my administration, because I expect to keep the 107,000 personnel."

Mr. President, to the amount the House provided we added twenty-seven-million-and-some-odd-thousand dollars. That will enable General Bradley to keep his additional 10,000 personnel, leaving a total of 107,000 personnel with him to take care of his hospital and medical services. General Bradley told us that, of course, there are some things which are more important than others, but he said, "If you will give me money enough to keep my 10,000 personnel, I will get along." In discussing the matter General Bradley said:

I merely felt that I must point out to you what effect it would have on them, and if you do not want to put those back, that is something else again; we will get along as best we

can, but it will not affect the service to the veterans to the extent this personnel thing does.

General Bradley discussed the subject of equipment item by item. He said:

The next one on equipment, $1,340,315. That is important, but not too important. We can get along without that one if necessary.

General Bradley said that a half a dozen times He always came back to this point: "If you will give me that personnel I will do the job." We gave him the personnel.

What the Senator from Rhode Island refers to is purely a matter between him and General Hawley. The Senator from Rhode Island spoke to the committee about it and we placed his letter to General Hawley and General Hawley's answer to him, both dated the same day incidentally, in the record. But there is not a word in the record from General Hawley except the letter he wrote to the Senator from Rhode Island. We gave General Bradley what he said he needed with which to get along, and he said he could get along with it. There is no need at all to raise the appropriation on this item $100,000,000.

Mr. GREEN. Mr. President, the Senator from Kansas seems to be reviving the campaign slogan we recently heard, "Have you had enough?" but at this time it is addressed to the veterans, and my answer is "No."

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. HOLLAND. Mr. President, I should like to address an inquiry to the Senator from Kansas. I note from the committee report that the budget request for Veterans' Administration appropriation is still reduced $13,972,220, even if the committee amendment is adopted, and the amount provided in the House bill is increased to $905,115,780. My question is: What part of the appropriation, or what part of the budget request is cut off by the $13,972,220 which even the Senate committee report says is under the budget request?

Mr. REED. Is the Senator from Florida talking about what appears on page 17? May I inquire, from what page of the report is the Senator reading?

Mr. HOLLAND. Page 3 of the report of the committee under the head of "Veterans' Administration." The language of the committee report is as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: The committee recommends $905,115,780.

That means it applies to the amendment we are now considering.

This amount is $27,075,000 over the House allowance of $878,040,780, and $13,972,220 under the budget estimate of $919,088,000, including a supplemental estimate of $2,088,000 for the operation of the Administration Offices in the Republic of the Philippines.

The reason for my question is that I have received about 20 or 25 complaints from veterans' organizations and from individual veterans concerning the action taken by the House. The veterans' organizations and individuals who have contacted me have all been of the feeling that the budget estimate was a modest statement of the needs of the Veterans' Administration. So my question is: Why the cutting off of $13,972,220 from the budget estimate even if the amount is granted as now allowed by the committee?

Mr. REED. I suggest that I believe the Senator from Florida is referring to the House committee report.

Mr. BRIDGES. Mr. President, will the Senator yield to me for a moment?

Mr. HOLLAND. I yield.

Mr. BRIDGES. I may say that as I understand the item the reduction from the budget estimate, as will be found on page 22 of the House committee report, shows——

Mr. HOLLAND. Pardon me. To correct the impression the Senator from Kansas is laboring under, I will say that I am quoting from the Senate committee report, page 3, and I read from that report.

Mr. BRIDGES. Yes, and the amount the Senator read was a cut of $39,590,220 from the budget estimate, and the Senate committee restored $27,075,000. Is that correct?

Mr. HOLLAND. The Senate committee restored, according to the report, $27,075,000, but that still leaves the amount $13,972,220 under the Budget estimate, and in view of the many complaints I have received I am trying to discover why the Budget estimate was thus cut, and what that represents in diminished services or facilities.

Mr. BRIDGES. Let me answer the distinguished Senator from Florida by saying that the committee, I think, took under consideration the various complaints which I know the Senator from Kansas received, and which I received as chairman of the full committee, complaints of which the Senator from Florida speaks. We talked not only with General Bradley in the hearings, but before the hearings. His statement to us was that if he could have restored the $27,075,000, which would restore to him 10,000 employees, he could satisfactorily meet all the needs of the Veterans' Administration for the coming fiscal year. The other items which were referred to, I think, would be applied to several different things, including travel of employees, other contractual services, certain supplies and materials, certain equipment, certain grants, subsidies and contributions, and a certain amount for land and structures; but that none of it applied to the very vital thing like the administration directly concerning veterans.

Mr. REED. Mr. President, I suggest to the Senator from Florida that he look at page 11 of the printed copy of the hearings. The items which make up the $933,000,000 are broken down, to show the needs. For example, there is an item "travel of employees," $9,957,945. We asked General Bradley in detail about these things. His answer is found on page 28:

General BRADLEY. The next one is travel, $712,000,000. One hundred thousand dollars of that is for travel of employees. If that cut stands, we just have a little less supervision in the field.

Then we went on to other contractual services, $2,797,965. The General stated that he had broken down that item into five different heads. General Bradley stated:

One is the alterations of administrative space, including the installation of outpatient clinics, and that is $816,702. * * *

There are ones that are most deserving, we think.

General Bradley continued:

No. 4 shows the break-down. * * *

I am not saying that we cannot take some of these cuts, Mr. Chairman. We are pointing out that all of these cuts affect our service which we are trying to give to veterans.

I am pointing out primarily that the cut on personnel puts me in a shape where I cannot promise to do the job. I will do the best I can, of course, but I do not think that is the kind of a job you want done on it.

General Bradley further stated:

I merely felt that I must point out to you what effect this would have on them, and if you do not want to put those back that is something else again; we will get along as best we can, and it will not affect the service to the veterans to the extent this personnel thing does. I felt, however, the fact that when you put them in the budget in the first place you wanted the reason.

Throughout all this discussion we were trying very earnestly to do the job right, and to satisfy General Bradley to the point where he believed he could carry on.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. RUSSELL. I did not understand General Bradley to testify that he approved the cuts.

Mr. REED. I did not say that.

Mr. RUSSELL. He stated very clearly that he thought the entire budget estimate was justified to maintain the veterans' program. He did say that if we had to make a cut, certain things were more important than others; but he did not approve any of these cuts.

Mr. REED. He said that some of them were not of such great importance.

Mr. RUSSELL. The theme of his testimony was that if we wanted him to do the job he ought to have the budget estimate, but that if we had to make a cut, items other than personnel were of lesser importance. However, I did not understand him to take the position that he thought the budget should be cut, or that he approved of it.

Mr. REED. There is not much difference between the Senator from Georgia and myself. I do not mean to say that General Bradley was glad to have the cut, or approved of it, or wanted it.

Mr. RUSSELL. That is the point I wished to make clear.

Mr. REED. We discussed the question for some time, and we gave General Bradley $27,000,000 above the House figure, so that he could have all the personnel he felt he needed. He said he intended to keep 107,000 personnel on the hospital side.

Mr. President, I would not mind very much adding another $5,000,000 or $10,000,000 and taking the item to conference to see what we can do with it, but I do not wish to load the bill down too heavily, because the conference will be tough enough.

Mr. HOLLAND. Mr. President, the Senator from Kansas has graciously indicated that he would be willing to add a certain amount to the sum suggested by the committee. Would the Senator be willing to support an increase sufficient to restore the budget estimate, which would mean an increase of $13,972,220 over the committee figure?

Mr. REED. If the Senator will make it a round figure of $10,000,000, so far as the Senator from Kansas is concerned, he is disposed to see what can be done with it.

Mr. BRIDGES. Mr. President, in the Senate committee hearings, on page 29, General Bradley said:

> The "grants, subsidies, and contributions, $4,000,000"—that was cut out of the money which was to be allowed us to pay the States for administering the unemployment compensation. If the number drops off the way it is dropping off now, it may be a perfectly legitimate cut.

Later, on page 19 of the hearings, it was stated that unemployment cases had dropped 300,000 since January, to 700,000. In other words, the cut in this particular item represents $4,000,000 of the $13,000,000 which the Senator from Florida is discussing. A cut of $4,000,000 in that amount was justified by General Bradley's own testimony.

Mr. REED. As General Bradley testified, at one time he had 1,000,000 unemployed. They were drawing unemployment compensation. That number had dropped 300,000, so apparently $4,000,000 less than the amount included in the budget was required to take care of that item.

Mr. HOLLAND. I thank the Senator from Kansas. I should like to address an inquiry to the distinguished Senator from Rhode Island [Mr. GREEN].

In view of the statement of the Senator in charge of the bill, that he would be willing to accept an additional increase of $10,000,000 over the amount recommended by the committee, is the Senator willing to modify his amendment so as to make the increase $10,000,000?

Mr. GREEN. That would not be up to the budget figure, would it?

Mr. HOLLAND. That would still be $3,972,220 under the budget estimate.

Mr. REED. Mr. President, budget estimates made months in advance are always subject to some variation.

Mr. GREEN. That is the trouble. They are far too low, as I tried to point out in my address. That is what General Hawley emphasized.

Mr. REED. Mr. President, if it meets with the approval of my colleagues, I am willing to increase the amount by $10,000,000 and take the item to conference. Let me say here that conferences this year are going to be tough, and I cannot guarantee anything as to the outcome.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN] to the committee amendment on page 54, line 16.

Mr. GREEN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN answered to his name.

Mr. REED. Mr. President, perhaps I am too late with the point of order, but I do not believe that any business has been transacted since the Senator from Rhode Island made his last point of order of no quorum.

The PRESIDENT pro tempore. The Senator's point of order is well taken. No business has been transacted. If the point of order is made, it must be sustained.

The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN] to the committee amendment on page 54, line 16.

Mr. RUSSELL. Mr. President, I insist that the first name on the roll, that of the Senator from Vermont [Mr. AIKEN] had been called, and the Senator from Vermont had answered to his name when it was called. The point of order is entirely too late.

The PRESIDENT pro tempore. Will the Senator suspend while the Chair asks the Senator from Vermont if he answered the call?

Mr. AIKEN. Mr. President, I answered to my name.

Mr. RUSSELL. I heard the Senator from Vermont answer.

The PRESIDENT pro tempore. The point of order is too late. The Chair did not hear the Senator from Vermont respond. The clerk will call the roll.

The legislative clerk resumed and concluded the calling of the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment submitted by the Senator from Rhode Island [Mr. GREEN].

Mr. HOLLAND. Mr. President, during the quorum call, I talked to the distinguished chairman of the subcommittee [Mr. REED] and the distinguished Senator from New Hampshire [Mr. BRIDGES], the chairman of the committee, and, as I understand, they are willing to agree to the increase proposed in this appropriation, $13,917,220, in order to restore it to the Budget figure, provided the Senator from Rhode Island [Mr. GREEN] is willing to modify his amendment to that amount. I should like to ask the Senator from Rhode Island if he is willing to modify his amendment to conform to that situation.

Mr. GREEN. Mr. President, in view of the fact that it is perfectly obvious that I cannot get the amount stated in the amendment, I accept the proposal, and amend my own amendment by asking that $13,972,220 be made the substituted figure.

The PRESIDENT pro tempore. The Senator from Rhode Island modifies his amendment as indicated.

The question is on agreeing to the amendment, as modified, to the committee amendment on page 54, line 16.

The amendment, as modified, to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment was, on page 59, line 18, after "Total, Veterans' Administration", to strike out "$6,944,457,080" and insert "$6,971,532,080."

The amendment was agreed to.

The PRESIDENT pro tempore. The Chair suggests that the total be corrected pursuant to the last amendment. Without objection, the clerk will be authorized to make the necessary corrections.

Are there any further committee amendments?

Mr. REED. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kansas will be stated.

The CHIEF CLERK. It is proposed to insert on page 31, line 16, following the period, the following:

> Any funds heretofore apportioned to any State and unobligated may be used to pay the States pro rata for any projects on the Federal-aid and Federal secondary roads, approved under the provisions of section 3 of the act of June 18, 1934 (48 Stat. 993), section 4, act of June 8, 1938 (52 Stat. 633), and section 7 of act of July 13, 1943 (57 Stat. 560).

Mr. REED. Mr. President, it is common knowledge that some very disastrous storms and floods have occurred in the central West and a great deal of damage has been done to the highway systems, both main roads and secondary roads. In 1938, or perhaps a year or two before that, Congress recognized those conditions, and an appropriation of $8,000,000 was made. In 1943 there was an appropriation of $10,000,000. Out of those two appropriations there is still unallocated $10,000,000 or $11,000,000. This amendment would permit the use of those unallocated emergency funds appropriated in 1938 and, I think, in 1943, to meet the present emergency in the Middle West.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CHAVEZ. Does the Senator from Kansas mean that if the individual States do not use the money needed for the purpose for which it was appropriated, this amendment would permit a State to have the money spent within that State to meet its emergency?

Mr. REED. There was some money appropriated for emergency service and it was not used. Under this amendment

they may use it to match the funds available in the ordinary course——

Mr. CHAVEZ. The point I am trying to make is this: Will the money be spent within the State for which the money was allocated?

Mr. REED. Mr. President, I conferred with Mr. McDonald this morning, and, may I say, he wrote this amendment and said it was, in his opinion, a reasonable and proper one and that it would permit the States to use the money that had been previously appropriated and not spent.

Mr. CHAVEZ. If an emergency should occur, may that money be used for the emergency within the State in which it occurs, or may it be allocated to other States?

Mr. REED. Let me read Mr. MacDonald's letter. It was written yesterday. I asked him to give me a brief summary of the Federal funds appropriated and not used. The letter reads, in part, as follows:

Following is a brief summary of Federal funds authorized as emergency relief to rebuild roads and bridges damaged by extraordinary floods:

1. Public 392 (70th Cong.) approved May 16, 1928, provided a total of $5,197,294 for the States of Vermont, New Hampshire, Kentucky, to provide for the restoration of roads and bridges damaged in the floods of 1927.

Up to 1934 five additional special acts were passed. These 6 measures provided a total of $11,903,229 for relief in 11 States. The details are shown on attached sheet No. 1.

2. The method of providing flood damage relief by special acts was not adapted to emergency relief because of the unavoidable delays.

The Hayden-Cartwright Highway Act, Public 393 (73d Cong.), approved June 18, 1934, section 3, authorized an appropriation of $10,000,000 to be used as an emergency relief fund to repair damages caused by floods, upon application by the State highway departments. In the intervening 13 years a total of $9,192,456 has been allotted to 17 States.

His letter continues.

Mr. President, I think allocations or allotments have been made to the States; and this amendment, if adopted, will enable them to spend it.

Mr. CHAVEZ. Mr. President, the Senator has stated that possibly $9,000,000 is available as allocations to the different States, but has not yet been spent by the States. I should like to ask a question. If $1,000,000 has been allocated to the State of New Mexico, but has not been spent, under this amendment will it be possible for that money to be used in another State?

Mr. REED. No; it must be kept within the State to which it has been allocated. That is my understanding.

Mr. President, now I can state the amounts for the various States. Under the war emergency relief funds authorized by section 7 of the act of July 13, 1943, as of May 31 of this year there was an unobligated balance of $2,634 in Arkansas, $5,124 in Idaho, $85,000 in Iowa, $38,218 in Kansas, $313,362 in Oklahoma, and $487,481 in South Dakota, and also certain amounts for Kentucky, Louisiana, Minnesota, Mississippi, Nebraska, North Dakota, Texas, and Wisconsin, making a total of $1,364,624.

In some cases, funds have been approved, but the projects are not under construction. They aggregate $6,191,169.

These figures are taken from the tables which Mr. MacDonald sent me this morning. He said that of the $10,000,000, $250,000 is reserved for administration, leaving a balance of $9,750,000 available for allocation. That is approximately the situation.

Mr. RUSSELL. Mr. President, of course the amendment is subject to a point of order because it is legislation on an appropriation bill. I do not desire to make the point of order if the amendment does not do violence to any States participating in this special fund.

Mr. REED. My answer is and if my understanding is not correct, I am willing to correct it between now and the time when the conference report is prepared—that the amendment will not do violence to the States which are in that situation. I am trying to reach this emergency in the West. The money is appropriated, but is not used. That is all we are trying to do.

Mr. RUSSELL. I understand the conditions in the West, and I am perfectly willing to vote appropriations so as to assist the States in repairing the damage which has been wrought by the floods. But voting new appropriations and making available funds previously allocated are entirely different matters.

Do I correctly understand that there will be no necessity for the States to match these funds?

Mr. REED. That is correct.

Mr. RUSSELL. It is entirely, 100 percent, a Federal project; is it?

Mr. REED. That is correct. That is what makes it an emergency.

Mr. RUSSELL. Yes.

Mr. President, this is a rather unusual amendment. I have no idea what the effects will be. But upon the assurance of the Senator from Kansas that in the conference he will recede from the Senate's position on the amendment in the event that it is found to do violence to any State to which the funds have heretofore been apportioned, I withdraw any objection to the amendment.

Mr. REED. I agree to that, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Kansas.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 3839) was read the third time and passed.

Mr. REED. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. REED, Mr. BRIDGES, Mr. BROOKS, Mr. CORDON, Mr. GREEN, Mr. RUSSELL, and Mr. MCKELLAR conferees on the part of the Senate.

SUBSISTENCE ALLOWANCE TO VETERANS PURSUING CERTAIN COURSES OF STUDY

Mr. MORSE, Mr. REVERCOMB and other Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Michigan.

Mr. MORSE. Mr. President, I wish to be recognized.

The PRESIDENT pro tempore. The Senator from Oregon.

Mr. MORSE. Mr. President, I move that the Senate proceed to the immediate consideration of Senate bill 1394, calendar No. 430.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon.

Mr. WHITE. Mr. President, may we be advised what bill that is?

Mr. MORSE. This is a bill which has been reported by the Committee on Labor and Public Welfare. It deals with the subsistence allowance of veterans attending college. The bill, in coming from the Committee on Labor and Public Welfare, a committee of 13 members, comes with only 2 votes against it.

The bill seeks to increase the subsistence allowance for veterans in school from $65 for single veterans to $75; for married veterans without dependents, from $90 to $105; and for veterans with one or more dependents, to $120.

I say to the majority leader that this bill on its face is meritorious. As the record clearly shows—a record which was built up over a series of days of public hearings—it is a bill, I say to the majority leader, which should be passed before the Congress adjourns, and certainly it should be passed very quickly by the Senate and sent on its way to the House of Representatives.

Mr. WHITE. Mr. President, I hope the motion will not be urged at this time. If it is urged, I hope it will not prevail. During the afternoon we have been trying to map out a schedule for the next day or two, and one has been tentatively agreed upon by the majority side.

I hope the Senate will await the disposition of at least some of these matters before this bill is pressed upon our attention.

Mr. MORSE. Mr. President, I simply do not know of any bill that is any more important than this bill is, if what we are interested in is doing justice to the veterans. This bill is most deserving. It can be acted upon very quickly if we wish to act on it on its merits.

I shall press for a vote on the motion, and I shall ask for the yeas and nays.

Mr. TAFT. Mr. President, this bill is one of 10 bills which the Republican policy committee announced to the press would be brought up for consideration by the Senate. However, the time at which those bills must be brought up must be determined by the necessities of the case, it seems to me; and the first necessity of the case is that we must finish action on the appropriation bills. Employees are waiting for their pay, and it seems to me the first purpose of this body must be to complete all action on the appropriation bills. There is now ready for consideration, and we intend

to bring it up next, the Government corporations appropriation bill.

The Senator from Oregon may be certain that we shall call up the bill to which he has referred just as soon as the other measures which must necessarily precede it are acted upon. If every Senator is going to insist that a particular bill in which he is interested shall be considered first, after we have promised him, if you please, and have announced that we are going to take it up, there can be no order in the procedure in the Senate. It seems to me that first we must necessarily finish action on the appropriation bills.

Therefore I respectfully request that at this time the Senator from Oregon withdraw his motion. I can assure him that his bill will be taken up in due order, with the other bills which we have definitely announced must be disposed of by the Senate before an adjournment is taken.

I wish to make it clear that the policy committee has put this bill on the list, and it will be considered. But I think we must first dispose of the appropriation bills.

Mr. BARKLEY. Mr. President, if the Senator will yield to me, let me ask whether this bill has been acted upon by the House of Representatives.

Mr. MORSE. No; it has not.

Mr. BARKLEY. So if it were passed by the Senate, it would have to go to the House of Representatives and be acted on by it, before adjournment, in order to be sent to the President, be signed by him, and become effective; is that correct?

Mr. MORSE. That is correct.

Mr. TAFT. Mr. President, we have some bills of great importance—for instance, the sugar bill, determining the policy with regard to the sugar industry. We have announced the list of bills which we shall act upon, and we must take Senate bills before House bills, so far as that is concerned.

But on the question of priority, I think we must first proceed with the appropriation bills in the order which I believe the Senator from Maine previously announced.

Mr. BARKLEY. Mr. President, I appreciate the importance of the appropriation bills; and of course we do not act on them until they come to us from the House of Representatives.

It is true that the bill which is the subject of discussion was placed on what may be called the agenda on which the majority party Policy Committee has placed a group of bills which it believes should be acted upon by the Senate before an adjournment is taken. But I should like to ask the Senator from Ohio whether the inclusion of these bills or this particular bill or any measure similar to this bill on the agenda for the Senate carries with it the understanding that such bills are to be acted upon by the House of Representatives.

Mr. TAFT. No; there is no such understanding. The announcement about the 10 bills was made as the decision of the Senate Republican Policy Committee as to the order in which they would be considered, without any commitment by the House in regard to them. I think there are one or two of them as to which the House has definitely committed itself—but not all.

Mr. BARKLEY. I had understood that the leaders in both Houses would agree upon a program of legislation which might be completed in both Houses before the adjournment. That is the impression I received. Perhaps I received the wrong one.

Mr. MORSE. Mr. President, I fully appreciate the position taken by the Senator from Ohio. I wish I might accommodate him in this particular, but I am perfectly aware of the partliamentary position of my motion. I am also aware of the fact that debate on appropriation bills can go on, and the time may become so short at the end of the session that there will be no chance of getting this bill of mine acted upon by the House before the Congress adjourns.

This bill is of vital importance to the veterans. I have worked hard on the bill. My subcommittee worked hard on the bill. We have built up a splendid record in support of it. It is a bill which should not require extended debate, if the Senate wants to do justice to the veterans who are attending school. I think the case in support of the bill is overwhelmingly in its favor. I am not going to sacrifice the interest of these veterans because of a request made of me to postpone the consideration of the bill at this time. I know of no better time to do justice to our veterans than now.

Therefore, Mr. President, I call for a yea-and-nay vote on my motion.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE], who requests the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, the list of measures which was given to the press includes the following:

H. R. 3961, to increase payments to Spanish War veterans.

Senate Joint Resolution 144, to approve the United Nations site agreements.

S. 1584, to establish a 5-year sugar program.

H. R. 3818, to freeze the social security tax.

Senate Joint Resolution 130, to establish a code for safety in mines.

H. R. 3309, to amend the Organic Act of Puerto Rico, and to establish a government for Puerto Rico.

S. 1391, a bill to authorize the purchase of automobiles for disabled veterans, which is one of the bills of the Senator from Oregon.

S. 1394, to increase subsistence allowances to veterans undertaking educational courses, the bill to which the Senator from Oregon now refers.

House Concurrent Resolution 51, Reorganization Plan No. 3, which has a definite date line on it, which must be determined.

Mr. President, it seems to me that we have the right to ask the Senate, in the interest of orderly procedure, that these measures be brought up in the proper order, and we respectfully request that the motion of the Senator from Oregon be voted down at this time. He may be sure that the bill will be brought up.

OPERATIONS OF GOVERNMENT AGENCIES IN THE COMMODITY MARKETS

Mr. WILLIAMS. Mr. President, I wish to make a few remarks to the Senate at this time in regard to the operations of Government agencies in the commodity markets.

Earlier in the year, when wheat prices were at an all-time high, and certain Government officials were attributing the reason to speculation, thereby seeking to discredit the grain operators, I answered them by saying that the Government itself should assume full responsibility for the erratic markets at that time. At the same time I called to the attention of the Senate the fact that there existed a "technical corner" in the wheat market and instead of the private grain operators being responsible for this corner, the Government itself through the Commodity Credit Corporation was the principal violator.

I also had published in the RECORD a statement issued by the National Association of Commodity Exchanges in which they said in connection with wheat "The market is faced with explosive possibilities due to the fact that the Government's export program has been stepped up to the point where it will require full realization of the bumper crop as indicated in their last crop report to prevent the creation of a supply condition that would be dangerous in this country—crops are not made in March. Any failure of the crop from this point could lead to disaster." That statement was made in March in reference to wheat, and the warning went unheeded.

The crop failure which we feared might happen in wheat has now happened in corn. The grain market today under the present irresponsible buying practices of the Federal Government has explosive possibilities. The same conditions that existed a few months ago when high wheat prices were caused by the Government scraping the bin for foreign economic operations are being repeated today in the buying and exporting program for corn. The situation has been aggravated further by the unwillingness of Government officials to tell the people frankly that the high prices are directly attributable to our tremendous exports. On the contrary, they have been telling our people that the high prices of today are the direct result of the abandonment of the OPA. The opponents of our free competitive economy have taken advantage of this situation as offering an ideal opportunity to sell once more to the American people their New Deal plan of a controlled economy.

I made the charge earlier this year, and I repeat it again today, that these irresponsible and haphazard buying practices of the Government are not so much the result of ignorance as they are a part of a preconceived plan of some high Government officials to impose upon this Nation a socialistic form of government. It is high time that we in America recognize the fact that this country of ours was created and developed into its greatness upon the capitalistic system of free enterprise—a system which not only recognized and respected the rights of individual citizens but also required citizens to assume the responsibilities placed upon them by a free-enterprise system.

In order to prove that today the Government through the Commodity Credit Corporation has been responsible for the erratic grain markets during the past year, I wish to submit at this time specific examples of some of their operations.

First, let us review the operations of the Commodity Credit Corporation in the wheat market during the past 12 months, a period in which this country produced a bumper crop of all grains. We will begin with July and August 1946, the normal harvest period for wheat and a time when you would naturally expect the Government or any other large buyer of wheat to be interested in covering not only their current requirements but also in accumulating a reasonable reserve for their future needs. During this 2-month period of July and August 1946, the Government exported 36,065,217 bushels of wheat, while at the same time it purchased only 29,211,908 bushels and took the remainder from their reserve inventory. This was the time when their purchasing would have proved beneficial to the small farmers of the Nation and also was the opportune time when any sensible businessman would have been accumulating a reserve inventory. However, these efficiency experts as usual were doing exactly the opposite.

Contrast this operation with what happened during the month of January 1947. During that month the Government purchased 38,593,541 bushels, although requirements were only 17,596,459 bushels. This is the month when transportation facilities were at their worst, and our Nation was faced with its most serious boxcar shortages. Wheat prices had advanced from their lows of the previous summer to the highest level in the history of the country.

I will now prove that these excessive wheat purchases during the month of January were wholly unwarranted. During the preceding 3-month period of October, November, and December, the combined purchases were 36,525,080 bushels, or about 10 percent less than the purchases in January. In the succeeding 3-month period, namely, February, March, and April, the total purchases were only 2,268,440 bushels. In other words, during the month of January the worst month in the year for accumulating wheat, the Government purchased 17 times as much wheat in that one 30-day period as it did in the succeeding 90-day period. Thus we have a situation where in the one month of January alone the Government purchased as much wheat as it did in the combined 5-month period around it, notwithstanding the fact that January was the month when transportation facilities were at their worst and wheat prices had advanced to the highest level in the history of the country.

I can think of only three possible reasons for this asinine policy. First, it could be just plain ignorance. Second, it could be that it was a deliberate attempt on the part of certain officials to manipulate the market. Third, it could be a deliberate attempt by the administration to discredit the present Congress for their action in ending Government controls, especially OPA, and their desire to set up a socialistic form of Government to replace our Government of free enterprise.

Suppose we now examine the operations of the Commodity Credit Corporation in the corn market. In the 6-month period between July and December of last year, when the Nation was harvesting the largest corn crop on record, we find that the total purchases by the Commodity Credit Corporation totaled 11,524,000 bushels, or an average of less than 2,000,000 bushels per month. This was during the harvest period and when corn was selling at the lowest prices since prewar years.

But in January, with grain prices soaring, when roads were bad, transportation facilities were crowded, and the boxcar shortage at its worst, these same expert buyers entered the market abruptly and purchased 21,780,500 bushels, against export requirements for that month of only 6,200,600 bushels. This was the same thing they did with wheat. The result was that grain prices skyrocketed, and many of our eastern poultry and dairy farmers were forced out of business or threatened with bankruptcy on account of the abnormally high feed prices.

Very few farmers benefited from these increased prices during the winter months, because most of them had previously sold during the harvest period and the others were unable to deliver their grain over the winter roads. The large operators reaped the benefits. Their operations in February show a repetition of what they did in January, buying 19,978,000 bushels against requirements of about half that amount. This should be sufficient proof of mismanagement or market manipulation by this Government agency, but if further evidence is needed of what manipulation of commodity markets will do to our economy, I call attention to the price of corn today. July corn this week sold at more than $2.25 per bushel, the highest price during the past 100 years. That is the Chicago price. Cash corn sold for 25 cents per bushel premium over the July contract. Such premiums mean an unbelievable distortion of values, bringing repercussions in all segments of the market. Government officials today are still completely ignoring the fact that the country is faced with the certainty of a short corn crop and a situation that could readily develop into a complete crop failure.

To further emphasize the seriousness of this situation, I call attention to how our carry-over of corn has dropped during the past 7 years. The carry-over was as follows: In 1940, 687,000,000 bushels; in 1941, 644,000,000 bushels; in 1942, 492,000,000 bushels; in 1943, 388,000,000 bushels; in 1944, 234,000,000 bushels; in 1945, 325,000,000 bushels. In 1946 it had declined to 172,000,000 bushels.

The visible supply of corn on June 15, 1946, was 19,935,000 bushels, compared with a visible supply on June 14, 1947, of only 11,260,000 bushels.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. I should like to interpolate at that point similar figures regarding the potato program. I ask permission that these figures be inserted in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following is a list of the facts and data on the subject of potatoes:

Crop estimate as of July 1, 1947

	Bushels
For the United States production of potatoes	351,674,000
For the State of Maine	52,080,000
1946 crop, United States	475,969,000
State of Maine	77,745,000
Crop average, United States for a 10-year period between 1936 and 1945	376,122,000
State of Maine	47,572,000

IMPORTED FROM CANADA

From Sept. 15, 1946, to May 30, 1947:	*Bushels*
Certified seed	2,220,000
Table stock	1,118,000

Under the price-support program there have been removed from the market potatoes in the following three categories:

No. 1. Unharvested.

No. 2. Field storage.

No. 3. Dumped.

All amounting to a total of 26,500,000 bushels, the total cost $24,500,000; of which the quantity of dumped potatoes amounted to 19,000,000 bushels, at a cost of $17,569,000.

Potatoes were shipped from the United States to foreign countries to the extent of 11,375,000 bushels, at a cost to the Government of about $12,000,000.

These were all late-potato States, and the bulk was furnished from the State of Maine. It is the greatest and most successful shipping of potatoes the world has ever seen.

These potatoes went to 18 foreign countries—Belgium, Germany, France, Spain, Portugal, Italy, Albania, Trinidad, Spanish Morocco, Yugoslavia, Martinique, Korea, China, the Philippines, Japan, Venezuela, Brazil, the Netherlands, and India.

These potatoes were shipped under the support-price program.

Mr. BREWSTER. Mr. President, I call attention simply to the compilation of the figures, which shows that some 26,500,000 bushels of potatoes were dumped during the past year, purchased at a cost of $24,500,000. From September 15, 1946, to May 30, 1947, there were imported from Canada more than 3,000,000 bushels of potatoes, apparently only to replace those that had been dumped. This is another illustration of the vagaries of the Government with regard to marketing.

Mr. FERGUSON. Mr. President, will the Senator from Delaware yield, that I may propound a question to the Senator from Maine?

Mr. WILLIAMS. I yield for that purpose.

Mr. FERGUSON. Will the Senator advise the Senate what department determines the amount of potatoes to be dumped, and, when the potatoes have been dumped, the number of potatoes that must be imported to take the place of the potatoes dumped?

Mr. BREWSTER. The Department of Agriculture determines what potatoes shall be dumped.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WILLIAMS. I should prefer, Mr. President, not to yield further.

What is true in reference to wheat and corn is equally true of other cereals, especially in the case of barley, where we find that in the 11-month period of July 1946 to May 1947, inclusive, the Commodity Credit Corporation purchased a total of 21,585,052 bushels against exports of only 7,749,012 or in this case they have overbought their requirements 250 percent. I may say that if the export program continues for the next few months as it has been for the past 11 months, they have enough barley on hand to continue the program for over 2 years.

Mr. President, for the further information of the Senate, I ask unanimous consent to place in the RECORD at this point figures showing the purchases and shipments of grain and flour during the past 12 months by the Commodity Credit Corporation.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Purchases of grain and flour by Commodity Credit Corporation,[1] July 1, 1946, through June 30, 1947

[Grain in bushels, flour in hundredweights]

Commodity	July	August	September	October	November	December	January	February	March	April	May	June	Total
Barley					2,215,000	620,335	1,836,666	1,062,498	5,826,250	5,994,970	4,029,333	50,000	21,635,052
Corn					2,835,000	8,689,000	21,780,500	19,978,000	6,270,000	13,276,046	5,123,000	745,000	78,696,546
Oats		665,000	2,425,000	14,500	1,315,000	14,000		62,500	1,600,000	725,000	258,000		7,079,000
Sorghum grain						680,000		1,345,000					2,025,000
Wheat	13,785,657	15,426,251	29,255,188	17,946,323	11,755,065	6,823,692	38,593,541	1,291,660	883,517	93,263	6,243,356	33,059,653	175,157,166
Total grain	13,785,657	16,091,251	31,680,188	17,960,823	18,120,065	16,827,027	62,210,707	23,739,658	14,579,767	20,089,279	15,653,689	33,854,653	284,592,764
Flour	4,238,419	967,849	1,471,381	2,254,590	1,691,329	1,260,722	4,992,819	2,838,292	1,533,590	5,730,801	3,466,860	4,123,900	34,570,552

[1] Based on time of entering into contract to purchase irrespective of delivery date of commodity.

Shipments of grain and flour to claimants by Commodity Credit Corporation,[1] July 1, 1946, through June 30, 1947

[Grain in bushels, flour in hundredweights]

Commodity and claimant	July	August	September	October	November	December	January	February	March	April	May	June	Total
Barley:													
United States, United Kingdom, Germany, and Italy						399,653	346,173				758,500	1,253,195	2,757,521
United States, Pacific						376,740	944,487	1,491,980	1,474,366	1,402,423	438,547	2,353,930	8,482,473
UNRRA, Poland									116,143				116,143
Total						776,393	1,290,660	1,491,980	1,590,509	1,402,423	1,197,047	3,607,125	11,356,137
Corn:													
Belgium								340,000	160,000				500,000
Netherlands								357,520					357,520
Portugal								606,000					606,000
Switzerland								358,280					358,280
United Kingdom								677,160				60,000	737,160
United States, Pacific							883,840	1,032,040	2,260,880	791,536	4,772,752	4,555,480	14,296,528
United States, United Kingdom, Germany, and Italy	448,120	406,200					4,263,800	2,353,840	5,392,320	2,377,436	4,479,828	3,825,840	23,547,384
India	356,520												356,520
UNRRA:													
Italy	336,400					634,000	680,960	4,429,960	1,399,560	2,214,129	760,953		10,455,962
Greece	178,120							357,520	698,800	1,099,502	365,535		2,699,477
Poland	157,240							326,000	150,600	722,500	725,257		2,081,597
Austria							372,000	691,440	674,480	754,968	341,683		2,834,571
French zone									1,086,560				1,086,560
Italy										2,548,895	1,376,508		3,925,403
Southern Rhodesia										333,500			333,500
United States, Austria										340,106	374,378	342,400	1,056,884
Egypt											385,651		385,651
Finland										361,740			361,740
France												2,546,080	2,546,080
Total	1,476,400	406,200				634,000	6,200,600	11,529,760	11,823,200	11,544,312	13,582,545	11,329,800	68,526,817
Oats:													
UNRRA:													
Austria			962,990										962,990
Italy			489,650										489,650
Poland			473,340										473,340
United States, United Kingdom, Germany, and Italy				546,910	979,020	2,165,870	581,000				528,800	1,523,550	6,325,150
United States, Pacific							62,510				62,560		125,070
Total			1,925,980	546,910	979,020	2,165,870	643,510				591,360	1,523,550	8,376,200
Sorghum grain:													
Army, Europe							664,000						664,000
United States, Pacific									680,000	672,000	324,000		1,676,000
Total							664,000		680,000	672,000	324,000		2,340,000
Wheat:													
Afghanistan					223,800								223,800
United States, United Kingdom, Germany and Italy [2]	2,698,282	2,818,311	905,458	823,755	2,513,311	10,481,076	3,977,672	2,120,468	948,949	1,465,800	2,209,351	5,519,203	36,481,638
United States, Pacific	1,534,149	930,523	2,451,804	2,765,124	1,865,858	2,471,125	3,930,711	3,075,422	1,338,771	2,064,657	1,474,589	1,382,965	25,285,698
Belgium		636,636	317,050	304,219	523,431	1,209,303	798,630	679,904	665,768	1,371,067	345,000		6,851,008
Finland	320,332	313,208			316,826	320,519	328,725	685,872			346,000		2,631,482
France								994,903	1,013,217	1,310,978	674,000	1,005,110	4,998,208
French zone							317,721	950,665	339,691	349,067	329,887		2,287,031
India	2,232,741	2,536,325	3,247,040	1,429,672	2,797,463	1,324,747	985,503	1,048,690	1,612,442	1,042,291	328,333		18,585,247
Netherlands	2,140,498	1,327,395	996,171	570,429	601,612	1,696,218	673,004	1,006,802	695,608	710,341	444,333		10,862,411
Norway	584,491	860,511	171,580	573,488	315,073	621,679			37,300		294,054		3,710,473

[1] Based on port liftings.

[2] Includes 2 or 3 cargoes shipped to United States Zone in Austria.

Shipments of grain and flour to claimants by Commodity Credit Corporation,[1] July 1, 1946, through June 30, 1947—Continued

[Grain in bushels, flour in hundredweights]

Commodity and claimant	July	August	September	October	November	December	January	February	March	April	May	June	Total
Wheat—Continued													
Portugal	313,021	320,780	297,729		317,050	155,504	178,965	337,714	745,105	585,000	365,866	130,623	3,927,357
Peru						324,361							324,361
Saudi Arabia		223,800											223,800
Switzerland	640,739		342,712		445,548		289,262	687,402	668,826	681,800			3,756,289
United Kingdom	4,715,988	3,869,278	3,255,507	1,123,886	1,102,886	468,600	1,608,413	2,288,206	1,561,863	2,448,238		984,691	23,427,556
Uruguay					972,821		337,901						1,310,722
UNRRA:													
Austria	634,324	318,728	302,727		635,629	656,144	968,494	993,224	1,515,797				6,025,067
China	303,547	954,358			640,814	316,118	331,522	310,444			348,891		3,215,694
Czechoslovakia	620,448	609,930				319,698				337,457	338,071		2,225,604
Greece	736,227		311,716		289,746	1,341,868	668,565	348,755	1,316,280	349,067	703,181		6,065,405
Italy	462,818	316,453		201,383		1,988,463	1,949,074	1,894,691	4,339,855	340,000			11,492,737
Poland	608,438	646,745	343,011						89,568	4,851	652,999		2,336,612
Hungary									93,250				93,250
Mexico	265,762	268,709	405,936	414,328									1,354,735
Eire	301,720									343,467			645,187
Brazil					1,022,169	353,679							1,375,848
Bolivia						316,155				326,690			642,845
Sweden						286,672		48,938					335,610
Italy										1,018,067	1,709,033		2,727,100
Poland										421,600	574,400		1,006,000
Hungary											322,000		322,000
United States of Austria											642,333	637,932	1,280,265
Total	19,113,525	16,951,692	13,348,441	8,206,284	14,584,037	24,651,929	17,596,459	17,482,100	16,973,200	15,180,438	12,102,381	9,840,524	186,031,100
Flour:													
Army	908,024	1,741,860	655,496	284,068	467,922	1,761,183	1,606,768	491,340	313,438	421,170	320,385	1,070,680	10,042,334
UNRRA	1,201,554	1,206,016	607,452	503,355	1,150,380	1,208,473	589,930	1,486,131	755,896	1,716,874	773,910	295,725	11,495,696
France and French zone	955,171	103,721	8,369										1,067,261
Belgium	157,839	148,987	6,523										313,349
Finland	18,350												18,350
Netherlands		144,148	42,237										186,385
United Kingdom Zone		189,576	206,725										396,301
Afghanistan			70,139	3,548		58,414							132,101
United States, United Kingdom, Germany									359,246	908,514	2,550,885	3,501,656	7,320,301
Navy									30,000	60,004			90,004
Greece												76,850	76,850
Total	3,240,938	3,534,308	1,596,941	790,971	1,618,302	3,028,070	2,196,698	1,977,471	1,458,580	3,106,562	3,645,180	4,944,911	31,138,932
Total all grains	20,589,925	17,357,892	15,274,421	8,753,194	15,563,057	28,228,192	26,395,229	30,503,840	31,066,999	28,999,173	27,797,333	26,300,999	276,630,254

[1] Based on port liftings.

Mr. WILLIAMS. Mr. President, I have just outlined to the Senate how the administration, operating through the Commodity Credit Corporation, has completely demoralized our grain markets during the past 12 months. This cannot all be laid to bad management. I do not think it is possible for any group of men to be so stupid. The law of averages would take care of some of these errors. I am convinced that it was a part of a deliberate attempt on the part of the administration to sell the need of price controls and rationing back to the American people and to destroy our system of private enterprise.

I am now going to present to the Senate a record of the operations of another Government agency to prove that this was a part of a preconceived plan to retain controls and that these abnormal purchases were conducted at a time most likely to influence congressional legislation.

For instance, in examining the purchases by the Quartermaster Corps for the armed forces, I find that during the 6-month period, January to June, inclusive, 1946, they purchased 29,681,000 pounds of poultry. Their requirements for the same period were listed at about 30,000,000 pounds. In other words, during the last 6 months before price control was removed, the purchases of poultry were running just about even with their requirements, but on June 30 price controls on poultry were abandoned and many prominent Government officials began warning the people that the price of poultry would reach fantastic heights. After it was decontrolled, I find that this Government agency, to make the story come true, purchased between July and December, inclusive, 80,110,000 pounds of poultry, against estimated requirements for the same period of only 30,000,000 pounds, or 2½ times as much as was needed. These excessive purchases were conducted at a time when poultry was selling at the highest level on record and the consumers were unable to obtain a chicken at any price. Yet we have a situation where one Government official was pitying the poor consumer and reproaching the Republican Party for wrecking the OPA while another Government official was hoarding the poultry to make his predictions come true.

Price controls on other meats were continued beyond June 30, 1946, and were later decontrolled by Executive Order the latter part of October, and at the same time that they were decontrolled, the administration charged the farmers of America with holding the meat on the farms and with tears in their eyes extending their pity again to the poor consumers. But at the same time I find that the same Government agency was deliberately cornering all the available supplies of meat to make sure once again that its predictions of higher prices would come true. To prove this statement I quote the following figures:

The estimated requirements of the Army on pork are listed at approximately 14,000,000 pounds per quarter. In the 6 months' period prior to the Presidential proclamation canceling these controls; namely, May to October 1946, I find that the agency purchased 33,705,000 pounds of pork against estimated requirements for the same period of approximately 29,000,000 pounds, just slightly more than its current requirements. But during the 3 month's period following recontrol, November, December, and January immediately following the Presidential warning of what would happen to meat, the same agency purchased 39,438,000 pounds of pork against requirements of only 14,500,000, two-and-a-half times as much as it needed.

Its purchases of sausage in the same 6-month period prior to the removal of price controls, May through October, 1946, totaled 12,108,000 pounds, or an average of about 2,000,000 pounds a month. In the 3 months' period, November, December, and January, following the removal of price controls, its purchases totaled 27,506,000, or a monthly average of over 13,000,000 pounds. In the 3-month period, November, December, and January, following the decontrol, its purchases totaled 120,326,000 pounds, or a monthly average of over 40,000,000 pounds, an increase in this instance of over 300 percent more than its requirements. In the 3 months following; namely, February, March, and April, its purchases totaled 66,500,000 pounds, which represented a considerable reduction but an amount which was still in excess of its stated requirements.

The requirements of veal as listed by the Quartermaster Corps is around 2,000,000 a month. Beginning with the year 1946, during the months of January, February, March, April, May, and June,

their purchases totaled 7,935,000 pounds, or slightly less than their recent current requirements. But during the last half of 1946, from July to December, inclusive, their purchases totaled 35,587,000 pounds, exceeding their requirements again over 300 percent.

I could go on indefinitely showing instances where the buying practices of these Government agencies have been conducted in such a manner as to disrupt any chance of having orderly markets for farm products, and the result has been that the markets have advanced from extremely high prices to exceptionally low levels. These high levels have been used as an opportunity for the administration to sell to the consumers the need of controls. When these buying sprees were suddenly and without warning halted, resulting in a demoralization of these markets, the same New Deal experts seized this opportunity as being the time to sell to the farmers of the Nation the need of price supports, subsidies, and Government controls over the production and distribution of farm products.

Mr. President, a careful study of the above tabulation of purchases will convince anyone with ordinary business judgment that the present administration is disregarding, and will continue to disregard, all sound business practices and in lieu thereof will be guided by that New Deal golden rule, namely, tax, spend, regulate, and control.

There can be no hope for the taxpayers of our own country so long as the present administration refuses a few dollars of relief in taxes to millions of our own citizens while at the same time it advocates sending billions of dollars for so-called relief to the citizens of other countries who are unable or unwilling, in many instances, to try to produce the necessities of life because of their system of controls, fixed prices, and fixed money values which have destroyed all confidence in their government.

Mr. President, I wonder how long the American ship of state can withstand the storms and sail on an uncharted sea toward an unknown destination without being destroyed by the storms or arriving at the port of socialism?

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. I wonder what the Senator has reference to by requirements of the Commodity Credit Corporation for any 6 months. How does the Senator arrive at his figures of requirements?

Mr. WILLIAMS. I assume that their requirements would be the amount of grain which they proposed to export during the period, and the amount which they did export during the period. I inserted a chart in the RECORD, and the figures I used for requirements are included in the chart, and also the exports during that period.

Mr. YOUNG. As I remember, during the course of his remarks the able Senator from Delaware stated that January and February a year ago were the heaviest purchasing months by the Commodity Credit Corporation. Is that correct?

Mr. WILLIAMS. I cannot recall just what statement the Senator is speaking of.

Mr. YOUNG. Did not the Senator state during the course of his remarks, that during last January and February the Commodity Credit Corporation purchased far above its needs?

Mr. WILLIAMS. During the month of January 1947 the Commodity Credit Corporation purchased 38,593,541 bushels of wheat.

Mr. YOUNG. And its requirements, according to the Senator's figures, were how much?

Mr. WILLIAMS. The Corporation exported during that same period 17,596,459 bushels.

Mr. YOUNG. That is where I think the Senator is away off in his figures. January and February of 1947 were the months of highest requirements of foreign nations. Those are the months when the orders came in. The Senator knows that after the wheat is purchased in Minneapolis it probably takes 3 or 4 weeks before it gets to the seaport for export. So basing the requirements on the amount exported during those months greatly distorts the figures. I could criticize the Commodity Credit Corporation for not going into the market a year ago, or last fall rather, and purchasing early when the market was down, but of course it did not have the orders, and probably did not have the authority to purchase. They could have stabilized the market; but the fact remains that those were the months of highest requirements of any in Europe, and they had to purchase the wheat then. It took a month or more to get the wheat to the seaboard for shipment.

Mr. WILLIAMS. I will say to the Senator from North Dakota that that same explanation was offered to me by one of the officials of the Commodity Credit Corporation when I asked the question. I was told that the reason why they purchased so much wheat in January was their anticipation of the large requirements of Europe for wheat under the present program; but I should like to remind the Senator from North Dakota, as I did the gentleman who called on me, that it was some time in February when the President of the United States appeared before a joint session of Congress and told us and all the citizens of the country, that an unexpected emergency had arisen because of which we were going to have to launch a relief program in Greece and Turkey. The Senator is trying to explain to me that the buyers of the Commodity Credit Corporation anticipated the unexpected emergency, about which the President of the United States knew nothing until some time in February.

Mr. YOUNG. Of course the Commodity Credit Corporation cannot operate the other arms of the Government. It cannot tell the Army when it should buy, and it cannot tell the President when to inaugurate a program.

Let me make one further observation. I agree with the Senator that the OPA officials were wild-eyed and radical, and would possibly even change our system of government. But knowing something about the officials of the Department of Agriculture, and particularly those operating the Commodity Credit Corporation, I should say that they are average American citizens. They are not anxious to take over the Government. For example, Ed Dodd is probably one of the soundest men in the entire Government.

Mr. WILLIAMS. I call the attention of the Senator from North Dakota to this comparison: The purchases of wheat in January, the month prior to the period in which any Member of the Senate knew anything about the unexpected emergency, and apparently prior to the time when the President of the United States knew anything about the unexpected emergency, were 17 times as much as was bought in the succeeding 3 months, after we had been launched into the so-called Truman program.

Mr. YOUNG. Thereafter the market rose considerably.

Mr. WILLIAMS. They purchased six times as much wheat in January as they did in December. They did the same thing with respect to corn, as I pointed out, and with respect to poultry. I know that during the latter half of last year poultry was selling at the highest price in the history of the country. They purchased enough poultry in 3 months to last for a full year. They will have to dump it or give it away. It will not keep in storage.

Mr. YOUNG. I should say that it was sound judgment to purchase more in December, because the market was higher in January, and in February it was higher that it had been in January.

Mr. WILLIAMS. Speaking of good, sound judgment, I call attention to the further fact that the Commodity Credit Corporation, in its purchases of meat for UNRRA during the 12-month period preceding January, turned over for export approximately 172,000,000 pounds. I forget the exact figures. Almost 99 percent of that was purchased prior to June 30 last year. During the past 12 months they have purchased only 1,700,000 pounds.

Mr. YOUNG. The Senator is now speaking of UNRRA.

Mr. WILLIAMS. I am speaking of meat which was purchased by the Commodity Credit Corporation for UNRRA.

Mr. YOUNG. On orders by UNRRA, over which they had no control.

Mr. WILLIAMS. I cannot prove this statement, but I have been told that the bulk of the 170,000,000 pounds was purchased during the period when the Congress was debating the extension of price controls in May and June 1946. At least I know that some time prior to June 30, when Congress was debating price controls, which expired last year, this agency, the Commodity Credit Corporation, entered the meat market and purchased nearly 99 percent of a full year's requirements. Why did they do it?

Mr. YOUNG. For whom were they purchasing?

Mr. WILLIAMS. I do not know.

Mr. YOUNG. If the President of the United States, through UNRRA or other

agencies, demanded that they purchase, they had to do it.

Mr. WILLIAMS. Then perhaps it is the fault of the President. I am merely telling the facts.

Mr. YOUNG. I am not defending UNRRA, or any other agency, but I believe that we have a good Department of Agriculture.

Mr. WILLIAMS. I am simply saying that so long as the Department of Agriculture will enter the market and say, "Here I come with a big order," we shall continue to have demoralized markets.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. BUTLER. A remark was just made about the good, sound judgment which was used by the men who are handling the program for the purchase of grain. I wish to ask a question of the Senator from Delaware. Does the Senator from Delaware believe that a man uses good, sound judgment better when he is spending his own money, or when he is playing with the unlimited means of the United States Treasury?

Mr. WILLIAMS. I think the question answers itself.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I promised to yield to the Senator from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. President, I did not wish to obtain the floor until the Senator was through. Has the Senator concluded his remarks?

Mr. WILLIAMS. I have concluded, Mr. President.

Mr. MAGNUSON. Mr. President, I have an important engagement which I must attend, and I must leave the Senate at this time, and I wish to announce that should there be a vote on the so-called Morse bill, if I were present I would vote "yea."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes.

Mr. BREWSTER. Mr. President, I move that the Senate adjourn.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Ferguson
Baldwin	Cain	Fulbright
Ball	Capehart	Gurney
Barkley	Connally	Hatch
Brewster	Cooper	Hawkes
Bricker	Donnell	Hickenlooper
Bridges	Dworshak	Hill
Brooks	Ecton	Hoey
Holland	Maybank	Sparkman
Jenner	Millikin	Stewart
Johnston, S. C.	Moore	Taft
Kem	Morse	Taylor
Kilgore	Murray	Thye
Knowland	O'Mahoney	Umstead
Langer	Overton	Vandenberg
Lodge	Pepper	Wherry
McCarran	Reed	White
McCarthy	Revercomb	Wiley
McClellan	Robertson, Va.	Williams
McFarland	Russell	Young
McGrath	Saltonstall	
McMahon	Smith	

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Maine [Mr. BREWSTER] that the Senate adjourn.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from Pennsylvania [Mr. MARTIN] and will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Iowa [Mr. WILSON] are detained on official business.

The Senator from Kansas [Mr. CAPPER], the Senator from Oregon [Mr. CORDON], the Senator from Nevada [Mr. MALONE], and the Senator from Utah [Mr. WATKINS] are unavoidably detained.

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. DOWNEY], and the Senator from Louisiana [Mr. ELLENDER] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. MCKELLAR], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Texas [Mr. O'DANIEL], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Pennsylvania [Mr. MARTIN] has been previously announced by the Senator from Kansas.

The result was announced—yeas 35, nays 29, as follows:

YEAS—35

Baldwin	Ferguson	Revercomb
Ball	Gurney	Saltonstall
Brewster	Hawkes	Smith
Bricker	Hickenlooper	Taft
Bridges	Jenner	Thye
Brooks	Kem	Vandenberg
Butler	Knowland	Wherry
Cain	Lodge	White
Capehart	McCarthy	Wiley
Donnell	Millikin	Williams
Dworshak	Moore	Young
Ecton	Reed	

NAYS—29

Aiken	Kilgore	O'Mahoney
Barkley	Langer	Overton
Connally	McCarran	Pepper
Cooper	McClellan	Robertson, Va
Fulbright	McFarland	Russell
Hatch	McGrath	Sparkman
Hill	McMahon	Stewart
Hoey	Maybank	Taylor
Holland	Morse	Umstead
Johnston, S. C.	Murray	

NOT VOTING—31

Buck	Green	O'Daniel
Bushfield	Hayden	Robertson, Wyo.
Byrd	Ives	Thomas, Okla.
Capper	Johnson, Colo.	Thomas, Utah
Chavez	Lucas	Tobey
Cordon	McKellar	Tydings
Downey	Magnuson	Wagner
Eastland	Malone	Watkins
Ellender	Martin	Wilson
Flanders	Myers	
George	O'Conor	

So the motion was agreed to; and (at 6 o'clock and 51 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 16, 1947, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 15, 1947

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Infinite and eternal God, grant that we may sense the sanctity of all the tasks of each new day and respond more eagerly to the pulsations of the higher life and the leading of Thy spirit.

We pray that Thou wilt expand our minds and hearts that they may be large enough to comprehend the revelations of Thy truth and Thy love.

May we declare plainly and resolutely by our conduct in all the spheres of human relationships that we are seeking to build a social order in which the spirit of good will and brotherhood shall be regnant in the soul of man.

In Christ's name we offer our prayers and petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H. R. 3950. An act to reduce individual income-tax payments; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3601. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROOKS, Mr. GURNEY, Mr. REED, Mr. BUSHFIELD, Mr. RUSSELL, Mr. HAYDEN, and Mr. TYDINGS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

The message also announced that the Senate had adopted the following resolution:

Senate Resolution 151

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOSEPH J. MANSFIELD, late a Representative from the State of Texas.

Resolved, That a committee of two Senators be appointed by the President pro tempore to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian tomorrow.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made last Sunday.

Mr. PHILLIPS of Tennessee asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. KUNKEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an analysis of the Rent and Housing Act of 1948.

ANSWERING THE PRESIDENT ON THE RENT AND HOUSING ACT

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Speaker, the fallacies and misrepresentations contained in President Truman's message accompanying his signature of the Rent and Housing Act have caused a great deal of difficulty, misunderstanding, and damage to both the tenants and landlords throughout the country. I have placed in the RECORD a short statement answering the President on this subject and attempting, to the best of my ability, to correct the misapprehensions arising from this highly political and grossly inaccurate analysis. I would suggest that those of you who have had trouble in your districts on this matter read this statement in the Appendix of today's RECORD.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that I may address the House for 30 minutes on Friday next following the legislative program of the day and any special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS TO SIT DURING SESSION TODAY

Mr. RICH. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have permission to sit during the session of the House today until 1 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE MARSHALL PLAN

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, as I have previously stated on this floor, I am in full accord with the Marshall plan and am ready to vote the funds necessary to put it into effect. The Paris Economic Conference, which is now in progress, should have its reports and recommendations completed by early fall. In view of this and in view of the urgency of the world situation so well depicted by General Marshall in his speech before the Governors' Conference in Salt Lake City last night, I believe the Congress should meet in special session next October to consider the Marshall plan and to deal with questions of foreign policy exclusively.

Since this House is the branch of the Congress closer to the people—because it is elected every 2 years—since the Marshall plan cannot be adopted unless and until this House agrees to approve it, and since legislation to effectuate and implement the plan must come before the Foreign Affairs Committee of the House, I suggest that the Foreign Affairs Committee of the House be brought at once into the same relationship with the State Department and the Secretary of State as the Foreign Relations Committee of the other branch of the Congress.

Since in the United States the people must support any foreign policy if it is to be effective, and since in order to bring this about there must be a thorough dissemination of full and adequate information, I believe that secrecy in the consideration of foreign affairs should end, that the State Department should place all the facts before the people, and that conferences with congressional committees ought to be made public.

I have confidence in the people. They will make correct decisions if the Department of State will furnish them with the information freely, frankly, and without fear or hesitancy.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD in two instances—in each to include an editorial.

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include an article on Will Rogers.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper excerpts.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

THE MARSHALL PLAN

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RAMEY. Mr. Speaker, I take this opportunity to address the House for 1 minute in order to ask the gentleman from New Hampshire [Mr. MERROW], a question. He has stated that he is definitely for the Marshall plan. I take it for granted that he means he is for the purported Marshall plan, is that right?

Mr. MERROW. I will answer the gentleman by saying the Marshall plan, as I understand it, contemplates a survey of the economic resources and the economic needs of Europe. After that survey is made, then a plan setting forth what Europe needs will be drawn up and presented to the Congress of the United States. Before the plan can become effective the Congress must act. I think the Congress should meet in special session and act this fall.

Mr. RAMEY. But as yet it is not officially before us.

CALIFORNIA WATER PROBLEMS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, I have this day filed House Resolution No. 244, with report, which was introduced by me. It is not my intention to ask consideration of the resolution until the second session of the Eightieth Congress at which time I am confident it will be fully understood and appreciated by all except those who are seemingly incapable of understanding and who deliberately misrepresent its real intent and purpose with reference to California's water problem.

Mr. Speaker, during the early months of this session of Congress, Gov. Earl Warren, of California, came to Washington on official business. In a conference with the California congressional delegation the Governor referred to an approaching water shortage in the southern part of the State which, he said, would be reached within 20 years due to the enormous increase in population, unless steps were taken to increase the present water supply. As a resident of San Francisco the Governor's alarming statement immediately brought to my mind the destruction of that great seaport city in 1906 due to an inadequate water supply. I was harbor master of the port at that time and witnessed five square miles of the very heart of the city being laid waste by fire.

Later, as a member of the legislative body of the city and county of San Francisco I took an active part in developing an adequate water supply which was made possible by what is known as the Raker Act, passed by this House, and which some of the older Members will recall having helped to enact into law after a long, uphill fight. The power interests fought that bill because it made possible the generation of hydroelectric power by the city of San Francisco. This greedy group totally disregarded the necessary expenditure of $150,000,000 by the taxpayers of that stricken city in its need to provide against another such catastrophe.

Mr. Speaker, with this background of experience, and after hearing Governor Warren, I felt it was my duty, as chairman of the House Committee on Public Lands, and also chairman of the California delegation in Congress, to again assist Los Angeles and southern California from the threat of another water famine. Los Angeles and southern California have for years past, and at the present time are experiencing an increase in population greater than any other section of the United States. Over 20 years ago Los Angeles had nearly reached the limit of her then water supply. In desperation water claims were filed nearly 500 miles north of the city and in close proximity to the San Francisco watershed in the Hetch-Hetchy Range of the Sierra Nevada Mountains. San Francisco did not view this act on the part of Los Angeles with alarm—not at all. We extended the hand of friendship to a great sister city of California which, even at that time, had passed San Francisco in population.

Before coming to Washington 21 years ago I attended a conference of high city officials of San Francisco. I volunteered at that meeting to do all within my power to assist Los Angeles in a long-to-be-remembered uphill fight for the use of Colorado River water. This fight was led in the Senate by the late Senator Hiram W. Johnson, of California, and in this House by Congressman Phil D. Swing, both of whom were among the ablest men to ever come out of the West to Congress. Mr. Speaker, I became so interested in the good fight that I left my home in San Francisco and went to Los Angeles where I joined Mr. E. F. Scattergood, advisory engineer of the Department of Water and Power of the City of Los Angeles, who was a valiant leader in that just fight. I accompanied Mr. Scattergood to the Colorado River and visited the present dam site, known then as Black Canyon—now the Hoover Dam. This was before ground breaking and indeed it was black. We went through the ugly canyon in a flat-bottomed motorboat, crossed the Mexican border twice on that trip and followed the course of the Colorado River for several miles into Mexico.

Among the first things I did when I came to Washington was to confer with President Coolidge. I told him my story as impressively as I knew how in order to insure his support for the Colorado River project. I also conferred with the then Secretary of Commerce, Hon. Herbert Hoover. Mr. Hoover favored the project. I left no stone unturned. I did all I could in behalf of the Johnson-Swing bill and its enactment into law.

Mr. Speaker, I recently introduced House Resolution 244 which provides for a long-range study by the Department of the Interior of Pacific coast water potentialities. This resolution originated with me in an earnest and sincere desire to again help southern California solve her serious water problems. If it can be done through a more equitable division of the waters of the Colorado River, well and good. I am for such a division. If, however, after a fair and just adjudication of the uses of the Colorado River water, and if southern California is granted all the water it can reasonably expect, and should it then develop that still more water is needed to meet the future demands, a long-range study of all available surplus waters now running wild into the Pacific Ocean should be made, and that before it is too late.

Mr. Speaker, I desire in passing, to state that my interest in the problems of the great metropolitan city of Los Angeles extends back many years. Forty years ago I was chairman of the committee on commerce and navigation in the California State Senate. The city of Los Angeles had been trying for a long time to secure control of her harbor, which was owned at that time by the State of California. What is now one of the principal seaports of the country was than a rickety old port of call for small, coastwise vessels. A splendid delegation of representative citizens, headed by Judge Leslie Hewitt, came to Sacramento, the State capital, and appeared before my committee with a bill providing for municipal ownership or control of the harbor. I became impressed with their sincerity and just claim and supported their fight. The bill was passed and became law. When I visit Los Angeles and its splendid harbor, where I have often gone as a guest of the Los Angeles Chamber of Commerce and city harbor commission, I naturally refer with pride to my past efforts to assist that very interesting city.

HOUSING SHORTAGE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, as we approach the end of the session and prepare to go home, Members of the House from the big cities and many from rural areas will want to consider what we have done about America's No. 1 domestic problem and Congress' No. 1 domestic "must"—housing. Members should not be taken in by the figures showing material gains in money expended for private residential construction in the first 6 months of 1947, as compared with 1946. Costs have gone up so high that actual permanent housing units started are very little greater than they were in 1946, and are nothing like what they must be if we are to crack the national housing shortage as we cracked the war emergency. From most recent preliminary figures which I have just received, Government agencies report the new permanent housing units started in the first 6 months of 1947, as 359,000, only 19,000 more than for the first 6 months of 1946. These figures may be subject to some revision but the trend is clear. If we continue at the present rate we shall continue to have an acute national housing shortage for from 5 to 10 years. It is clear now that no action can be expected at this session on the Taft-Ellender-Wagner comprehensive housing bill. The only alternative is to lay the whole issue bare by a broad-scale investigation of every possible reason for the national housing shortage as called for by House Resolution 247. This investigation must probe equally into the practices and costs of labor, material suppliers, mortgagers and land sellers, and into the role of government, municipal, State, and Federal, in housing. It is gratifying to see that the Republican Governor of the great State of Vermont yesterday joined in the widespread demand for such an investigation.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Boston Traveler.

SELL TIMBER WITHIN THE TONGASS NATIONAL FOREST

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 205) to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That "possessory rights" as used in this resolution shall mean all rights, if any should exist, which are based upon aboriginal occupancy or title, or upon section 8 of the act of May 17, 1884 (23 Stat. 24), section 14 of the act of March 31, 1891 (26 Stat. 1095), or section 27 of the act of June 6, 1900 (31 Stat. 321), whether claimed by native tribes, native villages, native individuals, or other persons, and which have not been confirmed by patent or court decision or included within any reservation.

SEC. 2. (a) The Secretary of Agriculture, in contracts for the sale, or in the sale, of national-forest timber under the provisions of the act of June 4, 1897 (30 Stat. 11, 35), as amended, is authorized to include timber growing on any vacant, unappropriated, and unpatented lands within the exterior boundaries of the Tongass National Forest in Alaska, notwithstanding any claim of possessory rights. All such contracts and sales heretofore made are hereby validated.

(b) The Secretary of the Interior is authorized to appraise and sell such vacant, unappropriated, and unpatented lands, notwithstanding any claim of possessory rights, within the exterior boundaries of the Tongass National Forest as, in the opinion of the Secretary of the Interior and the Secretary of Agriculture, are reasonably necessary in connection with or for the processing of timber from lands within such national forest, and upon such terms and conditions as they may impose.

(c) The purchaser shall have and exercise his rights under any patent issued or contract to sell or sale made under this section free and clear of all claims based upon possessory rights.

SEC. 3. (a) All receipts from the sale of timber or from the sale of lands under section 2 of this resolution shall be maintained in a special account in the Treasury until the rights to the land and timber are finally determined by or under future legislation.

(b) Nothing in this resolution shall be construed as recognizing or denying the validity of any claims of possessory rights to lands or timber within the exterior boundaries of the Tongass National Forest.

With the following committee amendments:

Page 1, line 7, strike out "31" and insert "3."

Page 3, line 2, strike out "by or under future legislation."

The committee amendments were agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

CLARENCE J. WILSON AND MARGARET J. WILSON

The Clerk called the bill (H. R. 718) for the relief of Clarence J. Wilson and Margaret J. Wilson.

Mr. POTTS. Mr. Speaker, I ask unanmous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CHARLES E. CROOK ET AL.

The Clerk called the bill (H. R. 2268) for the relief of Charles E. Crook.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. POTTS objected, and, under the rule, the bill was recommitted to the Committee on Claims.

MRS. AUDREY ELLEN GOOCH

The Clerk called the bill (H. R. 1078) for the relief of Mrs. Audrey Ellen Gooch.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws the alien Mrs. Audrey Ellen Gooch, of Brisbane, Australia, who married Storekeeper Second Class Leslie R. Gooch, United States Naval Reserve, on September 8, 1944, in Lindfield, New South Wales, Australia, and who is the mother of his minor son, shall not be subject to the provisions of sections 3 and 19 of the Act of February 5, 1917, as amended (U. S. C., 1940 ed., title 8, secs. 136 and 155), insofar as such provisions may be applicable to her conviction in Australia for the theft of personal property.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Mrs. Andrey Ellen Gooch of Brisbane, Australia, the wife of Mr. Leslie R. Gooch, a citizen of the United States who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.), if she is found otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF CERTAIN FOREIGN SERVICE OFFICERS AND EMPLOYEES

The Clerk called the bill (H. R. 3726) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated, and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the following sums of money, which sums represent the value of reasonable and necessary personal property lost by the claimants as a result of war conditions:

Ralph J. Blake, $958; William T. Turner, $100; Fulton Freeman, $40; John Frederick Zahoruiko, $125.35; John Duncan Sumner, $33.26; Liang Chen Yi, $18.57; Ming Chen Tai, $6.97; Harold C. Roser, Jr., $42.83; William George McCoy, $79.50; Philip D. Sprouse, $1,517; Franklin J. C. Liu, $168.74; John B. Burleson, $764; Sham-Tai Chau, $1,551; Wing-Tai Chau, $1,926; Barbara Schurman Petro-Pavlovsky, $1,350.45; Charles B. Beylard, $369.50; Benjamin F. Middleton, $671.50; Florence Palmer, $325; Jacob D. Beam, $601.04; H. C. Furstenwalde, $6,500; Tigner Ogletree, $2,819; Edith Bland, $2,026.50; Alfred W. Klieforth, $77.50; Edward S. Parker, $2,270.05; James E. Parks, $4,494.63; Howard K. Travers, $3,880; Ivan Lavretsky, $5,500; Walter A. Foote, $3,764; Frank C. Lee, $4,847.12; Robert C. Burton, $261.75; William C. Affeld, Jr., $2,067.55; Marjorie Callaghan, $200; Douglas Henderson, $790.50; James E. Mann, $95; Edward A. Rood, $177.07; Nelson R. Park, $1,865.33; Patrick J. Sheehan, $384.47; Edwin Schoenrich, $523.80; Carter Vincent, $623; Ann van Wynen, $29.70; Raymond Ziminski, $226.01.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEWIS H. RICH

The Clerk called the bill (H. R. 434) for the relief of Lewis H. Rich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lewis H. Rich, of Searsport, Maine, the sum of $15,000, in full settlement of all claims against the United States for personal injuries, hospital, and medical expenses, sustained as the result of an accident involving a United States Army officer accidentally firing a revolver while making a search of property in the vicinity of Searsport, December 6, 1944.

With the following committee amendments:

Line 6, strike out "$15,000" and insert in lieu thereof "$4,000."

Line 7, after the word "injuries," strike out the remainder of the bill and insert in lieu thereof "and loss of earnings sustained by him as the result of his having been struck by a bullet accidentally fired from a submachine gun carried by an officer of the United States Army while making a search of property in the vicinity of Searsport, Maine, on December 6, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY DURBIN

The Clerk called the bill (H. R. 439) for the relief of Roy Durbin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy Durbin, of Winchester, Ind., the sum of $4,000 in full satisfaction of his claim against the United States for reimbursement of hospital, medical, nurses, and other expenses incurred by him as a result of an accident which occurred while he was riding in a bus from Winchester,

Ind., to Fort Harrison, Ind., operated by the United States Government and delivering inductees to Fort Harrison, which is near Indianapolis, Ind., and while so being transported the driver carelessly ran the bus into a wagon, causing a collision, and causing great injury to said Roy Durbin. That said collision and accident occurred on June 9, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED O. DONOHUE

The Clerk called the bill (H. R. 618) for the relief of Fred O. Donohue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred O. Donohue, of Hobbs, N. Mex., the sum of $4,822.22. The payment of such sum shall be in full settlement of all claims of the said Fred O. Donohue against the United States arising out of personal injuries, property damage, and subsequent loss of earnings sustained by him, on September 10, 1944, when a truck owned and operated by the said Fred O. Donohue was struck by a United States Army truck on the Black River Bridge, approximately 17 miles south of Carlsbad, N. Mex., on the Carlsbad-Pecos Highway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRAFF, WASHBOURNE & DUNN

The Clerk called the bill (H. R. 1534) for the relief of Graff, Washbourne & Dunn.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNIE L. TAYLOR AND WILLIAM BENJAMIN TAYLOR

The Clerk called the bill (H. R. 1781) for the relief of Annie L. Taylor and William Benjamin Taylor.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

STANLEY-YELVERTON, INC.

The Clerk called the bill (H. R. 2373) for the relief of Stanley-Yelverton, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley-Yelverton, Inc., the sum of $2,997, in full settlement of their claim against the United States for property damage resulting from an accident involving a United States Navy bus operated on Highway No. 54 between Chapel Hill, N. C., and Raleigh, N. C., on the night of October 24, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$2,997" and insert "$1,905.93."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NITA H. STANLEY

The Clerk called the bill (H. R. 2374) for the relief of Nita H. Stanley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nita H. Stanley, the sum of $1,569, in full settlement of her claim against the United States for personal injuries, hospital, and medical treatment resulting from an accident involving a United States Navy bus operated on Highway No. 54, between Chapel Hill, N. C., and Raleigh, N. C., on the night of October 24, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,569" and insert "$569."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTTO KRAUS

The Clerk called the bill (H. R. 2696) for the relief of Otto Kraus, receiver of the Neafie & Levy Ship and Engine Building Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected and, under the rule, the bill was recommitted to the Committee on the Judiciary.

G. F. ALLEN

The Clerk called the bill (H. R. 2811) for the relief of G. F. Allen, former Chief Disbursing Officer, Treasury Department and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of G. F. Allen, former Chief Disbursing Officer, Treasury Department, in an amount not to exceed $274.50, for the difference in his accounts arising from the loss of certain food stamps.

SEC. 2. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of Frank White and W. O. Woods, former Treasurers of the United States; H. T. Tate, former Acting Treasurer of the United States; and W. A. Julian, Treasurer of the United States; for sums not to exceed $330, $1,900.38, $240, and $26,819.15, respectively, representing unavailable items in their accounts as former Treasurers, former Acting Treasurer, and Treasurer of the United States.

SEC. 3. Whenever any check, draft, or warrant, drawn upon the Treasurer of the United States, or upon the Treasurer of the United States through any Federal Reserve bank, or any public debt obligation of the United States, including any obligation of any type whatever, the payment of which is guaranteed by, or assumed by, the United States, heretofore has been or hereafter may be paid in due course and without negligence by or on behalf of the Treasurer of the United States, the Treasurer shall not be liable for any such payment, and the Comptroller General of the United States is hereby authorized and directed to allow credit in the Treasurer's account for such payment: *Provided*, That nothing contained in this section shall be construed to relieve any person, other than the Treasurer of the United States, from any civil or criminal liability now existing or which may hereafter exist on account of any such check, draft, warrant of public debt obligation.

SEC. 4. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of J. W. Reynar, certifying officer, Division of Disbursement, Treasury Department, on account of charges raised by the General Accounting Office in an amount not to exceed $217.61: *Provided*, That the Secretary of the Treasury shall certify to the said Comptroller General that the payments against which charges are raised appear to have been made without fraud on the part of the certifying officer.

SEC. 5. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of W. A. Julian, Treasurer of the United States, for a sum not to exceed $6,680.06, representing unadjusted differences which occurred in the preparation of statements of disbursing officers' accounts during the period from November 1, 1944, to October 31, 1945.

SEC. 6. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $1,351.85, of which amount (a) not to exceed the sum of $66 shall be credited to the accounts of G. F. Allen, former Chief Disbursing Officer, Division of Disbursement, Treasury Department, to the extent necessary to adjust an overdraft of $56 resulting from overpayments by his checks numbered 3,503,191 and 3,503,192, dated October 29, 1942, disbursing symbol 1-100, and to adjust an overpayment of $10 on account of check numbered 1,533,782, dated October 20, 1942,

disbursing symbol 87-407; and (b) not to exceed the sum of $1,285.85 shall be credited to the Treasurer's account to the extent necessary to adjust unavailable items resulting from certain shortages, payment of original and duplicates of five checks, claim of nonreceipt of one check which was mislaid after payment by the Treasurer, and the loss of 15 redeemed Consolidated Federal Farm Loan coupons.

With the following committee amendments:

Page 2, line 4, strike out "$26,819.15" and insert "$25,563.15."

Page 2, line 6, after "States," insert "as listed in exhibits accompanying letter of March 7, 1947, of the Acting Secretary of the Treasury to the Speaker of the House of Representatives."

Page 2, line 2, strike out "of" and insert "or".

At the end of the bill add "as listed in letter of March 7, 1947, of the Acting Secretary of the Treasury to the Speaker of the House of Representatives."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SUSAN W. ROE

The Clerk called the bill (H. R. 3118) for the relief of Mrs. Susan W. Roe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500, to Mrs. Susan W. Roe, of Flushing, Long Island, N. Y., in full settlement of all claims against the United States for personal injuries sustained as the result of an operation at the base hospital, Mitchel Field, N. Y., on July 19, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, after "sustained" insert "and expenses incurred."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTONE G. PINA

The Clerk called the bill (H. R. 3158) for the relief of Antone G. Pina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Antone G. Pina the sum of $150, in full settlement of all claims against the United States for personal injuries, medical expenses, and loss of earnings, sustained by Pina when he was struck by a War Department vehicle at a Civilian Conservation Corps camp in Assonet, Mass., on March 25, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. RUTLEDGE ALFORD

The Clerk called the bill (H. R. 3361) for the relief of J. Rutledge Alford.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Rutledge Alford, of Tallahassee, Fla., the sum of $450. The payment of such sum shall be in full settlement of all claims of the said J. Rutledge Alford against the United States arising out of the loss of a Tennessee walking horse (a sorrel mare by the name of Trixie, registry certificate No. 360190) owned by him and pastured at Lafayette Plantation, Leon County, Fla. The said horse died on June 6, 1944, as the result of drinking the water from a pond created by seepage from the laundry of the Federal correctional institution situated adjacent to such plantation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BELMONT PROPERTIES CORP.

The Clerk called the bill (S. 851) for the relief of Belmont Properties Corp.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERSHING HALL MEMORIAL, PARIS, FRANCE

The Clerk called the bill (S. 358) to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ERIC SEDDON

The Clerk called the bill (S. 1360) for the relief of Eric Seddon.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. POTTS and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

MRS. DAISY PARK FARROW

The Clerk called the bill (H. R. 2350) for the relief of Mrs. Daisy Park Farrow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of law, excluding persons of races ineligible to citizenship from admission to the United States, Mrs. Daisy Park Farrow, nee Daisy Park, who is the wife of Richard P. Farrow, native-born American citizen, honorably discharged second lieutenant of the United States Army, may be admitted to the United States for permanent residence upon meeting the requirements of Public Law 271, approved December 28, 1945, the so-called Soldier Brides' Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL SOLDO

The Clerk called the bill (H. R. 1931) for the relief of the alien Michael Soldo.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that Senate bill 558 be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, the alien Michael Soldo, of West Palm Beach, Fla., whose wife and minor child are citizens and residents of the United States, shall be considered to have been lawfully admitted, at Detroit, Mich., on October 15, 1936, to the United States for permanent residence.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1931) was laid on the table.

MAJ. RALPH M. ROWLEY

The Clerk called the bill (S. 179) for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Ralph M. Rowley, major, Signal Corps, United States Army, and Irving E. Sheffel, first lieutenant, Finance Department, United States Army, are hereby relieved of liability for all charges now entered on which may be entered against them, or either of them, as a result of the theft of 429,257 lire ($4,292.57) of Army funds by a person unknown, near Ruvo, Italy, on November 3, 1943, while the said Ralph M. Rowley was acting as class A agent officer for the said Irving E. Sheffel.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Ralph M. Rowley, an amount equal to the total amount deducted from his pay in partial settlement of any such charges: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a

misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. JOHN C. YOUNG

The Clerk called the bill (S. 880) for the relief of Rev. John C. Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Reverend John C. Young, of Montgomery, W. Va., the sum of $3,500, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him as a result of having been shot by a member of the military police force of the Army of the United States, in Montgomery, W. Va., on August 11, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERT HARRINGTON, JR.

The Clerk called the bill (H. R. 388) for the relief of Bert Harrington, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bert Harrington, Jr., of Burbank, Calif., the sum of $10,805. The payment of such sum should be in full settlement of all claims of the said Bert Harrington, Jr., against the United States for the infringement of personal liberty, loss of compensation, damage to business, and personal expense which resulted from his arrest on February 1, 1946, and his subsequent imprisonment in San Pedro, Calif., on the high seas, and in Manila, the Philippine Islands, such arrest and imprisonment being made on the criminal charge of misappropriation of Government property, although the charge was subsequently dismissed. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the figures "$10,805," and insert in lieu thereof the figures "$5,305."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARLEY SHORES

The Clerk called the bill (H. R. 640) for the relief of Harley Shores.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harley Shores, of Alma, Crawford County, Ark., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Harley Shores against the United States on account of permanent injuries received by the said Harley Shores on the 19th day of December 1943 near Alma, Ark., when he was struck by a cake of ice thrown from the kitchen car of a United States Army troop train, and the said Harley Shores at the time of the receipt of such injury being engaged in his employment as track laborer for the trustee in bankruptcy for the Missouri Pacific Railroad Co., a corporation, and standing beside the track of such railroad while the troop train above mentioned was passing: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of service rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$4,000."

Page 1, line 8, after the word "States", strike out "on account of permanent injuries received by the said Harley Shores" and insert "for personal injuries and loss of earnings sustained as a result of an accident."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF RUTH HORTON HUNTER

The Clerk called the bill (H. R. 769) for the relief of the estate of Ruth Horton Hunter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Ruth Horton Hunter, deceased, late of Lancaster County, S. C., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States on account of the death, on October 27, 1944, of the said Ruth Horton Hunter from injuries sustained by her when she was struck, on said date, on Main Street, of the town of Heath Springs, Lancaster County, S. C., by an Army truck driven by Pvt. Benjamin Daniels, of the Columbia, S. C., Army Air Base: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JESSIE THOMPKINS

The Clerk called the bill (H. R. 890) for the relief of Jessie Thompkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jessie Thompkins, of Dearing, Ga., the sum of $2,500. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of Thomas Thompkins, the husband of the said Jessie Thompkins, as the result of exposure to chemical smoke released from Army airplanes in the vicinity of his home on December 21, 1943.

With the following committee amendment:

Page 2, line 1, insert:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIE SALAMONE

The Clerk called the bill (H. R. 1085) for the relief of Mrs. Marie Salamone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Marie Salamone, Norristown, Pa., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Marie Salamone against the United States on account of personal injuries received by her on July 7, 1944, when the automobile which she was driving was struck by a United States Army vehicle at the intersection of Arch and Airy Streets, Norristown, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services renderd in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$6,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF DAPHNE WARD POPE, DECEASED

The Clerk called the bill (H. R. 1175) for the relief of the estate of Daphne Ward Pope, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Daphne Ward Pope, deceased, the sum of $11,165, in full settlement of all claims of said estate against the United States Government for the personal injury and death of said Daphne Ward Pope and for the property damage suffered by the estate, caused by the negligence of a soldier driving a Government vehicle on Government business on or about February 27, 1943.

With the following committee amendments:

Page 1, line 6, strike out "$11,165" and insert "$5,617.40."

Page 2, line 1, insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAUD M. WRIGHT AND MRS. MAXINE MILLS

The Clerk called the bill (H. R. 1226) for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Maud M. Wright, Robinson, Ill., the sum of $5,000, and to Mrs. Maxine Mills, Robinson, Ill., the sum of $5,000. The payment of such sums shall be in full settlement of all claims against the United States of the said Mrs. Maud M. Wright for the death of her husband, Orlin C. Wright, on January 21, 1944, and of the said Mrs. Maxine Mills for the death of her husband, Charles W. Mills, on January 22, 1944, both of whom died as the result of burns sustained in a fire at the Evans Hall housing project, Evansville, Ind., which was under the supervision and management of the National Housing Agency: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARCHER C. GUNTER

The Clerk called the bill (H. R. 1316) for the relief of Archer C. Gunter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $6,000 to Archer C. Gunter, formerly of Philadelphia, Pa., and now of Menomonie, Wis., in full settlement of all claims against the United States for personal injuries and medical and hospital expenses sustained as the result of an accident involving a United States Navy airplane, at the United States Navy Yard, Philadelphia, Pa., on May 10, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$6,000" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALVIN J. FREDERICK

The Clerk called the bill (H. R. 1319) for the relief of Calvin J. Frederick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Calvin J. Frederick, postal money order clerk in the United States Post Office at Muskogee, Okla., the sum of $30. The payment of such sum shall be in reimbursement for the payment of an equal amount by the said Calvin J. Frederick to the Post Office Department on account of the payment of a forged post-office money order No. 545397, issued at Vinita, Okla., June 15, 1946, in the amount of $30.

With the following committee amendment:

Page 2, line 2, after "$30", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIE P. GOODWIN ET AL.

The clerk called the bill (H. R. 1648) for the relief of Willie P. Goodwin, J. M. Thorud, and W. H. Stokley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $95 to Willie P. Goodwin, to pay the sum of $48 to J. M. Thorud, and to pay the sum of $48 to W. H. Stokley, all of Edenton, N. C., in full settlement of all claims against the United States for per diem and expenses sustained as the result of traveling as post-office clerks from Edenton, N. C., to United States naval air station from February 1, 1946, to May 7, 1946, and orally approved by the post-office inspector in charge of said district: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Postmaster General is authorized and directed to issue per diem orders retroactively to cover per diem payments that have been made or will be made to postal employees detailed to postal units, camps, posts, or stations handling military mail, or to civilian plants devoted to war production at rates not to exceed that provided and authorized by the act of December 7, 1945 (59 Stat. 603).

"SEC. 2. In the audit and settlement of the accounts of postmasters and other designated disbursing officers of the Post Office Department and postal-service credit shall be allowed for all payments made under authority of per diem orders issued by the Postmaster General pursuant to section 1 of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF MRS. ELIZABETH CAMPBELL

The Clerk called the bill (H. R. 1654) for the relief of Mrs. Elizabeth Campbell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mrs. Elizabeth Campbell, Orlando, Fla., the sum of $5,000, in full satisfaction of all claims against the United States for damages on account of the death of the said Mrs. Elizabeth Campbell as a result of the crash of a United States Army airplane at Orlando, Fla., on June 5, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BEULAH HART

The Clerk called the bill (H. R. 1730) for the relief of Mrs. Beulah Hart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Beulah Hart, Palm City, Calif., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Beulah Hart against the United States on account of the loss of her son, Gath Daniel Meeks, who was shot and killed by a United States Army sentry on January 9, 1942, at Imperial Beach, Calif.: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "$5,000" and insert in lieu thereof "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF CURTIS WILSON, DECEASED

The Clerk called the bill (H. R. 1744) for the relief of the estate of Curtis Wilson, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Curtis Wilson, deceased, late of Clay County, Fla., the sum of $499, in full settlement of all claims against the United States for actual expenses incurred by the said estate in connection with the last illness and funeral and burial expenses of the said Curtis Wilson, who died on December 8, 1944, from injuries sustained on the same date when he was struck by a United States Navy truck on Florida Highway No. 17, in Green Cove Springs, Fla. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of the said Curtis Wilson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. RAIFORD D. SMITH

The Clerk called the bill (H. R. 1864) for the relief of Mrs. Raiford D. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mrs. Raiford D. Smith, of Fitzgerald, Ga., the sum of $5,000, in full settlement of all claims against the United States arising out of personal injury, when the car in which she was riding was struck by a Government truck being operated by a Works Progress Administration employee, near Albany, Ga., on September 2, 1939:

With the following committee amendments:

Line 5, strike out the figures "$5,000" and insert in lieu thereof "$2,658.50."

At the end of the bill add: : *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELIZABETH F. McCOMBIE

The Clerk called the bill (H. R. 1933) for the relief of Mrs. Elizabeth F. McCombie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Elizabeth F. McCombie, Sallisaw, Okla., a former employee of the Farm Security Administration, is relieved of all liability to pay to the United States the sum of $736. Such sum represents certain collections which were received by the office of the Farm Security Administration at Sallisaw, Okla., placed in the custody of the said Mrs. Elizabeth F. McCombie, and stolen, without fault on her part, on November 20, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. REEVES

The Clerk called the bill (H. R. 1953) for the relief of John F. Reeves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John F. Reeves, of Ventura, Calif., the sum of $5,000, in full settlement of all claims against the United States on account of personal injury and loss of earnings caused when an Army truck collided with the automobile in which he was riding on December 4, 1942, on Saviers Road in Ventura County: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any amount not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert in lieu thereof "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. PEARL COLE

The Clerk called the bill (H. R. 2012) for the relief of Mrs. Pearl Cole.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. POTTS objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

R. C. OWEN

The Clerk called the bill (H. R. 2129) for the relief of R. C. Owen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. C. Owen, Gallatin, Tenn., the sum of $8,437.98. This sum represents the amount which the said R. C. Owen paid to the United States for internal-revenue tobacco stamps, which stamps were completely destroyed on December 24, 1945, when a fire destroyed the said R. C. Owen's tobacco factory (registered as "Tobacco factory No. 102, district of Tennessee"), together with the equipment, tobacco, and tobacco stamps therein: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the name "Owen", insert "R. C. Owen, Jr., and Roy Owen, former partners, doing business as R. C. Owen of."

Page 1, line 6, after the word "which", strike out "the" and insert in lieu thereof "they."

Page 1, line 7, strike out "said R. C. Owen."

Page 1, line 9, strike out "said R. C. Owen's."

Page 1, line 10, after the word "factory", insert "of said partners."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen."

A motion to reconsider was laid on the table.

MASSMAN CONSTRUCTION CO.

The Clerk called the bill (H. R. 2192) for the relief of the Massman Construction Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

A. J. SPROUFFSKE

The Clerk called the bill (H. R. 2213) for the relief of A. J. Sprouffske.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. J. Sprouffske, Roy, Wash., the sum of $2,079.50, in full settlement of all claims of the said A. J. Sprouffske against the United States for mink losses sustained as the result of several United States Army airplanes flying too low over Mr. Sprouffske's farm while participating in United States Army maneuvers, thereby causing the minks to lose their young. The damage occurred on May 25, 1939. Mr. Sprouffske's mink farm is located at the edge of a military reservation within a few hundred yards of Rainier training area, the leased part of the Fort Lewis Military Reservation, and about 6 or 7 miles from Gray Field in the State of Washington: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES J. SMITH

The Clerk called the bill (H. R. 2348) for the relief of Charles J. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of money in the Treasury not otherwise appropriated, to Charles J. Smith, an employee of the National Park Service, Department of the Interior, the sum of $205.42, which sum was collected from him and covered into the Treasury as a result of his certification of disbursing officer's voucher No. 15-13491, paid September 15, 1937, in connection with the contract No. I-1-P-9485, dated June 22, 1937, between the United States and the Olds Brothers Lumber Co., Inc., Winslow, Ariz.

With the following committee amendment:

At the end of bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY V. BALL

The Clerk called the bill (H. R. 2432) for the relief of Harry V. Ball.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry V. Ball, Miami, Fla., the sum of $3,923.68. Such sum represents the compensation which the said Harry V. Ball would have received from April 1, 1945, to April 1, 1946, if he had been permitted to continue his work as a civilian progressman with the United States Navy or to obtain similar employment elsewhere. The said Harry V. Ball, while employed pursuant to a written agreement with the Navy Department (NAVEXOS-60) at Pearl Harbor, T. H., suffered continuously from the effect of volcanic dust and on or about March 17, 1945, the naval authorities in Hawaii informed him that a medical discharge would be granted him and that a letter would be sent to his local labor board at Tampa, Fla., in reference to a transfer to some local naval activity upon arrival at Tampa. The said Harry V. Ball arrived in the continental United States on April 1, 1945, but received no discharge from the Navy Department until September 27, 1945, when he received, instead of a discharge from employment, a certificate of separation disability (NAVEXOS-1200), dated June 2, 1945, and effective as of March 21, 1945. Prior to his receipt of such certificate, the said Harry V. Ball was unable to secure civilian employment under the regulations of the War Manpower Commission, because he could not establish his status with respect to employment with the Navy Department. After his receipt of such certificate, he continued to have difficulty in obtaining employment because such certificate was not explicit as to the circumstances under which it was issued. The said Harry V. Ball was not informed that such certificate was a discharge from naval employment, and such certificate was not so construed by naval officials in the various interviews which the said Harry V. Ball had with them in an effort to determine his status, until on April 1, 1945, he was informed by the Navy Department that such certificate was to be construed as a discharge: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$3,923.68" and insert "$1,634.68."

Page 1, line 8, strike out "April 1, 1946" and insert "September 1, 1945."

Page 3, line 3, strike out "1945" and insert "1946."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS T. KLAUDER

The Clerk called the bill (H. R. 2506) for the relief of Louis T. Klauder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis T. Klauder, of Moorestown, N. J., the sum of $3,750, in full satisfaction of his claims for compensation for engineering services rendered in connection with a Rural Electrification Administration project in Franklin County, Mass., known or designated as "Massachusetts 3 Franklin," said claims having accrued prior to January 1, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,750" and insert "$1,904.80."

The committee amendment was agreed to.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: Page 1, line 5, after the word "to", insert the words "estate of."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Louis T. Klauder."

A motion to reconsider was laid on the table.

JAMES H. UNDERWOOD

The Clerk called the bill (H. R. 2534) for the relief of James H. Underwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Comptroller General of the United States is authorized and directed to credit the account of James H. Underwood, former postmaster at Guam, Guam, in the sum of $25,439.31, representing funds and accountable stock in the amount of $24,520.47 in the postal accounts and $918.84 in the money-order account, and that James H. Underwood is hereby relieved from any liability to refund or pay to the United States said sum of $25,439.31. Such sum being the amount of postal and money-order funds lost when the island of Guam was invaded by the armed forces of the Imperial Government of Japan on December 10, 1941, the postmaster being taken prisoner and forced to open the vault of the post office and surrender the keys to the enemy invaders.

The bill was ordered to be engrossed and read a third time, was read the third time and passed and a motion to reconsider was laid on the table.

CLAUDE T. THOMAS

The Clerk called the bill (H. R. 2633) for the relief of Claude T. Thomas, legal guardian of Elizabeth Ann Mervine, a minor, and the estates of Mary L. Poole, deceased, and Hazel S. Thomas, deceased.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

JOSEPH MacGUFFIE AND EUGENE ROHRER

The Clerk called the bill (H. R. 2783) for the relief of Joseph MacGuffie and Eugene Rohrer.

Messrs. DOLLIVER and POTTS objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

ALFRED THOMAS FREITAS

The Clerk called the bill (H. R. 3068) for the relief of Alfred Thomas Freitas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $39.51, to Alfred Thomas Freitas, of Fresno, Calif., in full settlement of all claims against the United States, as reimbursement for the said sum for money lost through burglary at the Fresno, Calif., Office of the Labor Branch, Production and Marketing Administration, for which he was held accountable, on January 2, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS H. DEAVER

The Clerk called the bill (H. R. 3111) for the relief of Louis H. Deaver.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FIDELITY TRUST CO., OF BALTIMORE, MD.

The Clerk called the bill (H. R. 3333) for the payment of claims of the Fidelity Trust Co., of Baltimore, Md., and others, covered by findings of fact made by the United States Court of Claims, dated June 5, 1944, and contained in Senate Document No. 229, Seventy-eighth Congress, second session.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ANDREW C. EXTROM AND HARRY C. PEARSON

The Clerk called the bill (H. R. 3495) for the relief of Andrew C. Extrom and Harry C. Pearson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Andrew Charles Extrom, a city letter carrier of Blue Island post office, Blue Island, Ill., and Harry C. Pearson, postal clerk in that post office, are relieved of all liability to make refunds to the United States of overpayments of salaries in the amount of $254.09 to Andrew Charles Extrom, and $183.05 to Harry C. Pearson, from the date they were promoted from substitute postal employees to regular postal employees by the postmaster at Blue Island, Ill., and the effective date of their promotion to regular postal employees as authorized by the Post Office Department.

Any amount heretofore credited to Andrew Charles Extrom or Harry C. Pearson, or refunded to the United States by them on account of such overpayments of salaries shall be repaid to them out of any money available for the payment of salaries to city-delivery carriers and clerks of first- and second-class post offices. In the audit and settlement of the accounts of any postmaster or other transmitting disbursing officer of the Post Office Department or postal service, the payment of such amounts to Andrew Charles Extrom and Harry C. Pearson for services as regular postal employees shall be considered to have been authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETROL CORP.

The Clerk called the bill (H. R. 3499) for the relief of the Petrol Corp.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GEORGE J. HINER

The Clerk called the bill (H. R. 3845) for the relief of George J. Hiner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George J. Hiner, of Pittsburgh, Pa., the sum of $5,000, in full settlement of all claims against the United States as reimbursement for personal injuries and property damage sustained on February 12, 1942, when the automobile which he was operating was struck by a United States Army truck at the intersection of Ninth Street and Pennsylvania Avenue, Pittsburgh, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert in lieu thereof "$3,350."

Page 1, line 7, strike out "as reimbursement."

Page 1, line 8, after the word "injuries", insert ", medical and hospital expenses, and loss of earnings."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT IN FEE TO THOMAS LUCAS

The Clerk called the bill (H. R. 3064) authorizing and directing the Secretary of the Interior to issue a patent in fee to Thomas Lucas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Thomas Lucas a patent in fee to the following-described lands situated within the boundaries of the Laguna Indian Reservation, Calif.: The south half southwest quarter section 28; north half southwest quarter and northwest quarter section 33, township 14 south, range 5 east, San Bernardino meridian, San Diego County, Calif.

With the following committee amendment:

Page 1, line 4, after the words "Thomas Lucas", insert: "to take such steps as are necessary to determine the membership of the Laguna Band of Mission Indians of California and, having determined such membership, is further authorized and directed to issue to the member or members of such band within 6 months from the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing and directing the Secretary of the Interior to issue a patent in fee to the surviving members of the Laguna Band of Mission Indians of California."

A motion to reconsider was laid on the table.

PATENT IN FEE TO JOSEPH J. PICKETT

The Clerk called the bill (S. 484) to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain lands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Joseph J. Pickett, Crow Indian allottee numbered 372, a patent in fee to the southwest quarter, north half southeast quarter and southeast quarter southeast quarter section 15, township 8 south, range 32 east; east half southeast quarter section 16 and northwest quarter section 34, township 8 south, range 32 east; north half southwest quarter, west half west half southeast quarter, section 4, township 9 south, range 32 east; southwest quarter northwest quarter southeast quarter section 27, east half southeast quarter, southwest quarter southeast quarter, section 28, township 8 south, range 32 east; north half southwest quarter section 26, northwest quarter southeast quarter, southeast quarter southeast quarter section 23, south half southwest quarter section 24, township 8 south, range 32 east, Montana principal meridian, containing 1,200 acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT IN FEE TO GIDEON PEON

The Clerk called the bill (S. 403) authorizing the issuance of a patent in fee to Gideon Peon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Gideon Peon, Flathead Allottee No. 33, of Butte, Mont., a patent in fee to the following-described lands situated in Lake County, State of Montana: The north half of the southwest

quarter of section 33, township 19 north, range 19 west, Montana principal meridian, containing 80 acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN PUBLIC LANDS IN ALASKA

The Clerk called the bill (H. R. 185) to authorize the sale of certain public lands in Alaska to the Catholic bishop of Alaska, in trust for the Roman Catholic Church.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Catholic bishop of Alaska, in trust for the Roman Catholic Church, is hereby authorized for a period of 1 year from and after the effective date of this act to purchase, and the Secretary of the Interior is hereby authorized and directed to convey to the bishop, for use as a mission, the following-described public lands situated in Alaska:

Commencing at a point where the Andreafsky River enters the Yukon River from the north, from which point corner No. 1 of the tract desired bears north approximately 3 miles where post is situated at the southwest coroner of the tract and at the junction of a small stream with the Andreafsky River; running thence in an easterly direction along the said Andreafsky River to corner No. 2; thence in a northerly direction one-half mile to corner No. 3; thence in a westerly direction 1 mile to corner No. 4; thence in a southerly direction one-half mile to corner No. 1, the place of beginning, containing approximately 320 acres.

SEC. 2. That the conveyance shall be made upon the payment by the said bishop for the land at its reasonable appraised price of not less than $1.25 per acre, to be fixed by the Secretary of the Interior: *Provided*, That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public-land laws or found by the Secretary of the Interior to be needed for public purposes: *Provided further*, That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under regulations to be prescribed by the Secretary of the Interior.

With the following committee amendment:

Page 1, strike all of lines 3 to 7, inclusive, and insert in lieu thereof the following: "That the Catholic Society of Alaska, a corporation organized and existing under the laws of the Territory of Alaska, whose ex officio president and general manager is the Catholic bishop of Alaska, is hereby authorized for a period of 1 year from and after the effective date of this act to apply for the purchase of, and the Secretary of the Interior is hereby authorized and directed to convey to the corporation, for use as a mission."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain public lands in Alaska to the Catholic Society of Alaska for use as a mission."

A motion to reconsider was laid on the table.

KAZUE ODA TAKAHASHI

The Clerk called the bill (H. R. 1215) for the relief of Kazue Oda Takahashi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record Kazue Oda Takahashi as having entered the United States for permanent residence on July 9, 1937.

With the following committee amendment:

At the end of the bill insert the following: "Upon the enactment of the act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Japan of the first year that the said quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM DUDLEY WARD-SMITH

The Clerk called the bill (H. R. 3088) for the relief of William Dudley Ward-Smith.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ELECTION OF DISTRICT OF COLUMBIA EPISCOPAL VESTRYMEN

The Clerk called the bill (S. 1402) to authorize the parishes and congregations of the Protestant Episcopal Church of the District of Columbia to establish bylaws governing the election of their vestrymen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the parishes and separate congregations of the Protestant Episcopal Church in the District of Columbia may by bylaws provide for the manner of conducting elections of vestrymen, the number of vestrymen to be elected, and the length of the terms of the offices of vestrymen. Such bylaws may be adopted at any annual meeting of members of the parish or congregation by a vote of two-thirds of the qualified voters present at such meeting: *Provided*, That notice at least 30 days prior to the meeting shall be given by the vestry to all qualified voters of the parish or congregation that such bylaws are to be presented and voted upon.

SEC. 2. Any bylaws adopted as authorized by this act shall be subject to amendment, modification, or repeal at any annual meeting of the parish or congregation in the same manner as herein provided for adoption of such bylaws. Notice shall be given to all qualified voters of the parish or congregation at least 30 days prior to any annual meeting of any proposed amendment, modification, or repeal of any of the bylaws adopted pursuant to this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERIC SEDDON

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 195, the bill (S. 1360) for the relief of Eric Seddon.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General is hereby authorized and directed to record the lawful admission for permanent residence of Eric Seddon as of June 26, 1946, and the said Eric Seddon shall, for the purposes of the immigration and naturalization laws, be deemed to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that the said quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Home Rule of the Committee on the District of Columbia may meet until 12 o'clock today.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. CANNON. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Illinois if it is the intention to go to conference today on the Department of Agriculture Appropriation bill, and if not, at what time conference will probably be held.

Mr. DIRKSEN. That matter is in process at the present time. It depends somewhat on the convenience of the Senate. We are endeavoring to arrange a conference. Possibly it will come tomorrow morning, as near as I can tell now.

Mr. CANNON. There is likelihood that the conference report on that bill can be filed during the current week?

Mr. DIRKSEN. We hope so.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

Mr. McCOWEN asked and was given permission to extend his remarks in the RECORD and include a series of resolutions adopted by the Manchester Post, American Legion.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include a letter.

AGRICULTURE APPROPRIATION BILL, 1948—SENT TO CONFERENCE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DIRKSEN, PLUMLEY, H. CARL ANDERSEN, HORAN, PHILLIPS of California, CANNON, WHITTEN, and SHEPPARD.

SPECIAL ORDER GRANTED

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in Committee of the Whole today and include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. LUSK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from New Mexico?

There was no objection.

Mrs. LUSK. Mr. Speaker, the action of the House last week in passing the terminal-leave-pay bill was very generous and proved the deep appreciation felt by the people of this country for the service rendered by members of the armed forces. But this action has not relieved the country of its full responsibility for consideration of the needs of our veterans. At the opening session of this Congress when our committee began to hold hearings on the various bills that were presented, the fact became apparent that one of the most pressing problems of veterans at this time was the need for increased subsistence allowance for veterans who are continuing their education under the GI bill of rights. At that time I was inclined to oppose any such increase, however at this time I am wholeheartedly in favor of the increase proposed by the action of the Veterans Committee.

My changed attitude is the result of the close study given to the proposal by the Subcommittee on Education and Rehabilitation. Many student veterans appeared before the subcommittee to testify, and in addition, I was fortunate in having informal conversations with these young men and women at their schools. I wish to say that my contacts with these students impressed me deeply. Their sincerity of purpose in continuing their education, their devotion to their country and its Government, their fundamental belief and faith in our economic system of free enterprise and their desire to take their place within its framework—all these impressions left me with the conviction that any investment we make now in their future will be repaid to their Government and to their country with untold extra dividends.

I am proud to report to you that the vast majority have an instinctive dislike of being considered Government charges. Their sentiment and predisposition toward independence is very strong. They did not ask originally for the GI bill of rights, but they are grateful for the opportunity the provisions of this bill has given them; a majority indicated that without it, they would not have been able to continue their studies. And yet, it is an unfortunate fact that at the present time, many are being forced to discontinue their studies simply because their income is not, even with the aid of the subsistence allowance, sufficient to meet their expenses.

One immediate reaction to such a statement is that the veteran should act independently to raise his income to meet his needs. But many are doing just that, and are still unable to meet their financial requirements. The reason lies in a variety of factors, including the period when most of them have been in school, in the great numbers of students enrolled who want outside employment, in the keen competition among the students and the raising of standards by many schools, and in others which I shall discuss.

The increased cost of living needs little further discussion at this time to this House to indicate its importance and how it has made so desperate the plight of low-income groups. The gentlewoman from California dramatically illustrated not long ago in this House the effect of the increase on the price of food. I do not now propose to discuss why prices are high. I do point out that one of the most inequitable and harmful results of high prices is that the student veteran's income is insufficient to cover his expenses, and it is a result which we, as Members of this Congress, are in a position to remedy. It is well for us to remember during this discussion that the present cost of staying in college is now almost double the same cost in 1939—and many times greater than college expenses of most Members when they were students.

Not only are all costs much higher, but the competition for the various jobs available is much keener. We are all aware that the average college is located in a relatively small town which boasts few industries. Due to the limitations of time and space, the student seeking employment usually works either for the school or in some small establishment offering services to the other students. Class schedules prevent working full time during the usual hours of employment. And nothing new is revealed when I point out that the wage scale for this intermittent employment is well below the national average.

Related closely to the general problem, of great importance in this discussion, is a consideration which has received much too little attention when its true effect is recognized. Basically, it is the fact that the enlarged enrollment has presented the schools an opportunity to raise their standards without affecting enrollment, and the raising of standards increases the amount of time required for preparation of classroom work. This is not to be understood as criticism of the schools themselves; it is merely a statement of fact as much the result of the desire of the mature veteran student to take advantage of his opportunity as of the natural desire of the school to set and maintain a high degree of scholarship. Whatever the cause, the time for outside employment, if it could be found, has been proportionately lessened.

What I have just discussed is applicable alike to single and married students, indicating that the difficulties are general, not isolated to certain campuses or certain types of students. Further indicated is a potent argument for increase regardless of marital status. But it is well recognized that the difficulties of the single student are not as pressing and grave as those of the married student veteran; it is at once obvious that the responsibility of maintaining a home and a family magnifies the difficulty in this matter of school expense.

Rents, as we all know, are not low, even when housing can be obtained; in the future they will be at least 15 percent higher in many instances. Far too often exhorbitant rents are charged for totally inadequate housing. It is true that many colleges have attacked this problem frontally, have made much progress in obtaining the necessary housing for their veteran students. But there are still far too many married students—and single students, too—whose housing situation is desperate. This factor, coupled with the high prices previously mentioned, disillusions the married veteran, and has forced far too many of them to discontinue their education. Particularly is this true in the case of the married veteran who is also a parent. It is impossible for his wife to assist him with the family income, as it sometimes is possible when there are no children.

On this subject of the wife working, I have been appalled to hear callous statements to the effect that the married veteran should not be having a hard time because his wife should be helping him. It is basically wrong for us to assume that the wife has duty to help support the family. The choice of working should be hers, but the duty should not. Her moral support of her husband, her obligation for management of the home—though I refer to home-making with a realization that some of the so-called houses have few of the attributes which the men who fought this war expected to be forced to call homes—are full-time tasks and all her Government has a right to assume she should do. Her prime responsibility at this early period of her married life is the maintenance of her home and care of children. By so doing, she assists immeasurably in solving one of our major problems today—the battle against juvenile delinquency and its attendant evils, by by-products of economic desperation and the lack of a well-integrated home unit. So, any suggestion that the student veteran's wife should work has no place in this discussion, as a factor to influence our action, except insofar as it indicates that the subsistence allowance should be raised.

It is now appropriate to consider the position of the Government. The action by the Congress in passing the GI bill of rights will live long as one of the most beneficial pieces of legislation ever formulated. The legislation reflects the desire of a grateful people to reward the men and women, who, by their valor and sacrifice preserved this Government from a powerful enemy. The reward was of a practical nature, designed to assist those who chose to accept it in the complicated business of demobilization and return to civilian life. But the phase with which we are presently concerned is the opportunity to continue an interrupted education. This particular educational reward was complemented by providing "on-the-job training" to reach the situation of every veteran. But, most significant, the legislation was neither requested nor demanded by the men and women it benefits.

What is important now is what the veteran who accepts the benefits offered was led to understand at the time of making that acceptance, from a financial point of view. Obviously, it was not that the Government proposed to subsidize his whole education. But, the general understanding is that the $65 and the $90 as authorized by the GI bill was intended to defray the very basic and necessary expenses as of the time it was passed. In other words, the veteran entered school believing that the allowance was designed to defray the essential expenses, based on a standard set at the time the bill was passed. Having made this offer upon which he relied, there is an obligation—a very real moral obligation to which we cannot be blind—upon the Government to see that the serious unbalance caused by inflation does not make the gift a hollow one.

The stark fact facing us is that the gift is hollow for too many of those who relied upon its adequacy. Some, without outside help upon which to rely, have been forced to leave school, their education incomplete and their savings depleted seriously or gone in a vain attempt to remain. Too many of those who do remain will leave their school as graduates with few pleasant memories, with a sense of having been let down, and with seriously depleted savings—unless we act to remedy the situation by increasing the allowances now in effect.

Political considerations should not be allowed to intrude on the consideration of a problem so important as this, just as politics were forgotten during the war. After all, we are dealing with a situation which is an aftermath of that war, posing one question and one answer. The question is, Shall we act with a sense of responsibility toward the Government's investment in the student veteran's future, realizing what was offered by the legislation upon which he relied and the inadequacy of that legislation in the light of the present economic situation? The only answer is in the affirmative.

That answer should be even more emphatically affirmative when we remember that our keystone of democratic liberty is an enlightened citizenry. That answer should be emphatically in the affirmative because a contract made by the Government is at stake, it would ill become this Congress to break the faith which is represented in that contract. Let us, then, show our faith with financial assistance to those men who showed their faith in us by their blood, sweat, toil, and tears. We shall have shirked a duty if we do less.

NAVY DEPARTMENT APPROPRIATION BILL, 1948

Mr. PLUMLEY. Mr. Speaker, I call up the conference report on the bill H. R. 3493, a bill making appropriations for the Navy Department and naval services for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3493) "making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 11, 24, 25, 27, 29, 44, 55, 60, 68, 69, 73 and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 7, 8, 13, 15, 16, 22, 26, 30, 31, 32, 33, 36, 48, 52, 66, 71, 72, 74 and 77, and agree to the same.

Amendment numbered 4: That the House reseede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,000,000"; and the Senate agree to the same.

Amendment Numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$400,000"; and the Senate agree to the same.

Amendment Numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That no part of any appropriation in this Act shall be available for the pay or allowances of any enlisted man of the Navy or Marine Corps assigned to duty at the Naval Academy, if such assignment will increase the total number so assigned above one thousand and twenty-five"; and the Senate agree to the same.

Amendment Numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$320,000,000"; and the Senate agree to the same.

Amendment Numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$184,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That, except in the case of those who have specifically enlisted for such duty, no appropriation contained in this Act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department; total, pay and allowances"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,214,296,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$52,796,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amennment, as follows: In lieu of the sum proposed, insert the following: "$1,267,092,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$35,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its diagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$54,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$318,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$501,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$27,480,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,174,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amend-

ment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,625,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$5,303,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$36,408,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,400,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$190,594,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,075,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$975,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$2,050,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,946,300"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,164,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$20,200"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$310,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,435,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$2,005,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$980,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,226,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,890,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$6,450,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,100,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$4,400,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,078,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$2,045,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "'$34,960,100"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert the following: "$975,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 76, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109 and 110.

CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
ERRETT P. SCRIVNER,
HARRY R. SHEPPARD,
ALBERT THOMAS,
JOE HENDRICKS,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
M. E. TYDINGS,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—APPROPRIATIONS

Amendment No. 1 appropriates $14,500,000 for Miscellaneous Expenses as proposed by the House instead of $16,700,000 as proposed by the Senate.

Amendment No. 2 appropriates $34,000,000 for Research, Navy as proposed by the Senate instead of $34,400,000 as proposed by the House.

Amendment No. 3 adds language to exclude the Special Devices Center from the limitation for administrative expenses as proposed by the Senate.

Amendment No. 4 appropriates $3,000,000 for Island Governments instead of $2,500,000 as proposed by the House and $3,500,000 as proposed by the Senate.

Amendment No. 5 adds clarifying language in Instruction as proposed by the Senate.

Amendment No. 6 adds clarifying language for Libraries as proposed by the Senate.

Amendment No. 7 appropriates $15,000,000 for Officer candidate training as proposed by the Senate instead of $12,000,000 as proposed by the House.

Amendment No. 8 corrects a total for training, education, and welfare, Navy.

Amendment No. 9 authorizing the consolidation of funds as proposed by the Senate has been deleted as proposed by the House.

Amendment No. 10 appropriates $400,000 for Miscellaneous Expenses, Bureau of Naval Personnel instead of $300,000 as proposed by the House and $700,000 as proposed by the Senate.

Amendment No. 11 appropriates $100,000,000 for Naval Reserve as proposed by the House instead of $99,700,000 as proposed by the Senate.

Amendment No. 12 provides for a limitation of 1,025 enlisted men who may be assigned to duty at the Naval Academy, instead of a limitation of 1,000 men as proposed by the House and no limitation as proposed by the Senate.

Amendment No. 13 adds clarifying language in the appropriation, Maintenance, Bureau of Ships.

Amendment No. 14 appropriates $320,000,000 for Maintenance, Bureau of Ships instead of $300,000,000 as proposed by the House and $322,000,000 proposed by the Senate.

Amendment No. 15 adds language authorizing transfer from the Clothing and Small Stores Fund as proposed by the Senate.

Amendment No. 16 adds clarifying language in the appropriation Ordnance and Ordnance Stores.

Amendment No. 17 appropriates $184,000,000 for Ordnance and Ordnance Stores instead of $180,000,000 as proposed by the House and $192,000,000 as proposed by the Senate.

Amendment No. 18 restores a limitation pertaining to Pay and allowances of enlisted men performing household duties, deleted by the Senate, with an amendment exempting those who have specifically enlisted for such duties, as proposed by the House.

Amendment No. 19 appropriates $1,214,296,000 for Pay and allowances instead of $1,153,000,000 as proposed by the House and $1,219,777,000 as proposed by the Senate.

Amendment No. 20 appropriates $52,796,000 for Subsistence instead of $47,000,000 as proposed by the House and $53,981,000 as proposed by the Senate.

Amendment No. 21 adjusts the total for Pay and Subsistence. It is agreed by the conferees of both the House and the Senate

that the sums provided for pay and subsistence of naval personnel should maintain a navy with an average strength of 395,000 enlisted men and 42,000 officers during the fiscal year 1948.

Amendment No. 22 adds language authorizing transfer from the Naval Stock Fund as proposed by the Senate.

Amendment No. 23 appropriates $35,000,000 for Transportation and Recruiting of Naval Personnel instead of $34,000,000 as proposed by the House and $36,631,000 as proposed by the Senate.

Amendment No. 24 deletes a proposal by the Senate to add language authorizing additional payments on account of losses sustained by disbursing officers, as proposed by the House.

Amendment No. 25 appropriates $150,000,000 for Maintenance, Bureau of Supplies and Accounts as proposed by the House instead of $155,000,000 as proposed by the Senate.

Amendment No. 26 adds language authorizing transfer from the Clothing and Small Stores Fund as proposed by the Senate.

Amendment No. 27 appropriates $50,000,000 for Transportation of Things as proposed by the House instead of $58,000,000 as proposed by the Senate.

Amendment No. 28 appropriates $54,000,000 for Fuel instead of $50,000,000 as proposed by the House and $55,000,000 as proposed by the Senate.

Amendment No. 29 providing for operation of passenger-carrying vehicles as proposed by the Senate is deleted, as proposed by the House.

Amendment No. 30 appropriates $128,650,000 for maintenance, Bureau of Yards and Docks as proposed by the Senate instead of $126,000,000 as proposed by the House.

Amendment No. 31 appropriates $3,800,000 for the operation of housing projects as proposed by the Senate instead of $3,450,000 as proposed by the House.

Amendment No. 32 adjusts a total.

Amendment No. 33 provides for the employment of group IVb personnel in the Bureau of Aeronautics as proposed by the Senate.

Amendment No. 34 appropriates $318,000,000 for aviation maintenance instead of $291,000,000 as proposed by the House and $319,890,000 as proposed by the Senate.

Amendment No. 35 adjusts a total.

Amendment No. 36 authorizes $248,000,000 contract authority for the procurement of new aircraft as proposed by the Senate instead of $170,000,000 as proposed by the House.

Amendment No. 37 appropriates $27,480,000 for pay of Marine Corps officers instead of $26,400,000 as proposed by the House and $28,384,000 as proposed by the Senate.

Amendment No. 38 authorizes a limitation on flight pay of Marine Corps officers of $3,174,000 instead of $3,000,000 as proposed by the House and $3,316,000 as proposed by the Senate.

Amendment No. 39 appropriates $3,625,000 for subsistence of Marine Corps officers instead of $3,500,000 as proposed by the House and $3,728,000 as proposed by the Senate.

Amendment No. 40 appropriates $5,303,000 for rental allowance of Marine Corps officers instead of $5,100,000 as proposed by the House and $5,470,000 as proposed by the Senate.

Amendment No. 41 adjusts a total.

Amendment No. 42 appropriates $1,400,000 for mileage of Marine Corps officers instead of $1,342,000 as proposed by the House and $1,448,000 as proposed by the Senate.

Amendment No. 43 adjusts a total.

Amendment No. 44 deletes a proposal by the Senate to add language authorizing additional payments on account of losses sustained by disbursing officers, as proposed by the House.

Amendment No. 45 appropriates $1,075,000 for Pay of Civil Force in the Offices of the Commandant of the Marine Corps and the Director of Personnel instead of $1,000,000 as proposed by the House and $1,175,000 as proposed by the Senate.

Amendment No. 46 appropriates $975,000 for Pay of Civil Force in the Supply Department of the Marine Corps instead of $900,000 as proposed by the House and $1,050,000 as proposed by the Senate.

Amendment No. 47 adjusts the total.

Amendment No. 48 provides for the use of group IVb personnel in the Bureau of Ordnance as proposed by the Senate.

Amendment No. 49 appropriates $3,946,300 for Salaries, Office of the Secretary of the Navy instead of $3,600,000 as proposed by the House and $4,471,100 as proposed by the Senate.

Amendment No. 50 appropriates $1,164,000 for Salaries, Office of Naval Research, instead of $764,000 as proposed by the House and $1,244,100 as proposed by the Senate.

Amendment No. 51 appropriates $20,200 for Salaries, Naval Examining and Retiring Boards instead of $17,500 as proposed by the House and $22,000 as proposed by the Senate.

Amendment No. 52 appropriates $57,000 for Salaries, Office of Naval Records and Library as proposed by the Senate instead of $50,000 as proposed by the House.

Amendment No. 53 appropriates $310,000 for Salaries, Office of Judge Advocate General instead of $300,000 as proposed by the House and $348,000 as proposed by the Senate.

Amendment No. 54 appropriates $1,435,000 for Salaries, Office of Chief of Naval Operations instead of $1,400,000 as proposed by the House and $1,575,000 as proposed by the Senate.

Amendment No. 55 appropriates $35,000 for Salaries, Board of Inspection and Survey as proposed by the House instead of $37,400 as proposed by the Senate.

Amendment No. 56 appropriates $2,035,000 for Salaries, Office of Director of Naval Communications instead of $1,625,000 as proposed by the House and $2,454,300 as proposed by the Senate.

Amendment No. 57 appropriates $980,000 for Salaries, Office of Naval Intelligence instead of $900,000 as proposed by the House and $1,182,000 as proposed by the Senate.

Amendment No. 58 appropriates $3,226,000 for Salaries, Bureau of Naval Personnel instead of $3,000,000 as proposed by the House and $3,897,700 as proposed by the Senate.

Amendment No. 59 appropriates $1,890,000 for Salaries, Hydrographic Office instead of $1,800,000 as proposed by the House and, $2,200,000 as proposed by the Senate.

Amendment No. 60 appropriates $400,000 for Salaries, Naval Observatory as proposed by the House instead of $433,000 as proposed by the Senate.

Amendment No. 61 appropriates $6,450,000 for Salaries, Bureau of Ships instead of $5,450,000 as proposed by the House and $6,950,000 as proposed by the Senate.

Amendment No. 62 appropriates $3,100,000 for Salaries, Bureau of Ordnance instead of $3,000,000 as proposed by the House and $3,710,500 as proposed by the Senate.

Amendment No. 63 appropriates $4,400,000 for Salaries, Bureau of Supplies and Accounts instead of $4,300,000 as proposed by the House and $4,710,000 as proposed by the Senate.

Amendment No. 64 appropriates $1,078,000 for Salaries, Bureau of Medicine and Surgery instead of $1,000,000 as proposed by the House and $1,284,000 as proposed by the Senate.

Amendment No. 65 appropriates $2,045,000 for Salaries, Bureau of Yards and Docks instead of $2,000,000 as proposed by the House and $2,574,600 as proposed by the Senate.

Amendment No. 66 appropriates $2,400,000 for Salaries, Bureau of Aeronautics as proposed by the Senate instead of $3,000,000 as proposed by the House.

Amendment No. 67 adjusts a total.

Amendment No. 68 appropriates $1,000,000 for Contingent Expenses as proposed by the House instead of $1,060,000 as proposed by the Senate.

Amendment No. 69 appropriates $2,750,000 for Printing and Binding as proposed by the House instead of $3,050,000 as proposed by the Senate.

Amendment No. 70 appropriates $975,000 for Contingent and Miscellaneous Expenses, Hydrographic Office, instead of $900,000 as proposed by the House and $1,000,000 as proposed by the Senate.

Amendment No. 71 appropriates $50,000 for Contingent and Miscellaneous Expenses, Naval Observatory as proposed by the Senate instead of $48,000 as proposed by the House.

Amendment No. 72, under General Provisions, authorizes payment of rewards as authorized by law as proposed by the Senate.

Amendment No. 73 authorizes the procurement of intermittent services as proposed by the House.

Amendment No. 74 deletes language in connection with the handling of surplus property as proposed by the Senate.

Amendment No. 75 deletes Senate proposal authorizing expenditures for maintenance and upkeep of vessels in connection with sales of surplus property, as proposed by the House.

Amendment No. 76 is reported in disagreement.

Amendment No. 77 deletes superfluous language, as proposed by the Senate.

Amendment No. 78 is reported in disagreement.

The conferees on the part of both the House and Senate desire to emphasize most emphatically that any reductions affecting shore establishments made necessary as a result of action upon this bill shall be made not upon the basis of political or sectional desires, but rather on the basis of efficient and economical distribution of installations which are of greatest value to the Navy from a military standpoint. The conferees do not want favoritism shown to any one section of the country over another.

TITLE II—REDUCTIONS IN APPROPRIATIONS

Amendments Nos. 79–110 inclusive are reported in disagreement.

AMENDMENTS IN DISAGREEMENT

Amendment No. 76 authorizes the obligation and expenditure of funds from the several appropriations in advance of reimbursement thereto, as proposed by the Senate. The managers on the part of the House will move to recede and concur.

Amendment No. 78 authorizes transfers of not to exceed 5% between appropriations, as proposed by the Senate. The managers on the part of the House will move to insist on their disagreement.

Amendments Nos. 79–110 inclusive provide for the rescission of certain 1946 and 1947 fiscal year appropriations in the amount of $403,575,000 as proposed by the Senate. The managers on the part of the House will move to recede and concur.

CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
ERRETT P. SCRIVNER,
HARRY R. SHEPPARD,
ALBERT THOMAS,
JOE HENDRICKS,
Managers on the Part of the House.

Mr. PLUMLEY (interrupting the reading of the statement). Mr. Speaker, this report was printed in the daily RECORD of Friday, July 11, 1947, and has been available to the Members for 3 days. I suggest that there is no necessity for continuing the reading of the statement, and, therefore, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

Mr. CHURCH. Mr. Speaker, reserving the right to object, what is the amount provided for research in the Navy Department?

Mr. PLUMLEY. Mr. Speaker, I will undertake to answer that question in my general statement in discussion of the bill as a whole.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, the Navy Department appropriation bill for 1948, as it comes out of conference, carries total new appropriations of $3,268,766,100, which is $133,285,000 more than the amount which was approved as the House passed the bill on May 20, and is $43,278,200 below the amount as it passed the Senate. In addition, transfers were authorized of approximately $164,000,000.

However, the House Conferees have agreed to the proposal of the Senate to rescind a total of $403,575,000 of 1946 and 1947 funds, a large portion of which would have been spent had it not been for the rescission in title II in the pending bill. It is estimated that at least $161,000,000 of the rescissions represents an actual reduction in the program and the balance, $242,575,000 is in a large amount composed of funds that probably would have lapsed into the Treasury in any event.

Assuming that only the $161,000,000 was a program reduction, we thus have a situation where the conference report provides an eventual expenditure of about $28,000,000 less than would have been expended under either the House or Senate versions of the bill.

As adjusted, the bill, in my opinion, makes ample provision for carrying a Navy of at least 395,000 enlisted men and 42,000 officers.

In addition to the action of the conference on appropriations, we have agreed upon an increase in contract authority for the construction of new aircraft in the amount of $248,000,000 which is $78,000,000 more than the amount provided for in the bill as it passed the House. This additional increase was not presented in the budget which came to us in January inasmuch as no determination had been made at that time as to whether the Army or Navy would do certain long-range reconnaissance work. Subsequent to the House hearings it was determined that the Navy would do this and that is why the item went direct to the Senate for primary consideration rather than being before the House.

Comparative statement showing the appropriations for 1947, the estimates for 1948, the bill as passed by the House, the bill as passed by the Senate, and the amount agreed upon in conference

NAVAL ESTABLISHMENT

	Net appropriations for 1947, regular, annual, and supplemental, including rescissions	Budget estimates for 1948	Amount recommended in House bill	Amount recommended by Senate committee	Conference agreement
Office of the Secretary:					
Miscellaneous expenses	$14,094,000	$19,286,000	$14,500,000	$16,700,000	$14,500,000
Contingencies of the Navy	100,000	9,000,000	9,000,000	9,000,000	9,000,000
Research, Navy	45,000,000	34,400,000	34,400,000	34,000	34,000,000
Operation and conservation of naval petroleum reserves	9,710,000	122,000	100,000	100,000	100,000
Ocean and lake surveys	175,000	140,000	140,000	140,000	140,000
Island governments	(1)	5,500,000	2,500,000	3,500,000	3,000,000
Total, Office of the Secretary	69,079,000	68,448,000	60,640,000	63,440,000	60,740,000
Bureau of Naval Personnel:					
Training, education, and welfare, Navy:					
Naval War College	235,000	250,000	235,000	235,000	235,000
Naval training stations:					
San Diego	1,577,000	1,700,000	1,500,000	1,500,000	1,500,000
Newport	1,575,000	1,239,000	1,100,000	1,100,000	1,100,000
Great Lakes	2,850,000	2,831,000	2,400,000	2,400,000	2,400,000
Port Deposit, Md	1,650,000				
Fleet training	140,000	85,000	65,000	65,000	65,000
Instruction	8,436,000	8,000,000	7,200,000	7,200,000	7,200,000
Libraries	450,000	575,000	350,000	350,000	350,000
Welfare and recreation	2,750,000	2,700,000	2,000,000	2,000,000	2,000,000
Officer candidate training	1,928,000	15,000,000	12,000,000	15,000,000	15,000,000
Total, training, education, and welfare, Navy	21,591,000	32,410,000	26,850,000	29,850,000	29,850,000
Miscellaneous expenses	200,000	[2] 800,000	300,000	700,000	400,000
Naval Reserve	133,800,000	100,000,000	100,000,000	99,700,000	100,000,000
Naval Academy:					
Pay	2,230,000				
Maintenance	2,150,000				
General expenses		4,800,000	4,500,000	4,500,000	4,500,000
Total, Naval Academy	4,380,000	4,800,000	4,500,000	4,500,000	4,500,000
Naval Home	321,000	352,000	325,000	325,000	325,000
Total, Bureau of Naval Personnel	160,292,000	138,362,000	131,975,000	135,075,000	135,075,000
Bureau of Ships: Maintenance	443,750,000	[3] 374,750,000	[3] 300,000,000	322,000,000	320,000,000
Bureau of Ordnance: Ordnance and ordnance stores	243,890,000	208,000,000	180,000,000	192,000,000	184,000,000
Bureau of Supplies and Accounts:					
Pay and subsistence	[4] 1,170,840,000	[5] 1,294,171,000	[4] 1,200,000,000	1,273,758,000	1,267,092,000
Transportation and recruiting	74,139,900	39,497,000	34,000,000	36,631,000	35,000,000
Maintenance	241,000,000	[6] 168,668,600	[6] 150,000,000	155,000,000	150,000,000
Transportation of things	[7] 84,118,700	[8] 63,000,000	50,000,000	58,000,000	50,000,000
Fuel, Navy	45,000,000	[9] 55,000,000	50,000,000	55,000,000	54,000,000
Total, Bureau of Supplies and Accounts	[4] 1,615,098,600	1,620,336,600	1,484,000,000	1,578,389,000	1,556,092,000
Bureau of Medicine and Surgery: Medical Department	35,500,000	39,422,000	37,500,000	37,500,000	37,500,000
Bureau of Yards and Docks:					
Maintenance	134,160,000	[10] 142,500,000	129,450,000	132,450,000	132,450,000
Public works, Bureau of Yards and Docks	115,909,786				
Total, Bureau of Yards and Docks	250,069,786	142,500,000	129,450,000	132,450,000	132,450,000
Bureau of Aeronautics: Aviation, Navy	780,760,000	[11] 529,500,000	[11] 474,000,000	[11] 502,890,000	501,000,000

[1] Carried in 1947 at $5,000,000 under "Public works, Bureau of Yards and Docks."
[2] Includes $647,500 previously carried under "Pay and subsistence of naval personnel."
[3] Budget estimate decreased from $381,150,000 to $374,750,000 by H. Doc. 85. Authorization requested to transfer not to exceed $50,000,000 from the naval stock fund. Committee recommends transfer.
[4] In addition, transfer of not to exceed $500,000,000 from the naval stock fund.
[5] In addition, authorization to transfer not to exceed $50,000,000 to the "Subsistence" subhead from the "Clothing and small stores fund."
[6] Budget estimate decreased from $171,753,000 to $168,668,600 by H. Doc. 85. Authorization requested to transfer not to exceed $50,000,000 from the naval stock fund. Committee recommends transfer.
[7] Includes $28,750,000 in Third Deficiency Act, 1946.
[8] Increased from $60,000,000 to $63,000,000 by H. Doc. 85.
[9] Increased from $40,000,000 to $55,000,000 by H. Doc. 85.
[10] Decreased from $144,700,000 to $142,500,000 by H. Doc. 85.
[11] Budget estimate decreased from $536,000,000 to $529,500,000 by H. Doc. 85. House bill carries language authorizing $170,000,000 contract authority in addition to estimate shown, and Senate bill $248,000,000 contract authorization.

Comparative statement showing the appropriations for 1947, the estimates for 1948, the bill as passed by the House, the bill as passed by the Senate, and the amount agreed upon in conference—Continued

NAVAL ESTABLISHMENT—Continued

	Net appropriations for 1947, regular, annual, and supplemental, including rescissions	Budget estimates for 1948	Amount recommended in House bill	Amount recommended by Senate committee	Conference agreement
Marine Corps:					
Pay	$262,994,000	$209,000,000	$189,128,000	$191,816,000	$190,594,000
Pay, civil force, Office of Commandant and Director of Personnel	1,289,500	1,296,400	1,000,000	1,175,000	1,075,000
Pay, civil force, Office of Paymaster General	325,500				
Pay, civil force, Office of Quartermaster General	776,000				
Pay, civil force, Supply Department		1,163,600	900,000	1,050,000	975,000
General expenses:					
Provisions	23,630,000	27,720,000	25,000,000	25,000,000	25,000,000
Clothing	15,725,000	19,980,000	16,000,000	16,000,000	16,000,000
Fuel	3,000,000	3,500,000	3,000,000	3,000,000	3,000,000
Military stores	17,425,000	16,265,000	14,000,000	14,000,000	14,000,000
Transportation and recruiting	10,400,000	10,000,000	8,500,000	8,500,000	8,500,000
Repair of barracks	2,040,000	3,000,000	2,000,000	2,000,000	2,000,000
Forage	70,000	35,000	30,000	30,000	30,000
Miscellaneous supplies and equipment	49,000,000	46,000,000	38,000,000	38,000,000	38,000,000
Reserve	2,857,000	3,500,000	3,000,000	3,000,000	3,000,000
Marine Band	8,140				
Total, general expenses	124,155,140	130,000,000	109,530,000	109,530,000	109,530,000
Total, Marine Corps	389,540,140	341,460,000	300,558,000	303,571,000	302,174,000
Shipbuilding:					
Construction of ships		[12] (9,700,000)	[12] (9,700,000)	(9,700,000)	(9,700,000)
Ordnance for new construction		[13] (4,580,000)	[13] (4,580,000)	(4,580,000)	(4,580,000)
Increase and replacement of naval vessels:					
Construction and machinery	[14] 300,000,000				
Total, regular annual appropriations, Naval Establishment	4,287,979,526	3,462,779,500	3,098,123,000	3,267,315,000	3,229,031,000

NAVY DEPARTMENT

	Net appropriations for 1947, regular, annual, and supplemental, including rescissions	Budget estimates for 1948	Amount recommended in House bill	Amount recommended by Senate committee	Conference agreement
Salaries:					
Office of the Secretary	$5,411,000	[15] $4,851,100	$3,600,000	$4,471,100	$3,946,300
Office of Naval Research		1,244,100	764,000	1,244,100	1,164,000
General Board	18,760	18,600	18,600	18,600	18,600
Naval Examining and Retiring Boards	20,000	22,000	17,500	22,000	20,200
Office of Naval Records and Library	57,000	65,000	50,000	57,000	57,000
Office of Judge Advocate General	335,825	363,000	300,000	348,000	310,000
Office of Chief of Naval Operations	1,882,500	1,710,000	1,400,000	1,575,000	1,435,000
Board of Inspection and Survey	35,400	37,400	35,000	37,400	35,000
Office of Director of Naval Communications	1,625,000	2,454,300	1,625,000	2,454,300	2,005,000
Office of Naval Intelligence	1,117,500	1,182,000	900,000	1,182,000	980,000
Bureau of Naval Personnel	3,976,000	4,284,000	3,000,000	3,897,700	3,226,000
Hydrographic Office	2,400,000	2,295,200	1,800,000	2,200,000	1,890,000
Naval Observatory	429,000	448,000	400,000	433,000	400,000
Bureau of Ships	6,490,000	7,267,500	5,450,000	6,950,000	6,450,000
Bureau of Ordnance	3,716,500	3,910,500	3,000,000	3,710,500	3,100,000
Bureau of Supplies and Accounts	5,405,000	5,417,500	4,300,000	4,710,000	4,400,000
Bureau of Medicine and Surgery	1,225,000	[16] 1,409,000	1,000,000	1,284,000	1,078,000
Bureau of Yards and Docks	2,045,000	[17] 2,861,600	2,000,000	2,574,600	2,045,000
Bureau of Aeronautics	2,715,000	[18] 4,425,000	3,000,000	2,400,000	2,400,000
Total, salaries	38,904,425	44,265,800	32,660,100	39,569,300	34,960,100
Contingent and other expenses:					
Contingent expenses, Navy Department	1,250,000	1,200,000	1,000,000	1,060,000	1,000,000
Printing and binding, Navy Department	3,100,000	3,500,000	2,750,000	3,050,000	2,750,000
Contingent and miscellaneous expenses, Hydrographic Office	1,500,000	1,200,000	900,000	1,000,000	975,000
Contingent and miscellaneous expenses Naval Observatory	48,000	55,000	48,000	50,000	50,000
Total, contingent and other expenses	5,898,000	5,955,000	4,698,000	5,160,000	4,775,000
Total, regular annual appropriations, Navy Department	44,802,425	50,220,800	37,358,100	44,729,300	39,735,100
Total, regular annual appropriations, Navy Department and Naval Establishment	4,332,781,951	[19] 3,513,000,300	[19] 3,135,481,100	3,312,044,300	3,268,766,100

[12] To be transferred from the appropriation "Increase and replacement of naval vessels, construction, and machinery."
[13] To be transferred from the appropriation "Increase and replacement of naval vessels, armor, armament, and ammunition."
[14] In addition $50,000,000 by transfer from "Increase and replacement of naval vessels, armor, armament, and ammunition."
[15] Excludes $1,244,100 carried in 1948 under "Salaries, Office of Naval Research."
[16] Increased from $1,224,600 to $1,409,000 by H. Doc. 85.
[17] Includes $816,000 previously carried under "Public works, Bureau of Yards and Docks."
[18] Includes $1,710,000 previously carried under "Aviation, Navy."
[19] And, in addition, authorizes transfers of not to exceed $150,000,000 and contractual authority of $170,000,000.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to place in the RECORD at this time a table which is a comparative statement showing the appropriations for 1947, the estimates for 1948, the bill as it passed the House, the bill as it passed the Senate, and the amount agreed upon in conference.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Speaker, there has been considerable newspaper comment about what the House and Senate had done in their differences in regard to the appropriations for the Navy Department.

I think it should be clearly revealed to the House that the major changes made by the Senate in the House Navy appropriation bill was the result of bookkeeping with mirrors.

The Senate proceeded to rescind certain moneys which the House knew of,

and which were to be spent in fiscal 1948, in the amount of $161,000,000. Then, after making such rescission, the Senate proceeded to appropriate new funds for identical and similar purposes, with the result that it appeared that the Senate had greatly increased the House bill, and it had from the standpoint of actual new cash appropriations; but as a matter of fact, it showed a lesser amount of actual spending in the year 1948 from the standpoint of the Navy.

Anyone who knows anything about the operations of the Federal Government's fiscal affairs knows that you balance the budget on the income and outgo of cash in the Treasury, and regardless of what you may appropriate, if it is not expended in cash it does not affect the budget in its final balance or unbalance.

Now, what has happened here, I think, should probably be more or less outlined in detail. The bill left the House with an amount of $3,285,500,000, in round figures, for the fiscal year 1948. The House had taken into consideration the fact that there were approximately $161,000,000 which had already been set for certain Navy projects and which would probably be expended in the fiscal year 1948. The Senate proceeded to rescind those funds, plus other funds which were to lapse on June 30 of this year, and so required no rescission, and then proceeded to appropriate additional cash funds to replace a portion of the rescinded funds, and to give, in addition, some other funds for other purposes. It made quite a jumble in the conference and left quite a jigsaw puzzle for the public to misunderstand. It is difficult enough for the public to understand how we appropriate and how we spend and how we attempt to balance the budget in government, but it was made all the more difficult by this procedure on the part of the other body.

The House conferees in their work in the conference realizing the fact that we had gone beyond the June 30 date and could no longer, in accordance with law, reinstate some of these rescinded funds in the amount of $161,000,000 and reestablish their usability because they were carry-over funds from prior fiscal years, proceeded to concur with the rescissions in full and thereafter to reduce the increase in the Senate appropriations. As a net result the conference agreement brings about $35,000,000 less in spending than the lowest of the two bills, House or Senate, without any impairment of our fighting force, leaving us a strength of 395,000 men and 42,000 officers.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. MILLER of Nebraska. I wish to inquire about the $161,000,000. Do I understand that this was money that was unencumbered, that had no strings or liens against it?

Mr. PLOESER. Money goes through several processes. The Navy first of all sets up a project.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. PLUMLEY. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. PLOESER. When the Navy sets up a project it commits the expenditure of money to that project and so far as the law is concerned that obligates the money and permits it to be carried over in a subsequent fiscal year. There were $161,000,000 so committed. That does not necessarily mean that an uncancelable contract had been made. Some may have been just in the blueprint stage.

Mr. MILLER of Nebraska. Nor does it mean that there was actually $161,000,000 unencumbered cash with the Navy.

Mr. PLOESER. Prior to June 30 it was encumbered in the sense that it was committed to certain projects and contracts were probably under negotiation for the carrying through of many of these projects, but in view of the Senate action the Navy rescinded those commitments and destroyed its projects or else canceled them and made money available which would have been spent in 1948. The Senate proceeded to rescind. Had June 30 or the close of the fiscal year not approached in the interim period the Navy would still be in a position prior to that date to recommit it; but June 30 came around, and according to law the money was about to lapse on them anyway. That is why I called it bookkeeping with mirrors—first you see it and then you do not. In the main you observe a reflection.

There is one thing in this bill which is in disagreement, and that is the provision which was in the House bill which prohibited the transfer of any funds. The other body reinstated a provision which permitted a 5-percent transfer of funds from one intended use to another. I want to call the attention of the House to the fact that in the report on the 1947 bill in the Seventy-ninth Congress we made this statement, and it was the unanimous statement of the Appropriations Committee: That language authorizing transfers up to 5 percent between various appropriations have been inserted in the bill—that was the 1947 bill—as a cushion to meet contingencies in the construction program that cannot now be foreseen. The committee does not intend, however, to continue this authority in the fiscal year 1948.

With the change in the complexion of the Congress there has been a little change in the complexion of this committee in regard to opinion on the transferability clause. The House committee is still insisting on the House position. That is the only place in the conference report where we were unable to agree. The House is insisting upon its position, that this transfer clause be deleted.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. WALTER. Is not the Army permitted 5 percent transfers?

Mr. PLOESER. Both the Army and the Navy bills included such a clause up until this year. The House bill for the War Department deleted that language the same as the Navy bill. The other body in both instances has reinstated the language.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Vermont.

Mr. PLUMLEY. In the report which our committee made it is generally stated that we would permit that transfer for last year and for the last time. As a matter of courtesy, we brought this amendment in disagreement because of certain conditions in the Senate whereby the chairman of the Senate committee in conference desired to have it done that way. That is all there is to that. We shall insist; the Senate will recede.

Mr. PLOESER. The following tables will help to clarify:

Appropriations		Budget message	Expenditures	
Budget message	$3,504			
Supplemental message	9			
Total new cash	3,513			
Transfers from revolving funds	150			
Total appropriation 1948 under consideration	3,663	$3,663	$2,862.0	
Public works request to be submitted later	(37)		[1] 37.0	
			From carry-over (prior year's funds) 1,611.0	
Grand total considered by House		3,663		$4,510.0
HOUSE ACTION				
1948 appropriation reduction	$377.5		$278.3	
Savings through corrections in budget estimates			[2] 96	
Total reduction by House		$377.5	374.3	
Resultant House action		3,285.5		$4,136.0

Footnotes at end of tables.

PROPOSED SENATE COMMITTEE ACTION

	Rescissions					
	Total	Will lapse	Program reduction			
1948 appropriation reduction				($201)		$142.3
1947 appropriations rescission	$62	($12)	($50)			37
1946 appropriations rescission	341.6	(230.6)	(111)			111
Savings through corrections in budget estimates						[2] 96
Reduction in public works (to be submitted later)						[1] 18
Total appropriation reductions	403.6	(242.6)	(161)	(201)	Total expenditure reduction	404.3
Resultant Senate action				3,462		$4,105.7

CONFERENCE ACTION

	Rescissions					
	Total	Will lapse	Program reduction			
1948 appropriation reduction				($244.2)		$176.1
1947 appropriation rescission	$62.0	($12)	($50)			37.0
1946 appropriation rescission	341.6	(230.6)	(111)			111.0
Savings through corrections in budget estimates						[2] 96.0
Reduction in public works (to be submitted later)						[1] 18.0
Total appropriation reduction	403.6	(242.6)	(161)	(244.2)	Total expenditure reduction	438.1
Resultant conference action				3,418.8		$4,071.9

[1] $37,000,000 included in table 10, page A-89, of budget message as part of 1948 expenditure. This appropriation not yet submitted but when submitted will be limited to not more than $19,000,000 resulting in an $18,000,000 expenditure reduction.

[2] Composed of:

(a) Armed Services Terminal Leave Act	$60,000,000
(b) New shipbuilding program reduction	26,000,000
(c) Reduction in 1947 supplemental appropriations	10,000,000
Total	96,000,000

House reduction, 1948	$377.5
Senate net reduction, 1948	201.0
1948 appropriation Senate restoration	176.5
Senate rescission 1947 appropriation	$50.0
Senate rescission 1946 appropriation	111.0
Total Senate rescission	161.0
Net restoration	15.5

Mr. PLUMLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Speaker, with due deference to the members of this committee, after a long and most tedious conference with the Senate, we managed to reach a compromise on this bill. The compromise amounts, as compared with the House bill that was passed and that arrived at through conference represents a difference of $133,200,000 increase. Insofar as the original presentation of the budget to the House, which was $3,513,000,000, as reflected in the conference, it represents a saving of $244,234,200.

Mr. Speaker, taking the compromise as a whole, the conferees, in my opinion, have worked out a fairly satisfactory bill. The establishment of a personnel of 395,000, with 42,000 officers, is more satisfactory than the House figure, all things considered. Insofar as the minority membership is concerned, we are in accord with the present compromise because we consider it is the best we could work out under the circumstances.

With reference to the 5-percent transfer clause, to which the gentleman from Missouri and the chairman of the committee referred, there are, of course, two sides to the issue; however, when this committee presented its regular supply bill last year to the Members of the House we definitely stated at that time that we were placing the Navy on notice that there would be no further 5 percent or other percent transfer clause. It seems to be the general consensus of opinion of the membership of the House that there should not be these transfer clauses permitted in bills of this character either for the Army or Navy and, while there may be extenuating circumstances, we consider it advisable at this time for the House to support the representations of the committee insofar as its disagreement with the Senate in respect to this amendment transfer request.

Mr. PLUMLEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 76: Page 36, line 18, after the word "paid", insert: "and the Navy Department is authorized to apportion, obligate, and expend funds from the several appropriations involved in advance of the reimbursement thereto: *Provided*, That reimbursement shall not be made for pay and allowances and subsistence of naval and Marine Corps personnel within the numbers appropriated for:"

Mr. PLUMLEY. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 76 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 78: Page 37, line 11, insert the following:

"SEC. 114. The Secretary may transfer not to exceed 5 percent of any of the foregoing appropriations to any other appropriation or appropriations made by this act, but no such appropriation shall be increased more than 5 percent as a result of such transfer: *Provided*, That a quarterly statement of any such transfers shall be transmitted to the chairmen of the Appropriations Committees of the House of Representatives and of the Senate."

Mr. PLUMLEY. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate numbered 78.

The motion was agreed to.

The SPEAKER. The clerk will report the next amendment in disagreement.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that the amendments of the Senate Nos. 79 to 110, inclusive, be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The Clerk read the Senate amendments, as follows:

TITLE II—REDUCTIONS IN APPROPRIATIONS

SEC. 201. Amounts made available to the Navy Department from appropriations are hereby reduced in the sums hereinafter set forth, such sums to be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act:

NAVAL ESTABLISHMENT

Office of the Secretary: "Miscellaneous expenses, Navy, 1946," $2,000,000.

Bureau of Naval Personnel:

"Instruction, Navy, 1946," $325,000;

"Welfare and recreation, Navy, 1946," $1,250,000;

"Naval Reserve, 1946," $12,000,000;

"Naval Reserve, 1947," $12,000,000.

Bureau of Ships:

"Maintenance, Bureau of Ships, 1946," $105,000,000;

"Maintenance, Bureau of Ships, 1947," $20,000,000.

Bureau of Ordnance:

"Ordnance and ordnance stores, Navy, 1946," $30,000,000;

"Ordnance and ordnance stores, Navy, 1947," $7,000,000.

Bureau of Supplies and Accounts:

"Pay and subsistence of naval personnel, 1946," $50,000,000;

"Transportation and recruiting of naval personnel, 1946," $10,000,000;

"Maintenance, Bureau of Supplies and Accounts, 1946," $6,000,000;

"Maintenance, Bureau of Supplies and Accounts, 1947," $10,000,000;

"Transportation of things, Navy, 1946," $25,000,000;

"Fuel, Navy, 1946," $10,000,000.

Bureau of Medicine and Surgery: "Medical Department, Navy, 1946," $2,000,000.

Bureau of Yards and Docks:

"Maintenance, Bureau of Yards and Docks, 1946," $3,000,000;

"Maintenance, Bureau of Yards and Docks, 1947," $3,000,000.

Bureau of Aeronautics:

"Aviation, Navy, 1946," $65,000,000;

"Aviation, Navy, 1947," $10,000,000.

Marine Corps: "General expenses, Marine Corps, 1946," $20,000,000.

In all, $403,575,000.

No person shall be held liable for an overobligation of any above-listed appropriation when such overobligation occurs as a result of the approval of this act. Such overobligation shall be reduced in such a manner and at such a rate as to assure no overexpenditure.

SEC. 202.

Mr. PLUMLEY. Mr. Speaker, I move that the House recede and concur in the amendments of the Senate numbered 79 to 110.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several amendments was laid on the table.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech.

LEGISLATIVE APPROPRIATION BILL, 1948

Mr. JOHNSON of Indiana. Mr. Speaker, I call up the conference report on the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 15, 16, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 7, 8, 10, 11, 13, 18, 19, and 20, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In the eighth line of the matter inserted by the said amendment strike out the words "radio information" and insert "recording"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$150,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$2,350,000;" and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$591,925"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$450,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the said amendment insert

"MOTION-PICTURE PROJECT

"For expenses during the month of July and liquidation (including storage of films pending disposition and $5,030 available exclusively for terminal leave), $12,000."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sums proposed to be stricken out and inserted insert "$50,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 14, and 17.

NOBLE J. JOHNSON,
HARVE TIBBOTT,
G. CANFIELD,
P. W. GRIFFITHS,
CLARENCE CANNON,
MICHAEL J. KIRWAN,
Managers on the Part of the House.

MILTON R. YOUNG,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
HENRY C. DWORSHAK,
JOHN H. OVERTON,
MILLARD E. TYDINGS,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 appropriates $306,815 as proposed by the Senate for the Office of the Secretary of the Senate instead of $291,505 as proposed by the House, with a minor modification of the language of the amendment.

Amendment No. 2 appropriates $1,335,785 for salaries of committee employees of the Senate as proposed by the Senate instead of $1,285,785 as proposed by the House.

Amendments Nos. 3 and 4 appropriate $775,850, abolish certain positions and change the salaries of certain positions, under the office of Sergeant at Arms and Doorkeeper of the Senate, as proposed by the State, instead of an appropriation of $821,915 as proposed by the House.

Amendment No. 5 appropriates $43,120 for salaries of the offices of the secretary for the majority and the secretary for the minority of the Senate, heretofore appropriated for under the Office of the Sergeant at Arms, as proposed by the Senate.

Amendment No. 6 appropriates $150,000 for the Joint Committee on Atomic Energy instead of $50,000 as proposed by the House and $225,000 as proposed by the Senate.

Amendment No. 7 appropriates $100,260 for reporting debates and proceedings of the Senate as proposed by the Senate instead of $84,525 as proposed by the House.

Amendment No. 8 appropriates $45,000 for the Senate restaurants as proposed by the Senate instead of $75,400 as proposed by the House.

Amendment No. 9 strikes out a provision proposed by the Senate permitting the secretaries for the majority and the minority of the Senate to use official motor vehicles on official business.

Amendment No. 10 appropriates $2,645 for rental of warehouse space for storage of public documents during the period July 1 to November 30, 1947, as proposed by the Senate.

Amendment No. 11 appropriates 384,335 for the Office of the Clerk of the House as proposed by the Senate instead of $369,180 as proposed by the House.

Amendment No. 12 is reported in disagreement.

Amendment No. 13 appropriates $185,000 for salaries and other expenses of the Joint Committee on Internal Revenue Taxation as proposed by the Senate instead of $155,000 as proposed by the House.

Amendment No. 14 is reported in disagreement.

Amendments Nos. 15 and 16 appropriate $80,000 for the Legislative Counsel of the Senate as proposed by the House instead of $100,000 as proposed by the Senate.

Amendment No. 17 is reported in disagreement.

Amendment No. 18 adds one position in the Senate Office Building as proposed by the Senate.

Amendment No. 19 appropriates $547,205 for the Senate Office Building as proposed by the Senate instead of $492,100 as proposed by the House.

Amendment No. 20 changes language proposed by the House with respect to the salary of the superintendent of the House Office Buildings.

Amendment No. 21 appropriates $2,350,000 for salaries, Library of Congress, instead of $2,249,600 as proposed by the House and $2,455,398 as proposed by the Senate.

Amendment No. 22 appropriates $591,925 for the Copyright Office instead of $520,500 as proposed by the House and $656,000 as proposed by the Senate.

Amendment No. 23 appropriates $450,000 for the Legislative Reference Service instead of $400,000 as proposed by the House and $500,000 as proposed by the Senate.

Amendment No. 24 eliminates an item of $35,000 proposed by the Senate for a revised edition of the Annotated Constitution.

Amendment No. 25 appropriates $12,000 for liquidation of the motion-picture project instead of $85,000 as proposed by the House.

Amendment No. 26 limits expenditures for personal services in connection with the

program for books for the adult blind to $50,000 instead of $40,000 as proposed by the House and $90,000 as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have authorized the following motions to be made with respect to the amendments in disagreement:

Amendment No. 12. That the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment as follows:

In the third line of the matter proposed to be inserted by the said amendment strike out the words "radio information" and insert "recording".

Amendments Nos. 14 and 17. That the House recede from its disagreement to the amendments of the Senate and concur therein.

NOBLE J. JOHNSON,
HARVE TIBBOTT,
G. CANFIELD,
P. W. GRIFFITHS,
CLARENCE CANNON,
MICHAEL J. KIRWAN,
Managers on the Part of the House.

Mr. JOHNSON of Indiana. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, in the interest of time, I shall not go into the details regarding the conference report. The report and statement have been printed in the RECORD and give a thorough explanation of the entire conference report.

I now yield 30 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, on this side of the aisle we have signed the conference report with a good deal of reluctance and with a deep sense of disappointment.

The bill falls far short of what we had been led to expect in the way of economy and retrenchment of expenditure. On the contrary, it is the most prodigal and wasteful legislative appropriation bill passed in the history of the Congress.

In the last session, when the reorganization bill, generally referred to as the streamlining bill, was passed, we were told that one of the special advantages of the new order provided by the reorganization would be a material reduction in expenditures and stringent retrenchment in the expenses of the two Houses. We were assured that the number of employees would be reduced, and that the expenses of both the House and the Senate would be drastically curtailed.

And again we were told in the last campaign, and in the hysterical days following the election, that a policy of rigid economy would be entered upon which would reduce both the appropriations and the personnel of all departments of the Government.

And yet we have a bill here which not only fails to effect a reduction, which provides absolutely no retrenchment in the service of the House, but which, on the contrary, increases the cost of running the Congress over $3,000,000 a year. The number of employees has been increased; the salaries of employees of both Houses are vastly higher and the total cost of the Congress are millions more than ever before.

We are told in the report that the amount carried by the bill is some $6,000,000 less than for the current year. That is the most regrettable feature of the bill. It is an attempt to leave with the country the impression that we are reducing expenditures when, as a matter of fact, we are increasing expenditures.

Here is the catch in the proposition. It is a simple deception, and one frequently resorted to in the drafting of the supply bills in this session. The Government Printing Office requires a revolving fund which heretofore has been designated in the bill as $20,000,000.

We propose in this bill to reduce that revolving fund to $10,000,000, but by doing it we do not make a penny. It is merely a bookkeeping proposition. Not a dollar is saved. There is no reason for the change in figures. No economy is effected and no advantage of any kind accrues from the change.

The sole purpose is to have us believe that money is being saved when it is not being saved; and to persuade us to believe we are reducing the expenditures in this bill by $10,000,000, when as a matter of fact we are not reducing it at all. By this legerdemain they claim that the total amount appropriated by the bill is some $6,000,000 less than for this year when it is really over $3,000,000 more than this year.

They justify the strategem by saying that the Government Printing Office did not object; that the GPO made no protest. Of course, they did not object. Of course, they did not protest. All they did was laugh. They laughed because it does not affect them in the slightest.

The Government Printing Office has no control over its production quotas. It must comply with the printing requisitions of the departments and the Congress. It will not discontinue the printing of the CONGRESSIONAL RECORD or the reports of the various departments simply because this bill states that the revolving fund shall be reduced from $20,000,000 to $10,000,000. It will print what it is required to print, and we will provide the money. There is no alternative. It is to be deplored that we resort to such subterfuge.

The amount of money spent by the House and Senate on themselves is increased under the provisions of this bill to a figure far beyond that provided in any former bill in the entire 80 Congresses since the establishment of the Republic.

But, Mr. Speaker, the character of some of the extravagances carried in this bill is a matter of particular surprise. On every occasion in the last several sessions of Congress the proponents of economy have decried duplication of activities and overlapping of expenditures. It has been a fetish and a slogan. And yet there are in this bill appropriations for open and notorious duplications of the most flagrant character.

An appropriation of $150,000 is made for the Joint Committee on Atomic Energy. This is the committee popularly known as the Watch Lilienthal Committee. The sole duty of this joint committee is to look over the shoulder of the Atomic Energy Commission. We got the idea from Soviet Russia. In the early days of the Russian Revolution a political commissar was appointed for each regiment. He was a snooper set to watch the colonel of the regiment and his staff. Much of the credit for the debacle of the Russian Army in its disastrous war with little Finland was laid to the meddling of the political commissars. If any untoward influences affect the administration of the Atomic Energy Commission, it will probably be due to the meddling of the political commissars appointed to watch Lilienthal—and it will cost us this year $150,000. They wanted a quarter of a million dollars to start with. It would be difficult to estimate what they will ask when the witch hunting really gets hot.

We have innumerable commissions and agencies in the Government. But this is the first time a committee of Congress has been appointed and financed to watch one of them. In order to carry out completely the program of our Russian prototype we should appoint still another committee. Stalin appoints committees to watch committees and then he appoints committees to watch the committees who are watching the committees. Now that we have a joint committee to watch the Commission, we should appoint a committee to watch the joint committee. And finance them with $150,000 to start on. The system has endless possibilities.

Mr. Speaker, economy, like charity, begins at home. If we had put our investigators upon this bill as we did upon the other supply bills, if we had required our investigators to follow out every expenditure here and make an analysis and a report, as we did in the departments downtown, it would make very interesting reading.

We also provide in this bill an appropriation of $60,000 for a Coordinator of Information. It is a high-sounding title but the duties of the position are an exact duplication of the work of the Legislative Reference Service of the Library of Congress. No attempt is made to disguise the fact that the position is created for the purpose of doing precisely the work now performed, so efficiently and so acceptably by the Legislative Reference Service. If there is any doubt as to the efficiency of the Legislative Reference Service, that doubt is effectively dispelled by the vote of the House when it specifically authorized expansion of the Service in the Reorganization Act and when it recently authorized, after exhaustive debate, the printing and reprinting of brochures prepared by the Legislative Reference Service.

This studied neglect of the Library of Congress and its services is pointed out in a brief article in the July 5, 1947, issue of the weekly digest, Quote. I will read it in full:

> In a remote part of Africa there is a ferocious tribe of savages who have as their most sacred possession a book. This book is in a small hut which serves as the temple of the tribe. It is guarded day and night by warlike young men who will kill instantly any unauthorized person who approaches it, and everybody is unauthorized except the high priest and his acolytes. What the book is, no one knows, but there it is in the center of their lives, honored, feared, and unread. Modern civilized society can find instructive parallels in the lives of savages.—(Yale Review.)

In this bill we might find one of those parallels. Although the Library of Con-

gress is the greatest library in the world, the penurious policy of the committee in refusing funds to maintain the services of the Library and make its treasures available to the Congress, leaves the books of this vast storehouse of knowledge "honored, feared and unread." With increased demands and increased material available as result of the close of the war, we are providing less for the Library proper than last year. But we are providing for ourselves and our patronage here in the Capitol over $3,000,000 more than last year.

Mr. Speaker, at a time when the national debt has assumed gargantuan proportions, when the need for economy is paramount, when we are preaching economy for others and practicing extravagance for ourselves, this bill providing the largest number of employees for the House and Senate, at the highest salaries ever paid, and carrying the largest appropriations for the Capitol and its staff, is a repudiation of our promises to economize and the implement of waste, duplication, and maladministration.

Mr. Speaker, I yield back the remainder of my time.

Mr. JOHNSON of Indiana. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I am somewhat surprised at the statement just made by my distinguished friend and colleague from Missouri [Mr. CANNON]. During the entire consideration of this bill up to this very moment he has not proposed one single solitary reduction in any appropriation. When we had the bill under consideration he complained very bitterly because largely as a result of the work of the committee investigator, we had cut the Library of Congress appropriation. So I am somewhat surprised at the remarks of my good friend.

Mr. Speaker, a few members of committees that are utilizing the services of the legislative reference section of the Library have told me that they had been informed that the men whose services they were utilizing would be discharged. There is absolutely no justification for action of this character. The legislative reference section should retain those whose services are requested for committee work. And if this is not done we propose to find out why it is not done.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in this disagreement.

The Clerk read as follows:

Amendment No. 12: Page 9, line 11, insert: "*Provided further*, That the following positions and basic rates of compensation are established under the Joint Radio Information Facility: Director of studios, $3,240; chief engineer, $2,220; first assistant engineer, $1,800; second assistant engineer, $1,680; secretary, $1,500."

Mr. JOHNSON of Indiana. Mr. Speaker, I have a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. JOHNSON of Indiana moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment as follows: In the third line of the matter proposed to be inserted by the said amendment strike out the words "radio information" and insert "recording."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Indiana [Mr. JOHNSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 14, page 16, line 14, insert: "Every committee serving the House of Representatives shall report to the Clerk of the House within 15 days after December 31 and June 30 of each year the name, profession, and total salary of each person employed by such committee or any subcommittee thereof during the period covered by such report, and shall make an accounting of funds made available to and expended by such committee or subcommittee during such period, and such information when reported shall be published in the CONGRESSIONAL RECORD. The first such report shall cover the period beginning on January 3, 1947, and ending on June 30, 1947, and succeeding reports shall cover the 6-month period ending on the preceding December 31 or June 30, as the case may be. The information required to be reported and published shall be in lieu of the information required to be reported and published under section 134 (b) of the Legislative Reorganization Act of 1946, as amended, in the case of committees of the House and their subcommittees."

Mr. JOHNSON of Indiana. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 14 and concur therein.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CANNON. Mr. Speaker, this amendment marks another stage in the retreat from the reorganization bill. The reorganization bill contained a specific requirement that the data referred to in the amendment be published every 3 months, that it be published as a separate document and that it be included in the CONGRESSIONAL RECORD. This provision of the Reorganization Act, like so many other provisions of that ill-starred act, has never been complied with. Although enacted by the Congress and now the law of the country, it has never been observed. No such list has ever been prepared; no such document has ever been printed; and no such data has ever appeared in the Congressional Directory.

Now the pending amendment proposes to change the dead letter of the law, and provide for printing in the CONGRESSIONAL RECORD instead of as a separate document, and only every 6 months. I favor the amendment if it so modifies the law as to provide for its enforcement. It is to be regretted that the original provision has not been carried out, and this proposal is merely another evidence of the utter failure in every particular of the so-called "streamlining act" which we passed in the last session of Congress with such high hopes and such flamboyant predictions.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: page 19, line 24, insert "*Provided*, That, notwithstanding the provisions of section 6 of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses' of the Government for the fiscal year ending June 30, 1917, and for other purposes," approved May 10, 1916, as amended, the Board of Education of the District of Columbia is authorized and directed to pay Joseph Skubitz and Joseph J. Sullivan for services rendered by them as teachers in the Capitol Page School for the period January 2, 1947, to April 3, 1947, inclusive."

Mr. JOHNSON of Indiana. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MILITARY SERVICE CREDITED IN DETERMINING ELIGIBILITY FOR BENEFITS FROM POLICEMEN AND FIREMEN'S RELIEF FUND, DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (S. 924) to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia, each member of the Metropolitan Police Department of the District of Columbia, the United States Park Police force, the White House Police force, the Fire Department of the District of Columbia, and each member of the United States Secret Service who has actively performed duties other than clerical for 10 years or more directly related to the protection of the President, who shall have left active employment in any such department, force, or service to perform active service in the military or naval forces of the United States, shall be credited with all periods of honorable active military or naval service performed on or after September 16, 1940, and prior to the termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

Mr. DIRKSEN. Mr. Speaker, by way of explanation let me say briefly that this bill was passed by the Senate and has been approved by the House committee. It does nothing more than give to those members of the Police and Fire Departments who served in the military forces of the United States credit for their active military service in determining eligibility for retirement and the amount of the retirement.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY ADVANCEMENT IN RANK AND INCREASE IN SALARY OF LIEUTENANTS IN METROPOLITAN POLICE FORCE OF DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3978) to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That each lieutenant in the Metropolitan Police force of the District of Columbia who is assigned to duty as a supervisor of the general assignments squad, the homicide squad, the robbery squad, or the special investigations squad shall, so long as he serves as such supervisor, hold the rank and receive the basic salary of a captain in such police force.

SEC. 2. This act shall take effect on the first day of the calendar month following the calendar month in which it is enacted.

Mr. DIRKSEN. Mr. Speaker, the bill seeks only to equalize the pay status of those who are acting as captains, although nominally holding the rank of lieutenants. The purpose is to equalize the pay of investigators and also detective sergeants who are under their immediate control.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPENDITURES MADE FOR THE UNITED STATES PARK POLICE

Mr. DIRKSEN. Mr. Speaker, I call up the bill H. R. 2471, to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, beginning with the fiscal year beginning July 1, 1947, the Director of the National Park Service shall, from sums appropriated for such purpose, deposit in the general fund of the District of Columbia within 30 days after the end of each quarter an amount equal to the total amount expended during such quarter from sums appropriated from such general fund for the compensation, uniforms, equipment, and other expenses of the United States Park Police force.

SEC. 2. There shall be included in the annual estimates of appropriations for the National Park Service an amount representing the sums estimated to be necessary to make the deposits provided for by section 1.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

Mr. DIRKSEN. Mr. Speaker, the purpose of the bill is only to have the National Park Service reimburse the District of Columbia for any outlay it makes for uniforms, equipment, and so forth, for the National Park Police.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF PUBLIC WELFARE IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3873) to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That as used in this act—

The word "Commissioners" means the Commissioners of the District of Columbia;

The word "District" means the District of Columbia;

The word "Board" means the Board of Public Welfare for the District of Columbia created by the act of March 26, 1926 (44 Stat. 208);

The word "Department" means the Department of Public Welfare created by this act; and

The term "public-welfare functions" shall include, but shall not be limited to, programs of public assistance in and for the District, including general assistance, money payments to or for needy aged or needy blind individuals and needy dependent children; the establishment, maintenance, operation, and supervision of public institutions (other than those under the jurisdiction of departments and agencies of the United States or of the Health Department of the District of Columbia) of a charitable or eleemosynary character; the placement, care, maintenance, and transportation of insane, indigent, and feeble-minded persons, and activities relating to the welfare of children in the District.

SEC. 2. All authority, powers, and property, and all duties and obligations now vested in or imposed on the Board are hereby transferred to and are vested in and imposed on the Commissioners, except to the extent hereinafter provided, and the Commissioners shall be deemed to be the legal successors to the Board with respect to all such authority, powers, and property, and all duties and obligations hereby transferred.

SEC. 3. It shall be the duty of the Board of Public Welfare, from time to time at its discretion, to visit, inspect, and investigate any agency, institution, or activity under the administrative jurisdiction of the Department of Public Welfare hereinafter referred to; to undertake any studies and investigations of social and environmental conditions in the District as in its discretion may have a bearing upon the proper conduct of the District's public-welfare activities, the safeguarding of the interests of children, the diminishment of poverty and disease or allied topics; and to make recommendations to the Commissioners looking to improvements in the conduct of public-welfare functions by the Department of Public Welfare.

SEC. 4. There is hereby created a Department of Public Welfare, which shall consist of a Director of Public Welfare and such personnel as may be necessary for the efficient performance of the duties of the Department. Under the direction of the Commissioners, the Department shall—

(a) Administer all the public-welfare functions of the District;

(b) Cooperate with the Federal Government in carrying out the purposes of any Federal acts pertaining to public assistance or welfare services and in other matters of mutual concern, including the adoption of such methods of administration as are found by the Federal Government to be necessary for the proper and efficient operation of plans for public assistance and welfare services;

(c) In cooperation with other public and private agencies, develop such programs as may be necessary or desirable;

(d) Enter into reciprocal agreements with other States relative to the provision of public assistance and welfare services to residents and nonresidents;

(e) Conduct research and compile statistics relating to public-welfare functions;

(f) Prepare for the Commissioners an annual report of activities and expenditures; make such reports in such form and containing such information as the Federal Government may, from time to time, require; and comply with such provisions as the Federal Government may, from time to time, find necessary to assure the correctness and verification of such reports; and

(g) Take such other action as may be necessary or desirable to carry out the provisions of this act.

SEC. 5. The Director of the Department shall be appointed by the Commissioners on the basis of his education, training, experience, and demonstrated ability in welfare administration. He shall serve as the executive and administrative officer of the Department and shall be responsible for its management. He shall establish within the Department such divisions as may be necessary. All other officers and employees of the Department shall be appointed in accordance with and be subject to the provisions of the act approved December 20, 1941, entitled "An act to amend section 5 of the act entitled 'An act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes,' approved March 16, 1926" (55 Stat. 849, ch. 605, title 1, sec. 3–105, D. C. Code, 1940, Supp. V).

SEC. 6. All children committed to the guardianship, care, or custody of the Board prior to the effective date of this act shall be under the guardianship, care, and custody of the Department, and the terms of any court order or decree of commitment shall be binding on the Department. After the effective date of this act, no child shall be committed to the guardianship, care, or custody of the Board, but in lieu thereof may be committed to the guardianship, care, and custody of the Department.

SEC. 7. No contract for services or supplies made by the Board pursuant to authority granted to it by law shall be invalidated by this enactment.

SEC. 8. The unexpended balances of all appropriations heretofore and hereafter made for the Board, or to be disbursed by it, shall become available for the use of and disbursement by the Department under the direction of the Commissioners.

SEC. 9. Employees of or under the Board on the effective date of this act shall be transferred to and become employees of the Department.

SEC. 10. The Department, with the approval of the Commissioners, shall prescribe and publish all needful rules and regulations for the administration of public-welfare functions. The rules and regulations lawfully made and promulgated by the Board relating to public-welfare functions shall continue in force until the same be modified or repealed.

SEC. 11. When the Commissioners are required by law to hold a hearing in relation to any public-welfare function, they are authorized in their discretion, to designate an agent or agents for the purpose of holding such hearing. If the hearing is held before an agent or agents, such agent or agents shall report in writing to the Commissioners the substance of the evidence taken and the arguments made at the hearing, together with the findings and the recommendations of such agent or agents. A copy of such report, findings, and recommendations shall be mailed to the person requesting such hearing 10 days before being presented to the Commissioners and the said person may, before such report, findings, and recommendations are presented to the Commissioners, file with such agent or agents exceptions to such report and findings, which exceptions shall be presented to the Commissioners with such report, findings, and recommendations.

SEC. 12. The act entitled "An act to regulate proceedings in adoption in the District of Columbia," approved August 25, 1937, is further amended by striking out the term "Board of Public Welfare" wherever it appears in said act and inserting in lieu thereof the term "Department of Public Welfare."

SEC. 13. The act shall take effect 30 days after its enactment.

With the following committee amendments:

Page 2, lines 11 and 12, after the word "character", insert the following: "for the protection, care, and training of children accepted under law and by commitment of the juvenile court, for the feeble-minded, or for the aged and infirm."

Page 3, line 10, insert after the period the following: "To carry out the duties imposed by this section the Board is authorized to employ, on a full- or a part-time basis, without reference to Civil Service requirements and without regard to the Classification Act of 1923, as amended, such investigators and clerks as in their discretion are necessary; and for this purpose appropriations not exceeding $10,000 per year are hereby authorized."

Page 4, strike out lines 8 to 14, inclusive, and insert in lieu thereof the following:

"(f) Prepare for the Commissioners an annual report of activities and expenditures; and make such reports, in such form, containing such information, and complying with such provisions to assure accuracy and verification, as the Federal Government is authorized by law to require; and"

Page 4, line 22, insert after the word "shall" a comma and the following: "with the approval of the Commissioners."

Page 5, line 6, insert before the period a comma and the following: "except that the recommendation of the Board shall not be required."

Page 5, strike out lines 19 to 23, inclusive, and insert in lieu thereof the following:

"SEC. 8. All unexpended balances of all appropriations heretofore or hereafter made for the Board shall become available for use by the Department under the direction of the Commissioners."

Page 6, line 3, strike out "Department" and insert in lieu thereof "Director."

Mr. DIRKSEN. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. MILLER], author of the bill and also chairman of the subcommittee which handled this matter.

Mr. MILLER of Nebraska. Mr. Speaker, this bill simply redefines the duties and powers of the Board of Public Welfare in the District of Columbia, and establishes a Department of Public Welfare. It places responsibility and authority in the Commissioners. It continues the Board of Public Welfare, which is a voluntary board appointed by the Commissioners. It provides for $10,000 in order that they may have a secretary to do some checking.

The committee had full hearings at which the Commissioners and the public, as well as the Board of Welfare, were present. The committee felt that the bill is in the interest of the District because up to this time responsibility and authority has been somewhat divided in connection with public-welfare work in the District of Columbia. There has been no clearly defined authority. The committee felt inasmuch as the Commissioners have to recommend and defend budgets and approve expenditures, they ought to have full responsibility and authority. The Congress can then fix responsibility for public-welfare activities.

The bill was reported by the subcommittee unanimously, and I believe unanimously by the full committee with the recommendation to the House that the bill be passed.

I move the previous question.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT ON INSTALLATION OF RADIO EQUIPMENT

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 2984) to amend the act of June 1, 1910, so as to regulate the installation of radio or television transmitting antennas, masts, or other structures in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended (D. C. Code, 1940 ed., Supp. V, sec. 5–405), is amended by inserting after the second proviso in the eighth paragraph of such section the following new proviso: *"And provided further*, That no radio or television transmitting antennas, masts, or other structures of any description used in facsimile, frequency modulation, or television broadcasting shall be erected in residential 'A' restricted area district, 'A' semirestricted area district, or residential 'A' district, and such structures shall not be permitted to be erected in any other use district to a height greater than any limit prescribed in this act, as amended, by the Commissioners of the District of Columbia, when the radius of the height of the transmitting antenna, mast, or other structure would (1) include any home, playground, or recreational facility, or school; (2) tend to create or result in a dangerous safety hazard; or (3) adversely affect the orderly development of adjacent residential property, property values, or the beauty of the Nation's Capital."

With the following committee amendment:

Page 1, line 8, after the word "proviso" strike out the remainder of the bill and insert the following: "*'And provided further*, That no radio or television transmitting antenna or mast shall be erected in residential "A" restricted area district, residential "A" semirestricted area district, or residential "A" district, as defined in the zoning regulations as shown in the official atlases of the zoning commission, if any home, playground, or recreation facility, or school, or any part thereof, is within the area encircling the antenna, or mast bounded by a circle drawn from the base of the antenna or mast and having a radius equal to the height of the antenna or mast itself, or if such antenna or mast would result in an unusually dangerous safety hazard:'."

Mr. O'HARA. Mr. Speaker, the purpose of this bill is to protect residential areas, playgrounds, recreational facilities, and schools by prohibiting the erection of radio or television transmitting antennas or masts in certain localities.

I might say in this connection, Mr. Speaker, that there have been four television towers and one radio tower recently licensed in the District of Columbia, three of which have been authorized to be erected in residential areas. This legislation would have no effect, in my opinion, upon the erection or installation of those towers which have already been licensed.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING OFFICIAL REPORTERS OF MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA TO COLLECT FEES FOR TRANSCRIPTS

Mr. O'HARA. Mr. Speaker, I call up the bill (S. 1462) to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to their annual salaries, official reporters for the municipal court for the District of Columbia are authorized to charge and collect from parties, including the United States and the District of Columbia, who request transcripts of the original records of proceedings, such fees therefor, and no other, as may be prescribed from time to time by the court. All supplies shall be furnished by the official reporters at their own expense. The court shall have the power and is hereby directed to prescribe such rules, practice, and procedure pertaining to fees for transcripts as it may deem necessary, and the same shall conform as nearly as may be practicable to the rules, practice, and procedure pertaining to fees for transcripts established for the District Court of the United States for the District of Columbia. No fee shall be charged or taxed for any copy of a transcript delivered to a judge at his request or for any copies

of a transcript delivered to the clerk of the court for the records of the court. Except as to transcripts that are to be paid for by the United States or the District of Columbia, the reporters may require any party requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT OF SCHOOL TEACHERS IN DISTRICT OF COLUMBIA

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 3852) to amend the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved August 7, 1946, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 7 of the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved August 7, 1946, be, and the same hereby is, amended by striking out the word "twenty" and inserting in lieu thereof the word "fifty."

Mr. O'HARA. Mr. Speaker, the purpose of this bill is to extend the liquidation period of the teachers' retirement fund in the District of Columbia from 20 to 50 years.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECORDER OF DEEDS OF DISTRICT OF COLUMBIA

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 3045) to place the Office of Recorder of Deeds of the District of Columbia under the jurisdiction, supervision, and control of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That from and after the date of approval of this act the Office of Recorder of Deeds of the District of Columbia shall be under the direction of the Commissioners of the District of Columbia, and the recorder, deputy recorder, second deputy recorder, and all employees under them shall be appointed and removed by the said Commissioners. The positions of recorder and of all other officers and employees in the office of the recorder shall be subject to the Classification Act of 1923, as amended and supplemented. Any officer or employee, whose position was not allocated in accordance with the said Classification Act on the date of approval of this act, may be paid at the same rate payable upon the date of approval of this act until the effective date of the allocation of the position of said officer or employee under the said Classification Act, provided such officer or employee lawfully performs the duties of such position.

SEC. 2. The said Commissioners are hereby authorized and directed to prescribe, from time to time, the manner, processes, and procedures by which deeds and other instruments of writing shall be recorded, and all deeds and other instruments of writing entitled by law to be recorded in the Office of the Recorder of Deeds which are recorded in the manner so prescribed by the Commissioners are hereby declared to be legally recorded. The said Commissioners are authorized and empowered to purchase such machines and equipment as they may deem necessary or expedient for the efficient, expeditious, and economical recording of all deeds and other instruments of writing entitled by law to be recorded, and to employ such personnel as may be required to operate the same and to perform necessary services in connection therewith.

SEC. 3. From and after the date of approval of this act, except as otherwise provided in section 7 of this act, all fees, emoluments, and other receipts heretofore collected or received by the Recorder of Deeds shall be collected and received by the Collector of Taxes of the District of Columbia and deposited in the Treasury of the United States to the credit of the District of Columbia. All receipts and expenditures of appropriations for the Office of the Recorder shall be audited and disbursed in the same manner as are other receipts and disbursements of the government of the District of Columbia.

SEC. 4. All appropriations for the Office of the Recorder of Deeds in any act heretofore or hereafter approved are hereby made available to the Commissioners of the District of Columbia for the purposes of this act.

SEC. 5. Except as otherwise provided herein, all laws relating to the powers and duties of the Recorder and his deputies and employees, and to the recordation of deeds, contracts, and other instruments in writing, which are in effect on the date of approval of this act shall remain in full force and effect.

SEC. 6. That section 1 of an act entitled "An act to fix the compensation of the Recorder of Deeds of the District of Columbia and the Superintendent of the National Training School for Girls," approved September 29, 1943, is hereby repealed.

SEC. 7. (a) The duties and function heretofore vested in and performed by the Recorder of Deeds of the District of Columbia under the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, as amended, are hereby transferred to and imposed upon the Director of Vehicles and Traffic of the District of Columbia.

(b) That in section 1 of an act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, as amended, in the definition "Lien information" strike out the word "recorder's" and insert in lieu thereof the word "Director's."

(c) In section 3 of said act strike out the word "recorder" and insert in lieu thereof the word "Director."

(d) Section 5 of said act is repealed.

(e) Sections 6, 7, 8, 9, 10, 11, 12, and 13 of said act are amended to read as follows:

"SEC. 6. Applications for certificates, in addition to all other matters which may be required by law, shall show under oath whether or not there are any liens against the motor vehicle or trailer or any equipment or accessories affixed thereto; and if so, the lien information in the order of its priority, and shall be accompanied by instruments or any other papers necessary to entitle liens to be entered on the certificate. Upon receipt by the Director of an application for a certificate and accompanying documents, if any, or on the application for a duplicate, he shall compare the statements in the application as to liens with his records and the documents and instruments accompanying the application, and if such statements are incorrect or incomplete, or if any of the liens shown by the application are not entitled to be entered on the certificate in the same order as they appear on the application, the Director shall advise the applicant or his representative that the certificate may not be issued and the reasons therefor. If the statements as to liens are full, true, and complete, and all liens shown by the application are entitled to be entered on the certificate in the same order as they appear on the application, the Director shall stamp on the application the words 'Statements as to liens in accordance with records, a facsimile of his signature, and the date, shall accept all instruments accompanying the application for recording and shall stamp his record number opposite the statement of each lien on the application for certificate. The Director shall retain the instruments for his permanent file. The Director shall thereupon prepare the certificate and when liens are shown on such an application shall stamp upon each of two cards, the size of which shall be fixed by the Director, the information stamped by the Director on the face of such certificate. If the application for title shows no liens, the Director shall stamp on the certificate and on the reverse side of that portion of the application for identification tags known as 'Collector's coupon' the words 'No lien shown by records' and the date. If the application shows liens, the Director shall stamp aforesaid 'Collector's coupon' with the words 'Lien recorded' and shall enter the lien information on the certificate and on each of the said cards. The aforesaid stamping and entering shall be made on the face of the certificate in the space provided therefor. The representative of the Collector of Taxes of the District of Columbia, stationed in the office of the Director, shall collect from the applicant or his representative all fees and charges in connection with the recordation of liens, if any, and in connection with the issuance of the certificate. Upon presentation to the Director of proper evidence that said fees and charges have been paid, the Director shall issue said certificate to the record holder of the first lien shown thereon or his representative; or if there are no liens, then to the owner or his representative.

"SEC. 7. When it is desired to have a lien entered on a certificate theretofore issued the instrument and the certificate shall be presented to the Director, and upon the payment of the necessary fees to the representative of the Collector of Taxes of the District of Columbia in the office of the Director, the Director shall accept the instruments for recording, and unless he has cards covering said motor vehicle or trailer, he shall stamp cards in the manner set forth in section 6. The Director shall enter the lien information on the certificate in the space hereinbefore mentioned and on each of said cards and shall deliver or mail the certificate to the record holder of the first unsatisfied lien shown thereon or his representative.

"SEC. 8. The rights of the holder of an unsatisfied lien shown on a certificate may be assigned by an assignment in writing, which shall show the name and address of the assignee, the trade name and engine number of the motor vehicle, or the trade name and serial number, if any, of the trailer, and the Director's record number of the instrument, or, if none, a brief description sufficient to identify the lien, shall be signed by the holder of the lien and acknowledged by him in the manner provided by law for deeds of real estate. Upon presentation of an assignment and a certificate and the payment of the pre-

scribed fee to the representative of the Collector of Taxes of the District of Columbia in the office of the Director, the Director shall enter upon the face of the certificate and upon each of the cards hereinbefore described his record number of the lien which is being assigned, or, if no such instrument is on file, a brief description sufficient to identify the lien, the date of the assignment, and the words 'Assigned to,' and the name and address of the assignee, and the date. The assignment shall be attached to the instrument if the instrument has been filed with the Director, and if not, the assignment shall be given a director's record number and filed by the Director and such number shall be entered on the certificate and on each of the cards opposite the entry of the information relative to the assignment. The certificate shall be delivered to the record holder of the first unsatisfied lien shown thereon or his representative.

"SEC. 9. Whenever it is desired to enter a lien or an assignment upon a certificate and such certificate is not available, upon delivery to the Director of the instrument or assignment the Director shall demand that the person possessing the certificate surrender it for the purpose of entering thereon the lien or the assignment and upon surrender of the certificate the Director shall perform the same acts as in cases where the certificate was presented with the instrument. Any person in possession of a certificate shall, upon demand of the Director, surrender it to the Director within 72 hours for the purpose of entering the lien or assignment thereon. This section shall not be deemed to affect the priority given under section 3 (c) to a lien where the instrument is presented together with the certificate.

"SEC. 10. The record holder of the first unsatisfied lien shown upon the certificate shall be entitled to the possession of the certificate and upon satisfaction of his lien he shall, within 72 hours, place upon the face of the certificate the Director's record number of the lien, or, if no such instrument is on file, a brief description sufficient to identify the lien, and in either case the word 'satisfied,' or its equivalent, and his signature, swear to it before a notary public, and forward or deliver it to the Director who shall release the lien in the manner prescribed in section 11 and the Director shall then deliver or mail the certificate to the holder of the lien next in priority, or, if none, to the owner or to the person designated in writing by the owner. Upon the satisfaction of any lien other than the first unsatisfied lien shown on the certificate, the record holder of the lien so satisfied shall, within 72 hours, make similar entries upon the face of the certificate, and it shall be the duty of the person in possession of the certificate, upon demand, to permit such holder to make said entries, and within 72 hours after said entries have been made the person in possession of such certificate shall forward or deliver said certificate to the Director who shall release the lien in the manner prescribed in section 11 and return the certificate to the record holder of the first unsatisfied lien shown thereon.

"SEC. 11. The Director, upon receipt of a certificate whereon a lien is marked 'Satisfied' as set forth in section 10, shall enter on the face of the certificate and on each of the cards described in section 6, and on the instrument, if any, filed in the Director's office as hereinafter provided, his said record number, or, if no such instrument is on file, a brief description sufficient to identify the lien, and in either case the word 'Released,' a facsimile of his signature and the date. When for any reason a lien holder upon satisfaction of his lien has failed to mark the certificate as herein provided and the lien holder cannot be located, or when the certificate after being so marked has been lost or destroyed and a duplicate certificate issued, the Director upon receipt of evidence satisfactory to him that the lien has been satisfied shall release it upon the certificate or duplicate certificate, the aforesaid cards and instrument, if any, as above set forth.

"SEC. 12. The fee for recording liens or assignments of liens upon a certificate shall not exceed the sum of $1 for each lien or assignment of lien on each motor vehicle or trailer contained in the instrument, which said fee shall include the charge for recording the release of such lien.

"SEC. 13. The Director shall maintain files wherein he shall file one set of the cards hereinbefore described alphabetically under the name of the owner and the other under the trade name and engine number if it covers a motor vehicle, or the trade name and serial number, if any, if it covers a trailer. The Director shall preserve all instruments in a separate file."

(e) The following new section 17 is added to said act:

"SEC. 17. All record numbers heretofore assigned to liens by the Recorder of Deeds of the District of Columbia and which have heretofore been referred to in this act as 'the Recorder's record number' of the instrument or lien, shall hereafter be deemed and taken to be 'the Director's record number' of such instrument or lien."

(f) All "instruments" as defined in said act of July 2, 1940, as amended, which have been filed and kept at the main Office of the Recorder of Deeds together with the files containing the same, and all furniture, equipment, cards, and other supplies heretofore furnished and maintained by the Recorder of Deeds in the Office of the Director of Vehicles and Traffic shall be transferred to the Office of the Director and shall be under his jurisdiction and control.

(g) That paragraph (d) of section 3 of title IV of the District of Columbia Revenue Act of 1937, as amended, is further amended by inserting after the first word of said paragraph (d) the words "fees charged for the recording, assignment or release of liens against motor vehicles or trailers, all."

(h) Section 3 shall become effective 6 months after the approval of this act, or upon such earlier date as the Commissioners of the District of Columbia may order.

With the following committee amendments:

Page 1, strike all of title and insert in lieu thereof:

"To authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes."

Page 1, beginning with line 3, strike all to end of line 9 on page 2.

Page 2, line 10, strike entire line and insert in lieu thereof the words, "that the Commissioners of the District of Columbia are hereby authorized."

Page 2, line 11, after the comma, following the word "time", insert the words, "the legal fees for the services of the Recorder of Deeds of the District of Columbia."

Page 2, line 17, strike the words "Commissioners are" and insert in lieu thereof the words "Recorder is."

Page 2, line 19, strike the word "they" and insert in lieu thereof the word "he."

Page 2, line 25, strike entire line.

Page 3, strike lines 1 through 6, inclusive, and insert in lieu thereof the following: "SEC. 2. All receipts and expendi-".

Page 3, line 7, after the word "be" insert the word "preaudited" and a comma.

Page 3, strike lines 11 through 25.

Page 4, line 1, strike figure "7" and insert figure "3."

Page 4, line 12, end of line after comma, insert:

"Strike out the words '"Recorder" shall mean the Recorder of Deeds of the District of Columbia, including assistants or agents duly designated by the Recorder', and."

Page 5, line 15, strike the word "stamp" and insert in lieu thereof the word "enter."

Page 5, line 19, strike the word "stamp" and insert in lieu thereof the word "enter."

Page 5, line 23, strike the word "stamp" and insert in lieu thereof the word "enter."

Page 6, line 1, strike the word "stamped" and insert in lieu thereof the word "entered."

Page 6, line 3, strike the word "stamp" and insert in lieu thereof the word "enter."

Page 6, line 7, after the word "stamp", insert the words "or endorse."

Page 6, line 10, after the word "stamping", insert a comma, followed by the word "endorsing."

Page 7, line 4, strike the word "stamp" and insert in lieu thereof the word "prepare."

Page 11, line 4, strike the letter "e", within parentheses, and insert in lieu thereof the letter "f."

Page 11, line 11, strike the letter "f", within parentheses, and insert in lieu thereof the letter "g."

Page 11, line 19, strike the letter "g", within parentheses, and insert in lieu thereof the letter "h."

Page 12, line 1, strike the letter "h", within parentheses, and insert in lieu thereof the letter "i."

Page 12, line 1, strike the figure "7" and insert in lieu thereof the figure "3."

Mr. O'HARA. Mr. Speaker, briefly and for the information of the House, this bill does not affect the autonomy of the Office of the Recorder of Deeds of the District of Columbia. It does provide and authorize the recorder to purchase certain photostatic equipment for that office. It provides for the checking of the records by the District auditor. There are several other amendments which I shall not attempt to describe.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes."

A motion to reconsider was laid on the table.

REGULATION OF CERTAIN INSURANCE RATES IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3998) to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

SECTION 1. Definitions: In this act, unless the context otherwise requires—

"District" means the District of Columbia.

"Superintendent" means the Superintendent of Insurance of the District of Columbia.

"Insurance" includes (but is not limited to) fidelity, surety, and guaranty bonds.

"Company" means any insurer, whether stock, mutual, reciprocal, interinsurer,

Lloyd's, or any other form or group of insurers.

"Policy" means an insurance policy or contract as defined by Public Law 824, Seventy-sixth Congress, approved October 9, 1940.

"Agent" means and shall include any individual, copartnership, or corporation acting in the capacity of or licensed as a "policy-writing agent", "soliciting agent", or "salaried company employee" as defined by the act entitled "An act to provide for the regulation of the business of fire, marine, and casualty insurance, and for other purposes", approved October 9, 1940.

SEC. 2. Scope of act: This act shall apply to all forms of casualty, motor vehicle, explosion, sprinkler leakage, and inland marine insurance in the District and to all forms of insurance within the scope of said act approved October 9, 1940, except those forms of insurance not enumerated herein which are within the scope of the act entitled "An act to provide for the regulation of certain insurance rates in the District of Columbia, and for other purposes", approved June 1, 1944: *Provided*, That this act shall not apply to reinsurance and shall not apply to: (a) Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies; (b) title; (c) accident and health insurance; (d) insurance against loss of or damage to aircraft or to liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance, or use of aircraft; (e) to insurance issued to self-insurers and insuring against loss in excess of at least $10,000 resulting from any one accident or event, except when rates therefor are made by a rating organization.

SEC. 3. Making of rates: (a) Rates for insurance within the scope of this act shall not be excessive, inadequate, or unfairly discriminatory.

(b) Due consideration shall be given to past and prospective loss experience within and outside the District, to physical hazards, to safety and loss prevention factors, to underwriting practice and judgment, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies; to dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers; to past and prospective expenses both country-wide and those specially applicable to the District; to whether classification rates exist generally for the risks under consideration; to the rarity or peculiar characteristics of the risks; and to all other relevant factors within and outside the District.

(c) Nothing in this section shall be taken to prohibit as unfairly discriminatory the establishment of classifications or modifications of classifications of risks based upon size, expense, management, individual experience, purpose of insurance, location or dispersion of hazard, or any other reasonable considerations provided such classifications and modifications apply to all risks under the same or substantially similar circumstances or conditions.

(d) Nothing in this act shall be construed to require uniformity in insurance rates, classifications, rating plans, or practices.

(e) Nothing in this act shall abridge or restrict the freedom of contract of insurers, agents, brokers, or employees with reference to the commissions or salaries to be paid to such agents, brokers, or employees by insurers.

(f) Rates may be made effective immediately or at such future time as the company or rating organization making them may specify. They shall thereafter remain in effect unless and until changed by the company or rating organization making them, or adjusted by order of the Superintendent in accordance with the provisions of this act.

SEC. 4. Supervision of rates: (a) On and after January 1, 1948, every company shall file with the Superintendent, either directly or through a licensed rating organization of which it is a member or subscriber, except as to rates on inland marine risks which are not made by a rating organization and which by general custom of the business are not written according to manual rates or rating plans, all rates and rating plans, rules, and classifications which it uses or proposes to use in the District.

(b) Whenever it shall be made to appear to the Superintendent, either from his own information or from complaint of any party alleging to be aggrieved thereby, that there are reasonable grounds to believe that the rates on any or on all risks or classes of risks or kinds of insurance within the scope of this act are not being made in accordance with the terms of this act, it shall be his duty, and he shall have the full power and authority, to investigate the necessity for an adjustment of any or all such rates.

(c) After such an investigation of any such rates, the Superintendent shall, before ordering any appropriate adjustment thereof, hold a hearing upon not less than 10 days' written notice specifying the matters to be considered at such hearing, to every company and rating organization which filed such rates, provided the Superintendent need not hold such hearing in the event he is advised by every such company and rating organization that they do not desire such hearing. If after such hearing the Superintendent determines that any or all of such rates are excessive or inadequate, he shall order appropriate adjustment thereof. Pending such investigation and order of the Superintendent, rates shall be deemed to have been made in accordance with the terms of this act. No order of adjustment shall affect any contract or policy made or issued prior to the effective date of such order unless (i) the adjustment to be effected is substantial and exceeds the cost to the companies of making the adjustment and (ii) the order is made after the prescribed investigation and hearing and within 30 days after the filing of rates affected. In no event shall an order of adjustment affect an existing contract or policy required by law, order, rule, or regulation of a public authority, or as to which the rates are not, by general custom of the business or because of rarity and peculiar characteristics, written according to normal classification or rating procedure.

(d) In determining the necessity for an adjustment of rates, the Superintendent shall be bound by all of the provisions of section 3 of this act.

(e) The Superintendent is further empowered to investigate and to order removed at such time and in such manner as he shall specify any unfair discrimination existing between individual risks or classes of risks.

SEC. 5. Cooperative and concerted action authorized: Subject to the provision of this act, two or more admitted insurers may cooperate or act in concert with each other—

(a) as a rating organization, for the purpose of making rates, rating plans, or rating systems. No insurer shall be deemed to be a rating organization;

(b) as an advisory organization, for the purpose of preparing policy forms, making underwriting rules, surveys, or inspections incident to but not including the making of rates, rating plans or rating systems, or collecting and furnishing to admitted insurers of rating organizations loss of expense statistics or other statistical data, and acting in an advisory as distinguished from a rate-making capacity;

(c) as a group or fleet of insurers operating under the same general management and control, for the purpose of conducting a complete insurance service;

(d) as a group, association, or other organization for the purpose of joint underwriting or joint reinsurance, or of equitable apportionment and proper rating of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods;

(e) as any other type of group, association, or organization, for such purposes, other than those heretofore described in this section, as the Superintendent may, after investigation, approve as being in the interest of the insuring public of the District.

No company shall be required by this act to be a member or subscriber of any rating organization.

SEC. 6. Cooperative and concerted action regulated: (a) Every group, association, or other organization of insurers authorized to act as such under the terms of this act, except groups or fleets described in subsection (c) of section 5, shall file with the Superintendent (1) a copy of its constitution, its articles of agreement or association, or its certificate of incorporation, and of its bylaws, rules, and regulations governing the conduct of its business; (2) a list of its members and subscribers, if any; (3) the name and address of a resident of the District upon whom notices or orders of the Superintendent or process affecting it may be served; and shall notify the Superintendent promptly of any change in the foregoing.

(b) No such group, association, or organization shall engage in any unfair or unreasonable practice in the conduct of its business.

(c) No rating organization shall conduct its business with respect to insurance on risks located within the District without a license from the Superintendent. To obtain such a license, a rating organization shall, in addition to the matters specified in subsection (a) of this section, supply to the Superintendent a statement relating to its qualifications as a rating organization and its ability adequately to administer the rates, rules, and regulations which it may make in behalf of its members and subscribers.

If the Superintendent finds that the applicant is competent, trustworthy, and otherwise qualified to act as a rating organization, he shall forthwith issue a license specifying the kinds of insurance and subdivisions thereof for which the applicant is authorized to act as a rating organization, but, if the Superintendent does not so find within 30 days after he has received such application, he shall, at the request of the applicant, give the applicant a full hearing.

Licenses issued pursuant to this section shall remain in effect until suspended or revoked by the Superintendent unless voluntarily surrendered by the rating organization. The fee for said license shall be $250 and shall be paid by the applicant through the Superintendent to Collector of Taxes, District of Columbia. Licenses issued pursuant to this section may, at the request of the rating organization, be amended by the Superintendent so as to include authority with respect to additional kinds of insurance and subdivisions thereof, provided the rating organization satisfies the Superintendent that such amendment would not in any way be contrary to or inconsistent with the provisions of this act: *Provided*, That an additional fee in the amount of $50 shall be charged for such amendment.

The license of any rating organization may be suspended or revoked by the Superintendent for failure to comply with this act or for incompetence or untrustworthiness. The Superintendent shall not revoke or suspend the license of any rating organization until he has given it not less than 30 days' notice of the proposed revocation or suspension and of the grounds alleged therefor and has afforded the rating organization an opportunity to be heard. In lieu of revoking or suspending the license of any rating organization after hearing and for the causes named herein, the Superintendent may subject such rating organization to a penalty of not more than $250 when in his

judgment he finds that the public interest would be best served by the continued operation of the rating organization. The amount of any such penalty shall be paid by the rating organization through the Superintendent to Collector of Taxes, District of Columbia.

(d) Every licensed rating organization shall, subject to reasonable rules and regulations, permit any company not a member to be a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act; shall give notice of changes in such rules and regulations to its subscribers; and shall furnish its rating services without discrimination to its members and subscribers.

(e) No licensed rating organization shall adopt any rule, effect any agreement, or take any action contrary to or inconsistent with the provisions of this act or which would have the effect of prohibiting, restricting, or regulating the payment or allowance by any of its members or subscribers of dividends, savings, or unabsorbed premium deposits; nor practice or sanction any plan or act of boycott, coercion, or intimidation; nor enter into or sanction any contract or act by which any person is restrained from lawfully engaging in the business of insurance.

(f) Every member of or subscriber to a licensed rating organization shall adhere to the filings made on its behalf by such organization except that any such member or subscriber may deviate from such filings if it has filed with the rating organization and with the Superintendent the deviation to be applied and information necessary to justify the deviation and provided such deviation is approved by the Superintendent. If approved, the deviation shall remain in force until such approval is withdrawn by the Superintendent after notice to the company or withdrawn by the company with the approval of the Superintendent. The Superintendent shall approve any such deviation unless he finds that the deviation to be applied would not be uniform in its application or would be inconsistent with the provisions of this act, but unless he approves the deviation within 30 days he shall, within a reasonable time, grant a hearing to the applicant at the applicant's request.

SEC. 7. Information to be furnished by insurers: (a) Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

(b) Every rating organization and every insurer which makes its own rates shall provide within the District reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within 30 days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within 30 days after written notice of such action, appeal to the Superintendent who, after a hearing held upon not less than 10 days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

(c) No company, agent, broker, or rating organization may willfully withhold required information from or give false or misleading information to the Superintendent.

(d) No company, agent, or broker shall fail to furnish to an insured any policy or comparable evidence of insurance to which the insured is entitled.

SEC. 8. Authority and duty of Superintendent: In addition to any powers hereinbefore expressly enumerated in this act, the Superintendent shall have full power and authority, and it shall be his duty, to enforce by regulations, orders, or otherwise all and singular, the provisions of this act, and the full intent thereof. In particular he shall have the authority and power—

(a) to examine all records of companies and rating organizations and to require any or every company, agent, broker, and rating organization to furnish under oath such information he may deem necessary for the administration of this act;

(b) to make and enforce such reasonable orders, rules, and regulations as may be necessary in making this act effective, but such orders, rules, and regulations shall not be contrary to or inconsistent with the provisions of this act;

(c) to issue an order, after a full hearing to all parties in interest requiring any group, association, or organization of insurers and the members thereof to cease and desist from any unfair or unreasonable practice.

The Superintendent shall have no authority at any hearing to compel the attendance of witnesses or to require adherence to formal rules of pleading or evidence. At the request of a party or parties in interest at any hearing, he shall administer oath and shall make a record of the hearing, and upon request of such party or parties he shall make and certify a transcript of the record, the cost of such record and transcript to be paid by the party or parties requesting the same.

SEC. 9. Penalties: Any company, broker, or agent guilty of violating any of the provisions of this act or any order, rule, or regulation issued pursuant to this act, shall be subject to the provisions of sections 3 and 36, respectively, of chapter II of said act approved October 9, 1940, as amended.

SEC. 10. Judicial review: Any person, firm, or corporation aggrieved by any order, ruling, proceeding, or action of the Superintendent may contest the validity of such order, ruling, proceeding, or action in any court of competent jurisdiction by appeal or through any other appropriate proceedings, as provided under section 45, chapter II, of said act approved October 9, 1940.

SEC. 11. Repeals: All laws or parts of laws, insofar as they relate to business affected hereby and are in conflict with any of the provisions of this act, are hereby repealed: *Provided*, That this act shall not be construed as repealing or amending the act entitled "An act to amend an act entitled 'An act to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes,' approved June 29, 1938," approved December 15, 1942.

SEC. 12. Unconstitutionality: If any section or provision of this act is held unconstitutional or invalid, the validity of the act as a whole or of any part thereof, other than the part decided to be unconstitutional or invalid, shall not be affected.

SEC. 13. Effective date: This act shall take effect October 1, 1947.

Mr. DIRKSEN. Mr. Speaker, I suggest the Chair recognize the gentleman from Illinois [Mr. SIMPSON] to make a statement, but before doing so, let me say that as chairman of the subcommittee on this matter he has labored very earnestly for nearly 5 months in order to bring here a bill that will meet generally the objections that were raised by a good many Members of the House. I think some five or six Members of the House have introduced legislation on this subject, and this represents, I believe, a felicitous compromise that meets every objection.

Mr. SIMPSON of Illinois. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, early during the first session of this, the Eightieth Congress, various insurance bills as to the regulation of insurance rates in the District of Columbia were introduced and assigned to the Subcommittee on Public Utilities, Insurance and Banking of the District of Columbia Committee.

H. R. 951 which is known as the all-industry bill was introduced by Mr. GWYNNE of Iowa, and H. R. 1458 was introduced by Mr. HUGH D. SCOTT, of Pennsylvania. H. R. 2954 was introduced by Mr. POULSON, of California, and H. R. 3287 by Mr. MCMILLEN of Illinois. By request, I introduced H. R. 1717.

The subcommittee held a lengthy hearing on these resolutions at which insurance representatives and executives appeared. The hearing started at 9:45 in the morning and lasted until almost 6 o'clock that afternoon. Permission, of course, was obtained in the House to continue with the hearings after 12 o'clock noon. These hearings have been printed and are available.

Soon after the hearings were held I asked the various Members and those interested in the legislation which they had introduced and Mr. Jordan, Superintendent of Insurance for the District of Columbia, to get together in an attempt to write a bill that all could accept. In the meantime Mr. PLOESER, of Missouri, who is an insurance agent, introduced H. R. 3720. Mr. PLOESER is an insurance agent for several companies in the city of St. Louis and has been such for many years. He is also chairman of the House Small Business Committee and vitally interested in that phase of this legislation. Several meetings have been held, and the Members who have introduced these various bills were invited, insurance executives, and Mr. Jordan.

During these meetings it seemed to me there were two controversial sections: (1) Being to the method of procedure as to hearings between the superintendent and the insurer. I feel that all interested agreed hearings should be mandatory but that it was the method of procedure as to the hearings that was in controversy; (2) the other controversial matter was the underwriter's profit under section 3, making of rates. As a result and in the final analysis, H. R. 3998 was introduced by me. For the moment, I believe it is as near a compromise resolution as can be obtained.

I wish to state that I do not believe anyone could write a bill as to the regulations of insurance rates in the District of Columbia that everyone would accept. I think this is absolutely impossible. When Mr. DIRKSEN, chairman of the House District of Columbia Committee, assigned this legislation to the subcommittee of which I am chairman, I knew nothing about insurance except to pay the premiums. Possibly today I know a little more about it. I feel most committee members are in a like situation. The whole matter is technical and involved. From a standpoint of the public or a policyholder, I think they are interested only in the solvency of an

insurance company, the cost of insurance, and whether or not their loss will be paid if they have one.

For the benefit of Members of the House and for those not familiar with the purpose of this legislation I will outline a brief history of it in chronological order.

On June 5, 1944, the Supreme Court of the United States in the *United States* v. *South-Eastern Underwriters Association et al.* (322 U. S. 533, 88 L. ed. 1440) held that the business of insurance was commerce, that when conducted across State lines it was interstate commerce, and therefore subject to the Sherman Antitrust Act. By that decision, insurance was held to be commerce. After the SEUA decision, it was felt by the Congress that the insurance business would need time in which to become readjusted to its newly acquired status under the Federal Antitrust Act and related Federal laws. This was especially true of certain types of property insurance for which rate making by the industry had been found to be necessary. Congress then enacted Public Law 15, known as the McCarran Act, giving the insurance companies a moratorium where they would not be in violation until January 1, 1948. It further provided that after the end of the moratorium period, January 1, 1948, the Sherman Act, Clayton Act, and the Federal Trade Commission Act, were to be applicable to the business of insurance to the extent that the same is not regulated by State law. The result of all of this was that many and a great majority of the States either had legislation pending or enacted. This legislation, H. R. 3998, which was reported out of Utilities Subcommittee July 3 and approved by full District of Columbia Committee July 11, is the rate regulatory measure which is similar legislation along the lines as enacted or pending by the several States.

At the subcommittee meeting on July 3, every Representative in Congress who had introduced regulatory measures were invited to the meeting. Mr. Jordan, superintendent of insurance, and an assistant attended. I stated at the time, and I wish to repeat it before the House, I believe H. R. 3998 is as near a compromise as can be obtained at the moment. It is my understanding that the Senate Judiciary Subcommittee has reported out a resolution extending Public Law No. 15 for 6 months. Naturally, I do not know what will be the final outcome of it. Regardless of the outcome, if the intent of Congress in passing Public Law No. 15 is to be carried out, some regulatory measure must be passed. With that though in mind, I would like to see the House of Representatives pass H. R. 3998 with the hope that it can be sent to the other body. If this is done and even though nothing is done about it in that body, it will give every person and insurance company interested in this legislation time to look it over, ask for amendments, or take any other procedure they care to take.

If nothing is done by the Senate until after January 1, all interested will have 6 months more public opinion on this legislation. If it is passed by the House during the first session of the Eightieth Congress, we will simply be that much further along after January 1 should the Senate fail to act. If the Senate has time between now and adjournment and sees fit to act one way or the other, all well and good.

I further wish to state that this legislation is very complicated from a layman's standpoint. It is not to an insurance commissioner or insurance executive. While many no doubt will construe any action taken here as national in scope, it seems to me, and it was so stated many times during the hearing, that this legislation pertains to the District of Columbia only. It should not be considered as a model for the several States.

From my experience with this legislation from the time it was assigned to the utilities subcommittee, I fully believe the House is justified on taking action as recommended by the subcommittee and the full District of Columbia Committee.

None of the subcommitee members, as far as I know, had any personal interest in this legislation whatsoever. We are simply trying to serve to the best of our ability as members of the District of Columbia Committee.

Mr. McMILLAN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Illinois. I yield.

Mr. McMILLAN of South Carolina. Mr. Speaker, I congratulate the chairman of the subcommittee on the fine work he and his committee did on this bill. I was very much interested in the bill when it was being considered. I think the compromise bill we are considering, introduced by the gentleman from Illinois [Mr. SIMPSON], met with the approval of the insurance companies and majority of witnesses appearing before the committee.

I just wanted to congratulate the gentleman on the fine piece of work he has done on this bill.

Mr. SIMPSON of Illinois. I thank the gentleman very much.

The SPEAKER. The time of the gentleman from Illinois [Mr. SIMPSON] has expired.

Mr. DIRKSEN. Mr. Speaker, I wish to add my word of commendation for the devoted service which the gentleman has rendered in this matter, because it is of the utmost importance. Manifestly, it must seek to evidence good faith on the part of the Congress, in the light of the action of the Supreme Court and what the Department of Justice perhaps proposes to do in the future.

Mr. Speaker, I yield to the gentleman from Iowa [Mr. GWYNNE], author of one of these bills.

Mr. GWYNNE of Iowa. Mr. Speaker, I am in favor of this bill. I think the chairman of the subcommittee the gentleman from Illinois [Mr. SIMPSON] and his subcommittee have done an excellent job reconciling the differences between the various bills, and has presented a bill that is reasonably satisfactory to all concerned.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include as a part thereof a memorandum prepared by the legal department of the Association of Casualty and Surety Executives of New York City in regard to this bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(The statement referred to is as follows:)

DRAFT OF A MEMORANDUM IN SUPPORT OF H. R. 3998, A BILL TO PROVIDE FOR REGULATION OF CERTAIN INSURANCE RATES IN THE DISTRICT OF COLUMBIA

The Association of Casualty and Surety Companies is a voluntary, nonprofit, unincorporated organization comprising 66 stock casualty and surety companies, some of which belong to rating organizations and others of which operate independently. This association is a member of the insurance all-industry committee, which, together with the National Association of Insurance Commissioners, drafted rate regulatory bills. H. R. 951, regulating casualty and surety rates in the District of Columbia, is the commissioners' all-industry committee bill. At the public hearing held before this same committee on May 7, 1947, we urged the adoption of H. R. 951 and opposed the bills (H. R. 1458, H. R. 1717, H. R. 2954, H. R. 3287) which were supported by other interested groups.

This association has supported the commissioners' all-industry committee bill in every State or jurisdiction which has considered rate regulatory legislation this year. Where there has been no reasonable likelihood of its passage, we have endeavored to compose differences with those opposing the bill, provided the agreed-upon bill constitutes, in our opinion, regulation within the meaning of Public Law 15. This is the procedure which has been followed in a number of States.

Following the May 7 hearing, it was made clear that none of the bills considered at that hearing could be enacted into law during the present session. It was in order, therefore, to explore the possibilities of drafting a bill which could be supported by all interested groups. H. R. 3998 is a rate regulatory bill which, we believe, all groups can support. Furthermore, it is, in our opinion, regulation in the public interest within the meaning of Public Law 15.

H. R. 3998 requires all rates to be filed before they are used, and the rates must be not excessive, inadequate, or unfairly discriminatory. Provision is also made for licensing and regulation of rating organizations. Section 4 of the bill authorizes the superintendent to investigate the necessity for adjusting rates and, after a hearing, to order an adjustment of such rates. H. R. 3998 differs from H. R. 951 principally in that all rates become effective when filed. Unlike H. R. 951, there is no mandatory waiting period during which rates are on file with the superintendent and cannot be used. H. R. 3998 does contain, however, important provisions not appearing in H. R. 951. Section 4 (c) provides that the superintendent's order to adjust rates may have a retroactive effect if "(1) the adjustment to be effected is substantial and exceeds the cost to the companies of making the adjustment and (2) the order is made after the prescribed investigation and hearing and within 30 days after the filing of rates affected." Section 4 (e) further empowers the superintendent "to investigate and to order removed at such time and in such manner as he shall specify any unfair discrimination existing between individual risks or classes of risks."

These provisions in H. R. 3998 are similar in purpose to the waiting period contained in H. R. 951, for, like a waiting period, they are intended to protect the public from being charged a rate which did not meet the

standards of the act on the day it was filed. It will be noted that under section 4 (c), if the Superintendent's order is to have retroactive effect, he must act within 30 days after the rate is filed, and the adjustment must be substantial and exceed the cost to the companies of making the adjustment. The purpose of the 30-day time limit is to avoid the extremely expensive and practically impossible task of adjusting premium rates which have been in effect for some time. The purpose of requiring the adjustment to be substantial and exceed the cost to the companies of making the adjustment is to avoid insignificant adjustments, the cost of making which will, in the long run, only increase the cost of insurance to all policyholders.

It is our belief that H. R. 3998 properly regulates collaboration in the making of rates, preserves free and fair competition, and is regulation in the public interest within the meaning of Public Law 15.

In view of the improbability of enacting the Commissioners All-Industry Committee bill at the present time and for the reasons previously stated, we respectfully urge the adoption of this bill.

Mr. DIRKSEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that all Members who are interested in this insurance bill may have five legislative days in which to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, that completes the business of the District of Columbia Committee today.

CALL OF THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, there is no quorum present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Barden	Dingell	Lea
Barrett	Domengeaux	McGarvey
Bender	Eaton	Morrison
Bennett, Mich.	Elsaesser	Nixon
Bland	Fuller	Norton
Bonner	Gifford	Patman
Boykin	Hall,	Pfeifer
Buckley	Edwin Arthur	Philbin
Celler	Hart	Pickett
Clark	Hartley	Powell
Clements	Hébert	Rivers
Clippinger	Hendricks	Smith, Kans.
Cole, Mo.	Huber	Smith, Ohio
Colmer	Johnson, Tex.	Snyder
Combs	Kee	Vinson
Cox	Kelley	Vursell

The SPEAKER. On this roll call, 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the naval appropriations conference report and that their remarks may be extended at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

EXTENSION OF REMARKS

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article on foreign affairs. I am advised by the Printing Office that the extension will cost $165.67. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include an article.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and to include a letter to him and some press comment.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD in two instances and to include an editorial in one.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and to include A Story With a Moral by George S. Benson.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and to include a letter.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and to include an editorial from the Christian Science Monitor.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and to include some articles in each.

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and to include an address by Mr. L. P. Stradley of the Philadelphia bar.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1948

Mr. TABER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 240, making temporary appropriations for the fiscal year 1948.

The Clerk read the resolution, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to meet pay rolls (obligations for which were incurred in accordance with section 102 of the Second Urgent Deficiency Appropriation Act, 1947, Public Law, 122 or in accordance with provisions of the Emergency Appropriation Act, 1948, Public Law 161) for pay periods ending prior to July 16, 1947: *Provided*, That expenditures hereunder shall be charged to the appropriate appropriations for the fiscal year 1948 when made.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. CANNON. Mr. Speaker, reserving the right to object, does the gentleman intend to ask unanimous consent that the resolution be considered in the House as in Committee of the Whole?

Mr. TABER. Yes.

Mr. CANNON. And there will be ample time for debate under the 5-minute rule?

Mr. TABER. Yes.

Mr. CANNON. Mr. Speaker, I reserve all points of order on the bill. I have no objection to the request for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the resolution may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. TABER. Mr. Speaker, this resolution is proposed so that the pay rolls due for the first half of July may be met in the regular way by the departments and agencies of the Government.

At the present time, three of the regular annual appropriation bills are signed; two are through the House, in conference, and I am assured will be through the Senate today. The other six bills are either in conference or about to be considered by the Senate, and it will probably be the end of the week before we are able to put them all through the Congress. I hope we may be able to do that.

Mr. CANNON. Mr. Speaker, it is to be regretted that the delay of the entire appropriation program has been such that although we are long past the dead line, more than 2 weeks past the end of the fiscal year, more than half of the appropriation bills are still in the House or Senate, or in conference, and have not yet reached the President.

It is to be noted that one of the minor results of this tardiness is that although this is pay day for many of the Capitol employees there is no money with which to pay them, due to the failure of the legislative program to provide for the payment of the running expenses of the Congress.

I suppose we should not take it too much to heart, however, in view of the fact that, due to similar dilatoriness on previous occasions, money has not been available for the payment of veterans, when due, and for the payment of old-age pensions and other security allowances.

But in view of the fact that we are dealing with a condition and not a theory, that we have a situation to meet, we must cooperate in getting this continuing

resolution through as promptly as possible.

Mr. TABER. Mr. Speaker, I move the previous question on the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 292, Rept. No. 918) which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE LOYALTY BILL

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 267, providing for the consideration of the bill (H. R. 3813) to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3813) to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself such time as I may require.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution embodies a general rule which merely provides consideration and 2 hours of general debate on H. R. 3813, a bill to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States.

Generally speaking, the bill establishes procedures for eliminating disloyal persons from the Federal pay roll. It also provides a number of safeguards so that loyal Americans will never be purged from the Federal pay roll because of legitimate political convictions. I will not touch upon the specific provisions of the bill. The chairman and the members of the Committee on Post Office and Civil Service will explain and discuss the bill in detail, but I would like to take just a minute to make a personal observation regarding communism.

As I have pointed out, this bill provides a number of safeguards for loyal Americans. And I repeat, no loyal American should ever be purged from the Federal pay roll because of legitimate political convictions. But I do not regard communism as a legitimate political conviction, nor, for that matter, as a political conviction at all. Communism is a moral issue, and it must be regarded as such if we are to prevent the enslavement of the American people by this foreign ideology.

When discussing politics, we must proceed from the premise that governments were created by men and for men—to protect and further the rights and interests of men. When I speak of a legitimate political conviction, I mean a conviction based upon that fundamental premise.

Morals, on the other hand, are definite standards of relationship between man and his Creator, between man and his fellow man, and between men and their government. Morals establish certain rights for all men, and these rights are due him merely by virtue of his being. These rights—which we call "morals"—are not within the purview of governments to change, but merely to protect. Now, my point is this: Political convictions concern themselves with the methods and techniques of guaranteeing these fundamental rights of all human beings. But any attempt to deny that human beings have certain rights is not a political conviction but an encroachment of our moral standard.

There is ample room for most variations of opinion on the best method of effectuating this fundamental purpose of government, and such disagreements are within the legitimate realm of politics; but a disagreement on the purpose of the state and of government can only be discussed as a moral issue.

By virtue of their being, all men should have the opportunity to provide themselves a decent standard of living. Workingmen have the right to good working conditions—all men have the right to own property—and there are many other rights which men have, and these rights are above question. It is the sole function of politics to determine the method by which these rights can be accorded in the most equitable manner; but to deny that men have these rights, or to make them secondary to the will of the Government, is not political chicanery, but moral turpitude.

Throughout history men have recognized that all personal freedom must proceed from specific limitation on the power of the Government over its citizens. Yet none of the great documents of history attempted to define the rights of men. The makers of these documents presumed, and rightfully so, that human beings have certain rights which were given and defined by the Creator. The Magna Carta, the Bill of Rights, the Declaration of Independence, and the Constitution—none of these great documents asked for any rights; but all declared that men have certain rights which must be observed by the Government.

Now, to prove that communism is immoral, we need only agree that states and governments were created to serve men. Entirely inconsistent with this fundamental concept, the Hegelian dialectic—the basic creed of Communists—maintains that the state is an organism, and that men were created merely to nourish the state, and to contribute to its growth. The citizens in such a state have no rights whatsoever; and no protection exists against the power of the government. It is obvious that any such denial of the fundamental rights of men is not a political doctrine—it is an immoral usurpation of the dignity of the human personality. Communism in practice is a crime against humanity, and the Communist Party is a conspiracy to deprive men of their natural rights.

I have spoken of communism, but what I have said applies to fascism, and all other isms which make human liberty secondary to the will of the government.

This Congress cannot stand by, idly, and permit those who would enslave the American people to become part of, or to remain in the service of this Government.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes.

The SPEAKER. The gentleman from Illinois is recognized for 10 minutes.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LOYALTY BILL

Mr. SABATH. Mr. Speaker, I am a bit surprised that the chairman of the Committee on Rules, the gentleman from Illinois [Mr. ALLEN], has failed to explain more fully what this loyalty bill is which this bill makes in order.

I do not believe that any man, or any Member of Congress, who is fully familiar with all the provisions and the dangers of this bill, can believe that any such un-American, liberty-destroying measure should be considered by the United States Congress.

The rule makes in order consideration of the most drastic and far-reaching bill affecting the rights of Federal employees ever to reach the floor in my 41 years of service.

On March 21 the President issued an Executive order, 9835, to eliminate any and all disloyal employees from the Federal Government. That order improves the procedure of the loyalty rating which has been effective since 1939, preserves the American way, and guarantees employees an opportunity to reply to charges.

FUNDS NOT PROVIDED

After almost 4 months this Republican Congress still has not provided any funds for carrying out the President's Executive order; but today we are going to act on a bill which pretends to merely place the President's order in statutory form.

That is not true.

This bill reverses the attitude of the Executive order and defies the whole development of American law. It assumes the guilt of the accused until proved innocent. It places burden of disproof on the accused, not the burden of proof on the prosecutor.

It is charged that the underlying reason for this bill is reactionary Republican politics, reinforced by Nazi and Fascist ideologies, to lay the foundation for a Red-baiting smear campaign next year.

They hope to find somebody, somewhere, who may sometime have belonged to one of these organizations designated "subversive" and to use that to smear the Democratic administration.

But remember what Lincoln said: "You can fool some of the people all of the time and all of the people some of the time, but you can't fool all the people all the time."

The people got fooled last fall but it will not work again in 1948.

RED-BAITING CAMPAIGN BACKFIRES

The President's Executive order stole the Republican thunder. This bill is merely a belated effort of the Republicans to get back in the groove of their Red-baiting campaign. Already their campaign is backfiring. They have tried to pin the red label on so many people that they have made themselves ridiculous.

I recently heard a facetious definition of a Communist according to the gospel of B. Carroll Reece. This definition stated that a Communist is a man who does not regard Herbert Hoover as the greatest living American.

That is supposed to be funny, but, Mr. Speaker, it is not as funny as it sounds. There is entirely too much truth in it.

It is part of the present Republican strategy to saddle upon every opponent of the Republican old guard the stigma of Communist sympathy. It is a deliberate effort to instill fear in the hearts and minds of American citizens. It is a deliberate effort to make Americans believe that unless they vote for the most reactionary candidates they will convict themselves of sympathy with the Communist Party.

CONSTITUTION HAS SURVIVED 170 YEARS

Mr. Speaker, the constitutional amendments we call the Bill of Rights are not empty words to which we give lip service only. The American Revolution was not based on any dry intellectual movement or a selfish resentment of taxes. It was a spontaneous movement which spread throughout the American colonies, born of the real and burning enthusiasm of American patriots for freedom and independence. The Declaration of Independence is a classic document of the will of a free people to be free in every sense. The Constitution of the United States, which has survived without substantial change for 170 years, was the product of free and untrammeled debate.

This bill is a most vicious assault upon the rights and liberties guaranteed by the Constitution. It is of a piece with the repressive pressures of the Republican National Committee.

Treason is a high crime specified in the Constitution. I can agree that we need more clearly defined statutes in regard to activities which fall short of treason and are yet clearly against the public interest. We need statutes which clearly protect the rights of minorities and punish efforts to eliminate free speech by force and coercion. Under the Executive War Powers of title 50 of the United States Code, the executive branch can take almost any steps to protect the security of the country; but in time of peace we do not want such broad powers invoked.

This bill, if enacted, would enforce in peacetime restraints of acts and thoughts and words and writings as rigidly as if the Nation were at war.

BILL NOT EASILY AMENDED

Executive Order 9835 can be modified, altered, rescinded, or otherwise changed, as the need arises, under the proper and just powers of the Chief Executive. If this bill is enacted, it is frozen into the code of laws of the United States. It will be immensely difficult to amend or repeal when its harshness and utter lack of workability are proved.

To my mind, the most important faults of the Executive order are the failure to provide adequate safeguards for individuals against malicious gossip, racial and religious prejudice, and anonymous informants, and the vast powers placed in the hands of the Attorney General to determine, without benefit of judicial process or review, what organizations are subversive.

DELEGATES TOO MUCH POWER

I have great faith in the judicious temperament of the present Attorney General, as we all have. However, Mr. Speaker, I have a clear memory of the indefensible red hunts during and following the First World War. More than a century and a half ago the Federalists, the Republican Party of that time, tried to make the United States of America a police state by the passing of the Sedition Acts.

This bill, while not so far-reaching or so sweeping as the statutes of 1798, is in the same tradition of trying to force a free people to conform to a single political party on pain of legal or economic sanctions. The book burnings, the press smashing, the imprisonments under those infamous acts are a blot upon the history of American freedom. Let us not go back to that unholy pattern of repression. We came through three great foreign wars—the Spanish-American and the First and Second World Wars—without this kind of law, and we do not need it now.

FAVORS IMPARTIAL INVESTIGATIONS

Mr. Speaker, I am just as anxious to weed out all disloyal elements, no matter what kind of disloyalty, as the gentleman from Kansas [Mr. REES]. I yield to no man in my loyalty and devotion to American democracy and to this country.

I have never opposed and never will oppose an objective, impartial investigation of subversive activities in this country. I have objected only to the lopsided and biased investigations such as those of the Dies committee, which used its powers in violation of the terms of the resolution to concentrate only on liberal organizations and for political purposes.

Mr. Speaker, as one who as early as 1933 possessed and gave to the Nation evidence of subversive activities by Nazi and Fascist sympathizers in this country, by the bunds, the fake patriotic societies, the German information office, and others, and of Communists too, I have repeatedly demanded a thorough investigation of all subversive un-American activities. I have never deviated from that position.

OPPOSED TO COMMUNISM IN EVERY FORM

I am certainly opposed to communism in every form, and to fascism in every form, but the Republican Party, while denouncing communism day in and day out and tying the red tag to honest liberals and progressives, has never a word to say on the floor in condemnation of fascism. Oh, they say something about it in the party platform and campaign booklets, but those are generally written to catch votes, and they lack the ring of conviction.

Mr. Speaker, the time will come, and that soon, when you will regret the hasty passage of this and other arbitrary legislation aimed against the people and intended to enslave them. You seem to follow the dictates and whims of the big bosses who ignore the rights and interests of the people. This will beyond doubt lead to your downfall.

Personally I think we are wasting time with this bill. The other body will not stultify itself by serious consideration. It smells to high heaven of politics and hysteria brought about by reckless and vicious statements by those attempting to divert attention from real un-American activities.

If the majority leadership had any real faith in this bill, it would not have been surrounded with such quiet. I am told that but 400 copies of the hearings were printed, and that the printed copies have been very difficult to obtain. They were not given to the public at all, but "reserved for Members."

Do not the gentlemen realize that it was only a year ago that the Supreme Court, in the case of United States against Lovett, Watson, and Dodd, made clear that there is a limit on how far the Congress can encroach on the executive powers and the constitutional rights of American citizens?

LOYAL EMPLOYEES ATTACKED GROUNDLESSLY

Federal employees are living now in an atmosphere of fear and apprehension. Time after time outstanding and progressive employees of the Government

have been accused anonymously of various loose and undefined offenses involving their loyalty to this country, and some have been fired without ever having known who made the accusations, what the accusations were, or why it was held to be true by the Civil Service Commission or the employing agency. Such dismissals are as crushing as a criminal conviction in a court of law. They make it difficult or impossible for the wronged individual to obtain new employment.

This bill does absolutely nothing to improve that procedure. The bill is unnecessary and duplicative. It promotes and encourages spying and malicious gossip.

MANY ARE CALLED NAMES

Mr. Speaker, may I ask whence comes the demand for this repressive, Constitution-violating legislation?

Notwithstanding all the vigilance of the Federal Bureau of Investigation, the military and naval intelligence, and other Government investigative agencies, not to mention the Hitler-like methods and propaganda of the Committee on Un-American Activities, all of which has cost the Government many millions of dollars, how many men and women have actually been indicted and convicted on criminal charges who have been shown to be Communists or Russian agents?

You hear a great deal of loud and reckless talk by professional red baiters, and every little while the front pages of our newspapers are puffed with wild stories of alleged Communist conspiracies which burst like the hot-air balloons they are; but it is difficult to find out, in all the shouting, what are the facts. I have tried often enough to learn from the Committee on Un-American Activities just what the concrete results have been. I finally asked the Attorney General, and his answer shows that, except for a couple of sedition cases, one selective service case, two or three passport frauds, the trials have been of those who have chosen to defend themselves at law against the committee methods. In a population of 140,000,000, and after years and years of highly publicized activities, it seems like a slim haul.

IS JOINING A SIN?

Mr. Speaker, I shall leave to others to explain more fully, in section by section analysis, the dangers and implications of this drastic bill which would deprive Government employees, and people who want to be Government employees, of their constitutional rights of free speech, free thought, free assembly, of association and education, and would attaint a large segment of the population with the suspicion of disloyalty to their country merely because they are working for that country.

Nevertheless, I must touch briefly on some of the points.

This bill would place on the shoulders of the Attorney General the extraordinary and dangerous power of deciding what organizations it is a political sin and even treasonable to join. It is ironical that this House should place such restrictions on joining organizations. We should consider long and carefully what this hysteria and political agitation may lead to.

You are preaching economy and retrenchment and abolition of independent agencies; yet you are here creating a new independent agency, responsible to no Cabinet officer, scarcely responsible to the President, with a Loyalty Board of vast powers composed of five members at $10,000, plus numerous subordinate boards, with authority to hire an army of lawyers, persecutors, investigators, snoopers, clerks, and witch hunters. When you say the bill cost $28,000,000 to administer, you are deluding yourself; it is more likely to cost fifty or one hundred million dollars.

Why, in the palmiest days of the Czar of Russia or in the heyday of Hitler there were no worse restrictions on the right of Government employees to express their thoughts—aye, to think.

UNCONSTITUTIONAL

This bill is almost certainly unconstitutional. It is ex post facto; a bill of attainder; deprives the accused of the right of a trial by impartial jury, and to be informed of the nature and cause of the accusation, and to be confronted with the witnesses; it violates the guaranties of the first amendment; it deprives a man of his most precious possession—his reputation—and seriously injures, if indeed it does not destroy, his ability to make a living, without due process of law. It waives the guaranty in the fourth amendment of prosecution based only on probable cause, supported by oath or affirmation.

The bill is deficient in its definitions. It declares an offense without defining a crime. There is no definition of such loose words as "subversive," "loyalty," "disloyalty," "field investigation," "sympathetic association," "derogatory information." The terms of the measure are indefinite. It reverses the whole tradition of American jurisprudence by assuming that an employee or applicant is guilty until proved innocent. All employees will be on the suspect list, unfortunately, until they are cleared.

RIGHTS NOT PROTECTED

There are no adequate provisions for protecting employees' rights and reputations. Only 15 days is given for appeal, though an investigation may have taken weeks and months; and the Board is actually prohibited from disclosing the source of the information.

As to the grounds on which the so-called Loyalty Review Board can recommend the dismissal of an employee, we have ample statutes defining and punishing every criminal offense named in this bill. We do not need legislation which is repressive, deadening, and fear inspiring. We need, instead, clarification of procedures and powers of the executive agencies protecting and defining the rights of individuals.

Under this measure a man is branded for life who has, at any time, affiliated himself, however innocently, with an organization subsequently designated as disloyal or subversive.

There are many men who joined the Ku Klux Klan or other similar un-American groups in good faith, but who later ascertained that they could not subscribe to the subversive principles of the organizations they had joined. Should they also be proscribed from public employment after they have changed their views and resigned?

The effect of the bill will be to drive out of Government service many of the best brains in America.

THOMAS JEFFERSON DEBATED THIS BILL

All students of the Constitution realize that the framers of the Constitution were men of means, education, and high standing in their communities. Yet all agreed upon the noble democratic procedures of the Constitution which glorifies the common man.

As a disciple of Thomas Jefferson, noblest of them all, I believe in the utmost freedom of discussion and publicity. Thus we are protected from the dangers of those who would destroy our freedoms. I want to quote here the first paragraph of the Declaration of Independence as Jefferson penned it:

We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with inherent and unalienable rights; that among these are life, liberty, and the pursuit of happiness. (Declaration of Independence, 1776.)

But, Mr. Speaker, Thomas Jefferson himself might have been debating this very bill. His writings are replete with pungent observations which are timely here, today, on this floor. I am inserting some observations from Jefferson which I especially commend to some of my Democratic colleagues in connection with this and similar bills.

If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be. (To Colonel Yancey, 1816.)

I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom. (To Samuel Kercheval, 1816.)

Subject opinion to coercion: Whom will you make your inquisitors? Fallible men, men, governed by bad passions, by private as well as public reasons. (Notes on Virginia, query 17.)

T. JEFFERSON CLOSES REMARKS

I shall continue mining this rich ore a little further, Mr. Speaker, and permit Thomas Jefferson, the founder of the Nation and of the Democratic Party, to conclude my remarks.

There are rights which it is useless to surrender to the Government, and which governments have yet always been found to invade. These are the rights of thinking and publishing our thoughts by speaking or writing; the right of free commerce; the right of personal freedom. (To Humphreys, 1789.)

I would rather be exposed to the inconveniences attending too much liberty, than those attending too small a degree of it. (To A. Stuart, 1791.)

The natural progress of things is for liberty to yield and government to gain ground. (To Carrington, 1788.)

The freedom and happiness of man * * * are the sole objects of all legitimate government. (To Kosciuszko, 1810.)

Reformation is more practicable by operating on the mind than on the body of man. (To Paine, 1792.)

Opinion, and the just maintenance of it, shall never be a crime in my view; nor bring injury on the individual. (To Samuel Adams, 1801.)

Timid men * * * prefer the calm of despotism to the boisterous sea of liberty. (To Mazzei, 1796.)

No, my friend, the way to have good and safe government, is not to trust it all to one, but to divide it among the many. (To Joseph C. Cabell, 1816.)

We of the United States, you know, are constitutionally and conscientiously Democrats. We both consider the people as our children. * * * But you love as infants whom you are afraid to trust without nurses; and I as adults whom I freely leave to self-government. (To du Pont de Nemours, 1816.)

Mr. Speaker, I now yield 10 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, it is not an easy task to oppose a bill that has the attractive label Loyalty Act on it, but I should like to call your attention to the fact that even in communistic, dictatorial or Fascist countries legislation that has led the people down the road always had a sugar-coated label. There is one thing that Members of the House on both sides of the aisle should be unanimous on, and that is, in seeing that the constitutional rights of citizens are held inviolate, that the civil liberties of the people are not infringed upon. I certainly join with those who want to get any Communist or improper people off the Government pay roll. I am just as anxious as anyone to rid the Government of any disloyal employees, but in our effort let us be certain we protect the rights of the innocent. Let us not violate the constitutional and civil rights upon which the greatness of this Nation rests, in approaching this problem.

Mr. Speaker, this bill as I read it violates more rights that are guaranteed to the people by the Constitution, it infringes more civil liberties than any bill I have ever seen brought before the House of Representatives. Even during the war we went to a great deal of trouble and care in seeing that property rights were protected by right of appeal, by right of fair trial and by right of judicial review. We provided that in connection with contracts entered into by and with the Government there was the right of a person of appeal to some court or that could redress a wrong that might be done a person in connection with his property rights; but here, Mr. Speaker, even after the war and in connection with something that is much more valuable to the citizen than his property rights, his good name, his record, his reputation, we are seriously considering a rule—and I want to speak on the rule because when this bill is thoroughly understood I believe the Members of the House will refuse to grant the rule—on a bill which will label a person so that his character, his reputation, his ability to earn a livelihood will be ruined by a board from which he has no right of appeal, by a board which is both prosecutor, judge, and the entire concern in deciding his guilt or innocence. There is no trial. There is no review. This board could be used to defame and ruin thousands of innocent people.

Now let us look at some of the sections of the bill. I do not blame the gentleman from Illinois for not explaining the bill. Turn to section 4 of the bill and you will see there that a board is set up which investigates, which prosecutes and passes final judgment, and no indictment served or given to the person involved. The board does not disclose the evidence that it has against the accused. The person comes before the board with the burden of proof placed upon him to prove his innocence, which is in direct violation of every theory of our Constitution and of fair trial that I have ever heard of. He can present evidence, but he cannot even hear the evidence that has been adduced against him. He comes there without seeing the witnesses that have testified against him. It may be hearsay. It may be innuendo. It may have been something that has been privately given to the board, and yet he has no way of finding out what the testimony has been or who charged him with any misconduct. He cannot cross-examine any witnesses. He is presumed guilty when he comes there. It is a star-chamber procedure, which should be repugnant to every one of us.

Now, the board sets up certain standards to be followed. Let us see what those standards are. They are contained in section 8 of the bill. The first five standards are covered by our general laws, such as espionage. Of course, no one can work for the Government who is guilty of violating the laws. But let us come to standard No. 6. It says the board shall consider—

Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts or force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

Mr. Speaker, by this act you will be placing it in the right of the Attorney General of the United States to designate the YMCA, the YWCA, the Daughters of the American Revolution, or the Democratic Party, or the Republican Party as within this definition contained in section 6. Anybody who has a sympathetic association—he does not have to be a member, just sympathetic association whatever that means—with any organization the Attorney General may so designate can be fired and discharged and have his character labeled and his good name ruined forever. I have never seen a bill or a piece of legislation, seriously proposed, that does greater injustice to all of the American rights and principles that we have protected during these long, long years in the life of this Republic. I am not saying that our present Attorney General would take such a dastardly course, I am certain that he would not. But we have to look to the laws and not to the men who are in office. We cannot legislate as to men or officials. We must legislate as to basic rights. Who knows but that later on we will have an Attorney General who will name any organization, even though it is a respectable one, as coming under this definition, and any one who is just sympathetically associated would be guilty of a crime. I should call your attention to the fact that taking one off the Federal pay roll in the Lovett case was held to be a penal matter by our Supreme Court. I believe the case is reported in 328 United States Reporter.

Furthermore, Mr. Speaker, there is no appeal from the designation of a group as subversive by the Attorney General. If the board does not agree that some organization, say the Democratic Party or the Republican Party which the Attorney General may designate as improper, there is nothing under this bill that any one can do about it. Mr. Speaker, when a man's character is going to be blackened when he is going to be taken off the pay roll and made ineligible for any job—and that is actually the effect of this legislation—he ought to have the right of appeal to somebody. But what does he have? He appears before this board, before whom no evidence is introduced with which he is confronted, and his appeal is made to the same board. He has no redress to any court. I think it is an outrageous proposal. It is a will of attainder. It is ex post facto in its effect.

Are we going to give the citizens of the United States as much protection as we did the Nazis in Germany? If we are, we had better reject this bill. Even when in the Nurnberg trials it was decided that anyone who was a member of certain Nazi organizations would be presumed to be guilty, those organizations were first given a trial to see whether they should come under the category in which membership would automatically make them presumably guilty. The organizations were tried thoroughly in court. Under this bill, one man, the Attorney General of the United States, decides which organization shall be in this category, and there is no appeal. There is nothing anybody can do about it.

Further, even in the Nurnberg trials, after organizations were found to be guilty, after all the evidence was introduced to see whether or not they were Nazi organizations, then it had to be shown that the person involved was a member and that he believed in the things that organization stood for.

Under this bill, under section 8, you have to show only that he has a sympathetic affiliation or sympathy with that organization. It does not say that he has to be a member, that he believes in all the things the organization stands for. Even the tests applied to the Nazi organizations in the Nurnberg trials are not present in this bill. As a matter of fact, the Supreme Court in a fairly recent case has held that in a matter of this kind mere sympathetic association with any organization does not mean that the person adopts and accepts all the principles for which that organization stands. This case was *Schneiderman* v. *U. S.* (320 U. S. 118).

One regrettable thing about this kind of legislation, Mr. Speaker, is that it will drive the thinking men and women, the students who have original thoughts and ideas, out of the service of our Government. This sort of Spanish inquisition is going to prevent us from getting the services of thoughtful men and women whom this Government needs during these trying days. The result is that we will have a thoughtless, unthinking bunch of robots in our Federal service, who have never expressed a thought, who do not want ever to express a thought,

who never had an original idea, and who know that if they ever do have or express an original thought they might be haled before this board and kicked out of their jobs without any right of trial or appeal under our American system of jurisprudence.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, this bill warrants opposition because it is unconstitutional. It provides for no judicial review, the disloyalty board as prosecutor, judge, and jury. This board makes the charges, points the accusing finger, hears the charges and upon demand for appeal reviews the charges. There is no confrontation of witnesses. There is no proper right of subpena to the accused. There is, however, plenty of lynch law, much possibility of witch hunting. The bill is a bill of attainder and is ex post facto.

First. There is no requirement of a statement of the charge against the employee sufficient to enable the accused to adequately prepare his defense. He is assured only of a factual statement upon which the preliminary finding is based—section 5 (a). Second. The accused has only the right to present evidence. He is denied the right to be confronted with the evidence, which may be purely hearsay evidence motivated by personal animosity, and he is denied the right to cross-examine any witness against him—section 6. Third. He is denied the right to a trial or hearing before an impartial body. The Review Board, under the bill, will already have made a preliminary investigation and a preliminary finding of guilt before the hearing, and cannot therefore be impartial. Fourth. The Review Board combines the functions of investigators, prosecutor, and judge. Fifth. The accused is presumed guilty at the start of the hearing since the burden of proof is placed completely upon him. Sixth. He may be discharged for acts which were in no sense proscribed by any law or governmental regulation at the time they were committed. Seventh. He may be removed solely because he is found to have been sympathetically associated with an organization placed upon a proscribed list by the Attorney General, with no right to know what, if any, evidence exists to support the Attorney General's characterization, and no right to prove the error of that characterization, nor is there any requirement that it be shown that the accused knew, or should have known, the facts, if any, upon which the characterization by the Attorney General is based. Eighth. The right of appeal to the courts from a decision of the Review Board is largely rendered nugatory by the absence of any requirement that a record be made of the proceedings or that any findings of fact be made.

This bill destroys time-honored liberties, and we should never, as this bill does, take liberties with our liberties.

"Familiarize yourselves," said Lincoln, "with the chains of bondage, and you prepare your own bonds to wear them. Accustomed to trample on the rights of others, you have lost the genius of your own independence and become the fit subjects of the first cunning tyrant who rises among you."

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I rise in opposition to the rule and in opposition to the Reese bill, H. R. 3813. I wish to state at the outset, that I am heartily in accord with the purposes generally contained in the preamble of the bill, which is to insure that loyal American citizens are the only type of employees which should be allowed to work for the Federal Government. No one will quarrel with this purpose of the bill, and I want to state again that I am heartily in favor of same.

My opposition, and my criticism of the bill, therefore, is not in its purpose, but in the manner and procedures which are set up in the bill for obtaining this purpose. Neither is my criticism directed toward any member of the respected committee which brought this bill to the floor. I have great respect for the chairman and many members of the committee who are my personal friends.

The Members of the United States Congress occupy a unique and responsible position. They are the first line in the guardianship of the civil liberties of the people of America.

This first line must stand firm at all times. It must be immune against prejudice, against hysteria, against misrepresentations which cause panic in the minds of the people. It is their duty to be the first bulwark against any assault upon our civil liberties, whether it be in the name of good intentions or otherwise. It is incumbent upon all those who love liberty, at all times, to be alert for any effort which might tend to subvert it. It is especially incumbent upon the Members of Congress to be alert on this subject.

Our Congress is following the pattern of previous Congresses. After each war this wave of hysteria passes on the national scene. Each time it passes, men of good intent attempt to further strengthen the protection of our national institutions, but in so doing, they frequently overstep the fundamental constitutional liberties, which are found in the Bill of Rights. And in each instance, they have had to retreat and return again to the founding fathers' principles. The ink had hardly dried upon the Declaration of Independence when in 1787, 1788, the Federalist Party came forward with their legislative attempts to save the Government from chaos. In 1798 they were successful in passing bills which were known as the Alien and Sedition Acts of 1798.

Those were perilous days for the new Republic. Debate waxed strong throughout the Nation. The Government had not yet been established as firmly as it is today. The Federalists reasoned that unless special laws were passed, which would protect the new Republic from the attacks of its enemies in the press and by oral debate, that the new Republic could not withstand the assault of its critics.

However, they were very wrong. They passed the Naturalization Act which increased the period of residence necessary for naturalization from 5 to 14 years.

They passed the Enemy Alien Act, authorizing the President at his discretion to arrest, imprison, or banish, enemy aliens. The Enemy Alien Act gave the President the power to expel from the country any alien whom he regarded as dangerous to public peace or safety or whom he believed to be plotting against the Government.

The Sedition Act forbade seditious conspiracies or incitements, and the publication of any faults, scandals, or malicious writings against the Government of the United States, the President, or Congress.

A maximum penalty for such publications was a $2,000 fine and 2 years imprisonment. Under these acts, many individuals were persecuted because of their political views or statements.

These laws led to the defeat of the Federalist Party, and when Jefferson came into power he released from prison many of the individuals who had been incarcerated.

The alien sedition laws were repealed. We returned to the fundamental principles of the Bill of Rights.

Although the waves of hysteria followed the War of 1812, the War Between the States, and the First World War, we did not approach the formula of the alien sedition laws of 1798, closely, until after World War I. During the years subsequent to the ending of World War I, we were greatly concerned with the establishment of the new government in Russia—the spread of bolshevism throughout the earth. We had in the United States an Attorney General by the name of Mitchell Palmer. Mitchell Palmer gained fame by his enthusiastic prosecution and persecution of people that he deemed to be subversive to the Government.

Those were the days of the Mitchell Palmer raids, when civil liberties were violated by the Attorney General of the United States, and the Federal Bureau of Investigation, under Mr. Hoover. It was during these years that Mitchell Palmer urged and Congress introduced 70 peacetime sedition bills, none of which, I am glad to say, passed.

We were not so fortunate, however, in the States, and many States passed repressive laws infringing on civil liberties. In New York the infamous Lusk laws were passed, for instance. They were condemned, however, by men of stature of Charles E. Hughes and Ogden Mills, and in 1923 Gov. Alfred E. Smith signed an act which repealed the Lusk laws.

I believe that we are passing through another period of postwar hysteria. We are following the pattern of previous postwar years. Again we are concerned with the question of loyalty, or disloyalty to our Nation. And rightly so. I think that we should be concerned at all times on this subject, but I think we should use calmness, reason, and coolness of judgment in trying to improve upon the constitutional safeguards which were placed in the Constitution for the protection of the most vital quality we have, the main quality which differentiates between totalitarianism and a free democracy.

That quality is the preservation and the maintenance of the civil liberties which guarantee the dignity of the freedom of the individuals against the oppressive laws of his own government.

Let us proceed then, with the consideration of this bill, with this one thought in mind, that we do not at this time pass any law which will curtail or infringe upon the constitutional civil liberties of the individual.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures may meet this afternoon during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, in the limited time accorded me I cannot present to the House a full analysis of the bill and point out all of its unconstitutional and undemocratic features. I shall attempt to set forth one of the most glaring unconstitutional and undemocratic phases of this legislation.

This bill comes before us only because of the competition that exists between the Democratic administration and the Republican Party to determine which is going to excel in the field of red-baiting. We would not have had this bill if the President had not issued his so-called loyalty order. There is very little difference, fundamentally, between the President's Executive Order 9835 and this bill, when we consider civil liberties and when we think of freedom from fear. Basically they are the same. They both deprive American citizens of their constitutional and age-old right to advocate social and economic change.

If this bill becomes law and if the Executive order is carried out, we will make out of a Federal employee a person with a static mind, whose soul will be filled with fear. We will make him an employee of the same character that existed in the German Government under Hitler and in the Fascist government under Mussolini. Any person who advocates or even thinks of economic and social changes is subject to the most ruthless kind of investigation, afforded no safeguards, no protection, and stripped of any adequate opportunity to defend himself.

If this bill becomes law and if the Executive order is carried out, the average Government employee will not even be permitted to think on any important issue, or express himself on any such issue, because, if he does and he finds himself not in accord with either the Republican majority or with the majority of the Democratic Party on some issues which we have had before us, for instance, the Taft-Hartley bill, the Committee on Un-American Activities, price and rent control, the Truman doctrine, political coalition of reaction, Government for and by monopolies, he will be considered subversive; he will be considered unfit to hold public office. He will be subject to investigation after investigation and given no opportunity of defense in keeping with American democratic tradition.

Page 14 of this bill has the most shocking language that has ever been presented in any democracy. I now read it, subsection (6) of section 8:

(6) Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

In all the years I have been here, having witnessed the full activities of the Committee on Un-American Activities, under the chairmanship of Mr. Dies, under the chairmanship of the gentleman from Georgia [Mr. WOOD], and under the chairmanship of the gentleman from New Jersey [Mr. THOMAS], never have I seen any language that equals the language of this section "or sympathetic association with." By that we can drag in any group among our 140,000,000 people in this country, have the Attorney General put a label on it; and then anybody who in any manner, shape, or form associates with any individual in that group becomes a proscribed person.

To all this un-American investigation and undemocratic and unconstitutional procedure we subject 2,500,000 Americans, Government employees who are rendering faithful service to the Government and people of the United States. It seems unbelievable and yet it is here. It is here as a result of a wave of hysteria and red-baiting which has been used in a drive to smash labor, in a drive to smash price and rent controls, in a drive to imperil the peace and democratic rights of the American people. It is a repetition of the alien and sedition laws and of the Palmer raids. It is more than that. It is the desperate technique of the trusts to reinforce their hold on the social and economic structure of the country. Social and economic changes have been the food on which American progress has grown. America has progressed as a result of social and economic changes. Once again Congress attempts to stop the clock and persecute American citizens for exercising their constitutional right and their democratic rights to advocate economic and social changes.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include at this point an analysis of this bill made by the Lawyers' Guild.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(The analysis referred to follows:)

STATEMENT OF THE NATIONAL LAWYERS' GUILD ON H. R. 3813, A BILL TO PROVIDE FOR THE REMOVAL OF EMPLOYEES IN THE EXECUTIVE BRANCH FOUND TO BE DISLOYAL TO THE UNITED STATES

H. R. 3813 is largely identical with the President's Executive Order 9835, designed as it is generally to embody in permanent legislation the principles, purposes, and procedures embodied in the Executive order. The National Lawyers' Guild has made a thorough analysis of the President's Executive order as a part of an over-all report dealing with the constitutional right to advocate political, social, and economic change. We believe that a proper evaluation of H. R. 3813 can only be made in the light of the legal and historical precedents going back to the adoption of the Bill of Rights, which are discussed in that report, already sent to each Congressman.

There can be no doubt that employees should not be permitted to hold positions in the Federal service if they are in fact, and in law, disloyal to the Government of the United States. It is another question, whether the Congress can provide for branding as "disloyal to the Government," employees who have violated no law, and without assuring them all the essentials of due process in connection with proceedings against them. It is because the bill under consideration affects fundamental constitutional principles that we are required to make a most critical evaluation and appraisal of its provisions.

The first four of the standards set forth in the bill (section 8 (b) (1), (2), (3), (4)), encompass such acts as sabotage, treason, advocacy of force or violence to overthrow the Government of the United States, and unauthorized disclosure of confidential documents. These standards constitute either crimes or grounds for dismissal from Government service, under existing laws. Present law-enforcement agencies have full power to enforce those standards without the bill.

The fifth and sixth standards are of an entirely different character.

To the extent that the fifth standard encompassed violation of existing laws, such as treason, espionage, sabotage, or disclosure of confidential information, it is unnecessary. To the extent that it may seek to encompass other activities, its vagueness and indefiniteness are such as to render impossible the determination of the area or limits of its application.

The sixth standard, even more than the fifth, gives rise to the clear danger that the bill invites an inquisition into political opinions. Certainly, as similarly phrased standards have been applied by the House Committee on Un-American Activities, which the bill recognizes as one of the reference sources for purposes of determining disloyalty (section 4 (c)), these standards have meant nothing more than the holding of views in disagreement with the members of that committee. This point becomes sufficiently clear when it is remembered that the President's own nominee to the position of Chairman of the Commission on Atomic Energy has been attacked as Communist, totalitarian, and subversive.

The vagueness and indefiniteness of the standards as set forth above create even more danger because of the lack of administrative safeguards in conformity with traditional American conceptions of due process. These particular safeguards are lacking:

(1) There is no requirement of a statement of the charge against the employee sufficient to enable the accused to adequately prepare his defense. He is assured only of "a factual statement" upon which the preliminary finding is based (sec. 5 (a)). (2) The accused has only the right to present evidence. He is denied the right to be confronted with the evidence, which may be purely hearsay evidence motivated by personal animosity, and he is denied the right to cross-examine any witness against him (sec. 6). (3) He is denied the right to a trial or hearing before an impartial body. The Review Board, under the bill, will already have made a preliminary investigation and a preliminary finding of guilt before the hearing, and cannot therefore be impartial. (4) The Review Board combines the functions of investigator, prosecutor, and judge. (5) The accused is presumed guilty at the start of the hearing, since the burden of proof is placed completely

upon him. (6) He may be discharged for acts which were in no sense proscribed by any law or governmental regulation at the time they were committed. (7) He may be removed solely because he is found to have been sympathetically associated with an organization placed upon a proscribed list by the Attorney General, with no right to know what, if any, evidence exists to support the Attorney General's characterization, and no right to prove the error of that characterization, nor is there any requirement that it be shown that the accused knew, or should have known, the facts, if any, upon which the characterization by the Attorney General is based. (8) The right of appeal to the courts from a decision of the Review Board is largely rendered nugatory by the absence of any requirement that a record be made of the proceedings or that any findings of fact be made.

The lack of adequate judicial standards and procedural safeguards becomes more shocking when it is understood that involuntary separation from Federal employment on charges of disloyalty imposes a stigma and entails severe penalties. This stigma, and serious curtailment of one's ability to earn a livelihood, either as an employee of the Federal Government or, for that matter, anywhere else, were recognized by the United States Supreme Court (*U. S.* v. *Lovett,* 328 U. S. 303) as being penal in character. The imposition of such punishments by a legislative act was held in that case to be unconstitutional. The Supreme Court, reviewing the dangers of legislative punishment in terms which would seem to be applicable under this bill, stated the intention of the Court "to safeguard the people of this country from punishment without trial by duly constituted courts."

The lack of application of due process becomes particularly odious in that provision of the bill which makes it possible for Federal employees to be removed and branded as disloyal solely because of "membership in, affiliated with, or sympathetic association with," lawful organization (sec. 8 (b) (6) and sec. 8 (c)). In other words, the bill establishes the test of guilt by association, a test which has been specifically rejected by the Supreme Court on the ground "that under our traditions, beliefs are personal and not a matter of mere association, and that men adhering to a political party, or other organization, notoriously do not subscribe unqualifiedly to all of its platforms or asserted principles" (*Schneiderman* v. *United States* (320 U. S. 118)). The test of guilt by association more closely approximates the thought-control philosophy than the principle of personal guilt, which is one of the cornerstones of the American democratic system.

The necessity of proving personal guilt is so deeply embedded in the common law and our legal system that it was applied by our Government even in the war crimes trials against the chief Nazi war criminals and Nazi organizations at Nuremberg. The Nazi organizations were given a full trial. All evidence against those organizations was fully presented—a full right of cross-examination was afforded, and the Court took no part in either the investigation or the prosecution. Even after conviction of the organizations, each individual member (and only members could be tried) received a full trial in which it was required that the prosecution prove that the individual joined and remained a member of the convicted organization with knowledge of its criminal activity. Under these circumstances, it is proper to place before the Congress the question whether we are willing to accord due process as defined by our laws and traditions to Nazis, and deny them to American citizens.

Furthermore, there is no provision in the bill for granting any hearing to any proscribed organizations. It is provided only that the Attorney General shall make a "full investigation" (sec. 8 (c)). The vagueness and indefiniteness, indeed, the complete absence of any standard upon which the Attorney General is empowered to act in proscribing an organization, gives further proof that democratic and constitutional principles are denied by the bill. What is "sympathetic association"? What is a "totalitarian, Fascist, Communist, or subversive" group, other than what the Attorney General happens to think it is?

The history of such committees as the House Committee on Un-American Activities, in labeling as subversive or Communist outstanding Americans and lawful organizations whose sins were limited to opposition to the views of that committee, gives ample grounds for fear that the absence of standards and judicial processes can lead to injustice and disastrous consequences to patriotic and law-abiding citizens. It must also never be forgotten that the Federal Bureau of Investigation was responsible for one of the blackest onslaughts against our civil liberties during the infamous period of the Palmer raids. These raids were conducted under the direction of the present director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover. When it is considered that both the House Committee on Un-American Activities and the FBI are sources of information specifically included in the bill—under section 4 (c)—to be used by the Commission, the dangers to our democracy inherent in the bill are emphasized.

The scope of this bill and its impact is enormous. Not only does it affect the destinies of 2,500,000 persons already employed by the Federal Government, but also all those Americans who in the future may conceivably seek employment with the Federal Government. Furthermore, the employees of any large industry in the United States, which under one or another of the powers of the Government, could come under Government control or operation, would come within the provisions of this bill. It would establish for the first time in the history of the United States, on a large scale, a political police reaching into the schools and homes of the entire Nation.

Finally, it would be fitting to inquire what crisis compels this wholesale deprivation of civil liberties, this conversion of Government employees into politically sterile, idealless automatons. It would be only trite to mention the obvious fact that our Government has operated satisfactorily through two world wars without such extreme measures. The laws against espionage and sabotage were considered sufficient in wartime; they should be adequate now. We found no inadequacy in the size and competence of our police force during wartime; there should be no need for their multiplication at this stage. It is significant that during the past war, the FBI investigated 1,121 allegedly subversive employees. Of those investigated, two were discharged, and disciplinary action was taken in one other case. The Attorney General, in his report on the results of these investigations, stated, "The wisdom of assigning experienced Bureau agents to such work in wartime and with such meager results must be seriously questioned. * * * As regards a large proportion of the complaints, it is now evident that they were clearly unfounded and that they should never have been submitted for investigation in the first instance. It will be observed from the figures that this is conspicuously true of the list submitted by Congressman Dies. Hundreds of employees, for example, have been alleged to be subversive for no better reason than the appearance of their names on the mailing lists of certain organizations (pp. 3 and 4)." If such investigations were not justified in wartime, there is surely less justification today.

We were once unafraid of new ideas. Many of these, once considered radical and alien, have come to be universally accepted, and are today the laws of the land. The way to progress lies through the free exchange of ideas. Those who advocate social change and criticize the existing order must be as free to express their views as those who advocate the status quo. That is the real essence of democracy. Those who would deny the American people the right to learn the truth, by repressing all opposition to our existing institutions, subvert the democratic process and place the lid upon man's progress to a better world.

For all the above reasons we oppose the enactment of H. R. 3813.

ROBERT J. SILBERSTEIN,
Executive Secretary,
National Lawyers' Guild.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Speaker, I never thought that while I was in the Congress I would see a bill of this kind come to the floor of this House. I beg the Members of this House to study this bill today and not to let either the hysteria of the moment or some political reason influence their vote. Be just; look at what you are doing here today, I beg of you; the bill strikes at the very root and fiber of democratic life.

Let us go back to a few basic principles. Liberty and security are what men want the world over. We have achieved in our country under our form of government greater liberty for the individual, and a higher standard of living—in other words, greater security—than anywhere else in the world. You cannot barter freedom for security or security for freedom. They tried to do that in Germany, they try to do that in Russia.

I thought that was what we disliked about communism. I thought that was what we disliked about fascism. By comparison under our Government in our country, we have unheard-of freedom. Are we now to curtail our cherished freedom by adopting communistic and fascistic patterns?

Perhaps it is because we use the word "Communist" so often on the floor of this House that we have forgotten what democracy means.

Democracy means liberty, it means freedom; and our forefathers secured that liberty and freedom for us out of a knowledge that had been accumulated down through the years, and they secured it by writing into the Constitution and the Bill of Rights protections for the American people. Against whom? Against the abuse of power by their servants in the State legislatures, in the National Legislature. That is why we have the courts. We, as elected servants of the people, have sworn to support and defend our Constitution.

This bill is unconstitutional. Those who drafted it seem to have forgotten the root and substance of freedom.

This bill is a misuse of congressional powers. It is an invasion of the people's rights.

It takes over the duties of the courts and sets up a board that has the power of life and death over the economic lives of one great segment of our people—a board that can brand a man or woman and, as a result their children, for all time as disloyal to his Government and robs that man or woman of the rights

guaranteed him under the Constitution; namely, the protection of the courts.

Absolutely no procedure for court appeal is provided.

Instead this board is prosecutor, judge, and jury. Moreover, the accused never faces his accusers and has no guaranty under this bill of ever knowing of what he is accused.

We propose in this bill not only to violate the Constitution, not only to violate the Bill of Rights which has made us strong and tough-minded and fearless, which has made us the hope of the world, which has made us different than Communist Russia no matter what standard of living they produce for Russians in the next hundred years, but we propose in this bill to inform the world that democracy has failed. We propose to inform the people of the world that we are rotting with communism from the top of our Government on down.

What good is it that we are the richest, most powerful nation in the world if now through fear and hysteria we lose our freedom—our most priceless possession? Patrick Henry's cry, "Give me liberty or give me death" was not just a phrase for children to repeat down through the years.

It was a principle to live by—it was a principle for each generation to rediscover—a principle to protect, not only with our lives but with our hearts and minds.

What do we propose to do today in this bill?

We propose to put our confidence in men—not in law.

We propose to give the Attorney General the right to decide what is good for the American people. I do not question the integrity of the present Attorney General. But what if some day we have an Attorney General in whom trust would be misplaced?

What did Jefferson say about that? In connection with the question of power, Jefferson said:

> Let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.

We propose today, Mr. Chairman, to set men free from the chains of the Constitution. This is a dangerous course, the end of which no one can see.

That is one thing we do in this bill. The second thing we do is violate the great principle upon which justice is founded in this country. We presume a man is innocent until he is proved to be guilty. This bill is a mass bill of attainder. What it does is presume every Federal worker is guilty of disloyalty to his Government until he is proved innocent. Then you set up, as the gentleman from Tennessee [Mr. KEFAUVER] has said, a system by which his civil liberties are violated and by which he cannot prove his innocence. That is what they did in Germany, that is what they do in Russia today.

We have come a long way without this kind of legislation. Do you seriously propose to change our way of life at this hour?

We are asked today to give leadership, not only for ourselves but for the two billion people on this earth. As a nation our responsibility is greater than at any other time in our history. Will we falter now? Do we intend to abandon the principles that have made us strong, tough-minded, and fearless? The principles that have made up the hope of the world.

I will tell you why this bill is before us today. For 14 years campaigning in this country has been at a low level. Instead of discussing the issues objectively, and the issues were large and important enough to have discussed them objectively, the Republican Party and the Democratic Party hurled names at each other. The Republicans for 14 years have said they have been hunting Communists, they have in truth been hunting New Deal Democrats.

The SPEAKER. The time of the gentlewoman from California has expired.

Mr. SABATH. Mr. Speaker, I yield the gentlewoman from California one additional minute.

Mrs. DOUGLAS. Mr. Speaker, we have now the result of 14 years of campaigning in a bill before us in the House. At this moment I beg you to remember we are Americans together. That is above everything else, party and everything else. Are we going to make two and a half million Federal workers the whipping boy in the struggle between two political parties? Is it possible that we will do this to the Federal workers who are defenseless? There is no question here of treason or sabotage or the revealing of the contents of papers that are secret. We have laws for that. This is a question of departing from principles that can bring nothing but agony, despair, and tears not only to the Federal workers but to all the people of America. The Federal Government is the largest employer in this country. If this bill becomes law and the Federal Government sets up a pattern like this for its employees do you think that private industry too will not begin to set up such a pattern, and perhaps at the grass roots, anybody who believes in public power, anyone who believes in the school-lunch program, might be convicted on the basis of derogatory information. In God's name will somebody tell me what "derogatory information" is?

The SPEAKER. The time of the gentlewoman from California has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken and the Speaker announced the "ayes" had it.

Mr. SABATH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 337, nays 36, not voting 56, as follows:

[Roll No. 110]

YEAS—337

Abernethy	Drewry	Knutson
Albert	Durham	Kunkel
Allen, Calif.	Eaton	Landis
Allen, Ill.	Elliott	Lane
Allen, La.	Ellis	Lanham
Almond	Ellsworth	Larcade
Andersen, H. Carl	Elston	Latham
	Engel, Mich.	LeCompte
Anderson, Calif.	Evins	LeFevre
Andresen, August H.	Fallon	Lemke
	Fellows	Lewis
Andrews, Ala.	Fenton	Lodge
Andrews, N. Y.	Fisher	Love
Angell	Flannagan	Lucas
Arends	Fletcher	Lyle
Arnold	Foote	McConnell
Auchincloss	Fulton	McCormack
Bakewell	Gallagher	McCowen
Banta	Gamble	McDonough
Bates, Ky.	Gary	McDowell
Bates, Mass.	Gathings	McGregor
Battle	Gavin	McMahon
Beall	Gearhart	McMillan, S. C.
Beckworth	Gillette	McMillen, Ill.
Bell	Gillie	Mack
Bender	Goff	MacKinnon
Bennett, Mo.	Goodwin	Macy
Bishop	Gordon	Mahon
Blackney	Gore	Maloney
Boggs, Del.	Gorski	Manasco
Bolton	Gossett	Mansfield
Bradley	Graham	Martin, Iowa
Bramblett	Grant, Ala.	Mason
Brehm	Grant, Ind.	Mathews
Brooks	Gregory	Meade, Ky.
Brophy	Griffiths	Meade, Md.
Brown, Ga.	Gross	Merrow
Brown, Ohio	Gwinn, N. Y.	Meyer
Bryson	Gwynne, Iowa	Michener
Buck	Hagen	Miller, Conn.
Buffett	Hale	Miller, Md.
Bulwinkle	Hall, Leonard W.	Miller, Nebr.
Burke		Mills
Burleson	Halleck	Monroney
Busbey	Hand	Morris
Butler	Hardy	Morton
Byrnes, Wis.	Harless, Ariz.	Muhlenberg
Camp	Harness, Ind.	Mundt
Canfield	Harris	Murray, Tenn.
Cannon	Harrison	Murray, Wis.
Carson	Hart	Nodar
Case, N. J.	Hartley	Norblad
Case, S. Dak.	Hays	Norrell
Chadwick	Herter	O'Brien
Chapman	Heselton	O'Hara
Chelf	Hess	O'Konski
Chenoweth	Hill	Owens
Chiperfield	Hinshaw	Pace
Church	Hobbs	Passman
Clason	Hoeven	Patterson
Clevenger	Hoffman	Peden
Coffin	Holmes	Peterson
Cole, Kans.	Hope	Phillips, Calif.
Cole, N. Y.	Horan	Phillips, Tenn.
Colmer	Howell	Ploeser
Cooley	Hull	Plumley
Cooper	Jackson, Calif.	Poage
Corbett	Jackson, Wash.	Potts
Cotton	Jarman	Poulson
Coudert	Jenison	Preston
Courtney	Jenkins, Ohio	Price, Fla.
Cox	Jenkins, Pa.	Priest
Cravens	Jennings	Rains
Crawford	Jensen	Ramey
Crosser	Johnson, Calif.	Rankin
Crow	Johnson, Ill.	Redden
Cunningham	Johnson, Ind.	Reed, Ill.
Curtis	Johnson, Okla.	Reed, N. Y.
Dague	Jones, Ala.	Rees
Davis, Ga.	Jones, N. C.	Reeves
Davis, Tenn.	Jones, Wash.	Rich
Davis, Wis.	Jonkman	Richards
Dawson, Utah	Judd	Riehlman
Deane	Kearney	Riley
Devitt	Kearns	Rizley
Dirksen	Keating	Robertson
Dolliver	Keefe	Robsion
Dondero	Kerr	Rockwell
Donohue	Kilburn	Rogers, Fla.
Dorn	Kilday	Rogers, Mass.
Doughton	King	Rohrbough

Ross	Smith, Va.	Vail
Russell	Smith, Wis.	Van Zandt
Sadlak	Spence	Vorys
St. George	Springer	Vursell
Sanborn	Stanley	Wadsworth
Sarbacher	Stefan	Walter
Sasscer	Stevenson	Welch
Schwabe, Mo.	Stigler	West
Schwabe, Okla.	Stockman	Wheeler
Scoblick	Stratton	Whitten
Scott, Hardie	Sundstrom	Whittington
Scott, Hugh D., Jr.	Taber	Wigglesworth
	Talle	Williams
Scrivner	Taylor	Wilson, Ind.
Seely-Brown	Teague	Wilson, Tex.
Sheppard	Thomas, N. J.	Winstead
Short	Thomas, Tex.	Wolcott
Sikes	Thomason	Wolverton
Simpson, Ill.	Tibbott	Wood
Simpson, Pa.	Tollefson	Woodruff
Smathers	Towe	Worley
Smith, Kans.	Trimble	Zimmerman
Smith, Maine	Twyman	

NAYS—36

Blatnik	Fogarty	Lesinski
Bloom	Folger	Lusk
Buchanan	Granger	Madden
Carroll	Havenner	Marcantonio
Dawson, Ill.	Hedrick	Miller, Calif.
Delaney	Holifield	Morgan
Dingell	Huber	Norton
Douglas	Karsten, Mo.	Price, Ill.
Eberharter	Kean	Rabin
Engle, Calif.	Kefauver	Sabath
Feighan	Kirwan	Sadowski
Fernandez	Klein	Somers

NOT VOTING—56

Barden	Fuller	Morrison
Barrett	Gifford	Murdock
Bennett, Mich.	Hall, Edwin Arthur	Nixon
Bland		O'Toole
Boggs, La.	Hébert	Patman
Bonner	Heffernan	Pfeifer
Boykin	Hendricks	Philbin
Buckley	Javits	Pickett
Byrne, N. Y.	Johnson, Tex.	Powell
Celler	Jones, Ohio	Rayburn
Clark	Kee	Rayfiel
Clements	Kelley	Rivers
Clippinger	Kennedy	Rooney
Cole, Mo.	Keogh	Shafer
Combs	Kersten, Wis.	Smith, Ohio
D'Ewart	Lea	Snyder
Domengeaux	Lynch	Vinson
Elsaesser	McGarvey	Weichel
Forand	Mitchell	Youngblood

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Vinson for, with Mr. Kelley against.

Mr. Hébert for, with Mr. Powell against.

Mr. Jones of Ohio for, with Mr. Pfeifer against.

Mr. Cole of Missouri for, with Mr. Byrne of New York against.

Mr. Forand for, with Mr. Celler against.

General pairs until further notice:

Mr. Snyder with Mr. Clements.
Mr. Nodar with Mr. Philbin.
Mr. Smith of Ohio with Mr. Pickett.
Mr. McGarvey with Mr. Johnson of Texas.
Mr. Clippinger with Mr. Bonner.
Mr. Edwin Arthur Hall with Mr. Buckley.
Mr. Nixon with Mr. Keogh.
Mr. Shafer with Mr. Lea.
Mr. Youngblood with Mr. Rayfiel.
Mr. Weichel with Mr. Heffernan.
Mr. Elsaesser with Mr. Domengeaux.
Mr. Bennett of Michigan with Mr. Barden.
Mr. Gifford with Mr. Lynch.
Mr. D'Ewart with Mr. Hendricks.
Mr. Kersten of Wisconsin with Mr. Rooney.
Mr. Mitchell with Mr. Murdock.
Mr. Fuller with Mr. O'Toole.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. REES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3813, to provide for removal from, and the prevention of appointment to, officers or positions in the Executive branch of the Government of persons who are found to be disloyal to the United States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R 3813, with Mr. CANFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. REES. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there appears to be a considerable amount of misunderstanding as well as misinterpretation with respect to the legislation under consideration. You have just heard from the well of this House statements to the effect that in the event of the adoption of this legislation the Congress would establish sort of a Gestapo in this country. If this be true then you are certainly establishing one under the President's order. Nothing can be further from the facts. To clarify the situation a little, the requirements that appear under this bill and the standards set up under it also appear in the President's order. Some of those who spoke a few moments ago would wipe out the President's proposed order. Those Members who have spoken against the legislation so far, of course, would do nothing about the problem at all. They say, in substance, "Do nothing about a problem that has been recognized by Congress and by the President."

Let me read to you just a few sentences of the report of the Board appointed by the President to look into this problem with a view of either providing a Presidential order or legislation. This statement appears in that report to the President. Speaking about the means and methods of handling this problem they said:

> The first of these means may be referred to as a counterespionage phase of counterintelligence, a weapon which is designed to protect our Government from all types of espionage infiltration by the penetration of enemy and subversive networks.

Now, that is the suggestion of the President's committee. We do not follow that proposal in this bill.

I think perhaps just a little background with respect to this legislation might be helpful. Last July, or perhaps a little earlier, a subcommittee of the Committee on the Civil Service of this House was appointed to hold hearings with a view of attempting, if they could, to go into this problem and determine what legislation ought to be submitted. That subcommittee held hearings for several days. It had before it important representatives of our Federal Government. In any event, the subcommittee made a report that recommended among other things that the President should appoint a committee to study and investigate this entire problem of loyalty in the Federal service. That committee, composed of six executive officials together with their staffs, held sessions over a period of several weeks and came up with a report to the President.

Here are the names and titles of the officials appointed by the President and who filed the report upon which the President's Executive order is based: A. Devitt Vanech, Special Assistant to the Attorney General, Department of Justice, Chairman; John E. Peurifoy, Acting Assistant Secretary of State for Administration, Department of State; Edward H. Foley, Jr., Assistant Secretary of the Treasury, Department of the Treasury; Kenneth C. Royall, Under Secretary of War, Department of War; John L. Sullivan, Under Secretary of the Navy, Department of the Navy; Harry B. Mitchell, President, Civil Service Commission.

The President, following this report issued the Executive order that is under discussion with this bill.

Insofar as the standards and general provisions are concerned, our committee has followed very much the language of the Presidential order. One of the important things to be determined is whether you are going to deal with this problem and do the thing that I believe is our duty, and that is to write it in substantive law. Or whether you believe this problem should be placed in the hands of one man and be dealt with under Executive order. Shall Congress do it or shall it be done by Executive order. Unless, of course, you follow the advice of some of those who have preceded me and say there is no problem, and nothing should be done at all. I do not believe you can do that and assume the responsibility that is yours.

Something has been said about protecting employees in the Federal Government. That is what this legislation does. That is what it is for, to protect the people of this country, yes, but it is also to protect the great majority of loyal, patriotic employees in the Federal Government. That is why the bill is here today.

Some of our Members have just been talking about violations of the Constitution, violations of the Bill of Rights, then quoting the famous statement, "Give me liberty or give me death," but they did not discuss the legislation that is before you this afternoon. I ask you who made that statement if you can find anywhere in this bill any provision that violates the Constitution or the Bill of Rights? Point to the place in the bill, if you will, where there is any violation of the Constitution in this measure. But let us talk about the legislation we are considering. It is so easy to blast legislation generally, but a different thing to really discuss its provisions, go back and review the statements of those who preceded me. You will agree not one really analyzed the bill. Full and complete hearings were held on this legislation. The hearings are before you. I hope you want to read them. I wish you would read the report that goes with it.

Mr. Speaker, in my judgment this is one of the most important legislative measures to come before this House. H. R. 3813 is a bill which provides a procedure by which persons who are found to be disloyal are removed from Federal positions or refused appointment to such

positions. The principal provisions of the bill are as follows:

First. All Federal employees and all applicants for Federal positions are to be investigated to determine if any are disloyal to the United States.

Second. The Civil Service Commission shall conduct a preliminary investigation of each employee and applicant, and if derogatory information is revealed with respect to loyalty the investigation shall be referred to the Federal Bureau of Investigation.

Third. After a complete investigation of such person the Federal Bureau of Investigation shall submit its report to a Loyalty Review Board, composed of five members appointed by the President.

Fourth. Through procedures provided for under the bill with respect to handling the cases, if the Board makes a final decision which is adverse to the person under investigation, the department or agency involved shall be requested to remove the employee or to refuse employment to the applicant.

Fifth. If the department or agency head refused to comply, the Board must notify the President of such refusal, and before January 15 of each year the Board must advise the Congress of the status of these cases which have been referred to the President for action.

The subcommittee which conducted hearings on the bill, composed of Mr. VURSELL, Mrs. ST. GEORGE, Mr. MORTON, Mr. MURRAY of Tennessee, Mr. COMBS, Mr. ALMOND, and myself, devoted much time and much study to the problem and arrived at the conclusion that substantive law is the only way to deal with the problem.

During the Seventy-ninth Congress a subcommittee of the Committee on Civil Service held hearings upon the subject of the disloyalty of Federal employees and found serious loopholes in the agency loyalty procedures by which persons remained in the Federal service who were disloyal to the United States. The subcommittee report resulted in the President appointing a commission to study the problem. The President's Commission found that present methods were inadequate to deal with the question of the loyalty of Federal employees. The recommendations of the President's Commission resulted in the issuance of an Executive order, which, in my judgment, is not the proper way to handle such a serious problem affecting the security of our Government and our country.

Our committee agreed that the proper way to handle the problem of Federal employee disloyalty was to authorize by law a procedure by which persons on the Federal pay roll or entering the Federal service were to be investigated by the Federal Bureau of Investigation from the standpoint of loyalty. If the President's loyalty order were implemented with appropriations without prior legislative authorization, I believe it would be a violation of rule XXI, paragraph 2, of the rules of the House of Representatives, because it is a well-established policy of Congress that expenditures for activities not previously authorized by law are subject to a point of order.

Also, the committee considered the subject matter of such vital importance that it should be the subject of permanent legislation rather than one which could be dealt with by an Executive order.

Something has been said about the supporters of this legislation. Take a look at the hearings and see who they are, whom they represent, and what they say.

There is Mr. James B. Burns, president of the American Federation of Government Employees, representing thousands of employees in this Government of ours. Read his statement. Then read the statement of Mr. Luther Steward, also a former employee of the Federal Government, and for many years has been president of the National Federation of Federal Employees, the largest organization of Federal employees in the United States. Read his testimony in support of this legislation. Most of you know both of these esteemed gentlemen. Both of these gentlemen, at all times, guard zealously the rights and interests of employees in our Government.

Mr. William A. Christensen, representing the Disabled American Veterans, Mr. Harry V. Hayden, legislative section of the American Legion, Mr. John C. Williamson, assistant director, legislative section of the Veterans of Foreign Wars, all testified on behalf of three great patriotic organizations, in support of this legislation. I wish you would take time to read their testimony. I do not need to tell you whom they represent. They represent hundreds of thousands of men and women in and out of Government, who are vitally interested in the problem involved in this legislation. I mention these outstanding groups, because as I said a moment ago, someone asked, who wanted this legislation anyway. I should also add that most of the opposition to the legislation came from representatives of groups who expressed opposition to the Executive order as well as the legislation under consideration.

The main differences between the Executive order and the loyalty bill are: First, an independent loyalty board is provided for under the bill, whereas under the Executive order the Loyalty Board is a part of the Civil Service Commission; second, applicants and employees are investigated in the same manner under the bill but under the loyalty order a less complete investigation is given most applicants and all employees; and, third, under the loyalty order there will be as many different applications of the standard of loyalty as there are Government agencies, but under the bill there will be a single standard of loyalty applied by a single Loyalty Review Board.

Several witnesses who appeared before the committee emphasized the similarity between the bill and the Executive order. The committee endeavored to take from the Executive order all of its meritorious features and incorporate them in the bill. The loyalty order and the bill are identical with respect to: First, objectives—expressed in the opening part of the Executive order and in the bill; second, standards of loyalty—part V of Executive order, section 8 of H. R. 3813; and, third, to the extent that it has not already been done, every Federal employee shall be checked against the name and fingerprint files of the FBI under both the loyalty order and loyalty bill.

The Department of Justice submitted a report to the committee stating that it was unable to recommend the bill. Objection was made upon two grounds. First, on the ground that the bill raised a constitutional question. The committee bill, which is the one under consideration today, removed this constitutional question because it eliminated language which would give the Loyalty Review Board mandatory power over the heads of the executive departments and agencies with respect to removing employees who are found to be disloyal.

The other objection raised by the Attorney General was on the ground that the loyalty order would provide a more efficient plan than that in the bill because the responsibility for and the conduct of the investigations would be localized in each department. On the contrary, the committee believed that the bill offered a more efficient and more effective plan than the Executive order because the responsibility for and the conduct of loyalty investigations are not localized in the employing department or agency. This responsibility has, for the past 7 years, been localized in the individual departments and agencies, and the ineffectiveness of such a procedure has been well demonstrated. Mr. Arthur S. Flemming, Civil Service Commissioner, who appeared before the committee, stated that the Civil Service Commission has been unable to secure the cooperation of the heads of the departments and agencies with respect to the removal or refusal to hire persons found to be disloyal to the United States, and he admitted that persons are discharged from one agency on disloyal grounds and are hired by other agencies. It is just such a situation as this which has continued over the last 7 years which, in the judgment of the committee, necessitates the establishment of an independent Loyalty Review Board, and the conduct of all loyalty investigations by the FBI. This will result in one application of a single standard of loyalty, rather than as many different applications of the loyalty standard as there are Government departments and agencies.

Another weakness of the Executive order is the fact that it provides a procedure which will result in the retention on the pay roll of disloyal employees for long periods of time during which endless reviews of the case will be made by agency loyalty boards, heads of agencies, regional loyalty boards of the Civil Service Commission, the main loyalty board of the Civil Service Commission, and finally again the heads of the agencies. In the judgment of the committee, the bill provides adequate safeguards to protect the rights of persons employed in the Federal Government, but at the same time protects the Federal Government from the continued employment of persons who are found to be disloyal.

The bill provides a procedure through which employees are removed from the pay roll and applicants are refused employment if it is found, in the judgment of the Board, upon the basis of a reasonable loyalty standard that upon the preponderance of evidence they are disloyal to the United States.

The committee incorporated in H. R. 3813 many of the recommended amendments suggested by witnesses who appeared before the committee.

There was much comment at the hearings upon the necessity for protecting the civil rights of the employees who were found to be disloyal by the preliminary decision of the Board. The extent to which the committee has gone in protecting the rights of the employees is shown in section 5. It is provided that the applicant or employee shall be notified in writing and furnished a factual statement upon which the preliminary adverse findings of the Board is based. The person affected is allowed 15 days to appeal the preliminary finding to the Board. The appellant is allowed to present such pertinent evidence as may be required to overcome the presumption of disloyalty which results from the preliminary finding of the Board. It is provided in section 6 that the Board shall promulgate such rules and regulations as are necessary to protect the rights of the appellant. He may present statements to the Board in any manner which he deems proper, and shall have the right to be represented by legal counsel and to produce such evidence and witnesses, and to furnish affidavits or other written statements of competent persons as may be required to show affirmatively his loyalty to the United States.

For many years I have been concerned about the question of disloyalty among Federal employees and whereas I recognize, as does the committee, that the loyalty of the overwhelming majority of Government employees is beyond question, nevertheless in these trying times the presence within the Government service of any disloyal or subversive persons constitute a continuing threat to our national security and democratic processes. The Congress should recognize the importance of the problem, and should not be content to accept an Executive order which can be changed at any time, as was done when the request for appropriations altered some of the provisions of the Executive order.

The last section of the bill provides that the Congress shall appropriate such sums as may be required to the Federal Bureau of Investigation, the Civil Service Commission, and the Loyalty Review Board to carry out the purposes of the act. I think that the decision as to how much is appropriated annually should be left with the Appropriations Committees. Necessarily, the cost of the bill will depend upon how rapidly the Congress wishes this program to be completed. The committee studied the problem of cost from the figures presented by the Civil Service Commission, and, according to the estimates of the Civil Service Commission, the bill would cost approximately $2,000,000 less than the Executive order at the end of 4 years. However, in the judgment of the committee, during the first year of operation the bill will require no more than $5,000,000 each for the Federal Bureau of Investigation, the Civil Service Commission, and the Loyalty Review Board.

As to the effectiveness of the bill compared with the Executive order, I cite figures presented by the Civil Service Commission regarding the number of cases of disloyalty which would be required to be handled under the bill as compared with those under the Executive order. It is significant to note that under the provisions of the bill, 10,000 more cases would be revealed and would be reviewed by the Loyalty Review Board which involved questions of disloyalty than would be revealed under the President's loyalty order. Testimony of Government witnesses showed that from the standpoint of effectiveness and the revelation of disloyal employees, the loyalty bill would be approximately 20 percent more effective than the Executive order. Upon this basis alone it was the feeling of the committee that the enactment of substantive law was justified.

If this subject matter is not handled by legislation before the appropriation of large sums of money for such a program, it will be an admission by the Congress that it does not believe that an expression of congressional policy is important upon a matter such as this. I do not think this is the view of Congress, because I believe Congress recognizes the necessity of expressing its policy with respect to these matters.

Mr. Chairman, I do want to pay tribute to the members of our committee who worked zealously on this measure.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I want to vote for this legislation, but the only thing in the bill that I do not like is the provision here on the bottom of page 8 where the Board notifies the employee and gives him a factual statement upon which their finding is based but not disclosing the source or sources of the information. My theory is that if he is found guilty he should be removed, but my question goes to the point of his defense and of not being able to face his accusers as you are in any other type of action in the country. It seems to me the bill could have been worded so that once the FBI or the Board determines that he is guilty you could have worked out some system where an information could be filed against him and his accusers brought in so that the person could face his accusers and cross-examine them and have some chance of presenting some type of defense.

Mr. REES. The gentleman must remember that we are not charging the employee with having committed a crime, not at all. The question involved is only whether this man should be retained if on the pay roll, or employed if an applicant. This is the procedure that has always been followed in the Federal Government.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished Member from New Jersey.

Mr. MATHEWS. Will the gentleman explain how sub subsection 2 of subsection (d) of section 4 near the bottom of page 6 and the two lines at the top of page 7 are germane to the purposes of this act?

Mr. REES. It certainly is a part of the act. The gentleman has in mind that the Commission may take such action as may be necessary to cause the removal of such an employee.

Mr. MATHEWS. When they discover information other than that which affects his loyalty, if the gentleman will read the section.

Mr. REES. Of course, if it is a question other than his loyalty, that can be referred to some other source, the Civil Service Commission for instance, or to the agency where employed. Suppose he has committed a crime of some kind.

Mr. MATHEWS. That is just the point.

Mr. REES. Then this Commission would not have to proceed on the question of loyalty.

Mr. MATHEWS. But it says "take such steps to see that he is discharged," and so forth.

Mr. REES. That is right; the Commission may report to the agency if deemed proper, and save further investigation.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES. Mr. Chairman, I yield myself two additional minutes.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman advise us whether the committee is willing to accept an amendment which will come at the top of page 9 with respect to the furnishing of the original notice to the employee that he is being charged with an act of disloyalty; whether the committee will accept an amendment that that notice shall not be public. That is the first the employee has ever heard about it.

Mr. REES. The committee has in mind submitting an amendment on that subject matter.

Mr. JAVITS. The next point is this: Will the committee advise whether it is intended by the operation of this act to include in this term "derogatory information," page 6, line 19—that is, not derogatory information about disloyalty but derogatory information generally—any new acts other than those now provided for by statute, for which a Federal employee can be fired, or is it intended to cover only acts already the basis for dismissing an employee under existing law?

Mr. REES. There would not be any reason for doing otherwise.

Mr. JAVITS. Then, the last question is this: It is stated in the act that the Board may give the employee a hearing. Is it the intention of the committee that that language shall mean that the employee shall be entitled to a hearing upon request? That appears on page 9, line 11.

Mr. REES. The employee will be entitled to a hearing. That is the intent of the language of the bill and that was the intent of the committee.

The committee has received many letters from organizations endorsing H. R. 3813. I shall not burden the RECORD with all of these letters; however, I should like to read a letter received from the Government Employees' Council of the American Federation of Labor, dated June 26, 1947. This council is composed of several representatives of the employees themselves, and act as a sort of Board of Directors for them. Here is the letter:

DEAR MR. REES: The legislative committee of the Government Employees' Council of the American Federation of Labor has endorsed H. R. 3813, introduced by you, to provide for a loyalty program in the Federal service.

I wish to assure you of the utmost cooperation in furtherance of this legislation.

With best regards, I remain

Sincerely,

GEORGE D. O'BRIEN,
Operations Director.

I have just received a telegram from the Honorable Bert Hedges, national president of the American War Dads. Here is the message:

KANSAS CITY, MO.

Hon. EDWARD H. REES,
Member of Congress, Washington, D. C.:

The American War Dads urge favorable action on the House Bill 3813, which will require a test of loyalty to our cherished democracy in order to serve the Government in a position regulated by civil service. The American War Dads offered their sons and daughters to make possible the military victory in World War II and they crave a strong America and believe that all who receive remuneration from tax moneys should be willing to serve the best interests of our constitutional government.

BERT A. HEDGES,
National President.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 10 minutes, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, the question to determine is whether every effort to remove disloyal or subversive employees from the Federal pay roll, and to prevent the employment in the future of disloyal persons will be made through the provisions of the Executive order issued by President Truman on March 21, 1947, or whether it will be accomplished by substantive law as proposed in the pending legislation. I am sure that the Members are heartily in favor of the adoption of the method that will be most direct, most effective, and most thorough in bringing about the dismissal of disloyal Federal employees. I want to see those subversive employees disclosed, exposed, and discharged, regardless of the cost of the investigation and exposure, and I am convinced that we should enact legislation providing for the investigation and removal of disloyal employees, instead of trying to do the job under the authority of the Executive order.

During the hearings on this proposed bill, Mr. Arthur S. Flemming, member of the Civil Service Commission, appeared before the subcommittee. Mr. Flemming made the statement that in his opinion the initial screening and investigation of Federal employees would disclose enough derogatory information about the disloyalty of employees to bring a full field investigation of 42,000 present employees. That is a sad state of affairs. It is a most regrettable and unfortunate situation to think that an initial investigation of the present employees will disclose sufficient derogatory information to justify a full-fledged investigation of approximately 42,000 employees as to their disloyalty. The job is ours, it must be done, and we must carry it out and get rid of every disloyal, subversive person on our pay roll.

Last November President Truman appointed a temporary commission to investigate employee loyalty. This commission made its report last March. Here is what the committee said in conclusion:

1. Although the vast majority of Federal employees are loyal, some are disloyal, some are disloyal or subversive. Because of the secretive manner and method of their operation, it is difficult to assess the numerical strength of the disloyal group. Whatever their number, the internal security of the Government demands continuous screening, scrutiny, and surveillance of present and prospective employees.

2. The presence within the Government of any disloyal or subversive persons, or the attempt of any such persons to obtain Government employment presents a problem of such importance that it must be dealt with vigorously and effectively.

Let us see what has been done about getting disloyal employees off our pay rolls for the last 6 or 7 years. Until 1939 there was no investigation as to the loyalty of any Federal employee or any applicant. Up until that time it was assumed that all employees and applicants were loyal and patriotic and therefore their loyalty was not investigated.

In March 1942 President Roosevelt, through the Civil Service Commission, issued war service regulations specifying that a person could be and would be disqualified for employment when there existed a reasonable doubt as to his loyalty.

In April 1942 the Attorney General created a special interdepartmental committee on investigations; this committee accomplished little and only few cases were referred to the committee by the departments for an advisory opinion on the question of loyalty.

On February 5, 1943, President Roosevelt replaced the Attorney General's interdepartmental committee with a new Interdepartmental Committee on Employee Investigations and this committee remained in existence until March 21, 1947; it was an advisory body and had no authority to enforce its findings; in fact this committee did little.

Then on November 25, 1946, President Truman set up a temporary commission on employee loyalty, directing it to inquire into present standards and procedures for the investigation into the loyalty of employees and applicants by the various departments and agencies, their method of removing disloyal employees and requesting the Commission to make recommendations for the purpose of improving existing legislative and administration provisions on the subject.

In March 1947 this Commission filed its report and recommendations and, as a result, on March 21, 1947, President Truman set up by Executive order further provisions for the investigation and removal of disloyal employees and established a Loyalty Review Board in the Civil Service Commission.

Let us see what the situation is today about investigating disloyal employees.

President Truman's Commission sent letters to 50 executive departments, agencies, boards, and commissions inquiring as to the standards they have established for judging employees' loyalty, their procedure for investigating employees with respect to loyalty, their procedure for dismissing employees for reasons of disloyalty and requesting their recommendations regarding procedures to be established in the investigation and dismissal of employees for disloyalty.

The reply of these 50 boards, commissions, and agencies disclosed: First, a wide disparity in standards established for judging employee loyalty. Second, absence of or lack of uniformity in procedures designed to determine employee loyalty; and, third, lack of uniformity in procedures set up to effectuate removal from service of disloyal employees.

The several agencies and commissions replied they had no established procedure designed to substantiate allegations of disloyalty. All of the departments and agencies agreed that the investigation or check of employees with respect to disloyalty should be the function either of the Federal Bureau of Investigation or the Civil Service Commission.

Now, let us compare the Executive order of March 21, 1947, and the present bill. The objectives and the purposes are the same. The preamble of the Executive order and the preamble of this pending bill are identical. The standards for judging the loyalty of employees are the same. The Executive order provides for a loyalty review board under the Civil Service Commission. This bill provides for an independent loyalty board of five members nominated by the President and confirmed by the Senate.

The Civil Service Commission testified there are about 70 agencies or commissions which would set up their own loyalty boards.

Under the Executive order the Civil Service Commission has charge of screening and investigating employees and applicants. Under this bill the Civil Service Commission makes the initial investigation and screening of employees and of applicants. If the Civil Service Commission finds derogatory information as to the loyalty of any employee or applicant then the Civil Service Commission immediately turns over that information to the Federal Bureau of Investigation. Thereupon the Federal Bureau of Investigation makes a full and

complete loyalty investigation of this employee or applicant. The report of the Federal Bureau of Investigation is then turned over to this independent loyalty board, the members of which are appointed by the President and confirmed by the Senate. If this board finds from the report of the Civil Service Commission in the beginning and from the full field investigation by the FBI that there are reasonable grounds existing to believe that the person is disloyal to the United States, then the independent loyalty board gives this person 15 days to appear before the board.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, the person charged is given notice and a factual statement of the charges against him. He can appear there with counsel and have a hearing before this board.

Oh, they talk about the Bill of Rights and the Constitution. There is not a single provision in this bill that violates the Constitution, including the Bill of Rights. This proceeding is not a judicial hearing. It is an administrative hearing. No employee has a vested right to employment. Employment in our Government is a high privilege. This bill provides for a loyalty board and if the board finds that reasonable ground exists to believe a person is disloyal to the United States it proceeds against him.

It is high time that we have a full, a complete and thorough, as well as exhaustive, investigation of every Federal employee on our pay roll. Why should any loyal, patriotic employee of our Government object to a searching, screening investigation? Of course, those who are subversive cry out against this kind of legislation.

Let me say in conclusion that in the hearings on this bill the two great organizations representing the Federal employees, the National Federation of Federal Employees and the American Federation of Government Employees appeared before our committee and wholeheartedly endorsed this bill. Also the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans appeared in person and endorsed this bill. Who appeared in opposition to this bill? The National Lawyers Guild, the United Public Workers of America and the American Jewish Congress. Of course, they based their argument on the fact that it violates the Constitution and the Bill of Rights. So far as I am concerned, I will take my stand with the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans and the two organizations representing the great number of loyal Government workers in support of this bill rather than line up with the National Lawyers Guild and the United Public Workers in opposition to it.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, this is a very simple piece of legislation. Most anyone can read it and understand just exactly what the committee had in mind. Now, there has been a great deal of publicity in the press and talk on the floor of the House and throughout the country about too many people being in the Federal service whose loyalty to the Government might be questioned. So the Committee on Civil Service, which has been working on this matter for 2 or 3 years, decided that after the President, on our suggestion, caused a study to be made and issued his Executive order, that the Executive order did not go quite far enough and would not be as effective as it should be. So we sought to write a bill trying to carry out the purposes of the Executive order and allow the Congress of the United States to take this situation over by expressing its intent clearly by passing this act.

May I say that I think we will do the Federal people now on the pay rolls, a great majority of whom are loyal and working in the best interest of this Government, a great favor, because after this bill becomes operative and these investigations are had, then all of them can walk with their heads high, representing the greatest government on earth, cleared from any suspicion; without the least taint of suspicion of subversive activities for the purpose of overthrowing the Government of the United States.

We seek in this bill to clear the names of over 95 percent of the Federal employees representing our great Government and working under the laws, helping the Congress of the United States and the Chief Executive to direct the course and destiny of this Government. Now what are we doing? We simply try to clarify, in places, the President's directive.

Let me tell you one place where we make a change. Under the Presidential directive, if you try to ferret out the facts in order to clear the good names of the loyal employees and to expose the names of those who are subversive, you go first to an agency loyalty board. If there are 78 or 100 agencies, there are 78 or 100 loyalty boards set up in the various departments of the Government. Then, too, you may have different standards in many of the loyalty boards. We write one standard into this bill, and then we say that five men shall be the controlling factor and shall be the court of last resort, except in one instance as to which I shall not go into detail.

Under the Presidential directive you first go to the agency loyalty board. Then after the matter has been heard, you go back to the head of that agency. From there you go to a regional loyalty board and from there, under the Presidential directive, you go to the Civil Service Commission loyalty board. Then you go to the main loyalty review board which you have set up under the Presidential directive, and from there you go back to the head of the agency.

Certainly that is a long route from the bottom where one is suspected until you finally get through to the final decision. When you realize that there will be 500,000 to a million people investigated within a year, you can begin to determine that the very enforcement of this act and the purpose of the directive and its enforcement will be bogged down in one continual passing from one agency to the other.

What do we do? We simply have the Civil Service Commission, by such investigation as they can get into action, go all over the background of every man that is now employed. The purpose of this bill is to get out of public service the people who should not be there, and further, to prevent others from coming in who should not be employed. We investigate those that are in Federal service, and we investigate those that make application to get in. If the Civil Service Commission finds there is some question, the matter is referred to the FBI to make a full investigation. Then the FBI comes back to the five-man loyalty board, an independent board, not a board made up of representatives of some of the departments of the Government who are already appointed. It is an independent board, in order to protect the employee in his rights and to protect the Government properly. This independent board has a number of subordinate boards, and the work is thrown back to these subordinate boards and they go over the investigation of the FBI. If they decide the FBI has not made out a case, it is reported to the full board. If the findings of the FBI show there is a question, it is further reviewed by the lower board. This bill will protect the loyal employees, and will protect our Government. This legislation should be approved.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, while I am completely opposed to disloyalty in government, or for that matter in anything else, I am opposed to H. R. 3813 for many of the reasons discussed by previous speakers and for an additional reason—that I do not think it is a practical solution of the problem it seeks to correct.

It is not practical for the reason that it is cumbersome and that it is absolutely impossible for the Board of five persons to hear all cases where a hearing is afforded to the applicant or employee. Under the provisions of H. R. 3813, it will be necessary to investigate each and every Federal employee on the pay roll and this will require 1,600,000 investigations concurrently with the investigation of persons entering the Federal service, which during the first year, is estimated at 780,000, making a total in all of 2,380,000 investigations. Added to this, it is estimated that there will be approximately 42,000 reports of investigations of incumbent employees and approximately 19,500 reports of investigations in the first year of applicants for adjudication, making a total of approximately 61,500 investigations to be adjusted in a very short period of time.

Now, there is a big difference between H. R. 3813 and the Executive Order 9835. Time will not permit me to discuss all these differences. For one thing, the Executive order is based upon the experience of the United States Civil Service Commission and the various agencies

and departments over a period of years. Added to these facts, there is, it seems to me, another good reason why H. R. 3813, is not practical. It might well lead to discrimination, as for instance, we all know that differences will arise in offices and it would seem to me that in order to get rid of some employee who might be objectionable for other reasons than disloyalty, a case could easily be developed based on nothing more than dislike or differences of opinion, which might be considered disloyalty. In fact, there are so many opportunities in this bill for injustices to employees that to my mind, it seems a dangerous piece of legislation and entirely unnecessary, as the President's Executive Order 9835 covers everything that is necessary for investigation and dismissal of those employees who are guilty of disloyalty.

I venture to say that in the final analysis, there will be a very small percentage of employees found guilty of disloyalty to our Government, and on the other hand, it would be possible, under this bill, to practically destroy the reputation of many employees who are suspected but not really guilty of disloyalty.

The provisions in H. R. 3813 that the Board shall hear all cases where a hearing is appropriate is a very impractical proposition, since no five persons could hear all of the cases that will result from 61,500 cases to be reviewed. Therefore, the employees and the applicants will suffer and the Board will be bogged down with work to the detriment of the Government.

I believe this bill definitely complicates the administration in its efforts to get rid of disloyal persons in Government—places great responsibility on Government agencies in the employment of personnel necessary to the operation of the Federal Government and will result in confusion and chaos. I have discussed this problem with a few lawyers outside of the Government and they have advised that their examination of the bill indicates that there is a very grave question as to its constitutionality. Fortunately, we have able lawyers here, Members of the House, and I sincerely hope they will examine that phase of the bill.

In conclusion, may I say I have the utmost confidence in the great majority of Government employees. Many have given the best years of their lives to the service at salaries much less than they would have received for comparable work in private industry. It is not fair to subject these devoted, faithful employees to unnecessary tests in order to satisfy what seems to me to be a wave of hysteria based on the disloyalty of a comparatively small group of persons.

Mr. Chairman, I include in these remarks a comparison between the President's Executive Order 9835 and H. R. 3813:

It is noted that H. R. 3813, section 5 (b) (1), provides that a board of five persons shall hear all cases where a hearing is afforded the applicant or employee. Experience demonstrates that it is impossible for 5 persons to handle the volume of hearings that will result from 61,500 cases to be adjudicated. This problem was considered by the President's committee on Executive Order 9835; provision was made for a distribution of this work load—the Civil Service Commission handling the applicant cases and the agencies and departments handling the employee cases.

In carrying out the Commission's duties under Executive Order 9835, it is contemplated that the Civil Service Commission will have a regional loyalty board in each and every region to hold hearings and make initial adjudications, with the right of appeal to an appellate board in Washington, D. C. The reason for establishing regional loyalty boards is twofold: (1) because of the volume of cases involved; and (2) to afford the applicant an opportunity to be heard at a place near his residence in order that the applicant may have an opportunity to present to the local board all witnesses he may desire.

If the hearings were held in Washington, D. C., the expense of bringing witnesses to Washington would often be so costly on the part of the applicant that it would be tantamount to a denial of a hearing. Under Executive Order 9835, employees are afforded a hearing by the agency and where agencies are decentralized, the hearing will be held in the field in order that the employee may have an opportunity of appearing with witnesses he desires to present.

H. R. 3813 is silent as to whether or not the Board of five members will be a traveling board for the purpose of hearing applicant and employee cases. It does, however, state that the Board shall be in the District of Columbia, but may exercise its powers at any place in the United States.

The provision in H. R. 3813 that the Board shall hear all cases where a hearing is appropriate is a very impractical provision since no five persons could hear all the cases that will result from 61,500 cases to be adjudicated. Consequently, the employee and the applicant will suffer and the Board will be bogged down with work to the detriment of the Government.

Another section of H. R. 3813 which is impractical is section 10, wherein it states that investigations and adjudications of employees shall take precedence over investigations and adjudications of applicants. Considering the enormous work load—1,600,000 investigations of employees and 780,000 investigations of applicants, with the resulting adjudications—if section 10 is to be adhered to, such priority will greatly hamper the employment of persons necessary to operate the Federal Government and, particularly so, in view of section 4 (b) which states that no applicant shall be appointed to an office or a position in or under the Executive branch prior to the determination under this act of his loyalty to the Government of the United States, unless (1) the appointing officer certifies to the Board that the immediate appointment of such applicant is absolutely required in order to perform a necessary function of the department or agency; and (2) the Board, after conducting such preliminary investigation of such applicant as it may be necessary, notifies the appointing officer that such appointment has the tentative approval of the Board. The foregoing provisions, section 10 and section 4 (b), of H. R. 3813 will so complicate the employment of personnel necessary to the operation of the Federal Government that confusion and chaos will result.

This problem was studied by the Presidents' Committee and this simple solution was recommended: That of appointing persons "subject to the results of an investigation," and conducting the investigation at the earliest possible time commensurate with the work load then existing. The use of a condition on an appointment is practical and effective; it is also legal. The Supreme Court held so in the case of *Friedman* v. *Schwellenbach et al.*

H. R. 3813, as written, leaves grave doubt as to its constitutionality. The President's committee considered the establishment of an independent Board to determine employee loyalty or the establishment of an interdepartmental committee, such as was established under Executive Order 9300, a Board with advisory powers to the head of the agency. The committee discarded both of these ideas because, under the Constitution, the head of an agency or department has the sole right to discharge an employee. The Supreme Court has held that neither the President nor Congress can interfere with this right. Executive Order 9835 places the responsibility on the head of the agency or department for the discharge of disloyal employees and places the responsibility on the Civil Service Commission for the denial of employment in the Federal service of an applicant, in accordance with the Civil Service Act of 1883. It did, however, set up a Review Board, which may review the action of the agencies in order to establish uniformity of operation. Since the President is the chief of the Executive arm of the Federal Government, this Review Board would report to him the actions taken by the various heads of departments and agencies in carrying out the President's program. H. R. 3813 attempts to place in the hands of five persons the right of adjudicating the loyalty of employees and applicants and to coerce the agencies, departments, and the Civil Service Commission to accept such determination (sec. 5, par. 2). Congress has attempted to circumvent the Constitution and deprive the Civil Service Commission, the agencies, and departments of their constitutional and statutory obligations.

This legislation borders on the legislation which brought about Watson, Dodd, and Lovett cases and is in direct conflict with the Myers decision and makes necessary a suit in court to determine its legality. The Executive Order was so designed as to forthright place the responsibility where the Constitution and the courts have heretofore placed it; that is, upon the heads of the agencies and departments as to employees, and upon the Civil Service Commission as to applicants and those persons appointed subject to the investigation of the Civil Service Commission.

(Mrs. NORTON asked and was given permission to revise and extend her remarks and include a comparison statement prepared by her showing the differences between the President's Executive Order No. 9835 and H. R. 3813.)

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, the subcommittee and the committee have been as greatly shocked and distressed as most of the people of the United States that such a bill as H. R. 3813 should be necessary.

Unfortunately after hearing the testimony, especially that of members of the Civil Service Commission, it becomes increasingly obvious, it is indeed a fact that a so-called loyalty bill is needed to rid the Federal Government of disloyal employees and more important still to prevent disoyal persons from getting into Government departments.

The President, on March 21, 1941, issued an Executive order and I quote:

Prescribing procedures for the administration of an employees' loyalty program in the executive branch of the Government.

The great question before the committee was: Should the employees' loyalty program be put into effect through the Executive Order 9835, which I have referred to, or whether it should be done

through an act of Congress; that is to say, by law.

Our Government was originally a government of law and not of men. A government of law promulgated and sponsored by the duly elected representatives of the people, not a government by edict and Executive order.

Now, due to wars and the necessity for speed, and as some would have us believe, efficiency, we have allowed ourselves to be governed more and more by orders and decrees.

This bill H. R. 3813 makes the question of the loyalty of Government employees a matter to be determined by law. Only through law can we eliminate the personal element and the element of hysteria that is bound to appear when we bring up such a vital question as to a person's loyalty to his country and his government.

This committee was especially scrupulous and zealous to see that none of the elements of the witch hunt should be permitted or have any part or effect in the writing of H. R. 3813.

Those of you who know the distinguished chairman of our committee know that he, above all others, would be most scrupulous that no hardship should be visited on anyone through prejudice or personal animosity, but that justice alone, under law, should prevail.

Mr. Chairman, we know that only very few disloyal persons are in Government employ. But the shattering thing is that there are any.

We hear that 10 persons have been dismissed from the State Department because their loyalty was questionable.

Mr. Chairman, 10 people can constitute a Communist cell. Ten people, if they are diligent and loyal Communists are considered a large cell. Ten such people, according to Communist teaching and doctrine, should be enough to ruin any Government department.

And, therefore, while the vast majority of Government employees are loyal and patriotic Americans, they and our country must be protected against those traitors who, though small in number, are well able to encompass our ruin and ultimate destruction.

Mr. Chairman, we believe this can be done calmly, legally, and efficiently by the adoption of H. R. 3813, and it is my earnest hope that this bill will pass.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, I am in the unpleasant position today of disagreement with the majority of the distinguished members of my committee. Unfortunately, as much as I respect and admire them, I was unable to agree, even passively, that this bill should be enacted into legislation. Let it not be thought or said, however, that I do not share with them, with every good American, the ideal that loyalty is, per se, a prerequisite of good public employees, and that disloyalty and subversiveness are a shameful and unfortunate weakness. However, we may well rejoice that there has been only nominal disloyalty in our Government and that throughout the war our Department of Justice and other departments were able to cope with the few subversive elements in an admirable and effective manner.

Disloyalty to our Government is the sire of treason, the most infamous of crimes. No one, I think, properly questions the advisability and the necessity of protecting ourselves from its insidious influence. The question involved today, however, is in what manner should we translate the ideal of loyalty into a workable formula. How shall we approach the unfortunate problem of ridding ourselves of subversive or disloyal people?

We are fortunate in that we are not in a position in which Congress often finds itself; that is, taking this bill or nothing. The question, I think, is extremely simple in that here today we may choose the President's plan or this present legislation.

During the Seventy-ninth Congress, by resolution, a committee of the Congress investigated disloyalty in the executive branch of the Government and as a result of their recommendations, the President appointed a distinguished Commission composed of the following able gentlemen: A. Devitt Vanech, special assistant to the Attorney General, Department of Justice, chairman; John E. Peurifoy, Acting Assistant Secretary of State for Administration, Department of State; Edward H. Foley, Jr., Assistant Secretary of the Treasury, Department of the Treasury; Kenneth C. Royall, Under Secretary of War, Department of War; John L. Sullivan, Under Secretary of the Navy, Department of the Navy; Harry B. Mitchell, president, Civil Service Commission.

They made a thorough check, a most thorough check, as is reflected in the report made to the President and the Congress entitled "The Report of the President's Temporary Commission on Employee Loyalty." As a result of that report, President Truman issued Executive Order 9835 on the 22d day of March 1947.

Before and after I became a Member of Congress I have been impressed with much of the criticism that has been so voluminous and so freely offered against boards, bureaus, and bureaucracy and I have been disappointed that so few overt acts have been committed against them. On the contrary, I find that we are prone, as is evidenced by the proposed legislation today, to continue to build one board, bureau, and agency on another, and when we are dissatisfied with the manner in which the executive department of the Government is administering an act, we create an additional board to supervise the one that is not functioning.

The present bill has a laudable purpose, but it is certainly of questionable value as legislation and is not in keeping with good administration. It follows very closely the ideas and the language set out in the President's Executive order of several months ago and in addition thereto, creates an additional board or bureau to be known as the Loyalty Review Board.

It is anticipated, yes, it is administratively impossible for this act to be effective unless there be created another and very large new agency. The Department of Justice estimates that under H. R. 3813, 1,600,000 investigations of employees would be required at an estimated cost of $10 per case, or a total of more than $16,000,000 over and above the President's plan.

I was very hopeful that every Member of this Congress could read and study the report of the President's Commission on Employee Loyalty before voting on this measure for I felt that the reading and study of such was a required predicate for an intelligent vote.

I was very much impressed with the soundness of the report and feel sure that you will be, for it was made without the passion which, unfortunately, but often, creeps into an investigation of this nature.

Of particular interest to Congress at this time was the finding made by the Commission in answer to one of the questions posed by the President, that is: Should the responsibility for acting upon investigation reports dealing with disloyalty or subversive persons be left to the respective departments or agencies where such persons are employed, or, should the responsibility for acting upon such reports be centralized in a single agency. I desire to quote their finding in this matter:

> It is believed that the various departments and agencies of the Federal Government will move more aggressively toward the solution of loyalty problems if the responsibility for conducting necessary investigations of their own employees remains solely with the heads of such departments or agencies. * * * Existing law imposes the responsibility for the conduct of the internal affairs of each department or agency in the head thereof, and principles of sound administration management and executive accountability require that the present arrangement be left undisturbed.

Another question posed by the President and answered by the Commission will be of interest to you. It was: "Is further legislation necessary for the adequate protection of the Government against the employment or continuance in employment of disloyal or subversive persons?" The answer was: "Except for the necessity of permanently extending existing temporary legislation to protect certain sensitive agencies—no further legislation is required."

Mr. Chairman, it is fundamental in good administration that heads of departments charged with the responsibility for the proper functioning of their departments must have the responsibility of supervising their employees, of vouching for their loyalty, and their effectiveness. However zealous we may be, we cannot escape that well-proven fact.

The heads of the departments are selected by the President with the advice and consent of the Senate. I concede to them the same loyalty and desire for good, conscientious employees that exists among the Members of this House.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Kansas.

Mr. REES. The Civil Service Commission, in testifying before our committee, proposed a board composed of some 20 or 25 members.

Mr. LYLE. I have stated that.

Mr. REES. And said that in line with the President's order the Commission proposes to provide for a separate board. They said that is the way to handle the Executive order. So that if you are going to have the Executive order you are going to have that board of some 20 or 25 members, according to Mr. Flemming's testimony; is that correct?

Mr. LYLE. Not as the gentleman proposes it.

So well prepared, in my judgment, is this report, so well thought out, if every Member could read and study it, this bill would not receive 100 votes, for it is unnecessary and contrary to the accepted and normal manner of good American administration.

Mr. Chairman, I am not concerned so much about the civil liberties involved in this bill because employment by the Government is a revocable privilege. There is no religious issue involved; there is no political issue involved; I think there is no effort to stifle free thought or free conversation. It is simply the manner in which we shall approach a very unpleasant problem.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. LYLE. Mr. Chairman, so far as I am concerned, anyone who does not like this form of government, any one who would like to overthrow it by force, has no rights as an American. So I have no fear of doing violence to them. But I do fear this, Mr. Chairman, and I know it is in the mind of many of the Members here. Whenever we bring a bill to the floor that has the word "Communist" in it, it inflames the minds of people everywhere.

It would be extremely popular for me and for most of you to wave our hands and scream and holler about communism, because I do not believe I have a single one in my district. I do not know whether they have one or two heads. But, we have a tremendous responsibility not only to this country but to the world in general to maintain good and sound thinking administration. The Executive order that the President issued months ago has lain idle for the reason that this Congress was not sufficiently concerned with ridding the Government of Communists to appropriate one single dime for it. There has not been one single overt act except speeches up on this floor against communism since the President's order was issued. He may have upset somebody's plans. I think that is unfortunate. Vote how you please, but in my judgment, this is bad legislation. It is contrary to good principles of administration. It is contrary to the American way of doing things. I, for one, cannot vote for it simply because it might be popular for us to enact legislation entitled "An act to get rid of Communist, disloyal and subversive people." I believe that this could best be accomplished by the President's Executive order and by suitable appropriations by this Congress.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. JONES].

Mr. JONES of Washington. Mr. Chairman, the Congress and the people of this Nation it represents have become increasingly aware of the necessity for safeguarding our way of life.

We have witnessed an accelerating effort abroad to discredit the democratic principles we hold sacred. We have seen the security of other nations imperiled by subversive activities striking at the very root of their existence.

We have been disturbed by the callous disregard of majority interests through concerted and underhanded minority activities.

Everywhere throughout our land today is a growing awareness that the security of the United States is threatened by an alien philosophy and an alien element which gnaws like rats at the very foundations of the freedoms and liberty upon which this Nation is constructed.

This is a time when a premium must be placed upon loyalty. It is a time when we cannot afford to have in Government a single person whose faith in our system is questionable or wavering.

I am convinced that H. R. 3813 is a sane and logical step to guarantee loyalty in the ranks of Government. I am convinced, too, that in the passage of this bill Congress will be keeping faith with the people of the United States and with the oath of office each of us has taken.

It is the responsibility of Congress to act in this matter, for it is the duty of Congress to exact loyalty from those entrusted with affairs of Government.

And this is a matter which should be decided by Congress, not by Executive order subject to cancellation or change at any time. It is a matter which should have a basis in law, not only for the protection of Government and our system, but the protection of those employed by Government.

It is necessary that we establish in law a basis for determining the caliber and the loyalty of our Government workers. To do so is in the interests of the overwhelming majority of Federal workers who are both good and loyal citizens and conscientious and patriotic employees. To have the activity of a few disloyal reflect upon the integrity of the majority would be, in my opinion, unthinkable.

Under the terms of H. R. 3813, a separate and bipartisan body would be set up to investigate and determine the loyalties of those now employed and employed in the future by Government.

The bill would grant to our country and its people the assuring and valued services of the Federal Bureau of Investigation which would function as an investigatory agency in instances where loyalty of an individual is questionable.

All of us know of the outstanding record of the Federal Bureau of Investigation during war and all of us have the highest confidence in the integrity and ability of the members of the splendid force. We know that if the Federal Bureau of Investigation makes a report relative to an individual, the facts contained will be accurate and unbiased.

It is important to note, too, that under the terms of H. R. 3813, individual rights are protected. It grants the right of appeal to those who may stand accused of disloyalty. It grants them the right of legal counsel, of sworn testimony and of the right to submit affidavits and to call witnesses in their behalf. It sets forth and defines disloyalty and establishes an orderly and lawfully procedure which will be uniform and fair for all.

It also gives Congress final cognizance in handling this situation and enables Congress to fulfill its sworn obligation to uphold and defend the Constitution of the United States.

There are those who oppose this bill for political reasons, contending that the recent Presidential order concerning loyalty is sufficient to safeguard the Nation. Yet those who defend the Executive order procedure should be reminded that only a few short weeks before this order was issued by the President, he brushed aside as inconsequential the disturbing and brazen activities of those radical elements all of us recognized as opposed to our system of Government.

I would like to remind the gentlemen of the House that this measure has the indorsement of outstanding patriotic organizations such as the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. It has, besides, the full support of the National Federation of Federal Employees, representing the substantial group of those employed by Government.

It is my personal conviction that this is not the time to gamble with the security of our country.

It is a time when loyalty is expected and must be exacted.

I believe this must be accomplished by the due processes of law in an orderly and fair manner and submit for your consideration that H. R. 3813 is legislation which should be adopted without delay.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 18 minutes to the gentleman from Virginia [Mr. ALMOND].

Mr. ALMOND. Mr. Chairman, at the outset I want to pay tribute to the distinguished gentleman from Kansas [Mr. REES] for his conscientious, able work as chairman of the Committee on Post Office and Civil Service.

In supporting this bill I am not actuated or motivated by any hysteria. As far as I am concerned, this bill has no political implication. I am supporting this bill because of my recognition of the absolute and unqualified necessity for the Congress of the United States to take a definite stand with reference to subversives on the Federal pay roll.

The undeniable and imperative necessity for the enactment of this legislation is indeed a sad commentary on prevailing conditions within the precincts of the Federal Government itself, as well as conditions prevalent in our country and running rampant throughout the world.

The Government of the United States, the last mighty bastion of democracy on the face of the earth, has been, and is becoming rapidly more so, the focal point of a concentrated, insidious, blatant,

contumacious, and deadly deliberate design fatally bent on a relentless determination to bring about its dissolution and accomplish its destruction.

Little did the founding fathers ever dream that, in the course of the evolution and progress of this Republic, the legislative branch of government, under the impelling exigencies of any day or generation, would be called upon in obedience to the mandates of self-preservation to place upon the statute books of this Nation a substantive law to safeguard its perpetuity against any of those whose sacred rights it guarantees, whose high privileges of citizenship it protects, to whom it zealously vouchsafes "life, liberty, and the pursuit of happiness" and who draw their daily sustenance and feed their families from the Federal pay roll.

This bill, though drafted in committee as a result of patient and exhaustive hearings under the able and commendable chairmanship of the distinguished gentleman from Kansas [Mr. REES], finds its genesis in that patriotic fervor and devotion to the tenets, principles, and institutions of democracy ineradicably lodged in the spirit, heart, and conscience of the overwhelming majority of the American people.

In recent months we have heard much relative to the mandates delivered to the Congress by the people on last November 5. Some of the issues thus raised and joined were sincerely and honestly debatable. The issue here presented is direct, clear-cut, unequivocal, and beyond the cavil of doubt. Those people of this Nation who are Americans to the core—and thank God they are legion—out of the depths of their righteous indignation imperatively demand the irrevocable eradication, from the rosters of the Federal service, every single, solitary termite registered thereon whose warped and gnarled ideological concepts render him disloyal to the United States.

Not only do they demand the enactment of an effective substantive law to accomplish the erasure of subversives who enjoy the status of employees but a law which will serve as an insuperable barrier against their ilk and kind who seek to enter the Federal service.

Whatever rights they may have elsewhere under our system of government, to whatever extent they may be permitted to pursue their nefarious and abominable course in the name, but to the desecration and pollution, of the institutions of democracy, they have no right, express or implied from the hypocrisy of their vaunted citizenship, to enter, to be, or to remain in any office or position in the executive branch of the Government.

The spirit and strength of this Government resides in its democratic processes. Every employee is charged with the exercise of a faithful trusteeship over those processes and over the security of the Republic. The Government expects, and of a right must demand, complete and unswerving loyalty from those who would enjoy the high privilege of employment in its service. Divided allegiance is nonallegiance. No Government employee can serve two masters. He who, ostensibly, is in the service of this country and in his heart recognizes allegiance to a foreign power is a traitor to the flag of this Nation.

The Congress of the United States is fully apprised of the desperate and dastardly threat to the very life of the Nation from insidious infiltration at home and from avaricious totalitarian pressures abroad.

At this very session we have authorized millions of dollars for expenditure abroad to contain and halt the onward rush of a criminally inspired antithetical, ideological juggernaut designed to destroy the inherent rights and liberties of free peoples everywhere in the world.

Shall we bolster, even on the ground of our own enlightened self interest, the ramparts of Greece and Turkey and negligently refuse to take cognizance of the lethal curse of a viper nestled in our own bosom?

On March 21, 1947, the President issued an Executive order, prescribing procedures for the administration of an employee's loyalty program in the executive branch of the Government.

The Committee on Post Office and Civil Service has carefully studied this order and the report of the President's Temporary Commission and Employee Loyalty on which the order was based.

The President's order and the pending bill reflect complete agreement as to the necessity for taking definite steps to protect the Government against subversives in its service. The preamble of the order and the bill are identical. There is also complete agreement between the two as to the standards of loyalty to be applied. The only difference is in the methods to be pursued to reach objectives which both documents agree much be reached.

This is not the first Executive order which has been issued relating to this subject. Its forerunners have been ineffective. It is the considered judgment of the majority of the committee that we stand in dire need of substantive law establishing definite and uniform procedures in order to afford maximum protection against the retention or infiltration of disloyal persons into the ranks of Government employees and to protect loyal employees from unfounded accusations of disloyalty.

We do not believe that a salutary objective can be achieved by permitting each of the employing agencies to determine the question of the loyalty of its own employees. There would be a minimum of 70 agency loyalty boards composed of not less than three representatives of the agency or department concerned, with rules and regulations to be promulgated by the heads of the various departments or agencies, with the right of appeal to the head of the employing agency or such person as he may designate.

It would seem obvious, therefore, that such procedure as prescribed by the Executive order would make for confusion, lack of uniformity, overlapping, duplication, and favoritism.

In the past it has often occurred that an employee would be disqualified on loyalty grounds in one department and immediately thereafter find a ready berth in another department. This has resulted from the lack of uniformity of standards and procedures and the conflict of authority and responsibility.

We feel that the bill under consideration is the most plausible and effective approach to the problem.

Authority and responsibility must be lodged in an independent board sufficiently implemented with adequate resources to safeguard and protect, in keeping with democratic processes, every interest and right involved. If we fail to so provide we are shirking a grave responsibility which devolves squarely upon the Congress.

Prior to 1939 the various agencies and departments of Government resolved employability on the basis of qualification and character. Loyalty was generally assumed and not questioned.

In fact the Civil Service Commission took the position that it was prohibited from making inquiry into the subject of loyalty. Authority for this position was based on the Commission's construction of a provision of civil service rule I, promulgated in 1884, which stated:

> No question in any form or application in any examination shall be so framed as to elicit information concerning the political or religious opinions or affiliations of any applicant, nor shall any inquiry be made concerning such opinions or affiliations, and all disclosures thereof shall be discountenanced.

By enactment of the original Hatch Act on August 2, 1939, Congress explicitly recognized the necessity of barring from Government employment those whose loyalties and interests were inimical to our traditional American way of life.

Beginning with July 1, 1941, there has been added to all appropriation acts a mandate to the effect that no part of any appropriation shall be used to pay the salary or wages of any person who advocates, or who is a member of any organization that advocates, the overthrow of the Government of the United States by force or violence.

These laws, while salutary in purpose, have amounted to little more than recognition on the part of Congress of an unwholesome condition and a desire that something should be done about it. They provided for no facility, set up no machinery, and created no resources to do the job that must be done. We must have legislation which carries with it the essential implementation or the threat to our security will not be abated, much less eliminated.

This bill would therefore create a Loyalty Review Board as an independent establishment in the executive branch. This Board would be composed of five members to be appointed by the President, subject to confirmation by the Senate, thereby affording a representative means of testing the loyalty and qualifications of the Board itself. Not more than three members of the Board could be members of the same political party, thus preserving at all times the essential bipartisan character of the Board.

The Loyalty Review Board would in turn establish such number of subordinate boards as it might deem necessary.

The bill provides for an investigation of every employee and every applicant to determine whether reasonable grounds exist for the belief that such person is

disloyal to the United States and prohibits, except in certain specified instances, the appointment or employment of any applicant prior to the determination of the question of loyalty. Under present procedures thousands are employed subject to investigation and remain on the rolls for years subject to investigation.

During the period from July 1, 1940, to March 31, 1947, in excess of 7,000,000 placements were made in the Federal Government. Out of this number 395,000 were investigated either as applicants or were appointed subject to investigation and subsequently investigated. Eleven percent of those investigated or 43,811 were rated ineligible on various grounds. On loyalty grounds 1,313 were rated ineligible and 714 of these were adjudged to be Communists or followers of the Communist Party line.

Dealing with Communists alone, 61 were dismissed in 1941; 143 were dismissed in 1942; 178 were dismissed in 1943; 213 were dismissed in 1944; 55 were dismissed in 1945; 49 were dismissed in 1946; 15 were dismissed in 1947.

These figures relate to action by the central Loyalty Review Board now in the Civil Service Commission.

Representatives of the Civil Service Commission estimate that a question as to loyalty will be raised and will have to be adjudicated in 2.6 percent of the cases to be investigated under the pending bill. This would involve approximately 42,000 present employees. The need for constructive legislation is thus conclusively demonstrated.

The pending bill charges the Civil Service Commission with the duty of conducting preliminary investigations and in so doing to exhaust, if necessary, certain specified sources of information. When derogatory information as to loyalty is developed from any such source the preliminary investigation is terminated and the FBI is called upon to make a full field loyalty investigation.

If no information derogatory to loyalty is developed by the Commission from any of the sources specified then it terminates its investigation and promptly notifies the head of the appropriate department or agency as to the result.

When the FBI completes its investigation it shall immediately transmit a report to the Loyalty Review Board with substantiating evidence pertaining to the question of loyalty.

The Board will then send the report to a subordinate board which shall review the report and make a preliminary finding upon the evidence furnished by the FBI and transmit same back to the Board. If the unanimous decision of the subordinate board is not adverse then such finding becomes the final decision of the Board. If the decision of the subordinate board is not adverse but not unanimous the Board shall review the preliminary finding and make such decision as it may deem necessary. Whenever the preliminary finding is adverse the Board shall so notify the employee or applicant in writing with a factual statement upon which the finding is based and advise him that the decision must be appealed within 15 days or it shall become final. The employee or applicant is accorded an opportunity to be heard in his own defense, the right to be represented by counsel and to produce evidence and witnesses.

Whenever the final decision is adverse the Board shall certify to the head of the appropriate department or agency that reasonable grounds exist for the belief that such person is disloyal to the United States. This certification shall constitute authority for the discharge or rejection of such person and shall be accompanied by a request from the Board that the discharge or rejection be effected within 30 days. If the head of the department or agency fails to comply with the request, the Board shall so notify the President and request the President to take appropriate action.

The bill sets up a fair and reasonable standard to be used by the Board which affords ample protection to the person involved. The existence of reasonable grounds for the belief that the employee is disloyal to the United States must be established by a preponderance of the evidence. It defines activities and associations which may be considered by the Board in connection with the determination of disloyalty.

Employment in the public service is not a right. It is a high privilege afforded by the Government to those citizens worthy of the public trust involved. Those who are actuated by ulterior motives and purposes inimical to the safety and security of this country should never be accepted and those having been accepted who prove traitors to their trust should be irrevocably extirpated.

The American people will not be satisfied with carping criticism emanating from Members of Congress against the executive branch of Government because of the deplorable and dangerous condition which exists with reference to subversives on the Federal pay rolls. We know of the condition and the problem which it poses. The responsibility for remedial action rests inescapably with the Congress and the time for that action is now.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, at the outset of this general debate we heard an exceptionally fine explanation by Mr. REES, the author of H. R. 3813, the loyalty bill. This affable gentleman with whom it has been my great pleasure to serve on the Post Office and Civil Service Committee, of which he is chairman, has, obviously, worked diligently and conscientiously on this measure. I did not serve on the subcommittee which conducted the hearings, but I am confident that each member of that subcommittee was thoroughly convinced of the great need for this legislation and they have so expressed themselves here this afternoon. I would be trespassing on the indulgence of the Members of this House if I were to repeat the salient points of this Almond bill which have already been brought out to you, but I do want to invite your attention to one fact.

Since the opening day of this Congress we have listened to many speeches under special orders, to requests out of the regular order, and have read many extensions of remarks in the appendixes of the CONGRESSIONAL RECORD on the topic of loyalty, disloyalty and various isms threatening our national security and democratic processes. Today we have an opportunity to enact into law effective procedure for removing any disloyal Government employee and preventing the employment of prospective applicants whose loyalty to our country is questionable.

Research and development are called the first line of defense in modern warfare, but I say to you that there is another defense that must be part of this first line and that is the loyalty to the United States of all those engaged in this vital research and development. A guard must necessarily be thrown about this first line of defense by being sure not only of the administrators in the governmental agencies that are undertaking such research and development, but also of all employees down to file clerks and messengers who, because of their duties, could easily remove important data. Though the war has supposedly ended, there continue to be under discussion matters which are necessarily classified as top secret. These long-range plans do not only concern War and Navy Departments, but necessarily include cooperation and suggestions from all Government agencies in order to make the plans complete. I reiterate that such are as vital to a nation in peacetime as they are in times of war. As pointed out by the gentlewoman from New York [Mrs. ST. GEORGE], only recently 10 persons were dismissed by the State Department because they were disloyal. This is an acknowledgment that disloyal persons are employed by the Government and I say to you that there should be a thorough check and the sooner this plan is inaugurated the better and the more certain will be the future security of our form of Government.

As I mentioned earlier in my remarks, today we have that opportunity to put into substantive law a definite program concerning loyalty, the great bulwark of our American way of life, and, since we have heard so many speeches on the floor of this House and each Member of this House is, or should be concerned about our national security, we have in H. R. 3813, an opportunity to do something about it. Loyalty to our country is national security. I hope that you will vote for the passage of this much needed legislation.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I am opposed to this legislation for no other reason than the fact that I think that if we pass such a law in this House it ought to contain greater safeguards for the people most vitally affected, that is, the Federal employees. I want to say at the outset that I served with the gentleman from Kansas [Mr. REES] on the Committee on the Civil Service in the Seventy-seventh and Seventy-eighth Congresses, and I have a high regard and great affection for him. I do not

believe that his motives are bad; in fact, I attribute to him the highest and most laudable motives. I believe it is a question perhaps of a little give and take on both sides, and we can all get together on a satisfactory bill. I have introduced a bill, H. R. 3812, that will accomplish the same purpose as the gentleman's bill. I think it corrects many patent defects in both the Rees bill and the President's loyalty order, and adds certain safeguards which would make the bill constitutional, and which would make it fair to all concerned.

I might say, Mr. Chairman, that I was an employee of the Federal Government before I was elected to Congress in 1941, and I think that if this proposed legislation were in effect at that time—although some Members may not think it would be a great loss—I might not be here today, and many other Members as well. I might then have been estopped from advocating certain views which I, and the people of my district, at least, considered important and good for the general welfare of all the people; and some people might have disagreed with me for one reason or another, and as a Federal employee I might have been accused of disloyalty and tried in a star-chamber proceeding, and have been dismissed from my employment. That terrible stigma of disloyalty to my Government would have attached to me, and I probably never would have been elected a Member of this great and honorable body. That is just one example of the danger of this kind of legislation.

When the bill is being read for amendment I will offer my bill as a substitute. I will not have enough time under the 5-minute rule to explain it adequately, so I shall attempt to do so in the period that is allotted to me now.

I want you to bear in mind that I consider it a privilege for anybody to work for the Government. I believe nobody should be so employed who does not believe in the principles of democracy and does not believe in the American way of life. Any Government employee who is disloyal, any Government employee who is subversive, should be dismissed. Nobody argues about that point. The only point about which we are in disagreement are the safeguards that should be set up to make certain that the people who are dismissed because of disloyalty have actually been proven conclusively to be disloyal.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from California.

Mr. HOLIFIELD. Would the gentleman agree with me that if the terms "disloyal" and "subversive" are applied to an individual a definition of them should be contained in the section on definitions, because they are used in the bill and they certainly should be defined and not left to the judgment of individuals.

Mr. KLEIN. I agree with the gentleman, but I think he will admit that it is impossible to define adequately what is subversive. That is why there is so much difference of opinion, for example, about the House Committee on Un-American Activities. The members of that committee have set one standard or definition, with which not everybody else agrees.

Mr. HOLIFIELD. May I point out that pains and penalties are assessed against individuals on the basis of those words, without an adequate definition and without judicial interpretation of them.

Mr. KLEIN. I agree with the gentleman. I think we should get together on some adequate definition and put it in the Act. If that were possible it would be wonderful.

I think we ought to set up some method of having a fair hearing, which is what my bill does. The board set up under my bill, is the same as the one that is set up under the Rees bill, but I call it the Federal Appeal Board. I would permit appeals to the Federal Appeal Board from the different agencies which have set up their own loyalty boards, as they have done under the Executive order. If anybody is adjudged to be disloyal by his agency or by the investigating agency, whatever it may be, and it is recommended to the agency head that he be dismissed because of such disloyalty, he shall have the right to appeal to this Federal Appeal Board, the members of which are to be appointed by the President with the consent of the Senate, just as in the Rees bill.

Then in my bill I do this, which I think is the important thing. I define just what type of hearing should be had before the board. It is not sufficient, as in the Rees bill, for them to get nothing but a statement of the findings against them with a conclusion that they are found to be disloyal. None of the evidence that has been adduced against them is made available to them. No right to confront their accusers and cross-examine them, a right given by the Constitution, is given in the Rees bill. No stenographic record of the proceedings need be made. Under my bill all of these safeguards would be included. They would have a right to have a hearing before this board, to confront their accusers, and to have a stenographic record made of the proceedings, and to produce any evidence or call any witnesses in their own behalf. How can you possibly appeal when there is no way of knowing just what happened in the hearing? Since my time has expired, I will continue the explanation of my bill under the 5-minute rule.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I wish to commend the splendid work of this committee. I do this without attaching any strings to my endorsement of their work. They have brought forth a good bill, and a splendid explanation has been given us by the able members of the committee.

Is there a necessity for this bill? Mr. J. Edgar Hoover recently said publicly to the people of this country that there is a fifth column in the United States today more numerous and more powerful than Hitler had in Norway or in any other country that he overran at the beginning of this World War.

Is it necessary? The President of the United States recently said that he ought to have $50,000,000 to ferret out these governmental parasites, this vermin on the body politic, these men and these women who are wolves in sheep's clothing. Having taken oaths of fidelity to this country, they are bending every effort to undermine, destroy, and betray our Government.

The right of self-defense is the first law of nature. Even a citizen when beset, if the facts as they appear to him indicate that he is in danger of death or great bodily harm, may take human life to protect himself. Has this Government the right of self-defense? If there were thousands of soldiers from foreign countries in the uniform of those countries armed and on our soil waging war upon us, would we defend ourselves? Then, how much more should we be vigilant and vigorous in the defense of this country against disloyal men and women who are on the pay roll of the Government? We have had examples of it. Secret documents from the State Department and the War Department were stolen during the war and sold to foreign sympathizers.

Pat Hurley knows what it means to have disloyal elements in the State Department. They pulled the rug out from under him in China, and today we are threatened with a foreign war because we sold that great ally down the river in events that took place subsequent to the last war.

Let us see about this question about whether or not it is constitutional. Every lawyer in this body knows that a public office holder, even though elected for a definite term at a fixed salary, has no contractual right to his office. The office to which he has been elected may be abolished and it ceases to exist. If a public officer is guilty of malfeasance, if he is an unfaithful public official, he may be removed under ouster proceedings under the laws of virtually every State in the Union.

Going a step further, I have seen that done. You simply file a complaint against him and give him notice of the misconduct with which he is charged, and then bring him into court for a trial. Such a case is not a criminal charge. If he is guilty, he is put out. That is what this bill does. It affords a complete investigation of all those now on the pay roll. It provides that persons considered for appointment or employment shall be investigated before they get on the Federal pay roll. Oh, they say, "You ought not to do it because it is too big a task." Well, the bigger the task, the greater the necessity for its performance.

I am a farmer. I raise sheep and hogs and cattle. They get infected with parasites. If that infection is bad, is that any reason why I should not drench my sheep or delouse my animals? The more lice and the more parasites, the more imperative it is that we delouse or use DDT. We need to use some governmental DDT in the various departments of Government. We need to clean house.

Let us see what else. If we can remove any elected official, we can certainly remove an appointed official. That is all in the world we propose to do.

Give them notice of their malfeasance; give them a hearing; and if they are rotten nubbins, shuck them out, and get rid of them.

Mr. REES. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I regret the need for such legislation as is now before the committee. I feel sure that this regret is shared by most of the Members of Congress.

Before 1939, loyalty was assumed in the case of all Federal employees. After hearing the evidence presented before the subcommittee which held the hearings on this bill, I am convinced that such legislation is necessary. This legislation is not such a complete and new departure as has been indicated during the debate on the bill and on the rule. In 1939, the Congress passed the Hatch Act, which in section 9–A prevented any person employed in any capacity in any agency of the Federal Government from holding membership in any political party or organization advocating the overthrow of our constitutional form of government. Less than 2 years later on July 1, 1941, there was added to all appropriation acts a mandate which provides that no part of any appropriation shall be used to pay the salary or wages of any person who advocates or is a member of any organization that advocates the overthrow of the Government of the United States by force or violence. With the passage of these laws, investigative procedures designed to obtain information regarding employee loyalty became proper and pertinent. However, these laws have failed in their practical application and for that reason, we are considering the legislation before us today.

I have been very much concerned with the proper protection of the rights of the individual Federal employee. I have attempted to prepare amendments to H. R. 3813 which would afford greater protection to the individual. I have been unable to draw such protective amendments without, in my opinion, at the same time weakening the security which this bill gives to my country. I, therefore, will support this legislation as written.

I am convinced that we must not be hesitant in taking measures to prevent the weakening of our country from within. We must recognize that in dealing with subversive organizations, the departments and agencies of our Government are dealing with those who resist a candid revelation of facts. These subversives are committed to a policy of deception and falsification. They disregard the sacredness of an oath and while seeking to destroy all the traditional safeguards erected for the protection of individual rights, they seem determined to take unfair advantage of these same safeguards.

It is my hope that the Loyalty Review Board which will be appointed by the President if this bill becomes law, will protect the individual Federal employee and at the same time the security of our great Nation. The power to accomplish both of these ends is given to the Board under the terms of the bill now before us.

Mr. REES. Mr. Chairman, I yield myself 2 minutes to answer a few questions that have come up during the afternoon.

The gentlewoman from New Jersey spent a considerable amount of time discussing the alleged cumbersomeness of this legislation. I call attention to the fact that if there is cumbersomeness it is on the side of the Presidential order. That was brought out quite definitely by the distinguished gentleman from Virginia who so splendidly addressed the House a few minutes ago.

I call attention to the question of these investigations. Under the Executive order, the FBI checks the names against its fingerprint files; and, under this bill, they conduct loyalty investigations. But in adjudicating cases, you will find that under the Presidential order we have an Agency Loyalty Board to deal with. We have the head of the agency. Then we have the regional loyalty board. Then we have the Review Board in the Civil Service Commission. Then we have what is called the Appeal Board to the Civil Service Commission. Then we have the head of the agency to deal with. Under the bill, instead of having five different agencies and boards to deal with, there cannot be more than three.

The gentleman from Texas made a splendid presentation of his views with respect to this measure. Although opposed to the bill, he does not agree with some of the others who spoke against the bill. The gentleman says we should follow the Presidential order. Others who spoke against the bill said we should have nothing at all. But the gentleman from Texas spoke about the cost of the bill, and for that reason I am calling attention to the testimony of Mr. Flemming, who testified before our committee. When he was asked the question, this is what he had to say, "If the requirement making full personal investigation on positions is left out of the bill, I think the answer would be 'Yes.'" That was the question of whether over a 4-year period the bill before us would cost less money. In other words, his testimony is that covering a period of at least 4 years, the bill would cost less than the Presidential order.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. TWYMAN].

Mr. TWYMAN. Mr. Chairman, the loyalty bill, H. R. 3813, which we are considering today has been brought before the House of Representatives after thorough study and careful consideration. While I was not a member of the subcommittee which conducted the hearings on this bill, some of the reasons why it is important to adopt this legislation were brought out before the full committee. At this point, I want to commend the chairman of the House Committee on Post Office and Civil Service, the gentleman from Kansas [Mr. REES]. He has been most cooperative and understanding. He is gifted with incomparable patience and has listened attentively to arguments for and against various provisions contained in this bill. He has given this bill and its contents his closest attention throughout the committee hearings, and has listened to the suggestions of Members of the House who are not members of the committee and were not present at the hearings. As a result, some very good suggestions have been made which have led to amendments which will be offered and accepted on the floor.

There is no question whatsoever but what we need a loyalty bill such as this to apply to people working for the United States Government. The time has passed when we can sit idly by and support with Government funds people whose determination it is to wreck our form of Government. For too long a time, we have permitted these people to occupy places of confidence and have access to information which is used against us. Since the Eightieth Congress has indicated an interest in determining which employees of the Government are connected with subversive organizations, numerous employees have been separated from the service because of their known connection with alien interests. Since the first of the year one outstanding case had widespread publicity. This was a case of a man with Communist connections who had had access to confidential information of the War Department all through the war. Only recently the State Department released 10 persons of such a character.

Arguments have been advanced that the machinery and power to carry out this program are in existence at the present time. If they are, the question arises as to why they are not used, and why we continue to have this sort of people on the Government pay roll. This is not aimed solely at people with Communist tendencies, it is aimed at all others with subversive attachments and inclinations. During the war, we had active bundists working for different Government agencies and some of these were not discovered and removed until after the war was over. The time has come to simplify the machinery which will enable the Government to separate wrong-thinking people from Federal service. We are believers in liberty, but we do not feel that that belief should serve as a cloak of protection to those who would deprive us of it. Those who fear the effects of this loyalty bill may have good reason for having such fears. Those who are loyal to the Government will have no fear of their position with the Government, or their standing, as the result of the passage of this bill and its proper operation.

Mr. REES. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. CHADWICK].

Mr. CHADWICK. I just wanted to ask the gentleman a question. I notice on the bottom of page 10, in the last line, there is a provision that all statements presented to the Board shall be under oath. Does the gentleman consider the possibility that there are in our communities very responsible citizens who have a prejudice against taking an oath?

Mr. REES. Oh, certainly. That is understood in all cases. Where there is a provision that he shall take the oath, there is a provision that he may take

affirmation. The intent of the committee and the intent of the bill is that if an individual does not want to take the oath, as we understand the oath, he may take an affirmation instead.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REES. Mr. Chairman, there are no further requests. The Clerk may read.

The Clerk read as follows:

Whereas each employee of the Government of the United States is endowed with a measure of trusteeship over the democratic processes which are the spirit and strength of the United States; and

Whereas it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to United States; and

Whereas, although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal and subversive person constitutes a threat to our security and democratic processes; and

Whereas maximum protection must be afforded the United States against infiltration of disloyal persons into the ranks of its employees, and equal protection from unfounded accusations of disloyalty must be afforded the loyal employees of the Government: Therefore

Be it enacted, etc.

SHORT TITLE

SECTION 1. This act may be cited as the "Federal Employees' Loyalty Act of 1947."

Mr. JAVITS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. Chairman, a democracy has the right to defend itself and not to permit itself to be subverted by its own constitutional processes. I think that is incontrovertible and we will all agree on that, but where that object can be accomplished without invasion of the elementary civil liberties of the citizen, it should be accomplished consistently with constitutional processes and not inconsistently with them.

Any Member of this House who reads this bill conscientiously must in my opinion come to the conclusion that in essential respect, this bill definitely contravenes the individual civil rights of every Government employee whom it affects.

For example, on pages 13 and 14 in section 8 (b) the first five specifications constitute grounds for the discharge of an employee, with which nobody can quarrel, they constitute in effect subversion and disloyalty to the United States while in the performance of duty; but not so with respect to specification No. 6. That does not deal with what the employee is doing in his job in any way directly or indirectly; it deals with his opinions, with whether the employee is a member of, affiliated with, or has sympathetic association with any organization, association, movement, group, or combination of persons designated by the Attorney General, and so forth. It has nothing to do with his conduct directly or indirectly while on the job. That is in the first five specifications, but it does have to do with what he thinks outside of duty hours, with what meetings he attends, with what literature he reads, and with what causes he contributes to.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. In a moment.

I have a lot of Federal employees in my district, I have a lot of State and municipal employees in my district, and by religious and personal conviction they are violently opposed to any kind of ism, especially communism. I join with them wholeheartedly in this conviction. We are dealing in this bill and this section with something quite different. We are dealing with personal freedom. I am confident that these very constituents of mine are unalterably opposed to a thought-control law—and that is exactly what this section creates. For thought control outside of the performance of one's job could as soon relate to a church, to religion, as to politics.

Will any lawyer in the House come into the well and tell any of us where any court has ever defined the phrase "sympathetic association with"? Or can any lawyer in the House define the phrase "sympathetic association with"? Is it "sympathetic association with" to go to the Watergate to hear Henry Wallace speak? And yet all of us would defend the proposition that any person has the right to go there to hear him speak—though we may disagree completely with everything he says.

Is it "sympathetic association with" to read a certain book or magazine or to utter a thought or an idea in a discussion or in a speech? And is not that right something that every one of our ancestors, and we ourselves, were ready and willing to die to protect?

I now yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman has just been insisting that we ought not to look askance at a fellow who keeps bad company. My mother taught me when I was a boy that birds of a feather flock together. You lie down with dogs, and you get up with fleas.

Mr. JAVITS. The words "sympathetic association with" defy interpretation. They become a medium by which any loyalty board, not necessarily this one which is going to be appointed by the President, or the next one which will be appointed by a Republican President, but any loyalty board can use those words as a thought-control law. Certainly every Federal employee will believe so if we pass the bill, and if they believe so, the damage is already half done.

I shall endeavor at the proper time to strike out of this bill those particular words. That does not mean striking out the section; I am willing to make the compromise that the words "membership in and affiliation with" remain in the bill on the theory that you have got to give if you want to get a result, and we certainly want to get a result in this Congress.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. Not for the moment. I can see no excuse for retaining those words in this bill unless this bill is intended as a thought-control law. If it is intended as a thought-control law, it should be voted down because it is not seeking to accomplish a desirable objective; it is seeking to control the Federal employee in an area outside his job and invades his status as a free citizen, which is something definitely against everything we stand for.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from California.

Mr. GEARHART. My only thought is, after listening to the gentleman's talk on what we might sympathetically agree with, is if you take it out of the bill you will endanger a lot of people who go to meetings out of sheer curiosity. If you leave it in the bill you put a greater protection around the people who go there for the purpose of perhaps just gaining information.

Mr. JAVITS. I regret very much to inform the gentleman that I am thoroughly convinced if you leave the words in there you run that very danger. When you take "sympathetic association" out and leave in the definite words "membership" and "affiliation," you have adequate protection and no thought control.

Mr. KLEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLEIN: Mr. KLEIN moves to strike out all after the enacting clause and insert the following:

"DEFINITIONS

"SECTION 1. (a) The term 'Board' as used in this act refers to the Federal Appeal Board hereinafter described.

"(b) The term 'Federal employee' or 'employee', unless otherwise specified, means any person employed in any capacity in any department or agency of the Government of the United States, created by or by virtue of any Act of Congress, whose compensation is paid from funds authorized or appropriated by any act of Congress.

"DECLARATION OF POLICY

"SEC. 2. (a) It is hereby declared to be the policy of Congress that no Federal employee, applicant, or eligible for employment as specified in section 1 (b) of this act shall be dismissed from any position, employment, or office in the service of the United States or denied appointment, promotion, reinstatement, or transfer to any position, employment, or office in the service of the United States by reason of moral unfitness, unsuitability, incompetence, misconduct, alleged subversive activity, alleged disloyalty, or other serious cause, unless and until such employee, applicant, or eligible has been afforded the opportunity to appeal such dismissal action by such methods as will assure that no injustice is done either to the employee, applicant, or eligible, or to the United States.

"(b) It is further declared to be the policy of Congress that in every such case, the burden of proof shall rest upon the accuser or accusers of such employee, applicant, or eligible, and that mere hearsay, anonymous information, or rumor shall not be acceptable as proof.

"(c) It is further declared to be the policy of Congress that, because of the grave and sometimes irreparable injury which can be inflicted upon an employee, applicant, or eligible by an adverse ruling, action, or dismissal on any serious charge as set forth in subsection (a) above, any such employee, applicant, or eligible shall have ultimate recourse to the courts for judicial review of any such ruling, action, or dismissal.

"(d) It is further declared to be the policy of Congress that because of the public responsibility inherent in the Federal service, it is imperative that the Government of the United States shall set an example of ethical, just, and impartial personnel administration.

"FEDERAL APPEAL BOARD

"SEC. 3. (a) There is hereby created, as an independent establishment in the executive branch, a Federal Appeal Board (hereinafter referred to as the 'Board') to be composed of seven members appointed by the President, by and with the advice and consent of the Senate. No individual shall be appointed as a member of the Board unless he is a citizen of the United States. Four members shall constitute a quorum for the Board. The President shall designate a member as Chairman of the Board.

"(b) The term of office of each member of the Board shall be 10 years, except that (1) the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, one at the end of 4 years, one at the end of 5 years, one at the end of 6 years, one at the end of 7 years, one at the end of 8 years, one at the end of 9 years, and one at the end of 10 years, after the date of the enactment of this act; (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (3) upon the expiration of his term of office a member shall continue to serve until his successor is appointed and has qualified.

"(c) Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office and for no other cause.

"(d) Each member of the Board shall receive compensation at the rate of $10,000 per annum. No member shall engage in any business, vocation, or employment other than that of serving as a member of the Board.

"(e) The Board is authorized to appoint such employees and agents as may be necessary to carry out its functions.

"(f) The principal office of the Board shall be in the District of Columbia, but the Board may exercise its powers at any place.

"SCOPE OF THE FEDERAL APPEAL BOARD

"SEC. 4. (a) It shall be the duty of the Federal Appeal Board to conduct such programs and hold such hearings as may be necessary to assure that the policies cited in section 2 of this act are effectuated.

"(b) Any Federal employee or any applicant eligible for employment, appointment, promotion, reinstatement, or transfer to any office, employment, or position in the service of the United States who is dismissed, demoted, denied employment, appointment, promotion, reinstatement, or transfer, or is otherwise the object of adverse action by any agency, instrumentality, or creature of the United States by which he is employed or in which he is seeking employment (hereinafter referred to as the 'agency'), whether or not such action was initiated at the request or through the efforts of a committee of Congress, may appeal such dismissal, demotion, or adverse action to the Federal Appeal Board under the following conditions only:

"(1) The Board shall have jurisdiction if the dismissal, demotion, denial, or other adverse action is the result of alleged misconduct, or derogatory information pertaining to the moral character of the employee, applicant, or eligible, or alleged subversive activity, or alleged disloyalty, or opinions, affiliations, sympathies, or associations alleged to be inimical to the United States or detrimental to the security thereof, or incompetence, or any other cause or reason which, if sustained, would dishonor, discredit, or damage the reputation of the employee, applicant, or eligible, or adversely affect his future employment or career.

"(2) It shall not be the policy of the Board to take action in cases of termination of employment resulting from completion of temporary appointment, necessary reduction of force, or similar cases, or because of an insufficient appropriation, unless a question involving the personal fitness, character, or loyalty of the employee, applicant, or eligible is a factor in the case.

"(3) No appeal shall be taken by the Board unless the employee, applicant, or eligible has first exhausted whatever channels for appeal may have been provided by the agency, except that (a) if no such channels exist, the employee, applicant, or eligible may appeal directly to the Board by filing a written petition praying that the dismissal or other action complained against be set aside; (b) if representation is made to the Board that the agency is seeking to prevent an appeal by dilatory or obstructive tactics, or unreasonable delay, the Board shall make a preliminary investigation, and if the Board is convinced that such is the case, an appeal may be taken directly.

"HEARINGS

"SEC. 5. (a) The Board is hereby authorized to conduct investigations, hold hearings, administer oaths and affirmations, examine witnesses, and receive evidence at any place in the United States, subject to the general rules and policies set forth in section 2 of this act, and may require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed relevant to the matter under inquiry. Subpenas may be signed and issued by the chairman of the Board or any authorized officer or agent of the Board. Subpenas shall be issued on behalf of the agency or the employee, applicant, or eligible upon request and upon a statement or showing of general relevance and reasonable scope of the evidence sought. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. In case of disobedience to a subpena the Board, the agency, or the employee, applicant, or eligible may invoke the aid of any court in the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear (and to produce documentary evidence if so ordered) and give evidence relating to the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

"(b) The Board shall grant equal privileges of hearing testimony, offering evidence, examining and cross-examining witnesses to the agency and to the employee, applicant, or eligible and/or to their respective counsel. Counsel for both the agency and the employee, applicant, or eligible shall be present at all sessions of the hearing and shall be available to the principal parties for consultation and assistance.

"(c) A verbatim stenographic report of the testimony conducted under this section shall be prepared by the Board and made available to the agency and to the employee, applicant, or eligible, or their authorized representatives.

"(d) All testimony and records pertaining to the moral character or fitness of an employee, applicant, or eligible shall be treated as confidential and shall not be disclosed to any person or persons not parties to the hearing conducted under this section, without express authorization for such disclosure in writing from the employee, applicant, or eligible. The Board and/or the principal parties herein and their witnesses, counsel, and representatives are hereby prohibited from disclosing or publicizing any such testimony or records to unauthorized persons. Failure to comply with this section shall constitute a misdemeanor and shall subject the offender, upon conviction thereof, to a fine of not more than $1,000 or to a term of not more than 2 years in a penitentiary, or to both such fine and imprisonment.

"(e) If, at the completion of the hearing, the Board shall sustain the dismissal or other adverse action, the employee, applicant, or eligible shall be dismissed or dealt with accordingly. If the Board shall set aside the dismissal or other action, the agency shall immediately rescind such action, and, in the case of an employee, shall immediately reinstate such employee and shall pay such employee any back salary or compensation to which he may be entitled.

"JUDICIAL REVIEW

"SEC. 6. (a) Either the agency or the employee, applicant, or eligible may obtain a review of the order issued by the Board in the United States Court of Appeals for the District of Columbia or for the district wherein such party resides, is permanently located, or is employed, by filing in the court, within 60 days from the date of service upon it or him of such order, a written petition praying that the order of the Federal Appeal Board shall be set aside. A copy of such petition shall be forthwith served upon the Federal Appeal Board, and thereupon the Board shall certify and file in the court a copy of the report or findings of the Board. Thereupon the court shall have jurisdiction of the proceeding and shall have power to affirm or set aside the order of the Federal Appeal Board. The commencement of such proceedings shall operate as a stay of the findings, conclusions, or order of the Board unless otherwise ordered by the court. The review of the court shall be on the entire record and shall extend to questions of fact and questions of law. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Federal Appeal Board, the court may order such additional evidence to be taken before the Board and to be adduced upon the proceeding in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendations, if any, with respect to action in the matter under consideration. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari,

as provided in section 240 of the Judicial Code, as amended (U. S. C., 1940 ed., title 28, sec. 347).

"(b) Any such order of the Board shall become final, (1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or (2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the United States Court of Appeals for the District of Columbia or for the district wherein the appellant resides, is permanently located, or is employed, and no petition for certiorari has been duly filed; or (3) upon the denial of a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the appropriate United States circuit court of appeals; or (4) upon the expiration of 30 days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Federal Appeal Board be affirmed or the petition for review dismissed.

"APPROPRIATIONS

"SEC. 7. There are authorized to be appropriated such funds as shall be necessary to accomplish the purposes of this act.

"SEPARABILITY

"SEC. 8. If any portion or provision of this act shall be held invalid in its application to any person or circumstances, the remainder of such act, and the application of such portion or provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

"TITLE

"SEC. 9. This act may be cited as the 'Federal Appeal Act of 1947.'"

Mr. KLEIN. Mr. Chairman, it is not my purpose or desire to delay the final disposition of this bill, and therefore I have not asked for a full reading of the amendment at this time. My amendment accomplishes the same purpose and attains the same end result as would the bill now under discussion which bears the name of the gentleman from Kansas [Mr. REES]. The only difference is that it would set up additional safeguards so that we could definitely determine that the person who is branded with the stigma of being disloyal and subversive, actually is disloyal or subversive. That is practically all this amendment of mine would do.

It provides for a full and fair hearing to be held before the Federal Appeals Board. The Board is practically the same as the one in the Rees bill. There are seven members on this Board, while the bill now being debated provides for only five members. The name is different. The real difference is that I have a genuine hearing before the Board such as would be held in any court, where the accused may confront his accuser, where he may be confronted with the charges against him, where he has the right, either by counsel or personally, to cross-examine his accuser, and where he has the right to produce such witnesses as he may require to prove his innocence of the charge lodged against him.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman's bill require an investigation of every single Federal employee? Does it constitute an indictment of every man and woman now on the Federal pay roll?

Mr. KLEIN. It does not. My amendment would provide that any employee or any applicant for employment with the Federal Government, if he is investigated, if charges are brought against him in his own agency and the head of his agency, decides he should be dismissed because he is subversive or because he does not conform to the views held by some unknown person then he has the right of appeal to the Federal Appeals Board.

Mr. COOLEY. No investigation is instigated until some charges have been preferred?

Mr. KLEIN. That is correct. It does away with the tremendous expense attached to the investigation of every employee as is provided in this bill.

One more point: I also provide for an appeal to the courts from a decision of the Federal Appeal Board. I would give these employees every right that is guaranteed to any private citizen. I do not believe we ought to distinguish between an employee of the Government and a citizen of this country. If a citizen accused of crime has a right to have a trial by jury or by the court and has the right to appeal to the appellate courts, then I think these people should as well. Under my amendment they have the right to appeal from a decision of the Federal Appeal Board and go to the circuit court of appeals and from there by a writ of certiorari to the United States Supreme Court.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Texas.

Mr. LYLE. When they appeal to the court, what will be the jurisdiction of the court? Would the appeal be de novo?

Mr. KLEIN. No; the court would act in the same manner as in an appeal from any decision of an administrative agency. They would have the record of the Federal Appeal Board before them, and they would decide on the basis of the record.

Mr. LYLE. The question then would be whether they had acted capriciously or arbitrarily.

Mr. KLEIN. That is correct.

Mr. LYLE. And they do not have that right without this bill?

Mr. KLEIN. No. Here we leave it up to the Loyalty Board, whatever it is called, and they themselvese are the final determiners of whether the employees are subversive or not.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Oklahoma.

Mr. MORRIS. Does the gentleman's bill provide that the accused is to be confronted by those who appear against him?

Mr. KLEIN. Absolutely. That is provided for in the hearings. This is not just the ordinary employer firing his employee, which he has a right to do. There in a stigma attached to a Federal employee being dismissed for disloyalty, as the Supreme Court pointed out in the Lovett case. There is a terrible stigma attached by the Board saying "You are disloyal" or "You are a Communist or a Fascist." It will stay with him the rest of his life. He can never get rid of it. He can never get a job with the Federal Government, and he very likely can never get a job anywhere else. All I want to make definite and certain is that if he is subversive, if he is a Communist or Fascist, or whatever he has been accused of, he should be given every right to prove his innocence. He should be permitted to appeal, and go to all lengths necessary to preserve his constitutional rights.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KLEIN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from California.

Mr. HOLIFIELD. I might point out in answer to the gentleman from Texas, that the question is contained on page 9, line 12, where it says "Following the appeal, after consideration of all the evidence, the Board shall make a final decision." That is in line with the gentleman's bill which asks that these men be given justiciable procedure after that.

Mr. KLEIN. That is correct. Just one more point and I am through. I cannot stress this too much as a former Federal employee, and as one who is interested in maintaining the civil rights of all people. I cannot see that we have any quarrel on this question whatsoever. We all agree, as I said before, that anybody who is subversive or disloyal to the Government should not be employed by the Government. The only thing we differ on is the manner of arriving at that determination, and it seems to me if it takes a little longer or costs a little more money, that should not stop us from going ahead and seeing that justice is done.

One other point. Not only the employee under my bill has the right to appeal to the courts, but the Government, as well. If the Government feels that an employee is a Communist or a Fascist, or subversive in some other manner, the Government agency has a right to appeal if they find that the Federal Appeal Board has ruled that he is not. Nobody can claim that it is unfair to set up additional safeguards so that these people are not stigmatized for the rest of their lives by being dismissed from their employment for being Communists or Fascists, or whatever else they might be accused of, if they are actually innocent of such charges.

Mr. CELLER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is no doubt that this bill is going to pass, and pass by an overwhelming majority. That does not prevent me from expressing views in opposition. It may be the unpopular thing

to do, but I remember it was unpopular for Wendell Willkie, a very distinguished Republican, who took the pains and trouble to defend a Communist before the United States Supreme Court. He did that because he felt he represented the cause of right of free speech—even to a Communist. I refer to the case involving William Schneider. It was unpopular also for James Otis to defend two Boston merchants way back in 1761 against a tyrannical action of the King of England in the promulgation of the writs of assistance. It was rather unpopular, too, for Thomas Jefferson and James Madison to oppose the alien and sedition laws. Fortunately, the minority of the Jefferson-Madison days became the majority, and the alien and sedition laws were repealed. I hope that in the not-far-distant future better counsel will prevail to the end that this bill which we are going to pass today will likewise be repealed—that the present minority will be the majority opinion.

I remember after the last war the infamous Mitchell Palmer raids, when Mitchell Palmer, then Attorney General, sought to get after those whom he deemed to be disloyal. Much confusion and much injustice resulted from those raids. If we pass this bill we will have a recrudescence of the Palmer raids.

If you will refer to the bill you will find at the bottom of page 5 and the top of page 6 what pertinent sources of information shall be used, and among those sources is the House Committee on Un-American Activities files. "Whenever any derogatory information is developed with respect to the loyalty to the United States of an employee or applicant from any of the sources set forth in subsection (c)," and among those sources are the files of the Committee on Un-American Activities. You know and I know that if we applied that test to Members of Congress, and there would be the right of dismissal of Members of Congress, based upon the hearsay files of that committee, I and many others in this Congress would be dismissed. I remember not so many moons ago the Committee on Un-American Activities, without proper investigation, hurled rather outrageous charges against our colleague from California [Mr. HAVENNER], and he was compelled to come into the well of the House to defend himself against utterly ridiculous and hearsay accusations. We make those files of the Committee on Un-American Activities a pertinent source of information as to the disloyalty of an employee of the Federal Government, and there can follow immediate dismissal with the brand of disloyalty forever upon the individual employee prosecuted and dismissed. On page 6 we have this significant language:

Whenever any derogatory information is developed with respect to the conduct or qualification of an employee, other than with respect to his loyalty, from any of the sources set forth in subsection (c)—

Among which sources of information are the files of the Committee on Un-American Activities—

the Commission may take such action as may be necessary to cause the removal of such employee from his office or position. In the event such action is taken, the Bureau—

Meaning the Federal Bureau of Investigation—

shall not conduct an investigation under paragraph (1) with respect to such employee.

Thus without the FBI's investigation the commission may dismiss.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. HOLIFIELD. Along the line of the gentleman's reference to the files of the Committee on Un-American Activities, on September 1, 1942, the chairman of the committee, Mr. Martin Dies, submitted to the FBI 1,121 names of Federal employees. Only two of those employees were found guilty, and one was reprimanded. The rest of them remain noted in the files of that committee, and those records can be used against them.

Mr. CELLER. I thank the gentleman. What is "disloyalty"? What is "Un-American"? There is no standard set up. There is no definition in the bill. The accused is tried by no standard, no definition. "Disloyalty" can be anything the 5 members of the Commission of Board determines. They can decide through whim or caprice—on good grounds or coffee grounds. The employee does not know in advance what provision of disloyalty he violates. His conduct may be disloyal to one or loyal to another. That is ex post facto law. The bill is palpably unconstitutional.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I said before, all of us are heartily in accord with the principle of having loyal people in the Government. I will gladly vote for the substitute amendment offered by the gentleman from New York [Mr. KLEIN], because I believe it provides the safeguards of judicial court procedure in the determination of the disloyalty of an individual.

The gentleman from Kansas [Mr. REES], whom I respect very highly, made the statement that the individuals who were being investigated and dismissed were not being "charged with a crime." He said, "they were not charged with a crime." But I want to point out this fact. The individual is charged with disloyalty to his Government. While disloyalty is not defined in section 2 which deals with definitions or the so-called standards set up in section 8, I will skip the definitions for the moment. A finding is made on those standards that the employee is disloyal. I realize it is a privilege to work for the Government. We realize that under the civil service rules, however, a vested security to a certain extent is acquired in tenure of office, promotions, pension expectations. The loss of these attainments would be a serious pain or penalty upon an individual. It would destroy his attained, or acquired rights and it would also, as the gentleman pointed out, stigmatize an employee against further Government employment or, in many instances, against private employment. It is well known that you have to submit a job application nowadays telling where you worked last, and, as a rule, also to state why you quit. If you worked for the Government last, no doubt the prospective private employer would ask why you were discharged. Therefore we see that the individual suffers pains and penalties of a criminal act although disloyalty is not defined in the bill as a criminal act. Nor are proper standards set up to determine what "disloyalty" means. That is why it is so important that the standards which judge this employee be fair standards; that he should have every protection against an unfair decision.

I point out here that the Board finds against the individual in the first place and later on the individual has to come back to the same Board and ask that same Board which "found" against him to decide the appeal of his case. Undoubtedly, if the Board in the first place finds against the appellant, it could be considered in ordinary procedure as being prejudicial against that appellant's appeal.

I say, further, he should have the right to face his accuser. Under this bill, he does not have the right to face his accuser. Neither does he have the right to have a clear charge against him or a clear compilation of charges; in other words, a bill of particulars. Under this bill he is denied that, and that is plainly a constitutional right.

The gentleman from Kansas asked where in his bill were things unconstitutional. I think the omissions in his bill clearly deprive individuals of certain constitutional rights under common Anglo-American law and under the revised statutes as they now exist, so that employees or applicants are deprived of certain constitutional privileges. He should be allowed an appeal to a fair, impartial board—in other words, the right to a jury and a jury trial. I know that under certain administrative procedures a jury trial is denied. I realize that, although I am not a lawyer. But I think in a case which deprives a man of his livelihood and penalizes him by taking away his right to make a living for himself and his family, certainly that man should have the right to go to court and defend himself in a court of law before a fair jury with a right of counsel.

Now, Mr. Chairman, I want to point out that under this bill we are setting up a great bureaucracy. We are setting up an extra governmental department or agency. Let me point out that all employees of the Government or all applicants are considered guilty until proven innocent, which is a reversal of the prime principle of Anglo-American law that a man is innocent until he is proven guilty. Under the bill of the gentleman from New York [Mr. KLEIN], he would be presumed to be innocent until proven guilty. But under this there is a blanket cloud of guilt over all these 2,500,000 Federal employees; until they are individually cleared that cloud of suspicion of disloyalty remains. The uncertainty of job tenure will in my opinion cause untold worry and loss of morale.

This fear of witch hunting and job insecurity will drive many good American citizens away from Government employment. Those who remain will live a stultified life as mental and political eunuchs.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with all due respect to the gentleman from New York [Mr. KLEIN], we have a rather unusual situation, whereby we strike out the contents of a bill and insert an amendment that has not even been read, a proposal that was never submitted to the committee and has not been under its consideration. All in the world we have is the explanation of the gentleman from New York [Mr. KLEIN] with respect to this proposal.

I ask for a vote on the amendment.

Mr. CARROLL. Mr. Chairman, I move to strike out the last three words.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. REES. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, close in 10 minutes.

The motion was agreed to.

Mr. CARROLL. Mr. Chairman, I have listened to the debate under the rule and to the debate on the bill generally. I have studied H. R. 3812, that has now been presented as a substitute bill. It seems to me that it includes many of the important legal safeguards and protections that are not afforded by H. R. 3813.

I note it was filed the same day as H. R. 3813. I speak now to the chairman of this committee as a lawyer. Supposing a person charged under your bill came to you and asked you to defend him. What sort of a defense could you interpose for a man who is innocent? In all laws concerning the protection of property there are legal safeguards that have come down through hundreds of years. In criminal law we have cardinal legal principles protecting the rights of the accused that have come down through hundreds of years. What protection is there for an innocent man under your proposal? There is no right to subpena witnesses; there is no right to confront witnesses; there is no right of cross-examination. Suppose a man came to your office as a lawyer and asked you to defend him in this sort of a case. What would you do? The man states, "I have been a Government employee for a number of years and as a result of my Government service now I have placed against my name and reputation the terrible charge that I am disloyal to my Government. I am innocent but I have had no opportunity to prove my innocence. I do not know who has made the charge against me. I do not know what evidence has been heard that would bring this terrible calamity upon me and my family. All that I know is that a certificate of disloyalty has been issued against me and now I want to fight it in every court in the land if need be to protect my good name and reputation, for if I do not remove this stigma I shall have to leave the neighborhood in which I live and in which my children were born."

As a lawyer you will admit that there are no legal safeguards; you must admit that there is a complete denial of due process under this bill.

It will be far easier for an accused to escape the consequences of public condemnation for the conviction of a violation of criminal laws than to have a certificate of disloyalty, which is tantamount to treason, placed against his name and reputation. This is truly a bill of attainder. In a sense this has all of the objectionable features of an ex post facto law. This is concrete evidence that the oppressive march is on to whittle away our precious civil liberties. Save in a wave of general hysteria, no thinking person would bow to the frightening aspects of this legislation which is so full of prejudices and which is a complete denial of our political democracy.

Under H. R. 3812 there exists the machinery of removing from the Government service people who are disloyal. However, the bill retains certain constitutional safeguards in that the accused will have his day in court under the principle of due process.

Under H. R. 3813 there is not a single constitutional safeguard given to the accused. His right of appeal is limited to a body already prejudiced against him, a body that will truly function as prosecutor, judge, and jury. This is the strangest law I have ever seen. There is no foundation for it in the constitutional history of our Government. Only in my travels in Italy and my study of the German Government under Hitler have I ever seen legislation comparable to it.

I sincerely trust that this body will reject H. R. 3813 unless it is amended to give the accused a full and proper hearing until final judgment is entered.

No one can deny that the Government has the right to protect itself from those who are disloyal to it, but in searching and ferreting out those few who are disloyal to it definite legal standards must be established in the protection of hundreds of thousands of Federal employees, in order that they may not become the victims of political persecution.

I now yield to the gentleman from Kansas.

Mr. REES. I just want to say to the gentleman from Colorado that I am very much surprised that a lawyer as distinguished as I understand he is should take the position he does with respect to this legislation. This legislation does not in any way prosecute anyone. This is not the question of a criminal matter at all. The procedure here outlined is the sort of procedure that has been used throughout years in Government matters. This is not a matter of finding a man guilty of a crime, it is just a question that this board is there protecting if you please, the individual, the employee whose loyalty is being questioned, and the employee is entitled to be represented by counsel, and the employee can, if he wants to, bring in witnesses. Of course the board will protect the rights of the individual. This is not a question, I tell the gentleman from Colorado, of prosecuting or persecuting a man; it is just a question of whether or not you and I are going to protect the Government. An employee does not have any claim to a vested right in a job any more than the gentleman and I do.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in view of the time the gentleman from Kansas took out of my time.

The CHAIRMAN. The Chair regrets to advise the gentleman that the time has been limited.

The CHAIRMAN. The gentleman from Oklahoma [Mr. JOHNSON] is recognized for 5 minutes.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I can see that the gentleman from Kansas is going to be surprised that another lawyer is against the same provision of the bill opposed by the gentleman from Colorado.

One of the most sacred things that was ever written into the Constitution, as far as I am concerned, was that every man accused of anything, including the things that would be treated in this bill, has the right to be confronted by his accusers and the right of cross-examination. Absence of that right is the only objection I have to this bill now before us. We are all agreed that if there are people in the Government service guilty of sedition, treason, or any subversive activity that they should be separated from the Government pay roll. I think there are some. They should be investigated and their services terminated. After the investigation, however, when you get down to the point where it is determined that the board thinks he is guilty, do not send him this notice that is found on page 8 which states that he shall be notified of the charges against him but then not disclosing the source or sources of information upon which such charge is based. Any lawyer in this House knows what a situation he would be up against if an information were returned against his client and then the State were allowed to put on its own evidence without he and his client being present and no opportunity to confront his accusers and cross-examine them until after the State had rested its case.

They say here that the employee is not being tried, that they are just merely determining whether he shall be separated from the Government service. But I say to you that when you separate a man from his means of livelihood, when you place a stigma on his whole family, when you taint him in such a way that no private employer would hire him, in such case he should be confronted by his accusers and have the right of cross-examination and have the right of appeal. I know of no more heinous thing than for a man to be removed from Government because he is disloyal. Think of it, to say that a man is disloyal to his own Government, and then not give him a chance to be heard! Why, it is ridiculous on the face of it.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. In a moment. The gentleman from Tennessee [Mr. JENNINGS], for whom I have a very high regard, both personally as a friend and professionally of his opinion, said that in the case of elective officials they are gotten rid of now by ouster proceedings, and he asked why we could not reach an appointive officer by this means. The difference is very elemental. In the case of the ouster proceedings the accused automatically has the right of cross-examination. Those of us who are lawyers know very well that without the right of cross-examination many a man would be found guilty as a result of the direct examination, but a jury might, and often does, acquit an individual after his accusers have been cross-examined and their testimony shown to be biased or prejudiced. When the defense counsel has the right to cross-examine his client's accusers, oftentimes the jury will bring in a verdict of not guilty.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from North Carolina.

Mr. FOLGER. May I ask the gentleman if he can cite any punishment that may exist to a patriotic man that would be as unfair as finding him disloyal and discharging him from the Government service?

Mr. JOHNSON of Oklahoma. I certainly do not.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I want to call the gentleman's attention to the fact our Supreme Court in the Lovett case has held that removing an employee from office on the ground of disloyalty is criminal or penal in character. We are trying a person here for a criminal charge, under the decision of our Supreme Court.

Mr. JOHNSON of Oklahoma. And denying him his constitutional rights.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Kansas.

Mr. REES. Is the gentleman supporting the President's order?

Mr. JOHNSON of Oklahoma. No, I am not favoring that part of the President's order which denies the accused the right to face his accusers and cross-examine them. I think it is just as wrong in that respect as this bill is. I am glad to get that straight. We come in here and say that for years and years we have done so-and-so, or that the President has ordered such-and-such. That does not make it good law. That does not make it a good Executive order. In order to get rid of the Communists on the Government pay roll do not do the very thing they do in Communist Russia. That is what this bill does. I think we have a good bill if you will amend it in that one respect.

Mr. RABIN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from New York.

Mr. RABIN. I simply rise to commend the gentleman for his argument and also commend the gentleman from Colorado who preceded him for his argument, and rather than take the time of the House to make a speech myself I subscribe to the arguments presented by both gentlemen.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. KLEIN].

The question was taken, and on a division (demanded by Mr. KLEIN), there were—ayes 24, noes 100.

So the amendment was rejected.

The Clerk read as follows:

DEFINITIONS

SEC. 2. For the purposes of this act—

(1) The term "employee" means any officer or employee in or under the executive branch of the Government of the United States, including any officer or employee of a corporation wholly or partly owned by the United States which is an instrumentality of the United States; but does not include (A) the President or Vice President, (B) an officer appointed by the President, by and with the advice and consent of the Senate, or by the President alone, or (C) an officer or employee in the Federal Bureau of Investigation.

(2) The term "applicant" means any person who is actually being considered by the proper appointing officer for appointment to an office or position in or under the executive branch which would give him the status of an employee.

(3) The term "Commission" means the Civil Service Commission.

(4) The term "Board" means the Loyalty Review Board established by section 3.

(5) The term "Bureau" means the Federal Bureau of Investigation.

(6) The term "United States," when used in a geographical sense, means the several States, the District of Columbia, and the Territories and possessions of the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: On page 2, line 15, after the comma, strike out the word "or" where it appears the second time, and, on line 16, strike out the period and insert a comma and the words "or (D) a temporary employee employed in construction or maintenance work at an hourly rate of pay."

Mr. MURRAY of Tennessee. Will the committee agree to this amendment?

Mr. REES. There is no objection to the amendment. We accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The amendment was agreed to.

Mr. KEFAUVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER: On page 2, line 9, strike out the word "branch" and after "executive" add "legislative and judicial branches."

Mr. KEFAUVER. Mr. Chairman, it seems to me that if we are going to make this act applicable to the employees in the executive department that we ought to treat employees in the legislative and judicial departments just the same way as we do the employees in the executive department. They are just as important in the running of the Government as the employees of the executive department.

Furthermore, may I call your attention to the fact, Mr. Chairman, that there are some very big agencies of the Government in the legislative department. The legislative department, I understand, has jurisdiction over the General Accounting Office which employs thousands of employees. They have jurisdiction over the Library of Congress and have, of course, jurisdiction over the employees and clerks of the various committees up here on Capitol Hill.

The La Follette Civil Liberties Investigating Committee some years ago made a report that there were some employees in the legislative branch of the Government about whom there might be some suspicion; so, I do not see how in good faith we can ask that this board of inquisition be imposed upon the employees of the executive department and not treat the employees of the General Accounting Office and the Library of Congress or the various legislative agencies that we have set up in the same fashion.

Similarly, Mr. Chairman, it should apply to the employees of the judicial department. It seems to me, Mr. Chairman, that the employees of the judicial department or the legislative department have just as much opportunity, if not better, to do some subversive work that might interfere with the proper operation of the Government as the employees of the executive department. Let us not be in the ridiculous position of imposing on the employees of the executive department a star-chamber proceeding that we are unwilling to impose upon the employees of the judicial department or the legislative department.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from California.

Mr. HOLIFIELD. I might point out that the gentleman's amendment is consistent. If you are going to apply these standards of law to one branch they should be applied to all branches.

Mr. KEFAUVER. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is the gentleman for the bill in its present form?

Mr. KEFAUVER. I am not for the bill in its present form. I do want to say to the gentleman that I have given to the committee a provision which will in some way remedy the appeal section of the bill which I hope will be adopted. It would improve it a great deal. My point is that I think we should make it uniform. If we are going into this kind of thing, let us not do it one-third of the way; let us do it three-thirds of the way.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the outset I want it known that I personally dislike and despise communism, fascism, or any other "ism" that is incompatible with true Americanism. I definitely do not think that a person should enjoy the privileges of employment by the Federal Government if that person believes in the overthrow of the Federal Government or if the person is not in sympathy with the

ancient traditions and vital purposes of the Government with which we have been so greatly pleased in America. I am just as anxious as anyone to drive from the employment of this Government every person who favors an overthrow of the Government by force or an undermining of the Government by subversive activity. Anyone who does not value and appreciate American liberty and the institutions of freedom which flourish in this country, as in no other country on earth, is not only unfit for Federal service but is actually unworthy of citizenship.

Sabotage, espionage, treason, sedition, or the advocacy thereof have been unlawful from the inception of our Government. So has the advocacy of revolution by force or violence been unlawful from the time that the American Government was created. Through the years men have been prosecuted and punished for crimes against the Government of the United States. While I am in favor of checking the spread of communism both at home and abroad and while I am in favor of ridding the Federal pay roll of employees who do not appreciate the virtues of the Federal Government and who would destroy or undermine it, I cannot embrace the pending bill.

In the first place this bill is a violent and vicious indictment of every man and woman employed in the executive branch of the Federal Government. It casts a shadow of suspicion, distrust, and disloyalty upon each and every employee of the executive branch. The sponsors of this legislation are not content to deal only with those employees of the executive branch and at whom, for good reason, the finger of suspicion has been pointed, nor are they willing to deal only with those who have committed some overt act or who have by words written or spoken indicated disloyalty to the Federal Government or to the institutions thereof, but they have by the plain language of this bill indicted every employee in plain unambiguous language. The bill provides that section 4 (a):

> An investigation shall be made, as provided for in this section, of every employee and every applicant to determine whether reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States.

The employees referred to are the employees of the executive branch of the Government. So every employee of the executive branch of the Government is to be investigated. His or her loyalty to the Government is therefore suspected and questioned, and an investigation is authorized and directed. The investigation is all-embracing. Every employee is to be investigated regardless of whether there is probable cause to suspect that the employee is disloyal. The question naturally arises: What constitutes disloyalty to the United States? This is only one of the undefined and ambiguous terms used in the bill. Throughout the bill we find the expression "derogatory information." What is "derogatory information?" What constitutes "derogatory information?"

The gentlewoman from California [Mrs. DOUGLAS] challenged the committee to define the term, and to this moment no member of the committee has attempted to offer a definition of the term "derogatory information." Likewise, may I ask: What is meant by "sympathetic association with" as that expression is used in section 6 of subsection (b) of section 8? When is a person guilty of "sympathetic association with?" What elements constitute the offense? Where is the definition for the word "subversive?" When is a person guilty of "seeking to alter the form of the Government of the United States by unconstitutional means?" Is it by seeking to secure the passage of an unconstitutional act which would alter the form of our Government that constitutes this offense, or just when is the offense committed? Mr. Chairman, this bill is filled with ambiguities and meaningless expressions which are wholly undefined and which you will not find construed in any jurisdiction or in the whole history of legal jurisprudence.

The crime of "disloyalty" to the Government certainly smacks of treason. It implies evil which emanates from a diabolical heart. The very term is filled with moral turpitude. Certainly in its infamy it is next to the crime of treason. To be convicted therefore of disloyalty to one's government, even in a duly constituted court of justice, carries with it pains and punishment which follow the accused to the grave and live on to curse his posterity. Shall we deal so lightly with such a serious subject? Shall we be so careless in protecting the rights of our citizens? This bill actually directs the withholding of the source of information which might be arraigned against the suspected or the accused. The accused therefore is deprived of the right and the opportunity to attack the integrity of the informant or to know his identity. While the bill purports to provide a hearing, you know and I know that it will be a star-chamber session and will more likely be decided on ex parte testimony and upon the "derogatory information" which has been obtained from an undisclosed source. Nothing is said in this bill about the accused having the right to confront his accuser or the privilege to cross-examine those who have furnished information against him. All of the established rules of practice and procedure and the codes which represent the wisdom of the ages will be set aside in a Nation-wide witch hunt. Patriotic American men and women will have their hearts broken and their homes destroyed as the finger of suspicion of disloyalty is pointed at them and they are brought forthwith into a kangaroo court to be accused of a crime of the magnitude of treason.

I am perfectly willing for the head of every department of the Federal Government to have complete authority to discharge the employees of his department, but I am unwilling to confer upon one Cabinet officer the right to damn, degrade, and to destroy hundreds of thousands of American citizens and their rights and privileges of citizenship merely by designating that the fraternity, lodge, organization, or association to which they may belong is subversive or disloyal. I am willing to trust the heads of the departments of the Federal Government to clean house and to rid the Federal Government of those who are unworthy or unfit, but I am too devoted to the traditions of American jurisprudence to approve the machinery provided by this bill for convicting citizens of a crime of the magnitude of disloyalty.

The high crime of disloyalty to the United States is to be established merely by the preponderance of the evidence, the ancient rule for the trial of civil causes. Should a citizen be convicted of a crime of such infamy except in a manner compatible with the organic and statutory law of this Nation? If a person is guilty of acts of disloyalty or if he is not worthy or fit, certainly the head of the department in which he is employed can by diligent effort ascertain the true facts and in the exercise of good judgment terminate the employment.

This is an important piece of legislation. It does not actually involve the issue of life or death, but it involves character without which life is not worth living. I admonish you to proceed with caution and think and consider the consequences of this act before you vote to approve the bill now before you.

As I understand this bill, if derogatory information is filed against an employee, or if upon an ex parte investigation derogatory information is obtained, perhaps some derogatory statement, however slanderous or untrue is obtained by the investigating authority against the character of a citizen who happens to be an employee of the executive branch of the Government, the person involved will be summarily discharged; his means of earning a livelihood will be terminated; and thereafter some form of a hearing will be accorded him. In establishing his guilt or innocence nothing is said about the burden of proof and there is no review of the findings of fact. No; there is no review even though the decision might be arbitrary, capricious, or contrary to law.

I agree with the remark of the gentleman from Oklahoma that it is difficult to imagine an offense more infamous than the offense of disloyalty to one's Government. Yet it is easy to conceive that under this bill many patriotic liberty-loving American citizens might be convicted and condemned. If this measure is enacted, it is likewise easy to conceive that many loyal Americans against whose character no charge has ever been preferred and at whom the finger of suspicion has never been pointed might abandon their jobs with the Federal Government, resign and seek other employment, rather than undergo the ordeal and experience of being placed upon trial on a charge of being disloyal to the Government to which they are and always have been devoted.

This bill does not stop there. It does not deal only with "disloyalty," sabotage, espionage, treason; sedition, or revolution by force or violence, but in paragraph 2, subsection (d) we find that the dragnet is even more embracive. Here is the language of that section:

> Whenever any derogatory information is developed with respect to the conduct or qualification of an employee, other than with respect to his loyalty, from any of the sources

set forth in subsection (c), the Commission may take such action as may be necessary to cause the removal of such employee from his office or position.

So the bill deals with the general conduct or qualifications of all the employees without regard to "loyalty" to the Government. If in the course of this grand investigation any "derogatory information is developed with respect to the conduct or qualifications of an employee" the employee may be summarily dismissed. In this situation "the Bureau shall not conduct an investigation under paragraph (1) with respect to such employee." The development of "derogatory information" as to character or conduct is not itself sufficient to warrant dismissal.

Mr. ALMOND. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Virginia.

Mr. ALMOND. May I call the gentleman's attention to the fact that that provision merely retains and keeps in full force and effect the law now existing with reference to the right of the Civil Service Commission to refuse to employ where matters of disqualification pertinent to dishonesty or crime are developed independently of the question of loyalty.

Mr. COOLEY. This provision does not deal with applicants for employment; it deals with employees and with the dismissal of employees.

Mr. ALMOND. We are merely seeking to preserve that right.

Mr. COOLEY. Yes, but you are taking that right away from the Civil Service Commission and giving it to the Board.

Mr. ALMOND. No; I beg the gentleman's pardon, we are not, because the Civil Service Commission itself makes that investigation.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ALMOND. I think the gentleman is in error there because the Commission is making that determination. When it discovers matters pertinent to qualifications other than those relating to loyalty it does not have to go further with the loyalty investigation.

Mr. COOLEY. Yes, but this is the method of developing charges against the accused. You cannot say that a man is not accused. You have indicted in this legislation everybody on the Federal pay roll in the executive branch.

Mr. ALMOND. I must disagree with the gentleman.

Mr. COOLEY. You are going to convict him and condemn him and discharge him purely and merely because somebody has filed derogatory information.

Mr. ALMOND. I think the gentleman is in error in his understanding of the pending bill.

Mr. COOLEY. If the gentleman will permit me to read from the bill, it says, "whenever any derogatory information is developed with respect to the conduct of or qualification of an employee." That is the language in the bill. Whatever derogatory information may be, it may be due to some rumor back in a community, the source of which you prevent the disclosure of. You do not even permit the person accused to know the source of the information so as to question the integrity of the informant.

Mr. ALMOND. The point I am trying to make with the gentleman is that this is a procedure which already exists and it is merely an expression of the intent of the Congress.

Mr. COOLEY. The gentleman cannot tell me that that is a quotation from existing law.

Mr. ALMOND. No; this is not a quotation from existing law, but the Civil Service Commission has that right and repeatedly through the years has exercised that right.

Mr. COOLEY. Then, what is the gentleman's objection to leaving the Presidential order just as it is at the present time and charge every Cabinet officer with the responsibility of cleaning his own house and ridding the pay roll of this Government of all whose loyalty is questioned or doubted. I do not object to a man being taken off the pay roll if you prefer charges against him and give him a bill of particulars and give him the right to be present and cross-examine his accusers even though it may be before a board, but that would be more in keeping with the traditions of American jurisprudence. This sort of procedure is nothing but a star-chamber proceeding by which people are going to be condemned and their lives ruined by a board which may be partisan.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOLIFIELD. The gentleman is exactly right in his point on the declaration of information. It refers back to paragraph (c) at the bottom of page 5 and page 6, and it includes the Federal Bureau of Investigation files, the Civil Service Commission files, the Military and Naval Intelligence files, the Committee on Un-American Activities, local law-enforcement agencies, and refers to all sources of information that might be developed.

Mr. COOLEY. I think the gentleman is correct. This bill refers to: First, sabotage, espionage, or attempts or preparations therefor or knowingly associating with spies or saboteurs; second, treason or sedition or advocacy thereof; third, advocacy of revolution of force or violence to alter the constitutional form of government of the United States; and so forth.

Certainly, we do not need any laws to deal with those matters. Our laws are adequate in every respect to deal with them.

In concluding I would like for some member of the committee to tell us what this bill will cost the American taxpayers. In the report we find this language:

> The committee is of the opinion that an expenditure of not more than $15,000,000 will be required during the fiscal year 1948 to carry out the provisions of the proposed legislation.

In this report we also find the following language:

> Representatives of the Civil Service Commission estimate that within the first year of operation under the bill the Loyalty Board will review approximately 60,000 cases, 42,000 involving Federal employees, and 20,000 involving applicants.

If, therefore, we have 2,000,000 persons on the Federal pay roll, and it will cost $15,000,000 to investigate 60,000 people during the first year, it is clear to see that it will take decades to complete the job and the cost will run into a tremendous amount of money. Maybe this is the Republican Party's idea of economy.

Of all of the many Federal employees in the State of North Carolina, I dare say that there is not a single one whose loyalty to this Government has ever been questioned in the slightest degree, and I am sure that the same situation exists in other States, and yet all of these faithful, trustworthy, competent, and patriotic employees, under this bill, will be investigated. What a foolish waste of taxpayers' money; what an absurd approach to a problem which has been greatly exaggerated and magnified. This is the witch hunt of witch hunts.

Mr. REES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say to the distinguished gentleman from Tennessee that this amendment was not considered by the committee, but if he wants to submit a bill on this subject matter the committee will take the matter under consideration and hold hearings on it. But the bill now before us deals only with employees in the executive branch of the Government. So far as the House is concerned, that is the group with which we are concerned at the present time. They are appointed by the executive branch. Other groups might be appointed under the legislative branch. I do not think other groups ought to be included in this particular bill.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. KEFAUVER. If the gentleman feels he has provided the proper arrangement for the trial and questioning of these employees of the executive branch, is there any good reason why the employees of the legislative and judicial branches should not receive the same treatment?

Mr. REES. I will say to the gentleman that when employees are accepted in the legislative branch and in the judicial branch, they receive their positions from some other sources than through appointment through the executive branch. These employees are under various agencies of the Government, and the persons the gentleman has in mind are not in agencies of the Government.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Tennessee who has also given this problem much consideration.

Mr. JENNINGS. Is it not inconceivable that a Member of Congress would bring here somebody with a subversive

tendency and hire him? Is it not inconceivable that a member of the judiciary, sworn to uphold the Constitution of the country, would appoint a person of subversive proclivities?

Mr. REES. In the little experience I have had over 10 years, my attention has never been called to anyone in the legislative or judicial branches on this subject matter. I think they are pretty thoroughly protected.

Mr. KEFAUVER. Is it not true that the employees of the legislative branch and the judiciary are under civil service? They are paid from the same source; they have the same retirement; they take the same examinations, and they have the same grades?

Mr. REES. No; they do not have the same grades. They do not take the same civil-service examinations. Employees in the legislative branch do not take the same examinations as those in the executive branch. I think this matter ought to be considered separately from this legislation.

Mr. KEFAUVER. The gentleman from Tennessee [Mr. JENNINGS] mentioned that members of the Supreme Court took an oath to support the Constitution of the United States. Every member of the Cabinet has taken an oath, has he not?

Mr. REES. Yes; but, unfortunately, we find one difficulty we are dealing with, in the executive branch of the Government, on this subject matter. The President's order found the thing that way. The President's committee, in considering the whole problem, found it was a question of dealing with those employees in the executive branch of the Government, and not those in the legislative and the judiciary. If the gentleman will submit a bill we will be glad to consider it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER].

The question was taken; and on a division (demanded by Mr. KEFAUVER) there were—ayes 29, noes 109.

So the amendment was rejected.

The Clerk read as follows:

LOYALTY REVIEW BOARD

SEC. 3. (a) There is hereby created, as an independent establishment in the executive branch, a Loyalty Review Board to be composed of five members appointed by the President, by and with the advice and consent of the Senate. No individual shall be appointed as a member unless he is a citizen of the United States. Not more than three of the members of the Board shall be members of the same political party. The President shall designate a member as Chairman of the Board.

(b) The term of office of each member shall be 6 years, except that (1) the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, one at the end of 2 years, one at the end of 3 years, one at the end of 4 years, one at the end of 5 years, and one at the end of 6 years, after the date of enactment of this act; (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (3) upon the expiration of his term of office a member shall continue to serve until his successor is appointed and has qualified.

(c) Any member may be removed by the President for inefficiency, neglect of duty, or malfeasance in office and for no other cause.

(d) Each member shall receive compensation at the rate of $10,000 per annum. No member shall engage in any business, vocation, or employment other than that of serving as a member.

(e) The Board is authorized to appoint such investigators, attorneys, and other employees, and to make such expenditures, as may be necessary to carry out its functions.

(f) It shall be the duty of the Board to establish such number of subordinate boards as it may deem necessary to carry out the functions imposed upon such subordinate board by section 5. Each such subordinate board shall be composed of three members who shall be employees of the Board. The office of each such subordinate board shall be at such place in the United States as may be fixed by the Board.

(g) The principal office of the Board shall be in the District of Columbia, but the Board may exercise its powers at any place in the United States.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. REES. Mr. Chairman, will the gentleman yield for a consent request?

Mr. MORRIS. I yield.

Mr. REES. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. MORRIS. Mr. Chairman, in my judgment this is going to be a very expensive thing. It certainly is cumbersome and complicated, and it is liable to run into politics—I mean by that dangerous politics. I really believe that you good people today are going to rue this day if you pass this bill. It is dangerous. To say that a man may be branded as a disloyal person and be found to be disloyal to the great old United States of America that we all love, and so found without being confronted with the witnesses who testify against him, is obnoxious to common sense and to justice. Suppose you could not open your mouth next year to say anything in defense of what your opponent may say about you. I am not worried about the guilty people who may be charged, I am worried about the innocent people who may be charged, and convicted.

Having sat for 9½ years as a district judge I know how dangerous it is to hear only one side of any question. I am as anxious as any of you could possible be to clean our Government of those who do not believe in our form of Government, those who are disloyal. I do not want any of them on our Government pay rolls, but certainly we ought to formulate a program that will give those who are charged a fair trial, a fair opportunity to be heard; and then we should never leave in the hands of one man in America the determination as to whether or not you or I belong to an organization that is un-American. That power should never be left in the hands of one man. Yes, it can run into politics; and you as good Republicans, and myself, and others, as good Democrats, may rue this day that we pass a law that gives the power to one man, the Attorney General of the United States, to say whether you or I are disloyal to this Government. Such power should never be reposed in the hands of any man anywhere but in the courts where everybody interested can be heard in the matter.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. COOLEY. With reference to the expensiveness of this legislation I call the gentleman's attention to the fact that in the report we find this language:

> The committee is of the opinion that an expenditure of not more than $15,000,000 will be required during the fiscal year 1948.

And further this language:

> The representatives of the Civil Service Commission estimate that within the first year of operation under the bill the Loyalty Board will review approximately 60,000 cases, 42,000 involving Federal employees, and 20,000 involving applicants.

If they only check on 42,000 a year and we have over 2,000,000 employees the gentleman can get some idea as to how long the investigation will take and the amount of money it will cost.

Mr. MORRIS. Yes; it may so bog down that we will have very little if anything done, and that little which is done will probably be done badly.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman, as we all know, has had a distinguished career as a jurist. I want to ask him this question: Does he realize some Attorney General, any Attorney General, whether he is a Democrat or Republican, can proscribe any group or organization in the United States without giving that organization or group a chance to come before him and fight the proscription?

Mr. MORRIS. I thank the gentleman. Not only can he proscribe them, but when the waves of prejudice and malice come in this grand old country of ours, there will always be danger that some Attorney General will so proscribe them. May I say to all of you, I love you and I respect you and your judgment, even though you may disagree with me. I respect the motives behind this bill even though you may disagree with me. I am suggesting to you that this is based on hysteria. Let us not become hysterical in this country. Let us keep our feet on the ground and do sensible things, not things like this.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

The Clerk read as follows:

INVESTIGATION OF LOYALTY OF EMPLOYEES AND APPLICANTS

SEC. 4. (a) An investigation shall be made, as provided for in this section, of every employee and every applicant to determine whether reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States.

(b) After the date of enactment of this act, no applicant shall be appointed to an office or position in or under the executive branch (except to a position as an employee of the Board) prior to the determination under this act of his loyalty to the United States, unless (1) the appointing officer cer-

tifies to the Board that the immediate appointment of such applicant is absolutely required in order to perform a necessary function of the department or agency, and (2) the Board, after conducting such preliminary investigation of such applicant as it may deem necessary, notifies the appointing officer that such appointment has the tentative approval of the Board. Any applicant so appointed and any employee of the Board appointed prior to investigation under this act shall be promptly investigated under this act as an employee.

(c) It shall be the duty of the Commission to conduct preliminary investigations of all employees and applicants, and, in conducting such investigations, the following pertinent sources of information shall be used: Federal Bureau of Investigation files, Civil Service Commission files, military and naval intelligence files, the files of any other appropriate Government investigative or intelligence agency, House Committee on Un-American Activities files, local law-enforcement files at the place of residence and employment of the employee or applicant, including municipal, county, and State law-enforcement files, schools, and colleges attended by employee or applicant, former employers of applicant, references given by employee or applicant, and any other appropriate source.

(d) (1) Whenever any derogatory information is developed with respect to the loyalty to the United States of an employee or applicant from any of the sources set forth in subsection (c), the Commission shall immediately terminate its investigation, and furnish such information to the Bureau. The Bureau shall conduct a full field-loyalty investigation of such employee or applicant.

(2) Whenever any derogatory information is developed with respect to the conduct or qualification of an employee, other than with respect to his loyalty, from any of the sources set forth in subsection (c), the Commission may take such action as may be necessary to cause the removal of such employee from his office or position. In the event such action is taken, the Bureau shall not conduct an investigation under paragraph (1) with respect to such employee.

(e) If no derogatory information is developed with respect to the loyalty to the United States of an employee or applicant from any of the sources set forth in subsection (c), the Commission shall terminate its investigation and immediately notify the head of the appropriate department or agency that such investigation has disclosed no evidence that reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States.

(f) Upon the completion of each full field-loyalty investigation, the Bureau shall transmit immediately to the Board a full report of the investigation which shall contain all evidence pertaining to the question of the loyalty to the United States of the employee or applicant.

Mr. MATHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHEWS: On pages 6 and 7, strike out all of lines 19 to 24, inclusive, on page 6, and all of lines 1 and 2, inclusive, on page 7.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield to the gentleman from Kansas.

Mr. REES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MATHEWS. Mr. Chairman, the purpose of this amendment is to strike out the entire subsection (2) of subsection (d) of section 4. I believe that the striking out of this portion of the bill will not weaken the bill but, on the contrary, strengthen it for the purposes for which the bill is presented to us.

In this particular subsection it is provided that when any derogatory information is developed with respect to the conduct or qualification of an employee other than with respect to his loyalty certain action is taken. This bill deals solely in its title and its other provisions with the question of the loyalty of employees to the United States Government. In my opinion, this section has no place in the bill whatsoever. It brings in extraneous matter which I think is a dangerous procedure, and in this particular section, which has been referred to several times, lastly, I believe, by the gentleman from North Carolina [Mr. COOLEY], it goes far afield and has no connection with the loyalty of an employee of the United States Government.

In other words, if they dig up some sort of a smelly divorce case, some old social scandal, automobile accident, unpaid debt, then, according to the section, the Commission may take such action as may be necessary to cause the removal of such employee from his office or position. It does not give any additional authority to the Commission. If the information dug up is sufficient to remove him, they have that power anyhow, and if it does mean something else, then it means something that should not be in here. If it gives any additional power to the Civil Service Commission to remove a man for offenses which are not already covered, then not only should it not be in this act, which covers loyalty, but it should not be enacted at all because it gives additional reasons, to be decided in an arbitrary manner, for removing that man from office, which reasons have nothing at all to do with his loyalty.

Now, additionally, as I read this, in the event that the Commission takes such action as may be necessary to cause his removal on this information, which has nothing to do with his loyalty, then such action is taken without conducting an investigation under paragraph 1 with respect to such an employee. In other words, if they find something derogatory not due to his loyalty, and they take some action to cause his removal, then they will have to stop the investigation of his loyalty. Since it will take a long time to investigate and try him under the rules of the Commission for something not concerned with his loyalty, and since he may finally be exonerated, he never gets investigated as to loyalty at all. It seems to me that this section, besides being subject to the other objections I have raised, works against the very purpose for which the act is designed. For that reason I think the present amendment ought to be adopted, for the benefit of the act itself and, for that and the other reasons I have given, I hope the amendment will be adopted.

If the amendment is not adopted there will be left in the bill just one more ground for opposition to it.

I shall vote for the bill, Mr. Chairman, but only because of what I believe to be absolute necessity. I am against creating any more bureaus, and this bill will create one. I am against unnecessary prying into the private affairs of individuals, and I do not believe an individual should be subject to that sort of thing just because he happens to be an employee of the Federal Government any more than he should get the idea he has some kind of right to become or remain such an employee. His loyalty to our Government and its principles is one thing in which the public is vitally concerned; his previous private life, insofar as it does not involve matters which by their nature can in no way be pertinent to his efficiency or loyalty, is in a different category.

The reason I consider it to be necessary to vote for this bill, even though it is far from what I would desire, is that something must be done to remove from the pay rolls of our Government, from access to information, documents, and records vital to the safety and welfare of our Nation and from opportunity to use their positions to the detriment and damage of the very people who pay their salaries, those who do not wholeheartedly and wholemindedly believe in the principles which they are paid to maintain and foster.

We have begged the President of the United States and the heads of his executive departments and bureaus to remove them. Our pleas have gone unheeded. Only in the most flagrant and notorious cases has anything been done, and then only after great pressure. The safety of our Nation comes first. If we have to do the job awkwardly, clumsily, or even inefficiently, then let us do it that way, unfortunate as it is. The job must be done.

Mr. ALMOND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the hearings with respect to this particular phase of the bill before us the Civil Service Commission itself asked that this provision be written into the bill for this reason: The bill charges the Civil Service Commission with the responsibility of making a preliminary investigation as to loyalty of all the applicants and employees. Now, that investigation must be made by the Civil Service Commission. This provision simply says that if during the course of your investigation on loyalty you find derogatory information with respect to the qualifications or the character of the employee or the applicant, you can stop right there. You do not have to complete the loyalty investigation, but terminate your investigation at that particular point and the case is ended right there.

Now, the reason why the Civil Service Commission was particularly interested in writing this provision into the bill was because already having that power to so discharge an employee on grounds relating to character and qualifications, irrespective of loyalty, they took the position that having undertaken to investigate on grounds of loyalty that they would have to complete that investigation by exhausting all of the sources of

information set up in this bill. Therefore, I say that to strike this out would make the bill more costly, because having undertaken a large investigation, without this provision in the bill, the Commission would have to go on and exhaust all the sources of loyalty set up in the bill such as the files of the Federal Bureau of Investigation, the files of the Civil Service Commission, the files of the War and Navy Departments, the files of the Committee on Un-American Activities and all other available sources of information. Therefore I say to the distinguished gentleman from New Jersey that his amendment will not accomplish what he seeks to accomplish.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from Tennessee.

Mr. JENNINGS. As I understand this bill, it is aimed at disloyalty to the Government, and not at philandering and things like that.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from New Jersey.

Mr. MATHEWS. I disagree with the gentleman's view. Since the language is that if they find something derogatory not connected with a man's loyalty the Commission may take such action as may be necessary, if the offense they find is not sufficient to discharge him, are they going to drop the whole thing and go no further with his loyalty investigation?

Mr. ALMOND. If the offense is not sufficient to discharge him, the Commission will pursue the examination with reference to the question of loyalty.

Mr. MATHEWS. Would they not do that anyhow, under this bill?

Mr. ALMOND. Yes, I think they would do it anyhow.

Mr. MATHEWS. Of course.

Mr. ALMOND. The point I am trying to make is that having undertaken a preliminary investigation on the subject of loyalty, they would feel, so the Commission has construed the law, that they would have a right to go on and complete the loyalty investigation.

Mr. MATHEWS. After they found something else on which they could discharge him?

Mr. ALMOND. That is right.

Mr. MATHEWS. I do not understand that.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. With positive language in the bill that makes it possible for the Commission to investigate any other derogatory matter, are we not opening the door wide to a field of investigation that really is not intended by this bill at all? Are we not making it possible to do that? Why should we spread this thing so as to include investigation of every possible type of derogatory information and open up the past life of every Federal employee?

Mr. ALMOND. The Commission has that authority and it is conducting investigations on that score already.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. MATHEWS].

The question was taken; and on a division (demanded by Mr. MATHEWS) there were—ayes 43, noes 102.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, section 4 (c) provides for the availability of source information. Without authoritative source information it will be impossible for the Board to make a fair finding.

I submit that the files of the Committee on Un-American Activities contains thousands of names of people who have been charged with being subversive, and have never had a chance to face their accusers and refute these ill-founded charges. They are the victims of committee procedures which I do not approve of.

In the listing of governmental departments and agencies, there is included the availability of the House Committee on Un-American Activities files. In my opinion, this is a mistake.

It has been the boast of the chairman that the Committee on Un-American Activities has over 1,000,000 names in their files. In another statement he declared that approximately 100,000 of these names are subversive people. What about the other 900,000 names? Do they still include the names of Shirley Temple, Mrs. Roosevelt, David Lilienthal? They could still be used to inflict an economic death warrant.

Now the question I wish to ask is, If a man has been investigated by the Committee on Un-American Activities and his name is in their files, is that supposed to furnish prima facie evidence of his disloyalty to the Government of the United States?

In view of the fact that the committee's files contain several hundred thousand names of individuals who have not been given the right to appear before the committee and defend themselves against the charges. We might recall here, that when former Congressman Martin Dies was chairman of this committee on September 1, 1942, he submitted to the Federal Bureau of Investigation a list of 1,121 names of Federal employees who in the committee's opinion were presumably subversive. The investigation of the FBI showed that these persons in all except two instances were not guilty of disloyalty, and therefore their names were cleared. However, their names no doubt still remain in the files of the Committee on Un-American Activities as suspected of disloyalty.

The Clerk read as follows:

REVIEW OF REPORTS OF INVESTIGATIONS

SEC. 5. (a) The Board shall distribute each report of investigation transmitted to it by the Bureau in accordance with section 4 (f) to a subordinate board. As soon as practicable, the subordinate board shall review such report and make a preliminary finding upon the evidence furnished by the Bureau with respect to the loyalty to the United States of the employee or applicant under investigation, and transmit such finding to the Board. If such preliminary finding is not adverse to the employee or applicant and is the unanimous decision of the subordinate board, such finding shall become the final decision of the Board, and the Board shall immediately advise the head of the appropriate department or agency that, in the judgment of the Board, there are no reasonable grounds for the belief that such employee or applicant is disloyal to the United States. If such preliminary finding is not adverse to the employee or applicant, but is not the unanimous finding of the subordinate board, the Board shall conduct such a review of such preliminary finding as it may deem necessary. If after such review the Board agrees with the preliminary finding of the majority of the subordinate board, such finding shall become the final decision of the Board, and the Board shall immediately advise the head of the appropriate department or agency that, in the judgment of the Board, there are no reasonable grounds for the belief that such employee or applicant is disloyal to the United States. If such preliminary finding is adverse, or if the Board agrees with the adverse preliminary finding of the minority member of the subordinate board, the Board shall notify the employee or applicant under investigation in writing of the preliminary finding of the subordinate board, or of the preliminary finding of the Board, as the case may be, together with a factual statement upon which such finding is based, not disclosing, except when in the discretion of the Board, the interest of justice so requires, the source or sources of the information, and advising such employee or applicant that such preliminary finding must be appealed to the Board within 15 days after the date of such notification or it shall become the final decision of the Board.

(b) (1) If such adverse preliminary finding is appealed as provided for in subsection (a), the Board shall consider such pertinent evidence as may be submitted to it by the appellant in writing or at a hearing before the Board. Following the appeal, after consideration of all the evidence, the Board shall make a final decision, and, if such decision is not adverse to the employee or applicant under investigation the Board shall notify such employee or applicant and the head of the appropriate department or agency.

(2) If such adverse preliminary finding is not appealed, or if such final decision under paragraph (1) is adverse, the Board shall notify in writing such employee or applicant of its final adverse decision and shall certify to the head of the appropriate department or agency, that, in the judgment of the Board, reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States. Such certification shall constitute authority for the discharge of such employee or the rejection of such applicant, as the case may be, and shall be accompanied by the request from the Board that for the reasons set forth in the certification, (A) the services of such employee shall be terminated within 30 days after the date of such certification, or (B) such applicant shall not be employed. If the head of the appropriate department or agency fails to comply with such request, the Board shall notify the President of such failure and request that the President take appropriate action to bring about the discharge of the employee. As used in the preceding sentence, the term "employee" includes an applicant who is appointed to an office or position after certification, pursuant to this subsection, with respect to his disloyalty.

(c) All findings and decisions of the subordinate boards and of the Board shall be based upon the standard set forth in section 8 (a).

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 9, line 6, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That the preliminary findings of the Board and factual statements furnished the employee or applicant provided for under this section shall be held as confidential by the Board."

Mr. REES. Mr. Chairman, the amendment is self-explanatory. What it means is that these findings, which I am sure will be kept confidential, will definitely so be kept. It is offered to satisfy some of the Members who are apprehensive about it. I am offering this amendment as a safeguard and ask that the amendment be adopted.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield. I yield to the gentleman from New York, who is one of those who called my attention to this proposed amendment and who will support it, I am sure, because he is very much concerned about this particular provision.

Mr. JAVITS. I thank the gentleman very much for those remarks. May I ask, too, at this point in the RECORD that it be clear that the hearing called for in page 9, line 10, which is one of the parts of this section, is available to any person accused upon his request.

Mr. REES. That is correct. That is the understanding.

Mr. JAVITS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was agreed to.

Mr. KEFAUVER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER, of Tennessee: On page 9, line 24, after the period insert the following: "In case of such a final adverse decision under paragraph (1), such certification shall not be made until after the period for taking an appeal under subsection (d) has elapsed."

On page 10, after line 17, insert the following:

"(d) (1) Any employee or applicant may, within 30 days after the date of the notification in writing from the Board of a final adverse decision in his case under subsection (b) (1) file a complaint with the United States Court of Appeals for the District of Columbia, stating his reasons why the decision of the Board should be set aside. A copy of such complaint shall forthwith be served on the Board. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such decision or to dismiss the complaint.

"(2) No final adverse decision of the Board shall be set aside unless the complainant establishes to the satisfaction of the court that such decision is arbitrary or capricious, or otherwise not in accordance with the law.

"(3) No employee shall be discharged, and no action shall be taken to deny employment to an applicant, under this act pending the determination of his complaint under this section, *Provided, however*, That upon an affirmative showing by the Board that the continuance of the service of the employee in the service of the Government might be dangerous to the welfare of the Government, the court may order the suspension of the employee during the pendency of the appeal."

Mr. KEFAUVER. Mr. Chairman, Congress always, in dealing with property rights, where the Federal Government is affected, has taken a great deal of pains to see that the aggrieved party had the right of appeal. I can remember that a great many arguments were made during the times of OPA and during times when the Government intervened in other matters affecting individual property rights, that they should have a right of appeal to some court from the finding of a board. I remember that Members on the Republican side, as well as Members on the Democratic side, had a great deal to say about protecting the rights of appeal from an adverse decision of boards in connection with property rights. I have supported amendments to insure the right of judicial review. Today every property right is protected against the arbitrary or capricious decision of a board by right of appeal and review. Here, today, Mr. Chairman, we are dealing with something that transcends in importance and value the right of property. We are dealing with a person's good name and good character, because it cannot be denied that the stigma once placed upon a person, of having been discharged and taken out of the employment of his Government because of the fact that he is alleged to be disloyal, is something that that man and his family will carry to the grave. Yet in this bill we afford no right of appeal. The Board is prosecutor, the Board is the judge, and the Board has the final decision, without any recourse to the courts.

Certainly, Mr. Chairman, if you are going to afford people protection of their property rights and be jealous in seeing that they have a right to be heard by a court of competent jurisdiction and an appeal, why should we not afford that same protection to an individual in a situation like this?

The provision in this amendment simply provides that after an adverse decision, within 30 days, the person has a right to appeal, and that when appeal is made, he cannot be taken out of the service unless the Board shows the court and the court orders his suspension on the ground that his continuance in the service during the pendency of the appeal might be detrimental to the Government.

It seems to me that in fairness, in common sense, in decency to the employees in the executive department of the Government, this is the least protection we can give them.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WALTER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it certainly seems to me that no governmental agency ought to be given the power that the Board is given in this case. I have always subscribed to the theory that where a Government agency is given power in property rights, the power thus given should be reviewable. I am firmly convinced that the decisions of agencies, in passing on the rights of our citizens, are as good as they are or as bad as they are because over the agency there is a possibility of a review, and over its decision there is a possiblity of review.

In this measure we are giving to the Board the right to do that which all of us criticized so strongly in the National Labor Relations Act when it was first set up. We are constituting this Board a judge, jury, and prosecutor, with the power to make final decision. It seems to me, if we are going to be consistent in following out our ideas of judicial review, we should support this amendment. Certainly no harm can come from the possibility of a review. I could not imagine a court's setting aside a decision of an agency unless that decision were a very bad one. I believe we owe it to those loyal employees of our Government who might be improperly charged with something that would result in their separation from their employment the right to appeal to some other tribunal.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield?

Mr. EBERHARTER. I believe the gentleman was the author of a bill that the House passed in the last session which sought to correct some of the abuses perpetrated by these boards.

Mr. WALTER. Yes; that is correct; and as I read this bill, it does not come within the provisions of the Administrative Procedure Act. By the very provisions of this bill the appeal provided for in that act is denied to an employee of the Government.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HOLIFIELD. Is not the power provided in this bill similar to that granted to many boards, such as the OPA, where they were judge, jury, and prosecutor?

Mr. WALTER. The gentleman is correct.

Mr. ALMOND. Mr. Chairman, I rise in opposition to the amendment.

Mr. REES. Mr. Chairman, will the gentleman yield for a motion?

Mr. ALMOND. I yield.

Mr. REES. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. ALMOND. Mr. Chairman, all of us will concede that in every instance it is the will of the Congress to protect the right of any individual charged with any offense. I wish to emphasize this in connection with this amendment and in my opposition to it. Here we are setting up an administrative procedure. We are dealing with a subject that is separate and apart from judicial procedure. If we are to encumber this bill translating the administrative features of it into judicial features and providing for the establishment of records during all of these hearings and for the prosecution of appeals through the courts we will

never get anywhere in our effort and desire to rid the pay rolls of this Government of subversive individuals.

Another objection I have to this amendment is that the Supreme Court of the United States in the case of *Eberline* v. *United States* (257 U. S. 83) has held—and that ruling still stands without qualification—that the courts will not interfere with the administrative actions of departments and agencies in the matter of the removal of employees. Let us take, for example, the situation which has developed in the State Department in recent days which has been called to the attention of this body through the press: For reasons satisfactory I am sure to the great American Secretary of State he has extirpated from the rolls of that sensitive Department 10 individuals. Who they are, what they did, how long they had been there I do not know, but it was necessary to remove them. Are his hands to be tied by legislation of this sort when only the question of the loyalty of the employee is involved? Are his hands to be tied by long-drawn-out procedures through the judicial branch of the Government?

If we adopt this amendment we will cut the very heart out of this bill, we will destroy the effort we are here making to write upon the statute books of this Nation a law which does give protection and which does provide for the right of appeal with representation by counsel, with the right to summon witnesses and give more rights to the individual involved than any other piece of legislation on the statute books in reference to this problem.

Is there any right of appeal under the Hatch Act? Is there any right of appeal to the judicial department under the amendments to the appropriation acts? Is there any right of appeal under the McCarran amendment which applies to the sensitive agencies of this Government, mainly the State, War, and Navy Departments? Of course, I know that the purpose of the distinguished gentleman from Tennessee is good, but if we adopt this amendment, we write finis to the effectiveness of this bill to accomplish the purpose which we are seeking to accomplish.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from Tennessee.

Mr. JENNINGS. In other words, what it is sought to do here is to have a summary procedure where these people are given a reasonable hearing, and we also do it in view of what Bobby Burns said: "It is the fear of hell and the hangman's noose that keep the wretch in order."

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. If the gentleman had read the amendment or had listened to the amendment, it states the court will not set aside the decision unless it finds it is arbitrary, capricious, or otherwise not in accordance with law. Does anybody want one separated from the pay roll where the action is arbitrary, capricious, or not in accordance with law? If the gentleman does not, he should support this amendment.

Mr. ALMOND. In reply to the gentleman, there is a procedure established through this proposed legislation where a course of investigation has been conducted and there is a right of appeal to a fair and impartial board. When that boards says an individual is subversive or disloyal the matter ought to end right there. It affects the security of this Nation.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the gentleman from Illinois.

Mr. OWENS. I have great respect for the gentleman from Virginia. I like his argument concerning loyalty. It is a very fine argument: But I cannot understand why you put in subparagraph (d) 2 of section 4. Of course, that is going back. But I cannot understand why that was put in, in view of the argument the gentleman has just made.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The Chair recognizes the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Chairman, this amendment should be supported. It is quite true that the matter of discharge of employees has always been regarded as an administrative matter. Until now, however, except in the case of a few so-called sensitive agencies we have not attempted to discharge a man for an opinion. We have come to the point where we must do that. At least I think this bill must be passed. But the fact that we are entering into a new field, we are making new law, establishing new principles, justifies, indeed requires, also our establishing a further new principle, that of court review in cases of this kind. Under the suggested amendment the court review would be limited to case where the action of the board is arbitrary, capricious or not in accordance with law. That is not an extensive review. It is the least review that should be permitted. Of course, this is not an offense in the sense of involving a crime. Yet the penalty is one of the most severe that could be inflicted on any man. I think the amendment should be supported.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Kansas.

Mr. REES. Does the gentleman support the theory the courts should determine who ought to be hired and fired by the agencies? It is a new procedure.

Mr. CASE of New Jersey. It is a new precedure. It is a new precedure to fire a man for an opinion. We should also take the further step.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from New Jersey.

Mr. HAND. The distinction which is not being made is that these people are being fired on disloyalty charges, which amounts to treason almost, therefore their rights must be protected.

Mr. CASE of New Jersey. I fully agree.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from New York.

Mr. JAVITS. Does the gentleman see any difference between firing insofar as it affects a man's reputation and a dishonorable discharge from the Army in this situation?

Mr. CASE of New Jersey. I think the gentleman's point is well taken.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman agree that under the amendment offered by the gentleman from Tennessee that the appeal to the courts would be just about as restrictive as it would be possible to make it? In other words, the courts would review only the question whether the Board had acted arbitrarily or capriciously or contrary to law.

Mr. CASE of New Jersey. The gentleman repeats what I have tried to bring out before.

Mr. COOLEY. No citizen should have his rights adversely affected if that were the case.

Mr. CASE of New Jersey. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, any individual against whom a finding of disloyalty is made by this Board may occupy the position of one in the public's mind who is, for all practical purposes, guilty of treason. Our present law permits appeals from decisions of the Federal Trade Commission along the lines of the amendment offered by the gentleman from Tennessee, wherein property is involved. The same appellate action can be taken from the decision of the Interstate Commerce Commission wherein property is involved. The same action can be taken from practically all boards or commissions where property is involved.

Now, we are not dealing with the ordinary administrative discharge where the services of a person might be terminated for various other reasons. This is an unusual proceeding. The name and reputation of an individual is involved. I value my reputation, and I think the least we can do, having in mind the fundamental concepts of our Government, and keeping in mind the way of life we believe in, is to permit a person to take an appeal from this Board to the circuit court of appeals on questions of law or, in the narrow field to which this amendment is confined, where the court finds that there has been capricious or arbitrary action taken by the Board. My friend from Virginia comes from a great Commonwealth that with my own home Commonwealth of Massachusetts had representatives on the committee which drafted the Constitution of the United States, and I believe they had in mind that the individual has rights to be guaranteed and protected by the Constitution; rights that the individual possessed prior to the Constitution, and these rights are inherent, coming to us

through natural law. The Constitution guarantees and protects these inalienable rights, and certainly the least we can do on an extraordinary bill of this nature is to permit one found to be disloyal by the Board, if they feel an error has been made, to go to the courts on appeal within the purview of this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER].

The question was taken; and on a division (demanded by Mrs. NORTON), there were—ayes 69, noes 107.

Mr. KEFAUVER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. REES and Mr. KEFAUVER.

The Committee again divided, and the tellers reported that there were—ayes 67, noes 113.

So the amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KEATING, of New York: On page 9, line 22, after the word "Board," strike out "reasonable grounds exist for the belief that," and insert "it is established by the preponderance of the evidence that."

Mr. REES. Mr. Chairman, unless the gentleman wants to speak on the amendment, we accept it.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us review the meaning of the review provisions found in section 5.

SECTION 5. REVIEW OF REPORTS OF INVESTIGATIONS

(a) The section purports to safeguard the rights of the employee by a process of review of subordinate boards' decisions. But it is actually another set of brakes applied to the functioning of the public business; it is another step adroitly planned to prevent any person of original thought or action from being hired for public work. An employee turned down must be furnished with a factual statement upon which such finding is based.

Yet the Board does not have to tell the applicant the source or sources of the information. And he has just 15 days in which to file appeal, without recourse, though the investigation may have consumed months or years.

No crime is defined; no judicial procedure is set up; there is no separation of powers.

Yet the hapless applicant is handed an economic death sentence without knowing who his accusers are, or what the accusations are.

It is not until all these months of investigation are completed and the Board has actually made its decision that the subject learns of adverse comment. Then, without knowing the identity of his accusers or what they said, without any resources save his own for counter-investigation, apparently the Board alone may decide whether the applicant is to be given a hearing; there is no guaranty that his sworn testimony, and the sworn testimony of his witnesses, will be given even the same weight as the unknown adverse remarks.

(b) (2) Again, a highly prejudicial and inconclusive phrase is used; if the finding is adverse, the Board certifies to the agency that "reasonable grounds exist." Note that: not conclusive, but reasonable grounds, exist for branding a man a traitor to his country, without trial, without definition of a crime, without facing his accusers, without knowing the charges, except such statement as the Board chooses to give him.

This is a heresy trial, a witch hunt, set up in the very spirit of Torquemado or of Heinrich Himmler.

One of the very worst abuses of the present inept system of loyalty rating has been that even hearsay and anonymous testimony has been given greater weight in determining loyalty than the sworn testimony of the subject and his own witnesses. It took repeated Congressional storms even to induce a hearing for the accused. This bill reverts to the very worst period of the history of loyalty investigations in the Civil Service Commission. In one instance, the Commission's Loyalty Rating Board gave greater weight to the discredited affidavit of a man confined to a mental institution than to the reputable witnesses produced by the accused. Absolutely no procedure for court appeal is provided in this appeal machinery.

Since this language is used, "The Board shall make a final decision," it may be seriously doubted if a court would receive an action. Certainly few applicants for Government employment can afford the cumbersome expense of court litigation.

(c) In the majority opinion in the Supreme Court hearing on the firing of Lovett, Watson, and Dodd, the Court said:

Were this case to be not justifiable, congressional action, aimed at three named individuals, which stigmatized their reputation and seriously impaired their chance to earn a living, could never be challenged in any court. Our Constitution did not contemplate such a result.

Alexander Hamilton said—Federalist Paper No. 78:

A limited constitution * * * contains certain specified exceptions to the legislative authority; such, for instance, as that it shall pass no bills of attainder, no ex post facto laws, and the like. Limitations of this kind can be preserved in practice no other way than through the medium of the courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing.

Yet this bill is a vast mass bill of attainder, ex post facto insofar as it relates to present employees and to the antecedent affairs of future applicants.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McDONOUGH. Is the gentleman arguing against this amendment that is before the House?

Mr. HOLIFIELD. If the gentleman had been listening to my statement, I am speaking on section 5. There is no amendment before the House. It has been voted on, and I am speaking pursuant to a motion to strike out the last word.

Mr. McDONOUGH. I am talking about the amendment offered by the gentleman from New York [Mr. KEATING] which was accepted, which requires that the evidence must be sufficient to prosecute and that the evidence is conclusive.

Mr. HOLIFIELD. No; it says that it is established by the preponderance of the evidence.

Mr. McDONOUGH. That is right—that they must be sure.

Mr. HOLIFIELD. That is not so.

Mr. McDONOUGH. It must be conclusive. The preponderance of the evidence certainly would amount to that. You are arguing against the amendment which was adopted.

Mr. HOLIFIELD. It would be on the preponderance of the evidence. Why not give the appellant the right to go before a court and determine whether that preponderance of evidence or finding was based on a judicial basis or not? Why not submit such finding to a jury of his peers?

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield? The gentleman says that this measure would prevent persons of original thought from entering the service. Is there anything so original about communism?

Mr. HOLIFIELD. The gentleman knows that I am not arguing for communism. I have made the statement on this floor time and again that I am not for communism or fascism either, but I am for the principles contained in the Bill of Rights. This bill absolutely takes away many of those principles, by omission. Section 6 itself provides for conviction by "association." Where can you find anywhere in the Constitution conviction by association? We all know that criminal conviction is based on individual guilt, under the American system. If my brother happened to be a Communist or a Fascist, then, by association, under this bill I could be tarred with the same pitch. I wonder if the gentleman realizes that section 6 provides that just that can occur under this bill?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. COOLEY. I would like the gentleman, while he has the floor, to try to ascertain from the committee the cost of this legislation to the taxpayers of the country. In view of the fact that they say it will cost $15,000,000 for the first year to investigate 42,000 Government employees, and if there are 2,000,000 on the pay roll it will take about 50 years at $15,000,000 a year.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REES. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

RULES AND REGULATIONS OF THE BOARD

SEC. 6. The Board is authorized and directed to make such rules and regulations as it may deem necessary to carry out the provisions of this act. Such rules and regulations, and any amendments thereto, shall be published promptly in the Federal Register, and, among other things, shall provide that all statements presented to the Board by an appellant shall be under oath, and that an appellant shall have the right to be represented by legal counsel, to produce evidence and witnesses, and to furnish affidavits or other written statements of competent persons. Such rules and regulations shall provide that no finding or decision of the Board shall be made except after the concurrence of at least three members of the Board, and that the Board shall maintain a permanent record showing how each member voted upon each finding and decision.

ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTARY EVIDENCE

SEC. 7. (a) For the purposes of this act, the Board may require by subpena the attendance and testimany of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Any number may administer oaths or affirmations to witnesses appearing before the Board. Subpenas may be issued under the signature of the Chairman of the Board or any member designated by him, and may be served by any individual designated by such Chairman or member.

(b) Such attendance of witnesses at any designated place of hearing, and the production of books, records, correspondence, memoranda, papers, and documents at any designated place of hearing, may be required from any place in the United States. Witnesses summoned under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Board may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is being conducted, or where such person resides or carries on business. Such court may issue an order requiring such person to appear before the Board, there to give or produce testimony or books, records, correspondence, memoranda, papers, or documents, bearing upon the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever such person may be found.

(d) Any person who without just cause fails or refuses to attend and testify or to answer any inquiry or to produce books, records, correspondence, memoranda, papers, or documents, in obedience to a subpena of the Board, shall, upon conviction thereof, be punished by a fine of not more than $1,000, or by imprisonment for not more than 1 year, or both such fine and imprisonment.

STANDARD TO BE USED BY BOARD

SEC. 8. (a) The standard which the Board shall use as the basis for the removal from employment or for the refusal of employment in the executive branch of the Government on grounds relating to loyalty shall be that, in the judgment of the Board, it is established by the preponderance of the evidence that reasonable grounds exist for the belief that the employee or applicant investigated is disloyal to the United States.

(b) Activities and associations of an employee or applicant which may be considered by the Board in connection with the determination of disloyalty may include one or more of the following:

(1) Sabotage, espionage, or attempts or preparations therefor, or knowingly associating with spies or saboteurs.

(2) Treason or sedition or advocacy thereof.

(3) Advocacy of revolution of force or violence to alter the constitutional form of government of the United States.

(4) Intentional, unauthorized disclosure to any person, under circumstances which may indicate disloyalty to the United States, of documents or information of a confidential or nonpublic character obtained by the employee making the disclosure as a result of his employment in or under the executive branch of the Government.

(5) Performing or attempting to perform his duties as an employee, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.

(6) Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

(c) The Attorney General shall, after full investigation, from time to time have published in the Federal Register a list of the organizations, associations, movements, groups, and combinations of persons designated by him pursuant to paragraph (6) of subsection (b). At the request of the Board, the Attorney General shall submit to the Board the reasons for the inclusion upon any such list of the name of any such organization, association, movement, group, or combination of persons.

Mr. HAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 14, strike out all of lines 5 to 23, inclusive, and substitute therefor the following:

"Membership in, affiliation with, or active association with the Communist Party or any foreign or domestic organization, association, movement, group, or combination of persons which advocates or approves the commission of acts by force or violence, to deny other persons their rights under the Constitution of the United States, or seeks to alter the form of government of the United States by unconstitutional means."

Mr. HAND. Mr. Chairman——

Mr. REES. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HAND. I yield.

Mr. REES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto and all amendments to this section close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. HAND. Mr. Chairman, I think the purpose of this amendment is fairly clear and explains itself. We start out pretty well in section 8 by defining the various things which enter into "disloyalty," such as subversive activities, sabotage, espionage, treason, or sedition, the advocacy of revolution, and so forth. Then we go over to subsection (6) and we have a provision which I cannot take and which I hope the members of this committee will not take. That section of the bill reads:

Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive.

Mr. Chairman, I am certainly unwilling to have the Attorney General or any other official define for me or define for the 140,000,000 people of this country what he thinks at a given time may constitute communism, or may constitute fascism, or subversive activity. I find myself very frequently, as many of the Members do, in complete disagreement with the philosophy of the present Attorney General. For all I know the Attorney General may ultimately come to the conclusion that Republicans are subversive, which would be a deplorable thing. We may have a Republican Attorney General who may have a very disagreeable effect on Members on the other side of the aisle. Some day we may have a Socialist Attorney General The point is that it is wrong in principle and very wrong and dangerous in principle, in my humble judgment, to put into the hands of one man the power to define these very vague words and phrases which appear in this section.

The purpose of my amendment is merely to leave in all these definitions which the Congress sets up and to include the Communist Party as a recognized subversive party, but to strike out the right of the Attorney General to find for all of us what he himself happens to consider constitutes fascism or subversive activities.

I sincerely hope the amendment will be adopted because I think the bill as it is written in this particular is a very dangerous piece of legislaton. I hope this secton will never become law. I predict that it will not.

Mr. HOLIFIELD. Mr. Chairman, I offer a substitute for the Hand amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD as a substitute for the amendment offered by Mr. HAND: On page 14, strike out subsection (6), lines 5 to 14, inclusive.

The CHAIRMAN. The gentleman from California is recognized for 3 minutes.

Mr. HOLIFIELD. Mr. Chairman, I prepared this amendment before the gentleman from New Jersey offered his. My reason for offering my amendment as a substitute is that I believe that section (c) is better than the President's loyalty order. The President's loyalty order says that the Attorney General can have a secret list of organizations which he does not have to publish. This section (c) from lines 15 to 23 provides that the Attorney shall have published in the Federal Register these organizations

so that Federal employees will know what organizations are on the subversive list.

It also provides that the Attorney General shall submit to the board the reasons for same. That is a great improvement over the President's loyalty order. If my amendment is agreed to, then that particular part of the section will remain in the bill.

Now in regard to the part which my amendment would strike out. My amendment strikes out all of section 8 (b) (6). Some of this section is acceptable as far as I am concerned, but then there are the words "or sympathetic association with." What in the name of God and high heavens is sympathetic association? In line 9 there are the words "or subversive." Where is there a legal definition of the word "subversive"? Again it is left up to the Attorney General as to who is subversive, as to whether I may be in sympathetic association with someone, and so forth. This leaves the gate to hell wide open. Why, it leaves it wide open for people of ill-will to wreak vengeance upon someone in his Government department, whether they be a Democratic or Republican supervisor. They could accuse a man of being in "association with," or "subversive." I maintain that is not language that will stand up in any court of law. How can you prove whether I am sympathetic or not with a person who is actually subversive? I say that opens the gate to a tremendous witch hunt. It might be the opinion of some board or some Attorney General that an individual has associated with some group. That is why I have offered this particular amendment and ask that it be agreed to. I make the charge to the committee that the words "loyal" "disloyal", "subversive" and "sympathetic association" throughout this bill have not been defined and I challenge you to define those words. Unless they are defined this bill is full of loose terms and words and susceptible to capricious findings.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr. HOLIFIELD].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HAND].

The amendment was rejected.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: On page 14, line 7, after the word "persons," insert "known to the Board or."

Mr. McDONOUGH. Mr. Chairman, my amendment will broaden the powers of the Board and will remove the single and individual power of the Attorney General to alone designate which organizations are totalitarian, Fascist, Communist, or subversive. It will also remove the possibility of political preference or personal prejudice by the Attorney General. The Board must have some discretion and since the Board is bipartisan we can be more certain of a fair determination than we can if the Attorney General is given this sole authority as the bill now provides. My amendment will also give the Board the right to agree or disagree with the Attorney General in his findings. I urge the House to adopt my amendment, because I am convinced that it will be an improvement of the bill as it is now written. Let me read the bill as it is now and as it will be if amended as I propose:

(6) Membership in, affiliation with, sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons designated by the Attorney General.

My amendment adds:

known to the Board or designated by the Attorney General.

I trust that the committee will support my amendment and the House will adopt it.

Mr. REES. Mr. Chairman, there is no objection to the amendment. We accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 14, line 5, strike out the comma after the word "in" and insert in lieu thereof the word "or" and strike out all after the comma following the word "with" to the word "any" in line 6.

Mr. JAVITS. Mr. Chairman, the purport of my amendment will be to strike out the words "or sympathetic association with." As I said before, those are words unknown in law. They have not been defined here and they strike me, and I believe they strike a good many other Members of this House, as being nothing but a thought-control law. If we leave them in, we would be endeavoring to penalize people who attend meetings, people who read certain types of literature or people who engage in certain types of discussion. Let us remember that this paragraph (6) applies entirely outside of any interest directly or indirectly affecting the Federal employee's job, which is covered by the first five specifications.

The justification for amending this bill on the floor is very great because we are all united as to the purpose. We all want subversives out of the Government service. What we are trying to do is to write a piece of legislation that will suit that purpose without depriving Federal employees of their basic civil rights. The best way to defeat the purpose of this bill and the purpose of everything we are trying to do in preserving our democracy, is to deprive people of their basic civil rights.

It is important to note that it is not a question of this bill or nothing. The State Department, under existing law, can summarily fire employees for disloyalty, the Civil Service Commission can fire them summarily from other agencies, and the President's Executive order regarding loyalty investigations and firing for disloyalty is in effect. We are, therefore, not under such pressure as to prevent us from passing legislation to eliminate subversives in the Federal establishment and without invading the rights as citizens of the great body of loyal and conscientious Federal employees

The word "affiliation" under my amendment remains in the paragraph. It has been defined by the Supreme Court in the case of *Bridges* v. *Wixon* (326 U. S. Supreme Court Reports) to be the following:

Evidence of a working alliance to bring the proposed program to fruition.

Therefore, my amendment gives full coverage both as to direct membership in any subversive group, and as to any kind of activity of a "fellow traveler" variety. But the words "or sympathetic association" are as wide open as a barn door for thought control and the House should definitely take them out.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Would not that phrase "sympathetic association" range anywhere from a mild interest to strong support?

Mr. JAVITS. As the gentleman says, it would include anything from a mild interest to strong support, depending on the temper of the people who are on the Board. If the people who are on the Board want to run a totalitarian show they can ruin anyone whose thoughts they do not agree with, by firing him from the Government and placing a permanent stigma upon him that he was disloyal.

Mr. REES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, if you will observe, would, of course, weaken the bill. It strikes at the heart of the thing, because as a matter of practice, these subversive organizations would fail to initiate or accept the membership in the organization, the most ardent supporters, and leave them in the status of sympathetic associates.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Tennessee.

Mr. JENNINGS. In other words, this language simply has the meaning ordinarily given to an accessory to a crime. Accessories are those who are present, ready, and consenting to aid and abet. When they do that, they are guilty as principals. To associate with means to run with, bed up with, gang up with, or cooperate with.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from South Dakota.

Mr. MUNDT. I would like to say that if you strike those words out you would defeat this act from operating with regard to a very great number of Communists, because all the witnesses before the Un-American Activities Committee from the Communist Party and from the FBI point out that among Communists they retain a large number of actual members who are not card carriers, who could not be used as actual participants,

but who show very definite sympathetic association with them. You would delete some of your most dangerous affiliates.

The CHAIRMAN. The time of the gentleman from Kansas has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 34, noes 106.

So the amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 13, line 7, after "evidence that", strike out "reasonable grounds exist for the belief that."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was rejected.

The Clerk read as follows:

REPORTS OF BOARD

SEC. 9. Before January 15 of each calendar year commencing after the date of enactment of this act, the Board shall submit to the Congress and the President a report outlining its work during the preceding year, together with any recommendations it may deem advisable with respect to its activities. Such report shall contain a statement with respect to the status or disposition of the cases of those disloyal employees with respect to whom the Board notified the President under section 5 (b).

Mr. HOBBS. Mr. Chairman, I am tremendously concerned over this bill. I have very, very regretfully come to the conclusion that as it stands I simply cannot go along with it; not that that matters to anyone but me, but I want to give my reasons for the faith that has come to be in me.

In the first place, I think it will necessarily fail to accomplish its manifest purpose. I want that purpose effectuated and fully accomplished.

In my deliberate judgment, this is an ex post facto bill within the condemnation of section 9 of article I of the Constitution. As to those employees who are now in the service of the executive branch of our Government, this bill certainly changes the rules under which they were employed. They were employed on an annual-salary basis, contemplating permanent employment so long as they did their work acceptably, and complied with their oath of office and the then rules, subject, of course, to the pleasure of the appointing power. They risked their lives on the faith they had in their Government. Some gave up, or declined, better jobs, for the supposed security of Government employment. They had the right to that faith, for it was assured by the guaranty of our Constitution, the laws made pursuant thereto, and the rules governing the conditions of service. It is, therefore, abhorrent to the American sense of fair play to change those rules, virtually without notice, and wholly without cause, thereby branding them as guilty of the treasonous sin of disloyalty involving punishment for life. That abhorrence of such injustice caused us to outlaw all ex post facto laws.

I know what Mr. Justice Oliver Wendell Holmes wrote in *McAuliffe* v. *New Bedford* (155 Mass. 216): "The petitioner may have a constitutional right to talk politics, but he has no constitutional right to be a policeman." But in that case McAuliffe was found guilty of violating rule 31 of the police regulations of that city. That rule was not new, nor had it been changed, and the officer was shown to have known of it by saying, "I admit I am guilty."

So, when we train our guns on those who came in under the law we wrote, and complied with it by taking the oath it required, attesting their fealty, we have no right to change the law governing their employment merely because we have changed our mind.

In the second place, we are the legislative, not the executive, branch of our Government. By the law we wrote we committed the trust of "hiring and firing" employees of the executive department to them. Why should we set up boards to oust them from the proper sphere of their prerogatives? Especially is the question pertinent when the Chief Executive has exercised his power and already set up the machinery for doing exactly what this bill seeks to do.

The Supreme Court held in the Meyers case and again in the Morgan case, that the Chief Executive has the right to fire employees in the executive branch at his own will and pleasure.

Why will we borrow trouble? Have we not enough of our own?

In the third place, may I ask why this bill, after creating new boards to usurp the function and do the duty of the responsible heads of departments in the executive branch, should take away from the boards the power to decide what groups are "totalitarian, Fascist, Communist, or subversive," and make the Attorney General the sole judge to make this decision?

In the fourth place, this bill outlaws friendship with sinners. It does not qualify its condemnation of "sympathetic association" with "group or combination of persons" by stipulating what kind of sympathy, nor what kind of association. For aught appearing in this bill the "sympathetic association" condemned might just as well be that of pity for stupid folly sought to be reformed, as approving.

The law under which Father Cummings was convicted would also have prohibited the giving a cup of cold water to a feverish, dying man.

The Clerk read as follows:

PRECEDENCE OF INVESTIGATIONS OF, AND ACTIONS WITH RESPECT TO, EMPLOYEES

SEC. 10. In carrying out the provisions of this act, investigations by the Commission and the Bureau, and actions by the subordinate boards and the Board, with respect to employees shall take precedence over investigations by the Commission and the Bureau, and actions by the subordinate boards and the Board, with respect to applicants.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill appears to me to set up a great deal of cumbersome machinery to do a job that ought already to be the prime responsibility of every executive or supervisor who is worthy of his salt. If the President had required the exercise of this responsibility, this bill at this great cost would be unnecessary.

The Clerk read as follows:

FINGERPRINTS OF EMPLOYEES

SEC. 11. As soon as practicable after the date of enactment of this act, the head of each department or agency in the executive branch of the Government shall submit to the Bureau, through the Commission, the name and fingerprints of every employee of such department or agency whose name and fingerprints have not theretofore been submitted by such department or agency, and shall from time to time thereafter submit the names and fingerprints of new employees. Information secured by a search of the Bureau's name and fingerprint files shall be transmitted to the head of each department or agency through the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated from time to time such sums as may be necessary to carry out the provisions of this act.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3813) to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States, pursuant to House Resolution 267, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KEFAUVER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KEFAUVER. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies, and the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEFAUVER moves that the bill be recommitted to the Committee on Post Office and Civil Service, with instructions that the committee report the bill back to the House with the following amendment: On page 9, line 24, after the period insert the following: "In case of such a final adverse decision under paragraph (1), such certification shall not be made until after the period for taking an appeal under subsection (d) has elapsed."

On page 10, after line 17, insert the following:

"(d) (1) Any employee or applicant may, within 30 days after the date of the notification in writing from the Board of a final

adverse decision in his case under subsection (b) (1) file a complaint with the United States Court of Appeals for the District of Columbia, stating his reasons why the decision of the Board should be set aside. A copy of such complaint shall forthwith be served on the Board. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such decision or to dismiss the complaint.

"(2) No final adverse decision of the Board shall be set aside unless the complainant establishes to the satisfaction of the court that such decision is arbitrary or capricious, or otherwise not in accordance with the law.

"(3) No employee shall be discharged, and no action shall be taken to deny employment to an applicant, under this act pending the determination of his complaint under this section: *Provided, however,* That upon an affirmative showing by the Board that the continuance of the service of the employee in the service of the Government might be dangerous to the welfare of the Government, the court may order the suspension of the employee during the pendency of the appeal."

Mr. REES. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit, offered by the gentleman from Tennessee.

Mr. KEFAUVER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 133, nays 248, not voting 48, as follows:

[Roll No. 111]

YEAS—133

Abernethy	Hardy	Marcantonio
Albert	Harless, Ariz.	Miller, Calif.
Bates, Mass.	Harris	Miller, Conn.
Battle	Hart	Monroney
Beckworth	Havenner	Morgan
Bender	Hays	Morris
Blatnik	Hedrick	Murdock
Bloom	Herter	Murray, Wis.
Boggs, La.	Heselton	Nixon
Bolton	Hinshaw	Norblad
Brophy	Hobbs	Norton
Buchanan	Holifield	Pace
Burleson	Huber	Poage
Byrne, N. Y.	Hull	Poulson
Camp	Jackson, Calif.	Price, Ill.
Carroll	Jackson, Wash.	Priest
Case, N. J.	Jarman	Rabin
Celler	Javits	Rains
Cooley	Johnson, Okla.	Ramey
Crosser	Jones, Ala.	Rayburn
Davis, Wis.	Judd	Richards
Deane	Karsten, Mo.	Robsion
Delaney	Kean	Rooney
Dingell	Keating	Sabath
Donohue	Kefauver	Sadowski
Douglas	Kennedy	Sasscer
Drewry	Kersten, Wis.	Sheppard
Eberharter	Kilday	Smathers
Engle, Calif.	King	Smith, Maine
Feighan	Kirwan	Smith, Va.
Fernandez	Klein	Smith, Wis.
Flannagan	Lane	Somers
Fogarty	Lanham	Spence
Folger	Lea	Teague
Forand	Lemke	Towe
Fulton	Lesinski	Trimble
Gary	Lodge	Walter
Gordon	Lucas	Whittington
Gore	Lusk	Williams
Gorski	Lyle	Wilson, Tex.
Gossett	Lynch	Winstead
Granger	McCormack	Wolverton
Gwynne, Iowa	Madden	Worley
Hale	Mahon	
Hand	Mansfield	

NAYS—248

Allen, Calif.	Andresen, August H.	Bakewell
Allen, Ill.	Andrews, Ala.	Banta
Allen, La.	Angell	Barrett
Almond	Arends	Beall
Andersen, H. Carl	Arnold	Bell
Anderson, Calif.	Auchincloss	Bennett, Mo.
		Bishop
Blackney	Grant, Ala.	O'Brien
Boggs, Del.	Grant, Ind.	O'Hara
Bonner	Gregory	O'Konski
Bradley	Griffiths	Owens
Bramblett	Gross	Passman
Brehm	Gwinn, N. Y.	Patterson
Brooks	Hagen	Peden
Brown, Ga.	Hall, Leonard W.	Peterson
Brown, Ohio	Halleck	Phillips, Calif.
Bryson	Harness, Ind.	Phillips, Tenn.
Buck	Harrison	Ploeser
Buffett	Hendricks	Potts
Bulwinkle	Hess	Preston
Burke	Hill	Price, Fla.
Busbey	Hoeven	Rankin
Butler	Hoffman	Redden
Byrnes, Wis.	Holmes	Reed, Ill.
Canfield	Hope	Rees
Cannon	Horan	Reeves
Carson	Howell	Rich
Case, S. Dak.	Jenison	Riehlman
Chadwick	Jenkins, Ohio	Riley
Chapman	Jenkins, Pa.	Rizley
Chelf	Jennings	Robertson
Chenoweth	Jensen	Rockwell
Chiperfield	Johnson, Calif.	Rogers, Fla.
Church	Johnson, Ill.	Rogers, Mass.
Clason	Johnson, Ind.	Rohrbough
Clevenger	Jones, N. C.	Ross
Coffin	Jones, Ohio	Russell
Cole, Kans.	Jones, Wash.	Sadlak
Cole, N. Y.	Jonkman	St. George
Colmer	Kearney	Sanborn
Cooper	Kearns	Sarbacher
Corbett	Keefe	Schwabe, Mo.
Cotton	Kerr	Schwabe, Okla.
Coudert	Kilburn	Scoblick
Courtney	Kunkel	Scott, Hardie
Cox	Landis	Scott, Hugh D., Jr.
Cravens	Larcade	Scrivner
Crawford	Latham	Seely-Brown
Crow	LeCompte	Short
Cunningham	LeFevre	Sikes
Curtis	Lewis	Simpson, Ill.
Dague	Love	Simpson, Pa.
Davis, Ga.	McConnell	Smith, Kans.
Davis, Tenn.	McCowen	Springer
Dawson, Utah	McDonough	Stanley
Devitt	McDowell	Stefan
D'Ewart	McGarvey	Stevenson
Dirksen	McGregor	Stigler
Dolliver	McMahon	Stratton
Domengeaux	McMillan, S. C.	Sundstrom
Dondero	McMillen, Ill.	Taber
Doughton	Mack	Talle
Elliott	MacKinnon	Taylor
Ellis	Macy	Thomas, N. J.
Ellsworth	Maloney	Tibbott
Elston	Manasco	Tollefson
Engel, Mich.	Martin, Iowa	Twyman
Evins	Mathews	Vail
Fallon	Meade, Ky.	Van Zandt
Fellows	Meade, Md.	Vorys
Fenton	Merrow	Vursell
Fisher	Meyer	Weichel
Fletcher	Michener,	Welch
Foote	Miller, Md.	West
Gallagher	Miller, Nebr.	Wheeler
Gamble	Mills	Whitten
Gathings	Mitchell	Wigglesworth
Gavin	Morton	Wilson, Ind.
Gearhart	Muhlenberg	Wolcott
Gillette	Mundt	Wood
Gillie	Murray, Tenn.	Woodruff
Goff	Nodar	Youngblood
Goodwin	Norrell	Zimmerman
Graham		

NOT VOTING—48

Andrews, N. Y.	Fuller	Philbin
Barden	Gifford	Pickett
Bates, Ky.	Hall, Edwin Arthur	Plumley
Bennett, Mich.	Hartley	Powell
Bland	Hébert	Rayfiel
Boykin	Heffernan	Reed, N. Y.
Buckley	Johnson, Tex.	Rivers
Clark	Kee	Shafer
Clements	Kelley	Smith, Ohio
Clippinger	Keogh	Snyder
Cole, Mo.	Knutson	Stockman
Combs	Mason	Thomas, Tex.
Dawson, Ill.	Morrison	Thomason
Dorn	O'Toole	Vinson
Durham	Patman	Wadsworth
Eaton	Pfeifer	
Elsaesser		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Kelley for, with Mr. Vinson against.
Mr. Powell for, with Mr. Hébert against.
Mr. Pfeifer for, with Mr. Clements against.
Mr. Philbin for, with Mr. Cole of Missouri against.
Mr. Buckley for, with Mr. Snyder against.
Mr. Keogh for, with Mr. Hartley against.
Mr. Rayfiel for, with Mr. Mason against.
Mr. Heffernan for, with Mr. Eaton against.
Mr. O'Toole for, with Mr. Dorn against.
Mr. Dawson of Illinois for, with Mr. Clippinger against.

Additional general pairs:

Mr. Andrews of New York with Mr. Morrison.
Mr. Fuller with Mr. Rivers.
Mr. Gifford with Mr. Thomas of Texas.
Mr. Wadsworth with Mr. Johnson of Texas.
Mr. Stockman with Mr. Barden.
Mr. Reed of New York with Mr. Durham.
Mr. Bennett of Michigan with Mr. Clark.
Mr. Smith of Ohio with Mr. Combs.
Mr. Knutson with Mr. Boykin.
Mr. Elsaesser with Mr. Patman.
Mr. Edwin Arthur Hall with Mr. Bland.
Mr. Shafer with Mr. Kee.
Mr. Plumley with Mr. Pickett.

Mr. BATES of Massachusetts and Mr. BENDER changed their votes from "nay" to "yea."

Mr. MICHENER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. REES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 319, nays 61, not voting 49, as follows:

[Roll No. 112]

YEAS—319

Abernethy	Chelf	Gearhart
Albert	Chenoweth	Gillette
Allen, Calif.	Chiperfield	Gillie
Allen, Ill.	Church	Goff
Allen, La.	Clason	Goodwin
Almond	Clevenger	Gorski
Andersen, H. Carl	Coffin	Gossett
Anderson, Calif.	Cole, Kans.	Graham
Andresen, August H.	Colmer	Grant, Ala.
Andrews, Ala.	Cooper	Grant, Ind.
Angell	Corbett	Gregory
Arends	Cotton	Griffiths
Arnold	Coudert	Gross
Auchincloss	Courtney	Gwinn, N. Y.
Bakewell	Cox	Gwynne, Iowa
Banta	Cravens	Hagen
Barrett	Crawford	Hall, Leonard W.
Bates, Mass.	Crow	Halleck
Beall	Cunningham	Hand
Beckworth	Curtis	Hardy
Bell	Dague	Harless, Ariz.
Bender	Davis, Ga.	Harness, Ind.
Bennett, Mo.	Davis, Tenn.	Harris
Bishop	Davis, Wis.	Harrison
Blackney	Dawson, Utah	Hart
Boggs, Del.	Deane	Hays
Boggs, La.	Devitt	Hendricks
Bolton	D'Ewart	Herter
Bonner	Dirksen	Hess
Bradley	Dolliver	Hill
Bramblett	Domengeaux	Hinshaw
Brehm	Dondero	Hoeven
Brooks	Donohue	Hoffman
Brophy	Dorn	Holmes
Brown, Ga.	Doughton	Hope
Brown, Ohio	Drewry	Horan
Bryson	Elliott	Howell
Buck	Ellis	Hull
Buffett	Elston	Jackson, Calif.
Burke	Engel, Mich.	Jackson, Wash.
Burleson	Evins	Jenison
Busbey	Fallon	Jenkins, Ohio
Butler	Fellows	Jenkins, Pa.
Byrne, N. Y.	Fenton	Jennings
Byrnes, Wis.	Fisher	Jensen
Canfield	Flannagan	Johnson, Calif.
Cannon	Fletcher	Johnson, Ill.
Carson	Foote	Johnson, Ind.
Case, N. J.	Fulton	Jones, N. C.
Case, S. Dak.	Gallagher	Jones, Ohio
Chadwick	Gamble	Jones, Wash.
Chapman	Gary	Jonkman
	Gathings	Judd
	Gavin	

Kearney	Murray, Wis.	Seely-Brown
Kearns	Nixon	Sheppard
Keating	Nodar	Short
Keefe	Norblad	Sikes
Kennedy	Norrell	Simpson, Ill.
Kerr	O'Brien	Simpson, Pa.
Kersten, Wis.	O'Hara	Smathers
Kilburn	O'Konski	Smith, Kans.
Kilday	Owens	Smith, Maine
Kunkel	Pace	Smith, Va.
Landis	Passman	Smith, Wis.
Lane	Patterson	Spence
Lanham	Peden	Springer
Larcade	Peterson	Stanley
Latham	Phillips, Calif.	Stefan
Lea	Phillips, Tenn.	Stevenson
LeCompte	Ploeser	Stigler
LeFevre	Poage	Stockman
Lewis	Potts	Stratton
Lodge	Poulson	Sundstrom
Love	Preston	Taber
Lucas	Price, Fla.	Talle
Lusk	Priest	Taylor
Lynch	Ramey	Teague
McConnell	Rankin	Thomas, N. J.
McCowen	Redden	Tibbott
McDonough	Reed, Ill.	Tollefson
McDowell	Rees	Towe
McGarvey	Reeves	Trimble
McGregor	Rich	Twyman
McMahon	Richards	Vail
McMillan, S. C.	Riehlman	Van Zandt
McMillen, Ill.	Riley	Vorys
Mack	Rizley	Vursell
MacKinnon	Robertson	Walter
Macy	Robsion	Weichel
Manon	Rockwell	Welch
Maloney	Rogers, Fla.	West
Manasco	Rogers, Mass.	Wheeler
Martin, Iowa	Rohrbough	Whitten
Mathews	Ross	Whittington
Meade, Ky.	Russell	Wigglesworth
Meade, Md.	Sadlak	Williams
Merrow	St. George	Wilson, Ind.
Meyer	Sanborn	Wilson, Tex.
Michener	Sarbacher	Winstead
Miller, Md.	Sasscer	Wolcott
Miller, Nebr.	Schwabe, Mo.	Wolverton
Mills	Schwabe, Okla.	Wood
Mitchell	Scoblick	Woodruff
Morton	Scott, Hardie	Worley
Muhlenberg	Scott, Hugh D., Jr.	Youngblood
Mundt	Scrivner	Zimmerman
Murray, Tenn.		

NAYS—61

Battle	Gordon	Lesinski
Blatnik	Gore	Lyle
Buchanan	Granger	Madden
Camp	Hale	Mansfield
Carroll	Havenner	Marcantonio
Celler	Hedrick	Miller, Calif.
Cole, N. Y.	Herter	Miller, Conn.
Cooley	Hobbs	Monroney
Crosser	Holifield	Morgan
Delaney	Huber	Morris
Dingell	Jarman	Murdock
Douglas	Javits	Norton
Durham	Johnson, Okla.	Price, Ill.
Eberharter	Jones, Ala.	Rabin
Ellsworth	Karsten, Mo.	Rains
Engle, Calif.	Kean	Rayburn
Feighan	Kefauver	Sabath
Fernandez	King	Sadowski
Fogarty	Kirwan	Somers
Folger	Klein	
Forand	Lemke	

NOT VOTING—49

Andrews, N. Y.	Fuller	Pfeifer
Barden	Gifford	Philbin
Bates, Ky.	Hall, Edwin Arthur	Pickett
Bennett, Mich.	Hartley	Plumley
Bland	Hébert	Powell
Bloom	Heffernan	Rayfiel
Boykin	Johnson, Tex.	Reed, N. Y.
Buckley	Kee	Rivers
Bulwinkle	Kelley	Rooney
Clark	Keogh	Shafer
Clements	Knutson	Smith, Ohio
Clippinger	McCormack	Snyder
Cole, Mo.	Mason	Thomas, Tex.
Combs	Merrison	Thomason
Dawson, Ill.	O'Toole	Vinson
Eaton	Patman	Wadsworth
Elsaesser		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Vinson for, with Mr. Kelley against.
Mr. Hébert for, with Mr. Powell against.
Mr. Snyder for, with Mr. Pfeifer against.
Mr. Clements for, with Mr. Bloom against.
Mr. Cole of Missouri for, with Mr. Dawson of Illinois against.

Additional general pairs:

Mr. Andrews of New York with Mr. Pickett.
Mr. Wadsworth with Mr. Thomas of Texas.
Mr. Hartley with Mr. Morrison.
Mr. Knutson with Mr. Rivers.
Mr. Eaton with Mr. Rooney.
Mr. Smith of Ohio with Mr. Buckley.
Mr. Plumley with Mr. Philbin.
Mr. Bennett of Michigan with Mr. Johnson of Texas.
Mr. Clippinger with Mr. Keogh.
Mr. Gifford with Mr. Heffernan.
Mr. Mason with Mr. Clark.
Mr. Shafer with Mr. Rayfiel.
Mr. Reed of New York with Mr. Barden.
Mr. Edwin Arthur Hall with Mr. Kee.
Mr. Elsaesser with Mr. O'Toole.
Mr. Fuller with Mr. Boykin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REES. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill H. R. 3813 may be permitted to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an editorial.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3993) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House of Representatives to the Senate amendment No. 12 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3493) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate recedes from its amendment No. 78 to the above-entitled bill.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON NATIONAL SECURITY ACT OF 1947

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 70) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Expenditures in the Executive Departments of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of the hearings held before said committee during the current session on the bill (H. R. 2319) "The National Security Act of 1947."

With the following committee amendment:

Page 1, line 6, strike out "five" and insert "three".

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

RAILROAD REORGANIZATIONS

Mr. WALTER. Mr. Speaker, I ask unanimous consent that certain members of the Committee on the Judiciary may have until midnight tomorrow night to file minority views on the bill (H. R. 3980) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial securities; and for other purposes, and to incorporate those views with the majority report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D. C., *July 15, 1947.*

Hon. JOSEPH W. MARTIN, Jr.
The Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby submit my resignation as a member of the standing committee of the House of Representatives on the Committee on Merchant Marine and Fisheries.

Sincerely,

FRANKLIN J. MALONEY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

EXTENSION OF REMARKS

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a description of the AMVETS Post in the House of Representatives.

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include an article.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ELECTION TO COMMITTEE ON FOREIGN AFFAIRS

Mr. HALLECK. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 299

Resolved, That FRANKLIN J. MALONEY, of Pennsylvania, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on the Committee of Foreign Affairs.

The resolution was agreed to.

ELECTION TO COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. HALLECK. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 300

Resolved, That MITCHELL JENKINS, of Pennsylvania, be, and he is hereby, elected a member of the standing committee of the House of Representatives on the Committee on Merchant Marine and Fisheries.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MACKINNON and Mr. LANDIS (at the request of Mr. HALLECK) were given permission to extend their remarks in the RECORD.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments have until midnight tonight to file a report on the unification bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on H. R. 3738.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committees in order on tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SNYDER (at the request of Mr. HOFFMAN) for 5 days, on account of official business.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. SADOWSKI] is recognized for 30 minutes.

OUR POLICY TOWARD GERMANY

Mr. SADOWSKI. Mr. Speaker, what has happened to our policy for Germany? Two years ago at Potsdam we had decided to render Germany powerless to wage another war; to eliminate her war potential; to destroy the war plants; to denazify Germany; to give Germany a decent living standard, but not superior to that of her neighbors. To make Germany pay reparations in capital goods; to decartelize her economy; and to punish her war criminals. What has happened to this policy? Have we made certain that Germany cannot wage war again? Have we made certain that German history will not repeat? These questions are being asked by not only the people of the United States but by the people of the entire world, and they are entitled to know the truth.

At the meeting of the Big Three at Potsdam, August 2, 1945, it was agreed to eliminate for all time Germany's war potential, and it was decided that the production of metals, chemicals, machinery, and other items that are necessary to a war economy be rigidly controlled and restricted to peacetime needs.

In practical terms this decision meant that Germany should develop her light industries, her agricultural resources, and export coal and other raw materials, the proceeds of which were to be used to pay for the needed importation of food and other items, thus relieving the American taxpayer.

Immediately after victory, high officials began to distort the Allied policy toward Germany.

As soon as this became apparent, General Eisenhower made it plain—in unmistakable terms—that all Allied officials must conform to the official policy adopted by the Big Three.

The same interests which defeated the Allied policy toward Germany after World War I, are again in favor of preserving German economic power intact.

During the war, Allied policy toward Germany was largely influenced by certain selfish British interests. In this respect, British insistence on controlling the Rhineland stems from the thought of nursing the Ruhr's assets as a joint British-German enterprise which would constitute an economic threat to the United States.

Two years of Allied occupation of Germany have produced the following results:

(a) Germany's heavy industry is largely intact and operating and planning for the whole of Germany from the western zone.

(b) The leaders of Germany heavy industries and finance—stanch supporters of the Nazi regime—have retained the full control of the German economic life.

(c) With the exception of those few now being tried in the United States zone, most of Germany's economic and political leaders have so far escaped justice.

It took Germany 12 years to defeat the reparations program after World War I; it took her less than 2 years to deny reparations to her 18 victim nations. A typical illustration is the fact that out of 1,557 plants earmarked for reparations by Allied authorities, only 6 plants intact were delivered to the 18 nations up to February 1947.

Gen. Omar N. Bradley, discussing recently the organization of the D-day invasion, said:

> Today it seems strange that in an operation as risky as a cross-channel invasion, we could keep that confidence in success—while in an undertaking as full of promise as peace should be, we surrender so easily to our doubts and fears.

It is tragic, indeed, that having organized the greatest amphibious invasion the world has ever known, we are now stricken by a paralysis in the organization of the peace. This is all the more ironic when we are the victors and the Germans decisively beaten on the field of battle.

For a moment the flash of victory in war seemed to lighten up the path to peace but, unfortunately, the glow of military victory no longer shines with the brilliance of 3 years ago. Today we are working in shadows, fumbling and groping, as though peace is some sort of hypnotic disease which numbs our senses, our courage, and our power to act. Today it is the Germans who have taken the initiative. They are no longer beset by fears and doubts. They know what they want and they are determined that the fruits of victory shall be theirs—not ours. This, too, is strange—strange because the victors had the means, and still do, to follow through their military triumph.

Policies were established at Yalta and Potsdam. Our Government formulated JCS–1067—all designed to complete the task of ridding the world of the cancer of German militarism. But policies are not enough. It takes men with sincere and courageous devotion in order to make those policies work. That is where we have failed. Many of the key officials responsible for the carrying out of our policies in Germany have never been sympathetic toward this program. They have distorted its meaning and have given priority to the rehabilitation of Germany's power over our long-term security requirements. I do not intend to mention all the men responsible but there are a few that I have in mind who you should know, because I believe their records to date will indicate one major reason why we are failing.

Mr. Robert E. Murphy, political adviser to the American military government, has been a consistent exponent for those who have regarded the Potsdam decisions as a handicap. Mr. Murphy is responsible for the policy in the United States zone, exempting half of the members of the Nazi Party from mandatory removal. It is these Nazis—members after May 1, 1937—and their cohorts, who form the basis of the Nazi resurgence. Mr. Murphy and a majority of the Denazification Policy Board, including General Meade and General Draper, are some of the individuals responsible for the mad haste to turn denazification over to unregenerate German nationalists and pan-Germans, so that military government officials can, in Army parlance, "go home."

Mr. Murphy and his cohorts are responsible for calling elections at a time when they could only solidify the power of these insidious forces. Mr. Murphy and his cohorts are responsible for the brush-off given sincere anti-Nazi, pro-Democratic Germans, seeking to assist honest military government. It was Mr. Murphy, who, as early as August 1945, barely 90 days after VE-day, calmly announced that denazification was substantially complete.

A side light to the work of denazification in the American military zone, i the fact that when investigators revealed that Public Law No. 8, promulgated by the Allied Control Council, which was designed to weed out Nazis from key positions, was a failure, Brigadier General Meade, a member of the Denazification Policy Board, ordered the report to be suppressed.

Another key official in the American military government is William H. Draper, chief economic adviser to General Clay. In early 1946 General Draper told newspapermen that he felt that Germany should be allowed to produce 10,000,000 tons of steel annually. But while General Draper thought that the Germans were entitled to 10,000,000 tons per year, the Allied Control Council knew very well that Germany could get along on much less steel. Consequently, they decided to permit Germany to produce 5,800,000 tons a year, approximately 42 percent less than the generous recommendation of General Draper.

It is interesting to note that General Draper's expertness on Germany stems from the fact that he is a vice president of Dillon, Reed & Co. This, of course, in itself does not impugn his ability to render outstanding services to his Government, but there is an unhappy coincidence in the fact that Dillon, Reed & Co. has had considerable financial dealings in Germany. This American banking house has been helpful on a large scale, in financing German industry since 1925. The German steel industry was a major beneficiary of these financial transactions. The biggest German steel combine, Vereinigte Stahlwerke, was a recipient of about $125,000,000 worth of loans floated by Dillon Reed. Is it strange, therefore, that General Draper should be concerned about retaining Germany's steel capacity in high gear?

But General Draper is not only interested in German steel production. It was under his direction that a group of economists, headed by Prof. Calvin B. Hoover, of Duke University, prepared a report immediately after Potsdam, which in essence, declared the Potsdam decisions to be unworkable. There is no doubt in my mind that not only does General Draper fully concur with this report but that it seems to have been deliberately conjured in order to discredit Big Three agreements in Germany.

Furthermore, the plans of General Draper and his cohorts were carefully laid. The Calvin Hoover report was the forerunner of several more so-called authoritative studies on the German situation culminating in Herbert Hoover's recommendations which seem to be the final nail in the coffin of Potsdam.

If we have failed in placing the right men in the right places, the British are most certainly not far behind. They, too, were committed to the program of Potsdam but the key officials who were appointed to carry out the decisions, view them as do their chief counterparts in the American zone of occupation.

Sir Brian Robertson, who holds an office in the British zone corresponding to that of our General Clay, has been in the position to thwart the implementation of thorough-going denazification and decartelization in the British zone.

Another British gentleman, Sir Percy Mills, until recently held an office similar to that of General Draper in the American zone. But who is Sir Percy Mills? He represented the Federation of British Industries which, in turn, is the counterpart of the Federation of German Industries and closely connected with them. In 1939, after Hitler had overrun Austria and Czechoslovakia, Mills made an alliance with the Federation of German Industries at Dusseldorf, known as the Dusseldorf agreement, whereby the British heavy industry and the Nazi industry agreed to divide the world markets in two spheres. Under this agreement, Nazi heavy industries received all of Europe and the British heavy industries obtained the monopoly in the British Empire. Interestingly, this agreement was specifically aimed at eliminating the United States from the export field. Like his colleague, Sir Brian Robertson, Sir Percy is also a bitter foe of effective decartelization and has been eminently successful in preventing the elimination of Germany's war potential in the British zone.

Since the execution of allied policy has been entrusted to the men I have mentioned, it is not surprising that the most powerful German industrial war lords have retained their power in spite of everything. For instance, let us take the case of Herr Ernst Poensgen, who was the brains behind German heavy industry for more than 30 years. In 1943 he was retired under the express orders of Hitler in order that his services could be utilized in the event of Germany's defeat. At the time of his retirement he was head of the Vereingite Stahlwerke. For his outstanding service to the Nazi cause, he was decorated by Hitler personally as the Wehrwirtschaftsfuehrer—the highest decoration awarded to Nazi tycoons. Because of his intimate tie-ups with British heavy industry, he was reappointed head of the Vereingite Stahlwerke a few months ago. Although he was a member of the Nazi Party, he was never denazified and instead of being indicted as a war criminal, he now plans the reconstruction of Germany's war potential.

Another notorious gentleman, Herman Abs, head of the Deutsche Bank, was given every facility to go through the British lines with seven billions of marks in cash, to establish business again in the British zone. Abs was even more powerful than Schacht during the Nazi regime. Ever since his reception by the British, he has acted as advisor on economics and finances to the commander of the British zone, Sir Shelton Douglas. It was Abs who was instrumental in granting a loan of 125,000,000 reichsmarks to Vereinigte Stahlwerke for the repairing of war-damaged plants.

Another favorite of the Military Government in Germany is Dr. Harold Rasch, who was former deputy director of the German Bi-Zonal Committee. It was he who conceived the plans for the procurement of RFC loans to Germany. It was he, who, during the war, was a high official in the Mannesmann Combine, chief looter of occupied Europe in 1940. There are many other key officials, American, British, and German who are today trying to resume business as usual, but I think that the examples cited are sufficient to give concern to all of us.

The German campaign, however, does not only work on the high levels of economics and international finance. It operates through every possible channel of information. Way back in June 1945, the Germans launched the popular slogan of "food for Germany." They had not forgotten the lesson of World War I, when German propagandists came to this country in droves and went up and down the land, pleading for the poor, helpless, starving, innocent Germans—concluding that the ramparts of western civilization were being attacked by eastern bolshevism, and that it was therefore the obligation of the Allies to help put the Germans back on their feet.

This propaganda was most effective and was one of the determining wedges through which the Germans were able to evade the disarmament clauses of the Versailles Treaty and obtain billions from the Allies for the rebuilding of their war potential.

This campaign was so effective that the German propagandists of World War II have not hesitated to employ it again. In June 1945, pro-German groups began to manufacture the food-for-Germany propaganda. In Chicago, for instance, the American Relief for Germany was organized; its sponsor—the notorious German-language newspaper, the Chicago Abendpost; its purpose—to raise money and to create sympathy for the Fatherland. A newspaper reporter present at this German rally reported as follows:

> I felt like I was attending a Hitler rally and I do not doubt that the meeting was organized by former members of the Nazi bund. The audience was composed of readers of the Abendpost and members of organizations which were formerly influenced by the bund.

Wild cheers greeted the statement at this meeting made by Herr A. F. W. Siebel, one-time president of the Germania Club, when he stated that Allied treatment was inhuman—that most Germans are kind and peace-loving and that all Germany's misbehavior was due to the the Versailles Treaty. Conversely, mention of General Eisenhower's name was greeted with booing.

Another organization which operated in this field at the same time, was the German-American Republican League, headed by Kurt Mertig. Mertig's infamous record of anti-Semitic, pro-Hitler activities is indicative of the forces

which were manipulating this so-called humanitarian project. As a founder of the notorious Citizens' Protective League in 1936, Mertig was able to use the league as a rallying spot for Bundists, and even non-German pro-Fascists. Mertig was also an active member of the Friends of New Germany, the forerunner of the German-American Bund.

Another special pleader in this insidious campaign was Theodore Hoffman, national chairman of the Steuben Society, which is today very busy in Washington, lobbying for the fatherland. Hoffman was a warm admirer and defender of Hitler and described him as an idealist. The Steuben Society was also actively opposed to American aid to Great Britain during the war and was a consistent supporter of Hitler's and Germany's policies.

It was these organizations and individuals who initiated the campaign for food for Germany, but once having set the movement in motion, these forces decided that more respectable leadership should take over. This has been done, so that today many well-intentioned organizations and prominent Americans are carrying forward their spade work. In reality, this crusade was the opening gun in a well-planned campaign of whining and pity, whose ultimate goal was the rebuilding of a strong and aggressive Germany. Once they were able to convince the American people that the Germans were starving, then it would be easy for more respectable people to come out with the proposition that we must rebuild Germany's industrial war potential in order that she may feed herself.

I should like to digress for one moment to point out that one prominent American who has been of inestimable value to the German cause, both after World War I and at the present, is Mr. Herbert Hoover. It was he who gave the German campaign of 1919 the halo of respectability. Today, Mr. Hoover is being used again for the same purpose.

The present campaign has succeeded to such an extent that many Americans have lost all sense of proportion. Our newspapers are replete with detailed reports about the so-called caloric deficiencies of the Germans today. Our lecture platforms are also being utilized by so-called experts who describe in detail the plight of the "poor" Germans. But what about Germany's victims, our allies—those who were bled white and who were starved for years by the "poor, poor" Germans? How strange it is that these heroic peoples do not get the same kind of attention. How strange it is that while the Germans have expert Americans who are more German than the Germans themselves, pleading their special cause, few Americans take up the tragic plight of Germany's victims.

An indication of American action with regard to the question of help to Germany and to our allies may be gleaned from the following statistics. I realize that statistics can be most boring but these figures are most significant. In the first 6 months of 1946, 926,519 tons of food were shipped to Germany, while only 55,000 tons were shipped to the D. P. camps. In this connection, I might add that the bizonal agreement signed by former Secretary of State Byrnes and Foreign Minister Bevin, specifically stated that the DP's could not expect to receive help at the expense of the Germans themselves. German farmers in this same period received 1,106,333 sacks of grain; 14,721 tons of seed; 22,085 tons of burlap; 45,528 tons of fertilizer. German publishers received about 13,500 tons of wood pulp. In addition to these shipments, tens of thousands of tons of food and goods were shipped to Germany from private agencies. In August 1946, for example, 1,305 tons of food and 123 tons of clothing were sent. I should like to point out that the total amount of supplies received by Germany from the United States of America during this period was equal to the gross amount of supplies received by the rest of Europe from this country. And, mind you gentlemen, the rest of Europe were our allies. Incidentally, we are now shipping a monthly average of 350,000 tons of food to Germany, part of which is lost in the black market, while German farmers defiantly withhold their own crops from the market. And let me remind you again, gentlemen, that this 350,000 tons of food per month for Germany is more than all of our allies combined received from us for the same period.

Right here it would be appropriate to bring to your attention an article that appeared in the New York Times this Sunday, July 13, 1947, by Delbert Clark from Berlin, stating that Dr. Josef Baumgartner, Bavarian Minister of Agriculture, who on March 4 belligerently criticized the United States Military Government and openly resisted the United States food collection program in Bavaria, is now the leading candidate for the top bizonal post of director for food and agriculture. Under the new government of western Germany, with the seat in Frankfurt on the Main, the bizonal executive committee nominates executive directors and the economic council in the role of parliament ratifies them. Quoting from the article:

> As for Dr. Baumgartner, one high United States official said recently the reason that he had not been punished for the March 4 speech was that it was a virtual paraphrase of a secret speech by Herbert Hoover to United States zone minister presidents in Stuttgart a short time before. Dr. Baumgartner was not prepared to supply a copy of Mr. Hoover's remarks, but it is a fact that at one point he quoted from that speech.

The other candidate for this important post is Hans von Schlange-Schoeningen sponsored by the British. He is a notorious Prussian Nazi thoroughly incompetent.

So, it is a choice between Satan and the devil.

Unlike her neighbors, whose farmlands were ruined and buildings and machinery burned and removed, Germany's farms and farm buildings, tractors, and machinery were practically untouched by the war. This has been verified by everyone who has been there.

Congress is entitled to know just why the food collection program from German farms has been so unsuccessful. Just who is backing Dr. Baumgartner, who sabotaged this program and is now being rewarded with the bi-zonal directorship of food and agriculture?

Our failure in Germany, however, can also be seen from the fact that contrary to allied agreements on the vesting and marshaling of Germany's external assets, very little has been accomplished. The problem of German external assets was examined by the Allied Control Council in Berlin in October 1945. The Council promulgated a law vesting and marshaling Germany's foreign assets. An External Assets Commission was set up which was supposed to have complete jurisdiction over this matter, but the External Assets Commission remains on paper only. The French, the British, and the Russians have bypassed this organization and have not even bothered to consult it.

Thus, in the negotiations with Switzerland on German external assets, the western allies agreed that the Swiss retain 50 percent of German assets in that country. The allied negotiators agreed to accept $58,000,000 worth of German gold in Switzerland, representing a small fraction of about $400,000,000 worth of looted gold sent by Germany to Switzerland. Our negotiators have agreed to permit the Swiss to determine what constitutes a German asset and what does not. Our negotiators have agreed that only property owned by Germans living in Germany or Germans subject to repatriation, be considered, which of course, excludes thousands of Nazis who have gone to Switzerland or to other countries, and all those who have cloaked for German firms for years. Our negotiators agreed to turn over 50 percent of German assets to Swiss firms possessing claims against Germany before verifying whether those firms are bona fide Swiss organizations and not agents or dummies for German big business. Our negotiators have agreed to exclude German Government property in Switzerland as subject to the terms of this agreement. Incidentally, a similar agreement was made with Sweden. It is quite obvious, of course, that these agreements represent an important victory for German cartels and preserves financial power abroad.

In the field of decartelization, the Allies have also permitted the Germans to retain their grip on the huge combines. The gigantic Siemens Electrical Trust, Vereinigte Stahlwerke, Mannesmann, I. G. Farben, and so forth, are still operating and there is no indication, in spite of our avowed intentions, that they will be effectively decartelized and their equipment delivered as reparations to Germany's victims. The Germans are very confident about the retention of these huge trusts. A case in point is that of Herr Dinkelbach, a leading financial adviser of the German steel monopoly during the Hitler regime. He was the go-between for Germany's industrial war lords and the Nazis. He was a member of the party and an organizer of German heavy industry for Hitler. Today, he is director of Iron and Steel in the British zone. On the 17th of January of this year, Dinkelbach reported to German and Ruhr industrialists on the future prospects of the work of decartelization. He said that

to begin with, four enterprises under British direction were to be decartelized, but he assured his colleagues that while these enterprises were to be divided completely into constituent elements, there would be no change in ownership. According to Dinkelbach, the four concerns would remain as juridical bodies but not as organizational bodies. Furthermore, he stated that 25 or 30 smaller groups into which they would be subdivided would eventually be rejoined under the North German Iron and Steel, control of which would be ruled by Herr Dinkelbach. In this capacity, he would not only be director of the whole concern on behalf of the British, but trustee for the shareholders and owners. Herr Dinkelbach, of course, has never been touched by the British denazification policy, and as a matter of fact, he has succeeded, by virtue of his position, in freeing 27 of the 31 high officials of the Vereinigte Stahlwerke who were previously arrested as notorious Nazis.

It is not strange, therefore, to note that despite the so-called threat of decartelization, shares are rising in the very businesses earmarked for this operation.

In the case of I. G. Farben, incorporated and incartelicized, while it is true that its leading managers at last are now in the dock at Nuremberg, there is no indication that Farben will be broken up completely. For a better explanation of this, I should like to refer you to two outstanding books which have recently been published, namely Treason's Peace, by Howard Watson Ambruster, and I. G. Farben by Richard Sasuly. When you study the disclosures made in these books, you will understand why I. G. Farben remains a threat to world peace at this late date.

In reparations, we have a similar picture of failure. Reparation deliveries from the western zones have been at a standstill for many months. This has been confirmed by the official reports of the Inter-Allied Reparations Agency located in Brussels. Out of more than 1,500 plants earmarked for delivery as reparations, only six full factories were delivered by February 1947. There has been no significant increase since then.

Closely bound up with the problem of reparations is the coal situation. Mr. Hoover complains that "we are supplying France with Ruhr coal which could be used for the manufacturing of exports in Germany." Actually, a similar situation obtains with respect to the delivery of coal to our wartime Allies, as in the case of reparations. France, for instance, has received a very small portion of the coal she was supposed to obtain. Whereas, at Potsdam, it was agreed that for a period of 8 months ending April 1946, Germany would export 25 million metric tons of coal to her neighbors, this program has not been met. As a matter of fact, less than one-third of the promised coal has been delivered. Today, coal shipments from Germany are very low. Moreover, whatever coal France receives today from Germany is paid for by the French, either in dollars or gold. It is evident, therefore, that not only is France failing to receive sufficient coal in accordance with the previous Allied agreements, but she is paying for whatever coal she does obtain, thereby draining her own meager financial resources.

Coal is the bloodstream of the European economy and so long as the Allies pursue policies which prevent a maximum distribution of German coal to the liberated nations, European recovery will lag and create unrest. In this connection, we should not forget that exports of German coal will not only help our wartime allies and relieve the American taxpayer of unnecessary burdens, but would also enable the Germans to obtain the funds to import foodstuffs and other necessities.

Experts who have made comprehensive studies of this problem have clearly pointed out that Germany's export market could be easily expanded to 60,000,000 tons of coal per year. These coal exports should produce a substantial part of the necessary exchange to provide for the imports considered essential to the German postwar economy.

It is most important to remember that the essential element for the rebuilding of the shattered economy of Germany's victims is coal.

In 1937, a normal year, Germany exported 45,640 tons of coal, coke, and briquettes. In 1938 the average hard coal production in the Ruhr was 416,000 tons per day. For the year 1947, the average daily output has been about one-half of this figure. The excuse that the low steel production is the cause for the low coal production is fallacious; the whole German mining industry requires about 290,000 tons of iron and steel products to mine 115,000,000 tons of coal per year, which would double the present output.

Since in peacetime Germany exported 45,000,000 tons of coal, it stands to reason that Germany can export 50,000,000 tons of coal per year, which would give her an income of at least $750,000,000, which she could use to pay for food and other imports.

From the very beginning of our occupation of Germany, coal was used as the weapon of the whole scheme to undermine our established policy towards postwar Germany. Contrary to popular belief, German coal mines have not been destroyed. According to British reports, out of 120 large mines in the Ruhr only 15 were damaged and all were repaired by the end of 1945.

The latest reports on German coal production, that is for the last month, June 1947, show that it has declined 20,000 tons per day. We are entitled to know what is wrong. France, Belgium, Holland, Italy, Sweden, Denmark—all the countries of Europe, are being held up in their recovery program because of this sabotage of German coal production The Germans have the manpower, they have the mines, they have the food. Why is not the coal being produced? Six months ago German miners received 500 food calories daily in excess of that received by Polish coal miners. Polish coal production has surpassed prewar production. German coal production is only 40 percent of prewar. The answer is obvious. German coal is being withheld deliberately, so that the allied countries will not manufacture their own iron and steel and revive their manufacturing industry. They must remain a European cow pasture, and Germany again will have the monopoly of European iron and steel production, and with it, the manufacturing industry and military might and power.

Remember this, you can have steel mills in France, Belgium, Holland, Italy, and so forth, but you cannot operate them without coal. The coal is in Germany. Before the war, Germany maintained an industrial monopoly in Europe because she controlled the European coal. For instance, France had steel mills, but was compelled to send her iron ore to Germany and then pay Germany through the nose for the manufactured iron and steel products, because Germany denied to France a sufficient amount of coal.

This same policy applied to all the other European countries. Thus they were made to be dependent upon Germany. And so it was that Germany became an industrial giant, and her neighbors were reduced to agricultural peasants.

In the field of reeducating the Germans, again failure seems to hang over our efforts like a black cloud. From reports we learn that the officials in charge of this work have admitted that there is no policy whatsoever, except in a negative sense. In other words, much of our educational efforts run along the line of attempting to refute what the Russians tell the Germans. I know that refutation is far from sufficient in the reeducation of the German mind, which has been poisoned with militarism and superrace concepts since Bismarck. German youth is still saturated with this dual ideology. Tragically, there is no indication of any well-planned program for overcoming this short-sighted approach.

This brief outline of the situation in Germany today is not a promise of peace. It is, on the contrary, the indication that we are on the road to a new and more frightful catastrophe.

Like obedient puppets, the Allies are carrying out the wishes of the Germans. They have asked for the preservation of their industrial might; we have assented. They have raised the cry of "food for Germany," and without any hesitancy, and in complete indifference to the plight of our wartime allies, we rushed tons of food to the Germans in spite of the fact that the German farmers are actively sabotaging food deliveries. They have asked for the revision of the level of industry; we have assented. They have asked for the withholding of reparations; we have assented. In short, we are voluntarily assenting to commit the blunders of 1919—blunders which cost our people thousands of lives and billions of dollars.

Now, to top it all, on yesterday, Robert Moses, New York construction coordinator, left Germany for New York after spending 3 weeks in Germany on a study for rebuilding destroyed German cities. He will make recommendations and submit plans for the rebuilding of German cities. Now is not this something! How happy the people of Warsaw, London,

Rotterdam, Stalingrad, and Lidice will be to read this news!

The strange part of this tragedy is the fact that we really are not helpless; that we do have a program for the demilitarization, denazification, and disarmament of Germany. Yes; we do have a program, but those who are supposed to carry it out regard it as obsolete, unworkable, dangerous. In this talk I have shown, however, that the discarding of our original policies was not accidental. Yet, in the long run, so long as we live in a democracy, the people must bear the chief responsibility. So long as they remain apathetic, the powerful drive to rebuild German power shall continue. So long as the people remain indifferent to a tragedy which is happening before their eyes, then that tragedy will unfold to its logical conclusion.

The hour is late, but the fight for peace and security can still be won. It remains for all of us to join hands as we did during the war years, and demand that our Government get back on the right track. Yes; we want a democratic Germany, and not a powerful militaristic Germany.

There is little reason to believe that the Germans are becoming democratic. Nazis in power—the report by the International Committee to Study European Questions, a committee composed of most distinguished experts, states that the Nazis are getting back into power by the simple expediency of placing their men into the democratic institutions created by the Allies. They report that Nazism is as alive as ever. And they add, that Germany has enough hidden assets in foreign countries to pay for all food imports for 3 years. It is surprising that our press ignored this report, but gives much space to the Pan-German defiant utterances of such fanatical German leaders as Kurt Schumacher, the Social Democrat, and others who act as if Germany were an innocent virgin, deserving of every consideration.

The Gallup poll of February 7, 1947, indicates that the overwhelming sentiment among the peoples of five allied nations—the United States, Great Britain, Canada, Holland, and France—is that the warlike ideals of Germany have not been rooted out, and that she will one day become an aggressor nation again.

In the last 25 years we have had to fight Germany twice. In the last 200 years all of Germany's neighbors have been the victims of German brutal aggression and militarism. There is always a German leader—Frederick the Great, Bismarck, the Kaiser, Hitler, and now there is Herr Kurt Schumacher. He will bear watching.

Do you know, Mr. Speaker, that it is the policy of the State Department not to issue passports to Congressmen or Senators who desire to visit Germany and see for themselves what is going on, unless the War Department approves the passport? What is up? Why this secrecy? Did we, the Congress, abdicate our foreign policy to the big-business interests, cartellists, and the War Department?

Mr. Speaker, I formally request that before this Congress adjourns a strong congressional committee be appointed to thoroughly investigate our entire German policy and to see that demilitarization, denazification, decartellization are carried out, and that Germany's war potential is destroyed and that she remain powerless to wage another war.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. O'KONSKI). Under previous order of the House, the gentleman from California [Mr. PHILLIPS] is recognized for 30 minutes.

AN AMERICAN FOREIGN POLICY

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a translation of a cable report from London to a Norwegian paper, and that I may also include a list of the nations of the world to which the United States has furnished either money aid or other aid since the end of the fighting war.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. It has been my intention for some time to call to the attention of the House the preliminary report of the Committee on Foreign Affairs, the subcommittee on Foreign Economic Policy, and to congratulate the committee on that report. I commend it to the attention of the Members of the House.

The other day the gentleman from Arkansas [Mr. HAYS] discussed on this floor certain aspects of the international situation. He called attention to the statement of Mr. John Foster Dulles, which was quoted in the New York Times. The comments were in the report of the Commission on a Just and a Durable Peace, appointed by the Federal Council of Churches of Christ in America. The New York Times said that the commission called for "a United States foreign policy primarily composed of moral ingredients," and the gentleman from Arkansas called attention to one of the most significant sentences in the report:

> Whatever the views of the American people about the military aspects of national defense, they should make clear that they do not put primary reliance upon material defense. Our chief reliance is upon a moral offensive.

During the remarks of the gentleman from Arkansas, the gentleman from Illinois [Mr. DIRKSEN] made a statement, the serious truth of which is just now beginning to impress itself upon the entire Nation. He said:

> We are getting exactly nowhere; we are very nearly back today to the point where we were when hostilities ended in 1945.

It is neither right nor proper that anyone should stand upon this floor and waste time in pointing the finger of blame for such a situation. The gentleman from Wisconsin [Mr. KEEFE] made a very enlightening statement during the remarks of the gentleman from Arkansas. The gentleman from Wisconsin spoke of the hearings before the Deficiency Subcommittee of the Committee on Appropriations, of which latter committee both he and I are members. He spoke of the difficulties, familiar to all of us, encountered in getting accurate or even understandable information out of the people who come before the Committee on Appropriations on matters having to do with international problems. The gentleman from Wisconsin said this:

> I have not been able to get a single answer from anybody, from the State Department, or any other place, for the simple reason, that they do not know.

This is the incredible conclusion to which anyone must come who attempts to draw some basis in fact from the statements on American foreign policy.

It seemed to me that the most pertinent comments, during the remarks of the gentleman from Arkansas, were made by the gentleman from California [Mr. NIXON]. He pointed out that a very eloquent plea was being made for bipartisan cooperation on foreign policy. He reminded the Congress that we have actually had bipartisan cooperation. Then the gentleman from California asked this question:

> I should like to ask this: Does the gentleman not feel that a true bipartisan foreign policy means that it must be bipartisan in its inception and creation, as well as in its execution?

I am not talking idly, Mr. Speaker. I hold in my hand an illustration of the sort of thing the gentleman from California [Mr. NIXON] must have had in mind when he spoke. I suggest, as frequently pointed out on this floor, that it is a bit hard for the membership of this Congress to keep from being confused by the various plans and doctrines, about which we read in the public press. It is even harder to make plans and programs coincide, when released to us, at different times, by the same person.

General Marshall, as the United States envoy to China, believed that some sort of cooperation should be required of the representatives of the Chinese Government and the representatives of the Communist forces in China. Secretary Marshall, as the envoy of the United States to Europe, believes that we should stand against all communistic encroachments, and that we should support and cooperate only with those nations who are willing to take a firm stand with us against communism. I gather this is the Truman doctrine, as clarified in the Marshall plan.

Since graduation day at Harvard, we have Dr. Marshall with us, and I am curious to see if the good doctor agrees with the Secretary, or with the general. I hope his doctorate retains its luster longer than the foreign policy of the United States has remained unchanged historically.

Here is the illustration, Mr. Speaker: This is the cabled report the Norwegian paper—Dagsavisa—had from its London correspondent:

> Inasmuch as the British Government has now definitely stated that it has no intention to seek any American loan for itself, it is up to America to take the initiative. It is known that while England and other European countries need loans from America owing to their dollar shortage, America herself needs to invest dollars abroad. England would be in a better position, however, if the offer comes from the United States.

Mr. Speaker, I call your particular attention to this, which was emphasized in the dispatch:

Dagsavisa's correspondent has ascertained that there have been certain American feelers regarding an American proposal of taking over the total expenses of British occupation troops in other parts of the world, including Germany, Austria, Greece, and the Near East.

Dagsavisa is a conservative paper, and the leading newspaper of Trondheim, Norway. The quotations are exact translations from the issue of May 30, 1947. This was a page 1 item, from the paper's own London correspondent. The remainder of the dispatch was as follows:

However, since the British Government for time being is intent upon getting along in its national economy without a new dollar loan, and inasmuch as the present dollar credit is expected to be exhausted inside a year, severe savings will be put into effect in England. One of the first measures is a further cut in imports from countries with "hard currency," America and Sweden included. Such cuts may be put into effect within a couple of weeks.

They were put into effect. The news item concludes:

When the dollar loan is exhausted, a sharpened economic crisis is expected. At such a time, it is held in London, however, that America will have offered several European countries loans of dollars in order to keep American exports going.

This is important, Mr. Speaker. If there is to be cooperation between the legislative and executive branches of this Government, in what I sincerely believe to be the Nation's time of greatest crisis, then I ask, with the gentleman from California [Mr. NIXON], Should not a true bipartisan policy be bipartisan in its inception and creation, as well as in its execution?

Should not the State Department take the Congress, or some committee of this Congress, into its confidence, before it proposes so freely, without consulting the people, to take over the total expenses of British occupation troops in all parts of the world?

I am not opposed to helping Britain. I am opposed to the free handing out of the productive capacity of the United States, which is what we are actually giving or lending, to any nation, including Britain, unless we know what we are doing, and why, and where, and on what terms. I do not believe that is effective aid, nor do I believe it will bring happiness to the people, nor peace to the troubled world.

The United States is a liberal nation; liberal in its thought and in its ideals; and liberal with its money. I asked permission to include with this statement a list of the 59 nations of the world, to which the United States has given aid, in some form or other, since the end of the shooting war. I copied it from a little bulletin put out by Prentice-Hall, Inc. It is a most illuminating statement. Please note, Mr. Speaker, that there are only 9 nations which have not received aid of some kind from us since the end of the war. These are Afghanistan, Bulgaria, Ireland, Luxemburg, Rumania, Siam, Sweden, Switzerland, and the Union of South Africa.

The 59 nations to which we have furnished aid are as follows:

	Thousands of dollars
Albania: through UNRRA	40,502
Argentina: Cultural and technical aid, bank credits	297
Austria: Supplies, bank credits, surplus property	63,000
Australia: Lend-lease and fixed war installations	54,894
Belgium: Loans, lend-lease, surplus property	494,000
Bolivia: Cultural and technical aid	245
Brazil: Bank credits, cultural and technical aid	70,680
Burma: Lend-lease	11,000
Canada: Alaska highway	128,312
Chile: Bank credits, cultural and technical aid	42,195
China: Export-Import bank credits, surplus property, lend-lease	1,482,793
Colombia: Bank credits, cultural and technical aid	859
Costa Rica: Inter-American highway, cultural and technical aid	1,540
Cuba: Cultural and technical aid	190
Czechoslovakia: Export-Import bank credits and surplus property	31,304
Denmark: Export-Import bank credits and surplus property	40,000
Dominican Republic: Cultural and technical aid	75
Ecuador: Bank credits, cultural and technical aid	1,288
Egypt: War installations	11,800
El Salvador: Inter-American highway, cultural and technical aid	327
Ethiopia: Export-Import bank credits and surplus property	4,000
Finland: Export-Import bank credits and surplus property	92,500
France: Export-Import bank credits and surplus property	+1,950,000
Germany: Supplies	400,000
Great Britain: Loan, surplus property	+4,400,000
Greece: Economic assistance, UNRRA, lend-lease, surplus property	790,000
Guatemala: Inter-American highway cultural and technical aid	627
Haiti: Cultural and technical aid	86
Honduras: Inter-American Highway, technical and cultural aid	418
Hungary: Surplus property	15,000
Iceland: Fixed war installations	65,000
India: Surplus property	50,000
Italy: Economic relief, Export-Import Bank loans, special considerations	538,000
Iran: Surplus property, lend-lease	30,000
Iraq: Educational aid	41
Japan: Supplies	267,000
Korea: Supplies, surplus property	62,000
Lebanon: Educational aid	90
Liberia: Civic improvements	20,200
Mexico: Bank credits, cultural and technical aid	87,574
Netherlands: Export-Import Bank credits, lend-lease, surplus property	377,384
New Zealand: Surplus property, war installations	5,707
Nicaragua: Inter-American Highway, cultural and technical aid	2,430
Norway: Export-Import Bank credits, lend-lease	56,500
Panama: Inter-American Highway, cultural and technical aid	47
Paraguay: Cultural and technical aid	38
Peru: Bank credits, cultural and technical aid, war installations	2,930
Philippines: War claims	695,000
Poland: Export-Import Bank credits, surplus property	90,000
Portugal: War facilities	(1)
Saudi Arabia: Export-Import Bank credits, surplus property	12,000
Spain: War installations	136
Soviet Union: Lend-lease	250,000
Syria: Educational aid	10
Turkey: Economic and military aid, Export-Import Bank credits	270,000
Uruguay: Surplus property, cultural and technical aid	733
Venezuela: Cultural and technical aid	144
Yemen: Surplus property	1,000
Yugoslavia: UNRRA aid	(1)

[1] Value undetermined.

While we are on this subject of figures, and of money, suppose I give you a few more statistics:

The national debt as of June 19, 1947, was $257,257,391,869.

You will observe it has begun to come down in the last 6 months.

We have a National income of about $190,000,000,000. We talk about a national budget of $33,000,000,000 and we add emergency appropriations each day the Congress stays in session. We appropriate for "world recovery" and we appropriate for defense and for the demands of the armed services.

We have advanced $5,950,000,000 to the World Bank, and the Bank has loan requests for $2,550,000,000. That leaves the bank $3,400,000,000, which is less, Mr. Speaker, than the amount we loaned one nation, Britain, ourselves.

Of the British loan, of $3,750,000,000, about $2,000,000,000 or more than half, has been exhausted in 10 or 11 months for food and housing demands, not for rehabilitation of the British economy. Britain now proposes to curtail tobacco purchases, and American films, and to buy wheat elsewhere, which is a good idea, as the purchases evidently had some relation to rising food costs here, and to turn to eastern Europe for other food items.

The German territory occupation costs, in the Anglo-American zone alone, are $600,000,000 a year. This suggests a minimum of $2,000,000,000 ahead. Some of this might be recovered (a) by production in Germany, and (b) by peace treaty stipulations, but I am old enough, Mr. Speaker, when I think of the latter course, to remind the Congress of the Young-Dawes attempts of a quarter century ago, and their unsatisfactory results.

It would be conservative to estimate that the Truman-Marshall program would cost the United States before this Congress expires on January 3, 1949, at least $12,000,000,000. That would include the following: To the Near East, to Europe, $1,000,000,000 each; to France and to Germany, $1,500,000,000 each; to England and to China (including Korea), $2,500,000,000 each. I allow $2,000,000,000 for emergencies. Total, $12,000,000,000.

We propose, in the next few days, to appropriate:

For European relief (post UNRRA)	$332,000,000
For Greek-Turkish aid	400,000,000
For the costs of occupation aid	525,000,000
For our costs in IRO	71,000,000
A total of	1,328,000,000

Of the aid furnished Europe since VE-day, figured on dollar purchases, Europe has used 14 percent for reconstruction and 86 percent for food and for nonessentials, in which I include tobacco, films, and cars.

On April 23, in speaking on this subject, you will recall, Mr. Speaker, I quoted from various European newspapers and their editorials on the President's speech. This was the speech which gave the Truman doctrine to the world. You will recall that considerable concern was expressed in all the papers I quoted, both liberal and conservative. This concern still exists regarding the Marshall plan. The London Observer said editorially, on June 22:

> Europe is offered (in the Marshall plan) even larger amounts of dollars, just at the moment when dollar asphyxiation is imminently threatening, on one condition: That this time the dollars should be used on a joint program that really provides a cure.

Another editorial in the same paper recently stated:

> Nineteen hundred and forty-eight is Presidential-election year in the United States; no favorable decision can be expected from America during that year.

This is a serious charge, Mr. Speaker, to a Nation which has strained its resources to help save and feed and reconstruct the world. It does not suggest an unreserved acceptance of the present foreign policies of the Administration.

The simple truth of the situation is, Mr. Speaker, that 26 months after a dishonest armistice, the world is still at the crossroads. The logic of the Soviet sabotage stands naked for all people to see. The free nations of the world are forcibly reminded of the fact that peace can never be built where there is no common agreement on the fundamental moral issues of life, liberty, and the pursuit of happiness.

Moral realism may be a tough medicine to take, but it is the only way to heal the world and unite the nations in a common effort for world peace. Our ineffective relief programs have collapsed because our leaders overlooked the basic fact that world recovery can only spring from a spiritual and political rebirth in each individual nation.

We should admit frankly that the postwar international house was built on sand. The international organizations since VE-day have been built on the sands of compromise, make-believe, and outright dishonesty. I regret that I am compelled to admit that our own Government has been a party to this moral fraud on the international scene. We have believed that an unending stream of billions of dollars would buy recovery and settle the peace.

This moral fraud was first imposed on the American people by the false prophets of the Office of War Information. They began to advertise the Soviet tyranny as a democracy. They even called it a more advanced democracy than our poor capitalist America. This was the song of Russia. This was the new world of the Soviet. This was the country of the common man, as preached by Soviet agents and fellow travelers.

At Tehran and Yalta, this preposterous lie became an official American policy.

It is a sad commentary on our world leadership that a strong and free America ever stooped to sign the Tehran, Yalta, and Potsdam agreements. After all, let us meet the insane Soviet's overestimation of themselves by simply stating the historic facts that while Great Britain alone faced the Nazis, that band of international plotters called the Politburo lived up to the letter of the sinister Molotov-Ribbentrop Pact without which World War II could never have begun. The Kremlin is guilty of making the Nazi war possible. Further, let us also record for the record that but for American military power and American industrial power, the Soviet Union would have prevailed.

Why should we not destroy at once this Soviet myth and get back to the clear daylight of historical reality. Let us once and for all have done with the dangerous after-effect of the lies of our own leftist propagandists. Let us respect the maltreated Russian people themselves, who even now must suffer the indignity of the Stalin-Molotov regime.

Looking back upon the last chaotic years of total war, and the consequent international anarchy, it becomes clear why we have come perilously close to international disaster. As the elected representatives of the American people, we are here to acknowledge the self-deception of the postwar American policy, and to warn all of our citizens that what the world now needs is a rebirth of Christian leadership and of moral courage in international affairs.

No billions of dollars can save the world from catastrophe. No perennial handouts can make the world recover. No dollar credit can make up for the moral debit of the postwar situation.

The United States has been dangerously generous in its assistance to postwar relief and rehabilitation. The unselfish help which our people have given to a crushed world is without parallel in human history. For most of it we have not even received a decent amount of gratitude. From the Kremlin we have heard nothing but vilification of our motives. America is about fed up with the distortions of the Kremlin. The ship of world recovery has sailed into Soviet headwinds.

It is imperative that we scrutinize the true reasons for the failure of world recovery. In spite of all we and other freedom-loving nations have done, world recovery seems to be slipping from our hands.

Have we been misguided in our policies? Have we been too extravagant and careless with our reliefs? Have we misunderstood the whole problem of world recovery? What immediate action are we prepared to take to recover lost time and to establish world peace on a true and honest foundation? First, Mr. Speaker, let us understand that whatever international postwar organization one mentions, it is found that the United States plays a major and loyal part in it. It is almost superfluous to add that the United States, in practically all cases, is paying the major portion of operational and administrative expenses. Here is a brief list of international organizations which enjoy American participation and assistance: the United Nations, the World Bank, the International Monetary Fund, the International Refugee Organization, the International Emergency Food Organization, the International Trade Organization, the International Civil Aeronautics Organization.

As I read that list, I think of at least a half dozen that I have not included in it.

From the majority of these international organizations, the Soviets are missing, having decided that their philosophy precludes any real international cooperation where a Soviet veto cannot be enforced. This fact in itself should have opened our eyes to the truth that Moscow is not wholeheartedly interested in the economic or social recovery of a broken world. Stalinism feeds on misery and glories in human despair.

If any further proof were needed to prove this fact, the Soviet behavior within UNRRA tells an unbroken story of power politics in relief, with England and America paying the bills. If anyone feels that UNRRA has been maligned more than it deserves, then this must be charged to the fact that the western governments never had the courage to inform their people of the day by day intimidations and pressures which the Soviet Union forced upon UNRRA leadership. It was inevitable that UNRRA should become the scapegoat, since our own administration kept up the pretense that all was well between the east and the west.

Yet even if UNRRA was permitted to deteriorate in to little more than an Anglo-American soup kitchen for Soviet occupied eastern Europe, without credit being given to the source of the relief, I doubt if American humantarianism would seriously regret it, because through UNRRA millions of human lives were saved from starvation. To the people of America, human relief has never been contaminated by political malice.

UNRRA ended its historical life on June 30. It will be remembered as the great humanitarian dream which was stymied within and without, blocked and frustrated by Soviet sabotage abroad, and the leadership of many of the Soviet's friends and fellow travelers at home. It was a tragic and expensive lesson, but it now appears to have been an unavoidable lesson.

UNRRA is also an instructive example of how any international organization tends to become irresponsible and inefficient by the very fact of being international; that is, not responsible to any government, and not liable for a rigid accounting to any supervising body. It is a question in my mind, Mr. Speaker, whether human psychology can ever become internationalized, in the sense of

being responsible to all governments when it is not responsible to any government in particular. We have well established authority for the axiom that a man cannot serve two masters; certainly he cannot serve many masters.

Certain safeguards have been written into the constitution of the World Bank and the International Monetary Funds. It remain to be seen how they will work.

It is now obvious to the world that Mr. Molotov went to Paris with the idea of making the new Marshall plan over into another prolonged UNRRA experiment. Just as Moscow never contributed anything to the UNRRA relief program, but kept on dominating UNRRA policies, and taking credit for the relief, so the Kremlin would like to have the United Nations continue to play a benevolent fool on the international stage, while the commissars direct the play behind the scenes or, as the case might be, simply stop the play.

It will not help world recovery to internationalize American assistance by taking authority away from the American Government and throwing it to a few international functionaries. Moscow does not operate that way. Neither is Washington minded to operate that way in the future. At long last, our people themselves have forced their Government to realize that truculent and insulting Soviet puppets have no right to expect help from a democratic nation which still believes in human dignity. Let the Titos, the Dimitrovs, and their friends cry on Molotov's shoulder. If they need a wailing wall, as well they might, let them go and wail before the wall of the Kremlin. Since when has it become a national policy for an independent and great people like the American Nation to appease and assist world communism and its dictators in Soviet-controlled areas?

Above all, let the world at long last grasp the meaning of the overlooked fact, that the postwar Soviet Union today is an industrial vacuum, as I said once before on this floor. Let there be an end to the Soviet myth. Let the curtain fall for the Soviet bluff, which tries to cover up the fact that the Soviet Union is short of everything except political intrigue and deceptive propaganda regarding its own strength. May I suggest, Mr. Speaker, that in this new atmosphere of international realism and truth, Mr. Stalin may begin to grasp that one cannot fool all of the people all of the time.

AN AMERICAN POLICY

In conclusion, Mr. Speaker, there must be a constructive and politically wise American foreign policy. I suggest for your consideration the following six-point program:

First. The aim of American assistance, to any country, must be recovery and not relief. The United States must encourage such nations as are ready to work their own way to economic recovery. This applies to big nations and to small nations. It is in the interest of world peace. I prefer to call it the American plan, rather than the plan of General Marshall, or Secretary Marshall, or Dr. Marshall.

Second. The United States must be particularly watchful to prevent our own Nation from becoming weakened economically. This is the Soviet's game, and the success of any program, whether it be through our generosity or our shortsightedness, would simply be to permit Moscow to challenge the freedom we proclaim and protect. This is in the interest of keeping freedom alive and strong.

Third. The United States must plan at once for the recovery of German industry, to work for all European nations adhering to freedom, and to work for the establishment of a German economy which will permit a decent and ample livelihood to the German people, while they remain on the road to self-government and self-respect. This German recovery must be worked out in cooperation with France and with Great Britain, and with all democratic peoples of Europe who traditionally have depended upon German trade. This is in the interest of European recovery.

Fourth. The United States must exemplify to the world the much needed truth that the free flow of commerce means economic happiness for all nations which are willing to trade with other nations in peace. To this I add, Mr. Speaker, that I hope the State Department will not interpret this suggestion to mean that American agricultural products must be used as the only trading commodities, in all international trade negotiations.

Fifth. I suggest that American domestic and foreign policies are interdependent and that a bipartisan foreign policy, therefore, cannot long survive, if the domestic policies are treated by the administration as political issues for partisan politics. This has been one factor which has handicapped postwar recovery, and until the administration is willing to demonstrate its desire for a bipartisan policy, and not only to ask for one, this will be a factor which will delay the peace.

Sixth. Finally, Mr. Speaker, and most important of all to me, as I also said on this floor on April 23, the American Government, while living up to its pledge to the United Nations, the World Bank, and other postwar peace organizations, must retain the right to operate its world policy and world economic assistance in conformity with historic American principles and, if need be, through such American organizations and institutions as this Government may find most suitable for such purposes.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 hours.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters and other material regarding the veterans.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I asked for 3 hours tonight in which to discuss veterans' legislation, the legislation that has not been allowed by the leaders to pass the House of Representatives. I am prepared to remain those 3 hours. It is very late, Mr. Speaker, and the Members have had a long day, and I am thinking particularly of the personnel of the House. I remember, Mr. Speaker, that during the war we had many evening and even night sessions in order to secure legislation that we might order the matériel of war to send to our men in the fox holes abroad, to send to the men in the mountains in Italy, to send to the men on ships at sea—ships, submarines, airplanes, jeeps, and everything else that goes with a war. We never considered then whether the Congress was working late or whether the personnel was working late.

I remind you, Mr. Speaker, that there are many young men here tonight who, if we should have another war, might have to go, and we would be legislating late for those boys in order that they might have the matériel of war with which to try to protect themselves and protect the country. What do they think now about the boys we promised so much to when we have sold war supplies with the assurance we would give them every care when they came back.

I remind the House, Mr. Speaker, that we have just as great a duty to our disabled veterans, the men who have paid the price of war, as we had to send those men matériel of war with which to fight. We owe them hospitals, all kinds of prosthetic appliances and training equipment, and education, and houses.

Mr. Speaker, this is the first time anyone has had 3 hours in which to discuss veterans' legislation. I remind the House that it is a very unusual thing to have to ask unanimous consent for 3 hours in order to bring to the attention of the House the measures the House Committee on Veterans' Affairs has reported out of the committee to the House, the measures that have gone to the Rules Committee for rules and have not been granted rules. I remind the House of the number of times I have asked the leadership on both the Republican and the Democratic sides to allow some of the very important legislation that has been unanimously reported out of the Committee on Veterans' Affairs and which was endorsed by all the veterans' organizations to come up by unanimous consent or to come up under suspension of the rules. But those requests have not yet been granted.

It has been rumored, Mr. Speaker, that we are adjourning on the 26th of July. There are a very few days left in which to pass necessary legislation, but there is plenty of time to pass that legislation. It is my recollection that year after year veterans' legislation has been almost the last to pass the Congress. We talk about the veterans, we even cry about them; the Congress does not consider their legislation until the closing days of the session. We do not give their legislation enough time for debate.

What is the answer, Mr. Speaker; why is there discrimination against the veteran? Why do the veterans come first in war and last in peace? Next year is too late. What can Members who ran for Congress on help to veterans say when they go home?

Mr. Speaker, this legislation must not be called up too late.

SPECIAL ORDERS GRANTED

Mr. Speaker, many members of the Committee on Veterans' Affairs have asked for time to speak with me during these 3 hours. Most of them have had to leave. They expected to speak last evening and they have work to do tonight of great importance and out of consideration for them, I ask unanimous consent that I may have 3 hours Thursday night, 3 hours Friday night, and 3 hours Saturday night, in which to discuss veterans' legislation. They can then make their plans to stay.

The SPEAKER pro tempore (Mr. O'KONSKI). Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to emphasize the point I made before, and that is in the cashing of the terminal-leave bonds, the legislation on which passed the House a few days ago, that the country will save money in interest. Beyond all that it is an obligation owing to the enlisted veterans. The officers had this privilege, and it is only fair to grant it to the men who served under them. Last year the House passed legislation which would allow the men to cash their terminal-leave bonds at once. However, the passage of this legislation should in no way jeopardize or interfere with the enactment of legislation for the disabled veterans or for legislation which would help certain veterans under the GI bill of rights. Under the GI bill of rights we made contracts with the veterans that must be fulfilled. They need the benefits today, not next autumn or next year. Next year is too late. For the disabled, the war is an ever-present reality which pain does not let them forget. It is hoped that the veterans will get pleasure and comfort in the right to cash their bonds. Many of them need it so badly. It is to be hoped that other much-needed legislation will pass before it is too late. I remind the House that there are various bills for the veterans before the Committee on Rules today. I remind the House that there are other ways of bringing up veterans' legislation, such as suspensions, unanimous-consent requests, and so forth. The time is very short, but not too short to secure the passage of that legislation. It has been indicated by leaders of the House that legislation would pass before we adjourn. Are these idle promises? That should be the "must" legislation in this session of Congress. I do not believe any Member of Congress wants to go back home and tell the veterans that this Congress has done practically nothing for the disabled veterans. The record speaks for itself.

Mr. Speaker, the following three bills have been enacted into law:

H. R. 1353, which was passed by both Houses of Congress, and was approved on February 21, 1947, is now Public Law No. 5. This law repealed the time limit for reinstatement of National Service Life Insurance and permitted World War II veterans to reinstate their insurance without the necessity of a physical examination.

H. R. 1327, passed by both Houses and approved on April 15, 1947, is now Public Law No. 34. This law provides for a renewal for a fifth 5-year period of Government life insurance under the 5-year level-premium term plan for World War I veterans. Had this law not been enacted, approximately 30,000 World War I veterans would have been obliged to drop their Government insurance.

H. R. 1844, passed by both Houses and approved on May 21, 1947, is now Public Law No. 83. This law permits the Administrator of Veterans' Affairs to grant easements of lands belonging to the United States which are under his supervision and control. It will obviate the necessity of introducing a special bill every time such an easement is required.

House Joint Resolution 196, passed by both Houses—in the Senate as Senate Joint Resolution 115—was approved on June 14, 1947, and is now Public Law No. 91. This authorizes the Administrator of Veterans' Affairs to continue the offices of his department in the Republic of the Philippines. Under existing laws the right to so function would have ceased at the end of the fiscal year of 1946–47. The new law extends operations for 1 year.

H. R. 3060, passed by both Houses—S. 1135 passed in the Senate—was approved on June 14, 1947, and is now Public Law No. 94. This law extends for 1 year the authority now given to the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years.

H. R. 2368, passed by both Houses, was approved on June 26, 1947, and is now Public Law No. 115. This law increases the appropriation for revolving fund from $1,500,000 to $3,000,000 for the purpose of making loans by the Veterans' Administration (not to exceed $100) to service-connected disabled veterans of World War II who are undertaking vocational training. The fund of $1,500,000 was insufficient for the prevailing load, and many disabled veterans were unable to borrow from the fund.

The following bills have been reported to the House, but the bills have not been allowed to come up for action.

The Kearney bill, H. R. 246, was reported from committee, unanimously, on February 26, 1947, under Report No. 77. The Committee on Rules has been requested to grant a special rule for its consideration and a hearing upon that request was held on May 22. No decision has been reached to date. A discharge petition is upon the Speaker's desk, but sufficient names have not been obtained. This bill would increase the ceiling of wages for those veterans undergoing on-the-job training, as follows: Veteran without dependents, $250 per month; veteran with one dependent, $325 per month; veteran with two or more dependents, $350 per month.

The Meade bill, H. R. 3888, was reported from committee on June 20, 1947, under Report No. 620. This measure applies distinctly to those veterans attending school under the Servicemen's Readjustment Act, and increases the subsistence allowances as follows: Veteran without dependents, $65 per month—same as at present—veteran with one dependent, $105 per month, plus $20 for the first child and $15 additional for each additional child.

The Talle resolution, House Concurrent Resolution 54, was reported from committee on July 2, Report No. 714, and is now upon the Consent Calendar of the House. This resolution provides for the use of Schick General Hospital at Clinton, Iowa, by the Veterans' Administration. This hospital has been abandoned by the War Department, and its use is recommended as a domiciliary home for veterans of that area. Rules Committee reported a rule for consideration on July 3, 1947.

The Ramey bill, H. R. 3308, was reported from committee on May 21, 1947, Report No. 396, and has been on the Consent Calendar since that time, having been passed over without prejudice three times. It would increase the minimum subsistence allowance payable to service-connected disabled veterans who are attending school.

The O'Konski bill, H. R. 3961, was reported from Committee on Veterans' Affairs on June 25, 1947, Report No. 690, and passed the House (unanimously) on June 30; in the Senate this bill has been reported favorably and is now upon the calendar awaiting consideration. It provides for a 20-percent increase in the pensions now received by Spanish-American War veterans and their dependents, as well as Civil War veterans and their dependents.

The Wheeler-Meyer-Johnson bill, H. R. 2181, was reported from committee on April 30, 1947, under Report No. 327. It passed the House on May 12. This bill provides for veterans who are receiving institutional or farm training.

The Mathews bill, H. R. 4007, was reported from committee on July 2, 1947, under Report No. 780. This bill supersedes H. R. 3583, which is for a similar purpose. It provides for automobiles for service-connected disabled veterans who sustained the loss, or loss of use of a foot or a hand, or who are blind. The Rules Committee was requested to permit a special rule but has taken no action upon a hearing held upon this request.

The Patterson bill, H. R. 3889, was reported from committee on July 8, 1947, under Report No. 808, and is now upon the Consent Calendar. This measure would establish a presumption of service connection for chronic and tropical diseases. It would fill a need caused by extensive service by veterans of World War II in tropical countries.

The Mathews bill, H. R. 4055 was reported from committee on July 11, 1947, and is now upon the Consent Calendar

of the House. This bill would grant to veterans of the Indian wars and to their dependents the same increase in pension (20 percent) that was given to Civil War and Spanish-American War veterans by H. R. 3961, which was passed by the House unanimously.

The Crow bill, H. R. 3623, was reported from committee on July 2, 1947, and is now upon the Consent Calendar of the House. It provides that members of the Communist Party shall be ineligible for veterans' benefits and exacts penalties for infraction of the law.

The following letter shows the need for H. R. 4007:

BOSTON, MASS., *July 8, 1947.*

DEAR MRS. ROGERS: I am a blinded amputee veteran of this past World War and although entitled to a car under the present bill, being an amputee, I am not able to qualify for one, being blinded in the same action in which I lost my left leg, blinded in addition to the loss of my leg, I cannot get a car as I cannot see to drive it myself, and I would like to add my case to the many you have already heard about who are left out of the present bill which just ended last month.

I think I am entitled to a car as an amputee but also more so being blinded, through no fault of my own and in action in Italy in the Infantry.

I have been following the accounts of your committee in trying to have the old bill changed and fairer distribution of cars to amputees, either through a new bill or an amendment to the old one. I find it very hard getting around and need a car as much or more so than a sighted amputee. I spent 2 years in Army hospitals, and besides the loss of a leg and being blinded my other leg is also badly damaged and this adds to my problem of traveling. I know there are hundreds of other veterans like me who were left out of the car bill and are entitled to them just as much as the sighted amputees.

You have my permission to use my case in any way you see fit to help bring about a fair bill on autos for amputees now. We need these cars now and hope Congress will take action before they close this session.

Sincerely yours,

Ex-Tech. Sgt. PHILIP H. HURRELL.

GENERAL LEAVE TO EXTEND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I also ask unanimous consent that the members of the committee and all Members may extend their remarks at this point in the RECORD if they so wish.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3950. An act to reduce individual income-tax payments; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3950. An act to reduce individual income taxes; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

ADJOURNMENT

Mr. McDOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 16, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

927. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the transfer of certain troop-kitchen railway cars to the War Department, and for other purposes; to the Committee on Armed Services.

928. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to Junior Naval Reserve Unit, Sanford, Fla.; to the Committee on Armed Services.

929. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to All Hallows Episcopal Church, Snow Hill, Md.; to the Committee on Armed Services.

930. A letter from the Under Secretary of Agriculture, transmitting a draft of a proposed bill to provide for the liquidation and dissolution of the Tennessee Valley Associated Cooperatives, Inc.; to the Committee on Agriculture.

931. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of activities of the Reconstruction Finance Corporation for the month of February 1947; to the Committee on Banking and Currency.

932. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a picket boat to the United States, Coast Guard Auxiliary Flotilla 33, of California; to the Committee on Armed Services.

933. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. H. R. 1330. A bill to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the lands belonging to the United States within the exterior boundaries of said monument to the same status held immediately prior to the issuance of said proclamation; with amendments (Rept. No. 914). Referred to the Committee of the Whole House on the State of the Union

Mr. WELCH: Committee on Public Lands. S. 272. An act to provide for the utilization of surplus War Department-owned military real property as national cemeteries, when feasible; without amendment (Rept. No. 915). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. House Resolution 244. Resolution for the initiation of investigations looking to the provision of additional water for southern California and the Colorado River Basin, and for other purposes; without amendment (Rept. No. 916). Referred to the Committee of the Whole House on the State of the Union.

Mr TABER: Committee on Appropriations. House Joint Resolution 240. Joint resolution making temporary appropriations for the fiscal year 1948; without amendment (Rept. No. 917). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 292. Resolution providing for the consideration of H. R. 4127, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 918). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3325. A bill to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes; with an amendment (Rept. No. 919). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 1498. An act to provide support for wool, and for other purposes; without amendment (Rept. No. 920). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 338. An act to amend the Plant Quarantine Act approved August 20, 1912, as amended, by adding thereto a new section; with amendments (Rept. No. 921). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4124. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 922). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3980. A bill to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial securities; and for other purposes; with amendments (Rept. No. 923). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3834. A bill to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes; without amendment (Rept. No. 924). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3814. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; with an amendment (Rept. No.

925). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3417. A bill to provide for the conveyance to Escambia County, State of Florida, of a portion of Santa Rosa Island which is under the jurisdiction of the War Department; with an amendment (Rept. No. 926). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIKES: Committee on Armed Services. H. R. 3735. A bill to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes; with amendments (Rept. No. 927). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 3632. A bill to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the unemployment trust fund; without amendment (Rept. No. 928). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. Senate Concurrent Resolution 14. Concurrent resolution favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment; without amendment (Rept. No. 929). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 4110. A bill to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); without amendment (Rept. No. 930). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 70. Concurrent resolution authorizing the Committee on Expenditures in the Executive Departments of the House of Representatives to have printed for its use additional copies of the hearings on the bill H. R. 2310, the National Security Act of 1947; with an amendment (Rept. No. 931).

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREHM:

H. R. 4200. A bill to provide for, foster, and aid in coordinating research relating to dental diseases and conditions; to establish the National Institute of Dental Research, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'EWART:

H. R. 4201. A bill to authorize payments to the public-school district or districts serving the Fort Peck project, Montana, for the education of dependents of persons engaged on that project; to the Committee on Public Lands.

By Mr. ROGERS of Florida:

H. R. 4202. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. WELCH:

H. R. 4203. A bill to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

By Mr. BECKWORTH:

H. R. 4204. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. DEVITT:

H. R. 4205. A bill to provide for the settlement and payment to certain motor carriers of claims against the United States for damages resulting from Federal possession, control, and operation in time of war of the carriers' transportation systems and properties; to provide for just compensation to such carriers for the use of such transportation systems and properties during such possession, control, and operation, and for other purposes; to the Committee on the Judiciary.

By Mr. TOWE:

H. R. 4206. A bill to provide for the payment of a uniform allowance to officers of the National Guard of the United States; to the Committee on Armed Services.

H. R. 4207. A bill to amend Thirty-second United States Code, section 49 (67 N. D. A.), as amended, to provide for an active-duty status for all United States property and disbursing officers; to the Committee on Armed Services.

By Mr. COLE of New York:

H. R. 4208. A bill to amend section 251 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee:

H. R. 4209. A bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain land to the city of Memphis, Tenn., for street-widening purposes; to the Committee on Veterans' Affairs.

By Mr. HAGEN:

H. R. 4210. A bill to provide for an amendment to chapter 29 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mrs. BOLTON:

H. R. 4211. A bill to amend section 301 of the Federal Food, Drug, and Cosmetic Act so as to prohibit the introduction into interstate commerce of salt, in certain containers, not having a required content of iodides; to the Committee on Interstate and Foreign Commerce.

By Mr. MEADE of Kentucky:

H. R. 4212. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. REED of New York:

H. R. 4213. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; to the Committee on Ways and Means.

By Mr. HOFFMAN:

H. R. 4214. A bill to promote the national security by providing for a Secretary of Defense; for a national military establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security; to the Committee on Expenditures in the Executive Departments.

By Mr. KUNKEL:

H. R. 4215. A bill to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States; to the Committee on the Judiciary.

By Mr. LEMKE:

H. R. 4216. A bill to define some acts constituting lack of good behavior within the terms of article III, section 1, of the Constitution of the United States of justices and judges of courts of the United States; to the Committee on the Judiciary.

By Mr. MACK:

H. R. 4217. A bill appropriating funds for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash.; to the Committee on Appropriations.

By Mr. GRAHAM (by request):

H. J. Res. 239. Joint resolution proposing an amendment to the Constitution of the United States with respect to religious freedom; to the Committee on the Judiciary.

By Mr. TABER:

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948; to the Committee on Appropriations.

By Mr. McCORMACK:

H. J. Res. 241. Joint resolution to provide for the preparation of a plan for the participation by the United States in the observance and celebration in Cuba of the fiftieth anniversary of American and Cuban victories in the War with Spain; to the Committee on Foreign Affairs.

By Mr. ROSS:

H. Con. Res. 72. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. LODGE:

H. Con. Res. 73. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods; to the Committee on Rules.

By Mr. FOOTE:

H. Con. Res. 74. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods; to the Committee on Rules.

By Mr. KNUTSON:

H. Res. 293. Resolution to authorize the Committee on Ways and Means to continue its investigation and study of the internal-revenue laws; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 294. Resolution authorizing the printing of 6,000 additional copies of the third intermediate report, entitled "Investigation of the Participation of Federal Officials in the Formation and Operation of Health Workshops"; to the Committee on House Administration.

By Mr. EATON:

H. Res. 295. Resolution authorizing the Committee on Foreign Affairs to conduct studies and investigations of all matters coming within the jurisdiction of that committee and providing for participation by members of other standing committees of the House of Representatives; to the Committee on Rules.

By Mr. HERTER:

H. Res. 296. Resolution to create a Select Committee on Foreign Aid; to the Committee on Rules.

By Mr. KNUTSON:

H. Res. 297. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 293; to the Committee on House Administration.

By Mr. HOPE:

H. Res. 298. Resolution authorizing the Committee on Agriculture to make studies and investigations into matters relating to agriculture; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Missouri:

H. R. 4218. A bill for the relief of Criss Y. Hurst; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 4219. A bill for the relief of Leopold Kahn, Jr.; to the Committee on the Judiciary.

By Mr. HART:

H. R. 4220. A bill for the relief of Emil Sbarbori; to the Committee on the Judiciary.

H. R. 4221. A bill for the relief of Edna Perfetti; to the Committee on the Judiciary.

H. R. 4222. A bill for the relief of Anthony Perfetti; to the Committee on the Judiciary.

By Mr. HESS:

H. R. 4223. A bill relating to the retired status of Capt. Richard W. Wuest, United States Navy, retired; to the Committee on Armed Services.

By Mr. MILLER of California:

H. R. 4224. A bill for the relief of Mrs. Nellie C. Mitchell; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 4225. A bill for the relief of Hanna Mussbach; to the Committee on the Judiciary.

H. R. 4226. A bill for the relief of Mrs. Maddalena Danna Vivalda and her minor son; to the Committee on the Judiciary.

By Mr. SOMERS:

H. R. 4227. A bill for the relief of Maria Veltri Magnone; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 4228. A bill to authorize the appointment of Sidney F. Mashbir as a colonel, Adjutant General's Department, United States Army; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

745. By the SPEAKER: Petition of Pelham Chapter, United World Federalists, petitioning consideration of their resolution with reference to strengthening the United Nations; to the Committee on Foreign Affairs.

746. By Mrs. NORTON: Petition of State Camp of New Jersey, Patriotic Order Sons of America, petitioning the Congress of the United States to designate the order of the stars of our flag to be seven rows of seven stars each, upon the admittance of Hawaii to the Union; to the Committee on the Judiciary.

747. By the SPEAKER: Petition of various national organizations, petitioning consideration of their resolutions with references to request for repeal of various laws imposing special Federal excise taxes upon motor vehicles and trailers, gasoline and lubricating oil, tires and tubes, automotive parts and accessories; to the Committee on Ways and Means.

748. Also, petition of Holy Name Society, Holy Rosary Church, Gary, Ind., petitioning consideration of their resolution with reference to investigating subversive activities of foreign agents working in the United States; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, JULY 16, 1947

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, our Father, for the principles that have made us great as a nation. We thank Thee for the heritage of freedom we enjoy. Keep America strong within, that she may be respected by her neighbors without. To that end, bless the homes of America. Bless her schools and her churches. Bless the leaders of government. Give them patience and wisdom as they strive to lead the world in the way of peace and freedom. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 15, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On July 11, 1947:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

On July 15, 1947:

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii; and

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes.

On July 16, 1947:

S. 116. An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin;

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau of East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan; and

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGEL of Michigan, Mr. CASE of South Dakota, Mr. TIBBOTT, Mr. SCRIVNER, Mr. KERR, Mr. MAHON, and Mr. NORRELL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WIGGLESWORTH, Mr. PHILLIPS of California, Mr. ROBERTSON, Mr. COUDERT, Mr. HENDRICKS, Mr. ANDREWS of Alabama, and Mr. THOMAS of Texas were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 185. An act to authorize the sale of certain public lands in Alaska to the Catholic Society of Alaska for use as a mission;

H. R. 388. An act for the relief of Bert Harrington, Jr.;

H. R. 434. An act for the relief of Lewis H. Rich;

H. R. 439. An act for the relief of Roy Durbin;

H. R. 618. An act for the relief of Fred O. Donohue;

H. R. 640. An act for the relief of Harley Shores;

H. R. 769. An act for the relief of the estate of Ruth Horton Hunter;

H. R. 890. An act for the relief of Jessie Thompkins;

H. R. 1078. An act for the relief of Mrs. Audrey Ellen Gooch;

H. R. 1085. An act for the relief of Mrs. Marie Salamone;

H. R. 1175. An act for the relief of the estate of Daphne Ward Pope, deceased;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1226. An act for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills;

H. R. 1316. An act for the relief of Archer C. Gunter;

H. R. 1319. An act for the relief of Calvin J. Frederick;

H. R. 1648. An act for the relief of Willie P. Goodwin, J. M. Thorud, and W. H. Stokley;

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1730. An act for the relief of Mrs. Beulah Hart;

H. R. 1744. An act for the relief of the estate of Curtis Wilson, deceased;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1933. An act for the relief of Mrs. Elizabeth F. McCombie;

H. R. 1953. An act for the relief of John F. Reeves;

H. R. 2129. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 2213. An act for the relief of A. J. Sprouffske;

H. R. 2348. An act for the relief of Charles J. Smith;

H. R. 2350. An act for the relief of Mrs. Daisy Park Farrow;

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 2432. An act for the relief of Harry V. Ball;

H. R. 2471. An act to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force;

H. R. 2506. An act for the relief of the estate of Louis T. Klauder;

H. R. 2534. An act for the relief of James H. Underwood;

H. R. 2811. An act for the relief of G. F. Allen, former Chief Disbursing Officer, Treasury Department, and for other purposes;

H. R. 2984. An act to amend the act of June 1, 1910, so as to regulate the installation of radio or television transmitting antennas, masts, or other structures in the District of Columbia;

H. R. 3045. An act to authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes;

H. R. 3064. An act authorizing and directing the Secretary of the Interior to issue a patent in fee to the surviving members of the Laguna Band of Mission Indians of California;

H. R. 3068. An act for the relief of Alfred Thomas Freitas;

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3168. An act for the relief of Antone G. Pina;

H. R. 3361. An act for the relief of J. Rutledge Alford;

H. R. 3495. An act for the relief of Andrew C. Extrom and Harry C. Pearson;

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions;

H. R. 3813. An act to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States;

H. R. 3845. An act for the relief of George J. Hiner;

H. R. 3852. An act to amend the act entitled "An act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946;

H. R. 3873. An act to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes;

H. R. 3978. An act to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads;

H. R. 3998. An act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; and

H. J. Res. 205. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 70) authorizing the Committee on Expenditures in the Executive Departments of the House of Representatives to have printed for its use additional copies of the hearings on the bill (H. R. 2319), the National Security Act of 1947, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Attorney General, withdrawing the name of Paul Rene Refoule from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on April 1, 1947; to the Committee on the Judiciary.

A letter from the Attorney General, withdrawing the name of Gus Emanuel Kontos from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on May 1, 1947; to the Committee on the Judiciary.

TRANSFER BY NAVY DEPARTMENT OF CERTAIN NAVAL BOATS

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the All Hallows Episcopal Church, Snow Hill, Md., had requested the Navy Department to transfer two small life-boats and a life-raft for use for live-saving purposes at a Diocesan Youth Camp at Stevensville, Md.; to the Committee on Armed Services.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the United States Coast Guard Auxiliary Flotilla 33, a nonprofit organization incorporated under the laws of the State of California, had requested the transfer of a picket boat for use by that organization for patrol duties and training of personnel; to the Committee on Armed Services.

TENNESSEE VALLEY ASSOCIATED COOPERATIVES, INC.

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the liquidation and dissolution of the Tennessee Valley Associated Cooperatives, Inc. (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF BOARD OF VISITORS TO UNITED STATES COAST GUARD ACADEMY

A letter from the chairman of the Board of Visitors to the United States Coast Guard Academy, transmitting, pursuant to law a report of that board for the year 1947 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

DISPOSITION OF EXECUTIVE PAPERS

Three letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a petition of 4,439 citizens of Pelham, N. Y., praying that the United Nations be strengthened to prevent war, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

H. R. 3587. A bill to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes; with amendments.

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 1505. A bill authorizing the Secretary of Agriculture to convey certain lands in Boise, Idaho, to the Boise Chamber of Commerce; without amendment (Rept. No. 560);

S. 1555. A bill providing for the donation of farm-labor camps to public or semipublic institutions or organizations; with amendments (Rept. No. 561);

H. R. 2511. A bill to authorize the Secretary of Agriculture to quitclaim two acres of land near Muirkirk, Md., to the Queens Chapel Methodist Church; without amendment (Rept. No. 562); and

S. Res. 147. Resolution authorizing a study of agricultural legislation, and of trends, needs, and problems of agriculture; with amendments (Rept. No. 563); and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 3191. A bill to amend Public Law 301, Seventy-ninth Congress, approved February 18, 1946, so as to extend the benefits of the Missing Persons Act, approved March 7, 1942 (56 Stat. 143), as amended, to certain members of the organized military forces of the Government of the Commonwealth of the Philippines; without amendment (Rept. No. 570).

By Mr. ROBERTSON of Wyoming, from the Committee on Armed Services:

S. 1252. A bill making certain changes in the organization of the Navy Department, and for other purposes; without amendment (Rept. No. 565).

By Mr. KNOWLAND, from the Committee on Rules and Administration:

S. Res. 137. Resolution to make an investigation of the immigration system; with additional amendments.

By Mr. MAYBANK, from the Committee on Armed Services:

H. R. 3501. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes; without amendment (Rept No. 564).

By Mr. BYRD, from the Committee on Armed Services:

H. R. 1366. A bill to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes; with amendments (Rept. No. 571).

By Mr. CHAVEZ, from the Committee on Civil Service:

S. 1089. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for investigatory personnel of the Bureau of Narcotics who have rendered at least 20 years of service; without amendment (Rept. No. 569).

By Mr. HATCH, from the Committee on Public Lands:

S. 1639. A bill authorizing the repair and rehabilitation of irrigation works damaged by flood and the prevention of flood damage in the Fort Sumner irrigation district, and for other purposes; without amendment (Rept. No. 572).

By Mr. BROOKS, from the Committee on Rules and Administration:

S. Res. 132. Resolution to investigate the operations of the Reconstruction Finance Corporation and its subsidiaries; without amendment;

S. Res. 141. Resolution authorizing an investigation of the social-security program; without amendment;

S. Res. 144. Resolution authorizing an investigation of law enforcement and police administrations in the District of Columbia; with an amendment; and

S. Res. 145. Resolution further increasing the limit of expenditures in the investigation of the national defense program; without amendment.

ESTABLISHMENT OF WOMEN'S ARMY CORPS

Mr. BALDWIN. Mr. President, from the Committee on Armed Services, I report an original bill to establish the Women's Army Corps in the Regular Army, and so forth, and I submit a report (No. 567) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes, was received, read twice by its title, and ordered to be placed on the calendar.

REDEMPTION OF TERMINAL-LEAVE BONDS

Mr. BALDWIN. Mr. President, from the Committee on Armed Services I report favorably House bill 4017, to amend the Armed Forces Leave Act of 1946 to

provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes, which is known as the amendment to the Armed Forces Leave Act, and I submit a report (No. 566) thereon. The bill provides for the redemption of the terminal-leave bonds in cash.

I should like to say for the benefit of the RECORD that the subcommittee of which the junior Senator from Connecticut is the chairman, and of which the Senator from Iowa [Mr. WILSON] and the Senator from South Carolina [Mr. MAYBANK] are members, unanimously recommended approval of the bill to the full committee, and the full committee unanimously approved it, upon motion of the junior Senator from Oregon [Mr. MORSE] and the Senator from South Carolina [Mr. MAYBANK].

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BALDWIN. For what purpose?

Mr. JOHNSTON of South Carolina. To ask a question.

Mr. BALDWIN. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Connecticut what bill was reported from the committee. Was it a bill sponsored by the Republican Party, or was it the bill which the senior Senator from Florida [Mr. PEPPER] and I introduced early in January of this year?

Mr. BALDWIN. I will answer the question of my distinguished colleague by saying that the junior Senator from South Carolina had a bill before our committee, and he appeared before the committee and urged its passage. Several other bills were introduced by other Senators, favoring the redemption of the bonds in cash. However, between the time those bills were introduced and the time the committee acted upon them, the House of Representatives had already acted upon the matter, and the bill from the House came over here and was referred to the committee. The action of the committee was therefore upon the House bill, instead of upon any of the bills introduced by Senators. The reason for that was that we wished to pass the identical bill which was passed in the House. The bill which was passed in the House was very carefully gone over by the committee and by the Departments of the Government to see to it that the proper procedure was followed for payment of the bonds. Consequently the report of the committee is upon the House bill. I do not know who introduced the bill in the House.

Mr. JOHNSTON of South Carolina. Mr. President, I want to commend the committee for reporting the bill. It makes no difference what bill it is or who introduced it. I wanted the Senate and the people of the United States to know that two Democratic Senators introduced a bill in January and that ever since that time it has been in the committee.

The PRESIDENT pro tempore. The report will be received and the bill placed on the calendar.

AMENDMENT OF VETERANS' PREFERENCE ACT—REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on Civil Service, I report favorably, without amendment, the bill (H. R. 966) to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387), and I submit a report (No. 568) thereon. I ask unanimous consent that the bill and accompanying report may be printed in the RECORD.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar, and, without objection, the bill and report will be printed in the RECORD, as requested by the Senator from North Dakota.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

H. R. 966

An act to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387)

Be it enacted, etc., That the first proviso of section 14 of the Veterans' Preference Act of 1944 (58 Stat 387) is hereby amended to read as follows: "*Provided*, That such preference eligible shall have the right to make a personal appearance, or an appearance through a designated representative, in accordance with such reasonable rules and regulations as may be issued by the Civil Service Commission; after investigation and consideration of the evidence submitted, the Civil Service Commission shall submit its findings and recommendations to the proper administrative officer and shall send copies of the same to the appellant or to his designated representative, and it shall be mandatory for such administrative officer to take such corrective action as the Commission finally recommends."

The Committee on Civil Service, to whom was referred the bill H. R. 966 (REES) to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387), having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The purpose of H. R. 966 is to fix responsibility for enforcement of the Veterans' Preference Act of June 24, 1944 (58 Stat. 387) and to tie down the loose ends of administrative practices which have grown up over the years since enactment of the Veterans' Preference Statute. The final determination effecting cases of persons who come under the Veterans' Preference Act lies with the agencies themselves while the Civil Service Commission at best occupies the role of friend of the court and lacks the needed follow-through and momentum to implement the intent of Congress. The committee arrives at this conclusion with a degree of hesitancy, having weighed what it believes to be all the factors involved.

The voluntary system of enforcing the terms of the Veterans' Preference Act at the department and agency level has not brought about the observation of the spirit and letter of the law which the Congress intended at the inception of the Veterans' Preference Act or that it requires today. It therefore is necessary to cease the deferred type of enforcement in favor of centralized responsibility which might well take the eventual form of an annual report to the Congress on numbers of cases involved and the nature of their disposition.

The question posed to the committee by all veterans' organizations was, "Is it the intention to have a veterans' preference act?" The committee is of the firm conviction that the Veterans' Preference Act shall not only be continued in force and effect, but shall be improved on all possible occasions that it may reflect the intention of giving preference eligibles just as much as the law specifies in the way of benefits of whatever description. The logical step, therefore, is that the enforcement of this act shall be just as affirmative as the letter of the law outlines.

Admittedly the Civil Service Commission does not have the final say on what shall happen in the case of a preference employee in practically all cases. The Commission can recommend but lacks the policing authority.

Recently there occurred in the Office of Price Administration an aggravated situation wherein the agency permitted its personnel office to appeal and reappeal, and to appeal against the decision of the findings of the Civil Service Commission in the case of a veteran in favor of his reinstatement. Only at long last did the agency put an end to this denial of the veteran's equity for reinstatement and decidedly to the detriment of his earning capacity for that year.

There is other legislation (S. 1486) which has been recommended by this committee, to provide reimbursement for periods of separation from the service in the cases of persons improperly removed from such service. Thus will the issue of abuse of irregular separation without benefit of salary which would have been paid and the further abuse of unrestrained misobservance of the Veterans' Preference Act in many cases have been met.

The committee heard Admiral P. B. Nibecker, who is in charge of the Navy Department Office of Industrial Relations, declare that "It is a principle of sound management that the authority for making decisions should be compatible with the degree of responsibility which is imposed. The Secretary of the Navy is responsible for the operation of the Navy Department—it should follow that he be permitted to retain the necessary authority to discharge that responsibility."

The committee listened sympathetically to the admiral in his stated position that the employing agency should "retain the necessary authority to discharge that responsibility." The committee is convinced that Admiral Nibecker is a worthy and conscientious administrator and that he has brought an enlightened degree of the type of responsibility he describes to the office he holds. The committee makes it clear that the Navy Department is not providing any special cases any more than any other department or establishment or agency in the executive branch. The approach to the hoped-for solution to the problem is entirely impersonal, none of which lessens the complexity of the problem of seeking methods for determining the manner in which the intent of Congress shall be adequately recognized and carried out.

The Civil Service Commission is an arm of the White House, and as such can well provide the double capacity of assisting both the Congress and the President in making the law mean what it says. Employing agencies have had adequate opportunity for observing the Veterans' Preference Act to the fullest. The number of cases reported of nonobservance or malobservance of the act convinces the committee that centralized responsibility is the only method by which this particular law will be observed to its fullest by all parties concerned.

The committee further took cognizance of a letter from N. E. Dodd, Acting Secretary of the Department of Agriculture, in which he made the following observation among others:

"This bill makes the decisions of the Civil Service Commission with respect to the ap-

peals of employees with veteran's preference mandatory upon the administrative officers in the executive departments. It removes the discretion which the head of a department exercises at the present time and thus raises a question as to whether this is justifiable from the standpoint of good administration."

It had been the practice of some in the years preceding the enactment of Public Law 880, of November 26, 1940, to declare that any review of an administrative process such as the reversal of an efficiency rating by other than the employing agency would constitute undue interference with the business of the agency, and therefore be an encroachment upon the appointing power. It is well to point out that since Public Law 880 went upon the statute books that the review of such ratings is today accepted as a matter of course and that no one raises a voice in protest that the appointing power is being transgressed under the terms of Public Law 880. Under this law the Civil Service Commission was declared to be the final repository of efficiency ratings and the referee in reviewing such ratings which were to be passed upon in cases of protest by the Commission through a delegated chairman of a respective review board, by an agency representative, and by an employee representative to be elected at large within the employing agency. The Congress, too, had fixed finality of decision and reposed within the Commission the authority for adjusting ratings and to make its findings known to the agency with the added and required implementation in correcting the original rating, all with the help of the two other members of the Board of Review.

The committee draws the parallel between H. R. 966 and Public Law 880 for the purpose of demonstrating that good housekeeping can be best promoted in the Government administrative service when it is realized that abuses can best be corrected by tying down responsibilities where they can be fixed and where the blame can be easily discovered. It is the earnest wish of this committee that the agencies give the Congress their full assistance in carrying out the purposes of H. R. 966, and there is no doubt but that the agencies will give their unreserved cooperation and assist the Commission in the discharge of its new duties.

Mr. Dodd's letter continues as follows:

"Whenever a veteran is reached for separation as a result of reduction in force, he is entitled, under Civil Service Commission regulations, to be reassigned to a position of like seniority, status, and pay if one is available and is not occupied by another veteran."

The letter continues with other verbiage which describes the manner in which a veteran shall be qualified to perform the duties of the job in the utilization of his primary and secondary skills. Mr. Dodd also states that "this regulation of the Commission has been adhered to in this Department." The committee does not take exception to this statement. Also, the committee is not recommending legislation applicable alone to the Department of Agriculture, but is considering its applicability to all branches, and therefore is agreeable to taking judicial cognizance in the manner in which the Department of Agriculture pursues the intent of regulations. Mr. Dodd further observes that,

"Since this bill would provide, by law, undue restrictions upon the meeting of administrative responsibilities, I would recommend against its passage as being inconsistent with sound administration."

The committee again recalls that similar admonitions were raised prior to the enactment of Public Law 880, yet today through the device of intradepartmental and intra-agency review boards, the employing agencies are provided with the means for self-review of efficiency ratings which still are subject to final appeal and subsequent adjudication outside the appointing agency. The Congress took the position in 1940 that it was high time to come to grips with the problem of adjusting efficiency ratings of those whose services had been unfairly evaluated. The committee once more comes to the conclusion that it is high time to come to grips with the problem of enforcing the Veterans' Preference Act.

The committee notes that four veterans' organizations unqualifiedly endorse H. R. 966; they are the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and American Veterans of World War II. The Civil Service Commission endorses H. R. 966 once the Congress resolves any doubt as to the question of transgressing upon the appointing power prerogatives. In his letter to the House Committee on Post Office and Civil Service, President Harry B. Mitchell of the Civil Service Commission recalls the testimony of Commissioner Flemming before the Senate Committee on Civil Service on May 19, 1944 at the time when H. R. 4115 of the Seventieth Congress was being discussed, later to be resolved into the Veterans' Preference Act of 1944. Mr. Flemming said at that time:

"Now, there again we submit our recommendations to the head of the department or agency. He can follow them or not, as he sees fit, and that brings into the picture the same constitutional question that we have been discussing insofar as appointments are concerned."

Commissioner Flemming was merely pointing out the type of objection the Congress might encounter in its efforts to guarantee the safeguards it has included over the years in basic legislation. It is unfortunate that points of constitutionality are raised at times in which reforms of certain descriptions may be brought into the Government service. As Mr. Mitchell again points out:

"The same question with respect to the constitutionality of a provision which would make mandatory upon an employing agency the decision of another Government agency as to appointments was discussed at hearings before the Committee on the Civil Service of the House of Representatives in the Seventy-sixth Congress on a number of bills designed to establish a Civil Service Court or Board of Appeals to consider grievances of Government employees."

There may be some basis for raising the issue of an outside or independent board of appeals having binding authority, but the committee finds no basis for raising the issue as against the Civil Service Commission at such time as the question of creation of such appeal boards was before the committee. The same view therefore is taken in the matter of activating the intent of the Veterans' Preference Act through the Civil Service Commission.

The Commission points out that as of August 23, 1945, the President addressed a communication to the heads of all departments and agencies which read as follows:

"Section 14 of the Veterans' Preference Act of 1944 sets forth certain definite procedures to be followed by the heads of departments and agencies in connection with the proposed discharge, suspension for more than 30 days, furlough without pay, or reduction in rank or compensation of an employee of the Federal Government who is entitled to veteran preference.

"This section likewise grants to the veteran, or his designated representative, the right of an appeal to the Civil Service Commission. The law also provides that the Commission shall conduct an investigation, consider the evidence submitted, and then submit its findings and recommendations to the proper administrative officer.

"It is my desire that the heads of all departments and agencies arrange to put into effect as promptly as possible the recommendations which the Civil Service Commission makes under section 14 of the Veterans' Preference Act of 1944. This constitutes another way in which the Federal Government can demonstrate that it intends to live up to both the letter and the spirit of the Veterans' Preference Act.

"HARRY S. TRUMAN."

The committee is of the further conviction that the Chief Executive in his above-quoted communication feels the serious lack of implementation in enforcement of the Veterans' Preference Act, and that while the opportunity and will to carry out the terms of the act are clearly in evidence, the machinery is sadly lacking.

There is included a letter from the Acting Comptroller General of the United States Mr. Frank L. Yates, who passes comment upon H. R. 966 as follows:

"Reference is made to your informal request of July 11, 1947, for report upon the merits of H. R. 966, entitled "An act to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387)," and providing as follows:

" 'That the first proviso of section 14 of the Veterans' Preference Act of 1944 (58 Stat. 387) is hereby amended to read as follows: *"Provided,* That such preference eligible shall have the right to make a personal appearance, or an appearance through a designated representative, in accordance with such reasonable rules and regulations as may be issued by the Civil Service Commission; after investigation and consideration of the evidence submitted, the Civil Service Commission shall submit its findings and recommendations to the proper administrative officer and shall send copies of the same to the appellant or to his designated representative, and it shall be mandatory for such administrative officer to take such corrective action as the Commission finally recommends."

"The only change which would be effected by H. R. 966 would be the insertion of the language 'and it shall be mandatory for such administrative officer to take such corrective action as the Commission finally recommends.' The nature of the proposed amendment is such that it affects materially the jurisdiction of the administrative heads of the respective Government agencies and it is as the head of such an agency, rather than as the Comptroller General of the United States, that the following comments are made.

"In report of June 6, 1947, B–65851, there was discussed the effect of section 14 of the Veterans' Preference Act, and you were therein referred to an opinion of the Attorney General of September 5, 1946, to the President of the United States, to the effect that the recommendations of the Civil Service Commission have no binding effect upon the administrative agency and that the agency is free to accept or reject such recommendations as it wishes. It was further stated in said report:

" 'Section 14 of the statute recognizes that administrative officers are required to "promote the efficiency of the service." The performance of official duty in the furtherance thereof is required to be viewed with a presumption of validity, and the burden of proof to the contrary is upon the one who challenges the action. (See *Procter & Gamble Co.* v. *Coe* (96 F. (2d) 518), and authorities cited therein; and *Dunn* v. *Ickes* (115 F. (2d) 36).) It has been held that when the performance of official duty requires an interpretation of the law which governs or limits the extent of that performance, the interpretation placed by the officer upon the law will not be interfered with, unless the official action is arbitrary and capricious.' (See *Bates & Guild Co.* v. *Payne* (194 U. S. 106); *Dunlap* v. *Black* (128 U. S. 40); *Perkins*

v. *Lukens Steel Co.* (310 U. S. 113); *Ness* v. *Fisher* (223 U. S. 683); *Riverside Oil Co.* v. *Hitchcock* (190 U. S. 316); *Hall* v. *Payne* (254 U. S. 343); *United States* v. *Lynch* (137 U. S. 280); and *Commercial Solvents Corp.* v. *Mellon* (51 App. D. C. 146, 277 F. 548).)

"The proposed amendment to section 14 would make the findings and recommendations of the Civil Service Commission binding upon the administrative office; that is to say, it would deprive the administrative head of a Government agency of his fundamental jurisdiction to discipline employees by suspension, reduction, or separation. That such jurisdiction in the head of the agency is necessary 'to promote the efficiency of the service' is recognized in the present section 14 of the Veterans' Preference Act. If an agency head is to be responsible for the effective and efficient administration of his agency, then he should have the power that generally accompanies such responsibility and should not be bound by the recommendations or findings of another agency. Furthermore, it would seem that the head of an agency, due to his close contact with administrative problems and the personnel of his agency, is in a better position to judge the necessity for disciplinary action than is the Civil Service Commission.

"It may be pointed out that the proposed amendment does not state whether the recommendations of the Civil Service Commission would extend to the payment of compensation during a period of authorized suspension or separation. It has been the established rule for years that, in the absence of specific statutory provision therefor, compensation may not be paid to an employee for a period of suspension or separation during which no duty is performed, whether the employee is or is not restored to duty, except to the extent of annual leave that may be substituted for a period of unjustified suspension. If the amendment is to be given favorable consideration by the Congress, it should be so worded as to leave no doubt whether it contemplates the payment of compensation for periods of suspension or separation upon recommendation of the Civil Service Commission. See, in this connection, S. 1486, with respect to the rights of employees, generally, during periods of suspension.

"For reasons stated above I strongly recommend that H. R. 966 be not enacted."

VOICE OF AMERICA PROGRAM—REPORT OF A COMMITTEE

Mr. SMITH. Mr. President, from the Committee on Foreign Relations, I report favorably with amendments the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and is policies, the so-called Mundt bill, and I submit a report (No. 573) thereon.

In reporting the bill to the Senate I want to emphasize the fact that this bill gives legislative authorization to the Secretary of State to carry on this important program to enable the Government of the United States to promote mutual understanding between the people of the United States and other countries; also to correct misunderstandings about the United States in other countries. A program to carry out these purposes has been carried on by the State Department without authorization for over 2 years and the purpose of the bill is to define the scope of the program and to put proper limitations on the authority.

To achieve the objectives of the bill the following means are to be used:

First. The interchange of persons, knowledge, and skills between the United States and other countries.

Second. The rendering of technical and other services to other countries on the basis of mutual cooperation.

Third. The dissemination abroad of public information about the United States, its people and principles and objectives of its Government.

Fourth. The dissemination abroad of public information about the United Nations, its organization and functions, and the participation of the United States as a member thereof.

The world is faced today with a conflict in ideologies—a struggle between totalitarianism and the American traditions of liberty and freedom of the individual. This is truly a war of ideas. And in carrying on a war of ideas the true facts should be laid before the people of the world. They should know what America is and what America has believed in since its founding.

We have been called upon to invest millions of dollars in the economic rehabilitation of the devastated countries. It is obviously important that the motives of the American people should be understood. We must offset the propaganda of broadcasts that are being carried on in Europe today which represent America as a militant Nation with imperialistic designs.

In reporting out the bill today we have added a new title which creates a special joint committee of the Congress to give further study to this entire problem with investigations abroad, and to report back to the Congress by February 1 with any proposals that may seem desirable to improve the efficiency of the program.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Willard L. Thorp, of Connecticut, now an Assistant Secretary of State, to serve concurrently and without additional compensation as the representative of the United States in the Economic and Social Council of the United Nations;

Ernest A. Gross, of New York, to be legal adviser of the Department of State;

Julian F. Harrington, of Massachusetts, for promotion in the Foreign Service of the United States, from Foreign Service officer of class 1 to Foreign Service officer of the class of Career Minister;

James J. Blake, of New York, and sundry other persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service; and

Charles A. Livengood, of Washington, and sundry other Foreign Service officers, to be consuls general and consuls in the diplomatic service.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 16, 1947, he presented to the President of the United States the following enrolled bills:

S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel;

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon;

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land;

S. 558. An act for the relief of the alien Michael Soldo;

S. 880. An act for the relief of Rev. John C. Young;

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia;

S. 1360. An act for the relief of Eric Seddon;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; and

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes.

REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

UNITED STATES SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
July 11, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3 to June 30, 1947, together with the funds appropriated to and expended by it:

Philip R. Rodgers, clerk, rate of gross annual salary, $8,339.10; salary actually received, $3,706.24.

Earl B. Wixcey, assistant clerk, rate of gross annual salary, $7,549.08; salary actually received, $3,040.60.

Paul Sample, clerical assistant, rate of gross annual salary, $4,702.50; salary actually received, $2,351.22.

Crawford C. Heerlein, clerical assistant, rate of gross annual salary, $3,709.33; salary actually received, $1,524.94.

Vivien Harman, clerical assistant, rate of gross annual salary, $3,212.74; salary actually received, $1,606.32.

Dorothy Murphy, clerical assistant, rate of gross annual salary, $2,964.45; salary actually received, $1,251.61.

Francis G. Cornell, professional staff member, rate of gross annual salary, $9,050.11; salary actually received, $2,262.51.

Gerard D. Reilly, professional staff member, rate of gross annual salary, $10,000; salary actually received, $2,444.43.

Thomas E. Shroyer, professional staff member, rate of gross annual salary, $10,000; salary actually received, $4,111.09.

Marjorie Shearon (employment terminated June 30, 1947), professional staff member, rate of gross annual salary, $9,050.11; salary actually received, $2,488.76.

Funds appropriated, $10,000.

Funds expended, $3,660.

ROBERT A. TAFT,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
SUBCOMMITTEE TO INVESTIGATE,
WAR SURPLUS DISPOSAL,
July 15, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned subcommittee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from February 21 to June 30, 1947, together with the funds appropriated to and expended by it:

Boos, George F., chief investigator, total gross salary, $7,707.08.

Piper, Robert L., chief clerk, total gross salary, $5,231.84.

Chaternuck, Pauline, stenographer, total gross salary, $2,633.40.

Colson, Kathleen M., stenographer, total gross salary, $2,633.40.

Connors, Edward A., investigator, total gross salary, $5,695.66.

Culehan, Miles N., general counsel, total gross salary, $10,000.

McCahill, Myles C., investigator, total gross salary, $5,695.66.

Deane, Sylvia, secretary to general counsel, total gross salary, $3,626.56.

McDonald, John B., investigator, total gross salary, $5,695.66.

Moody, Hubert R., investigator, total gross salary, $5,695.66.

Pincomb, Ray H., investigator, total gross salary, $5,695.66.

Peterson, Oscar J., investigator, total gross salary, $5,695.66.

Leadbetter, John D. (from June 17), file clerk, total gross salary, $2,467.87.

Van Deinse, Norma M. (from March 21 to 25), stenographer, total gross salary, $2,798.92.

Bradley, Dan G. (from April 1 to June 7), messenger, total gross salary, $1,859.

Funds appropriated, $100,000.

Funds expended, $18,961.07.

HOMER FERGUSON,
Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL:

S. 1640. A bill providing for grants to aid in establishing farmers' markets; to the Committee on Agriculture and Forestry.

(Mr. BALDWIN, from the Committee on Armed Services, reported an original bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the naval and Marine Corps Reserve, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. BALDWIN:

S. 1642. A bill for the relief of the city of New Haven, Conn.; to the Committee on the Judiciary.

By Mr. VANDENBERG (by request):

S. 1643. A bill to prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes; to the Committee on Foreign Relations.

By Mr. O'CONOR:

S. 1644. A bill to amend the Veterans' Preference Act of 1944 so as to permit rescission of prior-agency action in complying with recommendations of the Civil Service Commission pursuant to appeals taken by preference employees; to the Committee on Civil Service.

By Mr. GURNEY (by request):

S. 1645. A bill to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; and

S. 1646. A bill to provide for the construction, rehabilitation, conversion, and maintenance of buildings, structures, utilities, and other facilities, including the acquisition of land, for the National Guard, Organized Reserve Corps, other Reserve components of the Army of the United States, and for other purposes; to the Committee on Armed Services

(Mr. TAYLOR (for himself, Mr. SPARKMAN, Mr. LANGER, Mr. MURRAY, and Mr. HILL) introduced Senate bill 1647, to establish a Columbia Valley Authority to provide for integrated water control and resource development on the Columbia River, its tributaries, and the surrounding region in the interest of the irrigation and reclamation of lands, the control and prevention of floods, the promotion of navigation the strengthening of the national defense, and for other purposes, which was referred to the Committee on Public Works, and appears under a separate heading.)

COLUMBIA VALLEY AUTHORITY

Mr. TAYLOR. Mr. President, on behalf of myself, the junior Senator from Alabama [Mr. SPARKMAN], the Senator from North Dakota [Mr. LANGER], the Senator from Montana [Mr. MURRAY], and the senior Senator from Alabama [Mr. HILL], I introduce for appropriate reference a bill to establish a Columbia Valley Authority, and so forth, and I request that an explanatory statement prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Idaho will be printed in the RECORD.

The bill (S. 1647) to establish a Columbia Valley Authority to provide for integrated water control and resource development on the Columbia River, its tributaries, and the surrounding region in the interest of the irrigation and reclamation of lands, the control and prevention of floods, the promotion of navigation, the strengthening of the national defense, and for other purposes, introduced by Mr. TAYLOR (for himself, Mr. SPARKMAN, Mr. LANGER, Mr. MURRAY, and Mr. HILL) was received, read twice by its title, and referred to the Committee on Public Works.

The explanatory statement presented by Mr. TAYLOR is as follows:

Mr. TAYLOR. Mr. President, I should like to address myself to the bill to create a Columbia Valley Authority which has just been introduced.

In introducing this bill the sponsors desire to pay tribute to former Senator Hugh Mitchell, of Washington, who so greatly contributed to the advancement and growth of the valley authority idea as applied to the Northwest. This bill follows closely the Mitchell bill—S. 1716, Seventy-ninth Congress—with some changes which I shall later enumerate.

Briefly, this is a measure to create a Government corporation patterned generally after the eminently successful Tennessee Valley Authority. Instead of having the Bureau of Reclamation go its single purpose way in planning and executing projects to store water for reclamation, the Army Corps of Engineers function similarly in matters of flood control and navigation, the various soil-conservation and antierosion agencies of the Department of Agriculture operate within their own little segment of the problem, a Columbia Valley Authority would take over primary responsibility for all, as well as other related functions.

In some cases the Columbia Valley Authority would work through the old-line agencies, but would tie their work into the over-all picture. In other cases it would supplant them completely. As far as natural resources are concerned, it would move a section of Washington, D. C., into the Pacific Northwest. The Columbia Valley Authority would have no more authority than already has been given to the many, many Federal agencies which now work in the field directed from Washington. It would merely consolidate that Authority so that one project could be planned to serve many purposes. And the planning would be done on the ground, not thousands of miles away.

We need such action badly in Idaho, Washington, Oregon, and Montana—the States to be affected principally by the CVA. We have one of the mightiest river systems in the country, yes, in the world. Its potential for irrigating new land to provide homes for veterans, for serving commerce through navigation, and for developing huge amounts of power to serve our industries is tremendous.

The people of the Columbia Valley would have saved a great deal on their electricity bills if they had had the benefit in 1946 of the rates charged in the Tennessee Valley where TVA power is available. This saving would be as large or larger under the CVA because of the opportunity of developing larger projects. The figures show that Idaho's 128,612 customers for electricity consumed 320,077,000 kilowatt-hours of electricity in 1946 and they paid $6,428,100 for it. Under the TVA rates they would have paid only $3,773,295, or a saving of $2,654,805.

Washington's 535,186 customers used 1,727,162,000 kilowatt-hours last year for which they paid $25,922,000. Under TVA rates the cost would have been only $18,948,982, a saving of $6,973,018.

In Oregon, the 329,632 users of power consumed 943,945,000 kilowatt-hours in 1946 at a cost to them of $16,138,900. If TVA rates had been in effect in Oregon the cost would have been $10,587,118, or a saving of $5,551,782.

But the Northwest does not want to wait two or three score years to obtain these benefits. The people of the Northwest and the people of the Nation need it now. We have seen how within the space of a few short years the Tennessee Valley was developed into one of the greatest industrial and farming sections of our Nation. We want that sort of action in the Pacific Northwest. We have no quarrel with the Bureau of Reclamation, the Army engineers or the many other Federal agencies which now perform specific functions in the Pacific Northwest. We feel they have done a good job within the limits which Congress has placed upon them; within their separate organizational patterns. But we see what can be done through a valley authority in the case of the TVA. That is why we want a CVA.

Sometimes those who have not fully grasped the full importance of a Columbia Valley Authority are misled into believing that it conflicts with our traditional American system of private enterprise because huge amounts of power would be generated by this public agency.

That view reflects merely a failure to realize that the Columbia River with its mighty tributary, the Snake River, is too big to be developed by any private corporation. No private organization has the financial resources to do the job. Nor would it be desirable for us to allow a private corporation

to so operate if it could. The power latent in that falling water is a natural resource as are the forests and the grazing lands. That power will be developed by the Federal Government whether or not there is a CVA. The CVA will do it more quickly and more efficiently in relation to the other needs of the Northwest—reclamation, flood control, erosion control, reforestation, soil fertilization, and so on.

This bill completely and finally recognizes and maintains all existing laws safeguarding the priority use of water for irrigation which is the foundation stone of our western economy. It provides that no portion of the CVA act shall be construed as affecting in any way the laws of any State relating to the control, use or distribution of water for irrigation. It adopts, substantially, the language of section 8 of the Reclamation Act of 1902. Any criticism which is directed at the bill on these grounds would likewise apply to the law under which the Bureau of Reclamation has operated to the advantage of irrigation farmers for nearly 45 years.

I have found, Mr. President, that criticism of a CVA on the assumption that it does not safeguard adequately existing water rights comes largely, not from irrigation farmers, but from interests which do not want to see develpoment of the Pacific Northwest and will go to any lengths to try to stop that development, whether it be through a CVA, the Bureau of Reclamation or otherwise. A CVA, far from injuring present water rights, will provide the water to make those rights good and to create additional ones. At present many farmers have water rights, but insufficient water to go with the right. We badly need more reclamation dams.

One of the most attractive features of a Columbia Valley Authority from the standpoint of the Federal Government is that it will be largely self-liquidating over a period of years. The Government will be repaid the funds it advances to build dams, out of revenues from reclamation and power.

But far more than that, the increased value of the land and the taxable value of the many new industries and the other new wealth created will bring in far more money to the Federal Government in the long run. In addition the bill provides for payments in lieu of taxes to State and local governmental agencies. But again, the increased taxes which will be paid by the prosperous new residents, the new industries and the increased value of newly-irrigated land will yield far more to local governments.

Now there is another aspect to this problem to which I should like to call the attention of the Senate, Mr. President. That is the national defense aspect. We are all hoping and praying that the time will never come when this Nation will have to fight another major war. We are doing everything in our power to prevent that eventuality. But nevertheless we recognize that the possibility of another war exists. Modern war, we have seen demonstrated again and again, is won in the last analysis by industrial power. Ours is the greatest industrial Nation in the world. We must keep it so. As our expendable fuels such as coal and oil approach the vanishing point in the years to come we will place more and more reliance on electrical energy. Hydroelectric power is not dissipated. The water is not worn out or used up in generating electric power. It is a continuing resource.

We have seen the tremendous contribution made in the last war by the Tennessee Valley Authority through the huge amounts of electrical energy generated there. Mr. President, we can provide many times that amount of power in the Columbia and Snake River Valleys if only it is developed. I say a Columbia Valley Authority is an essential part of the defense plans of this Nation which can no longer be neglected. The power generated through the dams of a CVA will attract major industries to the Northwest, resulting in a greater dispersal of the industrial capacity of the Nation. At the present time a few atomic bombs, well placed in the East, could cripple us as an industrial Nation. The factories of the Pacific Northwest will be more difficult to find in the great forests and rugged terrain of our mountainous country.

Mr. President, I have often heard it said about CVA that, yes, TVA was necessary to rehabilitate a depleted economy; and that, yes, a Missouri Valley Authority is needed to prevent the disastrous and recurring Midwest floods, but—you have no such problems in the Columbia Valley.

That statement seems to me to reflect a tragically short-sighted view. True, the effects of erosion, of bad mining practices, of too heavy forest cutting, and of floods are not yet as apparent in the Pacific Northwest as they were in the Tennessee Valley and as they are in the Missouri Valley. Must we always wait until the horse is far down the road before we lock the barn door?

The floods thus far have been minor compared to the devastation wreaked by the rampaging Missouri and Mississippi Rivers. But given a few more years of unchecked erosion they will become respectable floods even by Midwest standards. The Boise River, a tributary of the Snake, consistently floods out valuable farm land. In eastern Idaho, the south fork of the Snake River has irreparably damaged fertile acres in the areas from Heise to Roberts, to the extent that Congress has been appropriating hundreds of thousands of dollars for construction of levees, the while it cut appropriations for construction of the Palisade Dam, upstream, which could provide a final solution.

In the Panhandle of Idaho we have thousands of acres of reclaimed farm land which is below the level of the river. The river is diked, but almost every year the Kootenai River overruns the dikes and the crop loss runs into the thousands.

If we allow the forces of erosion to work their havoc on the Northwest for another few decades we can produce a crisis in our section equal to those in the Tennessee Valley of a few years ago and those of the Missouri Valley at the present time. But how much easier to act preventatively and affirmatively now.

The energies of a Columbia Valley Authority can be concentrated on developing our great section for the benefit of the Nation, and at the same time can head off such disasters as the recent series of floods in the Missouri and Mississippi Valleys. Must Congress always act in an atmosphere of crisis? Must we always avoid taking action in the calm atmosphere of affirmative planning for the future? I admit it is much less dramatic that way—the creation of opportunity for happy families and national development does not offer the drama which comes from running to the rescue of flood victims or poverty-stricken victims. But surely it is a better way to build a great nation.

Although the situation of the Pacific Northwest is by no means as critical in the sense of a current emergency, it is critical when we judge it in the space of a score or so of years.

For example, here is the situation regarding several of our major industries and resources:

The United States Forest Service reports that 80 percent of the first-grade timber in the Pacific Northwest has been logged off, and that about 20 percent of it remains. The Forest Service has estimated that at the present rate of timber cutting in our region all of the merchantable timber—both publicly and privately owned—will be cut down and hauled off in 25 years.

Soil experts of the Pacific Northwest estimate that every decade 1 acre out of 10 of productive farmland in our section is stripped of its fertility. That is partially the result of overgrazing and excessive timber cutting, which can be corrected by cooperative action through a CVA.

The fertility of our farms in the Northwest has been high because we have relatively new land. It has not been cultivated as long as the farmlands of the Tennessee Valley. But we are arriving at the stage wherein we must begin to think of using fertilizers to augment the fertility of the soil.

In Idaho we have 60 percent of this Nation's raw phosphate rock. To turn those huge mountains of phosphate into a form which can be assimilated by depleted farmlands we need large blocks of electric power from CVA dams. When the power is brought to those phosphate beds there will be tremendous opportunity for private enterprise to set up a major industry. And the resulting phosphate fertilizer, when available to farmers cheaply and in large quantities, can revitalize the farms, not only of the Northwest but of large sections of the Midwest and the Southwest.

MAJOR CHANGES OVER MITCHELL BILL (S. 1716, 79TH CONG., 1ST SESS.)

This bill substantially follows S. 1716 introduced in the Seventy-ninth Congress by Senator Mitchell. The Mitchell bill was the result of a great deal of joint effort by all groups interested in a Columbia Valley Authority, assisting Senator Mitchell.

A continuing study by those same groups has developed the desirability of some changes. Briefly these are:

1. The control of the corporation still is vested in three directors who shall be appointed by the President with the advice and consent of the Senate. However, it is now provided that at least two members of the board must have been legal residents of the Columbia Valley region for at least 5 years. This change has been made to insure that a majority of the members of the board shall be familiar with the peculiar problems of the Northwest, and will be sympathetic with the desires of the people. It is recognized that there should be room on the three-man board for one member who may be thoroughly familiar with valley development, but who may not be a resident of the Northwest.

2. The machinery for obtaining local participation in the planning and policy making of the CVA, which was informal in the Mitchell bill has been formalized in this measure through creation of an advisory committee of 24 members. The advisory committee is required to meet twice a year and may meet oftener, either on petition of a majority of its members or on call of the Chairman of the CVA board of directors. It is required to act in an advisory capacity upon matters of broad policy, and in addition must offer counsel on such specific questions as the board may refer to it. The advisory committee is designed to provide an effective method for organizing participation of local people, State governments, and the regional offices of the National Government.

It is made up of a representative of these Government agencies: Departments of Interior, Agriculture, Commerce, Justice, and War; the Federal Power Commission, Federal Security Agency, and the Board of Governors of the Federal Reserve System.

These State agencies are represented: A representative of the governor of the States of Washington, Oregon, Idaho, and Montana.

The President shall select 12 residents of the CVA area as members of the advisory committee with 3 representing each of these activities: Agriculture, commerce, labor, and wildlife and aquatic life, conservation, and recreation.

3. The section of the Mitchell bill turning over to the CVA any Federal surplus property it desires has been eliminated. The ma-

jority of such surplus property has now already been disposed of by the Federal Government and the provision is in no way necessary to the success of the CVA.

4. That section of the Mitchell bill which allowed the CVA to use any patents on file with the Patent Office has been eliminated as unnecessary. The patent provision now merely requires that any inventions made and patented by CVA employees by virtue of their employment with the corporation shall be the property of CVA which in turn may pay a fair amount to the employee making the discovery. This provision is designed to give the public the benefit of any patents for which Federal funds have been paid to finance development.

5. The Mitchell bill provided for accounting practices deemed eminently safe, but the Congress has now developed a uniform safeguard on accounting practices in the form of the Government Corporation Control Act of 1945. This bill places the CVA under that act to make it uniformly responsible to the General Accounting Office with other similar agencies. The CVA corporation is also required to set up its accounting system on electric power revenues and expenses to conform with the Federal Power Commission uniform system of accounts. Regular annual reports to the Congress and the President are required as previously.

6. The Mitchell bill provided for the transfer only of certain reclamation projects and dams to the Columbia Valley Authority from existing governmental agencies. Others were to be transferred later at the discretion of the President. It is now thought that such dual control of the water in the channel projects of the Columbia Valley would defeat the purpose of the CVA by adding still another Federal agency to the present multiplicity of agencies dealing with water use development. This bill provides that all dams and reservoirs, existing and authorized, in the Columbia Valley would be transferred to the CVA, although the corporation could allow their operation by the agency from which they were transferred.

Mr. President, a Columbia Valley Authority can provide for the people of our Nation opportunities which stagger the imagination.

It can insure the fullest development of the resources with which God has endowed our country. If we fail to take advantage of this bright opportunity, we will, indeed, be remiss in our duty, not only to the people of the great Pacific Northwest, but to the millions all over the Nation who will benefit by the development.

Our Nation and the world needs the food which can be grown on those now barren, unreclaimed acres in the Northwest.

Our Nation needs the huge blocks of hydroelectric power which, unharnessed, now are running away to the sea.

Our Nation needs the expansion of industry which will come from the application of hydroelectric power to the raw materials of the Northwest.

Our Nation needs to conserve its forests, soil, mineral, water, and the recreational opportunities in this section so that they will be available to future generations as they have been to past generations.

Our Nation needs to develop the great river system of the Northwest so that it can help carry the increased commerce—the products of the new industry and new farms.

A Columbia Valley Authority can make these grand objectives a reality. Let us not delay. Let us fulfill our obligations to the future.

EXTENSION OF VETERANS' PREFERENCE BENEFITS TO WIDOWED MOTHERS OF CERTAIN EX-SERVICEMEN — AMENDMENTS

Mr. TYDINGS submitted amendments intended to be proposed by him to the bill (S. 416) to extend veterans' preference benefits to widowed mothers of certain ex-servicemen, which were ordered to lie on the table and to be printed.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL—AMENDMENT

Mr. OVERTON submitted an amendment intended to be proposed by him to the bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, which was ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as follows:

H. R. 185. An act to authorize the sale of certain public lands in Alaska to the Catholic Society of Alaska for use as a mission; and

H. R. 3064. An act authorizing and directing the Secretary of the Interior to issue a patent in fee to the surviving members of the Laguna Band of Mission Indians of California; to the Committee on Public Lands.

H. R. 388. An act for the relief of Bert Harrington, Jr.;

H. R. 434. An act for the relief of Lewis H. Rich;

H. R. 439. An act for the relief of Roy Durbin;

H. R. 618. An act for the relief of Fred O. Donohue;

H. R. 640. An act for the relief of Harley Shores;

H. R. 769. An act for the relief of the estate of Ruth Horton Hunter;

H. R. 890. An act for the relief of Jessie Thompkins;

H. R. 1078. An act for the relief of Mrs. Audrey Ellen Gooch;

H. R. 1085. An act for the relief of Mrs. Marie Salamone;

H. R. 1175. An act for the relief of the estate of Daphne Ward Pope, deceased;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1226. An act for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills;

H. R. 1316. An act for the relief of Archer C. Gunter;

H. R. 1319. An act for the relief of Calvin J. Frederick;

H. R. 1648. An act for the relief of Willie P. Goodwin, J. M. Thorud, and W. H. Stokley;

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1730. An act for the relief of Mrs. Beulah Hart;

H. R. 1744. An act for the relief of the estate of Curtis Wilson, deceased;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1933. An act for the relief of Mrs. Elizabeth F. McCombie;

H. R. 1953. An act for the relief of John F. Reeves;

H. R. 2129. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 2213. An act for the relief of A. J. Sprouffske;

H. R. 2348. An act for the relief of Charles J. Smith;

H. R. 2350. An act for the relief of Mrs. Daisy Park Farrow;

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 2432. An act for the relief of Harry V. Ball;

H. R. 2506. An act for the relief of the estate of Louis T. Klauder;

H. R. 2534. An act for the relief of James H. Underwood;

H. R. 2811. An act for the relief of G. F. Allen, former Chief Disbursing Officer, Treasury Department, and for other purposes;

H. R. 3068. An act for the relief of Alfred Thomas Freitas;

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3168. An act for the relief of Antone G. Pina;

H. R. 3361. An act for the relief of J. Rutledge Alford;

H. R. 3495. An act for the relief of Andrew C. Extrom and Harry C. Pearson; and

H. R. 3845. An act for the relief of George J. Hiner; to the Committee on the Judiciary.

H. R. 2471. An act to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force;

H. R. 2984. An act to amend the act of June 1, 1910, so as to regulate the installation of radio or television transmitting antennae, masts, or other structures in the District of Columbia;

H. R. 3045. An act to authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes;

H. R. 3852. An act to amend the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved August 7, 1946;

H. R. 3873. An act to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes;

H. R. 3978. An act to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; and

H. R. 3998. An act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 3813. An act to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States; to the Committee on Civil Service.

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; and

H. J. Res. 205. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; ordered to be placed on the calendar.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Antidiscrimination Subcommittee of the Committee on Labor and Public Welfare be permitted to sit during this afternoon's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

EDUCATION THROUGH MEDIUM OF MOTION PICTURES—STATEMENT BY SENATOR MARTIN

Mr. MARTIN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me on Education Through the Medium of the Motion Picture.

There being no objection, the statement was ordered to be printed in the body of the RECORD, as follows:

Mr. MARTIN. Mr. President, there is before the Senate a measure by the distinguished senior Senator from Vermont recommending Government production of films about the American system of constitutional government. It is proposed to make these films available to schools as educational documents in order to inculcate into our young people a better understanding of the American system.

This is a notable purpose. But I should like to see such films shown to that very large portion of our adult population which attends the motion-picture theaters. In my opinion it is just as important for our adults to see such motion pictures, as it is for our children.

In this connection, I want to call the attention of this body to an important venture of a similar nature already accomplished through private enterprise. During the past decade, there has been produced a series of patriotic featurettes in color about American history. Not only have they been widely exhibited in theaters, but they have been available in recent years without profit for nontheatrical showings by churches, educational institutions, patriotic organizations, and clubs. The Treasury Department, itself, distributed the most recent of the series—America the Beautiful, a technicolor production.

These films were made by Warner Bros., one of the great motion-picture producers, with a fine sense of civic responsibility and good citizenship. When their theater engagements had been completed, they were made into 16-millimeter films for schools and civic bodies to show. Some of the finest actors of the motion-picture industry appeared in them, and the productions were of the highest artistic caliber.

Because of the new bill, I am glad to call attention to the timeliness of the Warner Bros. featurettes, and to mention some of their titles and topics.

The first was The Song of a Nation, which told the story of how the Star-Spangled Banner came to be written. Released to theaters on July 4, 1936, it proved so successful that a whole series of historical shorts followed.

Give Me Liberty made moviegoers part of the audience which heard Patrick Henry make his stirring speech to the Virginia House of Delegates in 1775. Other outstanding pictures of these series have been:

The Declaration of Independence, showing the signing of that historic document; The Bill of Rights, in which audiences saw the fight for a free press and free speech; Sons of Liberty, portraying Haym Soloman; the Romance of Louisiana, with James Monroe negotiating the great Louisiana Purchase.

Theater audiences also saw President Monroe read his historic message to Congress in The Monroe Doctrine; saw the defense of New Orleans by Andrew Jackson in Old Hickory; and a dramatization of the famous Man Without a Country. There were also Lincoln in the White House, to give one side of the War Between the States, and Under Southern Stars to give the other. The final picture was Teddy, the Rough Rider.

Song of a Nation was reissued last May and is again being shown in the theaters, while I understand that Teddy, the Rough Rider, will come out once more next season, with some of the others to follow.

This is a good time to take note of these fine productions. World affairs are in an uncertain state, and there is a tug of war between our kind of country and communistic dictatorship. Our people tend to take America for granted, and to forget why it came about, and the heroism and sacrifice which went into making our Nation's greatness.

I am so glad that this splendid series of patriotic motion pictures is available not only to schools but to the adult population as well. It is important that movies like these be shown in our theaters today not only to educate the children, but also to reeducate the adults.

The skill and patriotic efforts of those at the Warner Bros.' studios who prepared these dramatizations of the making of our Republic should be given full recognition. It is proper and fitting that Warner Bros. should be commended here in the United States Senate for this important contribution to good citizenship. It is an outstanding example of the kind of service that motion pictures can render to the Nation.

SENATE OFFICE BUILDING COMMISSION

The PRESIDENT pro tempore. Pursuant to Public Law 169, Eightieth Congress, first session, the Chair appoints the Senator from West Virginia [Mr. REVERCOMB], the Senator from Illinois [Mr. BROOKS], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Rhode Island [Mr. GREEN], and the Senator from Louisiana [Mr. OVERTON] as members of the Senate Office Building Commission, to prepare preliminary plans and estimates of cost for an additional office building for the use of the United States Senate.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON H. R. 2319, "THE NATIONAL SECURITY ACT OF 1947"

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 70, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Expenditures in the Executive Departments of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 3,000 additional copies of the hearings held before said committee during the current session on the bill (H. R. 2319), "The National Security Act of 1947."

Mr. JENNER. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

VETERANS' AFFAIRS—ARTICLE BY TYRRELL KRUM

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article entitled "Veterans' Affairs," by Tyrrell Krum, published in the July 13, 1947, issue of the Times-Herald of Washington, D. C., which appears in the Appendix.]

TAX REDUCTION NOW INVITES DISASTER—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a radio address entitled "Tax Reduction Now Invites Disaster," delivered by him on July 15, 1947, which appears in the Appendix.]

SAFEGUARDS AGAINST JUDICIAL DICTATORSHIP—ADDRESS BY CHARLES M. LAFOLLETTE

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address delivered by Charles M. LaFollette, Deputy Chief Counsel for War Crimes, Nuremberg, Germany, entitled "Safeguards Against Judicial Dictatorship," which appears in the Appendix.]

PENSIONS OF POSTAL EMPLOYEES

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD a letter on the subject of pensions of postal employees, written by Abraham C. Shapiro, president, Empire Branch 36 National Association of Letter Carriers, addressed to the editor of the New York Herald Tribune and published in that newspaper on July 10, 1947, which appears in the Appendix.]

PARTICIPATION BY UNITED NATIONS IN SOLUTION OF GRECIAN AND TURKISH PROBLEMS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 101) submitted by Mr. BYRD on April 1, 1947, was read, as follows:

Resolved, That it is the sense of the Senate that the United States Representative to the United Nations organization bring before the United Nations organization immediately for its immediate consideration, the present problems which have arisen with respect to Greece and Turkey with a view to having said organization take such action with respect to such problems as it may deem necessary for the immediate solution thereof.

The PRESIDENT pro tempore. Without objection, the resolution will be passed over.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUDS IN MISSOURI—MOTION TO DISCHARGE

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 150) submitted by Mr. KEM on July 14, 1947, was read, as follows:

Resolved, That the Committee on the Judiciary be, and it is hereby, discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

Mr. KEM obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum, with unanimous consent that the Senator from Missouri not lose the floor?

Mr. KEM. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Donnell	Hoey
Baldwin	Downey	Holland
Ball	Dworshak	Ives
Barkley	Eastland	Jenner
Brewster	Ecton	Johnson, Colo.
Bricker	Ellender	Johnston, S. C.
Bridges	Ferguson	Kem
Brooks	Flanders	Kilgore
Bushfield	Fulbright	Knowland
Butler	George	Langer
Byrd	Green	Lodge
Cain	Gurney	McCarran
Capper	Hatch	McCarthy
Chavez	Hawkes	McClellan
Connally	Hayden	McFarland
Cooper	Hickenlooper	McGrath
Cordon	Hill	McKellar

McMahon	Pepper	Thomas, Utah
Magnuson	Reed	Thye
Malone	Revercomb	Tydings
Martin	Robertson, Va.	Umstead
Maybank	Robertson, Wyo	Vandenberg
Millikin	Russell	Watkins
Moore	Saltonstall	Wherry
Morse	Smith	White
Murray	Sparkman	Wiley
O'Conor	Stewart	Williams
O'Daniel	Taft	Wilson
O'Mahoney	Taylor	Young
Overton	Thomas, Okla.	

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK] and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. BARKLEY. I announce that the Senator from Illinois [Mr. LUCAS] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. KEM. Mr. President, the matter now before the Senate is Senate Resolution 150, reading as follows:

Resolved, That the Committee on the Judiciary be, and it is hereby, discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

The resolution—Senate Resolution 116—referred to above, submitted to the Senate on May 20, reads, in part, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation concerning the failure of the Attorney General of the United States and the Department of Justice to act with respect to alleged irregularities in the Democratic primary election held in the Fifth Congressional District for Missouri on August 6, 1946, with a view to ascertaining whether the Attorney General and the officers of the Department of Justice have properly performed their duties with respect to the investigation and prosecution of any violations of law which may have occurred in connection with said primary election. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield?

Mr. KEM. I prefer not to yield, until I have completed my statement. At that time I shall be glad to yield for questions or for any other purpose.

The PRESIDENT pro tempore. The Senator from Missouri declines to yield.

Mr. KEM. The resolution—Senate Resolution 116—was thereafter referred to the Committee on the Judiciary. The Committee on the Judiciary thereupon submitted the matter to a subcommittee to consider this measure and to make a preliminary study of the subject matter. Thereafter, on Monday, July 14, the Committee on the Judiciary adopted a report that the resolution do not pass, but that it be indefinitely postponed by the full committee. The present motion to discharge the committee followed immediately.

The question before the Senate is whether this vital matter shall be brushed aside with a short, incomplete investigation.

For years, Kansas City has been disgraced by one of the most ruthless and corrupt political machines that ever besmirched American politics. The machine saw to it that election returns in Kansas City were reported in such fashion as to insure the election of machine-sponsored candidates.

In the elections held in the year 1936 the returns from Kansas City showed unbelievably large majorities for the machine-sponsored candidates. United States District Attorney Maurice M. Milligan undertook an investigation of the alleged election frauds. No help could be expected and none was forthcoming, from the Pendergast-controlled law-enforcement agencies. The investigation consumed almost 2 years' time. A Federal grand jury was called, ballot boxes and election returns were seized, opened, and carefully examined. It was necessary to have protection from the FBI for witnesses appearing before the grand jury. Every possible obstacle was thrown in the way of Mr. Milligan by the interested politicians. Be it said to the credit of the late President Franklin D. Roosevelt that all attempts by politicians to secure his intervention on their behalf were of no avail. As a result of the crusade a total of 259 persons were indicted and convicted of illegal conduct in connection with the elections of 1936.

Tom Pendergast, the leader of the machine, is now deceased, but the powerful machine he controlled and ruled has survived. Jim Pendergast, Tom's nephew and protégé in machine politics, picked up the fallen reins of power and quietly bided his time to drive the machine back into full control of governmental affairs in Kansas City. Of course, the first and necessary step to control the community was to control the elections. By 1946 most of those who were convicted and imprisoned in the Federal penitentiaries throughout the land for vote frauds in the 1936 elections had served their terms; others had been released from the penitentiaries by Presidential pardon. Maurice Milligan was no longer United States district attorney and had been replaced by Sam Wear, long recognized as an ally of the Pendergast machine.

The primary election in Missouri was held on August 6, 1946, at which time candidates were to be nominated by each political party for various State offices, as well as for United States Senator and Representative in Congress. In the Fifth Missouri Congressional District, which includes most of the city of Kansas City, Mo., there were three candidates for the Democratic nomination for Representative in Congress: Roger Slaughter, the incumbent; Enos Axtell, and Jerome Walsh.

In July of 1946, President Truman stated that he opposed the renomination of Roger C. Slaughter for Representative for the Fifth Congressional District in Missouri, and also stated that he had asked Jim Pendergast to support Axtell and oppose Slaughter. In the primary election Enos Axtell was shown on the reported returns to have been nominated. A State grand jury, on May 27, 1947, made its final report and included this significant statement:

It is our belief that Roger C. Slaughter in this race (primary election) was deprived of the nomination by fraudulent miscount of votes and by other types of fraud.

A clear distinction should be made at the outset. What we propose is an investigation of the Department of Justice for alleged dereliction of duty. We do not contemplate an investigation by a Senate committee of the vote frauds in Kansas City. There is and will be no duplication of effort with either the FBI, or the State and Federal grand juries at Kansas City. Obviously, the Department of Justice cannot and will not investigate itself. If it is not done by Congress through a duly authorized committee, the facts will never be developed.

I. THE INQUIRY MADE BY THE SUBCOMMITTEE WAS PURELY PRELIMINARY

When the resolution was considered by the Judiciary Committee, it was referred to a subcommittee to make a preliminary study of the subject matter. That was the direction from the full committee, "to make a preliminary study of the subject matter." This was done by the subcommittee by hearing testimony for portions of 3 days, during which time a total of eight witnesses were heard. No attempt was made by the subcommittee to conduct an exhaustive examination. The only effort made was to take a sample of the evidence available by Gallup method. In doing so, the subcommittee merely scratched the surface. The purpose of the subcommittee was not to decide the question posed by the resolution on its merits, but merely to decide whether there was probable cause for a further investigation. The record made by the subcommittee clearly shows that its hearings were properly conducted in this spirit and with this object in mind.

II. THE PRELIMINARY INQUIRY DISCLOSED DERELICTION OF DUTY ON THE PART OF THE ATTORNEY GENERAL

If the subcommittee in its short inquiry was looking for pay dirt, its scratching of the surface yielded quick results. It disclosed an Attorney General called upon to deal with evidence of fraud arising in a primary election in which a Member of the Congress was on the ballot, whose purge was sought by the President of the United States. It disclosed that the Attorney General received complaints from numerous sources; that a voluminous amount of evidence of fraud and conspiracy was lodged in his hands, and yet the only action taken was to tie the hands of the FBI and to whitewash the whole incident.

1. Complaints were made to the Attorney General

I wish to detail those complaints at some length.

The primary occurred on August 6, 1946. The first complaint of irregularities in the primary election of August 6 appears to have been made by the Board

of Election Commissioners of Kansas City, Mo., which on September 16, through its chairman, Ludwick Graves, advised the United States district attorney of apparent irregularities in the election and asked him to confer with the board. This conference was subsequently held, and the information was communicated to the Department of Justice in Washington by telephone. The record is not explicit as to what evidence was placed in the hands of the United States attorney by the board of election commissioners. Sam Wear, the district attorney, testified that he received no evidence. The material furnished the Attorney General by the special House committee hereafter referred to contains a statement in a memorandum by investigators of the House investigating committee as follows:

Mr. Wear informed your investigators that the board of election commissioners in Kansas City had furnished him with certain information concerning alleged frauds in the August primary.

The second source of complaint made to the Attorney General was a committee of the House of Representatives. This committee was appointed to deal primarily with expenditures in primary elections. As a byproduct of its investigation and activity, evidence of fraud in the primary election of August 6, 1946, in the Fifth Congressional District of Missouri was developed. This evidence was referred by the House committee to the Attorney General. The comment in the report of the House committee was:

The investigators obtained a sufficient quantity of evidence concerning improper methods of counting, coercion, and fraudulent procedures to justify the committee's referring the entire report to the Attorney General.

The third source of complaint was the City Council of Kansas City. On October 7 the City Council of Kansas City adopted a resolution urging the Attorney General of the United States, the United States district attorney, and the prosecuting attorney of Jackson County, Mo., to proceed immediately and promptly with an investigation of all violations of election laws at the primary, August 6, 1946, to the end that all persons guilty of violating either the Federal or State laws, or both, be prosecuted in appropriate courts.

The next source of complaint was the Kansas City Star, a great independent newspaper. The Kansas City Star not only invited the attention of the Attorney General to the fraud and irregularities in the primary of August 6, through its editorial columns, but at its own cost and expense employed a staff of 32 investigators, who compiled a mass of evidence consisting of affidavits, statements, and other pertinent data. All of this was made available to the United States district attorney and the FBI.

The final complaint was made to the Attorney General by the present junior Senator from Missouri. Under date of January 14, of this year, soon after taking his seat, the present junior Senator from Missouri asked the Attorney General in writing for "a detailed report of what you have done and expect to do to bring to justice all those guilty of the violations of the statutes enacted by the Congress." What the Attorney General wrote in reply will be of particular interest to his colleagues in the United States Senate and will be referred to in detail hereafter.

So much for the complaints made to the Attorney General.

2. Evidence placed in hands of Attorney General

Now for the evidence placed in his hands. The evidence accumulated by the House Committee, by the Kansas City Star, and by the board of election commissioners was placed in the hands of the Department of Justice. A portion of this evidence was brought before the subcommittee of the Committee of the Judiciary in its short preliminary hearing. The evidence taken by the subcommittee is adequately reviewed in the statement made by the chairman of the subcommittee, the distinguished junior Senator from Michigan [Mr. FERGUSON]. No attempt will be made to review that evidence here. Suffice it to say that the evidence so far taken indicates the presence of a large amount of irregularities, fraud, and other statutory violations in the primary of August 6 in the Fifth Congressional District of Missouri.

At the outset of the preliminary hearing the Attorney General based his failure to act upon a supposed lack of evidence of conspiracy, which he properly said is necessary for Federal criminal jurisdiction in a case of this character. He made the point that there is no Federal criminal jurisdiction in the case of a statutory violation in an election, unless it is the result of the concerted action of two or more persons sufficient to constitute a violation of the Federal conspiracy statutes. Later, the members of the subcommittee, who in their statements have defended the conduct of the Attorney General, receded from this position. Their position apparently now is that the Attorney General's time is too fully occupied by other matters to give the primary election of the Fifth Congressional District of Missouri his attention. The reason for this change in position of the Attorney General and those who are defending his conduct may be made readily apparent by a quick look at some of the evidence found by the subcommittee in the files of the Attorney General. For example, there is an affidavit in his files made by George L. Numer, in which it is stated that the election officials in the precinct in which he served as an election judge agreed not to count the Democratic ballots for any of the candidates except United States Senator. In this case the ballots cast for candidates for Representative in Congress were not counted. Again, there is a memorandum attached to an envelope which states that the file contains good evidence that the Democratic precinct workers and election officials conspired to vote the names of individuals who were not expected to vote that day. The evidence is in the envelope. It is apparent that the Attorney General was incorrect when he stated that there was no evidence of Federal crime.

The Attorney General has made a summary of the evidence turned over to him, and he listed a total of 173 possible Federal violations. It is apparent that the Attorney General was incorrect when he stated that there was no evidence of Federal crime. The recently impaneled Federal grand jury in Kansas City, a jury impaneled after the investigation began, in a few days' time, has already returned indictments against five persons. The illegal activities of two of these five persons were mentioned in one affidavit found in the files of the Attorney General. I shall have something more to say about that before I conclude.

As we have seen, numerous complaints were made to the Attorney General. A large amount of documentary evidence was lodged in his hands. Now let us see what he did about it before he was called to the stand by the Ferguson committee.

3. The only action of the Attorney General was a restricted investigation tying the hands of the FBI

The answer is that the only thing the Attorney General of the United States did was to tie the hands of the FBI so that it could not make an adequate investigation.

The only action taken by the Attorney General as the result of these numerous complaints and this large amount of evidence lodged in his hands was to send a memorandum under date of October 11, 1946, to the FBI, instructing them as follows—and I ask Senators to give particular attention to the language of this memorandum:

It is, therefore, requested that the following persons be interviewed and such information elicited from them as will determine (1) the identity of qualified voters who were deprived of the right to vote for a Federal candidate, and, (2) the identity of persons with their official position, if any, who stuffed ballot boxes with false or fictitious ballots or failed to count ballots for Federal candidates honestly or accurately; together with all circumstances surrounding the violations.

So far, so good. Then the Attorney General told the FBI the names of the witnesses from whom this information was to be obtained. They are as follows:

1. Ludwick Graves, Richard C. Jansen, William Davis, Joseph R. Stewart, members of the board of election commissioners, Jackson County Courthouse, Kansas City, Mo.

2. Ira B. McCarty and John P. Swift, reporters for the Kansas City Star, who have written articles on the above-described matters, and such other of the Star employees as participated in the Star investigation.

I desire to dwell on that, because it is of vital importance. The FBI was permitted, under instructions of the Attorney General, to interview only two classes of witnesses, namely, the board of election commissioners and the employees of the Kansas City Star. In the very nature of things, neither of these classes could have first-hand information as to the crime.

It further appears that on October 23, 1946, FBI Agent in Charge Brantley, in Kansas City, Mo., talked by telephone to J. M. Mumford, assistant to D. M. Ladd, who is Assistant Director of the FBI, con-

cerning the FBI preliminary report. Following that conversation Mumford prepared a memorandum to Ladd which was, in part, as follows:

Mr. Brantley was also instructed that the copy he sends to the United States Attorney Wear—

We will hear more of Wear later—

should have a cover letter specifically and carefully pointing out that its contents do not constitute the results of an investigation but, pursuant to the specific instructions of the Attorney General, are merely a summary of the data developed by the Kansas City Star and the election board and turned over to the Bureau for the consideration of the Attorney General and the United States attorney.

This procedure is being followed in an effort to prevent the possibility of our reports being cited as the result of investigation proving that further investigation or prosecution is not justified.

When this memorandum came to the attention of FBI Director Hoover, certain portions of it had been underscored in red. He personally drew a line and wrote in ink: "Were we so restricted by Department orders?"

Hoover testified that he did this because "I sensed the necessity of meticulously following whatever the Department had instructed."

When the FBI report was transmitted to the Attorney General a memorandum, dated October 25, 1946, was attached which called the attention of the Attorney General to the fact that interviews were had by the FBI with only six persons specifically named in the memorandum dated October 11, 1946, and that representatives of the Kansas City Star advised that their investigation and canvass did not cover congressional and senatorial candidates, except in a recent test in one ward. The memorandum concluded as follows:

You will note that only the specific investigation requested in your memorandum has been conducted, and I shall appreciate your advising me as soon as possible whether any further investigation is desired.

In other words, Mr. President, the FBI advised the Attorney General that it had interviewed six persons, and asked the Attorney General if any further investigation was desired.

On January 6, 1946, without any further investigation by the FBI, the Department of Justice ordered the files in the Kansas City election-fraud case closed. The FBI was told: "Accordingly, we are closing our file and informing you that no further investigation is desired."

That, Mr. President, was the investigation by the FBI, which consisted of an interview of six witnesses, none of whom had any first-hand information of any kind, and could not have had, in the nature of their employment. Those witnesses were members of the board of election commissioners and a reporter for the Kansas City Star. The FBI reported back to the Attorney General, and the Attorney General said that he was closing his files and that no further investigation was desired.

I ask my colleagues of the Senate to bear in mind the nature of that investigation when I present to them in a few minutes the official report made to the junior Senator from Missouri when he asked information as to what had been done by the Department of Justice.

Mr. HAWKES. Mr. President, would the Senator object to yielding?

Mr. KEM. I should be glad to yield, but I have declined to do so previously. If the Senator will bear with me, I should like to make my statement and then I shall be glad to yield and invite questions.

Mr. HAWKES. I am thoroughly in accord with the Senator in his wish to proceed with the continuity of his remarks.

Mr. KEM. I thank the Senator.

To summarize, the course of events was:

First. Private investigators for the Kansas City Star obtained a multitude of evidence of election irregularities but at no time were they instructed to seek evidence of a conspiracy.

Second. The Attorney General prohibited the FBI from taking the testimony of any witness who could in the nature of things have had information of a conspiracy.

Third. The investigation was called off, the files of the Department of Justice closed, and no criminal prosecutions instituted because no evidence of conspiracy existed.

In other words, Mr. President, the Attorney General of the United States limited the scope of the inquiry to a field in which no evidence of conspiracy could be detected, and then closed the files because no evidence of conspiracy was found. Could there be a cheaper device made use of by public officials seeking to avoid the performance of public duty and to whitewash an incident of this kind?

That is where the matter stood on May 28, 1947, when the subcommittee of the Committee on the Judiciary, under the chairmanship of the distinguished junior Senator from Michigan [Mr. FERGUSON] opened its inquiry and called the Attorney General of the United States to the stand as the first witness. Since that time the Attorney General has seen fit to take two important actions. First, on May 28 he directed the FBI to investigate the theft of the ballots which occurred on the night of May 27 and which was reported in the hearing room in a rather dramatic way as the subcommittee was proceeding, and, second, on May 30 he directed the FBI to make an investigation which is now again, and for the second time, said by the Attorney General to be a full investigation of the case.

This action was taken notwithstanding the fact that the Attorney General had no further evidence than that which had been in his hands for several months and which, when he appeared as a witness before the subcommittee, he contended did not justify any further investigation by the FBI. The Attorney General acted in this respect only after the probe of the subcommittee was under way, and he had learned from personal experience as a witness that the chairman of the subcommittee meant business.

III. MUCH ADDITIONAL GROUND REMAINS TO BE COVERED

It has been stated in the cloakrooms and elsewhere that perhaps the investigation had gone far enough, that the Attorney General has been shown to be derelict in his duty, and so why continue the investigations? I wish to say that there are vital matters which have not yet been inquired into, and which could not, within the limits of time, be inquired into by the subcommittee in the short preliminary investigation it made. I shall invite attention to a few examples of matters not yet inquired into.

First. It appears from the Attorney General's file that he caused a summary to be prepared of the evidence available to him. This summary lists 173 so-called—and I quote from the file—"possible Federal violations." Why did not the Attorney General cause the FBI to investigate these 173 possible Federal violations? Why did he testify that no evidence of Federal violations existed?

Second. An envelope appears in the Attorney General's file bearing a legend to the effect that it contains "good evidence that certain persons conspired to vote the names of individuals who were not expected to vote that day." When Assistant Attorney General Caudle, who has not yet testified, called off the investigation and ordered the files closed, he said no evidence of conspiracy existed, and the Attorney General testified before the subcommittee that he had no evidence of conspiracy. What fruit may a full and careful examination of the files of the Department of Justice by trained and competent personnel be expected to yield?

Third. The Attorney General testified that the FBI was invariably instructed to make a preliminary investigation in election fraud cases. The instructions to the FBI in only two cases have been examined by the committee, namely, in Kansas City, Mo., and in Wyandotte County, Kans. The instruction in the Kansas City case directed that a restricted investigation only be made and that only designated witnesses be interviewed, no one of whom had personal knowledge of the crimes. The instructions in the Wyandotte County case directed an investigation by the FBI and imposed no restrictions whatever as to who should be interviewed. Which is the rule and which is the exception, and why was the exception made? Who prepared the memorandum in the Wyandotte County case, and what instructions did he receive, and from whom? None of those questions have as yet been inquired into.

Fourth. In the file of the Attorney General there is a memorandum made by investigators of the House Investigating Committee stating that Sam Wear, the United States district attorney at Kansas City, had informed them that certain information concerning alleged frauds in the August primary had been given him by the board of election commissioners in Kansas City. When Wear testified before the subcommittee, he stated that he received no such information.

The question is, Mr. President, was this evidence furnished; and if so, what became of it? There is another memorandum stating that Sam Wear expressed his own private opinion that a thorough investigation should take place,

and stated that he had made that recommendation to the Attorney General.

The question is, Mr. President, why did the district attorney of the Western District of Missouri make this recommendation, and why was it ignored by the Attorney General? Was there a difference between Wear's private opinion and his opinion in his official capacity as the United States district attorney? If so, why?

Fifth. Assistant District Attorney Costolow prepared a synopsis of the information contained in the report of the preliminary investigation made by the FBI. This synopsis was presented to the United States district judges in Kansas City, and an opinion secured from them that the evidence shown in the synopsis did not warrant calling a grand jury. At least two important statements of material witnesses were omitted from the synopsis. I know Mr. Costolow, who prepared that statement, and who has not yet testified, to be a careful and able lawyer. He should be afforded an opportunity to explain the omission of these facts, as well as the absence of other evidence revealed in the FBI report indicating that election frauds resulted from a conspiracy. One of the statements that was not included in the synopsis was that of Estella M. Carter which was read at the hearings. In this statement she said that when she arrived at the polls to vote, she was met at the door by a man holding a poll book in his hand, who told her that he had already voted her. That man has been identified as Morris "Snag" Klein. Since the close of the hearings before the subcommittee, a Federal grand jury has been charged to investigate the vote frauds occurring in the primary election last August in Kansas City, and has returned indictments against five persons for violation of the Federal conspiracy statutes. The first indictment returned by the grand jury is against Morris "Snag" Klein, and the fifth indictment is against Frank L. "Lovie" Holmes, who also was referred to in the statement of Estella M. Carter. In other words, Mr. President, what the committee should inquire into is why the synopsis, brought to the attention of the Federal judges in Kansas City, omitted such relevant and material evidence as the statement of Estella M. Carter, which already has formed a basis of indictments by a grand jury.

Sixth. Hon. Frank P. Briggs, then a Member of the United States Senate from Missouri and the Democratic candidate for election to the United States Senate, made a public statement on October 16, 1946, concerning the investigation of election frauds ordered by the Attorney General. He said:

> The matter of alleged fraud in recent elections in Kansas City has been called to my attention not only by newspaper articles but by United States Government officials and I have urged the proper authorities to make full, searching and impartial investigation of these charges.
>
> I know that this investigation is now being made and I can assure anyone interested that there is no disposition on the part of any person connected with this administration to delay, frustrate, or impede the probe.
>
> Of course, I know nothing of the nature of the truth or falsity of the charge, but any charge of this nature deserves the most careful and most painstaking investigation. That investigation, with all the powers of the Government behind it, is being made.
>
> Sam M. Wear, district attorney, in whom I have the utmost confidence, has been in complete accord with me on every suggestion and I feel sure that the general public will find that Mr. Wear will sift the charges to their utmost, and guilty persons, if any, will be brought before the bar of justice. I discussed this matter with Mr. Wear, at his instance, * * * 3 weeks ago, and found him ready to act.

If Wear, the district attorney, was ready to act during the latter part of September, when and why did he change his mind? Why did Wear tell Senator Briggs one thing and do another? From whom did Senator Briggs receive the information that a "full, searching, and impartial investigation was being made"? It will be noted that it was not that a full and searching investigation was to be made or was expected to develop, but it "was being made." At the time the statement was made by Senator Briggs, the only investigation the FBI was conducting was an investigation limited and restricted at the specific direction of the Attorney General. The only investigation which the FBI was conducting was the one in which the six witnesses were interviewed and the files were closed. Senator Briggs should be afforded, and I am sure will welcome, an opportunity to state from whom he received this inaccurate information which he published to the people of Missouri.

Seventh. The Attorney General testified before the subcommittee that the investigation made was only a preliminary one, and that it was not intended to be a full investigation. However, on January 22, in response to an official inquiry made by the present junior Senator of Missouri, the Attorney General wrote as follows:

> The criminal division has carefully considered all information and material submitted by the House Special Committee To Investigate Campaign Expenditures for 1946 and the Federal Bureau of Investigation, which conducted lengthy and detailed investigations into the charged irregularities.

It will be recalled that the investigation of the FBI consisted of interviewing six witnesses and closing the files. Yet we find that the Attorney General of the United States, referred to it over his signature, in an answer to an official inquiry by the junior Senator from Missouri, as "a lengthy and detailed investigation into the charged irregularities."

On January 27 the Attorney General again wrote the junior Senator from Missouri and stated:

> As I previously advised you, the Federal Bureau of Investigation at my instance conducted a full investigation into the charges of fraud in this primary. A careful and thorough review of the results of this investigation has been made and no evidence of a Federal violation was established.

In other words, when the Attorney General appeared before the Ferguson committee, he testified that the investigation made by the FBI was preliminary only, and he described the respect in which it had been restricted by him. When he wrote me previously, on January 27, not knowing, of course, that the investigation was developing, he used this language:

> As I previously advised you, the Federal Bureau of Investigation at my instance conducted a full investigation into the charges of fraud in this primary.

There is no conflict in the evidence concerning this matter. The replies of the Attorney General constitute a misrepresentation of known facts to a Member of the United States Senate in answer to an official inquiry. The letters were signed by the Attorney General. The committee should ascertain whether any other members of the Department of Justice are implicated. If so, upon whose orders did they act?

IV. THE COMMITTEE SHOULD RECOMMEND REMEDIAL LEGISLATION

Mr. President, the next point I wish to make is that the committee should recommend remedial legislation.

The investigation proposed is sought not merely for the purpose of eliciting facts, although as such they may have some historical value. The resolution authorizes and directs the committee to report to the Senate such recommendations as it may deem advisable. The purpose is in no sense academic or theoretical. To the contrary, it is pragmatical and businesslike. The committee will be asked to consider making recommendations to the Senate upon the following:

First. What action should be taken by the Senate as an assurance that the Attorney General will carry on to a conclusion the prosecutions which he has initiated as a result of the prodding by the Senate committee?

Second. What action should be taken by the Senate as an assurance that the present investigation by the FBI is full and unrestricted?

Mr. President, Senators will recall that this is the second investigation which has been described by the Attorney General as "full."

Third. Should laws be enacted carrying penalties for public officials who knowingly or negligently give false information to a Member of Congress in response to an official inquiry?

Fourth. Should the Federal Bureau of Investigation be removed from the control of the Attorney General?

Fifth. If the Federal Bureau of Investigation remains subject to the control of the Attorney General, what legislation is necessary to prevent the Attorney General from whitewashing investigations for political or other purposes?

V. IMPORTANT ISSUES ARE AT STAKE

Mr. President, important issues are here at stake. The decision which the State is now called upon to make is as important as any presented to the Eightieth Congress. There is none more awesome this side of the grave. The vital issue is none other than that of free elections, the bedrock of our free institutions. The Congress, recently at the urgent insistence of the President of the United States, authorized an appropriation of $450,000,000 for the announced purpose of maintaining free institutions in two remote portions of the globe, that is, in Greece and Turkey. The Senate

is now called upon to decide by this vote whether it alines itself with those who wish to maintain free institutions at home, or with those who would substitute Pendergastism, violence, and oppression.

A second issue involved is whether the administration of justice in this country shall be impartial or political. The Senate is called upon to say whether it shall insist that the laws enacted by the Congress of the United States shall be administered justly and fairly, or whether they shall be administered with a weather eye to political advantage.

Again, the Senate is called upon to say whether, when an investigation is commenced which discloses a gross dereliction of duty on the part of a public official of the United States, and if while the investigation is proceeding, he shows a disposition to perform his duty, the investigation shall thereupon be brought to an abrupt conclusion.

Finally, the Senate is called upon to decide upon the right of a Member of the Senate to receive accurate information when an official request is made upon one of the executive departments of the Government. Charges of dereliction of duty of a grave and serious character have been made against the Attorney General of the United States. If, as a result of a full hearing, no additional evidence supporting the charges is developed, no harm has been done to Mr. Clark or any member of his staff. If Mr. Clark is innocent of the charges, he is entitled to, and no fair-minded man will deny him, a triumphant vindication as a result of a full and complete investigation. Surely no friend or well-wisher of Mr. Clark will desire to deny him this opportunity.

On the other hand, if additional material evidence is available and can be produced as I now assert, the Senator making the charges should not be denied an opportunity to fully present the evidence. No believer in good government or fair play will want any part in whitewashing a whitewash.

Certainly no Member of the United States Senate will knowingly and willingly aline himself with those who have profited in the past, or may wish to profit in the future, from fraudulent elections. The final purpose in any investigation of the failure of election law enforcement is to guarantee honest elections in the future. The freedom of the ballot is the sacred heritage of all Americans. To protect it, we must resist all beginnings of encroachment on this priceless liberty.

Mr. President, I shall be glad to answer any inquiries. I appreciate the forbearance of the Senators.

Mr. HAWKES and Mr. JOHNSTON of South Carolina addressed the Chair.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I yield first to the Senator from New Jersey, for a question.

Mr. HAWKES. Mr. President, I am one Member of the Senate who appreciates that the distinguished junior Senator from Missouri started to find out what was going on in Missouri in connection with the vote frauds. I am not only one who appreciates that he started the ball rolling, but I admire him for asking that the inquiry be continued until we get the facts, whether they be good or bad.

I ask the Senator if he agrees with me—he has virtually said so—that no individual freedom can exist very long after the sanctity of the ballot box and the secrecy of the ballot box are destroyed in any nation, among any people.

Mr. KEM. I agree absolutely with the Senator from New Jersey.

Mr. HAWKES. I cannot think there is anything in the world more important before this body than the necessity of ascertaining exactly what happened in Missouri in connection with the election which is the subject of the resolution. Whether it is Missouri, or New Jersey, or Vermont, or whatever State it is when a practice is indulged which affects the sanctity of the ballot box, and destroys the secrecy which our citizens must have, then, if persisted in, it will destroy the thing we cherish and love most in this great Nation of ours—the right of free choice of our representatives.

I want to ask the Senator another question. Did he read the editorial in the Evening Star of July 11? It is one of the most remarkable editorials I have read in years.

Mr. KEM. Yes; I read it.

Mr. HAWKES. Would the Senator object if I read that editorial at this time?

Mr. KEM. I should be very glad to have the Senator from New Jersey do so.

Mr. HAWKES. The title of the editorial is "Considering the Source." It reads:

CONSIDERING THE SOURCE

Since the President's personal dislike of former Representative Slaughter is notorious, it is not surprising that he should bristle at criticism coming from the man he helped drive out of Congress. But even though Mr. Truman may dislike his critic, he cannot hope to brush the criticism aside by saying that considering the source, it does not worry him.

It ought to worry him. For the criticism, regardless of the identity of the critic, is well taken, and it is possible, as Mr. Slaughter has said, that a scandal threatens the great office of President.

When Mr. Truman decided to purge Mr. Slaughter he personally sought the assistance of James Pendergast who inherited the notorious Kansas City political machine from the late Boss Pendergast. Mr. Pendergast agreed to do the job, and, with the aid of the CIO-PAC, succeeded in defeating Mr. Slaughter in the democratic primary last year in Missouri's Fifth Congressional District. When the ballots were counted it was seen that the margin of victory was secured in the four wards controlled by the Pendergast machine. And some of the machine-controlled precincts rolled up such anti-Slaughter votes as these: 88–0, 145–1, 200–2, 69–0, and 374–5.

Such returns, on their face, reeked with fraud. Presumably, Mr. Truman read them with satisfaction, and his chief political lieutenant, Mr. Hannegan, spoke pridefully of these results as being a strong vote of confidence in the President. It is possible that Mr. Truman and Mr. Hannegan suspected nothing, although, knowing the methods of the Pendergast machine as well as they did, it seems incredible that they were not struck by the one-sidedness of some of the returns. In any event, the President made no move to initiate an investigation. He was content to let well enough alone. It was not until more than 8 months subsequent to the primary—after a grand jury had found that Mr. Slaughter was robbed through a deliberate, calculated and premeditated plan to miscount and otherwise steal votes—that Mr. Truman saw fit to comment. Then he said that no one wants to condone a vote fraud because they are the worst things that can happen in a democracy.

Now no one suggests that Mr. Truman, personally, had anything to do with the fraud, or that he personally approved of what was done. Still, the fact remains that the election obviously was stolen, and if it had been left to the Federal authorities nothing whatsoever would have been done about it. Furthermore, if Mr. Slaughter is right—and the President does not deny it—Mr. Truman continues to be a dues-paying member of the Pendergast organization and permits that machine to list him on its letterhead as its vice president.

If the President is not going to let himself be worried by Mr. Slaughter as an individual, he nevertheless ought to be worried by the factual source from which Mr. Slaughter's criticism springs. The whole affair is a sordid business, the worst thing that can happen in a democracy, and the President, having enlisted the support of Pendergast in the first instance, cannot escape some measure of connection with it. One would think that instead of seeking to brush criticism aside, he would be bending every energy toward getting the truth out into the open. As late as a month ago, however, Mr. Truman said he had not discussed with the Attorney General the belated investigation being made by the Department of Justice.

I should like to comment on the editorial. I do not always agree with the Evening Star, but I think it is one of the best newspapers published in this section of the United States. I think it is deserving of the respect of all good Americans, whether they always agree with it or not. I think it is trying to render a public service; and to me this editorial, appearing in a newspaper of the standard and quality of the Star, was very meaningful. I wish to comment, if the Senator will yield a moment longer——

Mr. KEM. I am very glad to yield.

Mr. HAWKES. I merely desire to comment by saying that I agree with the Star editorial, that the President of the United States and the Attorney General should not have to be urged by the junior Senator from Missouri or by me, or by anybody else, to go to the bottom of an incident that involves something that is fundamental in the life of America. If we do not protect the sancity and purity and decency of the ballot, then how can we aspire to leadership in the world? I merely want to complete my remarks to the distinguished Senator from Missouri, for whose honor and integrity and Americanism I have a very great respect. I want to repeat this, because to me it seems exceedingly vital. Here we are, extending our largess all over the world today, spending millions and billions of dollars—trying to do what? We are trying, are we not, to bring about conditions which will insure freedom?

Mr. KEM. That is true.

Mr. HAWKES. We are taking an interest—and I am in sympathy with the effort all over the world to see if we cannot establish the sanctity and the purity and the decency of the ballot box, the right of suffrage, the right of secrecy

and security in suffrage. What do Senators think is going to be the effect of what we are doing around the world in trying to establish such a wholesome state of affairs, if we fail to follow through to the last ditch investigations which are sought whenever and wherever we suspect or have reasonable grounds to suspect tampering with the ballot box in the United States of America?

Mr. President, when we consider the billions of dollars spent by this country, and the dead men who are buried on foreign soil, including my own son—money expended, and lives sacrificed on the theory that the fight in which we engaged was a fight for individual freedom, I think we have something to think about in connection with the matter the Senator from Missouri has been presenting to the United States Senate. I shall to the end support the Senator in his endeavor, and I hope he will go through with it until the bottom is scraped and all the facts are disclosed.

Mr. KEM. Mr. President, I thank the Senator from New Jersey for his interesting and worth-while comments. I may observe in passing that when the President of the United States determined to purge Mr. Slaughter he did not address himself to the electors of the Fifth Congressional District of Missouri. He sent for Jim Pendergast.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. DONNELL. I understood the distinguished Senator from Missouri, my colleague, for whom I have great admiration, to state that he would be willing to respond to questions. That is correct, is it not?

Mr. KEM. Yes.

Mr. DONNELL. Before I ask the Senator two or three questions, Mr. President, I should like to join with the distinguished Senator from New Jersey in expressing my admiration for the diligence, the zeal, the fine judgment and the integrity of the Senator's attitude with respect to Senate Resolution 116, which is the resolution concerning which the debate revolves.

In think the junior Senator from Missouri has rendered not only the State of Missouri but the Nation itself a great public service in calling attention to the facts which he has so vividly portrayed in the portion of the address I had the privilege to hear some time back, and the remarks I heard a few moments ago. I will say to the Senator that I had been unavoidably detained in a hearing this morning and did not arrive in time to hear the Senator's complete address.

The first question I should like to ask him is as follows: Is it or is it not true that the investigation made by the Kansas City Star was not primarily with respect to the question as to whether there was violation of Federal law, but was primarily with respect to the question as to whether there was violation of State law?

Mr. KEM. The Senator is absolutely correct. The investigators of the Kansas City Star were servicemen, newspapermen, and not trained lawyers. They were not asked to deal with the rather intricate legal question as to whether there had been a violation of the Federal criminal statutes, but merely to ascertain whether there was fraud and irregularity in the election.

Mr. DONNELL. The second question I should like to ask the Senator is: Is it not true that the Attorney General did not cause the FBI to make an investigation from persons who could testify of their own personal knowledge of what facts occurring at the polls, but confined his instructions to the FBI to an investigation from investigators who themselves obviously had secured their information from other persons and did not personally know of the facts concerning which they reported to the FBI? Is that not correct?

Mr. KEM. Yes. Those were the only two classes the FBI were permitted, under the instructions of the Attorney General, to interview. They reported back that they had interviewed those witnesses, and the Attorney General told them to close their files, that he desired no further investigation.

Mr. DONNELL. It was on January 6 of this year that he so stated?

Mr. KEM. That is correct.

Mr. DONNELL. I ask the Senator further, if in his opinion, further and additional evidence as to the inaction of the Department of Justice and the circumstances surrounding such inaction can be developed by further investigation?

Mr. KEM. I have dealt with that matter at some length in the part of my statement I made before the Senator entered the Chamber. I detailed some seven respects in which I feel quite sure that a fruitful ground will be found for further investigation to the advantage of the people of the United States.

Mr. DONNELL. Now, Mr. President, in view of the answers the Senator has made to these questions, I submit that, first, inasmuch as primarily the investigation made by the Kansas City Star was not with respect to the question as to whether there was violation of Federal law, but was with respect to the question as to whether there was violation of State law, and, second, inasmuch as the Attorney General did not cause the FBI to make investigation from persons who could testify of their own personal knowledge of the facts occurring at the polls, and inasmuch, in the third place, as in the opinion of the distinguished junior Senator from Missouri further and additional evidence as to the inaction of the Department of Justice and the circumstances surrounding such inaction can be developed by further investigation, I submit respectfully, Mr. President, that there can be but one logical, correct answer to the resolution submitted by the Senator, and that is to support the resolution and vote for the discharge of the Committee on the Judiciary.

I thank the Senator for the privilege of interrupting him.

Mr. KEM. I thank the senior Senator from Missouri for his very interesting remarks.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. KEM. For what purpose?

Mr. JOHNSTON of South Carolina. To ask the Senator a few questions.

Mr. KEM. I shall be glad to yield.

Mr. JOHNSTON of South Carolina. I should like to ask the junior Senator from Missouri a few questions, merely to keep the record straight. I believe the Senator submitted Senate Resolution 116 on April 21——

Mr. KEM. Pardon me. The resolution was submitted on May 20.

Mr. JOHNSTON of South Carolina. I believe the Senator submitted Senate Resolution 116 on April 21, and it was referred to the Committee on the Judiciary. Is that true?

Mr. KEM. I think the Senator is incorrect respecting the date. The date was May 20.

Mr. JOHNSTON of South Carolina. It was May 20, yes; but on the legislative day of April 21. The resolution has been in the Committee on the Judiciary ever since that date; is that true?

Mr. KEM. The resolution was referred to the Committee on the Judiciary a few days following the date on which it was submitted.

Mr. JOHNSTON of South Carolina. And I believe there are in that committee a majority of Republicans. Is that not true?

Mr. KEM. There are at least six Republicans who vote customarily with the party.

Mr. JOHNSTON of South Carolina. So the Senator is not claiming one of the Republicans on that committee; is that true?

Mr. KEM. I am not in a position to pass on that.

Mr. JOHNSTON of South Carolina. Why does the Senator say six when there are seven Republicans on that committee?

Mr. KEM. Well, there may be seven. There are at least six. [Laughter.]

Mr. JOHNSTON of South Carolina. There are seven Republicans and six Democrats. The Senator has not been able to have his resolution reported from the committee; is that not true?

Mr. KEM. I have covered that matter fully in my address. I said that a few days ago the committee recommended that the resolution be not reported.

Mr. JOHNSTON of South Carolina. The Senator is now submitting another resolution which would discharge the Committee on the Judiciary from further consideration of the resolution the Senator previously submitted. Is that true?

Mr. KEM. I am asking that the committee be discharged from the further consideration of the resolution under the rules of the Senate.

Mr. JOHNSTON of South Carolina. Because the Senator cannot obtain consideration in that committee; is that not true?

Mr. KEM. The committee has given it consideration, but I disagree with the conclusions which have been reached.

Mr. JOHNSTON of South Carolina. That is, the Senator cannot obtain the action he should like to obtain; therefore the Senator desires to take the resolution from the committee; is that not true?

Mr. KEM. I will say to the Senator from South Carolina that what I am

asking is that the Senate itself pass final judgment upon my resolution.

Mr. JOHNSTON of South Carolina. Could it be that a majority of the committee thinks the matter is one of State's rights, and that the Federal Government has no right to come into the State at this time, and could it not further be true that the majority of the committee believes the matter should be left to the officials of the State of Missouri, inasmuch as in that district of Missouri there is a Republican District Attorney elected by the Republicans, and a Republican judge?

Mr. KEM. Is the Senator from South Carolina familiar with the case of United States against Classic, in which the Supreme Court of the United States held that there was Federal criminal jurisdiction in a primary in which the names of candidates for Representative in Congress or Senator were on the ballot?

Mr. JOHNSTON of South Carolina. Is it not true also that individuals have been indicted in the district in question under the Missouri State laws? And is it now the desire of the Senator from Missouri that the case shall be brought into the Federal court also?

Mr. KEM. It is likewise true that the Attorney General of the United States, after having been prodded by the Ferguson committee himself directed the calling of a Federal grand jury, and presentation of the matter to the grand jury, and that grand jury, after viewing evidence presented to it by the Department of Justice, has already indicated five persons.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I yield to the Senator from South Carolina if he has not completed his inquiries. I am enjoying them, and I do not wish to foreclose further inquiry from him.

Mr. JOHNSTON of South Carolina. Is it not true that the only statute under which the Federal Government can go into Missouri is the so-called civil-rights statute; and is it not also true that there are statutes in the State of Missouri under which questions at issue can be brought into court?

Mr. KEM. It is true that the Supreme Court of the United States has decided that the civil-rights statutes, the so-called Ku Klux Klan statutes, with which the Senator is familiar, apply to fraudulent elections in which the name of a candidate for Congress is on the ballot. I further invite the attention of the Senator from South Carolina to the fact that as the result of investigations during 1936, during the administration of the late Franklin D. Roosevelt, numerous prosecutions were instituted in Kansas City in the Federal courts for irregularities which followed exactly the same pattern as those of 1946. Those prosecutions resulted in sending to Federal penitentiaries throughout the land more than 240 persons. The Pendergast lieutenants and henchmen were represented by able counsel who presented, in every court that was open to them, the very points which the Senator from South Carolina is now raising, but without avail.

Mr. HATCH. Mr. President——

Mr. KEM. In every case the criminal jurisdiction of the Federal courts, in exactly this type of case, was sustained by the courts of the land—by the Circuit Court of Appeals for the Eighth Circuit, and by the Supreme Court of the United States, which refused certiorari.

Mr. HATCH and Mr. JOHNSTON of South Carolina addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I should like to continue the very interesting colloquy with the Senator from South Carolina.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. It is apparent that I have been trying to get the Senator from Missouri to yield to me. In my effort I have been studiously addressing the Chair; but there has been in progress a private colloquy between Senators, neither of whom is complying with the rules of the Senate. Should not Senators who desire to interrogate other Senators first address the Chair, and not conduct private conversations back and forth?

The PRESIDENT pro tempore. The Chair would hardly consider this colloquy to be a private conversation. The Senator from South Carolina did address the Chair in the initial instance, and the Chair is willing to consider that his original address has a continuing aspect.

Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I shall be glad to yield to the Senator from New Mexico when the Senator from South Carolina has completed his inquiries.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask one further question. Does not the Senator from Missouri acknowledge that the law-enforcement authorities of Missouri have a right to handle this matter in the State without interference by the Federal Government?

Mr. KEM. The law-enforcement officers of Missouri have no jurisdiction to enforce the Federal criminal conspiracy statutes of the United States. Those statutes were enacted by the Congress of the United States, and their enforcement is in the hands of Federal officials, or should be.

Mr. JOHNSTON of South Carolina. The Senator does acknowledge, does he not, that there are fraud statutes and conspiracy statutes in his State?

Mr. KEM. I am not prepared to interpret the statutes of Missouri. I did not anticipate any inquiry with regard to them at this time. I am under the impression that there are conspiracy statutes in Missouri; but, regardless of that, Federal criminal jurisdiction was invoked in 1936, with the results to which I refer, and should be invoked again in 1946 and 1947.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. KEM. I shall be glad to answer any inquiries which the Senator from New Mexico desires to make.

Mr. HATCH. We have long since passed the point in the colloquy between the Senator from Missouri and the Senator from South Carolina at which the questions which I desired to propound might have been appropriate. However, I wish to ask both Senators if I correctly understand the questions and answers concerning membership on the Committee on the Judiciary. Am I to understand from the questions and answers that it is the opinion of the distinguished and able Senator from Missouri that when one member of his party happens to deviate from the party line and cast an independent vote based upon his honest conviction as to what the evidence shows such a man is no longer to be considered a member of the Republican Party? Am I correct in that assumption?

Mr. KEM. I do not know what I said that could possibly give the distinguished Senator from New Mexico such an impression. I stated that on the Senate Committee on the Judiciary there were at least six good Republicans.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. HATCH. The implication is plain.

Mr. KEM. The Senator from New Mexico is very adroit and apt in drawing implications. I leave that to him.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEM. I do not wish to be understood at any time as criticizing a Member of this body who votes his honest convictions.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LANGER. For the RECORD I wish to state that the Republicans of North Dakota carried the State for Mr. Willkie in 1940, and they carried it for Dewey at the last national election. They are good Republicans.

Mr. BALDWIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BALDWIN. Is it not true that under the rules any Senator may submit a resolution asking that a particular committee be discharged, no matter what the outcome of the vote in the committee may have been, or what the size of the majority in the committee may have been?

The PRESIDENT pro tempore. Certainly.

Mr. WILEY. Mr. President, I wish to support the pending motion to discharge the Senate Committee on the Judiciary, of which I have the honor to be chairman, from consideration of Senate Resolution 116 which provides:

> That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation concerning the failure of the Attorney General of the United States and the Department of Justice to act with respect to alleged irregularities in the Democratic primary election held in the Fifth Congressional District for Missouri

on August 6, 1946, with a view to ascertaining whether the Attorney General and the officers of the Department of Justice have properly performed their duties with respect to the investigation and prosecution of any violations of law which may have occurred in connection with said primary election.

I support the motion in the belief that the best interests of the country and of the Department of Justice require that the investigation proceed so that a definite and conclusive finding on the subject can be obtained.

Senate Resolution 116 was submitted by the Senator from Missouri on May 20 of this year. It was referred to the Committee on the Judiciary on May 21. On May 26 it was referred to a subcommittee. The subcommittee consists of the junior Senator from Michigan [Mr. FERGUSON], chairman of the subcommittee; the senior Senator from Nevada [Mr. MCCARRAN]; and the senior Senator from North Dakota [Mr. LANGER]. On May 26 the minutes of the Senate Committee on the Judiciary show that the subcommittee was instructed to make a preliminary inquiry into the general handling by the Department of Justice of the charges concerning the alleged irregularities in the Democratic primary election held in the Fifth Congressional District of Missouri on May 6, 1946.

It should be made clear at the outset that the subcommittee was not authorized or directed, nor did it attempt to make, as the resolution provides, a full and complete study and investigation of the actions of the Department of Justice in connection with the Missouri election case. Senate Resolution 116 itself calls for such a complete investigation. The purpose of the subcommittee's study was merely to determine whether there was sufficient evidence to warrant the complete study and investigation which was called for in the resolution itself and then to report its conclusions to the committee, and the committee was then to report its conclusions to the Senate.

The recommendation of the chairman was as follows: That in view of the apparent disagreement in the subcommittee and the report of the bill itself, the committee could probably consider the possibility of utilizing the subcommittee for further investigation.

Let me say that this recommendation was made after it was apparent that there was disagreement in the subcommittee. That took place the other day after it appeared that the matter was stalemated in the committee. I made the suggestion, feeling that for the good of the country, for the good of the Attorney General himself, and for the good of his department, the committee should permit the present subcommittee to carry on and make a full and complete investigation.

In other words, it was my desire to avoid protracted and time-consuming debate on the floor on this subject. I pointed out that my vote was not to be interpreted as reflecting in any manner, either favorably or unfavorably, on the actions of the Attorney General with respect to the investigation and prosecution of the alleged irregularities in the Democratic primary election held in the Fifth Congressional District for Missouri on August 6, 1946. I pointed out further that the question to be voted on was solely on indefinitely postponing or not postponing the bill and the investigation it proposed. It was my judgment that indefinite postponement of further investigation would be unfair to the Attorney General since there would be no conclusive finding. In my judgment, the Attorney General himself would welcome a complete and conclusive investigation to ascertain the facts. The recommendation of the junior Senator from Michigan, as chairman of the committee, and as his minority recommendation was that the preliminary study by this subcommittee warrants the following action:

1. That Senate Resolution 116 be reported favorably to the Senate without amendment.

There is no finding here of neglect or guilt.

2. A full and complete investigation by the Senate Committee on the Judiciary be authorized and concluded.

The report of the majority of the subcommittee, consisting of the senior Senator from Nevada [Mr. MCCARRAN] and the senior Senator from North Dakota [Mr. LANGER], was as follows:

Your subcommittee, to whom was referred the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with the alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946, having considered the same, report unfavorably thereon to the full Committee on the Judiciary and recommend that the resolution do not pass, but that it be indefinitely postponed by the full committee.

CONCLUSIONS

It is the conclusion of the subcommittee that the investigation proposed by Senate Resolution 116 would be fruitless and productive of no good result; that it would duplicate without reason the activities of other agencies; that it would amount to political harassment; and that for these and other good reasons the proposed investigation is wholly unjustified.

The point I want to make clear is that the preliminary inquiry which was conducted by the subcommittee was not to make a final determination with respect to the alleged neglect of the Justice Department to investigate and prosecute for violation of the Federal law in the so-called Kansas City vote fraud.

Let me emphasize these points:

First. The subcommittee was restricted to a very limited preliminary inquiry.

Second. The sole job of the subcommittee was to determine whether there was sufficient evidence to warrant the adoption of Senate Resolution 116, so that a thorough and complete investigation would be made.

As indicated above, there was a sharp divergence of opinion in the subcommittee—so much so, that each of the three members of the subcommittee wrote an individual report. Two of these reports, which recommended against the adoption of Senate Resolution 116, were sufficiently close in their conclusions so that they could be embodied in one report, constituting the majority opinion of the subcommittee. The opinion of the chairman of the subcommittee was presented as a separate individual minority report.

I mention this fact to indicate that there was evidently an honest disagreement between the three members of the subcommittee—a disagreement sufficiently pronounced to warrant the writing of individual reports by each of the three members of the subcommittee.

When the subcommittee reported to the full Committee on the Judiciary, the committee likewise was sharply divided, and the final vote to postpone Senate Resolution 116 indefinitely was 6 to 7.

In other words, throughout the consideration of the resolution by the Committee on the Judiciary, there has been no real unanimity of opinion. The committee has been sharply divided. The results of its consideration in this particular instance can hardly be taken as an overwhelming conclusive determination.

Mr. President, it is not my purpose to comment as to the possibility that the Justice Department may or may not have adequately fulfilled its responsibility in connection with the Kansas City vote frauds. I wish to make that clear. I am not weighing the evidence. I am not going to say whether the Department of Justice may or may not have adequately fulfilled its responsibility. That is not the issue, and I submit that our committee in any event did not have sufficient evidence to make a final conclusion on this issue, nor was it intended that they should.

Our committee was concerned solely with the question of whether there was sufficient evidence to warrant the complete investigation envisioned in the resolution. That investigation would then pass on the neglect or nonneglect of the Justice Department, or anyone in it, from the district attorney in Kansas City, where the undisputed evidence discloses that a summation even of the evidence of the FBI was not complete.

The issue which confronts the Senate today in connection with the motion to discharge the committee from the further consideration of Senate Resolution 116 is merely whether a complete investigation should be made.

I feel that the resolution should not be permitted to die in the committee. I feel that in fairness to the Justice Department itself and to the Attorney General, for whom I have a great deal of respect, the resolution should be adopted, so that a complete and conclusive investigation could be made.

I feel that the Attorney General himself would welcome such a complete and final investigation in the interests of ascertaining all of the facts, so that there could be a conclusive determination, which would end, in one way or another, the gossip and speculation which may otherwise follow the burial of this resolution.

Mr. President, I believe the investigation envisioned in the resolution should be conducted. Accordingly, I shall cast my vote in support of the motion to discharge the committee.

There is one other matter that I think calls for a few words from me. On page 20 of the report of the majority of the subcommittee, in subsection (b), the thought seems to be expressed that there should be no extension of Federal juris-

diction in connection with election frauds in primaries.

On page 6 of the report, it is stated that—

> The Federal statutes do not provide for Federal enforcement with respect to irregularities in elections in the following situations:
>
> (a) They do not make it a Federal crime to accept or pay a bribe in connection with a primary election, or to conspire to do so (*United States* v. *Bathgate* (246 U. S. 220)).
>
> (b) They do not cover a private individual who, without conspiring with others, votes in the name of another person, living or dead, or otherwise votes falsely, stuffs a ballot box, or otherwise commits or aids the commission of election irregularities (*United States* v. *Mosley* (238 U. S. 383); *United States* v. *Classic* (313 U. S. 299); *United States* v. *Saylor* (322 U. S. 385)).

I think this situation calls for remedial legislation by the Federal Legislature, and I intend to suggest to the professional staff of the Judiciary Committee that during the recess of Congress they give this matter full and complete consideration, and be ready to report to the judiciary next January.

In other words, under the present situation of the Federal statutes, in a primary election for United States Senator if a bribe is offered, there is no Federal statute that will take care of that situation, unless it comes within the conspiracy statutes. There are State statutes on the subject. We in the Federal Legislature are interested in protecting the elections for Members of the Federal Congress, as well as in protecting the elections for State governors and other State officials.

I see no interference with what has been called States' rights if we make this matter a criminal offense. It is said that the statutes do not cover the action of a person who, without conspiring with others, votes in the name of another person, living or dead, or otherwise votes falsely, stuffs the ballot box, or otherwise commits election irregularities. The evidence disclosed clearly that there was plenty of that going on, but it is claimed that that does not constitute a Federal offense.

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, Senate Resolution 150 will be placed on the calendar.

APPROPRIATIONS FOR GOVERNMENT CORPORATIONS AND INDEPENDENT AGENCIES—CONSIDERATION OF THE CALENDAR

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3756, making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948.

I ask further, in order that Senators may know what the program is to be, that upon the completion of the consideration of the appropriation bill the Senate proceed to consider measures on the calendar to which there is no objection, beginning with order No. 435, on page 9 of the calendar, that being the point reached at the last call of the calendar.

Mr. McCARRAN. Mr. President, will the Senator state whether it will be convenient at some time between now and the 26th of this month to have a complete call of the calendar, from the beginning to the end?

Mr. WHERRY. Certainly.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The Senate proceeded to consider the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. FERGUSON obtained the floor.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

DEVELOPMENT OF RIVER SYSTEMS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 404)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Public Works.

(For President's message, see today's proceedings of the House of Representatives on p. 9095.)

THE PRESIDENT'S MESSAGE ON FLOOD CONTROL

Mr. OVERTON. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. OVERTON. Mr. President, I think we have listened to one of the greatest messages to the Congress that was ever penned by any occupant of the White House. It deals with flood control on the greatest river not only in our Nation but in the world. It deals with a river system that embrace almost one-half of the entire domain of the United States, stretching from the Rocky Mountains on the west to the Alleghenies and the Appalachians on the east. We all realize and we have been vividly reminded this year of the tremendous suffering and misery and want and destruction of property and of life which the floodwaters visit upon us annually in different sections of this great system. It may be this year on the Missouri, it may be next year on the Ohio, it may be in the upper Mississippi in the following year, it may be in the lower Mississippi in the next year. But annually somewhere in this great system we are confronted with tremendous, devastating floods.

After very graphically presenting a picture to the Congress of the United States, after reciting the history of legislation dealing with flood control—started only in 1927, and then only for the lower Mississippi Valley, and extended in 1936 to embrace the upper Mississippi and its tributaries to the north—the President then proceeds to state that sufficient authorizations have been provided by Congress, and the engineers have prepared the blueprints, but appropriations have not kept pace with the authorizations. That has been the trouble.

The lower Mississippi project is as perfect today as can be humanly devised. What we need is money to carry it to conclusion. I speak for the lower Mississippi. I speak for the Missouri Basin. I speak for the Ohio Basin. The Pick-Sloan plan in the Missouri Basin comes as near to being a perfect piece of engineering work as can be devised. The Ohio River Basin, while it has not attained the perfection in authorization that some other portions of the system have attained, yet has abundant authorizations which ought to be carried into execution, and which, if carried into execution, would save that great and fertile valley from much if not all future devastation by floods.

After describing the situation the President recommends that an additional $237,000,000 be appropriated for the War Department, to be expended by the Corps of Engineers in carrying out the authorized projects on the great Mississippi River system and its mighty tributaries. That, Mr. President, is quite an advance over what the Bureau of the Budget recommended. It had recommended at the beginning of this year $188,000,000 for flood control. The original budget estimate for flood control, to be exact, is $188,356,000, and that for rivers and harbors $102,494,000.

Mr. President, I express the very earnest hope that the Senate committee now handling the War Department civil functions appropriation bill will consider the message of the President and will increase the appropriations as recommended by him, and that when the committee has made its report and the Senate has acted favorably thereon, the House will agree to it. We can accomplish nothing by piecemeal work if we seriously intend to control the great floods which annually cause such havoc. The Missouri Basin, with its tremendous dams and reservoirs, its levees, and also its navigation in its lower reaches, now requires ample appropriations. The

Ohio River requires appropriations to complete its projects. If we had proceeded with the lower Mississippi, if we had proceeded with the Ohio and the Missouri River Basins as we have proceeded with the Tennessee River under the TVA, with appropriations corresponding to those given to the Tennessee Valley Authority, these great rivers would be under flood control today.

Mr. President, I thank the Senator from Michigan [Mr. FERGUSON] for yielding to me to make these few observations, and again I wish to congratulate the President upon this very able and heartening message which he has sent to the Congress of the United States.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. REVERCOMB. Mr. President, I am glad the President has sent the message to Congress which was just read. As a member of the Public Works Committee, to which the message has been referred, I wish to say that I wholeheartedly endorse the view of proceeding with reasonable speed toward the development of the plans to control the floods and to improve the rivers and harbors of the country. Except for the defense of the Nation, except for the maintenance of our sovereignty as a nation, I do not believe there is any Government undertaking which contributes more to the well-being and to the sound and continued improvement of the country than the improvement of the rivers and harbors, and particularly the carrying into effect of plans for flood control. That has been called very pointedly to our attention in the great Missouri Basin because of the recent tragic floods which have cost lives and untold loss in property values.

Mr. President, the whole idea of flood control emphasized in the President's message embraces not only the Missouri Valley, the Mississippi Valley, and the Ohio Valley, but encompasses the whole country where the need for protection against floods exists.

I am glad flood control was emphasized in the message. The message is timely, because the subcommittee dealing with appropriations for flood-control projects is in process of meeting and will soon report to the Senate the amount it will recommend for such projects.

Mr. President, I would not undertake to say how many years should be required to complete the plans which have already been formulated. I do not know that 10 years would be an adequate period; but I subscribe to the idea that we should proceed with reasonable speed to carry out the gigantic plan which has already been formulated and drawn up by the Corps of Army Engineers, and should proceed from year to year with the projected development.

Mr. President, I may say that such work is being proceeded with. Perhaps many Senators do not know that under the Pick-Sloan plan referred to by the able Senator from Louisiana [Mr. OVERTON] there are five dams to be built on the Missouri River main stem, with numerous others upon the tributaries, and that at this time the construction of two of those dams is going forward.

Mr. President, I am glad the message of the President has come to the Congress. I subscribe to the idea that great good must result from the development of our flood-control plans. I hope the day will come when all the rivers and streams of the Nation will have been mastered by the handiwork of man. It has been already proved, by the structures which are completed, that the floods can be controlled, and when the work in its entirety shall have been accomplished we will have contributed much to the lasting strength of the Nation and to the protection of the American people.

Mr. McCLELLAN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. McCLELLAN. I wish to take just a moment to associate myself with the very able remarks made by the distinguished Senator from Louisiana [Mr. OVERTON] and the distinguished Senator from West Virginia [Mr. REVERCOMB]. When testifying before the subcommittee of the Senate Appropriations Committee a few days ago I emphasized that the withholding or the cutting of appropriations badly needed for flood control and for our water resources development was extravagant waste rather than sound economy.

Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point an excerpt from the statement I made before the subcommittee of the Senate Committee on Appropriations considering the War Department civil-functions appropriation bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I want to make this statement for the record. I know we are all under a lot of pressure to effectuate the maximum amount of economy in this Government. I subscribe to that policy; I think it is imperative that this Government, and those of us who have the responsibility, exercise with care and caution the power that is reposed in us to create additional cost or to spend the taxpayers' money but, Mr. Chairman, I want to say this for the record. The serious cutting or withholding of appropriations actually needed to advance the comprehensive flood control and rivers and harbors programs as authorized by the Congress in its correct analysis is in fact extravagant waste rather than sound economy.

The true material wealth of our Nation is wholly identified with our natural resources, their development, and their use. If we lose sight of this and fail to support and accelerate water resources and improvements and protection, the Congress will be responsible for invoking a false economy that will greatly retard our economic progress and ultimately double the cost when the job is finally done.

I thank you.

Senator GURNEY. Thank you very much, Senator.

Senator McCLELLAN. Mr. Chairman, I appreciate the courtesy of the committee and will ask that I may be excused at this time.

Mr. McCLELLAN. Mr. President, I am most gratified with the splendid message from the President of the United States. The President is right and I sincerely hope the Congress will heed this message and make the appropriations and provide the necessary money to do this job.

Mr. LANGER. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. LANGER. Mr. President, I wish to associate myself with the Senators who have spoken approvingly of the President's message. I wish to say that in North Dakota for 20 years we have been making appropriations for flood prevention and other projects on the Missouri River.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1948

Mr. BRIDGES. Mr. President, some time ago the Senate passed a so-called continuing joint resolution, so that employees in the various departments might be paid in cases where the regular appropriation bills had not been enacted into law. We sent that resolution over to the House after passing it by a unanimous vote. The House objected, claiming that it was the prerogative of the House to originate all appropriation bills and revenue measures, and it failed to take action.

Yesterday the House passed House Joint Resolution 240, which accomplishes the same purpose. While I still feel that the Senate was not out of place in passing the joint resolution which it sent to the House, in order to obtain a regularized procedure and to take care of the situation for the employees in the few departments where bills have not been enacted into law I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House Joint Resolution 240.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 240?

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	

The PRESIDENT pro tempore. Eighty-nine Senators have answered to their names. A quorum is present.

Is there objection to the request of the Senator from New Hampshire that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 240?

Mr. CONNALLY. Mr. President, what is the joint resolution?

The PRESIDENT pro tempore. It is a continuing resolution with respect to funds to meet pay rolls pending the passage of the appropriation bills.

Mr. BRIDGES. It is to permit payment of employees, in departments, in the few cases where the appropriation bills have not been enacted into law.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 240) making temporary appropriations for the fiscal year 1948, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to meet pay rolls (obligations for which were incurred in accordance with section 102 of the Second Urgent Deficiency Appropriation Act, 1947, Public Law 122, or in accordance with provisions of the Emergency Appropriation Act, 1948, Public Law 161) for pay periods ending prior to July 16, 1947: *Provided*, That expenditures hereunder shall be charged to the appropriate appropriations for the fiscal year 1948 when made.

Mr. BRIDGES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. On page 1, line 3, following the comma after the word "appropriated", it is proposed to insert "and out of applicable corporate or other revenues, receipts, and funds, respectively."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

LEGISLATIVE APPROPRIATIONS

Mr. BRIDGES. Mr. President, I should like to make a statement because of a question raised by the senior Senator from Nevada [Mr. MCCARRAN]. He raised the question with me as to when the legislative employees in the Senate would be paid. The conference report on the legislative bill was agreed to yesterday. It is expected that the President will sign the bill today. If he does sign it today, the financial clerk of the Senate, Mr. Thompson, informs us that he will be able to have the money available so that pay day can occur on Friday of this week, or the day after tomorrow. This will depend, however, on action by the President.

Mr. MCCARRAN. Mr. President, I am grateful to the Senator for his explanation. It has been exceedingly embarrassing to find stenographers, clerks, and secretaries, and the efficient attachés of Senators' offices, not paid when they expected to receive their pay.

In that connection, if I may digress for a moment, during the years I have been a Member of this body I have also been a member of the Committee on Appropriations. We had a limited staff, but never once during the 14 years that I have been a member of the committee have we been late in passing the appropriation bills.

By the Reorganization Act we augmented the staff of the Committee on Appropriations. The Senator from New Hampshire [Mr. BRIDGES], chairman of the Committee on Appropriations, proceeded early in the session to appoint the members of his special staff. I would not wish to say that today the Appropriations Committee is top-heavy with attachés. Perhaps that would not be the correct statement. Suffice it to say that it must be, and is, sufficiently staffed and more; and yet we are nearly a month behind with all the appropriation bills.

I do not think that my criticism should be considered as a criticism of the able Senator from New Hampshire, but I do say it is a criticism of those having control and charge of appropriation bills. Especially is that true when we find stenographer-clerks, who live from hand to mouth, as it were, and look forward to every pay day, finding themselves met by the disbursing office of the Senate with the statement that there is no money. It does not seem right, in view of the fact that the staff of the Appropriations Committee of the Senate is certainly sufficiently large to warrant expedition in handling the matters.

Mr. BRIDGES. Mr. President, as the Senator well knows, it is not the fault of the Appropriations Committee of the Senate that action has not been taken on these bills. There is one appropriation bill still in the House which we have not yet received. We received the District of Columbia bill only 2 or 3 days ago. As a result of the Reorganization Act changes, as to some of the bills, the House was months later than in other years in getting the bills to the Senate. As to the legislative appropriation bill, the committee held a session until after midnight one night in order to rush through the hearings on it. So the committee has acted to expedite all the appropriation bills as rapidly as possible as soon as received. Today I am making inquiries of the House to ascertain when the last supplemental deficiency bill will arrive, containing among other items foreign relief requirements. If it can be passed by the House on Friday I intend to hold hearings on Saturday afternoon and evening in order to expedite it. We could not proceed until we received the bills from the House. We have acted very rapidly when we have received them. So, without "passing the buck" at all to the other legislative branch, I will say that, as the Senator well knows, we have been terrifically handicapped because we could not act until we got the bills before us and then we acted promptly in every case.

It is proper that I should point out that for the first time in more than a decade the Appropriations Committee has with extreme care analyzed every request for the people's money. That has resulted in substantial savings for which the people are grateful. Haste makes waste but careful consideration results in savings. Regarding the committee staff, Senators serving on the committee know that since January 3 there has been hardly a night when the committee-room lights have not been burning. There has hardly been a Sunday the staff has not worked. They have been helping us to do a difficult job well. Incidentally, the committee staff was named without regard to politics and each staff member is the servant of every committee member. The chief clerk has served faithfully for some 37 years, I want to add.

Mr. MCCARRAN. I am glad the Senator used one expression, and that was that due to the Reorganization Act this situation has come about. It has been one of the prides I have had in my entire legislative career that I voted against the reorganization bill in the Senate of the United States. I only wish I had had a hundred votes, and they would all have been cast against that bill. If it were possible, I would vote 200 times against it today.

RECORDING SERVICE

Mr. BRIDGES. Mr. President, I want to make a statement, if I may, with reference to the legislative appropriation bill on which action was completed. It has been reported to me that some broadcasters are disturbed at the arrangement made in that measure for putting the recording service to the Members of the House and Senate on a more business-like basis.

The question has been raised as to whether, under the language of the appropriation bill, the Coordinator of Recording Facilities would have anything to do with the radio broadcast or televising arrangements for covering committee sessions of the Senate or House or have any part in setting up facilities for normal or special radio news coverage in the Senate and House.

I wish to make it plain that this project, which is widely endorsed on both sides of the Capitol, is intended solely to aid individual Members in making transcriptions. It is not intended that the proposed Coordinator shall assume any new functions or duties beyond the service he is rendering now. The individual stations and networks will continue to make their own arrangements for interviews, live broadcasts, televising or recordings of committee sessions, various types of discussion programs and special events such as joint sessions in the same manner as they now do. Meanwhile, through this appropriation, the present recording service will serve Members of Congress more efficiently.

REPAIR OF IRRIGATION WORKS DAMAGED BY FLOODS

Mr. HATCH. Mr. President, earlier in the day I sent to the desk a committee report on Senate bill 1639, authorizing the repair and rehabilitation of irrigation works damaged by flood and the prevention of flood damage in the Fort Sumner irrigation district, and for other purposes. I understand that later in the day the calendar will be called. This bill is not controversial, and I am very anxious to have it passed by the Senate at the earliest possible moment in order that it may go to the House. Therefore I ask unanimous consent that the report be placed on the calendar so that it can be promptly considered.

Mr. TAFT. Mr. President, I must object to that request. I think it should follow the regular rule. It must be reported and printed and follow the regular course. I do not think we should agree to any general proposal that measures be brought up and automatically, by unanimous consent, added to the calendar. That is a violation of a fundamental rule of the Senate, to which I think it is necessary to adhere.

The PRESIDENT pro tempore. Objection is heard.

Mr. HATCH. Mr. President, of course it is a violation of the rule of the Senate. If it had not been a violation of the rule I would not have made a unanimous-consent request. It was in the hope that Senators would see fit to grant that small consideration that I made the request. I am sorry that the Senator from Ohio feels compelled to object.

APPROPRIATIONS FOR GOVERNMENT CORPORATIONS AND INDEPENDENT AGENCIES, 1948

The Senate resumed the consideration of the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes.

Mr. FERGUSON. Mr. President, the Committee on Appropriations, to which was referred House bill 3756, making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, has reported it with various amendments. For the information of the Senate I shall state briefly the changes made.

The amount in the bill as passed by the House was $36,097,580. The amount as recommended by the Senate Committee on Appropriations is $31,749,918; a net reduction under the House bill of $4,350,662.

The appropriations made by the House are $14,039,920 under the budget estimate. The appropriations recommended by the Senate committee are $18,390,582 under the budget estimate.

There is also authorization for administrative expenses, which is not a direct appropriation, but paid from various other sources, out of corporate funds of either wholly owned or partly owned Government corporations.

On these items the amount in the bill as passed by the House is $41,649,700. The amount as recommended by the Senate committee is $47,435,000, or a net increase over the House bill of $5,786,700. It must be noted, Mr. President, that those are not direct appropriations, but merely authorizations.

The House allowance is under the budget estimate by $14,847,550; the Senate committee allowance is under the budget estimate by $9,062,250. The net effect of the committee's action is to reduce the appropriations by 31 percent under the budget estimate and by 12 percent under the House allowances.

In the case of administrative expenses and authorizations which do not involve appropriation of funds from the Treasury of the United States but which set a limit on the amount and use of corporate funds, the committee has seen fit to make changes which, percentagewise, have the following effect: 19 percent under the budget estimate and 14 percent over the House allowance.

Mr. BARKLEY. Mr. President, will the Senator yield at this point?

Mr. FERGUSON. I am glad to yield.

Mr. BARKLEY. I am compelled to leave the Chamber, and I shall not be able to return later during the day.

I wish to clear up a matter involving the housing situation and the Housing Expediter. As I understand the situation, the House of Representatives provided only $100,000 for the Expediter, eliminated $450,000 for constituent agencies, although that sum was recommended by the Bureau of the Budget, and also eliminated $765,000 under the Lanham Act; so that the net result was that the House eliminated everything for the Housing Expediter except $100,000, which is an insignificant sum when we consider the housing situation. Because of the language of the bill as reported by the Senate committee, there is some confusion as to what the net result is, that is, as to whether the language of the bill as reported by the Senate committee restores both the $450,000 and the $765,000, and whether the House appropriation of $100,000 is in addition to that, which would make a total of $1,315,000, instead of $1,215,000, or whether in addition to the $100,000 the Senate committee has made available only $765,000 under the Lanham Act, making a total of $865,000 for the Expediter. I should like to have the Senator clarify that situation, so that we may ascertain just how much the Senate bill provides.

Mr. FERGUSON. I shall be glad to explain what we have done in this bill in relation to the National Housing Administrator. I think the Senator from Kentucky misspoke himself in referring to the Housing Expediter, who is Mr. Creedon, and who occupies another office.

Mr. BARKLEY. That is correct.

Mr. FERGUSON. So we are talking about the same thing.

Mr. BARKLEY. Yes.

Mr. FERGUSON. The appropriation for administrative expenses is in the sum of only $100,000. In the bill as reported by the Senate committee there is an addition of $765,000, under the Lanham Act, which was left out by the House of Representatives. The Senate committee does not provide for an appropriation of $100,000 plus $450,000. The reason for cutting the amount of this appropriation to $100,000, the amount allowed by the House of Representatives, is that the National Housing Administration is an agency which has been superimposed and is really a body which governs the Federal Home Loan Bank Administration, the National Housing Administration, and the Federal Public Housing Authority. It was the opinion of the House of Representatives, an opinion shared by the Senate subcommittee and the full Appropriations Committee of the Senate, which reports the bill, that $100,000 would be sufficient for administrative expenses.

It is true that the National Housing Administrator, Mr. Fahey, testified that they had a grand scheme and grand program under which they wished to do research work and wished to have specialists, economists, and lawyers looking into the development of local legislation and local ordinances in relation to various activities; but the committee as a whole, including the Senator from Michigan, feel that these matters can be handled by the agencies that are doing the work, and not by this top agency which is superimposed for the sole purpose of seeing that the other agencies, over which this top administrator is placed, are doing their duty.

We assume that when we appropriate the maximum amount—$10,000—for the administrators of the Federal Home Loan Bank, the National Housing Administration, and the Federal Public Housing Authority, if we put a supervisor over them, he does not need a large staff; we believe that if he has counsel, if he has one associate or assistant, and if he has sufficient experts in his office to supervise the work, that is sufficient; and we believe that we should not provide $1,000,000 or $1,250,000 for this superagency.

Mr. BARKLEY. Mr. President, I should like to inquire a little further about this matter. I believe the Senate committee has added to the $100,000, the total amount provided by the House, by eliminating a certain portion of the provision which was made by the House, with the result that $765,000 under the Lanham Act is added.

Mr. FERGUSON. Yes; we provide for that.

Mr. BARKLEY. But as I understand the situation, the Senate committee has not added the $450,000 going to make up the $1,215,000 which the Budget Bureau requested for the other constituent agencies of the housing set-up. Is that correct?

Mr. FERGUSON. I think the Senator will find that instead of $450,000, it is $350,000. We did not allow that.

Mr. BARKLEY. The memorandum which I have on the subject shows $450,000. But regardless of the exact amount, I understand that it was not allowed.

Mr. FERGUSON. It was not allowed.

Mr. BARKLEY. One hundred thousand dollars for administrative work on a problem so important and vital as the housing situation seems to me to be very inadequate. I am not a member of the Appropriations Committee, and of course I did not attend the hearings and get the background of all this matter, but it is

rather difficult to understand it from a memorandum which was handed to me just before the bill was taken up.

Of course, all of us are interested in the housing problem. The Senator from Ohio [Mr. TAFT] and I, as members of the Banking and Currency Committee, for many years were interested in this matter. The housing authorities feel that in order to do this job adequately they really need $1,215,000, which was requested by the Bureau of the Budget, and is made up of the $765,000 and the $450,000, if the latter is the correct figure.

The net result, as I understand the Senator from Michigan, is that the $100,000 plus the $765,000 make a total of $865,000 which the committee allows in the bill.

Mr. FERGUSON. That is correct.

Mr. BARKLEY. Let me ask about another matter. Twenty-four million dollars was requested by the Bureau of the Budget, but it has been reduced to $20,000,000. I think the House reduced it to $17,000,000 or a little more, and the Senate committee has raised it to approximately $20,000,000, but that is still $4,000,000 less than what the housing authorities believed was necessary. Will the Senator from Michigan state the facts about that matter and the reason why the committee did no restore the entire amount which was requested?

Mr. FERGUSON. I shall be glad to give the explanation in regard to that item, which is the one for the Federal Housing Administration. By the way, that agency is under the same man; he is administrator of both the National Housing Agency, the super organization, and the Federal Housing Administration.

Mr. BARKLEY. All of that grows out of an effort to coordinate these housing agencies so that people will know where to go and upon whom to depend in regard to any phase of the housing problem, instead of having them scattered all over town.

Mr. FERGUSON. But in that attempt to coordinate, we put the coordinator over himself, and he coordinates himself, together with two others.

Mr. BARKLEY. Well, if a man cannot coordinate himself, he does not have much hope of coordinating other people. [Laughter.]

Mr. FERGUSON. Mr. President, there is something to that, particularly in the Government.

Mr. BARKLEY. That includes the Senate, too; we are in Government.

Mr. FERGUSON. As to the Federal Housing Administration the subcommittee allowed $17,624,000. When this matter came up in the full committee, the Senator from Maryland [Mr. TYDINGS] appeared and presented the case for the Federal Housing Administration. At that time we agreed to increase the amount to $20,000,000, which would be taken to conference, because we felt from the discussion that we did not want to do anything by way of cutting out any funds—and this is not a direct appropriation, but is merely an authorization—that would in any way interfere with housing. But it was the opinion of the Senator from Michigan, judging from what was said, that the Federal Housing Administration would be able to get along with the $20,000,000, and we then and there increased the item from $17,624,000 to $20,000,000.

It is true that that amount is $4,000,000 under the figure estimated by the Budget. But if the expenses of government are to be reduced, it is necessary that some items be reduced, and this is one item which was reduced.

Mr. BARKLEY. Mr. President I appreciate the increase that was made from the $17,600,000 to the $20,000,000. I have conferred with the Senator from Maryland [Mr. TYDINGS], upon whose motion in the full committee the amount was raised to $20,000,000. Not being a member of the committee myself, and not having had the benefit of the discussions in the hearings, I am not in a very good position to defend an amendment increasing the amount, and, therefore, I shall not offer it. I feel that if it is offered it should be offered by some member of the committee who is familiar with the facts.

I do deplore any effort to economize unnecessarily in the field of housing. We all understand the tragic problem of housing in this country. We all understand that none of our ambitions have been realized in regard to housing, not only as regards veterans, but generally. Four million dollars a year is not a great amount of money, if by appropriating it we could expedite and facilitate the building of houses for the American people, and especially for the veterans.

After the consideration given by the committee and the action taken by the committee on the initiative of the Senator from Maryland, I myself do not feel that I know enough about what occurred in the committee to justify me in offering an amendment, and I shall not do so.

I hope the Senate conferees, when the bill goes to conference, will insist on the total amount provided in the bill, not only in this particular item, but the other item which I discussed with the Senator a moment ago.

I ask unanimous consent at this point, if the Senator will permit, that I may include in our colloquy a statement with respect to the latter item of $24,000,000.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CREATION AND PURPOSE OF FHA

The Federal Housing Administration was established June 27, 1934, under the provisions of the National Housing Act, to encourage improvement in housing standards and conditions, to promote a stable home mortgage market, and to stimulate the flow of private capital into the field of home financing through the insurance of mortgages on dwellings. During the present year the Federal Housing Administration has operated under three titles of the National Housing Act. These are title I, which authorizes partial insurance by the Federal Housing Administration of character loans made for renovation, improvement, and within certain limitations, construction of both residential and nonresidential properties; title II, which provides for insurance of home mortgages up to 80 to 90 percent of the appraised long-term value of both new and existing small homes and new rental housing projects; and title VI, which parallels title II, but provides for insurance of home mortgages on a current cost basis for veterans' emergency housing. Title VI was used during the years 1941–45 for insurance of privately financed war housing and was reinstated by the Congress in the spring of 1946 (Public Law 388, 79th Cong.) for insurance of veterans' housing. During normal times the Federal Housing Administration operates exclusively under titles I and II. The authority to insure new business under both titles I and VI would have expired on June 30, 1947, except for recent legislation extending such authority beyond that date.

During its nearly 13 years of operations the Federal Housing Administration has insured in excess of $10,000,000,000 of loans. Through the use of this system, more than seven and one-half million families have been able to purchase, build, rent, or repair their homes.

The Federal Housing Administration program represents a joint effort of private builder, private lender, and the Government, addressed to providing adequate housing for the people.

FHA BUDGET REQUEST

All operating expenses of the Federal Housing Administration in connection with the programs authorized under the National Housing Act are financed from its own income which it receives from examination and inspection fees, insurance premiums, and interest on investments. Administrative expenses for fiscal 1948 were estimated at $24,000,000. The income from insurance operations was estimated at a little in excess of $41,000,000.

The $24,000,000 for administrative expenses would provide an average 5,789 employees to process insurance applications involving 486,500 dwelling units as well as to maintain all the insurance business on the books amounting to $4,000,000,000.

The amount approved by the Appropriations Committee is $20,000,000. This would provide for an average of about 4,700 employees. Apparently the amount approved by the committee is based on a lower workload estimate than that estimated by FHA. However, the trend of applications has been steadily upward and during the past 3 months has been at the annual rate of 648,000 dwelling units. The annual rate of the June volume was 756,000 dwelling units. Many possible factors may change this downward, but there is much room for downward revision before reaching the 486,500 dwelling-unit estimate upon which the $24,000,000 budget was based.

In an attempt to handle this marked increase in applications, the Federal Housing Administration increased its personnel steadily until the present budget situation developed. Despite this increase in personnel and simplification of procedures, the backlog of applications has risen materially and the processing time required is longer than is satisfactory to FHA or acceptable to the building industry and lending institutions. The backlog of cases to be processed and the number of commitments outstanding will result in a heavy volume of work for FHA personnel in examining the applications received, in making the required and extremely important inspections of new units under construction, and in the closing of insured cases as construction is completed and the mortgages endorsed for insurance. After the $24,000,000 FHA budget was submitted to the Congress and even after it was acted upon by the House, legislation extending the authority of FHA to insure improvement loans under title I (Public Law 120, approved June 26, 1947) was enacted into law. This will add a further workload not contemplated in the budget. Furthermore, Public Law 129, approved June 30, 1947, extending FHA authority to insure loans under title VI, will undoubtedly have the

effect of increasing the number of mortgage insurance applications upon which the budget of $24,000,000 was based.

The Federal Housing Administration has a staff of 4,800 employes which should be expanded to handle the present workload. Further expansion would be indicated if the present work load continues. The evidence submitted indicates that the workload estimate is conservative. Present expenses are running at an annual rate of $20,500,000. Instead of increasing its staff to handle the high volume of business which it is now receiving, FHA would have some difficulty continuing even its present staff. On the basis of the House action it would have to release at once upward of 800 persons, mostly among those processing business already on hand and currently being received in the field offices.

At the time of preparing his estimates, months in advance of their consideration by Congress, the Commissioner of FHA had to make certain assumptions of work load. Even when he appeared before the House Appropriations Committee, he had to base a prediction upon his general knowledge of conditions. The work load is no longer an assumption, however. It is at hand—at a rate in excess of his estimate for the fiscal year. He cannot prophesy exactly at what rate it will continue, but he can prophesy certainly that if it continues, as it promises to do, he will be unable to handle it properly in the full public interest with the budget figure of $20,000,000.

In summary, the following points are emphasized to substantiate the FHA budget request of $24,000,000:

1. The present FHA work load is and has been for some months at an annual rate well in excess of the 486,500 dwelling-unit applications upon which FHA based its budget request.

2. Public Law 129, approved June 30, 1947, extending title VI, will increase the volume of mortgage-insurance applications beyond the 486,500 dwelling units originally estimated, since current costs can continue to be recognized by FHA in the insurance of mortgages. No provision for this increased volume was included in the FHA budget because the law was passed only a few days ago.

3. Public Law 129 also contained an entirely new section (sec. 609) providing for the insurance of loans to finance the manufacture of housing. This will also add to the FHA work load an operation for which no provision was made in its budget.

4. Public Law 120, approved June 26, 1947, extends title I so as to provide for the insurance of improvement loans. This law was also passed after the FHA budget was submitted to the Congress and after the House acted upon the budget request, and, accordingly, no provision was contained in it for the additional work load that will result. It has been estimated that this operation will yield about $4,000,000 of additional income over and above the original estimate of $41,000,000 for fiscal 1948.

It should be pointed out that the FHA budget request is for an authorization to expend out of receipts. Excess of receipts over expenditures goes to increase reserves in the insuring funds against losses. The agency has given plenty of evidence over the years of its earnest concern about building up its reserves, and of its economical and efficient management. It seeks an authorization large enough so that it will be in a position to serve private building enterprise properly—not so that it can expend money unnecessarily. If proof of that is needed—note the fact that last year, because its business volume grew gradually, it was able to adjust the expenditure of its funds so as to save $1,400,000 from its budget authorization.

The importance of providing adequate funds for the Federal Housing Administration arises out of the critical need for additional housing. The vital part the Federal Housing Administration plays in the production of housing by private enterprise is demonstrated by the fact that in excess of 50 percent of all permanent privately financed housing scheduled to be started, according to Bureau of Labor statistics, is presently the subject of an FHA application for mortgage insurance.

Mr. TAFT. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Ohio.

Mr. TAFT. I do not agree with the remarks of the Senator regarding the position or the value or the character of the service supposed to be rendered by the National Housing Administrator. However, that question is involved in the approval or disapproval of Reorganization Plan No. 3, so that I do not think it should be raised now, in connection with the bill we are considering. In effect, it seems to me the House was trying to abolish the agency by indirection, by failure to appropriate.

If the Senate approves the reorganization plan, then I think there should be in a deficiency bill a clearer allowance for the functions of the National Housing Administration. If the Senator disapproves, then there would be no occasion for that, because then it could operate for only 6 months, until the end of the war, as declared by the concurrent resolution which we passed recently.

Mr. FERGUSON. Mr. President, I think the able Senator from Ohio has stated the case correctly, that if the reorganization plan shall be approved and the Administrator shall be given certain authority, we should then appropriate a sufficient amount of money to carry out the functions we will have designated in the reorganization plan.

Reverting to the subject last being discussed by the able Senator from Kentucky, I wish to call to the attention of the Senate the fact that last year, that is in the fiscal year 1947, the Housing Administrator expended $16,200,000. So we have in effect increased the appropriation $3,800,000, which the committee felt was sufficient.

Mr. President, before I could ask that the formal reading of the bill be dispensed with, the able Senator from Kentucky wanted to bring up certain matters and colloquy ensued. I now ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Tennessee Valley Authority," on page 2, line 1, after "12A", to strike out "$22,143,500" and insert "$13,117,521"; in the same line, after the amendment just above stated, to strike out "including not to exceed $3,253,979 for the construction of South Holston Dam and Watauga Dam and"; in line 3, after the amendment last above stated, to insert the word "including".

The amendment was agreed to.

The next amendment was, on the same page, in line 4, after the word "exceed", to strike out "$6,686,000" and insert "$3,000,000."

Mr. McCARRAN. Mr. President, I should like to inquire of the Senator from Michigan whether this amendment reducing the House amount from $6,686,000 to $3,000,000 affects the chemical plant of the Tennessee Valley Authority, about which testimony was had during the hearings.

Mr. FERGUSON. The amount of $6,686,000, which is stricken out, was for additions only. The committee amendment appropriating $3,000,000 is for the chemical plant, maintenance, and replacement; not additions. The amount that was to be used in excess of $3,000,000 was for a product which had not been sufficiently tested. It had been experimented with only in a pilot plant, and the committee felt that the amount provided should be stricken from the bill at this time, and that $3,000,000 would be sufficient for maintenance and replacement.

Mr. McCARRAN. I am now dealing with the matter of fertilizer. Does this mean that the program heretofore carried out by the Tennessee Valley Authority of distributing free fertilizer throughout the country is to be curtailed or eliminated?

Mr. FERGUSON. This item has nothing to do with the distribution of free fertilizer. There is another item, later in the bill, which has something to do with that.

Mr. McCARRAN. Does that come under the caption "Tennessee Valley Authority," which we are now considering?

Mr. FERGUSON. Yes, but it is part of the $13,117,521, which is the amount allowed in line 1 on page 2 of the bill. That includes the $3,000,000.

Mr. McCARRAN. I inadvertently allowed that amendment to be agreed to through my mistake, and I respectfully ask unanimous consent that we may revert to that item, and that the vote by which the amendment was agreed to be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, the vote is reconsidered, and the amendment is before the Senate.

Mr. McCARRAN. Mr. President, it appears to me that in our zeal for economy we may have gone too far in this amendment. As I understand the record—and I have it before me—and as I heard the testimony, the plan has been to distribute free fertilizer for experimental purposes throughout the United States. I recall the statement made by the gentleman who testified, Mr. Clapp, who said that groups of farmers in the various sections met and among themselves, selected those of their particular groups in the particular vicinities, who would be willing to devote their lands and their activities to the program which would be established by the Tennessee Valley Authority for the testing out of fertilizers made at the Tennessee Valley Authority plant. When farmers had agreed to the plan, the fertilizer was sent to them free of charge.

It involved the expenditure of a considerable sum of money.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McCARRAN. I shall yield in a moment, though I hardly think I have the floor. In place of the Government, or the Tennessee Valley Authority for the Government, purchasing lands for experimental purposes, on which to test the use of fertilizers, the farmers throughout the country tendered the use of particular farms on which the test could be made. I think the chairman of the committee will recall that that is substantially the testimony. It seems to me it would be a mistake to cut off the program.

Several Representatives in Congress from the great State of Tennessee have stated to me that this was one of the greatest things that happened for their State. Others have told me that, where experiments had been made with the fertilizer, it had been a great boon to the farming community. Most of the farmers who undertook the test carried it to completion, though it required several years. Some of the farmers concluded it was too expensive, and gave up the test. It is my understanding—and I wish to be corrected if I am in error—that the committee amendment would practically eliminate the program undertaken by the Tennessee Valley Authority. Those who were willing to make their lands available for testing the fertilizer, when the fertilizer was given to them without charge, would no longer receive the fertilizer, and the program would come to an end. Am I correct in that, or am I in error?

Mr. FERGUSON. The Senator is not entirely correct. He is correct as to certain of the items. May I explain?

Mr. McCARRAN. I should be glad if the Senator would do so.

Mr. FERGUSON. The amount for research, in the sum of $1,483,000, has not been changed. The amount for certain development work has been reduced one-half. That includes this item, but it needs explanation. There was requested for agricultural resource development, $3,450,000; forest resource development, $700,000; mineral resource development, $215,000; recreation resource development, $254,000; stream sanitation and public health, $200,000; fish and game investigation, $90,000; topographical mapping, $400,000; special studies and activities, $315,000; administrative and general expense, $400,000; a total of $6,024,000. That amount was reduced one-half.

It must be remembered that the committee found that they were distributing fertilizer to 38,000 people. That does not mean 38,000 different people in different years; it means that the same farmers received the fertilizer every year, some of them for as many as 10 years. The House provided a system by which there was to be some payment for the fertilizer. The pending proposal represents merely an effort to coordinate the use of the fertilizer and the experimentation efforts with the work of the Agricultural Department. In the report we say there should be, and that there shall be, a coordination of fertilizer experimentation with the Agricultural Department because it is found that there is a great amount of duplication in the use of fertilizer for experimental purposes.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. Yes; I shall be glad to yield.

Mr. LANGER. In the testimony before the committee, was there discussion of the question of fertilizer being furnished to various agricultural colleges?

Mr. FERGUSON. I would not say directly to agricultural colleges, but to persons who are named by the agricultural colleges, and a group of people in each State, who determine who are to receive the fertilizer.

Mr. LANGER. It was my understanding, in talking to Mr. Lilienthal, that the fertilizer was to be furnished at cost to any agricultural college in the country.

Mr. FERGUSON. I may say that this amount will not affect the provision as to agricultural colleges getting the fertilizer at cost.

Mr. LANGER. How about an institution such as the University of Alaska?

Mr. FERGUSON. The bill would not affect such an institution, if it is entitled to obtain fertilizer at cost.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. As I understand, the Tennessee Valley Authority does not of itself distribute any fertilizer to farmers.

Mr. FERGUSON. Not directly; that is correct.

Mr. AIKEN. It manufactures the fertilizer for experimental work, and then the State extension service selects the farms on which the fertilizer will be used for demonstration purposes?

Mr. McCARRAN. I do not understand that to be exactly the program. As I heard the testimony, and as I quote from memory, it was to the effect that group meetings were to be held in various sections of a county, for instance, and the farmers, among themselves, by voluntary action, decided who should take part in the experimentation.

Mr. AIKEN. The farmers are selected by the States, not by the TVA?

Mr. McCARRAN. They are not selected by the TVA. They are selected largely by the Federal Farm Bureau.

Mr. AIKEN. Therefore, the TVA does not control the distribution of the fertilizer; it simply manufactures it for experimental purposes?

Mr. McCARRAN. It is sent to farmers who, having been selected at the meetings, evince a willingness to undertake the experimentation and devote their lands to it. It is then sent to them directly by TVA.

Mr. AIKEN. I think the Senator is correct about that, but I believe he will find the State extension service has authority over experimental use of the fertilizer, and that the farmer must make his fields open for public observation, submit reports on crop yields, and so on.

Mr. McCARRAN. That is correct, as I understand.

Mr. AIKEN. It does not seem to me that 38,000 farmers out of 6,000,000 is a very large percentage to be used for demonstration purposes. I should not say it had been overdone.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. Mr. President, will the Senator from Kentucky yield for an observation in connection with this same subject?

Mr. COOPER. I defer to the Senator from Alabama who knows more about the subject than I do.

Mr. HILL. I thank the Senator. I should like to make it clear, as the Senator from Vermont and the Senator from Nevada have stated, that a selection is made of the farmers whose farms may be used for demonstration or test programs. The tests are conducted under the supervision of the land-grant colleges, through the State extension service and county agents. The TVA does not select the farmers. The program is carried out by the land-grant colleges through the extension service.

Mr. McCARRAN. That is correct.

Mr. HILL. The farmer pays the cost of transporting the fertilizer, too.

Mr. COOPER. Mr. President, will the Senator now yield?

Mr. McCARRAN. The Senator from Michigan has the floor.

Mr. FERGUSON. I yield to the Senator from Kentucky.

Mr. COOPER. A few moments ago I think the Senator from Michigan stated that in the budget estimate for the item under discussion, $22,143,500, $1,483,000 had been provided for fertilizer demonstration.

Mr. FERGUSON. No; that was for research.

Mr. COOPER. Does the item carry with it also the cost of the demonstration service?

Mr. FERGUSON. No; it does not include that. The item the Senator has just mentioned is included in the $3,000,000 appropriation.

Mr. COOPER. As I understand, the $3,000,000 refers solely to capital additions?

Mr. FERGUSON. Yes. The $3,000,000, mentioned on line 4, is not the $3,000,000 about which we are now talking. We are talking about the $3,000,000, included in line 1, in the sum of $13,117,521.

Mr. COOPER. The point I should like to make is that the committee actually cut the appropriation by about 50 percent. Originally an appropriation of about $26,000,000 was asked. It has been cut to $13,000,000. It seems to me the amount which was estimated for the cost of the fertilizer program would also necessarily be cut 50 percent.

Mr. FERGUSON. I call the attention of the Senator to the language in line 14, on page 2:

Provided, That of said unexpended balance, $12,000,000 is to be available for the construction of the Watauga and South Holston Dams.

In other words, over and above the $13,000,000, is the amount of $12,000,000 which they now have in their possession, which they were not able to use last year because they could neither obtain supplies nor labor nor did they have the capacity actually to use the $12,000,000. So, instead of having only $13,117,521, as provided in the committee amendment on page 2, line 1, they have

$25,117,521, which is more than they were able to use last year.

Mr. COOPER. Is it correct that under the budget estimate about $26,000,000 was requested?

Mr. FERGUSON. About $27,000,000.

Mr. COOPER. About $27,000,000. And an item was included in that estimate for the construction of the South Holston Dam and for the Watauga Dam. The committee has eliminated those items in arriving at a total of $13,000,000?

Mr. FERGUSON. We have done it in this way, that we have allowed them to use $12,000,000 which they now have in their possession and which they were unable to use last year. As I understand, the TVA has not objected to that arrangement.

Mr. COOPER. Then is it correct to say that for their demonstration program there is just as much left as there was before the committee struck the item for the dams and provided for their construction by the use of $12,000,000 unexpended funds?

Mr. FERGUSON. I should say that is true. They can use the sum of $13,000,000 provided by the committee amendment in line 1 on page 2, in any way they desire. They can use the $12,000,000 they have on hand only in one way; that is on the two dams. We had in mind, when the bill was prepared, that the two dams are to be completed in 1949 and 1951, respectively, and that if the agency shall use $12,000,000 on the two dams this year, and about $11,000,000 each in the next 2 years or 3 years, as the case may be, they will be able to complete the dams on schedule, while we will not be taking any sums from them.

Mr. COOPER. The point I want to make is, that from the Senator's statement then there is no reduction of the money available for the fertilizer demonstration program?

Mr. FERGUSON. That is correct.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCARRAN. I desire to make the matter clear. Are we to understand from the statement just made by the Senator that the program of distributing fertilizer throughout the country, which program was extensively considered by the committee during the hearings, may proceed to the full extent it has in the past, and that the money is provided in the bill for that program?

Mr. FERGUSON. I would not say that it is specifically spelled out, but the amount of money appropriated can be used by the TVA for that purpose. The TVA is not restricted to using the amount out of the $13,117,521, and nothing contained in the bill would prevent the TVA from using that amount, because we have cut out other items which may have been considered as preventing such action.

Mr. McCARRAN. In other words, the agency may continue in the future to send fertilizer to the farmers to whom they have sent fertilizer in the past?

Mr. FERGUSON. I know of nothing in the bill to prevent them from doing so.

Mr. McCARRAN. And the money is in the bill with which they can do so?

Mr. FERGUSON. It is in the item of $13,000,000.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. If the TVA should continue the production of fertilizer for demonstration purposes as they have in the past, would that necessitate eliminating some of their other functions, such as topographical surveys, mapping, and otherwise?

Mr. FERGUSON. I will say that if they want to use the amount of money they ask in their budget estimate then they would have to curtail expenditures along other lines.

Mr. AIKEN. As I understand, then, the committee contemplated cutting the TVA 50 percent on all these items, including the fertilizer demonstration work, but the committee left with the TVA the privilege of eliminating some of their work completely, and using the full amount, as usual, for fertilizer demonstrations, if they so desire?

Mr. FERGUSON. We left it to the option of the TVA to conduct their business as they desire, but if they wanted to do it according to the budget estimate they would not have sufficient money to do it.

Mr. AIKEN. In other words, they are cut one-half on all their projects?

Mr. FERGUSON. Yes, the Senator is correct. It is up to them how they want to use the money.

Mr. AIKEN. If they do not wish to cut in half the production of fertilizer for demonstration purposes they can eliminate some of their other functions completely, and thus have the full amount to use for fertilizer demonstration.

Mr. FERGUSON. I should not say completely. They would have to curtail the production.

Mr. AIKEN. They would have that choice?

Mr. FERGUSON. Yes; they would have that choice.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. COOPER. I understood the Senator to say a while ago that the amount available for fertilizer demonstration was the same as that estimated before the cut in the appropriation. Is it correct that the fertilizer demonstration project is included in an item known as resource development?

Mr. FERGUSON. Yes; it is included in the resource development item, but not in the research item.

Mr. COOPER. Was request made for $6,000,000 for resource development?

Mr. FERGUSON. That is correct.

Mr. COOPER. And that item has been cut to $3,000,000?

Mr. FERGUSON. That is correct.

Mr. COOPER. Does it not follow then that the funds available for fertilizer demonstrations will be cut 50 percent and the other items in the program of resource development are eliminated entirely?

Mr. FERGUSON. It is certain that it is cut from $6,000,000 in round figures to $3,000,000.

Mr. COOPER. It follows then that the fertilizer development program is reduced by 50 percent, and that other items in the program are eliminated in toto?

Mr. FERGUSON. That is correct, unless they want to cut their other items.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. I notice in the last paragraph on page 2 of the committee report the following language:

> Of the operating funds the committee has allowed $3,000,000 for resource development.

Is not the resource development where the test farm program comes in?

Mr. FERGUSON. Yes.

Mr. HILL. Has not that item been cut exactly in half? Did not the Budget estimate $6,000,000 for that item?

Mr. FERGUSON. That is correct. But it is not all for fertilizer-research development.

Mr. HILL. I realize that. It may not all be for research development, but the fund from which the test demonstration programs come has been cut by the committee exactly in half. I am wondering as a practical proposition whether these programs can be carried out.

Mr. FERGUSON. The Senator from Michigan believes they can be carried out because of the language at the bottom of page 2 of the report, as follows:

> Of the operating funds the committee has allowed $3,000,000 for resource development and $1,483,000 for fertilizer research, with a directive to the agency that there be submitted a report to the committee showing that the TVA program of research is fully coordinated with the Department of Agriculture's research program.

Mr. HILL. What particular language does the Senator have in mind?

Mr. FERGUSON. The language in the report; the suggestion that they report back.

Mr. HILL. The report is all right. I have no objection to it. I should like to see the report. However, I do not see how making a report as to how the TVA program fits into the Department of Agriculture program helps in any way so far as funds for the TVA test demonstration programs are concerned.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCARRAN. The Senator from Michigan has answered our questions quite specifically; but I am a little afraid that the figures do not bear out his statement. What I am driving at is this: I want to provide sufficient funds in the bill so that the fertilizer program can go forward without impairing any other facility of the Tennessee Valley Authority. I am a little afraid, from the answers given by the Senator, that my wish in that respect could not be carried out with the figures now before us.

Mr. FERGUSON. If they attempted or desired to carry out the work which they indicated in the budget estimate, it could not be carried out unless their estimate was very high.

Mr. McCARRAN. I should like to ask another question. If an amendment were offered to the committee amendment in line 4, which is now $3,000,000,

as against $6,686,000, would that augment the money for fertilizer distribution?

Mr. FERGUSON. Not a particle.

Mr. McCARRAN. If $3,000,000 were added to the $13,117,521 in line 1, would that carry forward the program for fertilizer distribution?

Mr. FERGUSON. That would allow the TVA to use the additional $3,000,000 for such distribution if it desired to do so.

Mr. McCARRAN. At the proper time I shall offer such an amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. What is the amendment which the Senator intends to propose?

Mr. McCARRAN. I am going to suggest an addition of $3,000,000 at the proper place; and according to the answers given to me, I think the proper place would be in line 1.

Mr. HILL. That is the amendment now before the Senate. If the Senator intends to offer an amendment, I think this is the proper time to do it.

Mr. McCARRAN. Mr. President, I now offer an amendment to the committee amendment, in line 1, on page 2, to strike out "$13,117,521", and insert in lieu thereof the figure "$16,117,521."

The PRESIDENT pro tempore. The Senator from Nevada offers an amendment to the committee amendment on page 2, line 1, to strike out "$13,117,521" and insert in lieu thereof "$16,117,521." The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN] to the committee amendment on page 2, line 1.

Mr. SALTONSTALL. Will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I voted for the report of the committee as it was submitted, and I voted after looking over the items by which the $6,000,000 was made up. The committee reduced those items to $3,000,000, as the Senator from Michigan has brought out. The Senator from Nevada now wishes to put them back to $6,000,000.

I call attention to the fact that of the $6,000,000, $3,400,000 is made up of the agricultural resources development item, which we all want continued. But with respect to the other items, there is an item of $254,000 for recreation resource development, $400,000 for topographic mapping, $400,000 for administrative purposes, and $700,000 for forest resource development, of which more than half is for assistance in forest management and reforestation. It seems to me that in a year when we are trying to cut Government expenses, some of those things can be curtailed very substantially without eliminating the chemical resource development for agricultural purposes, which we all want to see go forward. It was for that reason that I supported the Senator from Michigan in reducing this item from $6,000,000 to $3,000,000. It seemed to me to be a reasonable reduction under all the circumstances.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCARRAN. I invite the attention of the Senator from Massachusetts to the language in the committee report on page 2, near the bottom of the page:

> Of the operating funds the committee has allowed $3,000,000 for resource development and $1,483,000 for fertilizer research, with a directive to the agency that there be submitted a report to the committee showing that the TVA program of research is fully coordinated with the Department of Agriculture's research program.

I may not read that language correctly. I certainly want to be corrected if I am in error, but it seems to me that the committee has reduced the amount that could be applied to the fertilizer experimentation program to $1,483,000.

Mr. FERGUSON. That is not a correct reading of the language.

Mr. McCARRAN. Very well.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Alabama.

Mr. HILL. The figure is now reduced to $3,000,000, with the committee amendment.

Mr. FERGUSON. That is correct; and the Senator from Massachusetts [Mr. SALTONSTALL] has explained it, as has the Senator from Michigan.

Mr. HILL. According to the budget estimate, the $6,024,000 for resource development includes the test farm demonstration fertilizer program. The overall figure submitted by the budget was $6,024,000.

By its amendment the committee reduces the $6,024,000 to $3,000,000, whereas the budget estimate shows that the farm test demonstration fertilizer programs alone would cost $3,450,000. So if we cut out all the other programs under resource development—and I doubt whether it would be economical to whack them all off at the end of the fiscal year, because we might lose a great deal of money and it might be unwise economically to do so—if we used the $3,000,000 proposed by the committee, we should still be $450,000, or nearly half a million dollars, short of carrying out the farm test fertilizer demonstration program.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I invite the attention of the Senator from Nevada to the fact that the $1,483,000 which he mentions, on page 2 of the committee report, for fertilizer research, is the full amount which has been asked by the TVA for that item. There is an item for fertilizer and munitions research and development, of $1,483,000.

Mr. McCARRAN. That is research.

Mr. SALTONSTALL. That is correct.

Mr. McCARRAN. That is not for distribution in the field.

Mr. SALTONSTALL. I call attention to the fact that under "agricultural resource development" the item which the distinguished Senator from Alabama has just been discussing, there is an item of $185,000 for rural organizations and cooperative development, and $175,000 for development of processes and markets for agricultural products. I submit that those two alone are not items which particularly concern chemical agricultural resource development, and could be cut down somewhat.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN] to the committee amendment on page 2, line 1.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. I should like to have the attention of the Senator from Massachusetts [Mr. SALTONSTALL]. I know what a wise man the Senator from Massachusetts is. I have the pleasure of serving with him on the same committee. He has been a very great Governor of his State of Massachusetts. I know that he would not want to do anything that was unwise or uneconomical, or would not be to the best interests of the taxpayers and of the Government, and the best interests of this program.

If the Senator from Nevada were willing to modify his amendment and, instead of adding $3,000,000, add two and a half million dollars, so as to allow sufficient leeway at least to insure that the test demonstration program for the farmer and other necessary resource development programs might be carried out, would that be agreeable to the Senator? We do not know today exactly what the status of the other resource development programs is. Some of them may be half completed; some may be three-fourths completed. It might not be well to stop them at this point, without the necessary knowledge. This bill has to go to conference. Conferees sit around the table and have an opportunity to call in experts and request the necessary information. I am wondering if the Senator from Massachusetts would be agreeable to making the amount two and one-half million dollars, and perhaps the Senator from Nevada would be willing to modify his amendment.

Mr. McCARRAN. I am perfectly content to modify it. What I want is to continue the program for use of fertilizer in this field. If two and one-half million dollars is the correct figure, I will modify my amendment accordingly.

Mr. HILL. If the Senator will yield to me. I addressed my remarks to the distinguished Senator from Massachusetts [Mr. SALTONSTALL] because he had raised the question of the budget items. I of course recognize the fact that the distinguished Senator from Michigan [Mr. FERGUSON] is chairman of the subcommittee and, as such chairman, is the authoritative voice in this matter. I want to appeal to him. I know he does not want to destroy this program and that he does not want to do anything which might bring about waste or an uneconomical situation or something that would not be wise, constructive, and in the best interests of the Government and of the farmers. The bill must go to conference, and I hope he will agree to permit the Senator from Nevada to modify his amendment and will accept the amendment.

Mr. FERGUSON. The Senator from Michigan cannot accept the amendment. So far as the conference is concerned, the Members of the conference committee will be in a position in which they will have before them all the arguments which have been made here on the floor.

The sum of $22,000,000 is involved. The House allowed $22,143,500 because they were not considering the sum of $12,000,000 in lines 14 and 15. The conferees would be able to take into consideration this item and decide what should be done. So I see no advantage in changing it here, because all of the debate will be before the conference, and the figure is such that the conference can decide what should be done, just as would be the case if the Senator from Michigan accepted the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. It seems to me that the adoption of the amendment of the Senator from Nevada would indicate very clearly that the Senate wanted the demonstration program continued, and there would still be an opportunity for the conference to compromise in other ways. If there ever was a time when the farmer needed to learn how to produce more at less cost, I think that time is the present. We have the question as to whether we shall continue to export food to foreign countries. If we do, we must continue our present production and even increase it. But more important than that to the individual farmer is the question of whether he will be able to continue farming. The cost of farm machinery is so high, and other costs are so great, that he must learn to produce more cheaply. One way in which he can produce more at less cost is through the use of high-power fertilizer and more complete fertilizer than he has been using. It is necessary to make up special brands for that purpose. It has been found that we cannot produce certain crops through the use of phosphorus, nitrogen, and potash. It has been found that certain crop failures are due to lack of boron, magnesium, iron, and many other things.

So I think it would be well to indicate that the Senate desires this program continued, even though it may mean cutting down some of the other things that the Senator from Massachusetts has indicated might well be dispensed with, at least temporarily. I hope the additional $3,000,000 will be included in the bill, even if the conference committee has to take it off some other items.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. Is it understood now that I have modified my amendment so as to read "$2,500,000"?

The PRESIDENT pro tempore. The Senator from Nevada modifies his amendment so that the increase in the committee's recommendation is $2,500,000 instead of $3,000,000. The question is on agreeing to the modified amendment to the committee amendment.

Mr. FERGUSON. Mr. President, I want to state, in relation to the remarks of the able Senator from Vermont [Mr. AIKEN], that if the Senate adopts this amendment it will be saying to the TVA, "Use $3,000,000 for the work of distributing this fertilizer to specific farmers," and will be telling them that they are to use, or that the Senate wants them to use, $2,500,000 for other items which have been read into the RECORD, such as forest resource development, mineral development, recreational resource development, stream sanitation and public health, fish and game investigation, topographic mapping, special studies, and activities——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. Do I correctly understand that $6,000,000 is to be used in this fertilizer demonstration?

Mr. FERGUSON. No; the Senator is entirely incorrect. The greatest amount requested was $3,450,000.

Mr. AIKEN. For a demonstration program?

Mr. FERGUSON. Yes.

Mr. HILL. According to the budget estimate, $3,450,000 was for demonstration programs by themselves.

Mr. FERGUSON. I want to correct that figure. The Tennessee Valley Authority budget program for the fiscal year 1948 provides for fertilizer used as tests and demonstrations, and the amount estimated for 1948 is $1,875,000. The other items are fertilizer demonstrations and farm management assistance, $800,000; soil and fertilizer investigations, $150,000. I have already referred to the fertilizer used in tests and demonstrations. The amount is $1,875,000.

Other materials used in tests and demonstrations, $25,000; soil inventory and mapping, $60,000; development demonstration of farm equipment, $180,000; development of processes of marketing of agricultural products, $175,000; rural organization and cooperative developments, $185,000——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. I do not have the book which the Senator has in his hand so that I can follow him; but how much would it be necessary to add to the appropriation to restore the fertilizer demonstration program to its status for this year?

Mr. FERGUSON. They would not need one dollar increase.

Mr. AIKEN. Assuming we allow for cutting the other activities in half?

Mr. FERGUSON. If we cut the other items, there is only $1,875,000.

Mr. AIKEN. But suppose the other items are left at the figure at which the committee felt they should be left?

Mr. FERGUSON. But we are not saying that to the TVA. We are saying, "Run you own business. Here is $3,000,000. You have asked for $1,875,000 for furnishing this fertilizer. We are giving you $3,000,000 for that and the other things for which you have wanted money."

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. The Senator from Michigan is correct, in that this particular fertilizer activity according to the budget estimate, costs $1,875,000.

Mr. McCARRAN. Is that for production?

Mr. HILL. But these test programs also involve and take in and have as part and parcel of them the other items to which the Senator has referred, such as other materials used in tests and demonstrations.

Of course it is necessary to make an inventory of the soil, by means of soil mapping, before it is possible to determine what kind of fertilizer should be put on the soil. In short, it is necessary to have the fertilizer, but it is also necessary to develop the other factors. According to the Bureau of the Budget, the cost is $3,450,000.

Mr. FERGUSON. Mr. President, if we add the first four items which I read into the RECORD—that is to say, the $800,000, the $150,000, the $1,875,000, and the $25,000, which would be a total of $2,850,000—we find that the program could be carried out with that total. But this program will not add to the food supply this year. This program merely involves demonstrations on 38,000 farms in the United States. It has been going on for 10 years or more. The specific farmer whose farm is selected in the manner which has been indicated, as brought out in the discussion today, could continue to get as much as he has ever obtained in the past, and there still would be sufficient money to carry out some of the other programs.

Mr. President, I hope the Senate will not increase this item, but will send it to conference just as the Appropriations Committee has reported it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. With all deference to my friend, the Senator from Michigan, I insist that to carry out these test farm demonstration programs as they have been carried out during the past 14 or 15 years, and as they have rendered such definite benefits to the farmers and have met with such success in behalf of agriculture in the United States, the full amount of $3,450,000 is needed, because not only is it necessary to have the fertilizer and other materials, but it is also necessary to have the soil inventory mapping done. It is necessary to have an inventory made of the soil before the kind of fertilizer which is to be used is determined.

Mr. AIKEN. Mr. President, will the Senator from Michigan yield to me, so that I may ask a question of the Senator from Alabama?

Mr. FERGUSON. I yield.

Mr. AIKEN. In that case, the full $2,500,000 which is requested by the Senator from Nevada would not be required. In the opinion of the Senator from Alabama, how much would it be necessary to add to this amount so that the fertilizer demonstration program could be carried out, and still leave the appropriations for the other activities cut by one-half, as evidently was contemplated by the Appropriations Committee?

Mr. McCARRAN. Mr. President, let me read from the testimony beginning on page 331 of the hearings. This is part of the testimony of Mr. Clapp:

Senator FERGUSON. You have one item of resource-development activities in the amount of $6,000,000. What is that item?

RESOURCE-DEVELOPMENT ACTIVITIES

Mr. CLAPP. That item includes the test-demonstration program in connection with the tests and demonstrations on actual farms

of our new fertilizer products. It also covers the work that we do in the field of forestry development, in cooperation with private-land owners and the United States and State forest agencies.

It includes the work we do in cooperating with the States in surveying and locating mineral deposits, and carrying on some experiments to develop processes that will find new uses for them.

Senator FERGUSON. Are you in effect substituting your activities for those of the Agriculture and the Interior Departments?

Mr. CLAPP. No; we are not substituting them. Our work in the field of agriculture goes on under a memorandum of understanding, to which the Department of Agriculture, the 7 land-grant colleges and extension services of the valley States, and the TVA are parties.

In the field of mineral-resource work, one of the Bureau of Mines laboratories is located right in Norris, Tenn., and we have an agreement with them for collaboration in the kinds of projects that they undertake and the kind we undertake.

Senator FERGUSON. Is there any duplication?

Mr. CLAPP. No; there is no duplication in that.

Senator FERGUSON. Do you mean the Agriculture Department has no experimental or research in the territory listed here?

Mr. CLAPP. I am sure they have some studies going on in the field of soil minerals, and in erosion, and so forth. But they do not carry on a program of the nature of this test-demonstration program, where the Extension Service, through its county agents, works with farmers in county after county, setting up on a voluntary basis the farmers who will devote their whole farms to the testing and demonstration of these new products.

Senator FERGUSON. Do you have trouble obtaining farmers that will allow you to take this fertilizer?

Mr. CLAPP. I won't say we have trouble, but not everyone wants to go into it.

Senator FERGUSON. In how many States do you operate experimental farms?

EXPERIMENTAL FARMS

Mr. CLAPP. Of course, we don't actually operate any experimental farms.

Senator FERGUSON. You are giving them fertilizer?

Mr. CLAPP. We are furnishing these new products to them, to some 38,000 test-demonstration farmers, in 29 States, including the 7 valley States.

They take that material to apply to their lands, in accord with a farm plan, which they have worked out, as a part of their community program, and in collaboration with the county agent.

That farm plan is designed to test our new products for their effectiveness as a fertilizer, and also to demonstrate the new kinds of farm practices that a farmer can change to, if he gets adequate amounts of high-analysis mineral fertilizer.

Senator FERGUSON. Does not the Department of Agriculture do exactly the same thing?

Mr. CLAPP. No, it does not, sir.

Senator FERGUSON. It is just a little different way, is it not? Do they not carry out the same experimentation?

Mr. CLAPP. They have experimental plots in some of their laboratory set-ups. I am sure of that.

Senator FERGUSON. Have you ever tried to get these farmers that you have used for years, where you have increased the value of their farms, to pay you for the fertilizer?

Mr. CLAPP. In the plans for 1948, the fiscal year that these estimates cover, there will be some five or six thousand farmers who have been receiving these materials for the cost of shipping and handling and who will remain in the program but from now on will buy their fertilizer.

Senator FERGUSON. Is that because of the House action, or because of your action?

Mr. CLAPP. That is because of our action, and that is the way it was submitted to the Bureau of the Budget and to the House, in our plans for 1948.

Senator FERGUSON. What do they pay for it compared with what it costs TVA to produce?

Mr. CLAPP. They may not buy them from the TVA; it will be a price that will return cost if they do buy them from the TVA.

Senator FERGUSON. To the TVA?

Mr. CLAPP. That is right.

Senator FERGUSON. Do you know what the cost will be from your plant, compared to the cost of commercial producers?

Mr. CLAPP. The cost at our Muscle Shoals plant for, let us say, triple superphosphate, will probably be higher than the cost is at a plant located more ideally than Muscle Shoals, in relation to the mines.

And also in relationship to a plant that is in operation for the purpose of producing, without regard to its research and developmental aspects.

This is not a yardstick plant, as so many people have supposed. Our Muscle Shoals operations are not designed to set up a financial and accounting yardstick against which comparisons can be made with other private plants.

It is set up for the purpose of producing new types of products that are more efficient, when applied to the soil, new types of products that contain a higher quantity of actual plant food that will be available to a crop when it is put on the land; and the higher analysis content of the finished product costs less to ship the greater the distance, and thereby costs the farmer less per unit of plant food.

Senator FERGUSON. Do I understand that in one item that you have, that if you sold under this new basis to these particular 5,000 farmers, that the difference would be 65 cents to $1.06 per unit? I am talking about plant food, including phosphoric acid.

Mr. CLAPP. There is a difference; do you mean what way?

Senator FERGUSON. In the price; your cost would be $1.06, and the commercial producer could produce it and sell it for 65 cents?

Mr. CLAPP. If he does that, the farmer will buy it from him. That is perfectly all right with us.

Senator FERGUSON. Have you figured out whether or not the farmers will buy it on this new basis from you?

Mr. CLAPP. We have no doubt but that the materials will be bought.

Senator FERGUSON. Well——

Senator MCCARRAN. Have you figured out whether it will be bought from you? I do not understand your answer as being applicable to that question.

Mr. CLAPP. The question was: Will these farmers who as test-demonstration farmers, without having access to what is frequently referred to as free fertilizer, buy products from us?

My answer to that is that it is immaterial to the TVA whether they buy the product from us or from commercial sources.

As a matter of fact, the more they buy from commercial sources, the better it will suit us, because as they increase their demand for higher analysis materials, the kind of materials which the fertilizer industry is not yet producing enough of, then the purposes of the TVA program in this field will be more completely realized.

Mr. President, I merely read the testimony of Mr. Clapp, with which I might continue at greater length, to show that there is merit in the amendment which I have offered to increase the amount so that the field activity—not the research activity, but the field activity—of furnishing this fertilizer throughout the United States, to farmers who are willing to give their land and their time to a new process of farming, utilizing this new product, may be carried on.

Mr. HILL. The farmer pays the cost of transportation?

Mr. McCARRAN. The farmer pays the cost of transportation.

Mr. FERGUSON. Mr. President, I have the figures here for direct distribution of fertilizer by Government agencies in 1946, which is the latest date I have. The figure for direct distribution by AAA, grant-of-aid, soil conservation program is 314,395 tons. I take it that would be through other agencies than TVA. Then we find the figures for distribution under the TVA demonstration program for 1946, showing the distribution to have been of 47,439 tons.

I take the Tennessee Valley Authority's budget program for the fiscal year ending June 30, 1948, and I figure 6,500 tons, and 500 tons, and 20,170 tons, making a total of 27,170 tons for this year.

We hear talk about the program and the plan to make demonstrations in each State. Let us look at the figures. In the year 1946 in New England there were delivered only 282 tons. In 1945, 474 tons were delivered there. It is worth noting that only one State in New England, that is, the State of Vermont, received any fertilizer by virtue of this program.

Let us turn to the Middle Atlantic States, and see whether there was distribution there. We find that in the Middle Atlantic States only 397 tons were distributed in 1946. By the way, only one State, namely, the State of New York, received the 397 tons. The State of New Jersey and the State Pennsylvania did not get a pound of fertilizer out of this program.

Mr. McCARRAN. Will the Senator bear with me for an interruption there?

Mr. FERGUSON. Yes.

Mr. McCARRAN. I doubt very much whether the State of Nevada received a pound.

Mr. FERGUSON. The State of Nevada did not receive a pound.

Mr. McCARRAN. The soil of Nevada is so rich and productive that we do not need any of it.

Mr. FERGUSON. I think some of the fertilizer there should be demonstrated to see whether or not the productivity even of the great State of Nevada could be raised. It would be well worth experimenting along that line, to see whether man could do better than the Lord has done for Nevada.

Mr. AIKEN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Vermont.

Mr. AIKEN. I was interested to learn that Vermont had all the experimental farms in New England. I do not happen to know where any of them are, but I am sure that the rest of New England looks to Vermont to take the lead in experimental work of this kind. As the Senator well knows, Vermont is the principal dairy State, per capita, of the Union, and I have seen some very interesting crops grown. I do not know whether or not they are under TVA fertilizer, but I am interested to know that Vermont is doing experimental work for the other six New England States, including the great State of Massachusetts, and we will be glad to continue to do that, although I am sure the other States

can share in the program if they so desire.

Mr. FERGUSON. I shall now state what was received in the East North Central States, in which the State of Michigan is included. In 1946 they received 2,104 tons. Every State in that section obtained fertilizer. Michigan was able to get 634 tons. They received more than any other State in that section.

Now let us turn to the West North Central States. In 1946 they received 958 tons. The only two States in that section which received the fertilizer—and there are seven States in the area—were Minnesota, which received 193 tons, and Missouri, which received 765 tons.

Mr. LANGER. How much did North Dakota get?

Mr. FERGUSON. North Dakota did not get a pound.

Mr. LANGER. That is my understanding exactly, and I will tell the Senator why. He mentioned the land-grant colleges. The authorities would not send a pound to North Dakota unless the State of North Dakota paid for it. No appropriation was made by the State for that purpose, and therefore we got none, according to a letter from the president of the land-grant college of North Dakota.

Mr. FERGUSON. The State of North Dakota did not get a pound.

Mr. LANGER. Not a pound.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HILL. All the recipients of this fertilizer paid the transportation. I regret that the Southern States did not get any of the fertilizer. Congress has never appropriated anything to pay for the transportation charges, which meant that the recipients had to pay the freight charge.

Mr. LANGER. That is because this appropriation of $1,800,000 or more does not include transportation.

Mr. FERGUSON. That is correct.

Mr. McKELLAR. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Tennessee.

Mr. McKELLAR. If this experimental work is the wonderful thing the Senators from Alabama and New England and States in the West, or some of them, including the Senator from Nevada, seem to think it is, if it is such a wonderful program, if it means so much to the agriculture of the country, and the well-being of the farmer, why have there not been passed bills providing that the Department of Agriculture shall distribute this fertilizer to all farmers? Why confine it to a Government corporation like the TVA, which seems to be trying harder right now to get rid of its money than ever before? Why confine it to the TVA? Why should not the Senator from Vermont, especially, offer an amendment to the agricultural appropriation bill to let his section of the country get some fertilizer free, without cost, without price, without money, get it straight from the Government, not from one of the Government's little corporations? Why not have all Americans treated alike? Why should we treat those in one community different from the way in which we treat those in another?

Mr. AIKEN. It depends upon what communities are sufficiently interested in experimental work to pay the freight and other charges for getting the fertilizer. In answer to the question why the Department of Agriculture does not distribute the fertilizer in every State, I may say that the extension service is a part of the Department of Agriculture, and the fertilizer is not distributed, as has been stated, by the TVA, it is distributed through the State extension services.

Mr. McKELLAR. It is distributed by the TVA. The Senator must never have looked into it and examined to find how they are working. They might go through the form mentioned, but the TVA handles every single pound of the fertilizer, and I assure the Senator he need not think I am mistaken. He will find, if he takes the time to look into the matter, that every pound of it is distributed by the TVA, and it has motives for doing so.

Mr. FERGUSON. Mr. President, the South Atlantic States—this is, I think, at least interesting—received 16,744 tons of the fertilizer in 1946; 17,046 tons in 1945. I will mention those that did not receive any. The State of Delaware did not receive any at all, the District of Columbia did not receive any, West Virginia did not receive any, and Florida did not receive any. Maryland received 65 tons; Virginia, 5,206 tons; North Carolina, 5,211 tons; South Carolina, 257 tons; Georgia, 6,005 tons. I will now go to the South Central States, including Kentucky.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. COOPER. I merely want to say that I know Kentucky gets quite a bit of fertilizer under this program, and I had hoped the amount would be increased sufficiently to take care of the program. But I am not going to vote to cut the appropriations of other people, in order to try to sustain something that will benefit the people of Kentucky. I am going to vote for the amendment, but I had hoped that would be put in.

Mr. FERGUSON. I list the South Central States at 26,420 tons. That is brought up, I believe, because of 14,240 tons to the State of Tennessee. It then goes down to as low as 151 tons to the State of Louisiana and 191 tons to Oklahoma. Then come the Western States.

Mr. McKELLAR. Mr. President, if the Senator will yield, before he leaves the South Central States, and particularly Tennessee, I should like to say that the fertilizer was used in Tennessee over the earnest and vigorous protest of one of the Senators, the man who happens to be senior Senator from Tennessee. I do not believe any State ought to be built up at the expense of neighboring States. On the contrary, I believe that all the people of the United States, when it comes to affairs of the Federal Government, ought to be treated alike, and I am willing that not a dollar of free fertilizer shall be spent or given as a gratuity by the TVA in my State. I take the responsibility for it. I made the statement during all the years I have been on this floor that I was opposed to any such gratuity coming from the Tennessee Valley Authority, and I stated that it was not created for that purpose; that it was created for the purpose of being fair and just to all the people of the country, and that we did not have any right to use it for the special benefit of our State.

Mr. FERGUSON. Mr. President, I should like to insert in the RECORD the entire table to which I have been referring, showing the fertilizer distributed by TVA under the demonstration program, for the years 1945 and 1946, including the Western States which I have not mentioned.

The PRESIDENT pro tempore. Is there objection? There being no objection, the table was ordered to be printed in the RECORD, as follows:

Direct distribution of fertilizer by Government agencies

[Short tons]

State	Distributed by TVA [1] demonstration program	
	1945	1946
Maine	0	0
New Hampshire	0	0
Vermont	474	282
Massachusetts	0	0
Rhode Island	0	0
Connecticut	0	0
New England	474	282
New York	497	397
New Jersey	0	0
Pennsylvania	0	0
Middle Atlantic	497	397
Ohio	462	421
Indiana	240	233
Illinois	269	339
Michigan	619	634
Wisconsin	587	477
East North Central	2,177	2,104
Minnesota	178	193
Iowa	0	0
Missouri	529	765
North Dakota	0	0
South Dakota	0	0
Nebraska	0	0
Kansas	0	0
West North Central	707	958
Delaware	0	0
Maryland	144	65
District of Columbia	0	0
Virginia	6,876	5,206
West Virginia	162	0
North Carolina	5,587	5,211
South Carolina	203	257
Georgia	4,074	6,005
Florida	0	0
South Atlantic	17,046	16,744
Kentucky	1,682	2,293
Tennessee	7,608	14,240
Alabama	4,369	5,900
Mississippi	1,898	2,038
Arkansas	240	199
Louisiana	282	151
Oklahoma	120	191
Texas	608	1,408
South Central	16,807	26,420
Montana	0	0
Idaho	86	35
Wyoming	0	0
Colorado	0	0
New Mexico	46	70
Arizona	0	0
Utah	0	0
Nevada	0	0
Washington	225	224
Oregon	160	205
California	0	0
Western	519	534
United States	38,227	47,439

[1] Fiscal year ended June 30.

Mr. McCARRAN. Mr. President, I desire to make a brief statement in reply to my good friend the Senator from Tennessee. I do not regard this program as furnishing a gratuity to any State. The fertilizer produced by experimentation in one of the greatest plants in the world, maintained at Government expense, must of necessity be tested. As testified to, the program contemplates that groups of farmers shall meet, and that certain of them will volunteer, in a given community, to devote their time, their land, and their energy to carrying out an agricultural program under specific supervision, and to use the particular kinds of fertilizer which shall be furnished to them without charge. In some instances it has been an expensive experiment; in other instances the tests have been productive of great good. If the fertilizers were not given to the farmers for test purposes it would be absolutely essential that the Government, in order to test the commodities, should purchase lands for experimentation. If farmers have lost money in conducting these experiments, then certainly there has been no gratuity. If, on the other hand, the experiments have been productive of better and greater crops in certain sections, then the gratuity, if it should be called one, has been the result of a meritorious program, a meritorious act. I think the idea expressed by my good friend the able Senator from Tennessee, is not apropos of the subject. It is not a gratuity. It is an experiment by the Government of the United States, to which the citizens of the United States lend every effort, individually and collectively.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McKELLAR. I invite the Senator from Nevada now to visit Tennessee.

Mr. McCARRAN. I accept the invitation.

Mr. McKELLAR. I will pay the Senator's way, in order to be certain about it. I will be perfectly willing to pay the expenses of his trip to Tennessee, in order to show how utterly wrong he is in talking about this being a great good bestowed upon farmers. This is merely a lagniappe, I believe the French call it, a gratuity—something that comes from the Federal Government to some persons in my State, and to some persons in other States. Unfortunately, the State of Nevada did not participate in it, and I do not blame the Senator for feeling a little disgruntled as the result of being left out.

Mr. McCARRAN. No; that is not a correct statement.

Mr. McKELLAR. But that is merely one of the things that may be expected when resort is had to enterprises of this kind.

Mr. McCARRAN. Mr. President, let me say it would not be necessary for my good friend to pay my expenses to Tennessee. The mere invitation would be sufficient inducement for me to go. I should be very happy to go to Tennessee.

Mr. McKELLAR. The invitation is given now. If I can help, I should be glad to take the Senator to Tennessee in my automobile. I will provide him with transportation in whatever way he wants to make the trip—by air, if he desires.

Mr. McCARRAN. Again the Senator lends to the allurement of the trip by saying that I may go with him. That is indeed a great inducement; and I say that seriously. So far as the State of Nevada getting any of the fertilizer is concerned, we did not want it, and we did not ask for it. Almighty God gave us land so productive that we do not need fertilizers. All we need is a little more water, to enable us to produce within the confines of the State of Nevada sufficient food with which to feed the teeming millions of the world. The Lord has been just a trifle stingy with us in the matter of water. Otherwise, we would produce, and we would not require fertilizer.

Mr. President, there is only one other point I wish to make in conclusion. I would take it from the expressions of my good friend the Senator from Tennessee that he is opposed to the field program. I think he has so expressed himself in committee and on the floor of the Senate. If the expressions of the able Senator from Tennessee are to be read into the appropriation bill, then it is intended to do away entirely with the field program of distributing fertilizer. If that be the intendment——

Mr. McKELLAR. Mr. President, I am not especially familiar with the terms of the bill, but I am afraid it is not the intendment. I wish it were, but I fear it is not.

Mr. McCARRAN. I wish to say that if that be the intendment of the committee, then my amendment is well offered at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN] as modified, to the committee amendment. [Putting the question.] The "noes" appear to have it.

Mr. AIKEN and Mr. McCARRAN asked for a division.

On a division, the amendment, as modified, was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 2, line 1.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, on page 2, line 3, after the word "exceed", to strike out "$6,686,000" and insert "$3,000,000."

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "plant", to strike out "additions" and insert "Maintenance and replacement"; in line 5, after the amendment last above stated, to strike out the word "purchase"; in line 6, after the words "purchase of", to strike out "221" and insert "100"; and in line 14, after the word "appropriations", to insert a colon and the following proviso: "*Provided*, That of said unexpended balance, $12,000,000 is to be available for the construction of the Watauga and South Holston Dams."

The amendment was agreed to.

The next amendment was, under the subhead "Housing Expediter," on page 2, after line 17, to strike out:

Salaries and expenses, Housing expediter: For all expenses, including penalty mail costs, necessary to the liquidation of the Office of the Housing Expediter, which liquidation shall be completed by June 30, 1948, $3,539,080, of which $1,900,000 shall be available exclusively for terminal leave.

And in lieu thereof to insert:

Salaries and expenses, Office of Housing Expediter: For all expenses, including penalty mail costs, necessary to enable the Housing Expediter to perform his functions pursuant to title I of the Housing and Rent Act of 1947 and to liquidate the functions of the Office of the Housing Expediter performed under Public Law 388, Seventy-ninth Congress, and title I of the Housing and Rent Act of 1947 (which liquidation shall be completed by June 30, 1948), including hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), but at rates for individuals not in excess of $35 per diem; and not to exceed $5,000 for payment of claims pursuant to part 2 of the Federal Tort Claims Act, $4,714,397, of which $1,908,000 shall be available exclusively for terminal leave.

The amendment was agreed to.

The next amendment was, under the subhead "National Housing Agency—Office of the Administrator," on page 3, line 20, after the word "Agency," to strike out the colon and the following additional proviso: "*Provided further*, That, other than for payment of terminal leave, no funds of the constituent units of the National Housing Agency or any other department or agency of the Government shall be available for the use or expenditure of, or the detail of personnel other than the Administrator, to the Office of the Administrator."

The amendment was agreed to.

The next amendment was, under the subhead "Federal Public Housing Authority," on page 4, line 5, after the numerals "1410", to strike out "$2,200,000" and insert "$5,700,000"; and in line 23, after the word "Authority", to strike out the colon and the following additional proviso: "*Provided further*, That no part of this appropriation shall be used to pay more than the annual contribution that otherwise would be due or payable with respect to any public housing agency less an amount equal to one-half the total sum shown on the books of such agency as of March 31, 1947, as working capital reserve, reserve for repairs, maintenance and replacements, reserve for vacancy and collection losses, and all other reserves."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Independent agencies and corporations," on page 7, line 17, after the numerals "1946", to strike out "and."

The amendment was agreed to.

The next amendment was, on page 8, after line 7, to strike out:

Tennessee Valley Authority: Not later than June 30, 1948, and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the Board of Directors of the Tennessee Valley Authority shall pay

from net income derived the immediately preceding fiscal year from power operations (such net income to be determined by deducting power operating expenses, allocated common expense, and interest on funded debt from total power operating revenue) not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and not less than 40 percent of the remainder of such net income into the Treasury of the United States as miscellaneous receipts. In the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, not less than a total of $87,059,810, including payment of bonded indebtedness exclusive of interest on such bonded indebtedness, shall be so paid. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948.

Amounts equal to the total of all appropriations herein and hereafter made to the Tennessee Valley Authority for power facilities shall be paid by the Board of Directors thereof, in addition to the total of $348,239,240 specified in the foregoing paragraph, to the Treasury of the United States as miscellaneous receipts, such payments to be amortized over a period of not to exceed 40 years after the year in which such facilities go into operation.

And in lieu thereof to insert:

Tennessee Valley Authority: Payments of $2,500,000 (exclusive of interest) of its outstanding indebtedness to the Treasury of the United States, and $8,000,000 from earnings, shall be paid as miscellaneous receipts into the Treasury of the United States before June 30, 1948.

The amendment was agreed to.

The next amendment was, under the subhead "National Housing Agency," on page 9, line 22, after the word "of", to strike out "$1,250,000" and insert "$1,550,000."

The amendment was agreed to.

The next amendment was, on page 11, line 24, after the word "exceed", to strike out "$3,000,000" and insert $3,500,000."

The amendment was agreed to.

The next amendment was, on page 13, at the beginning of line 1, to strike out "$17,624,000" and insert "$20,000,000."

The amendment was agreed to.

The next amendment was, on page 14, line 7, after the word "exceed", to strike out "$2,200,000" and insert "$2,700,000"; in line 10, after the word "exceed", to strike out "$10,400,000" and insert "$13,000,000"; in line 15, after the word "*Provided*", to strike out "That the number of officers and employees receiving compensation in excess of $4,500 per annum shall not exceed 20 percent of the total number of officers and employees paid from such funds: *Provided further*"; and on page 15, line 7, after the word "Congress", to insert a colon and the following proviso: "*Provided*, That $175,000 shall be available for the audit and revision of past accounting records."

The amendment was agreed to.

The next amendment was, on page 15, line 22, after "Defense Homes Corporation", to strike out:

Not to exceed $3,000 shall be available for payment of terminal leave only. Immediately upon the enactment hereof, the National Housing Administrator shall transfer or cause to be transferred to the Reconstruction Finance Corporation without reimbursement or other consideration all of the capital stock of Defense Homes Corporation, together with the stock certificates evidencing the ownership of such stock. All assets and liabilities of every kind and nature, together with all records, of Defense Homes Corporation are hereby transferred effective July 1, 1947, to the Reconstruction Finance Corporation without reimbursement or other consideration for the purpose of liquidation thereof in an orderly manner. Upon receipt of such stock, the Reconstruction Finance Corporation shall proceed with diligence to liquidate the affairs of the Defense Homes Corporation as soon as practicable, including realization of the cash value of all its assets and settlement of all its legal liabilities, including the existing indebtedness of Defense Homes Corporation to the Reconstruction Finance Corporation. Any net proceeds thereafter remaining shall be covered into the Treasury in the same manner and in accordance with the same requirements as are applicable for the disposition of net income realized by the Reconstruction Finance Corporation from its operations. Such of the personnel of the Federal Public Housing Authority (not to exceed eight persons) as have been employed primarily on duties relating to the Defense Homes Corporation and are found by the Reconstrucion Finance Corporation to be necessary and qualified to assist in the liquidation herein authorized and directed, shall be transferred to the Reconstruction Finance Corporation as of the date requested by it.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, will the able Senator in charge of the bill give us an explanation of the language stricken out beginning on page 15, line 22, and the insertion in lieu thereof of language beginning on page 17?

Mr. FERGUSON. The House provided that this item should be transferred to the RFC for liquidation. The committee was of the opinion that it would be less expensive to liquidate it if it were done in the agency, and provided not to exceed $12,300 for the purpose of liquidation, and the organization would do it itself. That is all the item provides. It would require about 3 months to conclude the liquidation.

Mr. McCARRAN. That is the question I had in mind. I wonder if in the report or anywhere else there is any suggestion by the committee as to the length of time which would be required for liquidation? My experience has been, if I may say so, Mr. President, that when committees provide certain amounts of money for liquidation purposes those having in charge the liquidation frequently come back the next year for more money, and we find the liquidation still liquid—that it has not been accomplished.

Mr. FERGUSON. And sometimes the agency ordered to be liquidated is functioning more actively than before.

Mr. McCARRAN. That is correct. If the agency is to be liquidated I think it should be liquidated, and I hope the committee made some intimation as to final termination of the liquidation.

Mr. FERGUSON. As the chairman of the subcommittee presenting the matter on the floor understands there are about 12 properties to be disposed of, and there are eight employees now in the employ of the agency, and the amount allowed would operate for about 3 months. They would be compelled to liquidate during that period.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LANGER. Referring to line 8, on page 15, I desire to ask the distinguished Senator whether the audit there provided for is going to be made by an outside auditing organization or by the Federal Public Housing Authority itself.

Mr. FERGUSON. We have provided that the agency itself shall do the job. Their books are in such shape now, as indicated from the report of the General Accounting Office, that there should be an overhauling and a revision of their auditing system, and it is provided that the agency itself shall use, out of the appropriated funds, the sum of $175,000 for such purpose. We want to be sure that they put their books in order. The work is not to be done by an outside auditing agency.

Mr. LANGER. Referring back to the Tennessee Valley Authority, is any provision made anywhere in the bill, or anywhere else that the Senator knows, for audit to be made by an outside auditing firm rather than by the Tennessee Valley Authority itself?

Mr. FERGUSON. I know of nothing in the bill which so provides.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was on page 17, after line 2, to insert the following:

Not to exceed $12,300 for the purposes of liquidation, including $3,000 for payment of terminal leave, shall be available for administrative expenses, which shall be on an accrual basis: *Provided*, That such administrative expenses shall be exclusive of interest paid, depreciation, properly capitalized expenditures, repayment of loans, property operating expenses (including project inventory), charges to surplus and operating reserve, and cost of sales of commodities, services, and property: *Provided further*, That advances of funds made in connection with the operation of housing properties are hereby authorized.

The amendment was agreed to.

The next amendment was, on page 17, after line 13, to insert:

Penalty Mail Costs: For deposit in the general fund of the Treasury for the costs of penalty mail for the National Housing Agency, as required by the Act of June 28, 1944 (Public Law 364), not to exceed $290,600, said sum to be derived by transfer from the funds available for the administrative expenses of the Office of the Administrator and the constituent units of said Agency: *Provided*, That in no event shall any moneys in excess of the costs of penalty mail allocable, respectively, to said Office of the Administrator and to each of said constituent units be transferred hereunder.

The amendment was agreed to.

The next amendment was, under the subhead "Department of Agriculture," on page 18, line 22, after the word "exceed", to strike out "$275,000" and insert "$400,000."

The amendment was agreed to.

The next amendment was, on page 19, line 3, after the word "expenses", to strike out "including the purchase of not to exceed 10 passenger motor vehicles"; and in line 18, after the word "exceed", to strike out "$125,000" and insert "$181,250."

The amendment was agreed to.

The next amendment was, on page 19, line 24, after the word "exceed", to strike out "fifteen" and insert "five"; and

on page 20, line 9, after the word "exceed", to strike out "$160,000" and insert "$232,000."

The amendment was agreed to.

The next amendment was, on page 21, line 2, after the word "exceed", to strike out "$20,000" and insert "$29,000."

The amendment was agreed to.

The next amendment was, under the subhead "Department of the Interior," on page 23, after line 2, to insert:

The Virgin Islands Company is authorized to borrow from the Treasury of the United States, for the purpose of carrying out any of the programs of the Company set forth in the budget for the fiscal year 1948, sums of money not to exceed a total of $500,000. For this purpose the Secretary of the Treasury is authorized and directed to make loans to the Company, out of any funds in the Treasury not otherwise appropriated, on such terms and conditions as the Secretary of the Treasury shall determine. Such loans shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the loan to the Company.

The amendment was agreed to.

The next amendment was, under the heading "Title III—General provisions," on page 27, line 5, after "(Public Law 600)", to strike out the comma and "except that no funds of any corporation or agency included in this act shall be available for payment, to other than a Government agency, for services of an independent audit of the financial records of the offices of any Government corporation or agency unless prior approval is obtained from or such service is directed to be made by the Comptroller General of the United States."

Mr. BYRD. Mr. President, why was the House section stricken out? It apparently would prohibit the use of funds for an independent audit, and require that it be done by the Comptroller General.

Mr. FERGUSON. The committee consulted the General Accounting Office and was advised that the present law provides specifically what is provided in the committee language.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 27, line 5.

The amendment was agreed to.

The PRESIDENT pro tempore. The Clerk will state the next committee amendment.

The next amendment was, on page 30, line 4, after the word "transfer", to insert a colon and the following proviso: "*Provided*, That in case of disagreement on the part of the head of the Corporation with respect to said value as determined, the Administrator of the Federal Works Agency shall make a final determination of the property value."

The amendment was agreed to.

The next amendment was, on page 30, after line 17, to strike out:

SEC. 307. Section 104 of the Government Corporations Control Act (Public Law 248, 79th Cong.) is hereby amended to read as follows:

"SEC. 104. The Budget programs transmitted by the President to the Congress shall be considered, and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for use such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. Except as provided in such legislation, the provisions of this section shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 26 of the Tennessee Valley Authority Act, as amended. The provisions of this section shall not be construed as affecting the existing authority of any wholly owned Government corporation to make contracts or other commitments without reference to fiscal-year limitations, as such authority may be necessary to the execution of an approved Budget program."

The amendment was agreed to.

The next amendment was, on page 31, after line 14, to strike out:

SEC. 308. Section 101 of the Government Corporations Control Act (Public Law 248, 79th Cong.) is hereby amended by adding at the end thereof the following:

"This title shall apply to the same extent as to wholly owned Government corporations and for the same purposes to the following mixed-ownership Government corporations: (1) The Central Bank for Cooperatives and the regional banks for cooperatives, (2) Federal home-loan banks, and (3) Federal Deposit Insurance Corporation."

The amendment was agreed to.

The next amendment was, on page 32, line 1, after "SEC.", to strike out "309" and insert "307."

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, yesterday I submitted an amendment on behalf of the Senator from Illinois [Mr. LUCAS], and asked that it be printed and lie on the table. The amendment is to strike out the proviso beginning on page 4, line 19, and ending in line 23. I offer that amendment at this time.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the proviso beginning on page 4, line 19, and ending in line 23, as follows:

Provided further, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Federal Public Housing Authority.

Mr. SPARKMAN. Mr. President, the appropriation of funds for annual contributions to be made by the Federal Public Housing Authority contains a proviso that no part of the appropriation shall be used to pay any public housing agency any contribution in lieu of taxes in excess of the amount specified in the original contract between such agency and the FPHA. As I stated, the amendment was offered on behalf of the Senator from Illinois [Mr. LUCAS]. Unfortunately he had to leave the city, but he prepared a statement, and it is his statement which I now present to the Senate in support of the amendment which I have offered:

In my judgment, this proviso ought to be stricken from the bill.

This proviso is directed toward the relationship between the Federal Government and the local housing agencies which own and operate low-rent housing projects throughout the United States. There are now some 273 of these projects in operation throughout the United States. The issue involved in this proviso is the amount of local taxes which these projects shall pay to the cities and counties in which they are located.

When the projects were first set up, beginning in 1938, it was recognized that the successful operation of low-rent housing projects depended upon the amount of taxes which the project would have to bear. Under the arrangement between the State governments and the Federal Government, local housing authorities are exempt by law from the payment of local taxes. The payments which they make to the cities and counties is in a sense a voluntary payment of an amount in lieu of taxes. This is an amount specified in the contract between the housing authority and the local government. The amount to be paid must be approved by the Federal Public Housing Authority.

In the beginning stages of the program, no one was sure exactly what amount should be paid in lieu of taxes. As a consequence, the original contracts contained different provisions with respect to taxes. In Illinois, for example, the local housing authority contracts in Granite City, Quincy, Champaign County, Madison County, Rock Island County, and Alexander County call for a payment in lieu of taxes of 2 percent of the amount of shelter rent paid by the tenants; that is to say, 2 percent of the rent minus any payments on account of utility services. In Decatur, the original contract specified a payment of 2¾ percent. In the city of Rock Island, St. Clair County, and Winnebago County, the original contracts called for a payment of 3 percent of the net shelter rent. In the cities of Chicago and Peoria, the original contracts called for a 5-percent payment. In the city of Danville the contract called for a flat payment of only $100 a year, and in Henry County the contract called for a payment of $165 a year.

The variation in the amounts to be paid was brought about because of the uncertainty as to the amount which could be paid. The important point was to keep these low-rent housing projects operating on the least expensive basis, so that the rents could remain low and serve the beneficial purposes of the acts of Congress, designed to give the lowest income groups in the population adequate housing.

As time went on, it became clear that these public housing authorities were not paying adequately for the services which were being supplied to them by the local government, such as education, fire and police protection, sanitation, etc. Although the United States Housing Act of 1937 requires that the local governments must contribute toward the operation of the low-rent projects, at least 20 percent of the amount contributed by the Federal Government, it is very clear that the cost of the services rendered in most cases was several times the amount of the local contribution. Moreover, the system for payments in lieu of taxes was inequitable as between cities. The cities which had participated first in the program had agreed to accept very small amounts in lieu of taxes, as contrasted with the cities which came in later. As a result of this situation, the Federal Public Housing Authority conducted an extensive study of the whole question of payments in lieu of taxes. Conferences were held with many public bodies, including the National Association of Housing Officials, the Municipal Finance Officers Association, the National Association of Assessing Officers, and the United States Conference of Mayors. As a result of those conferences, it was agreed that the local housing authorities could pay more than the amounts provided for in the

original contract, so that at this point practically every housing authority is now paying 10 percent of the net shelter rent.

By this move, each city or county in which a local housing authority existed was receiving the same proportion of the rent as a payment in lieu of taxes. The proviso in the bill before us requires that no payment in lieu of taxes can be made in excess of the amount specified in the original contract. This would push everything back to the situation which prevailed at the beginning of the program and perpetuate the inequities contained in the original contracts under which some cities paid nothing, and other cities paid various amounts ranging from 2 percent to 5 percent.

Of the 273 projects now in operation, in the case of 153 of them, there is no provision at all in the original contract for payments in lieu of taxes. Others provide specific dollars and cents amounts. Most of them provide for 3 percent.

Thus, in addition to reducing drastically the amounts which the cities and counties are to receive in lieu of taxes, the proviso would perpetuate the inequities as between the various cities and counties. The cities have been relying year by year upon the payment of the 10-percent contribution to support the local government.

Congress has known for 3 years about this arrangement whereby increased amounts were paid to the local government and has not seen fit to change it, but now at this session of the Congress, it is proposed to go back to the old system which was so unfair as between the cities and which would deprive the cities of a fair contribution in exchange for local, municipal, and county services to these projects.

I want now to give an illustration which I think brings out the inequity very sharply.

In the fiscal year 1945, the average operating expense of—

One unit of a local housing authority was (per month)	$16.78
The payment in lieu of taxes was	1.86
The debt services (interest and amortization) amounted to	12.62
Total expense	31.26
The rent on the project paid by the tenant per month was	25.23
Deficit incurred in operation of that unit for 1 month	6.03

The $6.03 deficit is made up by a contribution of the Federal Government. The contribution of the local government is the difference between the $1.86 mentioned above and $7.35, which would be the actual amount of taxes if taxes were assessed on the basis of the value of the property, so that the local government's contribution is $5.49, as against $6.03 contributed by the Federal Government. This is a contribution by the State government almost equal to the Federal Government's contribution, although the Federal statute requires only a contribution of 20 percent of the deficit in the operation of these projects.

What is proposed now is to further enlarge the amount of the local contribution by reducing the payment in lieu of taxes. This will make the local government's contribution even larger than it was before. This is at a time when the local governments are straining to maintain their services in the face of increased expense of local government. Many localities have complained bitterly that payments in lieu of taxes from the projects have been insufficient to cover the cost of local government services.

If the proviso is sustained, the amount which will be saved by the Government in making annual contributions is in the neighborhood of $1,500,000. For the sake of saving that amount of money, the Appropriations Committee is apparently prepared to restore an inequitable system of payments among the various local housing authorities and to deprive the local governments of revenue which they desperately need. It is a matter of common knowledge that almost every city and county in the country is seeking new sources of revenue, in order to meet the mounting costs of local government for education, fire and police protection, etc. For this Congress to come forward at this time with a reduction in the Federal Government's contribution, particularly when the cities' contribution is now already far in excess of the 20 percent called for by the statute, does not seem to me to be a sound move. It is another instance of an economy-minded Congress throwing discretion overboard for the sake of saving a pitifully small amount.

These low-rent housing projects constitute one of the worth-while contributions of the Federal Government to the health and welfare of the low-income groups of our people. Their continued operation is essential. We must not take any move in this Congress which would impair their efficient operation. I urge the Senate to strike this proviso from the bill.

Before concluding I want to congratulate the subcommittee for having stricken from the House bill the provision in it which would have required the local housing authorities to expend one-half of the sum of their reserves for repairs, maintenance and replacements, reserves for vacancies and collection losses and all other reserves before any Federal contributions could be made. This provision in the House bill is manifestly illegal. It violates the contractual obligations of the Federal Government. The faith of the Government was pledged to the payment of these annual contributions. The provision in the House bill would have seriously jeopardized the soundness of the bonds held in the various projects. I earnestly hope that the conferees on the part of the Senate will insist that the language in the House which has been stricken remain out of the bill as finally enacted.

Mr. PEPPER. Mr. President, I join with the Senator from Alabama in advocating the amendment which he has just offered. The question is somewhat confusing, but I think I have a fairly clear conception of it.

It seems that when the public housing projects were begun, the municipalities where they were established had to put up a minimum of 20-percent contribution in order to get a 20-percent contribution from the Federal Government. Generally speaking, in the inception of this program the municipalities gave their taxes along with certain of their municipal services as their contribution.

Later, in 1937, Congress authorized the United States Housing Authority, or the housing agency which was established under this program, to enter into agreements with the municipalities to pay annually sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the authority.

The amount paid for, in all, cannot exceed the taxes that can be paid to any city or subdivision on such property if it were not tax-exempt. In other words, there was an authority and there was a limitation in the 1937 act. The authority was granted by the Congress for housing authorities in the separate municipalities of the country to pay in lieu of taxes a contribution to the municipalities. But there was a ceiling fixed by the statute on the amount of contribution that the housing authority could make; namely, it could not exceed the amount of the taxes.

Under that program and under the authority of the 1937 act the housing authorities renegotiated the original contracts made between the housing authorities and the several municipalities, trying to put them on a uniform basis. I am told that they were varied in their character and the amounts were very dissimilar. So the housing authority thought that it was in the public interest to have a uniform standard applicable, to all the municipalities of the country, and they agreed upon a contribution of 10 percent of the amount of what would have been the taxes. In other words, they agreed, in substance, to pay the municipalities 10 percent of the taxes which they otherwise might have collected from these authorities.

That is what is being done at present. That is what they have been doing since 1937. That is a practice which is prevalent today all over the country. I think it has been a very good thing in getting uniformity with respect to the municipalities of the country and in the housing program.

The House of Representatives put in the appropriation bill the following proviso:

Provided further, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Federal Public Housing Authority.

Mr. President, under the act of 1937, those original contracts have almost uniformly been renegotiated and all the municipalities put on the same level by the Housing Authority paying them 10 percent of what would have been their taxes if they had collected taxes on these public housing authorities. I cannot see anything wrong in that. I cannot see any reason to reverse an administrative policy pursued since 1937 under a statute of the Congress. These municipalities render a great many services to the housing authorities. They furnish them police protection and fire protection, for which they do not make any direct payment. It seems to me that if they want to put in a limitation that the housing agencies cannot pay more than 10 percent of what is called shelter rent—the Housing Authority says it has no objection to that, and that is all they are paying at the present time, an amount not to exceed 10 percent of the rent for the use of houses derived from the occupants of those houses—there could be no objection. But the House committee and the Senate committee seek to outlaw all these new contracts and understandings worked out on the principle of uniformity by the various municipalities. It seems to me it is only fair to allow something to those municipalities. Remember, they still have to put up 20 percent and, in addition to that, the difference between 100 percent and 10 percent. In other words, all that the housing authorities are permitted to give under the present rule is 10 percent of what the taxes would have been if the municipality were to collect the taxes.

I think it is not fair to the municipalities, and I do not think it is proper that the Appropriations Committee should reverse a statutory policy which has been embodied in an administrative policy and in new contracts which have been renegotiated all over the country.

So I hope that the amendment offered for the Senator from Illinois [Mr. LUCAS] by the Senator from Alabama [Mr. SPARKMAN] will be agreed to.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. COOPER. Mr. President, I should like to read a telegram which I have received from Hon. Leland Taylor, mayor of the city of Louisville, and Mr. Paul Downard, president of the board, regarding the situation respecting the city of Louisville, which does not seem to be covered by the proviso in the pending bill. The telegram reads as follows:

Hon. JOHN SHERMAN COOPER,
Washington, D. C.:

Government corporations appropriation bill as reported by committee denies the right of local housing authorities to make payments in lieu of taxes except where said payments were provided in original contract. Louisville and many other cities have no contract provision of this sort. Louisville commission has paid city 10 percent of gross shelter rents in lieu of taxes with approval of Federal Public Housing Authority for several years. City has right to it because of extra services rendered over and above their 20 percent contribution required by law and met by projects free from city taxes. City will stand to lose approximately $65,000 * * *.

Government could by this means force on local communities the entire expense of the necessary city services to the projects when they have already taken on much more than they are required to do by providing tax exemptions.

LELAND TAYLOR,
Mayor.
PAUL DOWNARD,
President of Board.

The proviso states that no part of the appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract.

As is stated in the telegram, Louisville and perhaps other cities do not have contracts with such a provision in them. Is it the opinion of the Senator from Michigan that in cities in which there are no such contracts with the Federal Public Housing Authority, arrangements can be made for making payments in lieu of taxes?

Mr. FERGUSON. Mr. President, in answer to the telegram and in answer to the able Senator from Kentucky, I would say that this section would not apply. It is to apply only where an attempt has been made to change the original contract between the agency and the Federal Housing Authority.

Mr. COOPER. Mr. President, is it the Senator's opinion that the purpose of the proviso is only to prevent the payment of a sum in excess of that provided in the original contract, and for no other purpose?

Mr. FERGUSON. For no other purpose than to prevent the payment of more than the amount provided in the original contract.

Mr. COOPER. I should like to point out that if no provision is made for those cities in which there are no contracts, it would seem to me that the provision in the bill is discriminatory, because it will permit the continuance of payments in such cities having contracts, limited only by the provision that such payments cannot exceed the amount fixed in the original contract, while it will eliminate altogether the possibility of payment where no contracts are in force. Unless the Senator is entirely clear about this, I think the proviso presents a dangerous situation for those cities where no contract existed.

Mr. FERGUSON. I am clear in the statement which I have made that it would not apply unless they attempted to change the original contract between the agency and the Federal Housing Authority.

I should like to say to the Senate that local authorities undertook to make certain contributions, and were to take in lieu of taxes some small amount of money. The purpose of doing that was to contribute to welfare housing. The Federal Government said to those cities, in effect, "If you will contribute something to shelter housing the Federal Government will contribute something to shelter housing," and therefore provided that certain contributions should be made. This is what happened. After the cities agreed to make their contributions—and I shall take one city as an example to show what happened, namely, the city of Austin, Tex.—they made an agreement that the taxes of the housing authority agency would be $487. It was perfectly proper and perfectly correct to make a contribution by reducing the amount of payment in lieu of taxes. The Federal Public Housing Authority got in touch with the city of Austin, Tex. The Authority is satisfied. The city is satisfied. But the Santa Claus in Washington got in touch with them and said, "Why don't you change that, and add $6,000 more, because it will come out of Washington?" That is exactly what they did, Mr. President. The testimony appears on pages 215 and 216 of the hearings.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. PEPPER. Will the Senator be kind enough to state when the United States Housing Authority got in touch with the organization in Austin, Tex., to have it vary the contract?

Mr. FERGUSON. The testimony does not show, but it appears that it was long after the housing was erected, because the witness was talking about a period of 7 or 8 years.

Mr. PEPPER. Will the Senator give us the benefit of his judgment as to whether it was before or after 1937?

Mr. FERGUSON. My judgment is that it was after 1937, judging from the way they spoke.

Mr. PEPPER. Mr. President, if the Senator will further yield, let me say that is the whole point. They were doing that pursuant to the act of Congress enacted in 1937, which gave them the right to enter into those agreements, in accordance with section 13 (c) of the Housing Act of 1937, as amended. It provides that the Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority, but the limitation upon their power was that they could not agree to pay more than the equivalent of the taxes.

But now the Senator from Michigan proposes to undo, if I may say so, a second agreement that was lawfully entered into between the municipality and the Government of the United States. Why do we have to upset that agreement, Mr. President?

Mr. FERGUSON. Mr. President, I speak from memory when I say that the act creating the Public Housing Authority, which is involved in this section, was not enacted until 1937. I think that act was Public Law 412, at that time. But if there ever were cases in which there were attempts to take money from the Federal Treasury, these particular cases fall in that category. There is no rhyme or reason why every city should contribute an equal amount to the welfare housing of its citizens. The proposition is that they should contribute what they can afford to contribute. All of us know that today the cities and the States of this Nation are better off financially than the Federal Government is, because the Federal Government has been fighting a war and the Federal Government has had a bureaucracy which has cost billions of dollars.

But in this case again we are trying to take money from the Federal Government and make a contribution to welfare housing, when the cities under their own contracts agreed with the agencies that they would make certain contributions.

I say we should sustain what the committee has placed in the bill, and we should not provide for an alteration or change of these contracts so that they will cost the Federal Government millions of dollars. If we permit that to be done, there is no reason why the Federal Housing Agency should not pay 20 percent or 30 percent of the shelter in lieu of rent. Mr. President, we should abide by the original contracts, and we should ask the persons who were parties to them to abide by their contracts.

Mr. PEPPER. Mr. President, will the Senator yield to me once more?

Mr. FERGUSON. I yield.

Mr. PEPPER. The able Senator from Michigan says the same rule should not be applied to all municipalities. But I ask the Senator if the contrary is not to be found in the law, which requires every municipality to make a contribution of 20 percent before it can obtain the Federal contribution of 20 percent? In that law we laid down a uniform standard; but according to the argument of the Senator from Michigan, each municipality will put up whatever someone finds it able to pay, in order to receive the Federal contribution.

Mr. FERGUSON. But, Mr. President, there is nothing in the law providing that

they cannot contribute more than 20 percent if they wish to do so. Why should we maintain uniformity, when the cities have wished to make the contributions because they wished to have the agencies?

Mr. President, I ask for a vote on the amendment.

Mr. PEPPER. Mr. President, it is often said, and I suspect that it may have been the view of the able Senator from Michigan, that we should lay down rules as uniform as possible. I suggest to the able Senator that it would be the equivalent of the present practice if we were to insert a provision limiting the Housing Authority to paying 20 percent of the shelter in lieu of rent. That is what we are doing at the present time.

But the administrative agency has been trying to establish a uniform policy. The original Authority made all kinds of agreements, whatever it could work out with any municipality, in the first place. The later Authorities saw the wisdom and the fairness of having uniform rules, and they acted pursuant to a statute passed by the Congress.

I submit that we should not now, in an appropriation bill, reverse a legislative policy which was laid down by the Congress in 1937, and was followed as a policy by the administrative agencies ever since 1937.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Alabama [Mr. SPARKMAN] in behalf of the Senator from Illinois [Mr. LUCAS]. (Putting the question.)

Mr. HILL. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. PEPPER. Mr. President, I ask for the yeas and nays.

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Chair thinks the Senator from Florida requested the yeas and nays before the Chair announced the result of the division, although the Chair was about to announce it.

Is there a sufficient second to the request for the yeas and nays?

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK] and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Kansas [Mr. REED], who is unavoidably detained, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Iowa [Mr. WILSON] is detained on official business.

Mr. HATCH. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Maryland [Mr. O'CONOR], the Senator from Texas [Mr. O'DANIEL], the Senator from Tennessee [Mr. STEWART], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], and the Senator from Virginia [Mr. ROBERTSON] are absent on public business.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED.]

If present and voting, the Senator from Illinois [Mr. LUCAS] would vote "yea."

The result was announced—yeas 33, nays 49, as follows:

YEAS—33

Chavez	Holland	Maybank
Connally	Johnson, Colo.	Morse
Cooper	Johnston, S. C.	Murray
Downey	Kilgore	Myers
Ellender	Langer	O'Mahoney
Fulbright	McCarran	Pepper
Green	McClellan	Sparkman
Hatch	McFarland	Taylor
Hayden	McGrath	Thomas, Utah
Hill	McMahon	Tydings
Hoey	Magnuson	Umstead

NAYS—49

Aiken	Ferguson	Overton
Baldwin	Flanders	Revercomb
Ball	George	Robertson, Wyo.
Brewster	Gurney	Russell
Bricker	Hawkes	Saltonstall
Bridges	Hickenlooper	Smith
Brooks	Ives	Taft
Bushfield	Jenner	Thye
Butler	Kem	Vandenberg
Byrd	Knowland	Watkins
Cain	Lodge	Wherry
Capper	McCarthy	White
Cordon	McKellar	Wiley
Donnell	Malone	Williams
Dworshak	Martin	Young
Eastland	Millikin	
Ecton	Moore	

NOT VOTING—13

Barkley	O'Daniel	Tobey
Buck	Reed	Wagner
Capehart	Robertson, Va.	Wilson
Lucas	Stewart	
O'Conor	Thomas, Okla.	

So the amendment submitted by Mr. SPARKMAN on behalf of Mr. LUCAS was rejected.

Mr. LANGER. Mr. President, I call the attention of the Senator from Michigan to page 23, line 18, the item of Federal Prison Industries, Inc.

Mr. FERGUSON. Does the Senator have a specific question?

Mr. LANGER. Yes; I want to know whether this is a private institution, who composes it, who runs it, and why we should appropriate nearly a quarter of a million dollars for it.

Mr. FERGUSON. The Department of Justice operates the Federal Prison Industries as a Government corporation.

Mr. LANGER. Do they sell and buy products?

Mr. FERGUSON. Yes, they manufacture products in the prison and sell them, but not in competition with private industry. As I understand, they try to have manufactured in the prison only those articles which will not be in competition with any interstate commerce shipments.

Mr. LANGER. What do they manufacture?

Mr. FERGUSON. They manufacture certain things which are used by the Federal Government.

Mr. LANGER. What are they?

Mr. FERGUSON. I think some license plates, brooms, mops, and different things of the kind. I would not care to attempt to state what all the articles are, but it is a general manufacturing business, making small articles of utility.

Mr. AIKEN. Mr. President, the Federal Prison Industries is also employed to give useful training to the inmates of the prison so that when they go out they may have trades they may follow on the outside. As the Senator from Michigan said, they manufacture things which are used in the institution, or in other institutions, but not to enter into competition with private industry.

Mr. LANGER. Who is the president of it?

Mr. AIKEN. It is under the charge of the Attorney General, I believe. The Comptroller General has made a recent report on Prison Industries and has made some suggestions for improving their accounting service.

Mr. FERGUSON. This is not an appropriation; it is a limitation.

The PRESIDENT pro tempore. Are there further amendments to be offered to the bill? If not, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3756) was read the third time and passed.

Mr. FERGUSON. Mr. President, I move that the Senate insist on its amendments and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. FERGUSON, Mr. REED, Mr. WHERRY, Mr. SALTONSTALL, Mr. MCKELLAR, Mr. OVERTON, and Mr. RUSSELL conferees on the part of the Senate.

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the body of the RECORD at this point a statement with respect to the bill which has just been passed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1. The Corporation Control Act of 1945 was enacted by Congress to establish uniform control over Government corporations. This control was to be accomplished through improved budgeting procedure on one hand and through business-type audits on the other.

2. Obviously, it is impossible to achieve the purposes of the act if corporation budgets are not considered in the same appropriation bill. The very nature of the Government's corporations makes this true, because they are so interrelated. The pending bill is notable for both omissions and inclusions. Among others, it omits three major agricultural corporations, and the RFC. It includes at least three noncorporate agencies.

Corporations omitted include: Commodity Credit Corporation; Federal Crop Insurance Corporation; Farmers' Home Administration, which was established as a corporation, but never has functioned as such; Reconstruction Finance Corporation, and its subsidiaries.

Noncorporate agencies included are: Housing Expediter, Office of National Housing Administrator, Federal Public Housing Authority.

3. It appears from what can be learned that these omissions, with the exception of RFC, and the inclusions, were arbitrary with the House Appropriations Committee which decided that, exclusive of the RFC, those corporations omitted were so closely interwoven with noncorporate functions they should not be included, and that the functions of the noncorporate agencies were of a nature to include them along with the corporations.

It is conceded that they may be some grounds for such a point of view. However, it was the purpose of the Control Act, which is basic, statutory law, to provide control over corporations by uniform budgeting and auditing. It is obvious that uniform budget control cannot be at its best except under consideration at the same time, in the same place, and in proper relationship. Also, if corporate agencies are so closely interwoven with noncorporate agencies, it would appear that they should not be corporations and vice versa.

Of course RFC and its subsidiaries were omitted from the bill as it was considered by the House committee because at that time the bill extending RFC had not been passed. However, it was passed when the bill reached the Senate, and it would have been good legislating for the Senate committee to have included RFC in this bill by committee amendment. As it is now pending before the Senate the bill omits the Government's corporate giants, namely, the RFC, and its subsidiaries, the Commodity Credit Corporation and the Federal Crop Insurance Corporation. These are the corporations which most vitally need budgetary control, and many other corporations in and out of the bill are interrelated by funds, interlocking directorates, etc., with the very corporations which are omitted. So far as the kind of budget control contemplated by the Corporation Control Act is concerned, the pending bill is a failure.

3. The blame does not lie with the Senate Appropriations Committee, except to the extent that RFC might have been included, but the situation demonstrates the necessity of providing for more adequate consideration in the future.

4. This is especially true in view of the provisions of the Corporation Control Act which require all Federal corporations to have a Federal charter by June 30, 1948. This means that probably as many as a dozen corporations will have to come to Congress for new charters within the current fiscal year. Unless action is taken in time, the Appropriations Committees will be in a situation next year which will cause a repetition of many of their difficulties this year. Certainly the situation will be similar to that created this year with respect to RFC. Appropriations Committees will be ready to consider corporation budgets, but Congress will not have acted to determine which of the corporations having State charters are to be reincorporated under Federal charters.

Anticipating such a situation, and in view of the situation with respect to corporations generally, which is not improved, attention of the Senate and particularly of the Banking and Currency Committee and the Appropriations Committee is invited to Senate Resolution 138, the text of which follows:

"Whereas a number of corporations which have been created under State law are wholly owned by the Government of the United States; and

"Whereas the provisions of the Government Corporation Control Act require the liquidation, on or before June 30, 1948, of all wholly owned Government corporations which have not prior to such date been incorporated by act of Congress; and

"Whereas as a result of such requirement, the Congress will be called upon during the second regular session of the Eightieth Congress to examine into the purposes and activities of those corporations in order to ascertain whether any of them should be chartered by act of Congress and continued, whether any of them should be merged with other Government corporations, whether any or all of their activities should be transferred to other Government agencies, or whether they should be dissolved and liquidated; and

"Whereas certain of these corporations or their functions are related to or dependent upon the Reconstruction Finance Corporation or its functions; and

"Whereas the Committee on Banking and Currency has proposed to make a comprehensive study of the operations of the Reconstruction Finance Corporation, and its subsidiaries, for the purpose of determining whether its extension beyond June 30, 1948, is desirable: Therefore be it

"*Resolved*, That the Committee on Banking and Currency is authorized and directed to make a full and complete study of the operations of all wholly owned Government corporations with a view to ascertaining (1) which corporations should be chartered by Congress; (2) which corporations or activities thereof, should be merged or consolidated in the interests of efficiency and economy; and (3) which corporations should be dissolved and liquidated. The committee shall report to the Senate not later than March 1, 1948, the results of its study together with such recommendations as to necessary legislation as it deems desirable."

This resolution was referred to the Committee on Banking and Currency because it already has the biggest corporation under review, but the Appropriations Committee, and especially the Subcommittee on Corporation Appropriations will recognize its interests in this matter.

It is hoped that the Banking and Currency Committee will report this resolution immediately and favorably, and that the Senate will pass it before adjournment. The sponsor would be pleased by amendment or otherwise to have members of the Appropriations Committee or its staff to sit in on the investigation, at least in an ex-officio capacity.

It is believed that much better appropriation legislation for the corporations will result from such a study, and that the resolution will have other desirable results in addition.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 240) making temporary appropriations for the fiscal year 1948.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel;

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon;

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land;

S. 558. An act for the relief of the alien Michael Soldo;

S. 880. An act for the relief of Rev. John C. Young;

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia;

S. 1360. An act for the relief of Eric Seddon;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen;

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; and

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948.

THE CALENDAR

The PRESIDENT pro tempore. Under the order of the Senate, the Senate will now proceed to the call of the calendar for the consideration of measures to which there is no objection, begining with Calendar No. 435, Senate bill 999, which will be stated.

BILLS PASSED OVER

The bill (S. 999), to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

Mr. TYDINGS. Mr. President, I have not had a chance to look at the calendar, and I should like to inquire if this is a bill giving preference to the widowed mother of a deceased veteran in acquiring a position with the United States Government.

Mr. TAFT. I think not. I think there is another bill on the calendar for that purpose.

Mr. HATCH. Mr. President, I inquire what date the calendar was last called.

The PRESIDENT pro tempore. July 3, 1947.

Mr. MAGNUSON. Mr. President, what is the order of business now being called?

The PRESIDENT pro tempore. We have now reached order No. 436, Senate bill 1028.

Mr. MAGNUSON. What happened to order No. 435, may I inquire?

The PRESIDENT pro tempore. It was passed over, on objection.

The bill (S. 1028) to amend the Natural Gas Act approved June 21, 1938, as amended, was announced as next in order.

Mr. MAGNUSON. Over.

Mr. MOORE. Mr. President, will the Senator from Washington withhold his objection? That is the same as order No. 465, House bill 2956.

Mr. MAGNUSON. I withdraw my objection. I thought it was the original bill.

Mr. MOORE. No; that is not on the calendar. This is the same as Calendar No. 465.

Mr. MAGNUSON. Mr. President, I ask permission to withdraw my objection.

Mr. OVERTON. May we have an explanation of the bill?

Mr. MOORE. The bill provides for the exercise of eminent domain by States that do not have the power of eminent domain, so far as it affects interstate gas.

Mr. HATCH. Mr. President, it is impossible to hear.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. HATCH. Was I correct in understanding the Senator from Oklahoma to say that this provides for the exercise of eminent domain by the States?

Mr. MOORE. No, no. It provides for the exercise of eminent domain, under the amendment of the Natural Gas Act, where it does not now obtain, because in certain States, under their constitutions and statutes, no power of eminent domain is granted except to public service companies who serve the State.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. Objection is again made to the consideration of the bill, and it will be passed over.

CHEROKEE INDIAN RESERVATION, N. C.

The bill (S. 794) to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C., was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HOEY. Mr. President, in reference to calendar order No. 437, Senate bill 794, I do not know who made objection to it, but I wish the objection might be withdrawn for a moment, so I can make an explanation of it.

The bill merely gives the right to a tribe of Indians in North Carolina to lease to the church a piece of land on which to build a church and a parsonage. It has been recommended by the Public Lands Committee. An amendment has been offered, which is agreeable to the Indian Office and the Interior Department, and to the tribe in North Carolina. I cannot see how there could possibly be any objection to it. I ask for its consideration.

The PRESIDENT pro tempore. The Chair will ask again whether there is objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Lands with an amendment, to strike out all after the enacting clause and to insert:

That with the consent of the authorized tribal authorities of the Eastern Band of Cherokee Indians, the Secretary of the Interior is authorized to issue a license to the Methodist Church to use from 2 to 4 acres of tribal land on the Cherokee Indian Reservation, N. C., for so long a time as such land may be used for church purposes, including the construction of a church building and a parsonage. The license shall be issued by the Secretary of the Interior or his authorized representative upon such terms and conditions as may be mutually agreeable to the parties, and may be revoked only if and when the land ceases to be used for the purposes for which said license is issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILLS PASSED OVER

The bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

The bill (S. 1324) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 995) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

FORT SUMTER NATIONAL MONUMENT, S. C.

The joint resolution (S. J. Res. 94) to establish the Fort Sumter National Monument in the State of South Carolina, was considered, order to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War is authorized and directed to transfer, without consideration, to the Secretary of the Interior, title to the site of the historic structure known as Fort Sumter, situated in Charleston Harbor, Charleston, S. C., together with such buildings and other improvements as are appurtenant to such site.

SEC. 2. The property acquired by the Secretary of the Interior under this joint resolution shall constitute the Fort Sumter National Monument and shall be a public national memorial commemorating historical events at or near Fort Sumter. The Director of the National Park Service under the direction of the Secretary of the Interior shall have the supervision, management, and control of such national monument, and shall maintain and preserve it for the benefit and enjoyment of the people of the United States, subject to the provisions of the act entitled "An act to establish a National Park Service and for other purposes," approved August 25, 1916, as amended.

BILL PASSED OVER

The bill (H. R. 2005) to amend the act of April 21, 1932, entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations in Oklahoma" was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

HEALTH AND SAFETY CODE IN COAL MINING

The joint resolution (S. J. Res. 130) establishing a code for health and safety in bituminous coal and lignite mines of the United States was announced as next in order.

Mr. BYRD. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. REVERCOMB. Mr. President, I tried to get the attention of the Chair when Calendar No. 444, Senate Joint Resolution 130, was called. This joint resolution comes from the Committee on Public Lands. It proposes to establish a code for health and safety in bituminous-coal and lignite mines of the United States. I do not know who made the objection to it. I wish the objection might be withheld.

The PRESIDENT pro tempore. The Chair understood the Senator from Virginia to object.

Mr. BYRD. I think the joint resolution should be discussed more fully than it is possible to discuss it under the 5-minute rule. It is very important legislation.

Mr. REVERCOMB. It is very important legislation, but I should like very much to see it passed before final adjournment.

Mr. BYRD. I do not know that I am opposed to the joint resolution. I may say to the Senator there are quite a number of coal operators in Virginia who are opposed to it. There should be an opportunity for further study.

Mr. TAFT. Mr. President, if the Senator will yield, I will say it is on the list we propose to call up at a later time.

Mr. REVERCOMB. I am certainly very glad to know the joint resolution will be called up for consideration, because it is of great importance.

The PRESIDENT pro tempore. The joint resolution goes over, under objection.

Mr. CORDON subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 444, for further consideration of the resolution (S. J. Res. 130). As I understand, the senior Senator from Virginia, who made an objection with reference to that calendar number, is now satisfied to withdraw the objection.

Mr. BYRD. Mr. President, I withdraw my objection to the joint resolution. I had in mind the original measure, which I see has now been amended.

The PRESIDENT pro tempore. The senior Senator from Oregon asks unanimous consent to return to Calendar 444. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 130) establishing a code for health and safety in bituminous-coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce, which had been reported from the Committee on Public Lands with an amendment, to strike out all after the enacting clause, and to insert:

That whenever the Secretary of the Interior, acting through the Director of the Bureau of Mines or his duly authorized representative, shall, upon investigation or inspection of any coal mine, pursuant to the act of May 7, 1941 (55 Stat. 177), find that the safety standards, set forth in the Federal Mine Safety Code for Bituminous Coal and Lignite Mines of the United States, adopted pursuant to an agreement dated May 29, 1946, between the Secretary of the Interior, acting as Coal Mines Administrator, and the United Mine Workers of America, as published in 11 Federal Register 9017 (title 32, CFR., pt. 304, secs. 304.1–304.15), with respect to ventilation, rock-dusting, storage and use of explosives, roof and rib support, the use of water or water with a wetting agent or other means of dust control where mining operations raise an excessive amount of dust, and prevention of fires in the underground workings of the mines, are not being observed, he shall forthwith notify the owner

and the operator of such mine and the State agency charged with the enforcement of safety measures in such mine of his findings and recommendations thereon, and request such owner, operator, and State agency severally to report to the Director of the Bureau of Mines the action taken with respect to said recommendations.

SEC. 2. (a) The Secretary of the Interior, acting through the Director of the Bureau of Mines, shall, each 3 months, commencing September 1, 1947, report to the Congress of the United States with respect to the conditions of all bituminous-coal and lignite mines investigated or inspected during the period, all recommendations and notices to the State agencies, and action taken by such mine owners, operators, and State agencies with respect to his findings and recommendations.

(b) The record of such inspections, findings, recommendations, notices, and reports, with respect thereto, shall be made available for public inspection as soon as practicable.

SEC. 3. (a) "Owner" includes a lessee and any person in possession or custody of a mine.

(b) "Operator" includes any agent, manager, superintendent, cooperative, or other person having control or supervision of a mine, directly or indirectly.

SEC. 4. This act shall remain in effect for a period of 1 year from the date this act is approved.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution relating to safety in bituminous-coal and lignite mines of the United States."

BILL PASSED OVER

The bill (S. 249) to amend the Interstate Commerce Act, as amended, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

TONGASS NATIONAL FOREST

The joint resolution (S. J. Res. 118) to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest was announced as next in order.

Mr. PEPPER. Over.

Mr. MAGNUSON. Mr. President, I am wondering if the objection to Senate Joint Resolution 118 can be withheld for a moment. I am sure I can explain the purpose of the joint resolution satisfactorily to everyone.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. What happened to Calendar No. 444, Senate Joint Resolution 130?

The PRESIDENT pro tempore. It was passed.

Mr. LODGE. What happened to order No. 445, Senate bill 249?

The PRESIDENT pro tempore. It was passed over.

Objection is heard to the consideration of the joint resolution (S. J. Res. 118).

The joint resolution will be passed over.

Mr. PEPPER subsequently said: Mr. President, let me inquire what action was finally taken on Calendar No. 446, Senate Joint Resolution 118, during the call of the calendar.

Mr. WHERRY. Mr. President, that measure was passed over.

The PRESIDENT pro tempore. Not only was it passed over, but a subsequent request to recur to it was objected to.

Mr. PEPPER. Mr. President, I had objected. I told the Senator from Washington that after an explanation was had from him, I would be glad to withdraw my objection.

The PRESIDENT pro tempore. The Chair understood that the Senator from New Mexico also objected.

Mr. PEPPER. If there was no other objection, I was going to ask that the joint resolution be presently considered.

BILLS PASSED OVER

The bill (S. 1502) to authorize contribution to the International Children's Emergency Fund of the United Nations was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

DENTAL RESEARCH INSTITUTE

The bill (S. 176) to provide for, foster, and aid in coordinating research relating to dental diseases and conditions was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

Mr. SMITH. Mr. President, I ask that Senators who object to calendar order No. 449, Senate bill 176, permit me to give a word of explanation, which may clarify the situation. I do not know who objected. The bill is to provide for, foster, and aid in coordinating research relating to dental diseases and conditions. It was passed last year by this body. It was not reached by the House before adjournment. It is the same bill, with a change of date proposed by the Committee on Labor and Public Welfare, with, I think, but one dissenting vote. It is an important measure and has been considered for some time. It provides, briefly speaking, for the dental research institute that has been discussed at some length, to be established at Bethesda, Md., and provides $2,000,000 and an annual appropriation of $730,000 for dental research. That is as far as the bill goes. As a member of the Subcommittee on Health, I think I can say the bill has been very carefully considered by the committee and was reported by the committee, I think, with only one dissenting vote.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 1454) to amend the Public Health Service Act was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF PHOTOGRAPHIC REPRODUCTIONS OF RECORDS

The bill (H. R. 2573) to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis was considered, ordered to a third reading, read the third time, and passed.

INCORPORATION OF AMVETS

The bill (H. R. 1888) to incorporate the AMVETS, American Veterans of World War II, was announced as next in order.

Mr. TAYLOR. Mr. President, I should like to call attention to the fact that this bill grants a Federal charter to the AMVETS, the World War II veterans' organization. I should also like to say that there has been a bill introduced to grant a charter to the AVC. It was introduced by the Senator from Michigan [Mr. FERGUSON], the Senator from New Mexico [Mr. HATCH], and the Senator from West Virginia [Mr. KILGORE]. I think, Mr. President, that if we are going to grant a charter to the AMVETS, we should also grant a charter to the AVC, because if it is not done at this time, it obviously will not be done at this session. That would give the AMVETS a year's advantage over the AVC. I think the AMVETS are a splendid organization. I am thoroughly in accord with the idea of granting them a Federal charter, but I think that we should treat both organizations alike. The AVC is an organization at least as large as the AMVETS. At their recent convention a modest staff of officials was elected, to pursue a moderate course. I think they are fully entitled to have their charter granted at the same time; so, Mr. President, I ask that the bill (S. 523) to grant a charter to the AVC be included as an amendment to H. R. 1888, the bill to grant a Federal charter to the AMVETS.

The PRESIDENT pro tempore. First, the Chair must again inquire, is there objection to the consideration of this bill?

Mr. TAYLOR. I am reserving the right to object so that the other bill may be added to it.

The PRESIDENT pro tempore. The Chair again asks whether there is objection to the consideration of the bill. It cannot be amended until it has been taken up.

SEVERAL SENATORS. Over!

Mr. KNOWLAND. Mr. President, I hope the able Senator from Idaho will not object to this bill. The other one can be considered in due course. I would certainly have no objection to the other one, but this has been on the calendar for a long time. This is the veterans' organization of World War II. There is every reason, based on the length of time it has been on the calendar, for its consideration. I certainly hope my able friend from Idaho will not object to its consideration.

The PRESIDENT pro tempore. The Chair heard numerous other objections.

Mr. REVERCOMB. Mr. President, I want to express the view that if any Senators have objected to taking up consideration of the bill providing for incorporation of AMVETS they should reconsider and withdraw their objections. There are many requests before the committee respecting the incorporation of various veterans' organizations, and the requests will come up for hearing at the proper time. It was the judgment

of the Committee on the Judiciary, however, that the bill to incorporate the AMVETS should be passed at this time. The organization is a very worthy one, one which we feel should be considered, and I hope Senators who objected will withdraw their objections to the passage of the bill.

Mr. BALDWIN. Mr. President, may I make an inquiry of the chairman of the committee having such bills in charge. There are three other bills which would incorporate veterans' organizations which have been referred to the Committee on the Judiciary. One is the Jewish War Veterans, Senate bill 1375. Another is the Catholic War Veterans, Senate bill 1557. Another is the Gold Star Wives, Senate bill 1074. Then there is the American Veterans' Committee, Senate bill 523. I wonder if the chairman could tell us whether there is a possibility or a probability that charters for those organizations will be considered at the present session of the Congress? It seems to me that all these organizations should be treated alike. I know that in connection with the Jewish War Veterans and the Catholic War Veterans, and also the Gold Star Wives, an effort has been made, at the suggestion of the committee, by the Senators who introduced the bills, to comply with the legislative suggestion as to what these particular bills should contain, and we have made our best efforts to do so. I should like to have some assurance, if I could obtain it, that the bills will be considered at the present session of the Congress so that the organizations covered by the bills may all start off on a even basis. I do not desire to object to the bill providing for incorporation of the AMVETS now, but I should like to be informed whether or not the other bills will be acted upon at the present session of the Congress.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HATCH. Mr. President, I dislike to object to the consideration of the bill, but I think there should be exhibited a spirit of fair play to other organizations which have made similar requests which were pending before the Committee on the Judiciary long prior to the request which has resulted in the bill now under discussion. A bill dealing with one organization was introduced at the previous session of the Congress, the Seventy-ninth Congress. It was reintroduced at the beginning of the present Congress. No action whatsoever has been taken upon it. I have no objection to incorporating any or all these organizations. I do object to any one organization being singled out and given preference over the others. Therefore, Mr. President, I object.

Mr. WHERRY. Mr. President, will the Senator please withhold his objection?

Mr. HATCH. I withhold my objection.

Mr. WHERRY. Granting that every word the distinguished Senator has said is logical and true, and no doubt spoken from the heart, yet I believe he will admit that it would be difficult to have three or four bills relating to veterans' organizations placed together on the calendar. I am quite satisfied that if the Senate should pass one it would in time pass all of them. As a veteran I hope the Senator will not object to the passage of the bill now before us. When the other bills come up they certainly will be accorded the very thoughtful consideration of the Senate. If we should now take the position of not passing one unless all are passed, it will be difficult to secure the passage of any of the bills. I hope the distinguished Senator from New Mexico will withhold his objection, and will permit us to consider and pass the bill now before us, and then let the Senate act on the other bills as they come before it.

The PRESIDENT pro tempore. The Senator is placing the Chair in a very difficult position. The unanimous consent agreement requires the calling of the calendar for unobjected-to bills. When a bill is objected to, that is the end of its consideration, so far as the Chair is concerned. There is objection to the present consideration of the bill.

Mr. WHERRY. Is there objection to this bill, Mr. President?

The PRESIDENT pro tempore. The objection was made, and the Chair cannot be expected to repeat the question.

Mr. WHERRY. I appreciate that, but I understood the distinguished Senator from New Mexico to say "reserving the right to object." I did not know that he had made objection.

The PRESIDENT pro tempore. The Chair understood the Senator from New Mexico to say that he objected to the present consideration of the bill. Did the Senator do so or did he not?

Mr. HATCH. I object.

The PRESIDENT pro tempore. Objection is heard. The clerk will state the next bill on the calendar.

ONE HUNDRED AND SIXTIETH ANNIVERSARY OF THE SIGNING OF THE CONSTITUTION

The Senate proceeded to consider the joint resolution (S. J. Res. 134) providing for the proper observance of the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 3, after the word "authorized", to strike out "and requested", so as to make the joint resolution read:

Resolved, etc., That the President of the United States is authorized to issue a proclamation designating September 14 to 20, 1947, as Constitution Week, inviting the people of the United States to observe the week, and particularly the day, September 17, 1947, as the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America, with appropriate ceremonies, with study of the fundamental principles of government embodied in the Constitution, and with display of the flag of the United States of America on the anniversary date.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN T. HOLLANDSWORTH, JR.

The bill (S. 99) for the relief of John T. Hollandsworth, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of John T. Hollandsworth, Jr., postmaster at Beckley, W. Va., with the sum of $2,000, on account of a shortage of that amount in his War Savings stamp account.

PERSIS M. NICHOLS

The bill (H. R. 1162) for the relief of Persis M. Nichols was considered, ordered to a third reading, read the third time, and passed.

MYRTLE RUTH OSBORNE AND OTHERS

The bill (H. R. 2306) for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts was considered, ordered to a third reading, read the third time, and passed.

CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

The bill (H. R. 566) for the relief of Choctawhatchee Electric Cooperative, Inc., was considered, ordered to a third reading, read the third time, and passed.

R. W. WOOD

The bill (H. R. 3170) for the relief of R. W. Wood was considered, ordered to a third reading, read the third time, and passed.

ADDITION OF LANDS TO SILVER CREEK RECREATIONAL DEMONSTRATION PROJECT, OREGON

The bill (S. 1348) to provide for the addition of certain revested Oregon and California Railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in order to carry out the purposes of the act of June 6, 1942 (56 Stat. 326; 16 U. S. C., secs. 459r–459t), relating to the disposition of recreational demonstration areas, and to effectuate the transfer to the State of Oregon, pursuant to that act, of the Silver Creek recreational demonstration project, the following-described revested Oregon and California all-road grant lands shall hereafter be administered as a part of the Silver Creek recreational demonstration project and shall be subject to all of the provisions of the aforesaid act of June 6, 1942:

WILLAMETTE MERIDIAN

Township 8 south, range 1 east:

Section 13, east half southeast quarter and southeast quarter northeast quarter;

Section 25, all;

Section 35, north half northeast quarter northeast quarter and north half south half northeast quarter northeast quarter;

Township 8 south, range 2 east:

Section 17, south half southwest quarter and northwest quarter southwest quarter;

Section 19, lots 3, 4, and northeast quarter;

Section 29, west half; and

Section 31, north half;

comprising one thousand seven hundred and ninety-one and ninety-three one-hundredths acres.

SEC. 2. The following-described lands also shall become a part of the Silver Creek recreational demonstration project and shall

be subject to the provisions of the act of June 6, 1942, upon acquisition of title thereto by the Oregon and California Revested Lands Administration:

WILLAMETTE MERIDIAN

Township 8 south, range 1 east: Section 36, northeast quarter, northeast quarter northwest quarter, north half southeast quarter northwest quarter, north half south half southeast quarter northwest quarter, north half northwest quarter northwest quarter, and north half south half northwest quarter northwest quarter; comprising two hundred and sixty acres.

ANGOSTURA UNIT OF THE MISSOURI BASIN PROJECT

The bill (H. R. 2167) to authorize the inclusion within the Angostura unit of the Missouri Basin project of certain lands owned by the United States was considered, ordered to a third reading, read the third time, and passed.

FRANCIS SCOTT KEY MANSION, ETC.

The Senate proceeded to consider the joint resolution (S. J. Res. 84) to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Monument, and for other purposes, which had been reported from the Committee on Public Lands with amendments, on page 2, line 10, after the word "National", to strike out "Monument" and insert "Memorial"; in line 15 after the word "national", to strike out "monument" and insert "memorial"; in line 18 after the words "act of", to strike out "August 25, 1916 (39 Stat. p. 535), as amended" and insert "August 21, 1935 (49 Stat. p. 666)"; in line 21, after the word "national", to strike out "monument" and insert "memorial"; and in line 23 after the words "to the" to strike out "monument" and insert "memorial", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to construct, furnish, operate, and maintain upon the plot of ground owned by the United States known as lot 807 in square 1183, lying between M Street, the Chesapeake and Ohio Canal, the Francis Scott Key Bridge, and Thirty-fourth Street NW., in the District of Columbia, a replica as nearly as may be practicable of the house in which Francis Scott Key lived from approximately 1808 to 1828, using such portions of the existing house as may be feasible, now located approximately 100 feet west of the entrance to the Francis Scott Key Bridge at M Street: *Provided*, That the plans for the construction herein authorized and for the landscape treatment and development of the grounds, before being carried into effect, shall be approved by the National Commission of Fine Arts.

SEC. 2. The said premises shall constitute the Francis Scott Key National Memorial, which is hereby established and set apart for the preservation of the historical associations connected with Francis Scott Key, author of the National Anthem, The Star-Spangled Banner, for the benefit and enjoyment of the people. The said national memorial shall hereafter be administered by the National Park Service under the direction of the Secretary of the Interior, subject to the provisions of the act of August 21, 1935 (49 Stat. p. 666). The Secretary of the Interior is authorized, in his discretion, to accept on behalf of the United States for installation in such national memorial, articles which may be offered as additions to the memorial.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $65,000, or so much thereof as may be necessary, to carry out the provisions of section 1 of this act.

SEC. 4. All acts or parts of acts inconsistent with the provisions of this act are repealed to the extent of such inconsistency.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Memorial, and for other purposes."

TRANSFER OF PANAMA RAILROAD PENSION FUND

The bill (S. 1490) to transfer the Panama Railroad pension fund to the Civil Service retirement and disability fund, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. The Chair will state that House bill 3513, Calendar No. 464, is a similar bill. Is there objection to the substitution of the House bill for the Senate bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3513) to transfer the Panama Railroad pension fund to the Civil Service retirement and disability fund, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1490 will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 1512) to improve accounting within the Federal Security Administration, to authorize intraagency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

SOLDIERS' HOME, WASHINGTON, D. C.

The bill (S. 929) to amend section 2 of the act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes, approved March 3, 1883 (22 Stat. 564), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act of March 3, 1883 (22 Stat. 564), is hereby amended to read as follows:

"SEC. 2. The Inspector General of the Army shall designate officers of the Inspector General's Department under his jurisdiction to inspect thoroughly, once each year, the United States Soldiers' Home, Washington, District of Columbia, its records, accounts, management, discipline, and sanitary condition, and shall report thereon in writing to the Secretary of War, including in his report such suggestions as he desires to make."

ISSUANCE POSTHUMOUSLY OF COMMISSION AS MAJOR GENERAL TO THE LATE COL. WILLIAM MITCHELL

The joint resolution (S. J. Res. 70) authorizing the President to issue posthumously to the late Col. William Mitchell a commission as a major general, United States Army, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Resolved, etc., That the President is authorized to issue posthumously to the late William Mitchell, late a colonel, United States Army, a commission as a major general, United States Army, as of the date of his death in 1936.

SEC. 2. The Secretary of War is authorized and requested to amend the records of the War Department so as to carry the said William Mitchell as a major general, United States Army, at the time of his death in 1936.

SEC. 3. No person shall be entitled to receive any bonus, gratuity, pay, allowances, or other financial benefit by virtue of the enactment of this joint resolution.

SAMUEL E. BELK

The bill (S. 474) for the relief of Samuel E. Belk was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized and requested to appoint Samuel E. Belk, [redacted], first lieutenant, Army of the United States, to the grade of captain, Army of the United States, effective as of November 30, 1946.

SEC. 2. Effective as of November 30, 1946, the Administrator of Veterans' Affairs is authorized and directed to pay retirement pay to the said Samuel E. Belk at the rate at which such pay would be payable to him if he had been serving in the grade of captain at the time he was determined to be entitled to retirement pay. The retirement pay payable under the foregoing provisions of this section shall be in lieu of that which he is now receiving.

AUTHORIZATION TO CARRY CIVIL WAR BATTLE STREAMERS WITH REGIMENTAL COLORS

The Senate proceeded to consider the bill (S. 703) to authorize the carrying of Civil War battle streamers with regimental colors, which had been reported from the Committee on Armed Services with amendments, on page 1, line 4, after the word "regiment", to insert "and other units"; and in line 7, after the word "colors", to insert "or standards", so as to make the bill read:

Be it enacted, etc., That, in accordance with such regulations as the Secretary of War may prescribe, each regiment and other units of the Army of the United States is hereby authorized to carry appropriate Civil War battle streamers with its regimental colors or standards, upon verification in the War Department that it is entitled to such honors.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 739) authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., was announced as next in order.

Mr. CONNALLY. Mr. President, that bill is identical with House bill 2225, Calendar 532. I ask unanimous consent for the substitution of the House bill in

lieu of the Senate bill, and for consideration of the House bill at this time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

Mr. CHAVEZ. I object.

Mr. CONNALLY. Just a moment, Mr. President. I do not know which Senator made objection.

The PRESIDENT pro tempore. The Senator from New Mexico [Mr. CHAVEZ] objected.

Mr. CHAVEZ. The Senator from New Mexico objected.

Mr. CONNALLY. Mr. President, I desire to explain the bill. It simply allows the United States Section of the International Boundary Commission to receive a portion of the land of Fort McIntosh at Laredo, Tex., for the use of the American Section of the International Boundary Commission.

It is an old fort which has been abandoned by the War Department. The Boundary Commission is in need of the facilities there for its offices, and for transacting business relating to the work of the International Boundary Commission. That work will be greatly increased in view of the treaty which we recently ratified with Mexico relating to the division of the waters of the Rio Grande. I hope the Senator from New Mexico, because of his neighborly feeling for Texas, will not make objection.

Mr. CHAVEZ. Mr. President, New Mexico has been cooperating with Texas for many, many years. Over.

The PRESIDENT pro tempore. The bill will be passed over.

EASEMENT IN LANDS IN LONG BEACH, CALIF.

The bill (H. R. 3252) to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes an easement in certain lands within the Navy housing project at Long Beach, Calif., was considered, ordered to a third reading, read the third time, and passed.

EASEMENT IN LANDS IN HAWAII

The bill (H. R. 3053) to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, T. H., was considered, ordered to a third reading, read the third time, and passed.

LUMP-SUM PAYMENTS TO SURVIVORS OF CERTAIN DECEASED OFFICERS

The bill (H. R. 2314) to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates was considered, ordered to a third reading, read the third time, and passed.

EASEMENT IN LANDS IN BIBB COUNTY, GA.

The bill (H. R. 3056) to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

HOUSING FOR CERTAIN DISABLED VETERANS OF WORLD WAR II—BILL PASSED OVER

The bill (S. 1293) to enable the Veterans' Administration to provide housing units for certain disabled veterans of World War II was announced next in order.

Mr. TAFT. Let the bill go over.

Mr. McCARTHY. Mr. President, I ask the Senator to withhold his objection until I can make a brief statement.

Mr. TAFT. Certainly.

Mr. McCARTHY. The bill was reported unanimously by the Committee on Banking and Currency. It met with the approval of the Veterans' Administration. The main purpose of the bill is to enable the Veterans' Administration to help paraplegics, men who have suffered spinal-cord injuries, in World War I and World War II, and who will be confined to wheel chairs for the remainder of their lives. The bill would enable the Veterans' Administration to help those men get homes, so that at least to some extent they may live a normal life.

Moreover, we are all convinced, I believe without exception, that the bill would cost the Government nothing. It costs roughly $23 a day to house a paraplegic. That runs to approximately $7,000 a year. If we can place them in homes of their own, while the initial cost of helping to furnish the homes will be approximately $8,000 or $9,000, within a period of 2 or 3 years there will be a tremendous saving. As I say, the bill was unanimously approved by the committee.

Mr. TAFT. Mr. President, this is a proposal to give houses to veterans, which is a very expensive project. We have seen the result of the proposal to give them automobiles. At first they were limited to amputees who had lost legs. This year we have before us a bill proposing to extend the benefits to amputees who have lost arms, and to those with other disabilities.

The question I wish to ask is, What is meant by "permanent and total service-connected disability"? That term would include more than paraplegics. It might include many different types of permanent and total disability. How far may it be extended? It seems to me that the subject ought to be discussed, and that we should not adopt a new policy at this time, without consideration by the Senate, which might in the end cost millions of dollars.

Mr. McCARTHY. Mr. President, let me correct the Senator. I believe he is thinking of the bill as originally introduced. The bill as originally introduced did provide that the Government should give homes to permanent wheel-chair cases. However, after discussing the subject with General Bradley, we limited it to the point where we felt we were merely giving the crippled veteran sufficient money to cover the additional cost of the home because of his particular type of injury. For example, the cost of a home for a paraplegic is much greater than the cost of a home for an average individual. Ramps must be constructed. They cannot use stairways. There must be special types of bathrooms, and special exercise rooms. For that reason the bill provides that the veteran himself will take care of half the cost of the home, on the theory that the cost of the home is about double what it would be in the case of an average individual.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, I object.

The PRESIDENT pro tempore. The bill will be passed over.

STREAM POLLUTION CONTROL

The Senate proceeded to consider the bill (S. 418) to provide for water-pollution-control activities in the United States Public Health Service, and for other purposes, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

That in connection with the exercise of jurisdiction over the waterways of the Nation and in consequence of the benefits resulting to the public health and welfare by the abatement of stream pollution, it is hereby declared to be the policy of Congress to recognize, preserve, and protect the primary responsibilities and rights of the States in controlling water pollution, and to provide Federal technical services and financial aid to State and interstate agencies and to industries in the formulation and execution of their stream pollution abatement programs. To this end, the Surgeon General of the Public Health Service (under the supervision and direction of the Federal Security Administrator) and the Federal Works Administrator shall have the responsibilities and authority relating to water pollution control vested in them respectively by this act.

SEC. 2. (a) The Surgeon General shall, after careful investigation, and in cooperation with other Federal agencies, with State water pollution agencies and interstate agencies, and with the municipalities and industries involved, prepare or adopt comprehensive programs for eliminating or reducing the pollution and improving the sanitary condition of the surface and underground waters in or adjacent to any State. In the development of such comprehensive programs due regard shall be given to the improvements which are necessary to conserve such waters for public water supplies, propagation of fish and aquatic life, recreational purposes, and agricultural, industrial, and other legitimate uses, and for this purpose the Surgeon General is authorized to make joint investigations with any such agencies of the condition of any waters in any State or States, and of the discharges of any sewage, industrial wastes, or substance which may deleteriously affect such waters.

(b) The Surgeon General shall encourage cooperative activities by the States for the prevention and abatement of water pollution; encourage the enactment of uniform State laws relating to water pollution; encourage compacts between States for the prevention and abatement of water pollution; collect and disseminate information relating to water pollution and the prevention and abatement thereof; make available to State and interstate agencies, municipalities, industries, and individuals the results of surveys, studies, investigations, and experiments relating to such matter conducted by the Surgeon General and by cooperating agencies, public and private; and furnish such assist-

ance to State agencies as may be authorized by law.

(c) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law of the United States, for (1) cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and (2) the establishment of such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts. No such agreement or compact shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the Congress.

(d) (1) The pollution of interstate waters in or adjacent to any State or States (whether the matter causing or contributing to such pollution is discharged directly into such waters or reaches such water after discharge into a tributary of such waters), which endangers the health or welfare of persons in a State other than that in which the discharge originates, is hereby declared to be a public nuisance and subject to abatement as herein provided.

(2) Whenever the Surgeon General, on the basis of reports, surveys, and studies, finds that any pollution declared to be a public nuisance by paragraph (1) of this subsection is occurring, he shall give formal notification thereof to the person or persons discharging any matter causing or contributing to such pollution and shall advise the water pollution agency or interstate agency of the State or States where such discharge or discharges originate of such notification. This notification may outline recommended remedial measures which are reasonable and equitable in that case and shall specify a reasonable time to secure abatement of the pollution. If action calculated to secure abatement of the pollution within the time specified is not commenced, this failure shall again be brought to the attention of the person or persons discharging the matter and of the water pollution agency or interstate agency of the State or States where such discharge or discharges originate. The notification to such agency may be accompanied by a recommendation that it initiate a suit to abate the pollution in a court of proper jurisdiction.

(3) If, within a reasonable time after the second notification by the Surgeon General, the person or persons discharging the matter fail to initiate action to abate the pollution or the State water pollution agency or interstate agency fails to initiate a suit to secure abatement, the Federal Security Administrator is authorized to call a public hearing, to be held in or near one or more of the places where the discharge or discharges causing or contributing to such pollution originate, before a board of five or more persons appointed by the Administrator, who may be officers or employees of the Federal Security Agency or of the water pollution agency or interstate agency of the State or States where such discharge or discharges originate (except that at least one of the members of the board shall be a representative of the water pollution agency of the State or States where such discharge or discharges originate and at least one shall be a representative of the Department of Commerce, and not less than a majority of the board shall be persons other than officers or employees of the Federal Security Agency). On the basis of the evidence presented at such hearing the board shall make its recommendations to the Federal Security Administrator concerning the measures, if any, which it finds to be reasonable and equitable to secure abatement of such pollution.

(4) After affording the person or persons discharging the matter causing or contributing to the pollution reasonable opportunity to comply with the recommendations of the board, the Federal Security Administrator may, with the consent of the water pollution agency (or of any officer or agency authorized to give such consent) of the State or States in which the matter causing or contributing to the pollution is discharged, request the Attorney General to bring a suit on behalf of the United States to secure abatement of the pollution.

(5) Before or after any suit authorized by paragraph (4) is commenced, any person who is alleged to be discharging matter contributing to the pollution, abatement of which is sought, may, with the consent of the water pollution agency (or of any officer or agency authorized to give such consent) of the State in which such matter is discharged, be joined as a defendant. The court shall have power to enforce its judgment against any such defendant.

(6) In any suit brought pursuant to paragraph (4) in which two or more persons in different judicial districts are originally joined as defendants, the suit may be commenced in the judicial district in which any discharge caused by any of the defendants occurs.

(7) The court shall receive in evidence in any such suit a transcript of the proceedings before the board and a copy of the board's recommendation; and may receive such further evidence as the court in its discretion deems proper. The court, giving due consideration to the practicability and to the physical and economic feasibility of securing abatement of any pollution proved, shall have jurisdiction to enter such judgment, and orders enforcing such judgment, as the public interest and the equities of the case may require.

(8) As used in this subsection the term "person" includes an individual, corporation, partnership, association, a State, municipality, and a political subdivision of a State.

SEC. 3. The Surgeon General may, upon request of any State water-pollution agency or interstate agency, conduct investigations and make surveys of any specific problem of water pollution confronting any State, interstate agency, community, municipality, or industrial plant, with a view to recommending a solution of such problem.

SEC. 4. The Surgeon General shall prepare and publish, from time to time, reports of such surveys, studies, investigations, and experiments made under the authority of this act as he may consider desirable, together with appropriate recommendations with regard to the control of water pollution.

SEC. 5. The Federal Works Administrator is authorized, subject to the provisions of section 9 (c), to make loans to any State, municipality, or interstate agency for the construction of necessary treatment works to prevent the discharge by such State or municipality of untreated or inadequately treated sewage or other waste into the surface or underground waters in or adjacent to any State, and for the preparation (either by its engineering staff or by practicing engineers employed for that purpose) of engineering reports, plans, and specifications in connection therewith.

Such loans shall be subject, however, to the following limitations: (a) No loan shall be made for any project unless such project shall have been approved by the appropriate State water-pollution agency or agencies and by the Surgeon General, and unless such project is included in a comprehensive program developed pursuant to this act; (b) no loan shall be made for any project in an amount exceeding 33⅓ percent of the estimated reasonable cost thereof, as determined by the Federal Works Administrator; (c) every such loan shall bear interest at the rate of 2 percent per annum, payable semiannually; and (d) the bonds or other obligations evidencing any such loan (1) must be duly authorized and issued pursuant to State and local law, and (2) may, as to the security thereof and the payment of principal thereof and interest thereon, be subordinated (to the extent deemed feasible and desirable by the Federal Works Administrator for facilitating the financing of such projects) to other bonds or obligations of the obligor issued, to finance such project or that may then be outstanding.

SEC. 6. The Federal Works Administrator is authorized, subject to the provisions of section 9 (c), to extend Federal aid in the form of loans to industrial enterprises for the construction of necessary treatment works and the preparation of engineering reports, plans, and specifications in connection therewith, to prevent the discharge by such enterprises of untreated or inadequately treated sewage or other waste into the surface or underground waters in or adjacent to any State. Such loans shall be subject, however, to the following limitations: (a) No loan shall be made for any project unless such project shall have been approved by the appropriate State water-pollution agency and by the Surgeon General, and is included in a comprehensive program developed pursuant to this act; (b) no loan shall be made for any project in an amount exceeding 33⅓ percent of the estimated reasonable cost thereof, as determined by the Federal Works Administrator; (c) each loan shall be fully and adequately secured and bear interest at the rate of 2 percent per annum, payable semiannually; and (d) each loan may be for a period not exceeding 10 years.

SEC. 7. (a) The Surgeon General and the Federal Works Administrator, in carrying out their respective functions under this act, shall provide for the review of all reports of examinations, investigations, plans, studies, and surveys made pursuant to the provisions of this act, and all applications for loans under section 5 or 6. In determining the desirability of projects for treatment works and of approving loans in connection therewith, consideration shall be given to the public benefits to be derived by the construction thereof, the propriety of Federal aid in such construction, the relation of the ultimate cost of constructing and maintaining the works to the public interest and to the public necessity for the works, and the adequacy of the provisions made or proposed by the applicant for the loan for assuring proper and efficient operation and maintenance of the works after completion of the construction thereof.

(b) There is hereby established in the Public Health Service a Water Pollution Control Advisory Board to be composed as follows: The Surgeon General or a sanitary engineer officer designated by him, who shall be Chairman of the Board, a representative of the Department of War, a representative of the Department of the Interior, a representative of the Federal Works Agency, and a representative of the Department of Agriculture, designated by the Secretary of War, the Secretary of the Interior, the Federal Works Administrator, and the Secretary of Agriculture, respectively; and six persons (not officers or employees of the Federal Government) to be appointed annually by the President. One of the persons appointed by the President shall be an engineer who is expert in sewage and industrial-waste disposal, one shall be a person who shall have shown an active interest in the field of wildlife conservation, and, except as the President may determine that the purposes of this act will be better furthered by different representation, one shall be a person representative of municipal government, one shall be a person representative of State government, and one shall be a person representative of affected industry. The members of the Board who are not officers or employees of the United States shall be entitled to receive compensation at a per diem rate to be fixed by the Federal Security Administrator, together with an allowance for actual and necessary

traveling and subsistence expenses while engaged on the business of the Board. It shall be the duty of the Board to review the policies and program of the Public Health Service as undertaken under authority of this act and to make recommendations thereon in reports to the Surgeon General. Such clerical and technical assistance as may be necessary to discharge the duties of the Board shall be provided from the personnel of the Public Health Service.

(c) There are authorized to be appropriated annually to the Federal Security Agency such sums, not in excess of $100,000,000 for any fiscal year, as may be necessary for loans under the provisions of sections 5 and 6 of this act. Sums so appropriated shall remain available until expended.

(d) There is hereby authorized to be appropriated to the Federal Security Agency and the Federal Works Agency for each fiscal year such sums as may be necessary to enable them to carry out their respective functions under this act.

SEC. 8. (a) There is hereby authorized to be appropriated to the Federal Security Agency for each fiscal year, beginning with the fiscal year ending June 30, 1948, the sum of $5,000,000 to be allotted and paid to the States for expenditure by or under the direction of their respective State water-pollution agencies, and to interstate agencies for expenditure by them, for the conduct of investigations, surveys, and studies related to the prevention and control of water pollution. Sums appropriated pursuant to this subsection shall be allotted by the Surgeon General, in accordance with regulations prescribed by the Federal Security Administrator, and shall be paid prior to audit or settlement by the General Accounting Office. The amount of any allotment to any State or interstate agency for any fiscal year remaining unexpended at the end of such fiscal year shall be available for allotment hereunder for the succeeding fiscal year, in addition to the amount appropriated for such year.

(b) There is hereby authorized to be appropriated to the Federal Works Agency for each fiscal year, beginning with the fiscal year ending June 30, 1948, a sum not to exceed the sum of $12,000,000 to enable the Federal Works Administrator to make advances to States, municipalities, or interstate agencies to aid in financing the cost of engineering, architectural, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of projects approved by the appropriate State water pollution agency or agencies and by the Surgeon General. Any such advances shall be repayable, without interest, upon the commencement of construction of the project for which the advance is made.

SEC. 9. (a) To assist in carrying out the purposes of this act, the appointment of engineer and scientist officers may be made under the provisions of section 208 (b) (1) of the Public Health Service Act, in addition to the appointments authorized by such section 208 (b) (1); but not more than five such additional officers shall hold office at the same time.

(b) The Federal Security Administrator, with the consent of the head of any other agency of the Federal Government, may utilize such officers and employees of such agency as may be found necessary to assist in carrying out the purposes of this act.

(c) (1) Upon written requests of the Federal Works Administrator, from time to time submitted to the Federal Security Administrator, specifying (a) particular projects approved by the Surgeon General, (b) the total estimated costs of such projects, and (c) the total sum requested for loans which the Federal Works Administrator proposes to make for such projects, the Federal Security Administrator shall transfer such total sum (within the amount appropriated therefor) to the Federal Works Administrator for the making of loans for such projects pursuant to sections 5 and 6 hereof. In making such loans, the Federal Works Administrator shall adhere to the order or sequence of priority for projects established by the Surgeon General and shall take such measure as, in his judgment, will assure that the engineering plans and specifications, the details of construction, and the completed treatment works conform to the project as approved by the Surgeon General; and the Federal Works Administrator shall furnish written reports to the Federal Security Administration on the progress of the work.

(2) The Federal Works Administrator is hereby authorized (a) to hold, administer, exchange, refund, or sell at public or private sale any bonds or other obligations evidencing loans made under this act; and (b) to collect, or provide for the collection of, interest on and principal of such bonds or other obligations. All moneys received as proceeds from such sales, and all moneys so collected, shall be covered into the Treasury as miscellaneous receipts.

(d) The Surgeon General and the Federal Works Administrator are each authorized to prescribe such regulations as are necessary to carry out their respective functions under this act.

SEC. 10. When used in this act—

(a) The term "State water pollution agency" means the State health authority, except that, in the case of any State in which there is a single State agency, other than the State health authority, charged with responsibility for enforcing State laws relating to the abatement of water pollution, it means such other State agency;

(b) The term "interstate agency" means an agency of two or more States having powers or duties pertaining to the abatement of pollution of waters;

(c) The term "treatment works" means the various devices used in the treatment of sewage or industrial waste of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping, power, and other equipment, and their appurtenances, and includes any extensions, improvements, remodeling, additions, and alterations thereof;

(d) The term "State" means a State, the District of Columbia, Hawaii, Alaska, Puerto Rico, or the Virgin Islands;

(e) The term "interstate waters" means all rivers, lakes, and other waters that flow across, or form a part of, State or international boundaries; and

(f) The term "municipality" means a city, town, district, or other public body created by or pursuant to State law and having jurisdiction over disposal of sewage, industrial wastes, or other wastes.

SEC. 11. This act shall not be construed as (1) superseding or limiting the functions, under any other law, of the Surgeon General or of the Public Health Service, or of any other officer or agency of the United States, relating to water pollution, or (2) affecting or impairing the provisions of the Oil Pollution Act, 1924, or sections 13 through 17 of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899, as amended.

SEC. 12. If any provision of this act, or the application of any provision of this act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this act, shall not be affected thereby.

SEC. 13. This act may be cited as the "Water Pollution Control Act."

The PRESIDENT pro tempore. The Senator from Nevada [Mr. MALONE] has an amendment at the desk.

Mr. MALONE. Mr. President, I have submitted some minor amendments, consisting of three changes to conform to any international treaty which may involve the boundaries of this country and some other country. I offer the amendments to the committee amendment and ask that they be stated.

The PRESIDENT pro tempore. The amendments offered by the Senator from Nevada to the committee amendment will be stated. Without objection, the amendments will be considered en bloc.

The CHIEF CLERK. On page 14, line 8, after the word "law" it is proposed to insert "or treaty"; on page 26, line 18, after the word "State", it is proposed to strike out "or international"; and on page 27, line 7, it is proposed to change the period at the end of the line to a comma and add "or (3) affecting or impairing the provisions of any treaty of the United States."

Mr. RUSSELL. Mr. President, will the Senator from Nevada be good enough to advise us what is likely to be the cost of this measure?

Mr. MALONE. I am very glad that the Senator from Georgia has asked the question. Originally the bill provided $100,000,000 for grants-in-aid for stream pollution, but the committee changed that to loans at 2 percent interest, and also advanced money for plans and specifications, which money is to be returned when the bond issues are passed by the municipality and the money is available to complete the project. So it is not intended that the bill shall cost the Government anything.

Mr. President, in connection with the bill I should like to say further that the Subcommittee on Flood Control and Improvement of Rivers and Harbors of the Committee on Public Works, of which subcommittee I am chairman, and the Senator from Kentucky [Mr. COOPER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Arkansas [Mr. MCCLELLAN] are members, conducted extended hearings and investigations on Senate bill 418 from April 22 to and including May 28, 1947.

The principles of the proposed legislation as reported include loans to municipalities and industries up to one-third the cost of necessary works carrying 2 percent interest with funds advanced to prepare plans and specifications, and that before suit can be brought for final abatement an agreement must be reached between the State and the Surgeon General; also the Government lends its support to interstate compacts and agreements. It is cooperative legislation.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Nevada [Mr. MALONE] to the committee amendment.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for water pollution con-

trol activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes."

BILL PASSED OVER

The bill (H. R. 3215) to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes, was announced as next in order.

Mr. LODGE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

UTILITIES AND RELATED SERVICES IN VICINITY OF NAVAL OR MILITARY ACTIVITIES

The bill (H. R. 3055) to permit the Secretary of the Navy and the Secretary of War to supply utilities and related services to welfare activities, and persons whose business or residence are in the immediate vicinity of naval or military activities and require utilities or related services not otherwise obtainable locally, and for other purposes, was announced as next in order.

Mr. AIKEN. Mr. President, may we have an explanation of the bill? Does the Senator from Georgia [Mr. RUSSELL] approve the bill?

Mr. RUSSELL. Yes, Mr. President. With the amendment added by the committee, I think the bill is quite all right.

Mr. AIKEN. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, on page 2, after line 21, to insert:

SEC. 5. The authority granted in sections 1, 2, and 3 of this act shall terminate at midnight on December 31, 1952.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONSTRUCTION OF RAILROAD SIDING IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3744) to authorize the construction of a railroad siding in the vicinity of Franklin Street NE, District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO APPROPRIATION LAW OF 1903 FOR THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 1448) to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902, which had been reported from the Committee on the District of Columbia with an amendment, on page 4, line 10, after the word "dwellings", to insert "nor for a rooming house offering accommodations for no more than four roomers."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

The Senate proceeded to consider the bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

Mr. OVERTON. Mr. President, I offer the amendment which is at the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 2. Section 5 of such act, as amended (D. C. Code, 1940 ed., sec. 45–1605), is amended by inserting at the end thereof the following new subsection:

"(d) The relinquishment of any housing accommodations, other than those in hotels and apartment hotels, by the original tenant, lessee, or occupant thereof shall not affect any subtenant of such tenant, occupant, or lessee, and no action or proceeding to recover possession of such housing accommodations shall be maintainable by any landlord against such subtenant, so long as such subtenant continues to pay the rent to which the landlord may be entitled under the provisions of this act."

Mr. OVERTON. Mr. President, I have consulted the Senator from Rhode Island [Mr. MCGRATH] who has charge of this bill on behalf of the Committee on the District of Columbia, and he says that the committee has no objection to the amendment.

Mr. MCGRATH. Mr. President, what I said to the Senator from Louisiana was that the committee would perhaps not object to the substance of the amendment, but I should like to make the position of the committee very clear, in the absence of the Senator from Delaware [Mr. BUCK] who would normally be in charge of the bill.

This is a bill to continue the Rent Control Act of the District of Columbia for a period of 3 months. I am about to offer an amendment, after the amendment of the Senator from Louisiana is disposed of, which will correct a technical error in the bill as printed.

As printed, the bill would indicate that this is an extension of the Rent Control Act for 1 year. It is merely an extension of rent control from the 31st of December of this year to the 31st of March, 1948, in order that the Congress may have an opportunity during the early part of next session to determine what it wishes to do about rent control in the District of Columbia.

Unlike the National Rent Control Act, the separate act which governs in the District of Columbia will expire next December. The Congress may not be here, and there may be a continuing emergency which should be met. The committee has felt that we should merely continue the act as it is until that time. There were many desirable amendments offered to the Act which the committee wanted to consider, but inasmuch as it was merely extended for a few months, and inasmuch as any amendments made to the existing act might perhaps result in the defeat of its extension, it was the unanimous decision of the Committee on the District of Columbia to ask for passage of the bill without amendment.

What I said to the Senator from Louisiana [Mr. OVERTON] was that I certainly had no objection to the substance of his amendment, but in carrying out what I knew to be the policy of the Committee on the District of Columbia I would have to ask that the amendment be rejected, because I believe its passage would effectively kill any chance of getting the 3 months' extension which seems so desirable.

Mr. OVERTON. Mr. President, I object to the consideration of the bill.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. OVERTON. I wish to say that I understood the Senator from Rhode Island to say that he would have no objection to my amendment.

BILLS PASSED OVER

The bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight saving time in the District was announced as next in order.

Mr. OVERTON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TEMPORARY NATIONAL AIR POLICY BOARD

The bill (S. 1433) to provide for the establishment of a temporary National Air Policy Board was announced as next in order.

SEVERAL SENATORS. Over!

Mr. BREWSTER. Mr. President, I hope that objection will be withheld until this situation is fully understood. It involves the whole question of the future of our air policy. The Committee on Interstate and Foreign Commerce have considered the bill, and all the members of the committee are in favor of the establishment of the Board provided for, which is of a temporary character. It is to be composed of four members of the Cabinet, six Members of the Congress to be appointed by the President and the Speaker of the House, and two other members to be appointed by the President. The evidence has shown that the aircraft industry of this country will utterly collapse unless some radical action is taken. This seems to be the only way of taking constructive action. The temporary National Air Policy Board will make its report to the next Congress, and on the basis of the report it is hoped that steps may be taken which will preserve our aircraft industry. Only 1,500 planes are being built this year, which is not sufficient to maintain our air industry, as all those who are concerned agree. The Members who have considered it have withdrawn all objections, and the administration is in agreement. So I hope the bill may have favorable consideration at this time.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. McCARRAN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 46) authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project and Rio Grande border fence project was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

STATISTICS OF COTTONSEED AND COTTONSEED PRODUCTS

The bill (S. 1497) to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products" was announced as next in order.

Mr. HAWKES. Mr. President, I offer two minor amendments which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. First, is there objection to the consideration of the bill?

Mr. RUSSELL. Mr. President, I should like to ask a question or two. I notice the bill deals with the collection of statistics on cottonseed and cottonseed products. Does the bill in any way curtail the service afforded to the farmer?

Mr. HAWKES. It in no way disturbs the situation to which the Senator refers. It provides for the collecting of facts regarding fats and oils in order that the people of the United States may buy fats and oils, which are valued at about $3,000,000,000 a year, and will know, just as they have been knowing under the War Foods Administration Order No. 42, what the supply is and can govern themselves accordingly. In my opinion, it will save a great deal of money to consumers of soap and other products which involve fats and oils.

Mr. RUSSELL. Mr. President, I should like to know what the Committee on the Civil Service has to do with the bill. It seems to me it should have been considered by the Committee on Agriculture and Forestry.

Mr. HAWKES. I had nothing to do with the bill's being referred to the Committee on Civil Service.

The PRESIDENT pro tempore. The Chair will say that the bill was referred to the Civil Service Committee because, under the Reorganization Act, the Census Bureau is under the jurisdiction of that committee, and this bill is directed to the Census Bureau. Is there objection to the consideration of the bill?

Mr. CHAVEZ. Over.

The PRESIDENT pro tempore. The bill will be passed over.

TAXES ON EMPLOYERS AND EMPLOYEES UNDER INSURANCE CONTRIBUTIONS ACT

The bill (H. R. 3818), to amend the Federal Insurance Contributions Act with respect to rate of tax on employers, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, may we have an explanation of the bill?

Mr. MILLIKIN. Mr. President, this bill freezes the social-security rate of 1 percent, which exists at the present time, for the 2 years 1948 and 1949. It continues for the period ending June 30, 1950, the State-Federal matching formula enacted in 1946 with respect to old-age assistance, aid to dependent children, and aid to the blind. It continues through December 31, 1949, the present temporary authorization for congressional appropriations to a special Federal unemployment account of excess unemployment compensation tax receipts now paid to the Federal Government by private employers.

There is very urgent need for getting this bill to the House, and I hope there is no objection to it.

The PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act was announced as next in order.

Mr. MORSE. Over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 3961) to provide increases in the rate of pension payable to Spanish-American and Civil War veterans and their dependents was announced as next in order.

Mr. BYRD. Over.

The PRESIDENT pro tempore. The bill will be passed over.

DISPOSITION OF INTERNAL-REVENUE COLLECTIONS ON VIRGIN ISLANDS PRODUCTS

The bill (S. 1014) to provide for the disposition of internal-revenue collections on articles produced in the Virgin Islands was announced as next in order.

Mr. BALL. Mr. President, may we have an explanation of that bill?

Mr. MILLIKIN. Mr. President, prior to the independence of Puerto Rico and the Philippines we allowed them to have the use of the moneys which were collected as taxes on goods consigned from those islands to the United States. This bill would extend the same privilege to the Virgin Islands, except that we have put a limitation by committee amendment, of $500,000 a year. If the taxes collected under our internal-revenue laws on Virgin Island articles and which are transported to the United States exceed $500,000 in any year the payment by us on this amount to the Virgin Islands shall be $500,000.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TYDINGS. The effect of this bill, as I understand, is to give certain moneys, which otherwise would come to the Federal Treasury, directly to the government of the Virgin Islands?

Mr. MILLIKIN. Let me put it concretely. The Virgin Islands, for example, export a great amount of rum to this country on which a large tax is collected by us. We allow by this bill the payment back to the Virgin Islands of up to $500,000 of such taxes for use in the Virgin Islands, under the control of their own legislature, for their internal business.

Mr. TYDINGS. But the point I make is that normally those taxes would go to the Federal Treasury?

Mr. MILLIKIN. Yes.

Mr. TYDINGS. We let them keep all their income taxes and all their tariff duties and all their excise taxes on tobacco and rum, without requiring the usual procedure of having all those moneys go into the Treasury of the United States, and then making appropriations to Puerto Rico.

I do not know that I shall oppose this measure, but for the moment I ask the able Senator to let it go over until I can consider it a little further, because I question whether we should not have a better and a revised policy in dealing with these outlying possessions.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. I may say that I have always disapproved of the theory or principle by which Puerto Rico was allowed to retain these taxes. But the amendments which were proposed were usually limitation amendments.

In this measure we have limited the amount which may be retained; we have provided that the amount to be retained shall be limited to $500,000 a year. My understanding is that the taxes in Puerto Rico reached the sum of approximately $50,000,000 a year. I objected to giving them taxes in that amount.

But it seems to me that $500,000 a year for the Virgin Islands is not an unreasonable sum, and represents, therefore, a much milder policy than the one now adopted in regard to Puerto Rico.

If we change the Puerto Rican policy, I would be in favor of changing this one, whatever we work out.

Mr. TYDINGS. I understand that these are excise taxes levied on liquor.

Mr. TAFT. That is correct; this represents the $9 tax on rum, which in the long run is paid, in effect, by the people of the United States who buy the rum; and in that connection Puerto Rico has gotten the tremendous sum of $50,000,000 a year. That amount is now decreasing, but it should be limited.

In this measure we have limited the amount to be retained to an annual sum of $500,000. By doing that, I think we shall avoid the necessity of making deficit contributions to the economy of the Virgin Islands; and I think the bill represents a reasonable compromise in re-

gard to a method of financing our contributions.

Mr. TYDINGS. Mr. President, I am not objecting to the bill or opposing it, but I should like to study it further, because if we make these contributions without having the benefit of any announcement from our own Appropriations Committee, then when we are later asked to make appropriations through the Appropriations Committee, we may, as we frequently find to be the case, lose sight of what we have already done. So I should like to have an opportunity to study this matter.

Mr. BUTLER. Mr. President, the $500,000 covered in this proposal is $20 per capita for the Virgin Islands.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

The clerk will state the next bill on the calendar.

MRS. YONEKO NAKAZAWA

The Senate proceeded to consider the bill (S. 167) for the relief of Mrs. Yoneko Nakazawa, which had been reported from the Committee on the Judiciary with an amendment, at the end of the bill to insert:

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Japanese of the first year that the said quota is available.

So as to make the bill read:

Be it enacted, etc., That notwithstanding any provision of the immigration laws, Mrs. Yoneko Nakazawa, who was admitted to the United States on May 16, 1930, as the minor child of a treaty trader, is hereby declared to have been lawfully admitted to the United States for permanent residence.

SEC. 2. The Attorney General of the United States is authorized and directed to cancel all outstanding deportation proceedings in respect to the said Mrs. Yoneko Nakazawa. Upon the enactment of this act the Secretary of State shall instruct the proper quota-concontrol officer to deduct one number from the quota for the Japanese of the first year that said quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCORPORATION OF AMVETS

Mr. HATCH. Mr. President, several Senators who are about to leave the chamber are interested in House bill 1888, Calendar No. 452, a bill to incorporate the AMVETS. I previously objected to the consideration of the bill during the call of the calendar; but I now withdraw the objection, and ask unanimous consent that we return to that bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico?

Mr. HATCH. Mr. President, since the objection was made by me, I have talked to various persons who are interested in the passage of this bill. When I made the objection, I stated that it seemed to me that in fairness to other organizations which have made similar applications, all such applications should be considered. I have been assured by the members of the subcommittee and by other Senators who have these applications before them that prompt action will be taken on the other applications. In the light of that assurance, I do not wish to maintain my objection, and so I now withdraw it.

Mr. DONNELL. Mr. President, I do not know whether the Senator from New Mexico has in mind any organizations other than the Jewish War Veterans, the Catholic War Veterans, the Gold Star Wives, and the American Veterans Committee. I may say that the senior Senator from West Virginia [Mr. KILGORE] and I constitute a subcommittee of the Judiciary Committee, and the bills for the incorporation of those four organizations are pending before the subcommittee. It is the judgment of both the senior Senator from West Virginia and myself that we shall be able to make a report to the Committee on the Judiciary in time for it to make a report one way or the other in regard to each of those 4 bills.

Mr. HATCH. That was my understanding, and that is the reason why I withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to ask the Senator from Missouri whether the organization affected by the bill is limited in its membership exclusively to bona fide veterans of World War II.

Mr. DONNELL. Does the Senator refer to the AMVETS?

Mr. HICKENLOOPER. Yes.

Mr. DONNELL. That is my understanding; yes.

Mr. KILGORE. Mr. President, it is exclusively limited to such veterans. The reason why this bill was reported ahead of the bills dealing with the incorporation of the other veterans' organizations was the fact that in this organization there is no segregation on account of race, creed, or color. Regardless of race, creed, or color, anyone can belong to the organization, provided he is a bona fide veteran of World War II who entered the service and left it between certain dates.

Mr. HICKENLOOPER. I thank the Senator. I am interested in the organization because it is exclusively for veterans.

Mr. KILGORE. There is a parallel between it and the American Legion, the organization of the veterans of World War I.

Mr. LODGE. Mr. President, I should like to ask the Senator from Missouri whether the Franco-American veterans' organization also has an incorporation application bill before the committee?

Mr. DONNELL. It has; but I had understood from the junior Senator from Massachusetts that he was awaiting action on that bill by the House of Representatives, and that until such action was taken our subcommittee need not proceed with the matter.

Mr. LODGE. I should like to have it considered with the others, if and when the subcommittee considers them.

Mr. BALDWIN. Mr. President, I understand that the Senator's committee has pending before it some proposed legislation setting up a definite format for the material which should go into these charters.

Mr. DONNELL. That is correct.

Mr. BALDWIN. Has that bill been reported?

Mr. DONNELL. It has not; and in my judgment it is very doubtful whether it will be.

Mr. BALDWIN. Failure to report that bill will not interfere with consideration of the other charter bills in the same way that the bill for the charter of the AMVETS receives consideration, will it?

Mr. DONNELL. It will not interfere with consideration of the bills for the incorporation of the four organizations I have mentioned.

Mr. President, in the light of the wish of the junior Senator from Massachusetts [Mr. LODGE], and speaking for myself and, I assume, for the senior Senator from West Virginia [Mr. KILGORE], who is nodding his head, I shall be glad, indeed, to see that the bill providing for the incorporation of that organization receives the same prompt consideration that the bills providing for the incorporation of the other four organizations receive.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 1888) to incorporate the AMVETS, American Veterans of World War II, was considered, ordered to a third reading, read the third time, and passed.

THOMAS ABADIA

The Senate proceeded to consider the bill (S. 185) for the relief of Thomas Abadia, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "residence in", to strike out "1917" and insert "1940", so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Thomas Abadia, of Lava Hot Springs, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence in 1940, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Thomas Abadia upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARY SUNGDUK CHARR

The bill (S. 316) for the relief of Mary Sungduk Charr was considered, ordered

to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the immigration laws, the Attorney General is authorized and directed to permit Mary Sungduk Charr, of Venice, Calif., the Korean wife of a United States citizen veteran of World War II and the mother of a child who is a citizen of the United States, to remain permanently in the United States.

SEC. 2. Notwithstanding any other provision of law, at any time within 1 year after the date of enactment of this act, the said Mary Sungduk Charr may be naturalized as a citizen of the United States by taking the naturalization oath of allegiance before any court having jurisdiction of the naturalization of aliens.

TAXES ON EMPLOYERS AND EMPLOYEES UNDER INSURANCE CONTRIBUTIONS ACT.

Mr. MORSE. Mr. President, I have discussed House bill 3818, Calendar No. 495, with the Senator from Colorado [Mr. MILLIKIN], and I withdraw the objection I previously made.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes, which had been reported from the Committee on Finance with amendments.

The first amendment of the committee was, on pages 1 and 2, to strike out:

That clauses (1), (2), and (3) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400), as amended, are hereby amended to read as follows:

"(1) With respect to wages received during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages received after December 31, 1956, the rate shall be 2 percent."

SEC. 2. Clauses (1), (2), and (3) of section 1410 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1410), as amended, are hereby amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages paid after December 31, 1956, the rate shall be 2 percent."

And insert:

That section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400), as amended, is hereby amended by striking out clauses (1), (2), and (3), and inserting in lieu thereof the following:

"(1) With respect to wages received during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages received after December 31, 1949, the rate shall be 3 percent."

SEC. 2. Section 1410 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1410), as amended, is hereby amended by striking out clauses (1), (2), and (3), and inserting in lieu thereof the following:

"(1) With respect to wages paid during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages paid after December 31, 1949, the rate shall be 3 percent."

The amendment was agreed to.

The next amendment was, on page 4, in line 9, after the date "June 30, 1946," to insert "and ending prior to July 1, 1949."

The amendment was agreed to.

The next amendment was, in line 12, after the word "year", to insert "and the excess of such taxes collected during the period beginning on July 1, 1949, and ending on December 31, 1949, over the unemployment administrative expenditures made during such period. Any amounts in the Federal unemployment account on April 1, 1950, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury."

The amendment was agreed to.

The next amendment was, on page 5, in line 5, after the figures "754", to insert "and the sum of $18,451,846 which was authorized to be appropriated by section 11 (b) of the Railroad Unemployment Insurance Act."

The amendment was agreed to.

The next amendment was, in line 13, after the word "quarter", to insert "which ends prior to January 1, 1950."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MILLIKIN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. MILLIKIN, Mr. TAFT, and Mr. GEORGE conferees on the part of the Senate.

CLARIFICATION OF FEDERAL UNEMPLOYMENT TAX ACT

Mr. MORSE. Mr. President, I have discussed House bill 4011, Calendar No. 496, with the Senator from Colorado [Mr. MILLIKIN], and I withdraw the objection I previously made.

Mr. RUSSELL. Mr. President, I should like to have an explanation of the bill. The Senator from Colorado previously was interrupted by the objection, in the explanation he was making.

Mr. MILLIKIN. Mr. President, there are many States which have a system whereby the rates which an employer pays by way of unemployment tax vary according to the unemployment experience of his business. Those same States permit the employer to make a contribution in cash in order to reduce the amount of tax he pays. There is a series of categories in which employers find themselves, according to the amount of unemployment experience they have in their individual businesses, and the rate which they pay varies accordingly. By paying in cash amounts they can reduce the rate.

Mr. RUSSELL. I have no objection to the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act was considered, ordered to a third reading, read the third time, and passed.

ARSENIO ACACIO LEWIS

The bill (H. R. 553) for the relief of Arsenio Acacio Lewis was considered, ordered to a third reading, read the third time, and passed.

FEDERAL SECURITY AGENCY ACCOUNTING SYSTEM

Mr. AIKEN. Mr. President, Calendar No. 463, Senate bill 1512, was passed over at the request of the senior Senator of Virginia [Mr. BYRD]. The Senator from Virginia has since read the bill, and I understand he has no objection.

Mr. BYRD. I have no objection.

Mr. AIKEN. I ask unanimous consent that we revert to that bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 1512) to improve accounting within the Federal Security Administration, to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when so provided in the appropriation for the Federal Security Agency, the Secretary of the Treasury is authorized to transfer to the constituent units of the Federal Security Agency, from appropriations of the Agency for traveling expenses and for printing and binding, such amounts as the Federal Security Administrator may request. Amounts so transferred shall be set up on the books of the Treasury under suitable titles and shall be available for the same purposes and subject to the same limitations as the appropriations from which transferred. Upon request of the Federal Security Administrator, all or any part of the balances of any amounts so transferred shall be retransferred to the appropriations of the Federal Security Agency for traveling expenses and for printing and binding, respectively, from which originally transferred.

SEC. 2. The Federal Security Administrator, when authorized in the appropriation for the Federal Security Agency, may transfer to appropriations for the operation of the Office of the Administrator for any fiscal year, from funds available for obligation during such year for administrative expenses of the constituent units of the Federal Security Agency, such sums as represent a consolidation in such Office of any of the administrative functions of such constituent units, but only if such consolidation of administrative functions will result in a reduction of administrative salary and other expenses and such reduction is accompanied by savings in funds appropriated to the Federal Security Agency. Such savings shall not be expended for any other purpose but shall be impounded and returned to the Treasury.

SEC. 3. All money received from non-Federal agencies as reimbursement for subsistence and other expenses of travel of employees of the Office of Education performing advisory functions to such agencies shall be deposited in the Treasury of the United States to the credit of the appropriation of the Federal Security Agency to which such expenses were charged.

The title was amended so as to read: "A bill to improve accounting within the Federal Security Agency, to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes."

DAMIAN GANDIAGA

The Senate proceeded to consider the bill (S. 1579) for the relief of Damian Gandiaga, which had been reported from the Committee on the Judiciary with an amendment, to add a sentence at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Damian Gandiaga, of Tuscarora, Nev., shall be held and considered to have lawfully entered the United States for permanent residence on June 3, 1944, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Damian Gandiaga upon the ground of unlawful residence in the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that the Spanish quota is hereafter available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HERMAN TRAHN

The bill (H. R. 1502) for the relief of Herman Trahn was considered, ordered to a third reading, read the third time, and passed.

CONTINUATION OF REGULATION OF CONSUMER CREDIT

The joint resolution (S. J. Res. 148) to authorize the temporary continuation of regulation of consumer credit was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Board of Governors of the Federal Reserve System is authorized to continue to exercise consumer credit controls pursuant to Executive Order No. 8843 until December 31, 1947: *Provided*, That no such regulation shall fix a maximum maturity of installment credit of less than 24 months, or require a down payment in excess of 20 percent of the purchase price.

SEC. 2. Except during any war beginning after December 31, 1947, or any national emergency proclaimed by the President after such date, no such consumer credit controls shall be exercised after such date.

BILL PASSED OVER

The bill (S. 416) to extend veterans' preference benefit to widowed mothers of certain ex-servicemen was announced as next in order.

Mr. BALL. Over.

Mr. TYDINGS. Mr. President, if I may ask the indulgence of the Senator who made the objection, this is a bill to give the mother of a deceased ex-serviceman, her only son, she being a widow, preference in securing employment with the Federal Government.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

FRITZ HALLQUIST

The bill (H. R. 710) for the relief of Fritz Hallquist was considered, ordered to a third reading, read the third time, and passed.

FRED PITTELLI

The bill (H. R. 1015) for the relief of Fred Pittelli was considered, ordered to a third reading, read the third time, and passed.

MRS. CLINTON R. SHARP

The Senate proceeded to consider the bill (S. 84) for the relief of Mrs. Clinton R. Sharp, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert:

That, notwithstanding the provisions of law excluding persons of races ineligible to citizenship from admission to the United States (8 U. S. C. 213 (c), 703), Mrs. Clinton R. Sharp, Japanese wife of Clinton R. Sharp, a United States citizen and veteran of World War I, if otherwise admissible under the immigration laws, may be admitted to the United States for permanent residence upon application hereafter filed without presenting immigration visas or other travel documents. Upon such admission, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Japanese of the first year that the said quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JULIAN URIARTE

The bill (S. 191) for the relief of Julian Uriarte was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Julian Uriarte, of Boise, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence on July 19, 1931, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of the said Julian Uriarte upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

DONNA L. I. CARLISLE

The bill (H. R. 1393) for the relief of Donna L. I. Carlisle was considered, ordered to a third reading, read the third time, and passed.

ANNA KONG MEI

The bill (S. 457) for the relief of Anna Kong Mei, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Anna Kong Mei as having entered the United States on July 7, 1937, for permanent residence.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of the said Anna Kong Mei.

ROGER EDGAR LAPIERRE

The bill (H. R. 436) for the relief of Roger Edgar Lapierre was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 84) to amend the Nationality Act of 1940 as amended was announced as next in order.

Mr. LODGE. Over.

The PRESIDENT pro tempore. The bill will be passed over.

MRS. ELIZABETH KEMPTON BAILEY

The bill (H. R. 1176) for the relief of Mrs. Elizabeth Kempton Bailey was considered, ordered to a third reading, read the third time, and passed.

ANNA MALAMA MARK

The bill (H. R. 1493) for the relief of Anna Malama Mark was considered, ordered to a third reading, read the third time, and passed.

TEMPORARY NATIONAL AIR POLICY BOARD

Mr. McCARRAN. Mr. President, I ask unanimous consent to revert to Calendar No. 489, Senate bill 1433. The reason for my request is that I objected to the bill when it was reached on the calendar, and I withdraw the objection I interposed.

The PRESIDENT pro tempore. Is there objection to the consideration of Senate bill 1433?

There being no objection, the Senate proceeded to consider the bill (S. 1433) to provide for the establishment of a Temporary National Air Policy Board, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, line 8, after the word "aviation", to strike out "including policies relating", and to insert "with respect"; in section 3, on page 2, line 16, after the word "branches", to insert "with respect to the maintenance of an adequate aeronautical manufacturing industry"; on page 2, after line 22, to strike out "(b) To make a report to the President and to the Congress within 5 months following the date of submission of the report referred to in paragraph (a), transmitting its views concerning the feasibility of establishing a permanent National Air Policy Board and the appropriate composition, functions, duties, and the responsibilities of such a permanent board"; and on page 4, section 6, in line 17, after the word "engaged", to insert "Other members of the Board shall be allowed all expenses necessary for travel and subsistence incurred while so engaged in the activities of the Temporary Board"; so as to make the bill read:

Be it enacted, etc., That it is the purpose of this act to provide for the development of a national air policy adequate to meet the needs of the commerce of the United States, both interstate and foreign, of the national defense, and of the postal service and to provide for the formulation and clarification of national policies relating to or affecting aviation, with respect to the maintenance of an

adequate aeronautical manufacturing industry.

SEC. 2. There is hereby established a Temporary National Air Policy Board (hereinafter referred to as the "Temporary Board") which shall be composed of the Secretary of State, the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, three Members of the Senate, not more than two of whom shall be members of the majority party, to be appointed by the President pro tempore of the Senate, and three Members of the House of Representatives, not more than two of whom shall be members of the majority party, to be appointed by the Speaker of the House of Representatives; and two members from outside the Government to be appointed by the President.

SEC. 3. It shall be the duty of the Temporary Board—

(a) To make a study of the status of the aviation industry in all its branches with respect to the maintenance of an adequate aeronautical manufacturing industry and to make a report thereon to the President and the Congress, together with such recommendations as it deems desirable, within 5 months following the date of enactment of this act.

SEC. 4. (a) The Temporary Board shall select a chairman and a vice chairman from among its members. A majority of the Temporary Board shall constitute a quorum, and the powers conferred upon the Temporary Board by this act may be exercised by a majority vote of its members. A vacancy on the Temporary Board shall not affect the powers of the remaining members to execute the functions of the Temporary Board, and shall be filled in the same manner as the original selection.

(b) The Temporary Board is authorized to employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary for the performance of its duties, and is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

(c) For the purpose of carrying out the provisions of this act the Temporary Board may seek information from such sources and conduct its studies and investigations in such manner as it deems advisable in the interest of a correct ascertainment of the facts. The Temporary Board shall have the power to hold hearings and to require by subpena or otherwise the attendance of such witnesses, the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable.

SEC. 5. There is hereby authorized to be appropriated such sums, not to exceed $50,000, as may be necessary to enable the Temporary Board to carry out its functions under this act.

SEC. 6. The members of the Temporary Board designated by the President shall receive a per diem allowance of $25 for each day, or part thereof, of service in attending meetings of the committee and necessary traveling expenses incurred while so engaged. Other members of the Board shall be allowed all expenses necessary for travel and subsistence incurred while so engaged in the activities of the Temporary Board.

SEC. 7. Nothing contained in this act shall be considered as directing the Temporary or any board established pursuant to its recommendations to consider, and they are hereby specifically directed not to consider, the consolidation or merger of the armed forces.

The amendments were agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be stated by title.

The CHIEF CLERK. A bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

Mr. BREWSTER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3587.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3587).

Mr. BREWSTER. Mr. President, I move that all after the enacting clause of the House bill be stricken out and that Senate bill 1433, as amended, be substituted.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1433 will be indefinitely postponed.

Mr. BREWSTER. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BREWSTER, Mr. HAWKES, and Mr. JOHNSON of Colorado conferees on the part of the Senate.

AMENDMENT OF NATIONALITY ACT OF 1940

Mr. LODGE. Mr. President, I withdraw my objection to Calendar 515, House bill 84.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 84) to amend the Nationality Act of 1940, as amended.

Mr. HATCH. Mr. President, may we have an explanation of the bill?

Mr. WILEY. Mr. President, the two objectives of the bill are briefly but fully set forth in the letter of the Acting Secretary of State to the former chairman of the Committee on Immigration and Naturalization on a bill of the Seventy-ninth Congress, H. R. 6838; and in the letter of the Acting Attorney General to the committee on the pending bill.

The purpose of section 1 of the bill is to make certain that the benefits of section 317 (c) of the Nationality Act do not run in favor of citizens who lost their status because of service in the armed forces of enemy countries. The purpose of section 2 of the bill is to guarantee that citizens who lost their citizenship because of service in Allied armies may reacquire the same citizenship status as that which existed prior to its loss. In other words, if a native-born United States citizen lost his citizenship by service in the Canadian Army, he could reacquire the status of a native-born United States citizen by taking the oath, whereas if a naturalized citizen is involved, he would reacquire the status of a naturalized United States citizen by taking the oath.

Mr. RUSSELL. Mr. President, am I to understand that if a naturalized American citizen who had been a native of Rumania, was in that country at the time Rumania went into the war, and was drafted into the Rumanian Army, this bill would forever forbid him becoming an American citizen, but if he happened to be a citizen of Yugoslavia and was drafted into the Yugoslavian Army, he could meet the requirement of American citizenship? Is that the effect of the bill?

Mr. WILEY. No. The provision is:

> The provisions of this subsection shall not apply to any person who lost citizenship in the United States by reason of entering or serving in the armed forces of any country while such country was at war with the United States.

The bill was referred to the Senator from West Virginia [Mr. REVERCOMB], who was chairman of the subcommittee, and he will explain it further.

Mr. REVERCOMB. Mr. President, if a native-born American citizen joins a foreign army, he loses his citizenship. The bill merely provides that American citizens who joined the armies of the Allies and lost their citizenship are restored to citizenship as they had it before they enlisted.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. RUSSELL. Mr. President, if I understand the bill properly, a naturalized citizen of the United States who was an Italian national, who happened to be in Italy at the outbreak of the war and was drafted into the Italian Army, could not regain his citizenship by virtue of this bill, whereas if he were a national of some other European country which was allied with us, he could regain his citizenship on taking the oath. It seems to me the bill is very discriminatory, and if my understanding is correct, I should like to have it go over.

The PRESIDENT pro tempore. The bill will go over.

ALIEN SPOUSES

The bill (H. R. 3149) to amend the act approved December 28, 1945, an act to expedite the admission to the United States of alien spouses, was considered, ordered to a third reading, read the third time, and passed.

EDNA RITA SAFFRON FIDONE

The bill (H. R. 555) for the relief of Edna Rita Saffron Fidone was considered, ordered to a third reading, read the third time, and passed.

KUO YU CHENG

The bill (H. R. 379) for the relief of Kuo Yu Cheng was considered, ordered to a third reading, read the third time, and passed.

ANTONIO BELAUSTEGUI

The bill (H. R. 649) for the relief of Antonio Belaustegui was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF TIME FOR FILING PATENT APPLICATIONS

The bill (H. R. 3958) to extend temporarily the time for filing applications for patents and for taking actions in the United States Patent Office with respect thereto was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION LOANS BY FEDERAL AGENCIES

The Senate proceeded to consider the bill (S. 1487) to remove restrictions upon loans by Federal agencies to finance the construction of certain public works.

Mr. REVERCOMB. Mr. President, I ask for an explanation of the bill.

Mr. SPARKMAN. Mr. President, this bill seeks to remove a restriction that was placed in a deficiency appropriation bill in the fiscal year 1946, which reads as follows:

No loans shall be made or participated in by any Federal agency for the construction of any public works, plans for which have been wholly or partly financed out of this appropriation, except in pursuance of specific authorization.

In that deficiency bill there was appropriated the sum of $12,500,000, under the provisions of title V of the War Mobilization and Reconversion Act of 1944, for post-war planning. There has been a total appropriation of $65,000,000, but this limitation pertains only to $12,500,000, so that when a town or city or county becomes eligible to receive a portion of the planning money, it is difficult to tell whether it is to come out of the $12,500,000 or out of the $52,500,000.

Mr. REVERCOMB. Mr. President, if the Senator will yield, did not that restriction require that the money be used only for certain authorized purposes? Is not that the restriction which the Senator is trying to remove?

Mr. SPARKMAN. No. The whole $65,000,000 which has been appropriated in the various appropriation bills was for a certain purpose, but the restriction was placed on only one of the bills, which contained the $12,500,000. It is virtually an administrative impossibility to tell whether the funds that a town or city or county may get for planning purposes comes out of the $12,500,000 or out of the $52,500,000. Bear in mind how it might affect a town, city, or county. It gets money from the Federal Government for planning purposes. Suppose that a part of the planning has to do with the relocation of streets for through highways, the removal of grade crossings at railroads, or many other things pertaining to highways. If any of the $12,500,000 were used for the purpose of such planning, then it would be impossible for that particular town, city, or county to participate in the Federal aid highway funds; it would be ineligible. Suppose that the planning of some particular city situated on a river involved for instance flood control; it would then be absolutely impossible, if it used a part of the $12,500,000, to get any help from the Federal Government for flood control. However, if it used its funds out of the $52,500,000 it would be eligible. The removal of this restriction applies to all other cities and towns and municipal governments throughout the United States that may share in the planning funds on an equal basis, and removes an administrative difficulty.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso contained in the first paragraph under the caption "Office of the Administrator" under "Federal Works Agency" in title I of the First Deficiency Appropriation Act, 1946 (59 Stat. 638), is hereby repealed.

DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

The Senate proceeded to consider the bill (H. R. 3864), to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service, which had been reported by the Committee on the District of Columbia, with amendments, on page 3, line 7, after the word "act", to strike out "be considered to have been erroneously collected" and to insert "be subject to adjustment against subsequent contributions by him"; and on line 13, after the word "adjustment", to strike out "or a refund."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill was read the third time and passed.

SECTION 3121 OF THE INTERNAL REVENUE CODE

The Senate proceeded to consider the bill (S. 1576) to amend section 3121 of the Internal Revenue Code.

Mr. HATCH. Mr. President, may we have an explanation of the bill?

Mr. MILLIKIN. In connection with the applications for industrial alcohol permits and their revocation, the Treasury holds hearings. Heretofore it has been necessary to depend very often upon affidavits. Under the Administrative Procedure Act, it is feared that the courts may insist upon the testimony of witnesses personally summoned, because the Procedure Act requires that the interested party shall have the right to cross-examine witnesses, and so forth. So as a matter of precaution, and in order that the Treasury may protect itself in securing proper testimony, they want the definite right to subpena witnesses.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3121 of the Internal Revenue Code is hereby amended by redesignating subsection (d) as subsection (e) and by inserting a new subsection (d) to read as follows:

"(d) Applicability of other laws: The provisions, including penalties, of sections 9 and 10 of the Federal Trade Commission Act (U. S. C., title 15, secs. 49, 50), as now or hereafter amended, shall be applicable to the jurisdiction, powers, and duties of the Commission under this part, and to any person (whether or not a corporation) subject to the provisions of this part."

TONGASS NATIONAL FOREST

Mr. MAGNUSON. Mr. President, I ask unanimous consent to return to Calendar No. 446, Senate Joint Resolution 118.

Mr. CHAVEZ. Mr. President, I dislike very much having to object to the request of my good friend from Washington to return to the consideration of Senate Joint Resolution 118, but let us proceed in an orderly way. Let us complete the call of the calendar, and then return to it. I object.

The PRESIDENT pro tempore. Objection is heard.

SPECIAL COINAGE

The bill (H. R. 1180) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State, was announced as next in order.

Mr. LODGE. Mr. President, I should like to ask a question of the Senator in charge of this bill. Does this mean that the rule which the Banking and Currency Committee used to have, of not authorizing any special coinage, has been suspended?

Mr. McCARTHY. This is a House bill, and the committee report from the House indicated that they would oppose any special coinage, except, first, in the case of a centennial or bicentennial anniversary, and, second, in case the legislative body of a State requested such coinage. With that limitation we could see no objection to the passage of the bill.

Mr. LODGE. I notice there are two other similar bills on the calendar. Did they all meet that same formula?

Mr. McCARTHY. Not entirely. I shall be glad to explain it. I thought we would get to the other bills. I would be glad to explain them. There is one which provides for a coin for the State of Utah. I think the Senator from Utah [Mr. WATKINS] may request that that go over until the next call of the calendar. The other bill, a bill proposed by the Senators from Virginia, I cannot find on the calendar at the moment.

Mr. TAFT. It is Calendar 567.

Mr. McCARTHY. I thank the Senator. I frankly did not recall it, since I did not report it. I do not recall the exact circumstances surrounding it. It was in connection with a Patrick Henry celebration, a matter apparently of national significance. We frankly thought it was of sufficient importance, and that, since it would cost the Federal Government nothing, it was probably all right to let it pass.

Mr. LODGE. The reason I ask is that there have been other times when other Senators have desired to have special coins, and they were told there was a hard-and-fast rule against it. I was wondering whether at this time that rule had been abandoned.

Mr. McCARTHY. I may say there is some relexation of the rule.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

Mr. GURNEY. Mr. President, reserving the right to object, I should like to ask the Senator from Wisconsin whether

his committee considered the bill I introduced asking for the striking of commemorative coins for the Mount Rushmore National Memorial. The Federal Government is obligated to spend about $300,000 in connection with the memorial, and the people of South Dakota feel that if a commemorative coin can be minted we could save the Federal Government that particular appropriation, and could get the work done immediately. Until I know what action will be taken with the bill I introduced, I shall have to object to the passage of any bill providing for the minting of commemorative coins.

Mr. McCARTHY. The Senator's bill apparently has not received consideration by the subcommittee. I can assure the Senator that it is apparently an oversight. The Senator from Vermont [Mr. FLANDERS] is chairman of the subcommittee. I know of no objection to the immediate consideration of the Senator's bill. When was it introduced?

Mr. GURNEY. I regret that I must object, because I have had the matter up with the Treasury Department back and forth over a period of several months, and I am told that they will object to all commemorative-coin bills. The Rushmore project is of national interest, and I believe our request is just as worthy of acceptance as the mintage of coins commemorating the one hundredth anniversary of pioneers coming into a State. Therefore, Mr. President, I object.

The PRESIDENT pro tempore. The Senator from South Dakota objects.

Mr. McCARTHY subsequently said: Mr. President, I ask unanimous consent to revert to House bill 1180, Calendar 527, to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State.

The PRESIDENT pro tempore. Is there objection?

Mr. JOHNSON of Colorado. Mr. President, I shall object, but before I object I wish to say that I have a similar bill in the Committee on Banking and Currency, and until my bill is reported and has the same status as other similar bills, I shall object to all of them. I object.

The PRESIDENT pro tempore. Objection is made. The clerk will state the next bill on the calendar.

LUCY JEFFERSON WEIL

The bill (S. 339) for the relief of Lucy Jefferson Weil, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Civil Service Commission is authorized and directed to pay, out of the civil service retirement and disability fund, to Lucy Jefferson Weil, the widow of Isaac Weil, a former employee of the United States, an amount equal to the amount which would have been refunded to her under the provisions of section 12 (d) of the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the employment of the said Isaac Weil during the period from August 1, 1941, to November 7, 1944, had not such employment been in contravention of the automatic-separation provisions of such act.

CONSTRUCTION OF CHAPEL AT THE COAST GUARD ACADEMY

The bill (H. R. 3539) to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 40 OF THE SHIPPING ACT, 1916

The Senate proceeded to consider the bill (S. 1132) to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 1, line 7, after the word "such", to strike out "bill of sale, mortgage, hypothecation, or conveyance" and insert "declaration", so as to make the bill read:

Be it enacted, etc., That section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended, is amended by inserting before the period at the end of the first paragraph a comma and the following: "or any other official thereof duly authorized by such corporation to execute any such declaration."

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, may we have an explanation of the bill?

Mr. CORDON. The bill is very simple, and has for its purpose a provision that will permit any authorized officer of a corporation, who is authorized to sign deeds, bills of sale, mortgages, the satisfaction of mortgages, to execute like documents in connection with title or liens upon ships. Under the present 1916 shipping act, for instance, if there were a mortgage on a vessel, the mortgage would be recorded with the Collector of Customs, and either the treasurer or the secretary of the corporation must sign, for instance, a release of the mortgage. The bill would permit any officer who is authorized to sign such papers for a corporation, to sign them in connection with vessels.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The clerk will state the next bill on the calendar.

AMENDMENT OF SECTION 1003 (B) OF THE CIVIL AERONAUTICS ACT OF 1938—BILL PASSED OVER

The bill (H. R. 2109) to amend section 1003 (b) of the Civil Aeronautics Act of 1938, as amended, was considered, ordered to a third reading, read the third time, and passed.

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to revert to House bill 2109. I regret I was called from the Chamber at the time the bill was passed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

Mr. McCARRAN. The Civil Aeronautics Act of 1938, which would be amended by the bill, is an act which I had the privilege of writing, and I believe I should be given the opportunity to make a study as to how the bill would affect the act. Therefore I respectfully request that the bill go over.

The PRESIDENT pro tempore. Without objection, the vote by which the bill was passed is reconsidered, and the bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 2225) authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., was announced as next in order.

Mr. CHAVEZ. Over.

The PRESIDENT pro tempore. The bill will be passed over.

AMERICAN REGISTRY FOR A CANADIAN-BUILT DREDGE

The bill (S. 885) to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under laws of the United States, was announced as next in order.

Mr. OVERTON. Over.

Mr. MAGNUSON. Mr. President, I recognize the right of the Senator from Louisiana to ask that the bill be passed over, but I think there should be some explanation made of it. The bill would merely provide to document a comparatively small scoop-shuttle dredge purchased from a Canadian concern by a company in Puget Sound during the war for war work. The only reason they were required to purchase a Canadian-built dredge was that their own dredge was sunk during the war.

The Government insisted that they obtain another dredge, which they did, and they worked until after the war with the Seabees. Now they have the shovel on their hands. There is no scoop shovel anywhere in the vicinity north of San Francisco. The Army has a war contract with the same company to clean out what are called the Wrangell Narrows, in Alaskan waters. The Alaskan winters are quite long, and the summers short. The company is ready to move up to fulfill the Government contract. The company must have the dredge. I can explain the bill in more detail to the Senator later. I hope we can have it passed on the next call of the calendar, because failure to pass the bill will mean the complete stoppage of the Army contract to clean out the Wrangell Narrows, the most dangerous narrows to be found between the United States and the Territory of Alaska.

Mr. OVERTON. I hope that in the next 2 or 3 days we can have a better understanding between ourselves in reference to the proposed legislation.

Mr. MAGNUSON. I was very desirous of making the explanation of the need for early passage of the bill.

Mr. OVERTON. I can say that it is with regret that I feel I should object to

the passage of the bill. Under the circumstances, however, which I explained to the Senator from Washington——

Mr. MAGNUSON. I appreciate them.

Mr. OVERTON. It is necessary that I object. Mr. President, I object.

The PRESIDENT pro tempore. On objection, the bill will go over.

INTERSTATE COMPACT RELATING TO FISHERIES OF THE PACIFIC COAST

The Senate proceeded to consider the bill (H. R. 3598) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 1, line 8, after "Washington", to strike out *"Provided,* That a representative of the Fish and Wildlife Service of the United States Department of the Interior, designated by the Director, shall be authorized to attend all meetings of the Commission and to participate in the deliberations of the Commission, but shall have no vote: *And provided further,* That the Commission and the fisheries research agencies of the signatory States shall consult with the Fish and Wildlife Service with regard to studies and investigations of the fisheries of mutual interest and concern, and in the conduct of such studies and investigations the fisheries research agencies of the signatory States and the Fish and Wildlife Service shall collaborate to the extent that may be expedient."

The amendment was agreed to.

Mr. LODGE. Mr. President, may we have an explanation of the bill?

Mr. MAGNUSON. The bill provides for ratification by Congress of a tri-State offshore fisheries pact between Oregon, Washington, and California. The pact has been subject to many discussions and conferences for a period of many months, and finally was agreed upon by the three States. The legislatures of the three States have ratified the pact unanimously, but it requires the consent of Congress. There is agreement among all parties concerning the pact. The House has passed the bill, and we hope the Senate will give its consent.

Mr. LODGE. Was the bill reported unanimously by the committee?

Mr. MAGNUSON. One amendment was placed on the bill by the Committee on Interstate and Foreign Commerce. The Fish and Wildlife Service of the United States desired to attend all meetings of the Commission and to participate in the deliberations of the Commission, but the inclusion of that Service would mean that the pact would have to be amended, and go through the whole procedure of ratifications by the legislatures of the State. So the provision with respect to the Fish and Wildlife Service was stricken from the bill.

Mr. LODGE. The pact deals with fisheries offshore in the Pacific?

Mr. MAGNUSON. Yes.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill (H. R. 3598) was read the third time and passed.

RETIREMENT BENEFITS FOR EMPLOYEES OF NATIONAL LIBRARY FOR THE BLIND

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to revert to Senate bill 1324, Calendar No. 440. I do so for this reason: I reported Senate bill 1324 and Senate bill 995, Calendar 441, making the Civil Service Retirement Act applicable to the officers and employees of the National Library for the Blind and the officers and employees of the Columbia Institution for the Deaf. In the Library for the Blind there are 8 employees. In the Columbia Institution for the Deaf I believe there are 90.

These bills would grant the option to join in the civil-service retirement system of the United States. The Federal Government contributes to the support of both these institutions. The President pro tempore of the Senate was kind enough to appoint me as a trustee from the Senate for both these institutions. I believe that the bills are meritorious. I do not know who objected to them, but I believe that they are proper measures, and I should like to answer any objection at this time if I can.

Mr. CHAVEZ. Mr. President, I have no objection to any Senator trying to obtain permission to go back to any bill which has been passed over; but I believe that in the interest of orderly procedure of the Senate we should proceed in an orderly way as the calendar is called. I shall object to going back to any bill which has been passed over until the call of the calendar has been completed. I object.

The PRESIDENT pro tempore. Objection is heard.

The clerk will state the next bill on the calendar.

AUTHORITY FOR CERTAIN FUNCTIONS OF THE COAST AND GEODETIC SURVEY

The bill (H. R. 3247) to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Several Senators would like to introduce bills and make statements. In view of the fact that the unanimous-consent order is to call the calendar, should the Senate decide to take a recess in a few minutes, when those matters are out of the way, would the calendar be the pending business tomorrow morning?

The PRESIDENT pro tempore. That is the judgment of the Chair.

Mr. WHERRY. Then I ask unanimous consent that the call of the calendar be concluded for today at this point.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCARRAN. Are we to understand that the able Senator who is acting as majority leader has stated the reasons for suspending at this time, and all the reasons?

Mr. WHERRY. Several Senators would like to introduce bills, and one or two would like to make statements, which will probably require 10 minutes. It is now half-past 6. It is not our intention to displace the calendar or jeopardize it. That is the reason I made the parliamentary inquiry. Tomorrow when the Senate convenes the order of business will be the calendar, and we shall complete the call of the calendar. Every Senator will have an opportunity at that time to seek consideration for any bill in which he is interested.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HATCH. I think probably the Senator from Nebraska could clarify the situation by stating that it is not the intention to have the Senate transact any business after we postpone the call of the calendar.

Mr. WHERRY. That is correct. It is not the intention of the Senator from Nebraska to recess immediately.

Mr. President, I ask unanimous consent to conclude the call of the calendar for today at this point, but that it be the pending business of the Senate, under the unanimous-consent order, the first thing tomorrow when the Senate convenes.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. Am I to understand the Senator from Nebraska to mean that when we convene tomorrow the call of the calendar will begin at the point where it is to be suspended this evening?

Mr. WHERRY. That is correct. I thank the Senator for the observation.

The PRESIDENT pro tempore. The Senator from New Mexico is propounding a parliamentary inquiry. The Chair would like to have the opportunity of answering it.

The Chair verifies the statement made by the Senator from Nebraska.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. JOHNSON of Colorado. A few moments ago I objected to the consideration of House bill 1180, Calendar No. 527. My objection still holds, but I do not wish to foreclose action on the bill by consenting to the unanimous consent request.

Mr. WHERRY. Whatever right the Senator has now he will have tomorrow at noon when the Senate reconvenes.

Mr. JOHNSON of Colorado. I have the right to withdraw my objection now; but tomorrow I presume there will be a new date on the calendar, and objection may be made to going back of that date.

Mr. WHERRY. No.

The PRESIDENT pro tempore. Let the Chair state that if the call of the

calendar is suspended at this point this evening, it will be continued tomorrow as of the continuing date of today, until it is concluded.

Mr. JOHNSON of Colorado. That is perfectly satisfactory.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. The Senator announced that several Senators would like to introduce bills and make statements. Is it the intention also to call the Executive Calendar?

Mr. WHERRY. Yes.

Mr. MAYBANK. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska [Mr. WHERRY]? The Chair hears none, and it is so ordered.

RACIAL DISCRIMINATION

Mr. HATCH. Mr. President, every man who is any part of a human being, with any feeling or sentiment within his soul, has, at times, strong impulses to do or say something in behalf of his fellowman. Most of us are so constituted, but we have so many inhibitions of various kinds that we hesitate and do not follow such inner urges. We do this more often than we yield to the more generous impulse. Frequently I ponder over these promptings from within and wonder why we do not give free rein to the better nature which all of us possess to some degree. Sometimes I think that we are so used to following the paths marked by convention and practice that we are fearful of stepping outside the beaten way, lest we become ridiculous in the eyes of our fellowmen.

In this connection, Mr. President, I remember, many years ago, reading a book by a noted southern woman, Cora Harris. While she wrote many books, the one I have in mind now was a true recital, I am told, of her experiences as the wife of a Methodist minister.

The book was entitled "The Circuit Rider's Wife." In that book is related an incident which I have always remembered, because it is such a true illustration of what I am saying and the thoughts I am thinking as I more or less philosophically consider the ways and doings of men. The incident I recall—and I speak only from memory, as it has been many years since I read the story—concerned a question propounded at a Bible class conducted by the circuit rider. The theme of the discussion—again I say, as I recall, for my memory may be bad—was the duty of man always to be obedient to the will of God? In the course of that Sunday morning session, the circuit rider propounded this question to his class: "Is there anything you would refuse to do if God asked you to do it?" For a little while silence prevailed in the class. No one answered. Finally, one of the most devout and conscientious members of the class rose and spoke somewhat as follows: "There is one thing which I have been afraid of all my life. I have always been afraid that some time, or some place, in some way, I would make a fool of myself. This feeling has been so strong within me that I sometimes wish I could make a fool of myself and be relieved from that fear, but I cannot do that. I am so afraid of making a fool of myself that I honestly believe that if God himself would ask me to make a fool of myself, I would refuse to do so." Again silence prevailed throughout the class. Finally, with, I imagine, something of a twinkle in his eye, the grave, solemn, and wise old circuit rider said, "Brother, you need fear no longer. You have already done it."

Many of us are haunted by such foolish fears and restraints. They keep us many times from doing the things we want to do, and perhaps from doing things we should do.

All of which, Mr. President, leads me to say that even now I may be making a fool of myself. Twice this week current news published in the daily press has touched certain elements of humanity within me and which are within all of us. The two incidents I have in mind were opposite to each other.

On Sunday evening, listening to the radio, I heard the program of Commentator Walter Winchell, most of which was devoted to the Damon Runyon cancer drive. It seems that as a part of that drive, a prize has been offered for the best slogan, not only descriptive of the drive, but more especially of its purposes. During the course of the broadcast the winner of the contest was announced. A lady who lives, I believe, in Pennsylvania, had been awarded the prize for the best slogan. The slogan itself is not of importance to what I am saying, but it is an excellent description of the objective of the fund-raising campaign to fight cancer. The slogan the lady wrote and which won the prize for her was "Arrest cancer. It's wanted for murder."

The next morning I saw a picture of this lady in the newspaper and read that she had won a home and furniture worth probably $30,000, which was only of passing interest to me until I read that she was the wife of a veteran, the mother of three small children, and that the family badly needed a home. When I read that and saw her smiling, happy face in the newspaper, I could not help but feel some gladness at the good fortune which had come to this family. Perhaps that was mere sentiment on my part, but, nevertheless, it was a good feeling and I was truly glad that fortune had smiled on what appeared to be worthy and deserving people.

Mr. President, I hope the time will never come when I shall not feel that same gladness when good fortune comes to any fellowman anywhere.

This morning, Mr. President, I picked up the newspaper again. I read a different story. It is of that story that I speak now, and with which I am particularly concerned. In the town of Ahoskie, in the State of North Carolina, a great State, one of the finest in the Union, and whose residents and citizens are among the best of the Nation, a Kiwanis club conducted a festival. As a part of the festival and general good-time and joy-making which attends such occasions, a drawing was had for a Cadillac automobile. The first number drawn, which entitled the owner of the ticket to that automobile, had been bought by a member of the Negro race. For some reason, of which I am not now advised, persons connected with the club advised the Negro he was ineligible and not qualified to participate in the drawing. They gave him back the dollar he had paid for his ticket. He was not given the automobile which he had won.

Mr. President, I make no criticism of the people who conducted this drawing or of the club. As I have said, I do not know, except from what the newspaper said, why the Negro was not given the automobile. Whatever the reasons may have been, to my mind it was an unfortunate incident; one which may be misunderstood and which may create wrong feelings wherever the story is read or told, no matter how justified the course followed may have been.

While I do not criticize I was disturbed at this report. It would be easy to misconstrue, misinterpret, and to make highly inflammatory utterances in regard to this incident. Cruel feelings and thoughts could be quickly aroused and excited. I do not want to fan flames into a brighter and stronger blaze. Rather such fires should be extinguished and smothered quickly, lest they spread and produce a more serious conflagration.

It happens, Mr. President, that I am a member of the Kiwanis Club in my home town of Clovis, N. Mex. I am a charter member of that club, which was formed many years ago. I am a former president of the local club. When I return to Clovis, I meet with my friends and associates at their weekly luncheons. Many happy hours and pleasant experiences with the members of that club are recalled.

Quite well do I remember the motto of Kiwanis, "We Build." I know that in our local organization at home, in many ways and on many occasions, we tried to live up to that motto. We sponsored and financed the first Boy Scout movement in Clovis. On many occasions we took baskets filled with food, and sometimes clothing, to the poor and needy of our town. We helped the underprivileged and did some good. Perhaps we were "Babbitts," the type portrayed so vividly by Sinclair Lewis in his book, Main Street. Nevertheless, Mr. President, our motives were good. We did seek to build. Such is the purpose and motive of Kiwanians everywhere.

The club and members at Ahospie, N. C., are of that same type I know. Such is the sincere purpose of all true Americans no matter where they live. I have referred to an incident which is not building as Kiwanians believe in building. It may even have an effect throughout the country of tearing down some of those relations between the races which ought to be built and made stronger. No Kiwanian anywhere, including the members of the local club in North Carolina, desires to tear down. There was no intention to tear down racial relations on the part of the Kiwanians in North Carolina. Kiwanians everywhere are of the same mold and cast, even as are most American citizens. It was, I am sure, but an unfortunate happening which should not have occurred.

Mr. President, it is not enough to rejoice with those upon whom good for-

tune smiles, nor is it enough to be saddened by misfortune when it occurs. Those are good impulses, of course, but good impulses are not enough. They should be followed by actions and deeds, especially where there is misfortune—misfortune which may be turned into good fortune. And here, Mr. President, may be where I may make a fool of myself.

As a Kiwanian who believes that a feeling of resentment, a feeling of discrimination, may be occasioned in the heart of every black man who reads that a member of his race was refused an automobile which he had won on a ticket, for which he had paid the sum of $1, I want to make a suggestion which, if followed out, will, to some extent, repair and rebuild.

From sources confined to Kiwanians, let another fund be raised. Let a new automobile be purchased, an exact duplicate of the one which was given under the original lottery ticket. Give this automobile to the Negro who held the winning number. Let him and all members of his race know that no discrimination was intended. Although the local club may have been perfectly right in its decision, nevertheless, let not even the hint of discrimination exist anywhere, and never in a Kiwanis Club.

Mr. President, if this thought is foolish, it is because I am foolish.

Finally, Mr. President, let me say that as I dictated these remarks to the young lady in my office, she said: "Senator, I am afraid you are sticking your neck out. You may be getting into something." Perhaps she is right, Mr. President. Maybe I am sticking my neck out and getting into something. Even so, it may be a good thing. I am always having inclinations to do things, and more often I hold back and do not do them. Perhaps, like the deacon in the story of the Circuit Rider's Wife, it may be that some wise man will say to me now, as the circuit rider did on that other occasion, "You need worry no longer, brother. You have already made a fool of yourself."

Mr. President, what I have just said to the Senate was prepared this morning. Perhaps because I still fear to deviate from the safe and regular course, one that is charted by practice, procedure and convention, after I dictated what I have just said. I talked with Dr. Charles W. Armstrong, of Salisbury, N. C., about this incident. He is president of Kiwanis International, and is a close personal friend of the distinguished senior Senator from North Carolina, who is doing me the honor of listening to my remarks. I told Dr. Armstrong something of what I had in mind. He approved all that I have said, but, more than that, Dr. Armstrong said that, as president of Kiwanis International—for such he is—he wanted to stress two things: First, that the local Kiwanis Club at Ahoskie, N. C., be permitted to handle this situation in its own way and according to its determination. He said he was in communication with officials of the local club and had been before I called him; that he expected to have word from them today and he would advise me of what the local club had decided. Secondly, Dr. Armstrong said that it should be stressed most vigorously that the Kiwanis Clubs as an international organization, and all of the officials, have always frowned upon and disapproved of anything in the nature of a lottery.

The members of the local club at Ahoskie are confident the drawing they conducted was not a lottery, as usually defined, in that every person who bought a ticket received full value for the price paid. Dr. Armstrong said that it is the policy of Kiwanis International to frown upon everything that even approached a lottery, and that it should be pointed out that Kiwanis International in no sense approves drawings of any kind, and that such drawing would be contrary to the policy of the national and international organizations.

Now, Mr. President, I am indeed pleased and happy to say that I have just now been advised by Dr. Armstrong over the long-distance telephone that this morning the local club at Ahoskie, N. C., has determined that, out of its own funds and upon its own initiative, it will purchase an automobile, the same type and kind that was originally given, and that automobile will be presented as a gift to the Negro who held the winning ticket.

Mr. President, the conversations I have had today with various people, including the distinguished senior Senator from North Carolina [Mr. HOEY] who is himself a Kiwanian, convinces me that, given full knowledge of facts and where the right course of conduct lies, the average American citizen will do the right thing. In this instance, the Kiwanis Club at Ahoskie, N. C., has done what is right. I am glad it has.

INCOME TAXES OF PRISONERS OF WAR REMOVED FROM A POSSESSION OF THE UNITED STATES BY THE ENEMY

Mr. MORSE. Mr. President, the following is quoted from a letter to a serviceman who spent 3 years and 4 months as a prisoner of the Japanese during the last World War:

> The Bureau of Internal Revenue has ruled with respect to the Federal income-tax status of military pay accrued to a serviceman under the Missing Persons Act, that for the purpose of section 251, Internal Revenue Code, such pay constitutes income from sources within a possession of the United States only for that period during which the serviceman was physically present within such possession. The pay which accrued after the enemy removed a serviceman prisoner of war from the Philippines does not constitute income from sources within a possession of the United States and, therefore, is not excludible from taxable income under section 251.

Under this ruling, Mr. President, servicemen who were taken prisoners by the Japanese and were removed from the Philippine Islands to Japanese-held territory are required to pay a tax on any income accruing during that period, including their salary. On the other hand, the prisoners of the Japanese who were held in the Philippine Islands are not required to pay a tax on their income. House bill 3444 has been introduced to overcome this inequity. The bill was passed by the House on June 20, and is now pending before the Senate Committee on Finance. If we are to secure action on it during the present Congress, it will be necessary to get the bill on the calendar very shortly.

Mr. President, I think the ruling to which I have referred represents a great inequity and unfairness to our war prisoners. I take this occasion to urge the Finance Committee to give this bill its immediate consideration, so that it can be reported and placed on the calendar before the end of the week.

In support of the point of view I am now expressing, I ask unanimous consent to have inserted at this point in the RECORD a letter from Harry A. Skerry, Jr., of Medford, Oreg., who is the son of one of these American prisoners of war who was moved from the Philippines to Japanese-held territory, and who has been subjected, I say, to a very literal interpretation of the law by the Bureau of Internal Revenue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> MEDFORD, OREG., *July 9, 1947.*
>
> The Honorable WAYNE L. MORSE,
> *United States Senate,*
> *Washington, D. C.*
>
> MY DEAR SENATOR: May I invite your attention to the enclosed copy of a letter of the 15th day of May, 1947, from my father, Col. H. A. Skerry, to Office of Collector, District of Maryland, Internal Revenue Service, Baltimore 2, Md.
>
> As you undoubtedly know, for some years United States citizens residing in a possession of the United States have not been compelled to pay a Federal income tax. As indicated in the enclosed letter, the Internal Revenue Service has held that American prisoners of war who were removed from the Philippine Islands while prisoners must pay Federal income tax on all their earnings during that period.
>
> Because of the manifest injustice of the aforementioned ruling, there has been introduced in Congress a bill which would relieve the prisoners of Bataan and Corregidor from the obligation of paying a Federal income tax during their incarceration by the Japanese. I regret that I am unable to inform you of the name or number of the bill.
>
> General Wainwright has done all within his power to encourage the passage of the bill; however, I am informed that he has met with little success.
>
> If you will remember, Senator, you and I have discussed on various occasions the valiant efforts of the American Army on Bataan. Why should such men be penalized for allowing the Japs to remove them from the Philippines? My father, for instance, has received the Distinguished Service Cross, Silver Star, Bronze Star, Purple Heart, and Legion of Merit, for his heroism during the campaign, and yet our Government, for which he was willing to sacrifice his life, demands that he pay over $3,000 in income tax because he left the Islands.
>
> It is my sincere hope, Senator, that you will take an active interest in attempting to have the aforementioned bill passed in Congress. The justification for the passing of such a bill is, to my mind, unquestionable.
>
> * * * * *
>
> Very truly yours,
> HARRY A. SKERRY, Jr.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter from the former prisoner himself, Col. Harry A. Skerry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MADIGAN GENERAL HOSPITAL,
Tacoma, Wash., May 15, 1947.
OFFICE OF COLLECTOR, DISTRICT OF MARYLAND,
INTERNAL REVENUE SERVICE,
Baltimore, Md.

GENTLEMEN: Receipt is acknowledged of a letter addressed to me at 1831 S. W. Park Avenue, Portland, Oreg., dated April 16, 1947, reference an audit of my income-tax return for the year 1944, account No. 7974294, disclosing an apparent deficiency in tax of $943. In this letter which has finally reached me it is stated: "The Bureau of Internal Revenue has ruled with respect to the Federal income-tax status of military pay accrued to a serviceman under the Missing Persons Act, that for the purpose of section 251, Internal Revenue Code, such pay constitutes income from sources within a possession of the United States only for that period during which the serviceman was physically present within such possession. The pay which accrued after the enemy removed a serviceman prisoner of war from the Philippines does not constitute income from sources within a possession of the United States and, therefore, is not excludible from taxable income under section 251."

In other words I am not required to pay an income tax from the date of arrival in the Philippines on July 20, 1940, until August 12, 1942. However, beginning on that date I must pay an income tax from this time of leaving the Philippines as a prisoner of war until the date of my return thereto.

The Bureau of Internal Revenue seems to have taken a most unusual stand when it practically fines an officer the above sum because he and the Army defending the Philippines in the early days of Bataan and Corregidor were unable to sustain the Government of the United States and prevent being removed from the islands as P. O. W.'s. As you may recall, America was unable to and did not send substantial help to its valiant army commanded by Gen. Jonathan Wainwright and the members of that army became prisoners of war and most of them were removed in prison ships to Formosa, Japan, Korea, and Manchuria.

It might be of interest to know that about 25 percent to 30 percent survived. In view of the fact that I was forcibly removed on August 12, 1942, by the Japanese Army from the Philippines despite the fact I had been ordered by the United States to stay in the islands, a comparable decision to the above might even charge me with being absent without leave. Surely that could be viewed with some degree of humor. After having been rescued by the Russian Army on August 20, 1945, at Mukden, Manchuria, I finally returned to the United States on October 4, 1945. Since that time I have been in an Army hospital most of the time suffering from beriberi, amoebic dysentery, and the general effect of the 3 years and 4 months special treatment reserved by the Japanese for their prisoners of war.

At the moment I am lying in bed with my fractured left leg in a cast due to a very minor fall in my garden.

It is therefore requested that I be granted until August 1, 1947, to properly present my case and to assemble the necessary data. Naturally I further desire to be granted a hearing and therefore suggest that the entire matter be referred to the collector at Portland, Oreg. Obviously, Baltimore is too far removed for my attendance there.

It would appear to me that this case calls for something else than a cold dollar-and-cent audit. Bataan, Corregidor, and Valley Forge are only historic examples of the determination of our armies to perpetuate our own form of government. The above situation and the present ruling by the Bureau of Internal Revenue could hardly have been imagined by the writers of the original law. (Sec. 251, Internal Revenue Code.)

Very truly yours,
HARRY A. SKERRY,
Colonel, CE, O5584, Former Chief Engineer, Philippine Corps, USFIP.

Mr. MORSE. Mr. President, I certainly think the Congress should never hesitate to remove this type of injustice and inequity. I sincerely hope that this bill, which has been unanimously passed by the House of Representatives, will be reported by the Finance Committee and placed on the calendar very quickly, so that it will be possible for the Senate to pass it before final adjournment.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. O'MAHONEY. I am glad to be able to advise the Senator from Oregon that earlier in the afternoon I conferred with the chairman of the Finance Committee, and I was given to understand that this bill will be given consideration by the committee tomorrow morning.

Mr. MORSE. I am very happy to learn that. I recognize that if we wish to follow the very strict and technical and literal interpretation which has been made by the Bureau of Internal Revenue, a paper case can be made for its position. But the fact remains that it is a great injustice and a great unfairness, and we certainly should do equity for these men who suffered so much in the cruel and inhumane Japanese prison camps during the war.

SUBSISTENCE ALLOWANCES TO VETERANS PURSUING CERTAIN COURSES OF STUDY

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, before I take my seat, I wish to pay my compliments to the senior Senator from Ohio [Mr. TAFT], because once again, today, as he has done with me on so many occasions in the past, he has been exceedingly fair and reasonable in regard to a matter which, up until our conference today, seemed to be a subject of difference. I refer, of course, to the motion which I made yesterday evening seeking to secure immediate action on Senate bill 1394—a motion which I intended to press again and again until I obtained some action on it.

The Senator from Ohio recognizes at least the fairness of my position from my standpoint, and he has expressed to me a willingness to cooperate with me and to endeavor to get that bill up either on Friday, if there is no session on Saturday, or at least by Saturday, if there is a Saturday session this week.

On that record, I wish to thank the Senator from Ohio for his cooperation in this matter.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, as I understand the parliamentary situation, the Senate is now, by unanimous consent, in the midst of a call of the legislative calendar. For the RECORD, I should like to state that it is my understanding that when the Senate convenes tomorrow, the Senate will proceed, in the order of business, to the call of the calendar, and will commence with Calendar No. 536. I should like to ask the Chair whether my understanding is correct.

The PRESIDENT pro tempore. The Senator is correct, except that the Chair would add that in the Chair's estimate of the situation, any Senator who requests that the Senate return to the consideration of a measure listed on the calendar from the point where the call of the calendar commenced today, can do so tomorrow.

Mr. WHERRY. I appreciate the Chair's suggestion.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. HATCH. I am advised that an executive session will be held following the completion of the call of the Legislative Calendar tomorrow, but not this afternoon.

Mr. WHERRY. That is correct.

Mr. HATCH. I am advised that an executive session will follow the completion of the regular call of the Legislative Calendar tomorrow.

Mr. WHERRY. That is correct.

EXECUTIVE SESSION

The PRESIDENT pro tempore. The Chair asks the indulgence of the Senate to make a statement. Today, from the Committee on Foreign Relations, there was reported the nomination of Willard L. Thorp, of Connecticut, who now is an Assistant Secretary of State, to serve as the representative of the United States in the Economic and Social Council of the United Nations.

The Economic and Social Council of the United Nations meets within 2 days. It is highly desirable that the nomination of Dr. Thorp be immediately confirmed.

In his capacity as senior Senator from Michigan, the Chair asks unanimous consent, as in executive session, for the present consideration of the nomination of Dr. Thorp.

Is there objection?

Mr. HATCH. Mr. President, I have no objection; but earlier today it was announced that no executive business would be transacted today. If the Senator from Michigan desires to have the Executive Calendar called, we might do so; and I assume that if, tomorrow, any Senator wishes to have the Senate reconsider any action taken at this time in executive session, that could be done.

The PRESIDENT pro tempore. The Chair knows of nothing of imminence on the Executive Calendar.

Mr. WHERRY. Mr. President, it is perfectly agreeable to have that done. If that is the wish, I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination of Willard L. Thorp, which will be stated?

The legislative clerk read the nomination of Willard L. Thorp, of Connecticut, now an Assistant Secretary of State, to serve concurrently and without additional compensation as the representative of the United States in the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed; and, without objection, the President will be immediately notified of the confirmation of the nomination.

Without objection, the executive resolutions which are lying on the table will be passed over.

The clerk will proceed to state the nominations on the calendar.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Max M. Bulkeley to be United States attorney for the district of Colorado.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk proceeded to read sundry nominations of collectors of customs.

The PRESIDENT pro tempore. Without objection, the nominations of collectors of customs are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of T. Vincent Quinn, of New York, to be an Assistant Attorney General.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Alton Adolor Lessard to be United States attorney for the district of Maine.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Leo P. Flynn to be United States attorney for the district of South Dakota.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of A. Roy Ashley to be United States marshal for the western district of South Carolina.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. WHERRY. Mr. President, I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

That completes the Executive Calendar.

RECESS

Mr. WHERRY. As in legislative session, I move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 7 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, July 17, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 16, 1947:

DEPARTMENT OF COMMERCE

David K. E. Bruce, of Virginia, to be Assistant Secretary of Commerce.

COLLECTOR OF INTERNAL REVENUE

Hugh H. Earle, of Salem, Oreg., to be collector of internal revenue for the district of Oregon, in place of James W. Maloney, resigned.

IN THE NAVY

The following-named officers for appointment in the United States Navy in the corps, grades, and ranks hereinafter stated.

The following-named officers to the ranks indicated in the line of the Navy:

ENSIGNS

Barr, Capers G.
Bensen, John R.
Holm, John R.
Johnson, Peter (n), Jr.
McGrane, Clarence V., Jr.
Rawson, Charles E.
Smith, Bertram C.
Zieber, George M., Jr.

The following-named officers to the grade and rank indicated in the Supply Corps of the Navy:

ASSISTANT PAYMASTERS WITH THE RANK OF ENSIGN

Findlater, William J. P.
Murray, Paul T.

The following-named officers to the grades and rank indicated in the civil engineer corps of the Navy:

ASSISTANT CIVIL ENGINEERS WITH THE RANK OF ENSIGN

Connolly, Daniel E.
Dunnells, Robert E.
Goetzke, George A.
Mix, Robert W.
Rowson, Russell J.
Stapelfeld, Johann F.
Woods, Kenneth O.

The following-named officer to the grade and rank indicated in the Dental Corps of the Navy:

ASSISTANT DENTAL SURGEON IN THE NAVY WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Peters, Jerome F.

IN THE NAVY

The following-named (Naval R. O. T. C.) to be ensigns in the Navy from the 6th day of June 1947:

Hoyt N. Burns
John A. Winslow

Bill A. Dodge (Naval R. O. T. C.) to be an ensign in the Navy from the 6th day of June 1947, in lieu of ensign in the Navy as previously nominated and confirmed, to correct spelling of name.

The following-named (Naval R. O. T. C.) to be assistant paymasters in the Navy with the rank of ensign from the 6th day of June 1947:

Jerry W. Bates
Darrell N. Coba

Max E. Hency (civilian college graduate) to be an assistant paymaster in the Navy with the rank of ensign.

The following-named (civilian college graduates) to be assistant civil engineers in the Navy with the rank of ensign:

Arley E. McCoy, Jr.
Kenneth F. Ward

CONFIRMATIONS

Executive nominations confirmed by the Senate July 16, 1947:

UNITED NATIONS

Willard L. Thorp, of Connecticut, now an Assistant Secretary of State, to serve concurrently and without additional compensation as the representative of the United States of America in the Economic and Social Council of the United Nations.

COLLECTORS OF CUSTOMS

Nora M. Harris to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn.

William J. Storen, to be collector of customs for customs collection district No. 16, with headquarters at Charleston, S. C.

Abe D. Waldauer, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn.

DEPARTMENT OF JUSTICE

T. Vincent Quinn to be an Assistant Attorney General.

UNITED STATES ATTORNEYS

Max M. Bulkeley to be United States attorney for the district of Colorado.

Alton Adolor Lessard to be United States attorney for the district of Maine.

Leo P. Flynn to be United States attorney for the district of South Dakota.

UNITED STATES MARSHAL

A. Roy Ashley to be United States marshal for the western district of South Carolina.

POSTMASTERS

ALABAMA

Edmund S. Stallworth, Beatrice.

ARKANSAS

Ruby Blackman, Forester.

CALIFORNIA

Roland E. Willis, Northridge.
Laura G. Mallary, Orinda.

CONNECTICUT

Earl E. Sexton, East Lyme.
Marion E. Thayer, Haddam.

FLORIDA

Michael Justice Hester, Lake Park.

GEORGIA

James C. Griffin, Georgetown.

HAWAII

Florence S. Yano, Haina.
Tsukasa H. Ishii, Honomu.
Masayuki Shigemi, Kalaupapa.
Seichi Masumoto, Kukuihaele.
Kuulei Warren, Kurtistown.
Mary M. Viveiros, Laupahoehoe.
Harold T. Gyotoku, Paauhau.

IDAHO

Sam O. Noble, Bruneau.
Fred O. Stedman, Kendrick.
James R. Qualls, Midvale.
William A. Jones, Moore.
Archie V. Lott, Weston.

ILLINOIS

Tom Cloyd, Loami.
William J. Thurman, Ludlow.
Ray P. Callery, Princeville.
Gwendolyn M. Albrecht, Union.
Lyman E. Goff, Xenia.

INDIANA

Ralph N. Smith, Atlanta.
Cleophas F. Henderson, Bloomfield.
Charles W. Woods, Bowling Green.
Mary G. Rothrock, Brooklyn.
Robert L. Williams, Daleville.
Fern Zimmerman, Fair Oaks.

Lorin Grant Tyler, Georgetown.
Carl C. Biedenkopf, Grand View.
Sophia A. Emme, Harlan.
Harold A. Merkling, Kendallville.
Robert L. Nelson, Kennard.
Leo M. Cissell, Loogootee.
Richard Allen Gilmore, Monroe City.
Edward L. Pequignot, Pierceton.
Alfred P. Collins, Rensselaer.
Paul Sittler, Silver Lake.
Mae C. Tierney, Wawaka.

KANSAS

Dalton H. Muck, Beloit.
Van W. Brooks, Clayton.
Dale E. Merritt, Lebanon.
Floyd A. Osborn, Riverton.
Lester R. Campbell, Rush Center.
William E. Matheny, Russell Springs.
Frank C. McNutt, Woodston.

MICHIGAN

Daniel Koert, Belmont.
Fremont F. Getz, Brown City.
Sena G. Pierce, Caledonia.
Stanley R. Wattles, Colon.
Thomas St. Charles, East Jordan.
Clark H. Thompson, Fenton.
Robert H. Reid, Gregory.
C. Gordon Osborn, Hart.
Harvey G. Allen, Hubbardston.
Henry A. Torretti, Iron Mountain.
Elgie R. Hanna, La Salle.
Vincent E. McIntee, Leslie.
Marguerite D. Marsh, Mackinaw City.
Clarence J. O'Hearn, Marne.
Marjorie V. Hammond, McMillan.
Edith E. Osborn, Mecosta.
Agnes M. Regan, Negaunee.
Nina I. Wall, Parma.
Isabell H. Cumberworth, Rives Junction.
Aloise B. Cherven, Roscommon.
Mabel C. O'Neill, Saline.
Stanley W. Franke, South Rockwood.
Rosella B. Moyer, Temperance.
John J. McLaughlin, Twin Lake.
Leona M. McCaffrey, Waterford.
Lloyd N. Hahn, Wequetonsing.

MISSISSIPPI

Virginia P. Foster, Artesia.
Earl B. Kisner, Bruce.
John Cecil Thead, Crandall.
Martha M. Chapman, Friar Point.
Hilliard E. Jordan, Kosciusko.
Charles C. Clark, Mize.
Thomas E. Holland, Oakland.
Oliver Theo Fowler, Sweatman.
William C. Perry, Tchula.
Alice C. Hamilton, Tutwiler.

NEBRASKA

Gertrude L. Hammond, Merna.

NEW HAMPSHIRE

Virginia M. Dyer, North Hampton.

NEW JERSEY

Bertha Applegate, Barnegat City.
Charles J. Winkelspecht, Delanco.
Edith Fisler Bozarth, Elwood.
Thomas L. Edsall, Hamburg.
W. Campbell Harris, Mountain Lakes.
William J. Morris, Newton.
Anne K. Moran, Ocean Gate.
Helen M. Iuliucci, Waterford Works.
Gilbert L. Morris, Wyckoff.

NEW YORK

Catherine Damme, Atlantic Beach.
Guy G. Wagner, Avoca.
Clara H. Eggleston, Belleville.
Thomas F. Lyons, Brookhaven.
Henry W. Johnson, Cementon.
John F. Kennedy, Corning.
Harold G. Haines, Earlton.
Chester A. Pitney, Eastport.
Alfred L. Coons, Elizaville.
Frederick J. Phillips, Fairport.
Arthur J. Walsh, Fishers Island.
James W. Adriance, Fishkill.
Mathias S. Fallis, Gloversville.
John A. Johnson, Greenhurst.
William J. Whitney, Greenwich.
Carl R. Gleason, Groton.
Winfield Eberhart, Hall.
Leonard L. Lakin, Hancock.
Euclid A. Ganson, Haverstraw.
Helen S. Finegan, Henrietta.
Edward S. Raynor, Islip.
Helen Hubert, Islip Terrace.
Doris K. Griesa, Kanona.
Harry J. French, Katonah.
Katharine M. Carhart, Kirkville.
Curtis G. Andrews, Kirkwood.
Albert B. Hadden, Jr., Liberty.
Raymond F. Bennett, McGraw.
Alvin J. Jones, Marcy.
Willis R. Marks, Margaretville.
Herbert S. Putney, Millwood.
Marie H. Saulsbury, Nineveh.
Edward G. McAneny, Norton Hill.
Benjamin Zimmerman, Otisville.
Clifford A. Sherwood, Phoenix.
Rodney G. Pownall, Pike.
Peter Mazzei, Point Lookout.
Winifred D. Fisher, Rock Tavern.
Jessie M. Sweeney, Shortsville.
Louis J. Motts, Silver Springs.
John J. McDonnell, Southfields.
Charles M. Bogardus, South Westerlo.
Dorothy Woodward, Stony Creek.
Frank H. Doyle, Stuyvesant.
Myron J. Parkinson, Syracuse.
Marion F. Chase, Tahawus.
Joseph L. Phillips, Vails Gate.
Arthur S. Muller, Water Mill.
Anna E. Finkle, West Copake.
Foster B. Tice, West Edmeston.
Charles F. Partridge, West Nyack.
George G. Ferrell, West Point.
Mildred R. Lindsey, Westtown.
Joseph M. Beirne, Willsboro.

OKLAHOMA

Kenneth L. Andrews, Camargo.
Elden R. Louthan, Chester.
Bertie N. Livingston, Sparks.
Agnes Mae Mills, Valliant.

OREGON

Bertha L. Proctor, Cove.
Leona Alice Creson, Eastside.
Chris W. Myers, Estacada.
Margaret A. Duvall, Hebo.
LeNore G. Narkaus, Helix.
James H. Driscoll, Heppner.
Duane D. Hatcher, Hubbard.
Max W. Sprague, Joseph.
Gerald P. Connor, Jr., St. Paul.
Albert C. Gragg, Salem.
Creighton Wayne Flynn, Sheridan.
Sterling Julian May, Sisters.
Howell C. Welsh, Swisshome.
Kenneth G. Brooks, Wallowa.

PENNSYLVANIA

James C. Smith, Pittsburgh.

PUERTO RICO

Dolores G. Sotomayor, Barceloneta.
Genoveva I. Miura, Hormigueros.
Reparada R. Roman, Toa Alta.

SOUTH DAKOTA

Elden E. Arnold, Britton.
Reuben H. Hubbart, Fedora.
Agnes I. Haarberg, Missionhill.
George S. Blackstone, Oldham.
Laddie E. Kostel, Tabor.
Archibald B. Elliott, Valley Springs.

UTAH

Violet G. Fisher, Goshen.
Melinda R. Liljenquist, Hyrum.
Millie G. Wykert, Lark.
Sylvester C. Scott, Marysvale.
Louise Y. Monson, Moroni.

VIRGINIA

Elmore Mudd, Alexandria.
Arthur G. Ware, Jr., Amherst.
James A. Combs, Appalachia.
Mary H. Trevey, Big Island.
Samuel Trent Ranson, Bremo Bluff.
Walter Sherwood Overton, Burkeville.
Herbert Wallace Francis, Capron.
Minnie C. Banton, Colony.
Gertrude G. Chinn, Hague.
Rollie N. Phillips, Indian Valley.
Clarence P. Noel, Jr., Mineral.
Essery B. Nuckles, Phoebus.
Oscar S. Chaplain, Princess Anne.
George H. Blick, Rawlings.
Mildred W. Lewis, Stony Creek.
Zed N. Hale, Swords Creek.
Richard T. Thompson, Verona.

WEST VIRGINIA

Glenn R. Mason, Aurora.
Rita K. Petty, Belleville.
James Galloway, Brandonville.
John W. Farris, Capels.
Frank C. Nickell, Cass.
Antonia K. Jeran, Coketon.
Harry Anderson, Dorothy.
Helen Belotsky, Grant Town.
William A. Johnson, Layland.
Louis E. Hardy, Squire.
Sylvia J. Lilly, Stotesbury.
Martha L. Shrader, Switchback.
Mimmie S. Lanier, Winfield.

WISCONSIN

Robert A. Ducharme, Adams.
Irvin W. Henze, Sr., Big Bend.
Phyllis G. Andrews, Manitowish.
John F. Koin, Marengo.
Clarence D. Simonson, Milltown.
Violet E. Place, Nelson.
Hansel E. Jacobson, Pigeon Falls.
Reuben Hein, Thiensville.
Gilbert H. Goldbeck, Wilton.
Ruth Mae Prosser, Winegar.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 16, 1947

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, who hast created us with a capacity to be like our blessed Lord in mind and in spirit, we pray that daily we may give evidence of our kinship with Him.

Inspire us with a desire to be the heralds and harbingers of that glorious day of prediction when those lofty aspirations which were in His soul shall be brought to fulfillment and fruition.

May we never feel that the noble Christlike ideals which Thou hast ordained and implanted within the heart of humanity are merely illusions and beyond the sphere of practical realization.

Hear us in our Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 367. An act making appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GURNEY, Mr. BROOKS, Mr. REED, Mr. BRIDGES, Mr. THOMAS of Oklahoma, Mr.

HAYDEN, and Mr. OVERTON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 24. Joint resolution making temporary appropriations for the fiscal year 1948.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. BRIDGES, Mr. BROOKS, Mr. CORDON, Mr. GREEN, Mr. RUSSELL, and Mr. MCKELLAR to be the conferees on the part of the Senate.

REREFERENCE OF BILL

Mr. REED of New York. Mr. Speaker, yesterday, July 15, I introduced a bill, H. R. 4213. Through error it was referred to the Committee on Ways and Means. I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill and that it be rereferred to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MILITARY APPROPRIATION BILL, 1948, SENT TO CONFERENCE

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3678) making appropriations for the military establishments ending June 30, 1948, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ENGEL of Michigan, CASE of South Dakota, TIBBOTT, SCRIVNER, KERR, MAHON, and NORRELL.

INDEPENDENT OFFICES APPROPRIATION BILL, 1948, SENT TO CONFERENCE

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WIGGLESWORTH, PHILLIPS of California, ROBERTSON, COUDERT, HENDRICKS, ANDREWS of Alabama, and THOMAS of Texas.

STOP, THIEF; POLICE

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, if there ever was a time when the American people were justified in yelling with all their might "Stop, thief; police," it is at this moment.

The fantastic foreign spending program of this administration is completely out of hand and going at a pace beyond the comprehension of the average citizen. The sums are so tremendous and the dangerous situation is so cleverly hidden by the propaganda methods of the State Department in its effort to launch a new multi-billion-dollar proposal for the relief of Europe that what has occurred up until this time seemingly goes unnoticed.

The fact is, in addition to the lend-lease program of $50,000,000,000 during the war, we have since VJ-day extended credits and relief grants to foreign governments of approximately $15,000,000,000. This means merchandise out of the American market. For all this, the result seems to be that we find Europe in a worse condition than it was at the end of the war.

It may be a surprise to many of you that loans and grants authorized or requested by the administration for the current fiscal year are in excess of $4,000,000,000. This will make a total in excess of $19,000,000,000 to foreign governments since VJ-day. While these sums are gigantic, they are not all-inclusive.

To continue, we have the Import-Export Bank and the World Bank, each created and established to channel American dollars and credits to foreign nations. At the moment I discuss only the World Bank.

The operation of the World Bank comes to our attention this morning by the report of the sale of its first bond issue of $250,000,000. Prior to this sale of securities, the only money the bank could loan was some $721,000,000 subscribed by the United States.

The United States thus far is the only member nation that has agreed to let the World Bank use its subscription payment to lend to other nations.

The total authorized capital stock of the World Bank is $10,000,000,000, of which slightly more than $8,000,000,000 has been subscribed. This bank is presented as a World Bank, indicating that it is an institution with no connection with our Federal Treasury. Do not be deceived by this picture.

Upon close examination I believe you will find that every dime loaned by this bank will come from the pockets of the American taxpayer with the possible exception of Canada's contribution. The point is that all countries making contributions to the World Bank are recipients of generous loans and grants from the United States Treasury.

Here are some facts deserving emphasis at this point: France received the first loan from the World Bank of $250,000,000 in May.

Applications pending are as follows:

Denmark	$60,000,000
Poland	600,000,000
The Netherlands	535,000,000

Thus our contribution to the $10,000,000,000 in World Bank funds make a grand total approaching $25,000,000,000 made available to foreign governments since VJ-day.

It is to be noticed that the countries having application for World Bank loans for huge amounts are among those now sitting in Paris preparing a requisition on American resources at the invitation of our State Department and according to the press, the world spenders in our Government have set the new program at from $20,000,000,000 to $24,000,000,000.

All this was well on its way and the skis well greased before the people of this country, or the Congress, knew anything about it. It is time we took the advice of Herbert Hoover and Bernard Baruch. It is time we stop, look, and listen.

A bankrupt and demoralized America can make no contribution to the suffering people of this world.

Before we consider this new proposal, the conduct of our foreign operations by this administration should be fully explored, the facts made known to our people, and the hand of guilt laid on those responsible for the maladministration of our affairs and the ignominious failure of our foreign activities.

INJUDICIOUS STATEMENTS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I sit here every day and hear some otherwise good fellow like the gentleman from West Virginia, make statements about our foreign affairs, and about the way we are handling them. It grieves me deeply. Knowing the condition of this world, inflammable as it seems to me it is now, I do think that people in position of high authority or any authority should be very careful about what they say; and especially for the gentleman from West Virginia to advertise for the world that our State Department, the people who are looking after our foreign affairs, are indulging in underhand propaganda is just too bad, Mr. Speaker.

EXTENSION OF REMARKS

Mr. YOUNGBLOOD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement prepared by O. R. Hauser, national president, American Relief for Germany, Inc.

Mr. KUNKEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include some remarks of his own on the

Marshall plan as compared to the Truman doctrine.

Mr. TIBBOTT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Senator MARTIN at the annual State encampment of the Veterans of Foreign Wars at Harrisburg, Pa., on Tuesday, July 15.

Mr. KEARNS asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial from the Washington Post and an editorial from the Sharon Herald, of Sharon, Pa.

Mr. CHURCH asked and was given permission to include in the remarks he expects to make today in the Committee of the Whole certain quotations.

Mr. HARRISON asked and was given permission to extend his remarks in the RECORD and include several editorials.

Mr. PACE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a summary or synopsis of the Labor-Management Relations Act of 1947 prepared by himself.

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix of the RECORD.

THE PRESIDENT MUST JUSTIFY HIS VETO

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, the control of the purse strings of the national Government through taxation is constitutionally and traditionally a primary function of the Congress. It is not a primary function of the Chief Executive.

When the Chief Executive, through his veto power, seeks to nullify the action of two-thirds of the Members of both Houses of Congress when it passes a tax measure, the burden is upon him to justify his action. It would be an usurpation of the prerogatives of Congress and a prostitution of the high office of the Presidency if the Chief Executive would veto a tax measure for purely political reasons.

When H. R. 1 was before the Ways and Means Committee early in this session of Congress, the Secretary of the Treasury, acting for the President, stated that this legislation was not the proper way and neither was this the proper time for the Congress to pass a tax-reduction bill. Neither the Secretary of the Treasury nor the President has ever stated what is the proper way or the proper time. Why have they declined to do so? I hope the President will do so in his forthcoming veto message.

If he fails to do so, he will surely lay himself open to the charge that he has used his veto power for purely political purposes.

There can be no reason for the President to recommend the passage of a tax-reduction bill just before the coming national election in 1948 and at the same time veto a tax-reduction bill which does not go into effect until 1948.

ADMINISTERING OATH TO HON. LOUIS LUDLOW

Mr. MADDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution (H. Res. 301) which I send to the Clerk's desk.

The Clerk read the resolution, as follows:

Whereas LOUIS LUDLOW, a Representative-elect from the State of Indiana, from the Eleventh District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said LOUIS LUDLOW at Washington, D. C., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said LOUIS LUDLOW.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to House Resolution 301, the Chair designates as his deputy to administer the oath of office to the Honorable LOUIS LUDLOW, at Washington, D. C., the Honorable RAY J. MADDEN.

UNIFICATION OF THE ARMED SERVICES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time to consider the bill H. R. 4214, that all points of order against the said bill be considered as waived, and that there be not to exceed 5 hours' debate, to be confined to the bill and to be equally divided between the chairman and ranking minority member of the Committee on Expenditures in Executive Departments.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, may I inquire the title of the bill and the purpose of it?

Mr. HALLECK. This is the so-called unification or merger bill. I may suggest to the gentleman that the request here is simply to avoid the necessity of appearance before the Rules Committee. Under this arrangement the bill would be debated for 5 hours and would be read under the 5-minute rule as though a rule had been granted.

Mr. COLE of New York. Mr. Speaker, for the time being I object.

EXTENSION OF REMARKS

Mr. HAND. Mr. Speaker, I ask unanimous consent to extend at this point in the RECORD the annual report of the Board of Visitors of the United States Coast Guard Academy.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. The report is as follows:

BOARD OF VISITORS,
UNITED STATES COAST GUARD ACADEMY,
July 7, 1947.

CONGRESSIONAL BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY, 1947

The PRESIDENT OF THE SENATE.
The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to the act of July 15, 1939 (Public, No. 183, 76th Cong., 1st sess.) the following Senators and Members of the House of Representatives were designated to constitute the 1947 Board of Visitors to the United States Coast Guard Academy:

SENATORS

Hon. WALLACE H. WHITE, ex officio member, chairman of the Commerce Committee of the Senate.

Hon. IRVING M. IVES, appointed by Senator ARTHUR H. VANDENBERG, President pro tempore of the Senate.

Hon. CHARLES W. TOBEY, appointed by Senator WHITE.

Hon. BRIEN MCMAHON, appointed by Senator WHITE.

REPRESENTATIVES

Hon. Fred Bradley, ex officio member, chairman of the Merchant Marine and Fisheries Committee.

Hon. T. MILLET HAND, appointed by Representative Bradley.

Hon. WILLIS W. BRADLEY, appointed by Representative Bradley.

Hon. HENRY M. JACKSON, appointed by Representative Bradley.

Hon. HORACE SEELY-BROWN, JR., appointed by Representative JOSEPH W. MARTIN, Speaker of the House.

Hon. AIME J. FORAND, appointed by Representative JOSEPH W. MARTIN, Speaker of the House.

Hon. JOHN J. ALLEN, JR., of California, was appointed by Representative Bradley in place of Representative WILLIS W. BRADLEY, who resigned.

On Friday, May 23, 1947, the following Members left Washington, D. C. via the Pennsylvania Railroad, on the Colonial at 9 a. m.; Hon. Fred Bradley, Hon. T. Millet Hand, Hon. Horace Seely-Brown, Jr., and Hon. Aime J. Forand. They were accompanied by Admiral J. F. Farley, Commandant of the United States Coast Guard, Rear Adm. Merlin O'Neill, Assistant Commandant of the United States Coast Guard, Rear Adm. Raymond T. McElligott, Commodore Halert C. Shepheard, and Capt. Alfred C. Richmond. After arrival in New London, Conn., late in the afternoon, the Board was joined by Hon. Henry M. Jackson and Hon. John J. Allen Jr.

This, the tenth visit of the Board, marked the seventy-first anniversary of the Academy as a national institution. The Academy was originally established as a school for prospective officers of the old Revenue Cutter Service in 1876, in New Bedford, Mass. In 1900, the school was moved to Baltimore, Md., and about 10 years later to New London, Conn. The present physical plant of the academy at New London was authorized by Congressional appropriation in 1929, and the buildings completed in 1932. The academy is accredited by the Association of American Universities and awards the degree of Bachelor of Science. The facilities of the academy were expanded in 1941 to meet the increased needs of the service. The Coast Guard is a military service and constitutes a branch of the land and naval forces of the United States at all times, operating under the Treasury Department in time of peace and as part of the Navy, subject to the orders of the Secretary of the Navy, in time of war or when the President shall so direct. The discipline of the Academy is military in nature, and while the curriculum is based on

marine and engineering subjects, it also includes such general college subjects as languages, literature, history, government, science and law. Special emphasis has been given to maritime law and economics in view of the increased Coast Guard activities relating to the merchant marine. The academy also remains an engineering college of the highest standing. While for several years during the war, the prescribed course was reduced to 3 years, completion normally requires 4 years and all classes are once again pursuing this full course.

The program arranged by Rear Adm. James Pine, Superintendent of the Academy, was carried out, and at 7:30 p. m. the Cadet Battalion was paraded, following which, the Board was entertained at dinner in the Officers' Club, attended by the senior officers of the Academy. After dinner, service motion pictures were shown illustrating Academy life and the conduct of general service duties.

The official meeting of the board was held at 9 a. m. Saturday morning in the academic board room. At this meeting, Hon. T. MILLET HAND, Representative from New Jersey, was unanimously elected chairman. This followed the procedure of electing a Senator and Representative on alternate years as Chairman. Rear Adm. Raymond T. McElligott, United States Coast Guard, acted as official secretary and recorder.

The Superintendent of the Academy was invited to appear before the Board. For the first time in the history of the 10 meetings of the Board, the Cadet Battalion commander and his adjutant, were invited to sit in during the presentation of the Superintendent's report and the deliberations of the Board. This was a marked departure from the usual custom of admitting these cadets only after deliberations, and departure of all Coast Guard officers from the meeting.

The Superintendent submitted his report, a copy of which is attached hereto. The Superintendent went into considerable detail explaining this report and replying to questions of the Board. It is to be noted that all recommendations of the Superintendent in his report to the Board, with one exception, had been approved by previous Boards of Visitors. During the discussion in connection with the Superintendent's report the Cadet Battalion commander and his adjutant were frequently called on for their views on the various recommendations.

In past years it has been the practice for the advisory committee to the Academy to meet with this Board. This is the first time they have not sat in with the Board, but copy of their report of a recent meeting is appended. The Board concurs with the comments of Admiral Pine as to the excellent and useful work performed by that committee during the past 14 years.

Prior to departure of the Superintendent, the Chairman, on behalf of the Board, expressed appreciation for the excellent service Rear Adm. James Pine, who is retiring during the present year, has given to the Academy during his tour of duty as Superintendent.

On departure of Admiral Pine and other officers and personnel connected with the administration of the Academy and the Coast Guard, the Board met in closed session with the Cadet Battalion commander, Wayne E. Caldwell, and his adjutant, Darrel W. Starr, Jr., and their comments, reflecting as they did the viewpoint of the Cadet Corps, were impressive and of material assistance to the Board.

In order to have available various reports and records which the Coast Guard has been requested to furnish, and to have the benefit of some of the senatorial Members' opinions in their deliberations of these and the report of the Superintendent, the Board recessed at 11:30 a. m. to meet in Washington at the call of the Chairman.

At 12:15 p. m. the party reviewed the Cadet Battalion, after which luncheon was served for the Board, each member being seated in the cadet mess hall with cadets from his State or district. After luncheon the entire physical plant was inspected, and on completion of this the party entrained for Washington, arriving at 11 p. m. that evening.

At the call of the Chairman, the Board resumed its meeting at 11 a. m. Thursday, June 19, 1947, in the office of the Chairman, 1608 House Office Building, Washington, D. C. Those present were: Hon. T. Millet Hand, Chairman; Hon. Aime J. Forand; Hon. Horace Seely-Brown, Jr.; Hon. John J. Allen, Jr.; Rear Adm. R. T. McElligott, USCG, secretary and recorder.

The President of the Senate and the Speaker of the House are of course aware of the untimely death of our beloved colleague, Hon. Fred Bradley of Michigan, which occurred while visiting the Academy as a member of this Board. In this connection, the Board unanimously adopted the following resolution:

"Whereas our beloved colleague, the Honorable Fred Bradley, has gone to his reward; and

"Whereas the Honorable Fred Bradley has served with distinction on the Board of Visitors to the United States Coast Guard Academy and throughout our deliberations gave us the benefit of his keen and active interest and his knowledge of the Coast Guard and the Academy; and

"Whereas his long and continuing interest in the Coast Guard and the Academy have been of inestimable value to the Board: Therefore be it

"*Resolved*, That the members of the Board of Visitors to the United States Coast Guard Academy wish to express their great sense of loss over the passing of a worthy colleague and a beloved friend; and be it further

"*Resolved*, That this expression of sympathy be included as a part of the official report of the Board of Visitors to the United States Coast Guard Academy, to the President of the Senate, and the Speaker of the House, and that a copy of this resolution be transmitted to the family of the deceased."

Following a general discussion of the report of the Superintendent, and the various reports and records furnished by the Coast Guard as requested at the former meeting, the Board adopted the following recommendations submitted in the Superintendent's report:

(a) That steps be taken toward accomplishing the prompt expansion and improvement of the playing-field facilities at the Academy, the locations to be an administrative matter.

(b) That a rigging-loft building to take care of the storage of sails and equipment of the Academy's sailing fleet be constructed.

(c) That no action be taken by this Board on the recommendation of the Superintendent that the boathouse on Jacob's Rock, on which construction was stopped at the beginning of the war, be completed. Due to the present trend toward economy and the high estimate of cost of completing this construction, the Board recommends passing over this item and referring it for consideration by future boards.

(d) That a new wing to Satterlee Hall be completed to contain a lecture hall, drafting room, and additional facilities for physics and chemistry.

(e) That a chapel and memorial building, as recommended by the Board of Visitors on three previous occasions, be constructed on lands to the south of the Academy as a memorial to members of the Coast Guard who gave their lives in the service of their country, and specifically recommends the adoption by Congress of H. R. 3539.

The Board invites attention to the fact that there are no facilities at the Academy for religious worship and all religious services are held in other buildings which must be improvised.

(f) The Board of Visitors gave careful consideration to the problem created by the housing shortage in connection with the housing of members of the staff and other Coast Guard personnel at the Academy at New London, and recommends that the Coast Guard authorities give further attention to this problem including the examination of the availability of the College Heights housing development or other available facilities.

The Board further recommends that the Coast Guard submit to the Committee on Merchant Marine and Fisheries their recommendations concerning the solution of this problem and for such further action as that committee may wish to take.

(g) The attention of the Board of Visitors was invited to a traffic hazard caused by the location of the entrance gate on the Academy grounds, and the Board is of the opinion that the Coast Guard authorities take steps to correct this situation.

(h) That the Academy be permitted to complete the fencing on the lower end of the reservation.

Prior to adjournment, the Board, impressed by the very high standards of the Coast Guard Academy, was strongly of the opinion that there should be wide dissemination of information regarding the advantages to young men of an education at such an institution and a career in the Coast Guard.

The Board urges the Coast Guard to continue its efforts to publicize the advantages of an education at the Coast Guard Academy and a career in the Nation's oldest seagoing service, the United States Coast Guard.

T. MILLET HAND.
AIME J. FORAND.
HORACE SEELY-BROWN, Jr.
JOHN J. ALLEN, Jr.
HENRY M. JACKSON.
R. T. MCELLIGOTT, *Secretary*.

Certified to be a true and correct copy of original:

R. T. MCELLIGOTT,
Rear Admiral, United States Coast Guard.

SUPERINTENDENT'S REPORT TO THE CONGRESSIONAL BOARD OF VISITORS

MAY 24, 1947.

Since last year's meeting of the Board of Visitors on May 3 and 4, 1946, the Coast Guard has continued its adjustment to peacetime conditions with a greatly reduced personnel and budget. This has required corresponding changes in the Academy's operations. A new program of practical training in professional work and in leadership has been adopted. Some improvements in facilities such as the cadet galley and cross connections between heating systems have been made in the interest of operating economies. Improvements resulting from a special appropriation, sponsored by last year's Board of Visitors, in the engineering building will be undertaken this summer between the academic terms. Occurrences of interest have been the arrival of the training vessel *Eagle* which was sailed here from Europe by a Coast Guard crew, and the holding of an international meeting on marine radio aids to navigation at New London with headquarters at the Academy in early May 1947.

The civil functions of the service are now entirely on a peacetime basis. The performance of these functions of the Coast Guard in the fields of law enforcement and maritime safety have been made more difficult by the increased demands resulting from the expansion of transoceanic flying necessitating additional airplanes, weather patrol and station ships, increased air-sea rescue facilities, and by the technical advances in communications, in loran and direction-finding techniques requiring increased personnel and facilities. The service has been

faced with many problems in connection with the maintenance of efficient performance of its civil functions while continuing these wartime duties and, at the same time, releasing almost 90 percent of its total personnel and redeploying a large percentage of the remaining personnel of the service. This redeployment is complicated by the fact that the service has operational responsibilities in peacetime as well as in war and in the transition period between war and peace, both responsibilities continue.

Because of this transition the Academy faces similar problems. The training of regular cadets has continued without change. Release of Reserve officers and enlisted personnel in connection with demobilization has reduced the officer personnel from 138 to 60 and enlisted personnel from 709 to 191. The readjustment to peacetime conditions presented particular problems during the redeployment in the first months of the period. The chief difficulty since that time has been the shortage of operating personnel particularly in enlisted personnel needed for telephone, guard, fire and security watches, for operating and maintaining heating plants, mechanical equipment, motor vehicles, boats, instructional equipment, and for providing services for cadets such as medical service, mess facilities, and so on. In addition, there is an increasing amount of clerical and administrative work resulting partly from increased extent and complexity of activities and partly from increased administrative detail required by law, regulation, or other necessity. The enlisted personnel available to perform these duties is smaller than in 1937, although the cadet corps is much larger, there is a larger area, more buildings, more floating equipment, an improved and expanded course of instruction, and many more administrative complexities.

REGULAR CADETS

There are at present three classes of regular cadets. The class of 1947, graduated on June 5, 1946, was the last class under the 3-year war curriculum. The classes of 1948, 1949, and 1950 are on the revised 4-year curriculum (copy attached). No graduation is scheduled for 1947. Statistics for the three classes now under instruction are as follows:

Class	Number entered	Remaining May 1	Resignations pending
1948	160	58	1
1949	145	78	2
1950	145	119	10

Because of the abnormal attrition in these classes and regardless of the final determination of the authorized postwar officer strength of the service, it would seem that a minimum of 150 cadets should be appointed to the Academy each year for a number of years to come. This number will probably be required to replace the increased numbers of officers who will be retired for both age and physical disability brought about by several years of war service. Examination of records for several years after the Spanish-American and World War I indicates an attrition of officers several times the normal peacetime attrition. This increase will probably be even greater following this war because of its length and the very arduous duty performed by officers of all ages and ranks. The duties, inseparable from wartime operations at sea, have continued for many officers up to the present time. As a result many younger officers who would in normal times remain in the service permanently have resigned. Uncertainty, hardship, separation from family, and small service pay with high living costs now present a poor prospect in comparison with present and prospective conditions in civilian life. As congressional recognition of the value of these services removes the uncertainty and as the service returns to more normal operating schedules the fine young officers who stand fast during this trying period will undoubtedly remain through a lifetime of service. But in the meantime the resignation of young officers increases the need for graduates from present classes.

It is felt that this opportunity to enter a lifetime career after an education at Government expense should go to the best qualified American boys, both in fairness to the service and to American youth. For that reason the service has attempted by every available means to bring this opportunity to the attention of qualified young men. This year, for the first time, we called on the many inactive Coast Guard Reserve officers now in civilian life in communities throughout the country for help, with gratifying results. The assistance of many Members of Congress in referring boys to us has also been a material help. Although the number of applicants this year does not approach that of war years, it approximates that of last year and materially exceeds early expectations. It had been expected that the Navy Holloway plan and the GI bill of rights would materially cut the number applying.

In recent years through studies conducted here at the Academy and with the assistance of the college entrance examination board improvements in entrance examinations have permitted better selection on the basis of academic requirements with resulting decrease in attrition for academic failure. However, there has been a disturbing number of voluntary resignations from all classes. The same uncertainties which cause resignations of young officers also affect the cadet corps. However, the main cause of cadet resignations is believed be a greater interest on the part of cadets in education than a career. During the war years many boys entered training programs of war service with no intention of making any military service a lifetime career.

Although announcements of academy examinations emphasized the permanency of the career, many boys entered the academy cadet program under the same incentives as they entered wartime training programs. The present second class entering in 1944, a few months after curtailment of Army and Navy college and aviation training programs originally had a large percentage of young men of this type. Of 69 with former Army service mostly in Army college training programs only 19 are still in the class, most of the loss by voluntary resignations. In later classes the attrition has not been as great although most of it has been due to voluntary resignations among these intending to enter civilian institutions where the work is easier and routine is less strenuous.

An important factor in limiting applicants and increasing resignations is a decrease in the advantages offered young men to attend the Coast Guard Academy as well as the other military academies relative to entry in civilian educational institutions. With education at Government expense available to former GI's in civilian institutions, there is less incentive for them to apply for cadetships at one of the Government military academies under rigid military discipline and with difficult academic and physical requirements. Increased cost of uniforms, textbooks and other items required by the cadets have decreased the very limited allowances available to them for other purchases. For the above reasons, it is believed that cadet pay should be increased in accordance with legislation now under consideration in Congress.

Within the past year 102 cadets have been commissioned. During the war the academy trained and commissioned 376 regular cadets, 4,726 reserve officer candidates, including 830 of the Women's Reserve, a total of 5,102 officers at the rate of about 1,700 a year.

EDUCATIONAL AND TRAINING

A plan for the procurement and education of Coast Guard officers was submitted to the Commandant on January 2, 1946, by a Board of which the Superintendent was chairman. This plan, which provides a basic pattern extending throughout an officer's career, has been approved by the Commandant and published since the last meeting of the Board of Visitors.

The attention of the Board of Visitors is invited to the very valuable contribution to the academy made by the Advisory Committee. This committee, under provisions of law, is composed of distinguished educators appointed by the Secretary of the Treasury. The members serve without pay and have given generously of their time. Since its formation in 1934, the committee has been a material help in the development and maintenance of high academic standards resulting in the accreditation of the academy by Engineers Council for Professional Development and the Association of American Universities.

A report of the last meeting of the Advisory Committee, now consisting of Prof. J. W. Barker, T. W. Swan, and H. L. Seward, is attached.

As a replacement for the training ship *Danmark* used so effectively for training during the war years, the former German training ship *Horst Wessel* has been renamed *Eagle* and assigned to the academy. The *Eagle* has just been placed in commission for a summer training cruise beginning June 4. This vessel will cruise in company with a modern cutter, permitting exercises at sea with two vessels. This vessel, designed for training, is well arranged with accommodations for about 200 cadets and is economical to operate and maintain. Training in communications, seamanship, and navigation on this vessel supplemented by training in engineering and gunnery on a modern cutter provides an economical, satisfactory, and complete course of practical professional instruction at sea.

PERSONNEL

Curtailment of operating personnel has been a particularly difficult problem. Personnel at the academy are in four different categories:

1. Commissioned officers: Administrative and instructional staff.
2. Classified civil service: Instructors, professional, and telephone operators.
3. Enlisted men: Watches, clerical work, operation, and maintenance.
4. Unclassified civil service: Per diem employees, buildings, and grounds.

Although curtailment has occurred in all categories, it has been particularly severe in the classified civil service and in the enlisted men complement. These categories in some cases complement each other in that loss of one position in one category may require that the necessary work of that position be done by a person in the other category. For instance, in a recent curtailment of classified civil service positions the least objectionable answer was the deletion of two positions—one, a guard; and one, a telephone operator. However, work of these two positions remained to be done and two enlisted men were assigned with necessary curtailment of enlisted men's activities elsewhere. Shortage of clerical and accounting personnel to do the minimum essential work of that kind requires frequent overtime work on the part of both officers and enlisted men who may be required to do this without additional compensation. The most undesirable aspect is that necessary clerical work is now frequently of necessity done by officers, less efficiently, more expensively, and to the detriment of their proper duties.

For a particular work assignment special requirements may make enlisted personnel more economical than civil service and vice versa. After careful study, work requirements

in a number of assignments could be more satisfactorily, efficiently and economically filled by civil-service employees than by enlisted men. These include: 1 assistant librarian, 1 physics laboratory technician, 1 key punch operator.

The civil-service personnel situation is such that it has been necessary to give up two essential positions with no possible hope of establishing new positions as indicated above. The inclosed copy of the Advisory Committee report comments particularly on the status of trained personnel in the library.

INTERNATIONAL MEETING ON MARINE RADIO AIDS TO NAVIGATION

An international meeting on marine radio aids to navigation lasting for 2 weeks was recently called by the State Department. The first week was held in New York. The second week May 4–9, 1947, inclusive, was held in New London with shipboard demonstrations at sea near New London, and final discussions and general meetings in the recreation room in the Reserve Administration Building at the Academy. The Coast Guard's interest in the subject matter of the meeting, because of its responsibility for aids to navigation and its part in the development of many modern radio aids to navigation, probaby led to the selection of the Academy as the headquarters for the final meetings.

There have been many expressions from United States and foreign delegates that the meeting was successful. Many of the delegates were pleased at the reception accorded them in New London with the arrangements made for their business sessions and with the suitability of the facilities at the Academy for a meeting of this kind.

The meeting was attended by 93 delegates representing 31 countries as well as many industry representatives and observers. The State Department, sponsoring the conference, indicated that not only were the delegates pleased at the lower hotel rates in New London in comparison with New York, but that the Department had been enabled to operate on a lower budget because part of the conference was scheduled in New London. Facilities available at the Academy for the accommodation of the secretariat also materially aided in keeping the budget down.

RECOMMENDATIONS

The following recommendations, which have received the approval of previous Boards of Visitors, are renewed as a matter of record although it is realized that under present conditions of uncertainty no immediate action is to be expected:

1. Waterfront development:

(a) That the waterfront area east of the railroad tracks be bulkheaded and filled to provide additional playing fields for baseball, soccer, and football.

(b) That a rigging loft building to take care of the storage of sails and equipment of the Academy's sailing fleet be constructed on this filled area.

(c) That the boathouse on Jacob's Rocks, on which construction was stopped at the beginning of the war, be completed as planned when materials are available.

2. Satterlee Hall, science wing:

That a wing to contain a lecture hall, drafting room, and additional facilities for physics and chemistry be added to Satterlee Hall.

3. Chapel and memorial building:

(a) That a chapel and memorial building, as recommended by the Board of Visitors on three previous occasions, be constructed on lands to the south of the Academy.

(b) As the land needed for this purpose adjoins and includes the logical site for future officers' quarters it is again recommended that the land be acquired and an architectural competition be held for the whole project.

(c) Legislation authorizing formation of a chapel commission was introduced by Judge Bland after the Board of Visitors meeting last year but failed of passage. It has just been reintroduced by the Honorable HORACE SEELY-BROWN, JR., a member of the Board and the Congressman from this district.

4. College Heights housing development:

(a) Disposal of this project by FPHA has been under consideration this year and action may be expected at any time. It appears probable that developed area will be sold to individual owners. Transfer of undeveloped area to the Academy is recommended. This area already owned by the Government and relatively near the Academy could be developed into level athletic playing fields at less expense than any other areas reasonably near the Academy.

(b) It would be desirable to have these houses near the Academy available for continued occupancy by Academy personnel both officer and enlisted. There is a long waiting list of Coast Guard personnel desiring to occupy these houses. Of 100 units 54 are now occupied by Academy and other Coast Guard personnel. There are 30 on the waiting list, the oldest having made his application over 8 months ago. Sale to individuals will probably lead to gradual elimination of Academy personnel from this development.

5. Entrance gate:

The dangerous traffic situation at the entrance gate still exists. Provision of this was included in the present Treasury-Post Office appropriation as approved by the Budget Bureau. Action on this appropriation is still pending in the Senate.

6. Engineering building:

Work on improvement of the Engineering Building, as recommended by last year's Board of Visitors, will be undertaken this summer.

NEW RECOMMENDATION

Completion of the fencing on the lower end of the reservation is recommended.

The Superintendent wishes to avail himself of this opportunity to thank the Board of Visitors for their interest in the Academy and for their helpful attitude toward its problems.

(Enclosure: Copy of Advisory Committee letter to Commandant, dated May 17, 1947.)

UNITED STATES COAST GUARD
ACADEMY ADVISORY COMMITTEE,
May 17, 1947.

Admiral J. F. FARLEY,
USCG, Commandant,
United States Coast Guard
Headquarters, Washington, D. C.

DEAR ADMIRAL FARLEY: 1. The committee convened at 9 a. m. this date and is making its recommendations to you as soon as possible in order to make them available, if desired, by the Congressional Board of Visitors on May 23. Throughout the day reports were received from the Superintendent, the heads of the Departments of Instruction, and the librarian. The transition from wartime to peacetime instruction has presented difficult personnel problems but appears to have been accomplished without serious detriment to the curriculum or to the character of instruction for the current year. The problems for the next year, however, will be even more difficult due to the expected increase of enrollment of cadets when the total student body will number about 425 as compared with the present 255. All of the heads of departments are concerned about the adequacy of numbers of the teaching staff. One of the problems involves reserve officers.

2. Reserve officers have continued to furnish very valuable services as teachers in the various departments of study. Within the present academic year four Reserve officers have become civil service instructors, one in mathematics, one in electrical engineering, and two in physical education. Four other Reserve officers are still on active duty as instructors. They have demonstrated their abilities as teachers and all are qualified for general duties. They could not be replaced by any regular officers of similar rank and corresponding experience in teaching. The increase in the Cadet Corps due to the resumption of the 4-year course necessitates their retention. The advisory committee strongly urges their retention on the staff.

3. In normal peacetime it was customary and necessary that selected junior regular officers were returned to the Academy after 3 to 5 years of duty to assume junior instructorships in the various departments. There was a constant flow of such junior officers through the Academy staff and from the list of these officers the senior instructors and department heads were later selected. As an inevitable result of the recent war, regular officers could be spared from command duty afloat and ashore only in very exceptional cases to serve at the Academy. During the war the instructional staff was largely drawn from Reserve officers who, having been instructors or professors in civilian educational institutions, were temporarily commissioned and who carried with exceptional fidelity and success the major portion of the teaching load.

Until this gap in the number of regular officers available as instructors can be filled it is imperative that some Reserve officers be retained at the Academy as stated in paragraph 1 above. The advisory committee is concerned here with the reinstitution of an instructor-training program for Regular officers.

As far back as our 1934 report to the Commandant, this committee recommended the development of such a program and we are gratified to find that the Academic Board is now urging a part-time assistant program to train potential instructors. The Academic Board now suggests the assignment of 10 younger officers annually to the Academy. (Par. 7 of our 1934 report recommended five, but it must be remembered that the present Cadet Corps is more than double that of 1934.) These officers should spend approximately half of their time in relieving the professors of routine problem correction, laboratory reports, and exercises, etc., and the remaining half of their time on individual advanced study in the major field of the department, working under the direction of the senior professor. After a year of such duty at the Academy these officers should be detailed as postgraduate students at civilian educational institutions in the field of their specialty.

From the junior officers who have pursued such a training program there will gradually be built up a list of qualified officers who can be detailed from time to time to the staff of the Academy and thereby raise the quality of the instruction provided for the cadets. The same method will be highly effective in preparing officers needed within the Coast Guard for specialized duties.

The advisory committee therefore urgently recommends the institution of this part-time assistant policy as the most efficient and economical long-term program for Academy development.

4. The difficult personnel situation is further emphasized by the cut in the civilian employees and the reduction in the enlisted personnel. This results in putting upon the teaching staff burdens which are detrimental to their instructional duties. For example, they must themselves prepare for use the equipment in detail in the science laboratory—work which should be done by a laboratory assistant or technician who might well be a petty officer. Again, lack of stenographers compels the instructional staff to do much of their own typing. These illustrations demonstrate that the energies of the

teaching staff are not being used to the greatest advantage due to the cut in civilian appointees. The committee recommends that the situation be remedied by providing additional personnel.

5. The committee heard with amazement the report of the librarian to the effect that he has no trained assistant to help him in his most important duties. The committee feels, and has so expressed itself in the past, that a suitable library with an adequate staff is the fundamental core of an institution of higher learning. The librarian reported to us the great increase among the cadets of book circulation, which now averages per cadet twice that at the Military Academy and almost four times that at the Naval Academy. At the small bookstore run in conjunction with the library there is also increasing purchase by the cadets of books for building up their own personal libraries. The committee is gratified at the constantly increasing use of the library as a concomitant part of the instruction work at the Academy. It is little short of disgraceful, however, that the librarian is the only trained person available to do all the routine work of running the library in addition to assisting the cadets in locating materials for papers and reports. With all the force at its command, the committee recommends the immediate appointment of a trained assistant to the librarian.

6. The committee learned with interest a report of an academic board action which recommended that the bachelor of science degree be granted to any living graduate of the Academy upon application by the academic board under a definite proposed regulation to be numbered 634. After consideration of all the factors involved, the committee feels that this is a reasonable solution to a difficult problem and endorses the proposal.

7. It is evident from a report to us made by the head of the General Studies Department that there should be under consideration the appointment of an instructor in the subject of maritime economics. The course instituted at the request of the Commandant, devised and taught by the chairman of this committee for 6 years, has been ably continued by the head of the department and must be resumed next year for the first class. The subject is so important to the modern Coast Guard that a first-rate specialist in the general field of maritime economics should be selected. While this is not urgent at the present time, the advisory committee would like to go on record in notifying the Commandant that a quiet investigation should be started to locate a man of suitable experience for this important position.

8. We have received a recommendation from the head of the Science Department that Lt. R. J. Perry be recommended for appointment as Commissioned Professor and be assigned as assistant head of the department. Although this matter is urgent and the Superintendent states that the candidate is well qualified, it is the feeling of the advisory committee that this matter should be studied jointly by the academic board and the advisory committee in order that the needs of all of the departments at the Academy should be properly weighed. Such an appointment, if consummated, would fill the last remaining commissioned professorship under existing legislation.

9. The advisory committee, in addition to the preceding recommendations and suggestions, desires also to record the following observations:

(a) The 4-year curriculum, recommended by this committee, appears to be functioning well and suited to its mission. We are particularly pleased with the evident improvement in engineering subjects and we welcome the course in government. The detail plans for the summer cruise look admirable and we commend headquarters for making available the two very appropriate vessels for intense cadet instruction.

(b) The manner in which the problem of admission procedure has been analyzed and developed is truly of great credit to the staff and should produce noteworthy results. We note with commendation the cooperation with the CEEB research by the academy psychologists; the personal inventory, index of background, activities and preferences, vocabulary tests, aptitude tests, and objective scoring as developed at the Academy.

(c) We would be glad to be informed at the appropriate time of the status and revised contents of the proposed legislation, insofar as it concerns the Academy, which we considered with you at our December 16, 1946, meeting in Washington, D. C.

10. In closing this report we desire to refer to the impending retirement of the very able Superintendent, Rear Adm. James Pine, USCG. Throughout his strenuous and successful term of office he has toiled constantly to maintain the Academy's superior standing and morale. He has always been most cooperative and understanding in working with this committee. During the war he was faced with many difficult problems in expending the facilities to handle the Reserve officers' training program, but solved them with dispatch and distinction. From the moment that Admiral and Mrs. Pine arrived on the reservation, it was evident that new forces for good were in operation. Nothing that this committee could say would be adequate credit or reward for the outstanding administration of the Academy during the term of Admiral Pine as Superintendent, but we wish to record our appreciation of his performance and attainments.

11. Messrs. J. W. Barker, T. W. Swan, and H. L. Seward were present throughout the long day's session of the advisory committee and shared equally in writing this report.

Yours sincerely,

H. L. SEWARD, *Chairman.*

EXTENSION OF REMARKS

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mr. LEA asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include three articles appearing in the Chicago Sun on three separate days.

FOREIGN AFFAIRS

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, with all due deference to the distinguished minority leader, I would venture to suggest that what this House needs is more facts, more discussion, and more uncolored information about our foreign affairs, instead of less.

The new, polite name for "Operation Rathole" is now the Marshall plan. This is a scheme whereby the European countries are asked to get together and decide how much easy American money is obtainable, and then, after pompous deliberations, they will decide they will take it.

The truth is that the present series of hand-outs is financing a transition to socialism in Europe. The constructive "American plan" for Europe is to tell those nations, "Repudiate socialism, go back to work, and we will cooperate with you." Instead, we are now officially opposing socialism in Greece and financing it in England and in France. If that makes sense, I think the American people are entitled to have that two-directions-at-once policy explained in detail.

If the Marshall-plan hocus-pocus is financed by America, you can make up your minds that the colossal American national debt will largely be repudiated, because the resources with which to redeem it will have been dumped into Europe to finance a change-over to socialism, state ownership, and the police state.

I challenge the proponents of the Marshall plan to tell the House and the American people how we can preserve free enterprise in America by financing and underwriting state socialism in Europe.

Propaganda to hide this situation by belatedly condemning Russian imperialism should be exposed.

The Government officials who are now hollering the loudest against Russia are the same "experts" who whooped it up for Russia a few months ago. It was these same officials that provided Russia its present strength. Their failures have disqualified them for the fearful task of directing our foreign policy.

REHABILITATING GERMANY—MORGENTHAU PLAN REPUDIATED

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a directive issued by the administration relative to the government of Germany.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it seems to me that some of the gentlemen who are attacking President Truman should at least give his administration credit for issuing that directive on yesterday to end the Morgenthau plan, which I hope will put a stop to the racial persecution of the people of Germany who are now helpless at our feet.

There have been some horrible things happening in Germany that will redound to the discredit, if not the disgrace, of the United States for generations to come. If we people of the Southern States had been treated in the same manner after the War Between the States as those people have been treated under the pressure of a certain racial minority, you would not have heard the last of it until doomsday.

We fought and whipped Germany. She is today at our feet. We can afford to be magnanimous and to treat the people of Germany, and especially the German women and children, with humanity and decency, and not permit racial minorities to vent their sadistic vengeance upon them and charge it up to the United States.

I am glad to see the administration at last repudiating the Morgenthau plan and getting back to a position of hu-

manity, common sense, and common justice.

We may not all agree with this directive in toto, but we must admit that it is a great improvement of the Morgenthau monstrosity. The directive reads as follows:

TEXT OF NEW UNITED STATES INSTRUCTIONS TO GENERAL CLAY ON MILITARY GOVERNMENT POLICIES IN GERMANY

I

1. Purpose of this directive

This directive, issued to you as commanding general of the United States forces of occupation and as military governor in Germany, constitutes a statement of the objectives of your Government in Germany and of the basic policies to which your Government wishes you to give effect from the present time forward. It supersedes JCS 1064/6 and its amendments.

2. Authority of military government

(a) Your authority as military governor will be broadly construed and empowers you to take action consistent with relevant international agreements, general foreign policies of this Government, and, with this directive, appropriate or desirable to attain your Government's objectives in Germany or to meet military exigencies.

(b) Pending arrangements for the effective treatment of Germany as an economic and political unit, you will exert every effort to achieve economic unity with other zones.

II

3. United States policy toward Germany

The basic interest of the United States throughout the world is just and lasting peace. Such a peace can be achieved only if conditions of public order and prosperity are created in Europe as a whole. An orderly and prosperous Europe requires the economic contributions of a stable and productive Germany as well as the necessary restraints to insure that Germany is not allowed to revive its destructive militarism.

To accomplish the latter purpose the United States Government has proposed to the other occupying powers a treaty for the continuing disarmament and demilitarization of Germany and it has committed itself to maintain a United States army of occupation as long as foreign occupation of Germany continues.

As a positive program requiring urgent action, the United States Government seeks the creation of those political, economic, and moral conditions in Germany which will contribute most effectively to a stable and prosperous Europe.

III

4. Demilitarization

There should be no relaxation of effort to complete and effectively to maintain the disarmament and the demilitarization of Germany.

IV

5. United States political objectives in Germany

It is an objective of the United States Government that there should arise in Germany as rapidly as possible a form of political organization and a manner of political life which, resting on a substantial basis of economic well-being, will lead to tranquillity within Germany and will contribute to the spirit of peace among nations.

Your task, therefore, is fundamentally that of helping to lay the economic and educational bases of a sound German democracy, of encouraging bona fide democratic efforts and of prohibiting those activities which would jeopardize genuinely democratic developments.

6. German self-government

(a) You will continue to promote the development in Germany of institutions of popular self-government and the assumption of direct responsibility by German governmental agencies, assuring them legislative, judicial, and executive powers consistent with military security and the purposes of the occupation.

(b) It is the view of your Government that the most constructive development of German political life would be in the establishment throughout Germany of federal German states (Laender) and the formation of a central Germany government with carefully defined and limited powers and functions. All powers shall be vested in the Laender except such as are expressly delegated to the Central Government.

(c) Your Government does not wish to impose its own historically developed forms of democracy and social organization on Germany and believes equally firmly that no other external forms should be imposed. It seeks the establishment in Germany of a political organization which is derived from the people and subject to their control, which operates in accordance with democratic electoral procedures and which is dedicated to uphold both the basic civil and human rights of the individual. It is opposed to an excessively centralized government which through a concentration of power may threaten both the existence of democracy in Germany and the security of Germany's neighbors and the rest of the world. Your Government believes finally that, within the principles stated above, the ultimate constitutional form of German political life should be left to the decision of the German people made freely in accordance with democratic processes.

7. Interzonal German administrative agencies

Pending the establishment of central German administrative agencies and of a central German government, you will continue, consistent with the objectives of paragraph 6, to make arrangements with other zonal commanders for the creation and operation of interzonal German administrative agencies.

8. Political parties

(a) You will adhere to the policy of authorizing and encouraging all political parties whose programs, activities, and structure demonstrate their allegiance to democratic principles. Political parties shall be competitive in character, constituted by voluntary associations of citizens in which the leaders are responsible to the members, and with no party enjoying a privileged status.

(b) You will likewise give support to the principle that Military Government and the German authorities should afford nondiscriminatory treatment to duly authorized political parties. Every authorized political party should have the right freely to state its views and to present its candidates to the electorate, and you will tolerate no curtailment of nor hindrance to the exercise of that right; if, however, you find that an authorized party is adopting or advocating undemocratic practices or ideas, you may restrict or withdraw its rights and privileges.

(c) You will urge in the Control Council the recognition of nation-wide political parties and the uniform treatment of all authorized parties in all zones of occupation. You will advocate quadripartite supervision of political activities and of elections throughout Germany as a whole.

9. Denazification

You will implement in your zone the decisions on denazification taken April 23, 1947, by the Council of Foreign Ministers, as may be agreed in ACC [Allied Control Council].

10. War crimes

You will make every effort to facilitate and bring to early completion the war crimes program subject to the conclusions and recommendations with respect to organizations and members thereof contained in the judgment of the International Military Tribunal.

11. Courts and judicial procedures

(a) You will exercise such supervision over German courts as is necessary to prevent the revival of National Socialist doctrines, to prohibit discrimination on grounds of race, nationality, creed, or political belief, to enforce the application of the principles expressed in Control Council Proclamation No. 3, and compliance with the provisions of Control Council and Military Government legislation. You will foster independence of the German judiciary by allowing the courts freedom in their interpretation and application of the law and by limiting the control measures instituted by Military Government to the minimum consistent with the accomplishment of the aims of the occupation.

(b) You will maintain sufficient military government courts to try persons accused of offenses involving the safety and security of United States and allied personnel and all cases in which the interest of military government requires such procedure.

(c) You may extend the jurisdiction of the German courts to all cases which do not involve the interests of military government or persons under the protective care of military government. Any German tribunal established for the purpose of determining internal restitution claims may exercise jurisdiction over any person, irrespective of his status, who institutes a proceeding therein.

(d) As a basic objective of the occupation is the reestablishment of the rule of law in Germany, you will require all agencies under your control to refrain from arbitrary and oppressive measures. Except when it clearly appears that detention is necessary for the security of the occupying forces, no person will be detained except when he is charged with a specific offense and is subject to trial by a duly constituted tribunal. You will protect the civil rights of persons detained under charges assuring them a fair trial and ample opportunity to prepare their defense. You will buy regulation limit arrests for security purposes to cases where overriding considerations of military necessity require such procedure. Persons so detained will be permitted to communicate with their nearest relative or friend unless urgent security considerations require an exception, and you will review their cases periodically to determine whether further detention is warranted. When in your opinion it will be compatible with security considerations, you will eliminate such arrests without prejudice to a revival of the practice in emergencies.

12. Legislation

You will exercise your power of disapproval over German legislation only when such legislation conflicts with the legislation or other policies of military government.

13. Movement of persons

(a) You will implement the decisions taken April 23, 1947, by the Council of Foreign Ministers with regard to United Nations displaced persons and population transfers.

(b) You will, in cooperation with IRO (International Refugee Organization), facilitate the emigration to other countries of those displaced persons unwilling to be repatriated.

(c) Pending the movement of displaced persons, you will retain over-all responsibility for their appropriate care, maintenance and protection. You will utilize the IRO to the maximum possible extent in assisting you to discharge this responsibility.

(d) The term "displaced persons" as used above refers to displaced persons and refugees as defined in the IRO Constitution.

(e) You will hold the German authorities responsible for the care and disposition of nationals of former enemy countries not

otherwise provided for herein, and you will continue to facilitate their repatriation.

(f) You will require that persons of German extraction who have been transferred to Germany be granted German nationality with full civil and political rights except in cases of recognized disqualifications under German law. You will take such measures as you may deem appropriate to assist the German authorities in effecting a program of resettlement.

(g) You will continue to permit the exchange of Germans seeking permanent residence between the United States zone and other zones on a reciprocal basis. You will permit free movement for temporary purposes to the greatest possible extent consistent with security considerations and with interzonal or quadripartite agreement.

(h) You will continue to receive those Germans whose presence abroad is deemed by your Government to be contrary to the national interest. You will likewise permit the reentry of German and former German nationals who desire to return permanently, but in view of restricted facilities you will give priority to those who are willing and able to contribute to the peaceful reconstruction of Germany.

(i) You will permit only those Germans to leave Germany who are included in categories approved by Allied agreements or your Government's instructions.

14. Prisoners of war

In carrying out the decision of the Council of Foreign Ministers of April 23, 1947, you will press in the Control Council for the earliest possible return of all German prisoners of war still located in the territories of the Allied Powers and in all other territories.

15. General economic objectives

The economic objectives of the United States Government in Germany are:

(a) To eliminate industry used solely to manufacture and to reduce industry used chiefly to support the production of arms, ammunition, and implements of war;

(b) To exact from Germany reparation for the losses suffered by United Nations as a consequence of German aggression; and

(c) To encourage the German people to rebuild a self-supporting state devoted to peaceful purposes, integrated into the economy of Europe.

Although the economic rehabilitation of Germany, within the framework of these objectives, is the task and responsibility of the German people, you should provide them general policy guidance, assist in the development of a balanced foreign trade, and insure that German efforts are consistent with, and contribute to, the fulfillment of your Government's objectives.

16. Economic disarmament and reparation

(a) Your Government continues to desire the general fulfillment of the principle of the Potsdam agreement regarding reparation and industrial disarmament.

(b) Your Government believes that the level of industry eventually agreed upon for Germany as a basis for reparation removals, while eliminating excess industrial capacity which has been used by Germany for the purpose of making war, should not permanently limit Germany's industrial capacity. The German people after the period of reparation removals should not be denied the right, consistent with continued disarmament, to develop their resources for the purpose of achieving higher standards of living.

(c) Your Government does not agree to reparation from Germany greater than that provided by the Potsdam agreement. Nor does your Government agree to finance the payment of reparation by Germany to other United Nations by increasing its financial outlay in Germany or by postponing the achievement of a self-sustaining German economy. Your Government reaffirms the principle that the proceeds of authorized exports shall be used in the first place for the payment of authorized imports.

(d) You will attempt to obtain Control Council recognition of the principle of compensation for property taken for reparation or where it has been necessary to destroy property under the agreements for economic disarmament, such compensation to constitute a charge against the German economy as a whole. Except in prohibited industries, you will endeavor to insure, to the greatest extent practicable, that no plant in which there is foreign ownership or control is removed for reparation as long as German-owned plants are available for that purpose.

(e) You will continue to assist in the location of cloaked German-owned assets abroad and where possible you will assist in their liquidation.

17. Restitution

(a) You will proceed, consistent with agreements on restitution reached in the Control Council, to restore such identifiable property other than gold and transport essential to minimum German economy, to the government of the country from which it was taken. You will not consent to any extensive program for the replacement of looted or displaced property which has been destroyed or cannot be located whenever such replacement can be accomplished only at the expense of reparation, a self-sustaining German economy or the cultural heritage of the German people.

(b) You will turn over monetary gold uncovered in Germany to the Tripartite Gold Commission in Brussels for distribution in accordance with the terms of the Paris Act on Reparation.

(c) In accordance with JCS 1570-9, you will make available for the rehabilitation and resettlement of nonrepatriable victims of German action valuable personal property looted from Nazi victims which is not restitutable.

(d) It is the policy of your Government that persons and organizations deprived of their property as a result of national Socialist persecution should either have their property returned or be compensated therefor and that persons who suffered personal damage or injury through national Socialist persecution should receive indemnification in German currency. With respect to heirless and unclaimed property subject to internal restitution you will designate appropriate successor organizations.

18. Economic unity and recovery

(a) Your Government is desirous of securing agreement in the control council to the treatment of Germany as an economic unit, the formulation of common policies in all matters affecting Germany as a whole and the establishment of central German administrative agencies for the purpose of implementing such common policies in the fields of finance, transport, communications, agriculture, economics (including industry and foreign trade), and such other fields as the control council may consider necessary and appropriate.

(b) Your Government likewise desires to secure the adoption of a production and foreign trade program for Germany as a whole which should be directed toward an increasing standard of living in Germany and the attainment at the earliest practicable date of a self-sustaining German economy. Such a program should give highest priority to increased production of coal, food, and export goods; provide for such allocation and distribution of German indigenous output and approved imports throughout Germany as are necessary to carry out the production program and attain the agreed standard of living; insure full payment for all goods and services exported from Germany (other than reparation or restitution) in approved imports or in foreign exchange which can be utilized for the payment of approved imports and provide for the pooling of all export proceeds to be made available, first to meet the import needs of Germany as a whole for such time and in such amount as may hereafter be determined, and secondly to compensate the occupying powers for past expenditures pursuant to terms and conditions to be established hereafter, priority in the latter case being given to payment of costs sustained for essential imports in direct proportion to the expenditures made by the occupying powers.

(c) In cases where the restoration of normal international commercial relations between Germany and the rest of Europe would involve an increase of United States dollar expenditures for the government of Germany, or delay in the attainment of a self-supporting German economy at an appropriate standard of living, funds for German expenditures shall be increase, or the German economy compensated through provision by the United States of sufficient relief moneys to the country or countries so benefited to enable them to pay Germany. You will consult other European countries and international organizations representing such countries in matters of German production and trade mentioned above, and insure that emphasis is given, in the selection of items for export, to goods needed by European countries for their economic recovery and rehabilitation insofar as these countries may provide in payment needed imports for Germany, or foreign exchange which can pay for such imports. Proposed transactions of a substantial nature which would lead to a restoration of general European trade or normal international commercial relations or restore normal trade exchanges between Germany and other European countries, but which would not conform to the principles stated in this paragraph, should be referred to the United States Government for decision.

(d) You will support the removal of existing trade barriers and will encourage the return of foreign trade to normal trade channels.

19. Finance

(a) Your Government views the reorganization of German finances on a sound basis and the attainment of financial stability in Germany as among the main factors essential to German economic recovery along democratic and peaceful lines. To that end, you will endeavor to have the Control Council adopt uniform financial policies in conformity with the principles and the objectives set forth in this directive.

(b) Pending agreement in the Control Council, or until receipt of further directive from your Government, you will continue to be guided by the following policies in your zone:

(1) You will control, within the scope of your authority, all financial transactions of an international character in order to keep Nazi influence out of the field of finance and prevent outward movements of capital from Germany;

(2) You will exercise general supervision over German public expenditures and measures of taxation in order to insure that they are consistent with the objectives of the military government;

(3) You will take such action as may be necessary to prevent the establishment of a centralized German banking system and an undue concentration of financial power, but will encourage the establishment of a central authority for the production, issuance, and control of currency and for technical banking supervision. You will also encourage the Germans to reestablish normal banking facilities within the limitation prescribed above and within the present blocking of assets and accounts under Military Government Law No. 52;

(4) You will use the resources of the German economy to the maximum extent possible in order to reduce expenditures from appropriated funds of your Government. You

are authorized, as provided in the Potsdam Agreement, to use the proceeds of exports to pay for imports which you deem essential subject to strict accounting and auditing procedures;

(5) You will continue to aid economic recovery by collection of full payment for exports of German goods and services; and

(6) You will continue to prevent nonessential imports.

(c) You will press for the adoption by the Control Council of a program for financial reform which provides for substantial and appropriate reduction in outstanding currency and monetary claims, including public and private debt; for the equitable sharing of the costs of war and defeat; and for ancillary measures including adjustments in the wage-price structure necessary to the restoration of balance between the financial structure and the economic realities.

(d) (1) You will maintain such accounts and records as may be necessary to reflect the financial operations of the Military Government (United States) in Germany, including also such operations undertaken jointly by you with the Military Government in the British and other zones of occupation in Germany.

(2) You will take measures necessary for calculating occupation costs distinguishing those now incurred within Germany and supported by the German economy, and external occupation costs for eventual settlement with Germany. You will endeavor to agree on a definition of occupation costs of both types within the Control Council and to limit and control internal occupation costs on a quadrilateral basis.

20. Agriculture

(a) In accordance with the decision of April 23, 1947, of the Council of Foreign Ministers, you will insure the carrying out and completion of land reform in your zone in 1947.

(b) You will require the appropriate German authorities to adopt and implement policies and practices which will maximize the production and provide for the effective collection and distribution of agricultural products.

(c) You will require the appropriate German authorities to adopt and implement similar policies and practices in respect to forestry and fishing resources.

21. Economic institutions

(a) Pending agreement among the occupying powers, you will in your zone prohibit all cartels and cartel-like organizations, and effect a dispersion of ownership and control of German industry through the dissolution of such combines, mergers, holding companies, and interlocking directorates which represent an actual or potential restraint of trade or may dominate or substantially influence the policies of governmental agencies. You will not, however, prohibit governmental regulation of prices or monopolies subject to Government regulation, in fields where competition is impracticable. Insofar as possible you will coordinate your action in this field with the commanders of other zones of occupation.

(b) You will permit the formation and functioning of cooperatives, provided they are voluntary in membership and are organized along democratic lines and do not engage in activities prohibited under the above paragraph.

(c) While it is your duty to give the German people an opportunity to learn of the principles and advantages of free enterprise, you will refrain from interfering in the question of public ownership of enterprises in Germany, except to insure that any choice for or against public ownership is made freely through the normal processes of democratic government. No measure of public ownership shall apply to foreign-owned property unless arrangements which are satisfactory to your Government have been made for the compensation of foreign owners. Pending ultimate decision as to the form and powers of the Central German Government, you will permit no public ownership measure which would reserve that ownership to such central government.

(d) Pending agreement among the occupying powers, you will limit new foreign investment in your zone of Germany and will continue to insure that all property, however owned, and all production and manpower in your zone are subject in all respects to the decisions and directives of the Control Council and to Military Government and German law.

(e) (1) You will permit the organization, operation, and free development of trade unions, provided that their leaders are responsible to the membership and their aims and practices accord with democratic principles. Any federation of trade-unions shall not impair the financial and organizational autonomy of member unions. You will encourage the trade unions to support programs of adult education and to foster an understanding of democratic processes among their members. You will permit trade unions to act in the interests of their members and to bargain collectively regarding wages, hours, and working conditions within the framework of such wage and price controls as it may be necessary to maintain.

(2) Trade unions may represent the occupational, economic, and social interests of their members in accordance with the authority contained in their constitutions. Their basic functions may include participation with appropriate authorities in the establishment and development of a peaceful economy.

(f) You will permit the organization and functioning of work councils on a democratic basis for the representation of the interests of employees in individual enterprises and will not prohibit the cooperation of trade unions therewith.

(g) You will also permit the establishment of machinery for the voluntary settlement of industrial disputes.

VI

22. Cultural objectives

Your Government holds that the reeducation of the German people is an integral part of policies intended to help develop a democratic form of government and to restore a stable and peaceful economy; it believes that there should be no forcible break in the cultural unity of Germany, but recognizes the spiritual value of the regional traditions of Germany and wishes to foster them; it is convinced that the manner and purposes of the reconstruction of the national German culture have a vital significance for the future of Germany.

It is, therefore, of the highest importance that you make every effort to secure maximum coordination between the occupying powers of cultural objectives designed to serve the cause of peace. You will encourage German initiative and responsible participation in this work of cultural reconstruction and you will expedite the establishment of these international cultural relations which will overcome the spiritual isolation imposed by National Socialism on Germany and further the assimilation of the German people into the world community of nations.

23. Education

(a) In recognition of the fact that evil consequences to all freemen flow from the suppression and corruption of truth and that education is a primary means of creating a democratic and peaceful Germany, you will continue to encourage and assist in the development of educational methods, institutions, programs, and materials designed to further the creation of democratic attitudes and practices through education. You will require the German Laender authorities to adopt and execute educational programs designed to develop a healthy, democratic educational system which will offer equal opportunity to all according to their qualifications.

(b) You will continue to effect the complete elimination of all National Socialist, militaristic and aggressively nationalistic influences, practices, and teachings from the German educational system.

24. Religious affairs

(a) You will, in the United States area of occupation, continue to assure freedom of religion. You will assure protection of religious activity and support these principles in the deliberations of the Control Council.

(b) You will give freedom to the Germans to decide all questions concerning the constitution, the religious activity, and the amalgamation of purely ecclesiastical bodies.

(c) You will continue to take such action as may be necessary to prevent the revival of National Socialist and militaristic activity under the cloak of a religious program or organization.

25. Monuments, fine arts, and archives

(a) You will respect, and permit German authorities to protect and preserve the property of all cultural institutions dedicated to religion, charity, education, the arts and sciences, historic monuments, and historic archives, together with their collections and endowments. You will apply the same principle to all other property of cultural value, whether publicly or privately owned, except for institutions and monuments specifically devoted to the perpetuation of national socialism or to the glorification of the German militaristic tradition.

(b) You are authorized to make such use of German records and archives as may be appropriate.

26. Public information

(a) You will, in the United States area of occupation supervise, encourage and assist in the development by the Germans of media of public information designed to advance the political and cultural objectives stated in this directive.

(b) You will arrange through the Allied Control Council for the implementation of the decision of April 23, 1947, of the Council of Foreign Ministers on the free exchange of information and democratic ideas by all media in all of Germany.

(c) You will develop and maintain organizations and facilities for the operation of media of information, including those sponsored by military government, designed to further the objectives of your Government.

27. Reestablishment of international cultural relations

In furtherance of the program of the reorientation of the German people and the revival of international cultural relations, you will permit and assist the travel into and out of Germany of persons useful for this program within the availability of your facilities. You will also permit and assist, to the extent of your facilities, the free flow of cultural materials to and from Germany.

THE LATE ARCHIBALD HILL CARMICHAEL

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, it is my painful duty to inform the House of the passing of Archibald Hill Carmichael, a former Member of the House, who served for the Eighth Congressional District of Alabama in the Seventy-third and Seventy-fourth Congresses.

Arch, as he was known by his intimates, brought greater distinction to an already illustrious family. A graduate

of the University of Alabama, member of the State legislature, speaker of the house of the State legislature, a term as State senator, a Member of the Seventy-third and Seventy-fourth Congresses, member of the State Board of Education of Alabama, trustee of the University of Alabama, lay leader in the Methodist Church, and recognized as one of the greatest lawyers in the South, all attest to his life of usefulness, industriousness, honesty, and the esteem in which he was held by the people of Alabama.

In Mr. Carmichael's passing, Alabama and the Nation have lost a Christian gentleman, a great statesman, and beloved friend.

WAS RUDOLPH HESS CRAZY?

Mr. BREHM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, when Rudolph Hess made his one-way flight to England he was not as crazy as some, at that time, would have us believe, was he?

VENDORS OF NEWSPAPERS OR MAGAZINES

Mr. GEARHART. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 3997) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FORAND. Reserving the right to object, Mr. Speaker, and I shall not object, will the gentleman from California explain what the bill does?

Mr. GEARHART. As the distinguished gentleman from Rhode Island will recall, this bill comes to the floor with the unanimous approval of the members of the Committee on Ways and Means. The bill was precipitated upon the Congress because of the rendition of a very surprising decision by the district court in San Francisco, holding that certain independent businessmen known as newspaper vendors are subject to the tax provisions of the Social Security Act. This decision has created an impossible situation, one that cannot be administered by either the Social Security Administration or the newspaper publishers who would be held chargeable with the payment of social-security taxes in the event this decision should become final. The gentlemen who are in the newspaper vending business are not employed. They are, in the estimation of our committee, at least, independent businessmen in that they buy newspapers at a fixed price and sell them at a higher price. Their profit is measured by the difference between the purchase price and the selling price. In addition to handling newspapers they handle magazines and sell safety razors, fruit, books, racing guides, souvenir post cards, and all other sorts of publications. I have in mind one in Los Angeles who has a stand 150 feet long, where he handles hundreds of newspapers and claims to handle every home-town newspaper in the United States. So nobody, not even the Social Security Administration, or the publishers of these newspapers, could possibly know in whose employ these businessmen are, for they in fact are not employed by anyone. Because of the very nature of their occupational activities the Members of the Congress never intended that they should be regarded or treated as employees, when the legislation was enacted. The passage of this bill will merely clarify the original intent of Congress and restore the newspaper vendors to the status of independent businessmen, as they themselves also desire.

Mr. FORAND. This clarifies the status of a person on the pay roll of a newspaper as distinguished from a vendor of newspapers, who purchases them for resale, but it will not affect the newsboys who deliver papers to homes?

Mr. GEARHART. No; the status of newspaper-delivery boys has already been settled legislatively by the Congress. This legislation will not affect them. It will affect only newspaper vendors who buy the papers at a lower price and sell them at a higher price to the ultimate consumers.

Mr. FORAND. The vendors; in other words, the merchants.

Mr. GEARHART. Yes.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is it not a fact that the committee gave this matter very thorough and complete consideration?

Mr. GEARHART. It was before the committee at least three different times, and witnesses were heard. The problem was carefully considered by the full committee before remedial legislative action was determined upon.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Georgia.

Mr. PACE. I find it extremely difficult to comprehend the decision by the California court. In behalf of the people of my State, I want to express my appreciation to the committee for its promptness in the consideration given this matter.

Mr. GEARHART. I am very grateful to the gentleman for his gracious commendation of the committee's prompt action in meeting this problem. Words of praise from so distinguished a legislator are deeply appreciated.

Mr. FORAND. Mr. Speaker, I withdraw my reservation of objection.

Mr. MILLER of Connecticut. Mr. Speaker, reserving the right to object, and I certainly will not object, I discussed this bill with the gentleman from California, who knows of my interest in it. He knows that other situations have developed since that bill was introduced, and I hope the gentleman can assure us that if the opportunity arises in another body, or at a later date in his committee, he will give the same thoughtful consideration to the other matters that have developed recently as he has given to this bill.

Mr. GEARHART. Mr. Speaker, I feel quite certain that the gentleman can rely upon the committee's attitude being precisely that which I outlined to him. I think that the situation which the gentleman explained to me is one worthy of very careful consideration. That I will so recommend to the Committee on Ways and Means the distinguished gentleman from Connecticut may depend, his mere suggestion that that is his desire being quite sufficient to that end.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 209 (b) (15) of the Social Security Act, as amended (U. S. C., 1940 ed., Supp. V, title 42, sec. 409 (b) (15)), and section 1426 (b) (15) of the Internal Revenue Code, as amended, are hereby amended to read as follows:

"(15) (A) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or."

(b) The amendment made by subsection (a) to section 209 (b) (15) of the Social Security Act shall be applicable with respect to services performed after the date of the enactment of this act, and the amendment made to section 1426 (b) (15) of the Internal Revenue Code shall be applicable with respect to services performed after December 31, 1939.

SEC. 2. (a) Section 1607 (c) (15) of the Internal Revenue Code, as amended, is hereby amended to read as follows:

"(15) (A) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back;".

(b) The amendment made by subsection (a) shall be applicable with respect to services performed after December 31, 1939, and, as to services performed before July 1, 1946, shall be applied as if such amendment had been a part of section 1607 (c) (15) of the Internal Revenue Code as added to such code by section 614 of the Social Security Act amendments of 1939.

SEC. 3. If any amount paid prior to the date of the enactment of this act constitutes

an overpayment of tax solely by reason of an amendment made by this act, no refund or credit shall be made or allowed with respect of the amount of such overpayment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

READING CLERK

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I am sticking my nose out to make something my business which is none of my business, but as a onetime legislative reading clerk and reading clerk of other bodies, I just want to call the attention of the House without attempting to punish anybody or trying to be a teacher to the fact that you have at the desk as reading clerk of this House one man who is carrying the whole job. By reason of illness and absence of his associates, the man who is standing at the desk now is carrying the entire load. I think we should take notice and govern ourselves accordingly when he undertakes to call the roll. We owe something to this man who is carrying a terrific load uncomplainingly and most satisfactorily.

EXTENSION OF REMARKS

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a resolution introduced by him on January 3, 1947.

CALL OF THE HOUSE

Mr. HESS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 113]

Barden	Fellows	Morrison
Bennett, Mich.	Fuller	Patman
Bland	Gifford	Peterson
Boykin	Hall,	Pfeifer
Buckley	Edwin Arthur	Powell
Carroll	Harness, Ind.	Rayfiel
Celler	Hart	Rivers
Clark	Hays	Rockwell
Clements	Hébert	Sabath
Clippinger	Hendricks	Smith, Ohio
Cole, Mo.	Hobbs	Snyder
Courtney	Huber	Thomason
Dawson, Ill.	Johnson, Tex.	Vinson
D'Ewart	Kee	Vursell
Dingell	Kelley	
Elsaesser	Keogh	

The SPEAKER. On this roll call, 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein addresses delivered on July 4 by three distinguished Filipinos. I am informed by the Public Printer that the cost will be $248.50. Notwithstanding the cost, I ask that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in four instances and include some articles. One of these articles may exceed the cost allowed under the rules, but notwithstanding that fact, I ask that it may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Herald Tribune.

UNIFICATION OF THE ARMED SERVICES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on Friday next or thereafter to consider the bill (H. R. 4214); that all points of order against said bill be considered as waived; that there be not to exceed 5 hours' debate, to be confined to the bill and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, when the distinguished gentleman from Indiana made a request for consideration of this bill by unanimous consent awhile ago, which would have permitted the bill to be called up at any time, I felt obliged to impose an objection to it for the reason, as I understood then, that the bill was not yet printed and available for consideration by the membership. The bill to which the request relates is the bill providing for merger of the armed services. Convinced as I am of the unusually great importance of the bill, I felt that our responsibility required that at least some time be given to the membership for consideration of the measure. So, I suggested to the gentleman from Indiana that it be understood that the bill should be called up not earlier than Friday.

The bill will be available this afternoon, and I urge every Member to read it and consider it fully and carefully.

I am not advised as to whether the hearings held by the Committee on Expenditures in the Executive Departments are available or not. If they are not available, I feel it is a great mistake for the House to consider the bill without them. The hearings should be available because of the nature of the problem with which we are dealing. So far as I personally am concerned, I feel that the gentleman from Indiana has been entirely fair in permitting an understanding that the bill should not be called up before Friday. However, if there is any Member on the floor who might be advised as to the availability of the printed hearings, I think the membership of the House should be informed about it.

Mr. HALLECK. I might say to the gentleman that the members of the committee and the chairman of the Committee on House Administration have been in contact with the Printing Office. The hearings are being printed and I understand at least a number of them will be available.

In addition, there was a request for additional copies of the hearings, and at the suggestion of the chairman of the Committee on Expenditures in the Executive Departments, on yesterday evening the chairman of the Committee on House Administration presented House Resolution 71, I believe, to provide for the printing of 3,000 additional copies.

Mr. VAN ZANDT. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee when the hearings will be available, as well as the report.

Mr. HOFFMAN. Mr. Speaker, we are trying to write the report this afternoon. The printer advised just a few moments ago that the hearings would not be printed and could not possibly be printed before Monday. The bill will be here this afternoon.

Mr. COLE of New York. How about the report?

Mr. HOFFMAN. The report may come in tomorrow.

The SPEAKER. In accordance with the unanimous-consent request of the gentleman from Indiana, the bill will not be called up before Friday.

Mr. VAN ZANDT. Mr. Speaker, further reserving the right to object, and addressing myself to the majority leader, in view of the fact that the hearings will not be printed and available before Monday, could not the gentleman amend his unanimous-consent request to provide that the bill shall be called up Monday?

Mr. HALLECK. If I may suggest to the gentleman, I certainly have no desire to push the consideration of any important measure without giving full opportunity to Members to be informed about the bill. That was the reason for my changing the unanimous-consent request until Friday. As the gentleman knows, we are endeavoring to adjourn July 26, which is a week from Saturday. The measure we are now talking about is a measure that must be acted upon before adjournment. I do not know how many Members would read the hearings. I am sure the gentleman from Michigan [Mr. HOFFMAN] has been most diligent in attempting to bring about the printing of the hearings. The report undoubtedly will be available in the morning. That will certainly contain a summary of the hearings. In addition, members of the committee who have heard all the testimony, pro and con, some of whom are now opposed to the bill, will have 5 hours under general debate to debate the bill and discuss it. I might suggest to the gentleman from Pennsylvania that, under those circumstances, Friday would not be too early to call the bill up for consideration.

Mr. COLE of New York. Mr. Speaker, I further reserve the right to object in order to state that I realize the futility of interposing an objection to the request at this time, because of the simplicity with which a rule can be made available and adopted which will provide for the consideration of the bill. However, I am compelled to state that I feel it is a grave mistake for the House to be called upon to pass upon a measure of such great importance as this measure without having available to the membership the hearings conducted on the subject by the Committee on Expenditures.

I withdraw my reservation of objection.

Mr. CHURCH. Mr. Speaker, reserving the right to object, I definitely understand that Navy personnel were not released to speak their minds on this measure until the day before the hearings were closed in the committee. They were thereby not given opportunity to state their opinion with reference to this measure.

Mr. Speaker, I have spent hours, often until 2 or 3 o'clock in the morning on several hearings lately. We do not have these hearings. We may not have them until Monday. It seems to me, in all fairness, because of the importance of this subject to the country and in fairness to the Navy, those men who have been denied the right until the day before these hearings closed to express themselves, that we should have a chance to see what the committee did. Even though a rule is required, if pressed, I am going to object for the present.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield before he objects?

Mr. CHURCH. I reserve the right to object, and I yield to the gentleman.

Mr. WADSWORTH. The gentleman has said that no one from the naval organization in opposition to this bill was heard——

Mr. CHURCH. I did not state that.

Mr. WADSWORTH. I have not finished—was heard until the day before the hearings were closed.

Mr. CHURCH. I did not state that. I said that the release, as I understand it, came the day before the hearings closed.

Mr. WADSWORTH. The gentleman is mistaken.

Mr. CHURCH. I understand the gentleman from New York [Mr. WADSWORTH] made the motion the next day in the committee to close the hearings. Is that not true?

Mr. WADSWORTH. It is not.

Mr. HALLECK. Will the gentleman withhold his objection?

Mr. CHURCH. I reserve the right to object, and I yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Unless I stand corrected, it is my understanding that on Monday, 2 weeks ago, the Navy released the naval personnel to speak their mind on the following day, and on the following day the Committee on Expenditures voted to close the hearings on the following day.

Mr. CHURCH. That is my understanding. If the gentleman from New York [Mr. WADSWORTH] can deny that or correct it in any way, I wish he would do it.

All I am interested in here is fairness and the physical possibility of being able to look over those hearings before the bill is considered.

Mr. HALLECK. Mr. Speaker, will the gentleman withhold his objection until I have a chance to say something?

Mr. CHURCH. Mr. Speaker, I yield to the gentleman.

Mr. HALLECK. The gentleman must understand, of course, that if the Rules Committee were to meet this afternoon and report out a rule on this bill the bill might be brought up for consideration tomorrow. Those of us who have the responsibility of the program and the responsbility for its arrangement and for orderly and fair consideration of measures have agreed with certain people who have stated themselves as being in opposition to this bill that it would not be called up until Friday. I believe in view of those circumstances the gentleman should not object to this consent request which I think is fair and not at all out of line with the procedure of the House.

Mr. CHURCH. Mr. Speaker, if later in the day it appears that the bill and the hearings will be available and an opportunity presents itself to renew the request, I may change my present position, but, Mr. Speaker, in all fairness, I must and do object.

The SPEAKER. Objection is heard.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address delivered by George E. Reedy this morning.

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HESELTON asked and was given permission to extend his own remarks in three instances, in two to include speeches, and in the third a newspaper article.

Mr. JENKINS of Pennsylvania and Mr. LEMKE asked and were given permission to extend their remarks in the Appendix of the RECORD.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article entitled "World War I Veterans Are Nearing Pension Age."

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include a resolution.

NATIONAL SCIENCE FOUNDATION ACT OF 1947

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 289, providing for the consideration of the bill (H. R. 4102) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4102) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, I yield myself such time as I may require.

The SPEAKER. The gentleman from Ohio is recognized.

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 289 makes in order consideration of the bill H. R. 4102, introduced by the gentleman from New Jersey [Mr. WOLVERTON], known as the bill to promote the progress of science, to advance the national health, prosperity, and welfare; to secure the national defense, and for other purposes. This act, in a few words, creates and sets up a national science foundation.

The subject matter of this legislation has been under consideration by the Congress of the United States for nearly 3 years and comes as the outgrowth of the work done during the war by a scientific foundation established under Executive order, headed by the distinguished Dr. Vannevar Bush. "Office of Scientific Research and Development" was the exact title of that organization.

When we went into the war we were far behind other nations of the world in many fields of scientific research. Perhaps the greatest tribute that anyone can pay to American ingenuity and to the efforts of a few leaders of science in America is that when the war ended we were ahead of the other nations of the world. The United States of America has for a long time been a leader in applied science, but we have been a follower in basic science. Most of the great basic science developments of the last century have come from Germany. We have been wise enough and capable enough in this country to take many of the basic scientific developments from Germany and other nations and to apply them for the benefit of humanity and for the defense of our country.

During the happy days when I served on the Interstate and Foreign Commerce Committee of the House, which had jurisdiction over this legislation, I had the honor and pleasure of being the ranking minority member of the subcommittee which considered this bill. It simply sets up a board of scientists which has the authority and the jurisdiction to do certain things, an independent agency of the Government, by the way. While the President names the first group of 24

scientists, it is a sort of self-perpetuating thing; it is nonpolitical, nonpartisan, and just as scientific as science can be.

Here are the things this foundation are to do:

First, to formulate, develop, and establish a national policy for the promotion of fundamental research and education in the sciences;

Second, to initiate and support basic scientific research, including research in connection with matters relating to the national defense through contracts or other arrangements for the conduct of such scientific research; and

Third—and this is just as important as it can be—to grant scholarships and graduate fellowships in the sciences.

What does that mean? It means that at long last we are going to do what every other civilized nation on the face of the earth has been doing, to reach out and find the young man of promise, the individual who may be a second Edison, and to give to him, regardless of his place in life, his birth, or station, or the wealth of his parents, the opportunity to continue his study of science and to perhaps follow up on research that he is doing. I cannot help but recall the statement of Dr. Vannevar Bush about one young man who was about to be drafted into the Army in this recent war, and who was on the verge of a very important medical discovery in the University of Pennsylvania. The heads of that great school appealed to Dr. Bush, and Dr. Bush appealed to the President and a 90-day stay of induction was granted. Sixteen days later, if I remember the time, he hit the discovery that he was trying to find, the thing that he was trying to achieve, and by the time his 90-day period was up, had returned 100,000 troops that had been invalided, back into active duty; a great contribution.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Pennsylvania.

Mr. WALTER. What effect would the enactment of this legislation, in the judgment of the gentleman from Ohio, have on the work now being conducted privately in research?

Mr. BROWN of Ohio. I want to come to that. Part of the program is to foster the interchange of scientific information among the scientists of the United States and foreign countries, so that we may obtain from others that which will be a benefit to humanity, and a benefit to us, and in turn that we may give to the peoples of the world the benefits of our research so that they will benefit from that.

Here is the answer to the gentleman from Pennsylvania, No. 5: To correlate its research programs with those undertaken by individuals and by public and by private research groups. In other words, we will aid and assist these worthy objectives that are being undertaken by private and by public institutions; to work with them, and establish fellowships in science to help work out the very problem that the gentleman has mentioned. This legislation has the support, by the way, of nearly every school and college and university in all types of science in the United States. I do not know of a single one—and I hope the gentlemen on the Committee on Interstate and Foreign Commerce will correct me if there has been any change since I served on it—I do not know of a single educational institution that opposes this legislation; in fact, every organization of science endorses it and every educational institution.

Mr. WALTER. Mr. Speaker, if the gentleman will yield further, I do not think the gentleman has answered my question entirely. I am concerned with this: If this legislation is enacted, is it not entirely possible that these private groups that are today engaged in research work will take the position that the Government is doing it, and then their interest would be gone?

Mr. BROWN of Ohio. No. They will be the instruments that will be used by the Government to carry on this research. The Government is not going to set up a lot of laboratories. The Government is going to put funds into these other laboratories and expand them and aid them, and give scholarships and fellowship grants to the young men that these institutions now have, and permit them to carry on their work and to expand the facilities.

For instance, in connection with cancer research, it is the same thing that is going on now under the Public Health Service, where certain medical schools have been granted eight or ten thousand dollars to carry the living expense and the sustenance of an individual who perhaps is following through the research on one particular angle or problem of the science program.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Arkansas.

Mr. HARRIS. In further reply to the question of the gentleman from Pennsylvania, does not the bill provide that the Science Foundation shall not do the experimental work itself but shall contract to public and private institutions the work to be done and the research to be accomplished?

Mr. BROWN of Ohio. That is exactly the aim. They are going to use these scientific laboratories. We have to make it more possible for them to do the job that must be done.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee.

Mr. PRIEST. The bill expressly prohibits the Foundation from operating any laboratory or pilot plant of its own.

Mr. BROWN of Ohio. May I again impress on the Members of the House, who I believe know very well that I have been opposed to bureaucracy and the spreading of the Government into various activities, that this simply creates a scientific foundation made up of men from science, representatives of various institutions over the United States, who can coordinate and correlate the work of science in America. In my opinion, it is not the establishment of greater or more bureaucracy.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Will the gentleman state what the attitude of the representatives of the United States Public Health Service is with respect to this bill?

Mr. BROWN of Ohio. My own recollection, and perhaps the gentlemen of the committee can correct it, is that the United States Public Health Service endorses and favors this measure.

Mr. KEEFE. Take the subject of cancer research. We now have three great systems, so to speak, a big foundation already established, the American Cancer Society, that has collected millions of dollars, and various and sundry cancer research programs set up under private auspices, private foundations, in various universities. There is also the National Cancer Research Foundation sponsored by the United States Government. I should like to have the gentleman explain, if he will, just what this does in superimposing this National Science Foundation upon the research activities of those three types of research I have mentioned.

Mr. BROWN of Ohio. As I understand, the private scientists would determine what program should be followed out and what study should be given special attention. As to cancer, the work of each of these agencies would be taken into consideration. In all probability it would be determined that there should be no particular effort made at all to aid the cancer foundation here or to aid the other one. However, if those groups should ask of this scientific board that some effort be made on some particular angle of the cancer problem, perhaps, we will say, at the Mayo Clinic or at the University of Pennsylvania Medical School, then the board could order that if that fitted in with the general needs of the Nation and with the work that is being conducted in that particular field of science, it should be done. The representatives of all these different groups are on this board.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HINSHAW. Under section 4, which relates to the powers and duties of the foundation, appears subsection 7, the authority to establish a special commission on research into certain diseases. On page 10 of the bill, in line 6, reference is made to the types of special commissions, if I may read it:

> (b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

In other words, these special commissions are established merely to correlate the work being done in the various fields and to obtain the best results in each field and to insure the best results over all.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. KEEFE. We are now appropriating money in very large sums for the United States Public Health Service for cancer research and various other researches in venereal diseases, tuberculosis, research into vascular diseases, and so on.

Mr. BROWN of Ohio. That is right.

Mr. KEEFE. What I would like to know is whether or not the control over those appropriations and the making of those appropriations is going to be transferred to this National Science Foundation?

Mr. BROWN of Ohio. It is not. The only thing that the National Science Foundation does is to take into consideration in the general over-all problem of the development of the scientific program in the United States the work that is being done by these organizations. You must remember that medical research is just one of the many facets of this problem and that they may determine that the work on cancer is being conducted to the fullest and that there is no reason why the Scientific Foundation should do anything about it. They may even say that at the present time they will do nothing on medical research and devote themselves to other work.

Mr. KEEFE. The thing that I am particularly interested in is the fact that under the program of the National Cancer Society and the program of the Federal Government through the United States Public Health Service in cancer research, those programs are already correlated to the extent that we provide scholarships and aid to 53 research institutions in this country, and we are making appropriations available to carry that program out.

Mr. BROWN of Ohio. I am sure the gentleman from Wisconsin understands that the work that is being done by the Public Health Service and by the National Cancer Foundation, and so forth, is being done by scientists who will be members of these various organizations who will select the representatives of those groups. They are the very men who will be saying what should be done who will be examining the reports that are coming in and, of course, they are not going to do anything they they should not.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HINSHAW. The problem in respect to the Public Health Service or any other agency of the Government, may I say to the gentleman from Wisconsin [Mr. KEEFE], in answering the gentleman's question as nearly as I can, is taken care of in that there is a provision in this bill which makes it possible for any agency of the Government to transfer funds to the Foundation for use in the conduct of research in the same manner as the funds were appropriated to that Agency by the Congress. If the Public Health Service chose to transfer certain of its funds to this Agency for the conduct of scientific research in cancer, they could do so, but they are not in any wise obligated to do so.

Mr. BROWN of Ohio. And there is no way that the National Science Foundation can compel them to do so.

Mr. HINSHAW. That is correct. As a matter of fact, the Foundation itself could from any funds appropriated to it transfer funds to the Public Health Agency for the conduct of that research program in addition to those already appropriated.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. KEEFE. Then, from that answer, may I assume that we will be confronted not only with appropriations for the Public Health Service for research in the Army and Navy, in agriculture, and various other systems of research that are now being carried on, but there will be an over-all appropriation for this National Research Foundation, if I understand the gentleman correctly, that the Research Foundation can use to implement and supplement and add to or create new fellowships, new scholarships, new research projects and things of that sort.

Mr. HINSHAW. On page 16 of the bill you will find there is set up an Interdepartmental Committee on Science which shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities, and so forth.

The purpose of that Interdepartmental Committee is to eliminate all duplication that it is possible to eliminate in the Government and to coordinate these research programs now running wild in every direction. It will give the gentleman on the Appropriations Committee an opportunity to obtain an annual overall picture which he does not now, as a member of that committee, have.

Mr. BROWN of Ohio. Then, I might add it is the thought of those who held long hearings on this matter that what will actually result will be cooperation and coordination of all these activities and a greater saving of money.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PRIEST. Just one further answer to the gentleman from Wisconsin [Mr. KEEFE]. I know of his interest in this matter. The purpose of this bill, as the gentleman from Ohio [Mr. BROWN] has well explained, is to foster and encourage the development of basic research. Many of the agencies of Government receive appropriations from the gentleman's committee to do work in development research, but not very many of them engage in basic research. It would be very easy to make a distinction along that line and what the gentleman from California [Mr. HINSHAW] said, with the assistance of this Interdepartmental Committee, to separate the basic from the development research.

Mr. BYRNE of New York. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. BYRNE of New York. I have been requested by a group to ask this question: They are deeply interested in infantile paralysis research. They are wondering whether or not this particular project will in any sense interfere with or duplicate the particular work that they are now doing.

Mr. BROWN of Ohio. Certainly not. It will be of benefit and aid to them. It will not duplicate and it will not take its place, but it will take into consideration the over-all picture.

Mr. BYRNE of New York. It will not invade their field?

Mr. BROWN of Ohio. That is correct.

Now, I would like to say in closing that the gentleman from Wisconsin [Mr. KEEFE] will have an opportunity to study this report and this bill because of his great interest in two things. I know he is greatly interested in economy in the Federal Government, and I also know he is greatly interested in scientific development and in America keeping apace with the other nations of the world not only in basic science but also in applied science in all of its fields.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield briefly.

Mr. JONES of North Carolina. Do I understand the gentleman to say this was endorsed by leading colleges and universities?

Mr. BROWN of Ohio. Oh, yes.

Mr. JONES of North Carolina. I happen to be a graduate of Columbia, and North Carolina as well. I know that would be a very important feature of it.

Mr. BROWN of Ohio. I know of no university or college that is opposing this legislation. I know of hundreds of them who have endorsed it. I know of no scientific organization that is opposing this legislation. I know of dozens and dozens that are endorsing it.

Mr. Speaker, I reserve the remainder of my time.

The SPEAKER. The gentleman has consumed 23 minutes.

Mr. SABATH. Mr. Speaker, I congratulate the gentleman from Ohio [Mr. BROWN], who has so ably explained the provisions of this bill, that I feel is in the interest of the entire Nation, and that will be of great help and benefit to thousands of outstanding scientists and students, to bring America to the point where we will not need to play second fiddle to any other country in our experiments in science.

Of course, this bill does create a new agency and does provide an appropriation not set forth. No one can tell what it will cost. Nevertheless, I view this legislation as warranting a reasonable expenditure and if fairly and properly administered its cost will come back many times to benefit America and our various research institutions.

The bill was unanimously reported by the Committee on Interstate and Foreign Commerce, and I am actually pleased that I can at this time support both the rule and the bill, for I believe the bill is a step in the right direction. It is not one of those bills the Committee brings in to aid the railroads, as it usually does; this is in aid of America, in aid of science.

I realize we have pending many bills of importance. I hope that some of them may be in the interest of the masses of the people—I do not know but I hope so—but I am not going to detain the House further than to say that from the information available and the study I have

given the bill it appears to have been well prepared. I hope it will prove to be in the best interest of our future generations.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. STEVENSON].

Mr. STEVENSON. Mr. Speaker, I want to congratulate my good friend and distinguished colleague the gentleman from New Jersey [Mr. WOLVERTON], chairman of the Committee on Interstate and Foreign Commerce, and each member of his committee, for the commendable work they have done in drafting H. R. 4102, a bill to promote progress in science, and to advance the national health and welfare, and bringing this bill before Congress today. When this bill is enacted into law, it will be one of the happiest days of my life as a Member of Congress.

Ever since I have been in Congress I have been very much interested in securing the aid of our Government in the war against cancer, polio, heart disease, and other degenerative diseases. My first effort was in September 1945, when I introduced H. R. 3939. Later, I introduced H. R. 5715 and H. R. 977. The purpose of all these bills was to create a foundation to provide research, with Government assistance, in finding a cure for the terrible diseases that have plagued mankind since the beginning of history.

Section 4 of H. R. 4102, subsection A–7, provides that the Foundation set up in this bill is authorized and directed "(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act."

Mr. Speaker, private research suffers from the crippling restrictions of lack of sufficient funds and scientific equipment. With groups of scientists working together, and with many such groups stationed in a number of centers throughout the country, and supplied with the best and most advanced instruments and equipment, the cooperation of these brains and scientific equipment, with their consequent exchange of ideas and plans, will advance medical research immeasurably. The program contemplated under the provisions of this bill will draw together the talent and energy, which the problem of eradication of degenerative diseases demands. In order to accomplish this, we must assure scientists and the keenest brains of the medical world a decent and an assured income and the most modern scientific laboratories in which to carry out their research programs.

To find the cause and cure for degenerative diseases the Government must become a partner in such research, and thus make it possible to abandon the inadequate methods of prewar medical research, and adopt in their place modern methods such as was used in the discovery of the atomic bomb.

Considering the vast mortality from degenerative diseases in this country, assistance from the Government is an absolute necessity.

The purpose of this bill (H. R. 4102) is to make possible the cooperation of the best scientific and medical brains of the country, and the construction of research laboratories and institutions throughout the United States, equipped with the most modern scientific machinery and apparatus, where the keenest brains of the world may carry on independent research, with but one purpose and determination in mind—the establishment of the cause of, and to discover a cure for degenerative diseases.

Mr. Speaker, one American dies from cancer every 3 minutes, 20 every hour. It is estimated by the American Cancer Society that there are now 500,000 people who have cancer, and that 17,000,000 of those who are alive today will eventually die from that dread disease. In other words, one out of every eight of our population who are now living, will die from cancer; and, more tragically, cancer deaths are increasing year by year. In 1900 the number of deaths from cancer was ninth, and today it is second on the list. Only heart disease kills more people annually than cancer. One hundred and seventy-five thousand people die from cancer every year.

In World War II 273,000 American boys died in action. In 1942, 1943, and 1944 approximately 500,000 Americans died from cancer. Between Pearl Harbor and VJ-day cancer killed 607,000 Americans, more than twice the number killed by our enemies in the war. It is the greatest killer of women between the ages of 35 and 55, and the second greatest killer of men. Approximately 2,000 children die from cancer yearly.

According to a Gallup poll, 87 percent of the people of the United States have indicated their approval of scientific research, at the expense of the Government, to find ways and means for preventing or curing cancer; and 72 percent of the people of this country went on record as being personally willing to pay additional taxes to provide funds for medical research. Approval of a scientific research program to discover the cause and cure of degenerative diseases was found among all major groups of our people, American men and women of all ages and levels of society, ranging from 82 to 91 percent. More than 3 out of every 4 persons in all groups in this country indicated their willingness to pay higher taxes personally in order to be assured of scientific research to find the cure for degenerative diseases under Government supervison such as is provided in this bill.

We all know the ravages caused by infantile paralysis which has been raging throughout every State in the Union during the past years. In my own State of Wisconsin, 50,000 children were stricken with infantile paralysis during 1946. Epidemics of poliomyelitis have been plaguing every community in our Nation from time out of mind.

Infantile paralysis is a disease which is an increasing menace to public health because of the increasing frequency of epidemics with an increasing death rate throughout the United States. Hardly a single community has escaped an epidemic of severe intensity. About 80 percent of the cases are children below 15 years of age, but the disease may attack people of all ages.

Experience has shown us, and has proved, that infantile paralysis has not been conquered by the usual endowments and foundations and March-of-Dimes drives established in this country for that purpose. There have not been sufficient funds provided to make it possible to assemble a sufficient number of scientists and medical men and women to make the concentrated attack that is necessary to wipe out this scourge of the human race.

With reference to rheumatic fever and rheumatic heart disease, I am told by experts in heart diseases that rheumatic fever is a disease that attacks various organs of the body, particularly the heart, joints, blood vessels, the skin, and the brain, and that death or permanent disability occurs in many cases because the majority of patients who may have recovered from the acute attack of rheumatic fever have permanent heart damage, leaving them with the so-called rheumatic heart disease.

This disease usually attacks infants and young people. At the House of the Good Samaritan in Boston, members of the faculty of the Harvard Medical School followed the cases of 1,000 children who had been stricken with rheumatic fever for a period of 10 years. They found that at the end of 10 years, 203 of the 1,000 children were dead, and of those who survived, 135 were so incapacitated they were forced to lead sedentary lives; 209 could not participate in any competitive sports, and of the 1,000 children studied only 439 could lead a normal existence. These scientists also state it is expected that further mortality and disability would occur among these children in the period after the first 10 years following the attack of rheumatic fever.

Dr. O. Hendley, of Philadelphia, states that the life expectancy of individuals with rheumatic fever or rheumatic heart disease is less than 35 years in contrast to a life expectancy of 64 years for the general population.

Mr. Speaker, the magnitude of the problem of rheumatic fever is great. These diseases are the commonest cause of death of children between 5 and 19 years of age, and the second commonest cause of death of those between 19 and 24 years of age. In New York City the number of deaths from rheumatic fever and rheumatic heart disease is five times as great as the combined total of deaths of six common reportable diseases.

Rheumatic fever was prevalent among the members of the armed services during World War II. In the Army and Navy and in the air service thousands of cases of rheumatic fever developed.

The funds which have been made available through endowment and private subscriptions for research into rheumatic fever and rheumatic heart disease to date have been comparatively small. These funds have not been adequate even to start research study along the lines of rheumatic fever. Funds that have been

allocated to the various States for these diseases have been almost entirely used in programs for the care of rheumatic patients and not for research purposes. During the war the large number of cases of rheumatic fever developing in the Army, Navy, and air services required the expenditure of huge sums of money used entirely for the care of patients who were members of the armed services.

At a recent meeting of the American Heart Association the following resolution was adopted:

> This conference is strongly in favor of the extension of public programs supported by Federal funds for the study, prevention, and treatment of rheumatic fever and rheumatic heart disease.

Sufferers from rheumatic fever are predominantly among the lower income groups. The investment of Government funds annually to establish the Foundation provided for in this bill, H. R. 4102, will repay the taxpayers of the United States manyfold. Rheumatic fever and rheumatic heart disease are serious public-health problems. They deserve adequate attention and the concentrated scientific effort of the best brains of this country to find a cure therefor.

Likewise, Mr. Speaker, I could go on for hours, describing the ravages of all degenerative diseases.

The key to success in the discovery of the cure of degenerative diseases through scientific and medical research can be brought about through large-scale cooperative research by physicians, chemists, biologists, and other scientists, just as this was the key to the success in the discovery of the atomic bomb by the Manhattan engineering district. The discovery of a cure for degenerative diseases is no more impossible than was the development of the atomic bomb. The outstanding results accomplished by organized research on atomic energy prove that this country has the facilities to make degenerative and so-called incurable diseases as rare as is typhoid fever and diphtheria today. With the funds and scientific "know-how," and the cooperation of the best scientific and medical brains of this country, miracles can be accomplished in the discovery of the cure for degenerative diseases, just as was accomplished in less than 2½ years under pressure of war in the atomic field. Medical science and research can profit from the new techniques and the tools developed in atomic research, with the aid of the brains and energy of many of our scientific experts who contributed to the medical part of the Manhattan project.

To continue to attempt to find a cure for cancer, poliomyelitis, heart diseases, rheumatic fever, and other degenerative diseases through present-day methods of striving to interest philanthropic foundations and charitable-minded individuals to finance such research by the usual method of contributions is not adequate to solve the problem. What is needed in order to find a cure for these dread diseases is a sustained attack, enlisting the best scientific and medical brains of this country. The efforts of a cooperative force of brains and Government funds, forming a research foundation as provided in H. R. 4102, will bring together the talent and the energy necessary to find the cure for these diseases. Research of this kind demands that our Government adopt similar methods as were used in the discovery of atomic energy. The vast multitude of our people suffering from these diseases makes it absolutely necessary that the Government get back of a program of this nature. With the cure of degenerative diseases as its goal, and a foundation set up and backed by the United States Government with funds appropriated by this Congress to carry out the program, as is provided in H. R. 4102, I have no doubt that we will find the scientific and medical brains to solve these problems and provide the cures for all degenerative diseases.

Mr. SABATH. Mr. Speaker, I have no further requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WOLVERTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4102) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4102, the National Science Foundation Act of 1947, with Mr. CORBETT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey is recognized for 30 minutes and the gentleman from Tennessee [Mr. PRIEST] for 30 minutes.

Mr. WOLVERTON. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized for 5 minutes.

Mr. WOLVERTON. Mr. Chairman, I regret exceedingly the limited time that has been allotted under the rule for debate on this important piece of legislation. It is my opinion that there will not come before this Congress any measure more important from the standpoint of the health, education, industrial progress, and security of this Nation than the legislation we now have before us.

The Committee on Interstate and Foreign Commerce has made a careful and thorough study of the need for Federal aid to fundamental scientific research. During the past 2 years members of the committee have taken an active part in hearings on bills seeking to create a national science foundation for this purpose.

The gentleman from Arkansas [Mr. MILLS] introduced a bill 2 years ago which was referred to a subcommittee of which the gentleman from Tennessee [Mr. PRIEST] was chairman, and the gentleman from North Carolina [Mr. BULWINKLE], and the gentleman from Kentucky [Mr. CHAPMAN], the gentleman from Ohio [Mr. BROWN], and the gentleman from Pennsylvania [Mr. GILLETTE] were members. This subcommittee of the Committee on Interstate and Foreign Commerce studied the bill at that time.

Early in March of this year the committee conducted hearings on the National Science Foundation bills then before the committee, which included a bill, H. R. 942, by the gentleman from New York [Mr. CELLER] and four other bills identical in form introduced by the gentleman from New Jersey [Mr. CASE], H. R. 1815; the gentleman from Arkansas [Mr. MILLS], H. R. 1830; the gentleman from Tennessee [Mr. PRIEST], H. R. 1834; and the gentleman from Arkansas [Mr. HAYS], H. R. 2027. These last-mentioned bills were similar to Senate bill S. 526, introduced by my colleague from New Jersey, Senator SMITH, together with Senators CORDON, REVERCOMB, SALTONSTALL, MAGNUSON, FULBRIGHT, and THOMAS of Utah. In this connection, I also wish to express my appreciation of the interest that has been taken by the gentleman from Wisconsin [Mr. STEVENSON], with particular reference to subjects coming under medical science. His bill was also one of those considered by our committee in preparing H. R. 4102.

I hope, Mr. Chairman, that the Members of the House will read the hearings held by the House Committee on Interstate and Foreign Commerce and also those in the Senate. The testimony of approximately 150 outstanding scientists, educators, public officials, and representatives of labor, industry, and the clergy was virtually unanimous as to the need for a national science foundation.

The Senate passed S. 526, for the creation of a National Science Foundation, late in May by a vote of 79 to 8. I hope, Mr. Chairman, the House will find H. R. 4102 equally noncontroversial. This bill is a committee bill. It was introduced by me, as chairman of the committee, after careful study of the whole subject based upon the testimony given at the hearings.

Mr. Chairman, the interest of the Government in science is not new. Abraham Lincoln approved an act incorporating the National Academy of Sciences on March 3, 1863. This society has served the Government for over 80 years. Their advice and counsel has been a noteworthy contribution to progress.

The National Research Council was created by Woodrow Wilson on May 11, 1918, to supplement the work of the Academy.

The Office of Scientific Research and Development, directed by the able Dr. Vannevar Bush, was created in June 1940 by President Roosevelt to mobilize science for war. It was this organization that gave birth to the atomic energy project which played an important part in the termination of the war—it still appears to be our ace in the hole in our relations with certain foreign nations.

The success of the Office of Scientific Research and Development in meeting war conditions prompted President Roosevelt to request Dr. Bush and 50 of the Nation's eminent authorities in science, medicine, and education to prepare

a plan for postwar scientific research. This report, "Science: The Endless Frontier" was submitted to President Truman in July 1945. It has become the handbook on postwar scientific planning.

The legislation now before the House was drawn to implement this report after careful consideration of the numerous bills proposing a national science foundation.

The committee feels that every purpose expressed in the bills that came before it can be accomplished in H. R. 4102 in a more democratic and less costly manner.

The committee recognizes that while the United States has been and still is prominent in the fields of applied scientific research and engineering development, it does not occupy a comparable prominent position in the field of fundamental or pure research. I would like to quote from Dr. Bush's report entitled "Science: The Endless Frontier" as follows:

Our national preeminence in the fields of applied research and technology should not blind us to the truth that, with respect to pure research—the discovery of fundamental new knowledge and basic scientific principles—America has occupied a secondary place. Our spectacular development of the automobile, the airplane, and radio obscures the fact that they were all based on fundamental discoveries made in nineteenth-century Europe. From Europe also came formulation of most of the laws governing the transformation of energy, the physical and chemical structure of matter, the behavior of electricity, light, and magnetism. In recent years the United States has made progress in the field of pure science, but an examination of the relevant statistics suggests that our efforts in the field of applied science have increased much faster so that the proportion of pure to applied research continues to decrease.

Several reasons make it imperative to increase pure research at this stage in our history. First, the intellectual banks of continental Europe, from which we formerly borrowed, have become bankrupt through the ravages of war. No longer can we count upon those sources for fundamental science. Second, in this modern age, more than ever before, pure research is the pacemaker of technological progress. In the nineteenth century, Yankee mechanical ingenuity, building upon the basic discoveries of European science, could greatly advance the technical arts. Today the situation is different. Future progress will be most striking in those highly complex fields—electronics, aerodynamics, chemistry—which are based directly upon the foundation of modern science. In the next generation, technological advance and basic scientific discovery will be inseparable; a nation which borrows its basic knowledge will be hopelessly handicapped in the race for innovation. The other world powers, we know, intend to foster scientific research in the future.

Mr. Chairman, it is intended under the proposed legislation that the Foundation shall concentrate on fundamental or pure research rather than applied research. The electric-power industry of today is based on the early explorations of electromagnetic induction by Michael Faraday, one of the great physicists of the nineteenth century. The radio industry stems from discoveries of James Clark Maxwell, a British physicist. The atomic bomb is a practical application of fundamental research previously made by European physicists—Albert Einstein, Niels Bohr, and Henricko Fermi.

In the fields of applied research and engineering development, large sums have been expended in the past and are still being expended by industry. There is, therefore, little reason for the Government to offer financial support in these fields. The field of pure fundamental research, on the other hand, has traditionally been left to institutions of higher learning. Private source of support for these institutions have not kept step with the increased needs for fundamental and pure research.

Testimony brought before the committee further demonstrated the severe shortage of trained scientists resulting from the fact that only a handful of young men and women were able to continue their scientific training during World War II. This shortage of skilled scientists is apparent in universities, endowed research foundations, Government laboratories, and in industry. Industry is competing heavily for these scientists who are tempted more and more to shift from pure research to applied research developments. The committee became aware of the need for enlarging the pool of trained scientists so that we may have at all times a sufficient number of scientists who will devote themselves to pure, fundamental research. The committee concluded that the enlargement of the reservoir of scientists cannot be accomplished without the Federal scholarship and fellowship program incorporated in this bill. It is in the interest of the Nation's welfare and security that positive steps be taken by the Federal Government to eliminate the current deficit in trained scientists.

The testimony of the witnesses has convinced me that science can and should be considered as an important guidepost to future progress. Radio, guided missiles, supersonic travel, radioactive byproducts of our atomic-energy plants, the atomic bomb itself, good and bad germs, and many other developments of a scientific character should convince all of us that we live in a scientific age. Science, industry, and the military combined their efforts to produce the atomic bomb, but all three agree that the real secret of our world leadership lies in our scientific skill and industrial know how. And, gentlemen, I think God is on our side, too.

Mr. Chairman, recent press reports concerning our atomic secrets bring to mind the testimony of our scientific leaders. The advantages we now possess are swiftly passing. At best we are the temporary custodians of this leadership. It is a passing advantage unless we provide for its future growth. We cannot continue to enjoy the fruits of past research unless steps are taken now to encourage the growth of scientific manpower and research facilities in our national institutions.

The purpose of the bill is to create an independent agency of the Government to be known as the National Science Foundation and to grant to such agency appropriate authority to be used for the following general purposes:

First. To formulate, develop, and establish a national policy for the promotion of fundamental research and education in the sciences;

Second. To initiate and support basic scientific research, including research in connection with matters relating to the national defense, through contracts or other arrangements for the conduct of such scientific research;

Third. To grant scholarships and graduate fellowships in the sciences;

Fourth. To foster the interchange of scientific information among scientists in the United States and foreign countries; and

Fifth. To correlate its research programs with those undertaken by individuals and by public and private research groups.

Mr. Chairman, the proposed National Science Foundation is a new venture for the Government in an untried and uncharted field requiring highly specialized guidance. The National Academy of Sciences, the National Research Council, and the National Advisory Committee for Aeronautics, and the wartime Office of Scientific Research and Development which the Foundation would replace are our only guideposts.

A large part of the success of the Foundation will depend on the part-time services of eminent men and women who as members of the Foundation would determine the most fruitful fields of fundamental research and then provide for developing its supporting talent.

The committee inquired at length and with great care into the form of organization best suited to secure the services of men and women of sufficient stature to effectively carry out the purposes of the Foundation.

I have, Mr. Chairman, given a very considerable amount of study to the organizational plan for the Foundation. It is essential to understand that the proposed Foundation is not a typical every-day operating agency within the Government. It has been designed to meet a specific need and to accomplish a definite purpose. We, in Congress, are asking 24 of the Nation's eminent authorities in their respective fields to pool their collective wisdom and chart a program of fundamental research to insure a new future.

Dr. Vannevar Bush was one of many eminent men of science who testified before the House Committee on Interstate and Foreign Commerce on this point: He testified, on March 7 of this year, as follows:

The Foundation will be faced with many different but exceedingly complex and highly technical questions. For example, it must annually evaluate the relative importance of scholarships, basic research, international undertakings, and publications in the terms of the over-all national welfare. Within its allocation for research, the Foundation must determine the relative importance of the different fields of science. Finally, it must be able to evaluate, on the basis of their scientific merits, not only the relative importance of the various specific projects, but also their potential effectiveness. Decision of these questions will require not only extensive and varied scientific knowledge, but

also broad and sound concepts of the Nation's best interests. In other words, the decisions must be wisely made from the standpoint of many considerations.

In the long run and in general, the Congress should, as representative of all the citizens, make decisions of policy. It is obvious, however, that the Congress lacks sufficient time to inform itself as to the various considerations involved in making these particular decisions. It must therefore delegate to others the power to make them, retaining its ultimate control through annual reports and appropriations. In my opinion, this delegation should not be to one man but should be to a group of the ablest men and women in the United States, drawn from all parts of the country, who would represent the different fields of science, education, and public affairs.

I cannot overemphasize the importance of securing the services of the ablest possible individuals to guide the Foundation. A board which is only advisory would bear responsibility for the decisions of the Administrator but would not have any real authority to control those decisions. I believe that in order to be sure to secure members of the requisite caliber it is essential to give them authority commensurate with their responsibility.

Mr. Chairman, I would like to sketch the essential features of the bill and refer the members to the committee report for further details.

The Foundation is to consist of 24 members, appointed by the President by and with the advice and consent of the Senate. The members are to be nominated from all areas of the Nation and from among persons eminent in the fields of science, education, and public affairs. The scientists and educators will have the benefit of lay members cognizant of public and industrial needs.

The Foundation is to elect biennially an executive committee of nine members which is to exercise the powers and duties of the Foundation.

The Foundation is to have a full-time chief executive officer, known as the Director, who is to be appointed by the Foundation. His powers and duties are to be prescribed by the executive committee, and are to be exercised and performed by him under the supervision of that committee.

In arriving at the plan of organization the committee, after careful consideration, adopted the principle of providing for a strong Foundation membership and giving them authority commensurate with their responsibility.

The bill provides for five divisions within the Foundation: The Division of National Defense; the Division of Medical Research; the Division of Mathematical, Physical, and Engineering Sciences; the Division of Biological Sciences; and the Division of Scientific Personnel and Education. The Foundation is empowered to create new divisions, and—except in the case of the Division of National Defense—may, in the light of conditions as they develop, eliminate any division specifically created by the bill.

In order to emphasize certain matters deemed to be of national importance, the bill directs the Foundation to establish a special commission on cancer research, a special commission on heart and intravascular diseases, and a special commission on poliomyelitis and other degenerative diseases. It also directs the Foundation to establish such other special commissions as it may from time to time deem necessary.

It is believed that the creation of these commissions and their subsequent overall study of these dreaded diseases will provide an intelligent guidance to Congress in the consideration of legislation being proposed in these fields. In fact, it is my hope that when the Foundation is organized, Congress and its Members would feel free to turn to it for advice and consultation on scientific and medical problems within its scope of knowledge.

Mr. Chairman, there is another feature of the Foundation, perhaps the most important feature, which I feel deserves the earnest attention of this body.

The scholarship and fellowship provision of the bill is most important. It reaches out into every part of our country in search of the inquiring mind from which research men develop. It recognizes a concept we all know, but to which we have given insufficient thought. Stated briefly it is summed up in these words:

> The ability of a boy or girl to absorb higher education is not a function of the economic status in life into which they happen to have been born.

It is useless to consider ways and means of spending money for research unless first-rate individuals are available to do the work. It is the individual that counts. Dollars alone, however great in number, will not find, for instance, the cure for cancer. It is limited by the number of competent men available to undertake the task. The same is true of all the activities to be undertaken by the Foundation.

The provision for scholarships and fellowships is part and parcel of the whole concept of the Foundation. It is designed to provide the seed corn for our national future. The GI scholastic program and the Holloway plan are steps in this direction. The officers of the line they develop are no more effective than the weapons science provides for them to use. Perhaps the greatest authority in the Nation on this subject is Dr. James B. Conant, president of Harvard University and former chairman of the National Defense Research Committee.

I quote a portion of his testimony on this bill, given before the House Committee on Interstate and Foreign Commerce on March 7, 1947—pages 147–149:

> In all the discussion about research that goes on in these days an obvious fact is sometimes overlooked; namely, that it is men that count. And today we do not have the scientific manpower requisite for the job that lies ahead. The bottleneck of our scientific advance is essentially a manpower shortage, and unless something is done about it the bottleneck will be more constricted a decade hence.
>
> Now let no one imagine that, like some of the manpower shortages in the war, this can be cured by mobilizing and training for a short time the first people who come to hand. Scientific and technical advances depend on quality as well as on quantity, or, to put it another way, on the quantity of exceptional men. These men have to be located when they are young and then given a long and expensive scientific education. If the proposals before you become law and Congress appropriates the money, we will see a flowering of scientific work in this country the like of which the world has never seen before. For only in this Nation where universal education reaches to the high-school level is it possible to locate the hidden reservoir of talent which, if tapped, can enrich our life and that of all mankind.
>
> The bill before you provides for a long-term plan. The measures proposed would have been desirable even if there had been no war and no consequent deficit in our scientific and technical manpower. To the extent that we fail to cure this deficit in the next few years by proper governmental action, to that extent a federally supported scholarship and fellowship program is even more essential.
>
> The arguments in favor of Congress providing for such a program and making adequate annual appropriations can be summarized as follows:
>
> 1. The welfare of a free society in an industrial age depends on a continuous advance of science and the application of the new knowledge to useful ends.
>
> 2. Both the advance of science and the application of science to industry, to medicine, and to agriculture depend on the quality and quantity of scientists and engineers available in a nation.
>
> 3. The supply of men depends on the number trained and the innate ability of those who undertake the special training.
>
> 4. The scientific professions in question require a long and expensive education beyond high school.
>
> 5. This education is of such a nature that it can be given at only a relatively few centers in every State.
>
> 6. Therefore, unless a student lives in one of these centers his professional training must be costly, for he must pay for room and board away from home, as well as other expenses.
>
> 7. The consequent financial barrier now prevents many boys and girls of high ability from going on with an advanced education. Much talent is lost to the Nation by this educational waste.
>
> 8. To right the balance, a federally supported scholarship and fellowship program is required.
>
> Such is the argument, in a few words, in terms of the peaceful development of the country. When we turn to consider the possible contingency of war and measures for national defense, the argument for finding and developing scientific talent is even stronger. There is no longer any argument about the role of science in a defense program. If we are to remain strong from a military standpoint, as I believe we must until international agreement provides a reasonable plan of disarmament, our need for scientists is as great as our need for Army and Navy officers.
>
> A relatively few men of great ability, imagination, daring, and with the proper training as officers of the armed forces have more than once in history determined the fate of nations. A relatively few men of great scientific ability and imagination, and thoroughly trained, can play a part in building the military strength of this Nation in the next decade to a degree that can hardly be imagined by those who are not close to the research and development program of the Army and the Navy.

Science, the Endless Frontier, contains an equally interesting tabulation—hearings on National Science Foundation, pages 149–150:

> Starting with 1,000 pupils enrolled in the fifth grade—figures for earlier grades are confusing because of pupil retardations—the fol-

lowing figures show the extent to which they are reduced in each successive year:

Elementary school:	
Fifth grade, 1930–31	1,000
Sixth grade	943
Seventh grade	872
Eighth grade	824
High school:	
First year	770
Second year	652
Third year	529
Fourth year	463
Graduates, 1938	417
College:	
First year	146
Graduates, 1942	72

Now there are many reasons why boys and girls drop out of school, but there can be no question that to a large extent financial considerations play a part. This is particularly true in regard to the drop from 417 graduates of high school—per 1,000 of fifth graders—to 72 graduates of college. To the extent that family finances are the determining factor, potential professional talent is lost for the service of the Nation.

There is one very important point which I shou'd like to emphasize in connection with the proposals I am urging today. We are concerned here only with the advanced education beyond high school of certain types of professional men and women; we are not concerned with the problem of education beyond the high school in general.

* * * * *

The recipients of the scholarship would be free to choose their own college or university. Fortunately it is no longer necessary to argue that a good selection can be made from among the high-school graduates of the country. This has now been demonstrated by our war experience and is a premise of the Holloway plan. The same type of Nation-wide aptitude test now used by the Navy would be used with perhaps a somewhat different slant. Final selection, as in the Holloway plan, might well be in the hands of State selection committees.

All the details of administration should be left to the Foundation and its officers as the bill quite properly does. However, I think that provision of section 9 (a) is wise. It provides: "that the Foundation shall award the available scholarship or scholarships or fellowship to the applicants in such manner as will result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia."

I do not wish to burden my colleagues further with data supporting the need to restore our scientific manpower so sadly depleted during the war. Russia today has five times as many students in technical schools as we have in similar training in the United States. Mass attack of scientific problems may not guarantee solution, but it most certainly increases the probability of success.

Mr. Chairman, it was the committee's unanimous opinion that the Foundation should abide by the existing patent practices of the Government until such time as Congress or the President revises them.

Basic or fundamental research seldom develops patentable processes. Where this does occur, and in each contract relating to scientific research, the foundation is required to make provision, before the contract is signed, governing the disposition of inventions produced in the course of this research, in a manner calculated to protect the public interest and the equities of the contractor.

It has come to my attention, Mr. Chairman, that there have been many regrettable instances where scientists in this country have been unable to participate in meetings and studies of their scientific groups in other countries. I have in mind, a specific case within my own State. Prof. Murray Waxman, of Rutgers, discoverer of streptomycin, had insufficient funds to go to an international medical conference. Modest provision has been made for the Foundation to cooperate in international scientific research activities. The approval of the President and Secretary of State are, of course, required where research outside the United States is to be undertaken. Examples of this would be certain weather and oceanographic studies, fungus, and tropical disease research.

The appropriation necessary to implement the Foundation was discussed during hearings and in committee. It is first necessary for the Foundation to make a comprehensive study of its needs and present them to Congress in the form of a budget. These needs have been estimated by competent witnesses at $20,000,000 for the first full year of operation exclusive of cancer, heart, and poliomyelitis or about $25,000,000 including them. If the bill becomes a law at this session of Congress, about $200,000 should be provided for organizational and study purposes in order that a comprehensive program could be laid before Congress at the next session.

After full discussion the committee felt that grants-in-aid to research on a State or population basis would not be a proper basis for the allocation of Foundation appropriations inasmuch as such an allocation would seem to be inconsistent with the primary purpose of the bill. The bill is not aimed to subsidize educational and research institutions but rather to support specific projects of fundamental research in the various scientific fields. The committee felt, therefore, that a competent Foundation would place research contracts wherever facilities and manpower offered the greatest hope of success.

The committee approved the following language to meet the need for geographical distribution in section 4 (b), page 4:

In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, and to avoid undue concentration of such research and education.

And section 16 (h), page 19, as follows:

In making contracts or other arrangements for scientific research, the foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies, and institutions, or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staff of organizations, in the States and Territories and the District of Columbia, and (3) encouraging independent research by individuals.

Moreover, the membership of the Foundation itself is, by section 3 (a) (3) to be representative of all parts of the country.

Provision has been made in the bill for correlating the research programs of Government agencies by creation of an Interdepartmental Committee on Science in which the interested departments would be represented. Duplication and overlap is to be examined by this committee which is required to report annually to the President and to Congress.

The bill itself spells out the relationship of the Foundation to existing Government agencies in section 16 (1) which reads as follows:

(1) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies (except the Office of Scientific Research and Development) authorized to engage in scientific research or scientific development.

Mr. Chairman, in summarizing, I urge favorable consideration by the House of H. R. 4102 to establish a National Science Foundation, directed by the collective wisdom of a 24-man part-time board, appointed by the President by and with the advice and consent of the Senate. This board would elect a 9-man executive committee who would exercise the powers and duties of the Foundation. A full-time Director appointed by the Foundation would carry out the executive duties of the Foundation.

There would be 5 divisions within the Foundation and in addition 3 special commissions established to survey the Nation's efforts in cancer, heart, and poliomyelitis. The membership of these groups would comprise experts in their respective fields serving part-time and bringing to the Foundation the collective wisdom from institutions and laboratories where they are now engaged. Not all would be scientists, many would be eminent authorities in public affairs and industry.

The work of the Foundation divides into two main fields: encouraging fundamental research and building a program for the training of men and women to carry on this work.

The Foundation will not itself operate laboratories, but will contract with existing research facilities and encourage by contract the establishment of facilities where they do not now exist.

The Foundation provides for the creation of scholarships and fellowships for scientific study in institutions of higher learning. Candidates would be selected solely on the basis of ability and in such numbers as the Foundation's funds will permit. It has long been recognized that ability to absorb higher education is not related to the economic status of the individual. The Foundation would seek out the inquiring type of mind from which future scientific leaders develop.

The committee recognizes that the successful exploration of the unknown knows no limitations of area or facility. The small group and even the lone researcher working under limited conditions frequently makes an unusual discovery.

Mr. Chairman, I repeat and emphasize that the proposed National Science Foundation is a new venture in an untried field. The legislation before the House was drawn with great care and a very considerable amount of study covering 2 years. It has the active support of the War Department and the Navy Department and has been studied by the Department of Justice and the Department of Commerce. It has the support of all forward looking individuals who are thinking in terms of the future welfare of the Nation. It deserves the support of the Members of this House.

Mr. HEDRICK. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from West Virginia.

Mr. HEDRICK. Is the study of poliomyelitis included?

Mr. WOLVERTON. It is, because of the widespread interest in that subject, because of the lack of fundamental knowledge concerning it, and believing that there could be helpful research performed by the scientific foundation, and that much could be done to coordinate activities, public and private, without in any way diminishing the activity of private organizations engaged in similar research.

Mr. HEDRICK. The National Foundation is doing a good job raising seventeen or eighteen million dollars a year for the prevention and treatment of poliomyelitis. Does not the gentlemen believe it is going to cause confusion?

Mr. WOLVERTON. Absolutely no. It will cause no confusion to anyone who wishes to cooperate in the spirit that prompts the inclusion of this provision in the bill. It is done to help, not to harm. It is done to supplement, not to take the place of any of these other worth-while activities. You will notice that cancer is also included, as well as the study of the heart. We adopted that particular provision in the bill in the hope that by centering particular attention upon those matters we will greatly accelerate the work which is already being done.

Mr. HEDRICK. I thank the gentleman.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is it intended by the language in section 12 (a) that the present basic patent laws be not affected?

Mr. WOLVERTON. There is no intention in any way to change by this bill the present basic law governing patents. It was our thought that if there should be any change with respect to existing law, that it should come through the regular organized committee that has jurisdiction of that particular matter. So, this provision in the bill seeks to preserve that which the present law is and which is now the policy pursued in all departments of Government.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The hearings disclose that the Secretaries of War, Navy, and Commerce opposed any changes in the basic patent laws. Was this language written in order to meet the objections they raised to certain of the provisions in the bills before the committee?

Mr. WOLVERTON. I do not think it is necessary to say it was written to meet their objections, but I can say this language does have the approval of those departments. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

Mr. PRIEST. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I share with the distinguished chairman of my committee the feeling that perhaps 1 hour of debate is rather a short time for a bill that is as far-reaching and important as is this bill. In the time I have yielded myself, I shall attempt to discuss some of the provisions of the bill upon which questions may arise later.

It has been explained already that the impetus for this legislation grew out of the report submitted by Dr. Vannevar Bush, called Science, the Endless Frontier. Both the gentleman from Ohio [Mr. BROWN] and the gentleman from New Jersey [Mr. WOLVERTON] have given you the background of the legislation.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want the gentleman to know that my interest in asking the questions I asked is merely to place in the RECORD affirmatively information with respect to this bill, which has my own personal hearty approval. In order that there may be an answer to those questions, I hope the gentleman will direct the attention of the Congress to subsections (h) and (i) on page 19, which specifically provide that the activities of the Foundation are not to be construed as wiping out existing organizations but are to supplement and not to supersede; and further, that the work is to be performed under the direction of the Foundation by existing organizations, with the greatest freedom in the field of research it is possible to obtain. I think with those provisions placed in the bill, which the committee has seen fit to do, the bill ought to pass with very little objection.

Mr. PRIEST. I appreciate very much the statement of the gentleman from Wisconsin. I know of his interest in this and related matters. May I say in furtherance of what he has said that one of the primary objectives of the Committee on Interstate and Foreign Commerce was to see that as much freedom of action is permitted under this bill as possible, so that we would not in any way hinder or restrict the scientific research carried on by any of the other agencies.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Pursuing further the question of the gentleman from Wisconsin, is it not true that the Foundation itself will not in any way, shape, or form operate laboratories or pilot plants?

Mr. PRIEST. That is expressly provided in the bill. If the gentleman will refer to page 17 of the bill he will find that paragraph (c) specifically provides that the Foundation shall not itself operate a laboratory or pilot plant.

Mr. Chairman, a number of Members have asked me—and I am sure they have asked other members of our committee interested in this legislation—why we deem it necessary at this time for the Federal Government to enter the field of basic scientific research. I shall not attempt to give a lengthy answer to that question, but will sum it up very briefly in these two points:

During the entire history of our Nation we have depended very largely on Europe for our basic research. We in this Nation have led the world in developmental research, in taking what was found out in the laboratory and developing the technique to use it and realize from it the maximum that was in it. We have led the world in that respect, but we have always depended on Europe for basic, fundamental, or pure research, whichever term you desire. That is one reason this is necessary today, because European sources are gone. We can no longer depend upon Europe for that basic research. The second reason is that we can no longer safely depend on private foundations.

I want to make my point very clear. What I say is not said in any way to reflect upon the private foundations. They have done a magnificent job in the past. But we face certain very real facts today. The income of these foundations is decreasing all the time. The costs are going up, and they can no longer do all the basic research that is necessary. So we face a situation where we have an extreme and critical shortage of scientists beyond the graduate rank, or those in the advanced brackets of scientific research, due largely to the fact that during the war many of our younger scientists had their careers interrupted because they went into the armed services and have not been able to carry forward their work in scientific research and study.

I yield to the distinguished gentleman from Missouri.

Mr. SHORT. The able gentleman from Tennessee is making a most significant statement, and I appreciate the thought and energy that members of his committee have put into the formulation of this legislation. What he says is absolutely true. The New Deal has so taxed the people of this country that we can no longer have Carnegies or Rockefellers to endow institutions. The income from endowments to our schools, churches, colleges, and elemosynary institutions has been almost withdrawn so that we cannot rely upon private enterprise, but we must tax all the people to support these worthy institutions.

Mr. PRIEST. Certainly the situation is such today that if we are to assure security for our Nation, and if we are to make progress in the realm of scientific education and health and other of the activities provided in this program, we must provide it through some cooperation or some participation by the Federal Government.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The charge has been made repeatedly by certain individuals that if this bill is passed it will place in the hands of this Foundation the power to allocate and funnel and channel these funds into a certain few favored institutions at the expense of the many throughout the country. The responsibility, as I understand it, under the law, and I want the gentleman to correct me if I misstate it, is placed with this Foundation to determine where the research funds shall be supplied. That has been the policy of this Nation for over 50 years in handling the allocation of research funds which we have voted for the various and sundry research organizations in the Government to which we are giving untold millions of dollars and have been so doing for many years. Does the gentleman see any possibility under this bill of the Science Foundation changing the established policy and practice that has been in vogue for so many years without difficulty and funneling these funds off and channeling them into the hands of a few private, nonprofit institutions in the country that may have suffered some little loss in their endowment or income or what have you?

Mr. PRIEST. I am glad that the gentleman from Wisconsin mentions that subject because it probably will come up later in the discussion of this bill. May I say I do not see any possibility that that might happen under the general terms of the bill. But, further to assure, so far as we can assure by legislation, that that would not happen, we have written into the bill, and I direct your attention to it in paragraph (B) of subparagraph (7) on page 4, an amendment which was offered in the committee by the distinguished gentleman from Massachusetts [Mr. HESELTON].

I call your attention particularly to this provision:

> In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be the objective of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, and to avoid undue concentration of such research and education.

The Foundation is directed as a matter of policy to follow that course.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. PRIEST] has expired.

Mr. PRIEST. Mr. Chairman, I yield myself five additional minutes.

I do this, Mr. Chairman, to mention one or two matters that will perhaps come up later as to the type of organization. The chairman of the committee has told you that this legislation has had very careful consideration. As a matter of fact, I doubt if any bill has been brought to this House in which every clause, every paragraph, has been more closely studied than the present legislation. It received most careful study a year ago. It has received the same careful study this year in open hearings, and day after day in executive sessions by our full committee. We have gone over it very, very carefully.

This is an organization established in the executive branch of the Government. The Foundation consists of 24 members appointed by the President and confirmed by the Senate. It is required also that they be individuals who are eminent in the various fields of science in this country. The Foundation's executive agency is an executive committee composed of nine members elected by the Foundation. The Director of the Foundation is also elected by the Foundation. There has been some objection to that provision, but we have followed rather closely, in the organizational set-up, another organization with which most of you are familiar, and that has been very successful. That is the National Advisory Committee for Aeronautics. It is an agency that, in my opinion, is as free as it is possible to make such an agency from any partisan or political influence that might come to bear on an organization of this type.

There is set up in the bill five specific divisions to which the Foundation originally, at least, will give its attention. There is the Division of National Defense. That Division is required at all times and may not be discontinued. There are others. For instance, one on medical research, one on mathematical, physical, and engineering sciences, one on the biological sciences, and another on scientific personnel and education. The Foundation is authorized under the terms of the bill to create other divisions if it may determine that it is wise to do so in the future. But, to begin with, the Foundation starts out with those five divisions.

The question has been asked a number of times—I cannot give an exact answer on it—as to what the program under this Foundation will cost. It will probably be asked later on. In the hearings Dr. Bush stated that originally it was the opinion of those who had studied it carefully that it would cost $33,000,000 a year. He stated, however, that in view of the fact that some of the gap was being bridged by the GI bill educational provisions it would be probably less than originally was contemplated.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. Yes; I yield to the gentleman from Missouri.

Mr. SHORT. Many of us have felt, and still feel, we have had too many bureaus, commissions, and agencies in our Government, but I do feel there is a fundamental need for an organization such as this. I am speaking only as one member of the Armed Services Committee, but I wish to congratulate the gentleman from Tennessee and the other members of this committee for bringing in this bill at this time, because I think scientific research and technological development must come first in our national defense, and you cannot spend a dollar that will do as much to protect this Government as the money provided in this bill.

Mr. PRIEST. I certainly appreciate what the gentleman said. If time permitted, I should like to follow up what the gentleman has said by telling this committee what is being done in this same connection by other countries today. My chairman mentioned it. I can only mention it. Many of them are going much further in this realm than we are attempting to do in this bill, but we believe we have other advantages in private foundations and that we can afford for the time being not to go as far as Russia, for instance, which is training today perhaps a hundred thousand scientists, according to reports.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. KEEFE. I wish to ask this question of the gentleman so that the record will be clear: Under existing law, the expenditure of funds by the United States Public Health Service for general research in the field of medicine, biotics, and so on, is under the advice of the National Advisory Health Council. The cancer expenditures from the cancer fund are under the direction and advice of the National Cancer Council. The new mental health bill which we have implemented by money advises the Public Health Service from the National Advisory Mental Health Council. My question is whether it is the purpose of this bill to supersede and supplant those organizations which have been built up and pulled together by the Public Health Service to advise them in the matter of giving grants and carrying out their health programs, or will the new organization, this foundation, take over the work that has formerly been done by those advisory councils?

Mr. PRIEST. May I say to the gentleman, and very briefly because my time is running out, that it is not the purpose of the bill to take over the responsibility of those councils, but to assist them in carrying out their programs, to correlate them, so to speak.

Mr. KEEFE. They are voluntary, are they not?

Mr. PRIEST. That is correct.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I think that the fine work done by the scientists of our Nation was as much responsible for the winning of World War II as any other agency. Their cooperation with the Army and Navy and Air Corps was of inestimable benefit. In fact, without this great work the war would not have been brought to a close as it was.

In effect, the work of the scientists is to find truth. They deal with facts, their battle across the ages has been to find the facts. The profound truths that they have wrung from the ever secretive Mother Nature have been astounding, and likewise their discoveries have brought great comfort and benefits to the human family.

My profound respect for the scientists of our country make it easy for me to support this measure.

I feel it is the duty of all of us as it is our duty to our armed services to pass this bill out of respect for our unselfish and tireless scientists. I am personally interested in this measure because one of the great American scientists is a native

of my home community. I refer to Dr. Ellison McQuigg, who has for a number of years been the dean of the College of Engineering at the Ohio State University. Dr. McQuigg has been one of the sponsors of this kind of legislation for years and has worked assiduously in furthering its preparation.

I hope this measure will pass by a large vote.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, this bill to establish a National Science Foundation, as an independent Government agency, has a laudable purpose. To be sure, education is basic to national welfare and national progress. And, it is axiomatic, that the promotion of scientific knowledge is essential to the preservation and advancement of our national health, security, and prosperity.

Much of this discussion here today relative to the importance of scientific research is really immaterial to the issue presented by this proposed legislation. Certainly no one disputes the importance of scientific research. That this Congress has a real appreciation of its value is evident from the large sums of money which the various appropriation bills have carried for this very purpose.

The Committee on Appropriations, of which I am privileged to be a member, has been carefull scrutinizing every item of expenditure of the Federal Government in the interest of economy. But our committee has taken the position that expenditures for research are, in general, expenditures we can well afford to make. Such expenditures represent an investment certain to pay substantial dividends to our people.

As I have been listening to the debate on this particular bill, the question arose in my mind whether the House has a realization of the extent to which we have been appropriating money for scientific research and development. Permit me to present a few examples.

As reported by our committee and adopted by this House, the Department of Labor-Federal Security Agency appriation bill provided $17,328,200 for cancer research. This was $10,159,200 above the budget estimates. While the Senate reduced that amount by $6,000,000, as finally agreed upon in conference the bill carried $14,500,000 for cancer research, as well as $1,000,000 for streptomycin research.

It is also important to note that the bill also appropriated $2,650,000 for the construction of research facilities at the National Institute of Health.

Take also the War Department appropriation bill and the Navy Department appropriation bill as examples of what this Congress is already doing in the field of scientific research for the advancement of our national health and security.

The War Department appropriation bill, as reported by our committee, provided $222,216,400 for research and development. And here again there was no reduction in the budget proposal. The Navy Department appropriation bill provided for $34,400,000 for research, in addition to even larger sums carried in the bill for the respective bureaus of the Navy. The House yesterday accepted the Senate reduction to $34,000,000. In approving the full amount asked by the Navy for research purposes, the House committee made this significant statement in its report:

> The committee has approved in full the budget estimate * * * believing that it should err, if at all, on the side of liberality in research items, in order that the United States may keep abreast of, or in front of, all developments of a scientific nature.

It must be borne in mind that these expenditures for research by the Public Health Service, by the Army and by the Navy, which run into many millions of dollars, are not simply for the conduct of studies by Government personnel. The expenditures are used largely by grants-in-aid to States and by contracts with our colleges and universities for research work.

In other words, Mr. Chairman, without this legislation the Federal Government is presently, and quite satisfactorily, carrying on a very extensive research program. Scientific and engineering research, for the advancement of our national health and security, is not something that is being neglected. It is proposed here, by the establishment of a National Science Foundation, to superimpose this new agency over all these research activities.

It seems to me that a fundamental question this bill raises is whether American science must become dependent upon a Government agency for its support or whether it can look to support from private funds. We would be amiss in our responsibilities were we not to recognize that we are proposing by this legislation to embark on a program which may have far-reaching implications. This proposal frankly represents a departure from our traditional way of supporting intellectual endeavors. The question is whether American science can best be advanced through a Government agency, distributing the money collected from the people in taxes, or by encouraging the people themselves to make donations from their excess income.

Let there be no mistake about the powers of this proposed Foundation. It is not proposed by this bill that the Foundation be merely an advisory council, consisting of eminent scientists, to assist in the formation of national policy for the promotion of scientific research. The bill states that the Foundation is to formulate, develop, and establish a national policy for the promotion of fundamental research and education in the sciences. The powers of the Foundation are extensive.

The powers and duties of the proposed Foundation are set out in section 4 (a) of the bill. You will note that in addition to the development of a national policy for the promotion of research and education in sciences, the Foundation will have the power to make grants and loans in the field of basic research, to make grants and loans and give other financial assistance in the field of national defense research, to interchange scientific information among scientists in the United States and other countries and to grant scholarships and graduate fellowships in the sciences.

As I stated at the outset, the purpose of the bill is laudable. But there are dangers in a program of this character which must not be minimized. It must be recognized that however able and however honest and sincere those appointed to the Foundation may be, the Foundation will be a political agency and will be subject to all kinds of political pressures. It is inevitable. And it must be further recognized that any organization which has the authority to expend money for a purpose, to give or withhold, can exercise considerable control over the activities of the individuals or organizations who receive the benefit of the grant or loan.

The danger of a political or government agency of this character was well expressed by Dr. Frank Jewett, president of the National Academy of Sciences, in his testimony before the Committee on Interstate and Foreign Commerce. He said:

> This foundation, no matter how much money you may give to it, will have to deny money to applicants or prospective applicants. Unlike the ordinary private foundation, it can be attacked in an indirect fashion, and their expenditure of money, their allocation of money, can be influenced by things which are other than the merits of the case in which they are dealing. They can be influenced to spend the money in relation to population or in relation to States, or in relation to a thousand and one things that have no particular bearing on the objective which Congress may have had in mind for science per se.

It has been emphasized in the discussion that this program is solely for the advancement of pure science, or basic scientific research in the fields of mathematics, physics, medicine, biology, engineering, and such. That is true, insofar as the language of this particular bill is concerned. But I venture the prediction that if we enter upon this program, it will be only a short time when the Congress will be urged to add other fields of learning. Strong appeals will be made to include the social sciences, to include economics and political science in the program. And a strong case can be made for the encouragement of research in the social fields as well as in the domain of the natural sciences. Advancement in the field of physical science has its impact on social science.

Mr. Chairman, while this proposal before us today has merit, while it has much to commend it, we must not fail to take into consideration that it can be just a beginning—just a beginning—for Government direction and regulation of the whole field of education. I am not an alarmist. I am merely urging that we do not simply view this bill itself in passing judgment on what is proposed by it. I urge that we consider where this proposal may ultimately lead. I urge that we consider the dangers.

I have always contended that the people will, if given the opportunity, do more for themselves than the Government can possibly do for them. It is my conviction, Mr. Chairman, that the objective sought by this bill can be readily and more effectively realized by encouraging private expenditures for

scientific research than by establishing a Government bureau to handle public expenditures. The matter cannot be better put than it was by Dr. Jewett, president of the National Academy of Sciences, in his testimony about a year ago before the Senate committee when it was holding hearings on this Foundation proposal. He said—see page 100, House hearings:

> There are but two channels by which they (funds for science) can reach these fields. One is by the tax route where the judgment of the few as to what is in the public interest is substituted for the judgment of the many. The other is by the voluntary gift route in which the wisdom of the many determines how much is to be apportioned to each of the multitude of things which public-spirited men and women feel to be in the public interest.
>
> This latter is our traditional way, and in this present war we have had striking proof that thus far, so far as science and technology are concerned, it has been a good way—far better than that of the planned State.

Dr. Jewett also made a persuasive statement when he appeared in March of this year before the committee which reported this bill. Again he expressed grave doubt whether the program envisaged by this proposal was wise. Again he urged that we do not depart from our traditional way of doing things in America, that we encourage the individual rather than have the Government do it for him. I should like to quote a paragraph from his statement, to be found on page 74 of the House hearings:

> The reason why I personally doubt whether it is desirable to tamper with the traditional methods which have been employed in this country and pick out one field of intellectual endeavor and place it, either by the tax route or particularly by the tax-collector route, into a special preferred position is this: Traditionally in this country, certainly for 150 years or more, men and women of parts have given largely in support of all sorts of institutions—education, science, medicine, churches, hospitals, and a thousand and one things which are nonprofit affairs. In the giving out of their surplus funds, whether they be large or small, they have brought to bear on the development of our institutions the best thinking of literally tens of thousands of capable men and women who have tried all kinds of experiments and had a lot of fun doing it. The result is that in the field of science in the past, and whatever the future may have in store for us—the results have been magnificent. The best proof of this is the success which we had in the late war, where in this country of ours the scientific achievement was a technological achievement far outstripping the achievements of countries in which the aid to science had been given through the tax-collector route.

Mr. Chairman, there is an alternative to the proposal before us today for the promotion of scientific research. The alternative I suggest is in keeping with the traditional American methods. Instead of taxing the people and then have a Government agency spend their money, I suggest that we encourage the people themselves to spend their money in establishing graduate fellowships in science, in donating to the many universities and colleges, in making gifts to the many private research foundations now in existence; and I suggest that we encourage American private enterprise to make expenditures for this same purpose.

How can this be accomplished? Simply by changing our tax laws.

Existing law limits the amount that may be contributed to certain organizations including an organization for educational, scientific or other purposes to 5 percent of the taxpayer's net income in the case of a corporation (sec. 23 (q), Internal Revenue Code) and 15 percent in the case of an individual (sec. 23 (o)).

It is my firm conviction that if our tax laws are revised to permit both corporations and individuals to make larger tax-free contributions, there would be no doubt but that "basic scientific research or education in the mathematical, physical, medical, biological, engineering or other sciences," designated in H. R. 4102, would receive an overabundance of funds. The people themselves would thus be spending their own money in the field of science; and, as I view it, there would be no need for an organization in the Government, such as proposed here, to spend their money for them.

To this end, I have given much study to the preparation of a bill to revise our tax laws. Were it germane to the bill before us, I would offer my proposal as an amendment. It should be noted that under the terms of this bill—H. R. 4102—the Foundation is permitted to accept gifts and donations from private citizens and organizations. In many respects, unless the Foundation is to be financed entirely from tax money, a liberalization of our tax laws is necessary to the success of the Foundation in providing funds for research purposes.

I have made these suggestions as a basis for discussion. What the limitation should be I am not at the moment prepared to say. It is sufficient for our purposes here if we take into account that we can accomplish the objective sought by this bill, without taking all the risks involved in such a program by the Government, simply by a liberalization of our tax laws. Certainly the 5 percent and 15 percent should be relaxed.

The proposal I am making is the American way of doing things. The proposal before us today is the New Deal way of doing things.

It should be the function of Government to stimulate and encourage its people to furnish their support to research. Even before we attempt this traditional American way, it is suggested by this bill that we have the Government itself undertake an extensive program for the supervision of research and large expenditures of public money. Industry and the colleges can work together in fundamental and applied research, without having to go through a third agency, the Government.

I hope this bill will be sent back to the Committee on Interstate and Foreign Commerce. And I appeal to the Ways and Means Committee to give prompt consideration to revising our tax laws so as to accomplish this same objective in the traditional American way.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, the establishment of a National Science Foundation is of the utmost importance to the United States, and this Congress should pass H. R. 4102 for the creation of this foundation.

We are living in the scientific age and must recognize the importance of scientific research and development. The war brought with it the discovery of atomic energy and American scientists developed the atomic bomb which stunned the world and enforced immediate peace.

Science opened the door to atomic warfare. What we have already seen of the destructive force of this new weapon is but the smallest part of its potential. Atomic energy coupled with the principle of the guided missile directed by television presents a demolition force so powerful that the destruction of an entire nation would not be improbable through its use. Atomic bombs small enough to be planted by saboteurs and detonated through the use of radio waves at the discretion of an enemy power are no longer mere fictional fantasy, but a possible danger which must be reckoned with for national safety.

There is only one answer to the problems which face us with the advent of atomic energy and atomic warfare. That answer is scientific research carried on by the best scientific minds this Nation can produce. Through such research we may find methods to counteract the destructive power of atomic energy and learn how to harness it for peacetime use for the benefit of our people.

We need a National Science Foundation to coordinate the efforts of all the branches of science in research which will convert and confine atomic energy to peacetime utility. Atomic energy must be harnessed to produce power, and we cannot envision the extent to which this new force may revolutionize industry, transportion, and every phase of daily living. Our scientists can do the job, but they must have the tools with which to work, laboratory equipment, and men and women who are specialists in science to assist them and carry on the work of scientific research.

Before the last war, Europe had many centers of science, and the United States could draw upon these reservoirs of scientific knowledge for the development of new methods and new materials in medical research, biological science, and chemistry and physics. These European centers have been destroyed, and the United States must now develop its own scientific centers or be bypassed by the scientific development of other nations such as the USSR, which has made available almost $1,000,000,000 for scientific research this year.

We must seek out the most promising material among our youth and provide scholarships so that boys and girls with special adaptability in the field of science can receive adequate training. Upon completion of their work, these young scientists can enter the field of research and their accomplishments will benefit the Nation.

The future safety and prosperity of the United States may well depend upon the advancement of scientific research.

We need a National Science Foundation, and I believe its establishment is of equal importance with any other issue before the Eightieth Congress. The Senate has already approved S. 526, a bill which creates a National Science Foundation. I urge the Members of the House to pass H. R. 4102, which will insure the maximum progress of scientific research and discovery in the United States.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CASE], who was one of the original sponsors of this legislation.

Mr. CASE of New Jersey. Mr. Chairman, I am heartily in support of this measure. I am proud to have had a small part in this work. The committee has done a splendid job. The bill which it has brought before us is, in my opinion, not only an excellent bill, but is an improvement over all the legislative proposals previously made in this field. I am sure the House will support it overwhelmingly.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, recognizing the need for basic research I have taken this time merely to say that at the expiration of general debate and when the bill is read under the 5-minute rule I expect to offer an amendment which I believe will accomplish the purpose sought by this bill.

The reason we are asked to support scientific research through governmental agencies is because there is no longer sufficient money in the hands of the people to make these contributions for themselves. I propose to change the internal-revenue law to make that possible. I intend to offer that as an alternative to this bill.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, H. R. 4051, as reported by the Committee on Interstate and Foreign Commerce, is the result of most careful consideration by that committee.

It is clear recognition of the responsibility of the Federal Government in promoting the creation of new scientific knowledge and the development of scientific talent among the young men and women of the Nation. The necessity for favorable action may be found in the committee report where it is stated that "the committee is of the opinion that legislation of this character is essential to the preservation and fostering of the national health, security, and prosperity, and to the full development of our scientific resources."

Other members of the committee will discuss fully the form of organization and its powers and duties.

As the sponsor of subsection 4 (b), and for the purpose of emphasizing the fundamental reason for that provision, I wish to comment on it briefly.

Subsection 4 (b) is as follows:

> In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, and to avoid undue concentration of such research and education.

Those who are familiar with the history of this legislation in the present session of Congress will recall that as the companion bill was reported in the other body, no formula for geographical distribution of any portion of the funds to be appropriated was recommended, but that during consideration of the bill an amendment was adopted providing for such a formula. We must recognize the fact that fundamental scientific research became highly concentrated during the war because of practical necessities. The policies of many of the large philanthropic foundations and of Government agencies have been such as to indicate a very real possibility that this concentration might continue in peacetime. Resulting from this concentration, there is the obvious danger of withdrawing the best teachers and graduate students from the smaller and newer institutions to the older and larger institutions with fortunate financial standing. Moreover, anyone concerned with securing immediate results of research frequently finds a better opportunity for such results by devoting funds to projects assigned to established research institutions or laboratories.

It is my understanding that during the war approximately 90 percent of the funds spent under university contracts by the OSRD were allotted to five institutions. While this was demonstrated to be a sound decision, it also contained elements of risk from a security point of view which had to be taken and which should not be perpetuated.

Consequently, we are now faced squarely with the extremely difficult problem of building up more research centers throughout the United States. This poses the question of whether that can be best accomplished through a formula requiring automatic distribution of a portion of the funds geographically or by leaving the matter for the decision of the Foundation, with the clearly expressed congressional intention and mandate contained in subsection 4 (b) that one of the main objectives of the Foundation in carrying out its program shall be the constant strengthening of fundamental research and education in the sciences throughout the country. To carry out that congressional intention and to discharge that mandate, a particular effort must be made by the Foundation to encourage and develop sound projects in regions which are not today recognized centers of such research. And to accomplish the objective, the Foundation must also make a determined effort to locate qualified persons in each of the States, Territories, possessions, and the District of Columbia for the award of scholarships and fellowships under the provisions of section 10.

Obviously, the recital of a policy is no guarantee that the congressional intention will be realized. It is an unfortunate, historical fact that many agencies of the Government have devoted themselves to efforts to evade statements of congressional intention. But the method of selection of the members of the Foundation provided in this resolution offers assurance that the powers and duties of the Foundation will be exercised with a determination to carry out the expressed congressional intention. Moreover, the program lends itself to the clearest kind of proof that the intention has been carried out because annually the Foundation will make a report summarizing its activities. This will demonstrate both as to amounts of money and location of activities and individuals the success of the program in achieving the objective stated in subsection 4 (b). Failure to carry out the congressional intention will result in a justifiable demand that some method, such as the formula of a fixed geographical distribution, be adopted. But, in the creation of the Foundation, it seems to me to be a better approach to the problem to state the congressional intention in plain, unmistakable language and to rely upon the Foundation to realize the objective rather than to attempt a solution through the arbitrary allocation of a fixed percentage of available funds. Certainly the latter course would have the effect of limiting the Foundation in exercising the powers and discharging the duties set forth in subsection 4 (a). Too, it could result in creating a system of pressures arising from desires to participate in program without reliance primarily upon meeting the criteria and standards which must be established by the Foundation. As the resolution has been reported by the committee, with this emphasis upon a clear congressional intention, the opportunity is given to every educational institution, to every qualified research organization, to every individual engaged in independent research, and to every qualified scientific student or scholar to participate. And it will be a simple matter for the Congress and the country to measure the success of the Foundation's effort to realize the objective stated in subsection 4 (b) year by year.

Therefore, I hope that this subsection will meet with approval, will remain in the resolution, as adopted, and will be retained in the final version in conference. And I urge that any effort to establish a fixed formula be rejected.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. SHORT. Mr. Chairman, will the gentleman yield for one brief question?

Mr. O'HARA. I am happy to yield to the gentleman.

Mr. SHORT. Realizing that the gentleman from Minnesota is a very able lawyer, I would like to ask him about subsection 5 of subsection (a) of section 4, at the bottom of page 3, which states, "To foster the interchange of scientific information among scientists in the United States and foreign countries."

The only thing that disturbs me is the likelihood perhaps of revealing the secrets of atomic energy to some foreign country that might not be so friendly to us. Are there any safeguards anywhere in the bill in reference to that?

Mr. O'HARA. May I say to the gentleman that there is very definitely a limitation so far as the authority of the bill is concerned restricting any disclosure of atomic secrets, as I understand the bill. It is certainly my intention that that is the way it should be. There is a limitation specifically in the bill so far as atomic energy is concerned.

Mr. SHORT. Other members of the committee have pointed out to me that the last section, section (1) on page 20, provides for specific safeguards against the Atomic Energy Commission revealing secrets.

Mr. O'HARA. So far as the legislative intent of the committee is concerned, we certainly do not want any disclosure of anything pertaining to atomic energy to any foreign country.

Mr. SHORT. We cannot always go by what the intent of the committee is. We must judge by the specific language written in the bill.

Mr. O'HARA. Yes; and I think it is there.

Mr. SHORT. I think so, too.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from California.

Mr. HINSHAW. It so happens I am a member of the Joint Committee on Atomic Energy and the gentleman can be quite sure that protection is there.

Mr. O'HARA. Mr. Chairman, let me say to the membership of the committee that this bill has been the subject of complete agreement upon the principles and the desire of having this legislation, but when we got down to some of the details it has been battled out in the committee of the House and last year in the other body and finally passed this year.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, indeed the need for the passage of a bill providing for a National Science Foundation must dawn on us when we realize that despite the great advances we have made in medical science and technology, we have not even, as yet, found the cause and cure for the common cold. It must dawn on us also that there is need for this bill when we realize the tragic toll of life that is taken as a result of the disease of cancer and as a result of heart failure. Certainly we need knowledge for cure of and prevention of cancer and cardiac disturbance; to pool this knowledge for our national health we need greater research and study for national defense. We are woefully lacking in knowledge on the subject of aerodynamics, electronics, ballistics, and radar. We do not have full knowledge of the behavior of electricity, lightning, magnetism, nor the transformation of energy. Maybe this National Science Foundation with its excellent personnel will aid us in reducing, if not preventing, many airplane accidents that we have.

Forgive a personal reference. I have a cross to bear. I have a daughter and she is in a wheel chair. She suffers from spastic paralysis. It has been a shadow over my life ever since she was afflicted, I hope and I pray that this National Science Foundation will yield a cure for her as well as those afflicted with poliomyelitis, spastic paralysis, and the other dreadful diseases that bring so much misery and suffering to the people of this land. I have followed trails all over the world seeking a cure for my daughter. Others have done likewise. All to no avail.

Furthermore, it is interesting to note that we have been compelled to draw on the European bank of scientists for much of what we know and have developed through the Manhattan project, atomic energy. Think of this. Six of the scientists that worked on the Manhattan project were refugees, most of them from Germany. Twelve of those refugees that have come over here recently to advance our war effort were Nobel prize winners in science, and they aided immeasurably the United States in the conduct of the war. We cannot hope to draw on many more of those scientists. Europe has been drained dry of them. We must develop that scientific personnel in our own land, and I am sure that the impetus given by this bill will aid immeasurably in that direction.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. HINSHAW. The committee is cognizant of the very great interest of the gentleman from New York in science, and has appreciated his advice and counsel through the bill he offered and otherwise.

Mr. CELLER. I thank the gentleman. This bill provides scholarships and fellowships at not only American but foreign institutions. Thus great opportunities are afforded our people to know more of the customs, mores, language, and institutions of other countries. How many in this room know anything of an appreciable degree about India, a country of 400,000,000 souls? How many know what is happening there; the division of that land into Pakistan and Hindustan, and the further truncation of Pakistan? Yet, out of India has come great culture and great knowledge, and we have not been able to possess ourselves of any appreciable portion of that great culture and of this great knowledge. Maybe with the exchange of students and professors we can gain much that we have heretofore lacked concerning the greatness of India. What I say with reference to India applies to many other lands, and for this and sundry reasons I do indeed hope that this bill will pass with a preponderating majority.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Is it not possible in cases of paralysis, such as the gentleman has mentioned, that the National Paralysis Group, sponsored by President Roosevelt, might have funds available for research on spastic paralysis?

Mr. CELLER. I do not think they have sufficient funds available and we must supplement those funds by this kind of action.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I desire to express my personal appreciation of the help that has been given me as chairman of the committee in the consideration of this legislation by the gentleman from New York [Mr. CELLER]. He was one of the first to introduce legislation on this subject. He has at all times been cooperative and helpful, and I feel greatly indebted to him for his interest in this important matter.

Mr. CELLER. I thank the gentleman.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am going to support this legislation to establish a National Science Foundation because I feel we have reached a time when it is necessary for the Federal Government to step into this field which has heretofore been carried on by private individuals who set up establishments and foundations that have served us so well for a long time.

The proponents of this legislation have strongly emphasized the fact that the present foundations are finding it impossible in many cases to carry on for financial reasons. However, this is due to our confiscatory tax system which has been brought about by the New Deal with their deficit financing program. The day of building financial empires in America is definitely over. There are no more Carnegies, Rockefellers, Hopkins, or others, to create and endow great institutions. Consequently, we must resort to taxing all of the people to support these worthy institutions. In other words, we have reached the time in our country when the Government must step in and do for communities and society what individuals used to do out of the goodness of their hearts for their fellow men.

The fact that we find ourselves in this need definitely indicates that we are in a trend in which individuals through restrictions by the Government are made helpless to render the services to humankind they would, consequently, making us more and more dependent on the Government.

I believe that if this work could be carried on by our established institutions we could feel much more secure because politics could never invade the field as it is bound to when carried on by a Federal agency.

However, I am not unmindful that certain research pertaining to our national defense should be carried on by the Government, and I also agree that certain scholarships should be made available in order to bring the best young minds into the field. But it seems to me that establishing 6,000 scholarships a year at an average of $3,000 a piece may be going a bit too far, and compels one

to wonder what this entire program is going to cost. Apparently the sky is the limit since all of the proponents of the legislation have failed to answer what seems to be the $64 question: What is it going to cost?

Similar legislation has been proposed heretofore but failed to receive approval. Now it has been broadened and the present proposal is to include finding a cause for common colds as well as the prevention of cancer and heart troubles. Of course, this practically sells this package of goods to everyone. We must not overlook, however, the progress we have been making along these lines and that more money has been appropriated for this purpose by recent Congresses than was used.

The question also arises: How will the establishment of this foundation affect, compete, or interfere with the many private foundations now functioning? And, will the Government participation in this field halt or curtail the bequests that have been made to private institutions from time to time?

In concluding, let me repeat: This program and this additional tax burden is made necessary by our confiscatory tax program.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, it is my intention to support H. R. 4102 because of its great importance to scientific research that is so vital to the interest of the American people at the present time.

Upon the conclusion of general debate I expect to offer an amendment providing for geographical distribution of national science foundation research funds to prevent concentration of such funds in the hands of a few well-intentioned but less representative groups.

I am hopeful that ample time will be afforded me so that I may explain the need for the amendment and the necessity for its adoption.

Mr. WOLVERTON. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, this is undoubtedly one of the most important bills to come not only before the present Congress but before any Congress, because it fixes the policy of the United States in a matter which may mean the survival of this Nation or its failure to survive.

It is perfectly obvious that in an hour's time there can be no adequate consideration of this bill. This makes the task of those of us who entertain doubts about this measure doubly difficult and our responsibility doubly great. My misgivings about the legislation led me very reluctantly to oppose it in committee. The statement in the debate on the rule of the gentleman from Illinois [Mr. SABATH] that the committee was unanimous is not correct. There was opposition to the bill in the committee.

I am speaking against the measure on the floor because I think the objections to this kind of legislation ought to be on record, so that all men may know the effect of this legislation which, in my opinion, will tend to bureaucratize science. There has already been a good deal of pulling and hauling about the institutions which are to receive funds under this measure. In my opinion, we are either going to give funds to a relatively few institutions in the country or else the foundation is likely to become a gigantic pork barrel.

I append to my remarks certain extended excerpts from an article entitled "Federal Legislation in Support of Science" by Alfred E. Cohn, M. D. of the Rockefeller Institute for Medical Research:

FEDERAL LEGISLATION IN SUPPORT OF SCIENCE

(By Alfred E. Cohn, M. D., member emeritus, Rockefeller Institute for Medical Research)

This Government of ours has not been a stranger to proposals for the support of science. The first proposal to this end was made, it seems, to General Washington by Benjamin Rush. The vehicle proposed for carrying on research was a University of the United States. Except for the years 1829 to 1869 a bill of some kind designed to accomplish this purpose was discussed before or reported to the Congress at every session.[1] The debates were carried on by many experienced and responsible men. But no bill has yet been passed into law. The series of bills, ending with Senate bill 1850[2] and growing out of Dr. Vannevar Bush's science, The Endless Frontier, opens a different universe of discourse. To discuss that bill has brought us together in this symposium.

* * * * *

When, as a wise and learned man has noticed, a proposal, as now, takes on towering dimensions, a problem in quantity ceases to be merely that, but becomes a problem in quality and takes on new significance. A new outlook is, I believe, what we have now to contemplate. We are told that the needs of the country for research in science have become so great as to make desirable the provision of new forms of organization, and of relatively vast sums of money.

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PSYCHOLOGY

Scientists, for the current purpose, would be men devoted to the advancement of scientific learning. What kind of man contributes to this advance is not altogether clear. We should understand his chances of doing this better if adequate biographies of great scientists were available to provide a good insight into the psychological nature and development of scientists. It might then be possible to infer how scientists are to be selected and made. Without adequate knowledge of how to create genius, nothing is left that can be done but to provide suitable conditions and environments for those men who select themselves, or who are selected for this calling, so that their spirits may flourish. At least they should not be impeded and so wither. Some men function better in the market place, others in the seclusion of ivory towers in universities or in research institutes. No one who has lived long with scientific men of all stamps but will know that whatever else may be correctly or incorrectly arranged, this provision must be carefully heeded. Otherwise, futility may result. I emphasize, therefore, the psychological needs of scientific men before and beyond all desiderata.

It is from this angle, perhaps especially, that the current bill is so easily open to criticism. "This bill attempts to legislate into existence a profoundly disturbing set of administrative devices."[3] It goes as far as one can perhaps go in ignoring the habitus of scientists. It fails to recognize that "in science close intimacy with and feeling for natural phenomena has decisive advantage and is perhaps indispensable."[4]

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The core of the system is to make grants by contract. The problem how to administer grants is peculiarly difficult. These grants, let it be remembered, are provided for periods, it seems, of not more than 5 years. That makes of this enterprise, jobs—not vocations. Any device which provides grants-in-aid, whether in this bill or in any other governmental provision which permits a Division of Research Grants, may turn out to be a way of destroying—not creating—scientists. On the assumption that any concentration of authority can be made to function, the proposal in this bill that authority be concentrated in an Administrator is of all the possibilities probably the least advantageous.

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INVENTION AND DISCOVERY

Clearly it was the war, the urgencies which it created, the successes which it occasioned that—perhaps it is not too strong a word to use—intoxicated many careful men with the belief that a mechanism which was devised ad hoc could and should be indefinitely extrapolated. Secrecy, size, power, limited objectives, limitless money, patriotic fervor, closing the critical faculty, devoted self-sacrifice—all these formed a background which encouraged the acceptance of them, as if they formed a natural state of being. Sight was lost of the fact that, great as were the technical accomplishments, right down, or up, to penicillin and the atomic bomb, technical accomplishments are not discoveries on which foundation building can be done. Achievements like these are picked up along a road already surveyed.

During war disinterested science can no doubt be conducted but that is in fact difficult in the general atmosphere of compulsion generated by war. That war is an instrument of destruction needs no argument. War comes when debate, reason, accommodation, cease to play a directing role. This atmosphere is not hospitable to the temper of reflection, or the mood of good will. Men, history, and past scientific successes can be, indeed need to be, and are, mobilized. Many men of understanding have insisted that the science generated in the war was built of accumulated scientific capital and did not proceed beyond this. What moves forward in war is a juggernaut, but scarcely the luminous spearhead of thought or insight. War plows everything under. It does not necessarily open new vistas.

* * * What could be more natural than that the compelling urgency toward improvisation, stimulated by the greatest of all emergencies should have discolored after its own nature the texture and slow methods of basic scientific thinking. But we move now into quieter waters. There is time again for reflection.

A powerful motive for advocating aid of the kind offered in S. 1850 to science, was born of the difficulties—some men thought the impasse—that were reached in the period before the war and projected beyond the war, into the present. Social advance, social security, social better-being, were obviously drawing resources away from private philanthropy. The great fortunes were being, so it was thought, taxed away. Where was money to come from, to continue what the great givers began? The flight to Government for aid was obvious and easy. Everybody was doing it. Why not science as well?

[1] E. B. Wesley. Proposed: The University of the United States, the University of Minnesota Press, Minneapolis, Minn., 1936.

[2] This bill became S. 525 in the 80th Cong.

[3] A. E. Cohn. Letter to the editor of Science, April 5, 1946.

[4] A. E. Cohn. Letter to the editor of the New York Times, August 30, 1945.

THE CURRENT NEED AND THE OLD SCHOLASTIC ESTABLISHMENT

The President of one of the great American universities has viewed the current proposals in this fashion:

"Now that it seems likely that the Federal Government will offer subsidies for university research, especially in science, we must recognize the need of making grave decisions in policy. Together with a number of our faculty I share an inherent dislike and suspicion of Government subsidies. It may be that in fields of scientific research, especially in medical science, the costs of the future will be so great that they cannot be carried by the independent educational institution. In that case it remains to be seen whether plans can be evolved which will avoid certain obvious dangers. It would be disastrous for our academic morale if the universities became involved in a scramble for the contents of a research pork barrel. If, in order to secure a share of Government grants, a university were compelled to yield its independence of decision as to how it would conduct its research it would be much better to abandon the type of research which it could not finance from its own funds." [5]

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FINANCE

Too little time has elapsed since the close of the war to examine all the relevant facts, either concerning the methods of research as these have developed in inductive-deductive reasoning, or the present situation which encouraged the advocacy of these bills. In the six parts of testimony taken before the Senate subcommittees—and a mass of testimony and writing besides—little, if any, evidence was collected on what provisions exist or can still be fostered to finance research in science. The time has come to study in great detail whether moneys not known to be available before can now be tapped.

In point of fact, neither the great American fortunes nor the great American foundations have alone supported our private philanthropy, including institutions of learning. They have assisted or they have served as stimuli. The statistical tables on income tax published by the Treasury of the United States are mines of revealing information. The contributions deducted from income, if studied, would yield a shrewd insight into how much money is given away and by whom and by persons in what income brackets. There is no way of knowing now what the social services of all kinds, including education, science and research, hospitals, homes of one kind or another, cost in this country; what the universities cost; and what the research institutes, scientific, and industrial, and medical. These institutions are divisible into governmental—Federal, State, municipal—and private. Nor is it known what is spent on religion or through religion on services the churches claim for their own.

It is estimated, however, that in 1944 private philanthropy spent $2,706,000,000. What comes as something of a surprise is that all the foundations together spent only $72,000,000. The story is this: Of every dollar spent, 63 cents came from individuals and families with incomes of less than $5,000; only 13 cents from individuals with incomes of more than $5,000. That accounts for 76 cents. The other 24 cents came from bequests (4 cents), corporation contributions (2 cents), endowments (other than foundations, 15 cents), and foundations (3 cents). Notice, if you please, that the foundations contributed 3 cents—not more—in the dollar.

What these computations show is that with a national income of $150,000,000,000, less than 2 percent (1.8 percent, or 2.7 billion) were spent for philanthropy. Gifts of 2 percent surely cannot be exhausting the national philanthropic reservoir. The data insofar as they are known are admitted to be far from complete. They cannot be made complete now without great and expert labor. That labor could profitably be expended. What the total establishment costs, what it should cost, who should pay, philanthropically, whether contributors give wisely or, if not, whether they can be encouraged to do so, these are all basically important matters and subject for further exploration. What they suggest, though, is that the flight to government for aid may not yet be necessary. There are still great private sums, possessed in the aggregate by private citizens of moderate means, not owned by the foundations nor by the great fortunes, which have not been mobilized.

This, furthermore, is a democracy. We have paid heavily to become one. Science which, by universal consent, flourished best when it is free—that has been the plain teaching of well on 300 years—need not yet, let us hope, put its neck under the yoke of bureaucratic administrations. If individualism is not dead and if it does not propose to commit suicide, here is a region in which initiative, thought, and organization will yield unprecedented results—and control by bureaucrats may be avoided. Here is an opportunity for democracy to be come self-educated.

A PROPOSAL

As this democracy moves away politically from the laissez faire of rugged individualism into an area in which Government aid becomes necessary and acceptable, it will still be essential to maintain a democratic structure in the scientific establishment. This is what Sir Stafford Cripps, a minister in a Socialist government, maintains must continue to be the method of procedure in Great Britain.

There remains then to be presented briefly a proposal for a democratic plan for the management of science—provided an appeal for Government moneys becomes unfortunately and unavoidably imperative.

* * * * *

The scheme is this: The institutions of learning devoted to disinterested or fundamental research and those conducting applied science as well, governmental, private, and industrial, should appoint and send delegates to a constituent assembly of scientists. Preparation for this assembly should be undertaken by a preparatory commission. There will be much to do. We have in the past 2 years again become familiar with such devices. The constituent assembly, once organized, will be the body of authority in the scientific world. Executive and other committees will be necessary. An officer, possibly the presiding officer, is to be appointed by the President of the United States on recommendation by this Scientific Assembly. Appointment by the President establishes the tie necessary, it seems, in order that the organization may function as a quasi-governmental organ entitled to receive funds secured by taxation. This functionary would receive his instructions from the Scientific Assembly through an Executive Committee. He may be, perhaps he should be, a rotating officer. Beside other duties, he would prepare and defend the budget before appropriate committees of Congress, representing, or in company with, the Executive Committee.

It is unnecessary to enter now into a further description of details. The points of importance are that the plan provides proper liaison with government; that it keeps power in the hands of the scientific people who peculiarly understand the conditions favorable for promoting scientific inquiry; that the powers are delegated by the institutions to representatives and ultimately to an executive committee and a manager. It avoids dictatorship. What takes place is with the consent of the governed. Because power remains at home in the institutions where scientific people stay and dwell, selections of personnel can take place intelligently at home, where men with promising careers are known personally to their colleagues and seniors—not by a central bureaucracy removed far away from contact with inconspicuous but at the same time very competent young men and women.

No matter how good the intentions of administrators and governmental boards, it is not likely they can know what scientific grapes are nearing maturity nor, unless they are in the immediate neighborhood, whether they are ready to be picked. The atomic bomb was not conceived in Washington. It was brought there. To cite penicillin and atabrine is misleading. They are not in this category. The whole world knew that infectious diseases and malaria existed. Penicillin needed merely to be put into mass production—and was. For malaria, drugs already available required only to be tested. These were voices crying out, but no further away than the wilderness. But there were voices. They could be heard. All that was necessary was that they should be heeded.

The general administrative plan I have suggested is not untried. It is the plan of a nonprofit membership corporation, thoroughly familiar in many kinds of organization.

I turn finally to another point—not minor. In any general plan, no form of science, whether physical, medical, or social should be omitted. To omit the social sciences is, on the worst showing, to omit from the most intelligent management, those very enterprises from which the country, composed of persons, not soulless mechanisms, stands most to gain. The more rudimentary, if the social sciences are rudimentary, the greater their need to be fostered in the sunlight of scientific discipline and methodology.

Mr. WOLVERTON. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. CARSON].

Mr. CARSON. Mr. Chairman, I am so glad that this type of legislation has come up for consideration by the House. This is only following the lessons that we learned as a result of World War I and World War II. The committee heard so many, many witnesses on this matter that I would like the Members to read some of the hearings. We had over 100 witnesses at the sessions of the committee. You will find that people from all walks of life were interested in this matter and appeared before the committee. We attempted to carry on research in every single department, as you will notice—in mathematical research, medical research, engineering, and physical sciences, and so forth. We did not attempt to hold them down to any one particular type of research. We even put in section 7 of the bill cancer, heart, and other types of research.

It directs the Foundation to establish such other special commissions as may from time to time be deemed necessary. The thing we tried to do, and the thing that is so essential and necessary right now, is to coordinate so many, many of these different Government research activities that are scattered all over the United States in different schools and institutes of technology from California to Maine and Massachusetts. This is an attempt to coordinate every single one of them into one foundation. I think it will be found to be the greatest thing that

[5] Report of the president of Yale University to the alumni (1944–45, p. 19).

we can do in the development of fundamental research, which is what we are trying to cover in this particular case.

It will coordinate all these different types of research. There is absolutely no sense in going ahead and talking about universal military training and the unification of the armed services or anything else unless we keep up scientifically with those problems.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I intend to support this legislation as I regard the coordination of research and science as one of our most important national problems, and this bill meets a definite national need.

I shall under the 5-minute rule call attention to a specific situation regarding research in heart diseases which should be known to and deserves the attention of the House.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I am wholeheartedly supporting this measure. I believe its importance is much greater than many of the bills we have coming before us each day. The provisions of this bill, when enacted into law, will stimulate scientific research and pick for special education the most capable young minds in our land.

As an educator I have been amazed at times to see how much money and effort we put into the improvement of merchandise and material things. Conversely, I am amazed that we have so long been niggardly and indifferent toward the training of our best minds, that they might produce better products of thought and better products of material things. It is an eye opener to learn what business judgment will use and justify for research in industry, and undoubtedly it pays. If our culture spent one-half as much for improving the thinking of our best minds, in addition to our public education for all of our citizens, it would pay huge dividends in the social and economic life of America.

The implications of this bill are very great in the matter of national defense. Each succeeding war of survival has been a war of science. Wars seem to be getting more mechanized each passing year. The great nations are spending more for the training of scientists than they formerly spent for the training of soldiers. I wish to imply that from that standpoint alone such a program as this bill provides is worth a great deal. In fact, our very national security may hinge upon it. Therefore, it is equally valuable in peace or in war.

We have heard much discussion about the change in patent law involved here. I think the circumstances of today require some change in patent law, and also some change in the application of existing law. When the measure was up last year concerning the local control of atomic energy, I was pleased to see that the measure forbade any of the atomic scientists patenting their ideas on the development of atomic energy. Instead we made the idea, like the fissionable material—a matter of national property and ownership. This was necessary as a matter of security. Something of that sort, I think, ought to be done for any new discoveries or inventions or developments which may grow out of the program sponsored by this bill.

Mr. PRIEST. Mr. Chairman, I yield the remainder of my time to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, the widespread interest among the membership of the House, it seems to me, would indicate the recognition of the tremendous importance of legislation of this kind. I think it is unnecessary for me to undertake to show any further necessity for the passage of such important legislation except to say that out of the experience we have had during the war and the accomplishments which were attained through scientific research and development we should get a very definite pattern as to what such an organization or foundation might mean to us in time of real emergency and our future security.

There are only a few minutes left in this debate. Some have asked many questions about various provisions. Outside of the objective of the bill, as was stated, and very ably so, by the gentleman from Ohio [Mr. BROWN], and the organization set up, as discussed by the gentleman from Tennessee [Mr. PRIEST], who has given so much of his time on this very worth-while and important legislation, I think there are only one or two points that should be mentioned further.

One is: What will be the effect of such a foundation on existing organizations?

I should like further to clarify the question that has been brought to the attention of the House by the gentleman from Wisconsin [Mr. KEEFE] when he inquired as to the attitude of the Public Health Service.

As has been said, we had rather extensive hearings before the committee over a long period of time. Dr. Parran, of the Public Health Service, appeared before the committee. He endorsed the bill and urged that it be passed. He gave us from his experience in the field of basic sciences its importance, in his opinion, to the future of this country as his reasons why this legislation should be provided.

With reference to the example heretofore provided by the Congress, he said that in 1937 the National Cancer Institute Act was passed. The act authorized Government grants-in-aid to private, nonprofit institutions, and was the first example of such authorization by the Federal Government. It also authorized research fellowships in the field of cancer. It authorized training. So the problem which the gentleman from Wisconsin [Mr. KEEFE] had in mind, as to the effect this might have on the Cancer Institute Act, should be clarified by that statement of Dr. Parran.

This is not to take from any agency of the Government, any department of the Government, any efforts on behalf of private or public institutions, any authority rights or privileges they have in the field of basic research. This is to augment the efforts of those institutions and agencies. This is to supply them with needed money and information in order that they may continue to carry out some of the fine effective work that they have given to the Nation.

We know that some of the very fine scientific programs that have been carried on by the nations of the world will not likely be available to us, and we know in this day of highly technical and scientific development in the field of many of those things that are so important to our national defense we have got to depend upon our own ingenuity and our own initiative. We have it in this country today. We have it to protect us and to give us security that we need in the future if we will give our people an opportunity and help our institutions, private and public, to develop scientific programs.

The gentleman from New York mentioned a moment ago this act provided for an exchange of foreign students. I think that was an inadvertent expression, because the bill specifically provides that the awards of fellowship and scholarships shall go to citizens of the United States. Anyone who receives such award may be sent to a foreign institution, however, in connection with his study in the field of science.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. PRIEST. I believe perhaps the gentleman from New York must have been referring to a bill that he introduced, rather than the one that was before the committee. I appreciate the gentleman clearing that matter up with reference to this bill.

Mr. HARRIS. Mr. Chairman, I think this is a highly and tremendously important piece of legislation. I am sure the membership of the House fully recognizes the importance of it. I join my colleagues in saying that I hope this bill will pass, and I am sure it will, without too much opposition.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from California [Mr. HINSHAW].

The CHAIRMAN. The gentleman from California is recognized for 8 minutes.

Mr. HINSHAW. Mr. Chairman, I should like to state that I have participated in my 9 years here in the preparation of a great deal of legislation in the Committee on Interstate and Foreign Commerce, but never in all that experience have I seen the time when a piece of legislation has been given the careful, the word by word, the line by line, the sentence by sentence consideration that this bill has been given in executive sessions of the committee. As a matter of fact those executive sessions have been so prolonged that sometimes we have had to consider it as a subcommittee rather than as a full committee executive session. I can assure every Member of this House that every argument on the one side or the other of a given question has been gone over by the committee with the greatest possible care, and every possible meeting of views has been achieved. So

you have before you a bill that is almost uncontroversial so far as our committee is concerned. The committee is not quite unanimous in its presentation of this bill, but very nearly so. There are some divergencies of view that may appear when the bill is read for amendment, but they are not too serious.

Some concern has been expressed here today on account of the patent section of this bill. I should like to assure the members of the Judiciary Committee within whose jurisdiction the question of patents now resides that there is nothing in section 12 of this bill which in anywise changes, alters, or amends the patent laws of the United States; as a matter of fact, we almost specifically avoid it because we say that each contract or arrangement executed by the Foundation which relates to scientific research shall contain provisions consistent with the laws affecting the issuance or use of patents and governing the disposition of inventions, and so forth. That is a specific reference to the present patent law. The only reason we have to bring into this bill the subject of patents at all is because in the Office of Scientific Research and Development under the administration of Dr. Vannevar Bush it had been found expedient to place in the contracts for research undertakings, we will say, made by institutions, individuals, and others, to reserve to the Government certain rights to inventions that might be achieved pursuant to the research. We feel that that should be carried on in this bill and that patents which are made pursuant to funds provided in this research should come into the domain of the Federal Government and the domain of the people rather than be held for any individual. Hence section 12 is in this bill. I wish the members of the Judiciary Committee and any others concerned would read that section of the bill carefully, and if they have any questions in regard to it to consult with us, because we feel sure that it in nowise changes existing patent laws nor infringes any of the jurisdiction of that very distinguished committee.

With respect to the other features of the bill, it is impossible to discuss them in a brief period of time. I wish merely to say that organizations and institutions throughout the United States are engaged in two main types of research, and one very practical type is the one for this improvement of existing knowledge. Dr. Vannevar Bush; Dr. Conant, of Harvard; and people from all over the United States told our committee in no uncertain terms that the bottom of our present knowledge is being scraped at the present time for additional bits that may help us in our work to improve the life of our people; that that bottom is being scraped to the point where we need to lower the bottom further and to discover even deeper secrets of nature.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. SEELY-BROWN. Is there any provision or section of the bill dealing with the allocation of funds to various colleges or universities which may be interested?

Mr. HINSHAW. No. That is a very important question which the committee went into and heard all of the arguments on every side. It is impossible to make a yardstick that would be applicable to all situations; and if anyone commenced to insert a yardstick in this bill, it would in fact spoil and almost entirely do away with the intentions of the bill. In other words, you cannot provide for the allocation of funds to a given institution or group of institutions. It must be left to the Board to decide where the funds should be sent.

There are certain provisions in here, for instance, on page 4, subsection (b), which reads:

(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, and to avoid undue concentration of such research and education.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. HINSHAW. Under "Membership of the Foundation," it is provided that the membership shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. That is the best we could do to spread equitably the entire subject over all of the country.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "National Science Foundation Act of 1947."

ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation").

MEMBERSHIP OF FOUNDATION

SEC. 3. (a) The Foundation shall have 24 members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation.

(b) The term of office of each member of the Foundation shall be 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of appointment, 8 at the end of 2 years, 8 at the end of 4 years, 8 at the end of 6 years, after the date of enactment of this act. Any person who has been twice appointed as a member of the Foundation shall thereafter be ineligible for appointment.

(c) The President shall call the first meeting of the Foundation, at which the first order of business shall be the election of a chairman and a vice chairman.

POWERS AND DUTIES OF THE FOUNDATION

SEC. 4. (a) The Foundation is authorized and directed—

(1) to formulate, develop, and establish a national policy for the promotion of fundamental research and education in the sciences;

(2) to initiate and support basic scientific research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research;

(3) to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;

(4) to grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

(6) to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and

(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act.

(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, and to avoid undue concentration of such research and education.

(c) The members of the Foundation shall meet at the call of the Chairman but not less frequently than once each year. A majority of the members of the Foundation shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than 15 days prior to any meeting, of the call of such meeting.

(d) The Foundation shall elect its Chairman and Vice Chairman biennially, who shall also serve as chairman and vice chairman of the executive committee. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall elect a member to fill such vacancy.

(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the Executive Committee to the Foundation provided for in section 5 (e).

CREATION AND POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

SEC. 5. (a) The Foundation shall elect biennially from its own membership an executive committee composed of nine members which shall, except as otherwise provided by the Foundation, exercise the powers and duties of the Foundation. In case a vacancy occurs on the executive committee, the Foundation shall elect a member to fill such vacancy. The executive committee may delegate or assign to officers, employees, and divisions, within the Foundation, any of its powers, duties, and functions.

(b) The executive committee shall meet at the call of the chairman or at such times as may be fixed by itself, but not less than six times each year.

(c) Five members of the executive committee shall constitute a quorum.

(d) The executive committee may establish such advisory committees as may be necessary for the consideration of programs administered by the Foundation.

(e) The executive committee shall render an annual report to the Foundation, summarizing the activities of the executive committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of members of the executive committee, the divisional committees, and special commissions shall be included in such annual reports.

DIRECTOR OF FOUNDATION

SEC. 6. The Foundation shall have a chief executive officer, who shall be known as the Director of the Foundation (hereinafter referred to as the "Director"). The powers and duties of the Director shall be prescribed by the executive committee and shall be exercised and performed by him under the supervision of such committee. The Director shall be appointed by the Foundation for a term of 4 years, and shall receive compensation at the rate of $12,000 per annum.

DIVISIONS WITHIN THE FOUNDATION

SEC. 7. (a) There shall be within the Foundation a Division of National Defense, which shall administer programs of the Foundation relating to research on military and naval matters, and such other divisions as the Foundation may, from time to time, deem necessary. Each such division shall exercise such powers and perform such duties as the Foundation may prescribe.

(b) Until otherwise provided by the Foundation there shall be within the Foundation, in addition to the Division of National Defense, the following divisions:

(1) A Division of Medical Research, which shall administer programs of the Foundation relating to research in the medical sciences;

(2) A Division of Mathematical, Physical, and Engineering Sciences, which shall administer programs of the Foundation relating to research in the mathematical, physical, and engineering sciences;

(3) A Division of Biological Sciences, which shall administer programs of the Foundation relating to research in the biological sciences; and

(4) A Division of Scientific Personnel and Education, which shall administer programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences.

DIVISIONAL COMMITTEES

SEC. 8. (a) There shall be a committee for each division of the Foundation.

(b) Each divisional committee, except the Committee for the Division of National Defense, shall be appointed by the Foundation and shall consist of not less than five persons who may be members or nonmembers of the Foundation.

(c) The Committee for the Division of National Defense shall consist of members in a number which is a multiple of 12, to be fixed by the Foundation, but which shall be not less than 12 and not more than 36. One-half of the members of such committee shall be civilians appointed by the Foundation, and the remaining half shall be representatives of the armed services, designated in equal numbers, respectively, by the Secretaries of the principal branches thereof. There shall be within the divisional committee for the Division of National Defense an executive committee of not more than six, consisting of the chairman of the divisional committee, as chairman; two civilian members of such committee elected annually by the civilian members thereof; a member of such committee representing each of the principal branches of the armed services and designated by the Secretary thereof. Such executive committee shall perform such functions as may be prescribed by the Committee for the Division of National Defense with the approval of the Foundation.

(d) The term of each member of each divisional committee shall be fixed by the appointing or designating authority. Each divisional committee shall annually elect its own chairman from among its own members, and shall prescribe its own rules of procedure, subject to such restrictions as may be prescribed by the executive committee.

(e) Each divisional committee shall have the power and duty to make recommendations to, and advise and consult with, the executive committee and the Director with respect to matters relating to the program of its division, and shall have such additional powers and duties as the Foundation may delegate or assign to it.

(f) The executive committee, after receiving the advice of the Committee for the Division of National Defense, shall establish regulations and procedures for the security classification of information or property in connection with scientific research (having military significance) under this act, and for the proper safeguarding of any information or property so classified.

SPECIAL COMMISSIONS

SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7) shall consist of 11 members appointed by the Foundation, 6 of whom shall be eminent scientists and 5 of whom shall be from the general public. Each special commission shall choose its own chairman and vice chairman biennially.

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation an overall research program in its field, and constantly to review the manner in which such program is being carried out.

SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there are not sufficient scholarships or fellowships, as the case may be, available to grant one to each of such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its possessions. No individual shall be listed in such register without his consent.

AUTHORITY OF FOUNDATION

SEC. 11. The Foundation is empowered to do all things necessary to carry out the provisions of this act, and, without being limited thereby, the Foundation is specifically authorized—

(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

(b) to make such expenditures as may be necessary for carrying out the provisions of this act;

(c) to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this act;

(d) to enter into such contracts or other arrangements, or modifications thereof, without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U. S. C., sec. 5);

(e) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

(f) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research;

(g) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

(h) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard to the provisions of section 87 of the act of January 12, 1895 (28 Stat. 622), and section 11 of the act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

(i) to accept and utilize the services of voluntary and uncompensated personnel and to pay the actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) of such personnel incurred in the course of such services; and

(j) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

PATENT RIGHTS

SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions, consistent with the laws affecting the issuance or use of patents, governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed.

(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish.

INTERNATIONAL COOPERATION

SEC. 13. (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international scientific research activities consistent with the purposes

or provisions of this act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

(b) The Foundation may defray the expenses of representatives of Government agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this act.

APPROPRIATIONS

SEC. 14. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

(b) The funds hereafter appropriated to the Foundation, as herein authorized, shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for 4 years following the expiration of the fiscal year for which appropriated. After such 4-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

INTERDEPARTMENTAL COMMITTEE ON SCIENCE

SEC. 15. (a) There is hereby established an Interdepartmental Committee on Science, to consist of the Director of the Foundation, as chairman, and the heads (or their designees) of such Government agencies engaged in or concerned with the support of scientific activity to a substantial degree as the President may from time to time determine. The interdepartmental committee shall meet whenever the chairman so determines, but not less than once a month.

(b) The Interdepartmental Committee on Science shall gather and correlate data relating to the scientific research and scientific development activities of the Federal Government; and shall make such recommendations to the President, the Foundation, and other governmental agencies as in the opinion of the committee will serve to aid in effecuating the objectives of this act and of other legislation providing for Federal support of scientific research and scientific development, and in preventing and eliminating unnecessary duplication of such activities by departments and agencies of the Federal Government.

(c) The Interdepartmental Committee on Science shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities of the Federal Government and the activities of the interdepartmental committee in relation thereto, together with such recommendations as it may deem advisable; and the interdepartmental committee may submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Minority views and recommendations, if any, of members of the interdepartmental committee shall be included in such annual reports and in such special reports and recommendations.

GENERAL PROVISIONS

SEC. 16. (a) The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed desirable by the Director, technical and professional personnel may be employed without regard to the civil-service laws or regulations, and their compensation may be fixed without regard to the provisions of the Classification Act of 1923, as amended. The Deputy Director hereinafter provided for, and the members of the divisional committees and advisory committees, shall be appointed without regard to the civil-service laws or regulations.

(b) The Director may appoint with the approval of the executive committee a Deputy Director who shall receive compensation at a rate of not to exceed $10,000 per annum.

(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

(d) The members of the Foundation, and the members of each divisional committee, special commission, or advisory committee, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) when engaged, away from home, in the duties of their offices.

(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees, special commissions, and advisory committees, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

(f) Service of an individual as a member of the Foundation, of a divisional committee, of a special commission, or of an advisory committee shall not be considered as service bringing him within the provisions of section 109 or section 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

(g) The Office of Scientific Research and Development is abolished, and its affairs shall be liquidated by the Foundation, which shall be its successor agency. The property, records, funds (including all unexpended balances of appropriations or other funds now available), and contracts (and rights and obligations thereunder) of the Office of Scientific Research and Development are transferred to the Foundation. Such abolition and transfer shall take effect 30 days after the Director has taken office.

(h) In making contracts or other arrangements for scientific research, the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies and institutions, or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staff of organizations, particularly nonprofit organizations, in the States and Territories and the District of Columbia, and (3) encouraging independent research by individuals.

(i) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies (except the Office of Scientific Research and Development) authorized to engage in scientific research or scientific development.

(j) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part to the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made.

(k) The National Roster of Scientific and Specialized Personnel shall be transferred from the Department of Labor to the Foundation, together with such of the personnel, records, property, and balances of appropriations as have been utilized or are available for use in the administration of such roster as may be determined by the President. The transfer provided for in this subsection shall take effect at such time or times as the President shall direct.

(l) The Foundation shall not support any research or development activity in the field of atomic energy, nor shall it exercise any authority pursuant to section 11 (f) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946.

Mr. WOLVERTON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the membership may have the right to offer amendments at any point in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 6, line 23, strike out the words "for a term of 4 years."

Page 17, line 9, after the word "the", insert "Director, the."

The committee amendments were agreed to.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGH D. SCOTT, JR.: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"'(bb) Contributions for fundamental research in the sciences: Contributions or gifts payment of which is made within the taxable year to a corporation, trust, fund, or foundation created or organized in the United States or in any possession thereof or under the law of the United States, or of any State or Territory, or of the District of Columbia, or of any possession of the United States, organized and operated for scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, but only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for fundamental research in the sciences. In the case of an individual, the maximum deduction allowed under this subsection shall not exceed 5 percent of the taxpayer's adjusted gross income. In the case of a corporation, the maximum deduction allowed under this subsection shall not exceed 5 percent of the taxpayer's net income computed without the benefits of this subsection and subsection (q) of this section.'

"SEC. 2. Section 23 (q) of the Internal Revenue Code (relating to charitable and other contributions by corporations) is hereby amended by inserting after the words 'without the benefits of this subsection' the following: 'and subsection (bb) of this section.'

"SEC. 3. The amendments made by this act shall be applicable with respect to taxable years beginning after December 31, 1946."

Amend the title so as to read: "A bill to promote fundamental research in the sciences

by allowing for income-tax purposes an additional deduction to individuals and corporations."

Mr. HINSHAW. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, I am aware of the point of order which is contemplated here, but I take this time to acquaint the House with the fact that I have submitted an alternative bill, H. R. 4120, in exactly the same words as this amendment. My purpose in offering this amendment at this time is simply that while I believe there is unquestionably need for research in the basic and fundamental sciences, it is also true that the money that is to go into science or any other field of endeavor, whether by voluntary contribution or by way of the tax collector, has to come out of the common pot, and that pot is the excess earnings of the people of this country.

My amendment would provide for an added exemption to individuals and corporations of 5 percent for contributions made for research in the basic or fundamental sciences. I offer this amendment because, first, I believe it is better to encourage research by encouraging donations to private and charitable institutions; second, I am doubtful whether the people of the United States, for the money which is being spent or proposed to be spent under this bill, will get as much value out of their dollars as they would were they to make the contribution directly in the traditional way. The purpose of the amendment, therefore, is simply to substitute for this bill a change in the tax laws of the country, to incorporate similar contributions for the benefit of private and charitable research in schools, colleges, and technical and corporate facilities. As I say, I am aware of the pendency of the point of order, but I call the attention of the House to the same terms that are embodied in the bill which I have introduced with the intent that it shall accomplish this purpose. H. R. 4102 would produce ample funds for research from private sources. H. R. 4120 will require expenditures of public funds far beyond initial estimates.

Mr. HINSHAW. Mr. Chairman, I make the point of order that the amendment is not germane to the bill, in that it relates to a matter of taxes, and I believe the gentleman from Pennsylvania will concede the point of order.

The CHAIRMAN. The Chair is ready to rule. The Chair having examined the amendment, is of the opinion that the subject matter properly comes under the jurisdiction of the Committee on Ways and Means rather than the Committee on Interstate and Foreign Commerce. Therefore, the amendment is not germane, and the point of order is sustained.

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is always difficult for a member of a committee to come into the House, or into the Committee of the Whole, to oppose any bill from his committee, but I believe that in justice to myself I should make a statement to the Committee.

In the first place, I want to say that all of us, every man on the committee, those opposing the bill and those favoring it, are for scientific research. The process or the procedure by which this was to be obtained was where the difference came in. If I were to ask the members of this committee what would ultimately be the cost of this bill, there is not one living soul that could say, except that it would be left to the tender mercies of the Committee on Appropriations. If I were to ask you how many scholarships are intended to be granted under this bill and the cost of them, not a single soul could answer, unless he would turn to that report to the President called "Science, the Endless Frontier," in which it is estimated that 6,000 scholarships a year should be granted, and those 6,000 scholarships would average $3,000 apiece.

Last year when we had this matter up it came from the Senate in the shape of the Kilgore bill. It came before our subcommittee and I tried then to find out something about it. It was so late in the session that we could not have hearings, but I did find out that the estimate was that from 5,000 to 10,000 scholarships a year should be granted.

I also call your attention to the fact that an unusual procedure is set up in the field of government in this bill, under which 24 part-time men, men who are capable in their lines and who rank higher than anybody else in their fields, will have control of this great undertaking. It will come down to 9 men out of that 24 who are still part-time men but who will be the executive committee, and they will select the director, who will have charge of certain features. But who, under the bill, has control of the budget? Who has control of the finances? The bill does not show. If we are going to set up an agency like this, there should be an amendment which would place it under the direct control of the Federal Government. The Federal Government should appoint the responsible officers. There is no question about that. We should not start on a new policy, forsooth, to give half-time men, no matter how capable or how efficient they may be, the right to run this program.

This is a great undertaking. Many will favor it, but let us go into it very carefully. Consider the duties and responsibilities which rest upon these men and the powers and authority that is given them, and then let your conscience be your guide.

Mr. DOLLIVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have offered this pro forma amendment which I will withdraw at the conclusion of my time because I was unable to secure any time on the rule or in general debate. But I felt it was incumbent upon me to say something about this legislation because it is of vital importance.

You have just listened to the gentleman from North Carolina for whose opinions I have the greatest respect. In the committee discussions we found ourselves in agreement on many of the minutiae of this bill, but on the final conclusion our opinions diverged. He finds himself unable to support it, and I find myself under the necessity of supporting it despite some doubts which I entertained during the course of the hearings.

One of the very grave doubts which presented itself was as to the propriety of the Federal Government entering into this kind of enterprise at all. Of course, that was in the mind of the gentleman from Pennsylvania when he offered his amendment, which he conceded was out of order, to provide an amendment to the Internal Revenue Code.

The issue is very clear-cut, so far as I am concerned. It is a question of whether this Congress and the people of this country wish to encourage and develop basic science. As has been pointed out here on the floor and as has been noticed all over the country, the last remaining frontier in the United States is the scientific frontier. If we are going to get beyond that frontier and find out about the new things in science, certainly the Congress ought to enact this bill.

During the hearings we heard many eminent men of science, educators, and representatives of the various departments of government, who almost without exception explained the utter desirability—yea, the necessity—of this kind of legislation.

The example, of course, which comes to the mind of everybody, is the development of atomic energy during recent years. I can well remember in my youth when I made a rather cursory study of the science of physics. We were just trying to imagine what the atom was and what the nucleus of a particle of matter might be. The whole thing seemed to be in the realm of the imagination. The hypothesis was still to be confirmed by experiment. Well, during those years since the days that I was a student of such things, we have seen the development and the practical application to military purposes of that great unknown secret of science, the secret of nuclear energy. It has emerged into the full light of day and is now the subject of very important governmental action.

That illustrates, Mr. Chairman, the frontiers of science which are yet to be discovered. It seems to me it is the duty of this Congress and the duty to the people of this country that we open the gates and set up an instrumentality by this legislation which will break down those frontiers and give our people and the people of the world, when it is proper for us to do so, the benefits of basic research in fundamental science.

The pro forma amendment was withdrawn.

Mr. HALE. Mr. Chairman, I move to strike out the last three words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Chairman, the point I would like to make at this stage in the

debate is a point I should have liked to make earlier if I had had the time. It is essentially the point raised by the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.], whose amendment was rejected on a point of order. But the plain fact of the matter is, as far as I am concerned, that this piece of legislation is, in a sense, a piece of defeatist legislation, because it proceeds on the theory that you cannot get any money for science unless you put the Government into the science business, and put it in all over. It may be that under existing tax laws that theory is correct. The solution, so far as I am concerned, is not to pass this legislation which does put the Government into the science business, but to amend the tax laws.

The gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] has introduced a bill which does that. I think it is a sound and sensible piece of legislation. I think, if you do not pass legislation like that, you can kiss good-by any hope of getting money from private sources, from individuals, for scientific work.

The statement has been made in the course of the debate that no scientific institution is against this bill, and the implication is that all scientists favor it. The fact of the matter is quite the reverse. There is a very large group of scientists in this country who are very much opposed to this legislation. When we go back into the House, I shall ask unanimous consent to incorporate in the RECORD a large number of letters from scientists of great repute who raised this very point. Also an article by Robert W. King, of New York, entitled "A Tax Credit Plan for Reestablishing Private Support of Pure Science."

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Tennessee.

Mr. PRIEST. Will the gentleman not agree that far beyond the question of financing scientific research, a program of this sort should be of greater impetus to the correlated effort in this field than if we continued to depend merely on private foundations?

Mr. HALE. I think that conclusion very doubtful. I do not think that is a point that I would be disposed to concede, by any means. I admit that the passage of this bill would be recognition by the Congress or the Government, if you please, that science is important. I am perfectly willing that the Congress should recognize that fact in some other way, but I do not think that in the long run scientific research is going to profit from being bureaucratized, and I suspect that under this legislation it is going to be bureaucratized. I do not believe that in the long run you will get as much money for scientific research as you would if you encouraged private benefactions, which you could do by changes in the tax laws.

I would like to read a rather significant statement made by Sir Stafford Cripps, president of the British Board of Trade, and this, mind you, is a Socialist speaking:

One thing is to my mind quite certain, and that is that there must be absolute freedom for the researcher to wander over the field of knowledge wherever his will and his genius take him. The discipline and carefully estimated economy of production methods are wholly out of place in the matter of pure research. That is why it is quite impossible for a state or a government to plan fundamental research.

Here follow the article from Science and the letters referred to:

[From Science of June 6, 1947]

A TAX CREDIT PLAN FOR REESTABLISHING PRIVATE SUPPORT OF PURE SCIENCE

The heavy taxes now levied against incomes have virtually dried up private support for American science. Its revival need not, however, be contingent upon the return of that visionary day when the Federal budget will again approach its predepression size. Another and very simple means is at hand. Being flexible to a high degree, this means can be made sufficiently productive to carry the full load of pure science, or it can be operated in parallel with the appropriation of funds from the Federal Treasury.

By way of explanation of the plan, let us first note the inequalities of reckoning which the income-tax law now accords to different income classes. Assuming that our goal is to complete a certain budgetary quota for pure science, each dollar entering the quota should be counted as of equal value, irrespective of its source. In other words, the dollar contributed voluntarily to science should count equally with the dollar processed by the tax collector. Under the present tax formulas, however, this is not the case. The person who voluntarily donates $1 finds his tax reduced not by $1 but by an amount lying between the approximate limits of 19 cents and 85 cents, depending upon whether he stands at the low or the high end of the income scale. As for a contributing corporation, its dollar counts for a maximum of 38 cents. If science is hereafter to receive support partly from private donations and partly from the Federal Treasury (an arrangement that many advocates of Federal aid hope for), it seems definitely illogical that the only dollars to count at full value should be those taken, and later contributed, by the tax collector.

While recognizing that inconsistencies in the tax schedules are nothing new and are perhaps not overly embarrassing to tax authorities, I wish to emphasize, nonetheless, that the removal of these disparities might readily suffice to produce even greater support for science than any one dreams of asking from the Government. In short, the rectification which becomes logical, were Treasury funds to be drawn upon to participate jointly with private aid, might well result in making the Treasury funds unnecessary.

Let us now see how the plan might operate in the current year. The total income-tax payments from individuals on incomes earned in 1946 is (in round figures) $18,000,000,000. In the tax discussions now taking place in Congress, reductions in individual taxes ranging from 10 to 30 percent are mentioned. If it is supposed that the amounts finally agreed upon average 15 percent, then, using for 1947 the 1946 base of $18,000,000,000, this would represent a reduction of $2,700,000,000. This reduction is so large that a few percent of it would equal any sum that has been mentioned as appropriate for additional aid to science, and when the contributions that may be expected from corporations are taken into account, the sum that would be needed from private donors becomes even a smaller quantity in comparison with the presumptive tax reduction.

The specific proposal, then, is that, from the shortly-to-be-established tax reduction, Congress channel approximately 2 to 3 percent to science by the expedient of informing the taxpayer that he will get full tax credit for any contribution (up to, say, 5 percent of his income) which he makes to approved science agencies. Many of these contributions, and especially those from corporations, would be made to the National Science Foundation if, as may reasonably be assumed, such a body is created. If any taxpayer does not elect to make such a contribution, he may expect the tax collector to demand an equal sum. As a matter of fact, adequate support may reasonably be expected to flow from the recipients of large incomes alone (i. e. from the group who are already accustomed to making systematic contributions) without drawing from the small-income groups, the mobilization of which might well require considerable time and effort.

Although here expressed in terms of a percentage of the pending tax reduction, the credit system is, of course, envisaged as applying year after year, the mechanism being the same whether or not a tax reduction for any year is in prospect. The allowable credit would be stated as a fraction of the taxpayer's net income (5 percent, for example), and, while this fraction might be subject to modification from time to time, any change would be incidental to the operation of the plan. There might, however, be some advantage from the taxpayer's standpoint in launching the plan in a year when a tax reduction is in prospect. It might be mentioned that the plan has been discussed with tax experts and is believed to involve no hidden difficulties of administration.

But, it will be objected, the plan grants to pure science the privilege of a special tax treatment which would not be accorded the many other forms of philanthropy. This is true; yet such a change is even more to be leveled against the proposal to support sicence out of Federal funds. This represents the very pinnacle of partiality. No possible course of action could give science a more favored position, and if any charge of favoritism is to be brought, the plan of Treasury aid is clearly more liable than the plan for modifying the income-tax formulas.

Moreover, the charge of partiality against the plan becomes even weaker if the tax credit is allowed to apply to donations to educational purposes generally. Expressing the basic doctrine that universal education is essential to our democratic way of life, governments, both State and Federal, have traditionally encouraged and supported virtually all forms of education. In fact, any proposal to put greater stress upon higher education and research—the current appeal for a National Science Foundation being a case in point—can succeed only as it is supported upon a broad and effective base. At this very time, many of our leading universities are more in need of funds to defray current expenses than for more scholarships, fellowships, and research. It is therefore pertinent to point out that the tax credit plan here proposed is so flexible that it could be used, were Congress so minded, to create a broad-gage and long-range program in aid of American scholarship in all its branches.

Everyone recognizes that many of the serious postwar problems looming up are not in the domain of the exact sciences at all, although many of them have had their birth in the social and political consequences of technology. As a Nation, our success in the future depends increasingly upon broadening our understanding of such areas of learning as sociology, political science, economics, and psychology—call them sciences or not, as we choose. Congress can, if it will, shore up the entire foundations of American learning and scholarship and do so in a manner that will need little, if any, surveillance for a long time to come. Moreover, this can be done without enacting any novel legislation. It may be expected to occur spontaneously,

once there is inaugurated the income-tax credit that is deductible from the tax that is otherwise payable.

(This plan has been placed before Congress, but its details and the reasons for its proposal are not generally understood among scientists. The plan was referred to by F. B. Jewett in his recent statement before the House Committee on Interstate and Foreign Commerce.)

THE FARM NISKAYUNA,
Schenectady, N. Y.

DEAR FRIEND JEWETT: I have just read your Suggested Way for Fundamental Science. Personally, I like it better than trying to let Government do it to the extent of directly paying the price. I am getting to believe in the rectitude of evolution and would like to see our country grow better naturally. What is fundamental research? Who would select it? The natural methods due to curiosity or inquisitiveness have been good ever since Francis Bacon showed that men should discover and use. England, among other countries, contributed mostly through amateur work. It gave people who had time or money a chance to be actively and usefully curious about the infinite creation as is. Your way seems to me one capable of still using the same assets of will and powers which are so desirable. We Americans ought to learn that after all their wills to keep separate church and state, and all its cathedral buildings like weaker replicas of the European types, that appreciation of the wonderful, infinite creation is much more sensible than erecting terribly expensive monuments to different conceptions of anthropomorphic gods. I like to let our changing people work out things in turn, rather than prescribe by almost changeless laws all the ways man must travel.

I liked the contribution of R. W. King also. Thank you.

Yours as ever,

W. R. WHITNEY.

(Dr. Whitney is nonresident professor of theoretical chemistry at Massachusetts Institute of Technology; former director of research laboratory at General Electric; vice president in charge of research since 1928; now honorary vice president, General Electric Co.)

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE,
Washington, D. C., April 28, 1947.

Dr. FRANK B. JEWETT,
President, National Academy of Sciences, Washington.

DEAR DR. JEWETT: I thank you most sincerely for sending me a copy of your testimony before the committee of the House on the recently proposed Science Foundation legislation.

I have read it with great interest and hearty approval, not only for the substance of what you state, but also for the excellent way it was presented.

Very sincerely yours,

F. R. MOULTON,
Administrative Secretary.

EASTMAN KODAK CO.,
Rochester, N. Y., May 2, 1947.

Dr. FRANK B. JEWETT,
New York, N. Y.

MY DEAR JEWETT: I was very interested to read your testimony before the House Committee on Interstate and Foreign Commerce on the proposal to establish a national science foundation.

In my recent book, the Path of Science, I have discussed the future of scientific research and come to the conclusion that its progress would require the establishment of research institutes and that the only source of funds for their maintenance would be national funds drawn from the tax revenue. I was quite aware that this was a defeatist attitude.

I don't believe that the support of scientific research from Government funds is desirable for the reasons that you make so clear in your testimony. I felt, however, that there was no other source of funds and that the necessary support for scientific research could not be obtained from private contributions. After reading your testimony and Mr. Robert W. King's proposal for a change in the tax law which would enable individuals to support scientific research largely by drawing on funds that would otherwise be paid in taxes, I feel that this is an adequate and satisfactory solution. I am sure that if Mr. King's proposal were accepted, it would insure a sufficient amount of money, and I am also sure that the contribution of this money by many individuals would be much more satisfactory as a method of obtaining funds for research than its vote by Congress directly.

I should like, therefore, to support Mr. King's proposal and your own standpoint in this matter.

Very truly yours,

C. E. K. MEES.

(Dr. Mees is director of the research laboratory, Eastman Kodak Co., and vice president in charge of research; director of Eastman Kodak Co.)

W. F. DURAND,
STANFORD UNIVERSITY, CALIFORNIA,
May 5, 1947.

DEAR DR. JEWETT: I like your paper on the case for continued private support, etc., very much indeed. It expresses forcibly and well my own views.

My chief objection to the various "bills" which have been introduced is that they all mean a further centralization of power and authority in the Central Government.

I am for decentralization rather than further centralization of large powers in Washington and vested in bodies subject to political influence.

With every prospect of adequate support from private sources—with suitable change in our tax laws—I see no reason for the elaborate machinery which these bills contemplate, and which means just another political organization set-up in Washington. The more strength to you.

Cordially yours,

W. F. DURAND.

(Professor of mechanical engineering, Leland Stanford University; former member National Advisory Committee for Aeronautics; member National Research Council.)

PRINCETON UNIVERSITY,
Princeton, N. J.

DEAR DR. JEWETT: May I take this occasion to tell you that I have read your pamphlet, the Case for Continued Private Support, and that I am in hearty agreement with you.

Sincerely yours,

EDWIN G. CONKLIN.

(Professor emeritus of biology at Princeton since 1933; special lecturer in biology.)

EXCERPT FROM LETTER OF MAY 1, 1947, FROM DR. C. M. CHILD, DEPARTMENT OF BIOLOGY, STANFORD UNIVERSITY

I wish to say that I thoroughly approve of your plan for private support of scientific research. I have never been able to consider favorably a Federal Research Foundation of any kind. I do not believe it could be kept even reasonably free from political pressure of one kind or another. I was much pleased with the record of your statement to the congressional committee.

(Professor emeritus of zoology, University of Chicago; now lecturer in biology, Stanford University.)

MUSEUM OF COMPARATIVE ZOOLOGY AT HARVARD COLLEGE,
Cambridge, Mass., April 22, 1947.

Dr. FRANK B. JEWETT,
National Academy of Sciences, Washington, D. C.

DEAR FRANK: Thanks for the copy, just received, of your the Case for Continued Private Support of Fundamental Science. I don't know how many others of us feel as you do in the matter, but here's one who certainly does. I am writing not only to thank you for remembering me, but also to tell you that I endorse every word you said at those hearings. The modern mania that the only place for science to feed is at the governmental trough does not accord with the way I was brought up.

Yours,

HENRY B. BIGELOW.

(Dr. Bigelow is curator of oceanography at Harvard and professor of zoology. He was director of the Woods Hole Oceanographic Institution, 1930–39.)

THE JOHNS HOPKINS SCHOOL OF MEDICINE,
Baltimore, Md., April 18, 1947.

Dr. FRANK B. JEWETT,
New York, N. Y.

MY DEAR DR. JEWETT: I wish to thank you for sending me a copy of your article, The Case for Continued Private Support of Fundamental Science With a Suggested Way of Supporting It. This is the first article on the subject that has held my attention to the end. It is the first article I have read that appeals to me as sound in every respect. It is a sad commentary on the trend of the times to note that your testimony before Congress was not included in a recent publication that gave the testimony of those favoring bills to establish a National Science Foundation. The subtle ramifications of "let the Government do it" are manifold and are creeping even into town governments. The fun of managing their own affairs is being given up by the people.

Very sincerely yours,

W. MANSFIELD CLARK.

(Dr. Clark is DeLamar professor of physiological chemistry at Johns Hopkins University. He is chairman of the Division of Chemistry and Chemical Technology of the National Research Council and a consultant, OSRD.)

BROOKLINE, MASS., *April 18, 1947.*

DEAR JEWETT: I have just received your The Case for Continued Private Support of Fundamental Science, and thank you for it. As you know, I think you are right and in particular I think these scientists who are trying to get large wads of Government money are wrong. Further I believe that in trying to exclude the social sciences they are very wrong. Unhappily they apparently know little about society and the way it works in the long run politically. The letter of the Indiana group talked about democracy. What democracy, that of Athens which killed Socrates? That of Russia today? And did any democracy ever do as much for any mathematician as Russia did for Euler in the days when there was no democracy in Russia even if there is so very much there today? If we are to have the money I should rather take the risk of ruining the Academy by having it spend it than take the risk of ruining the whole scientific set-up by having the Government spend it through some foundation of its own. Maybe you would not, we may differ there and you would know better than I. But on the main thing we do not differ, I think.

Sincerely,

E. B. WILSON.

(Professor of vital statistics at Harvard School of Public Health.)

NATIONAL RESEARCH COUNCIL,
Washington, D. C., April 11, 1947.
Dr. FRANK B. JEWETT,
Short Hills, N. J.

DEAR DR. JEWETT: Yesterday I read with a great deal of interest the little booklet you had prepared on the case for Continued Private Support of Fundamental Science. My immediate reactions are so postive, based upon more than 25 years of experience with this problem as it effects the colleges and universities of this country and my observations on the visits I have made this year to research centers—more than 80 in 28 States and Canada thus far—in connection with our patent policy survey, that I am bold to submit them to you for what they are worth.

1. Although as you say and as we all realize, there is no unanimity of opinion among scientists on the establishment of a National Science Foundation or of its character, I have found general concern over the effect—and influence—of Government-sponsored and Government-supported research on the programs of our educational institutions, even today under the post-war contracts with the Army, Navy, and other agencies. Not only is there an inherent suspiciousness of bureaucratic control over such activities, but both administrators and scientists alike are fearful of the financial unbalance caused by such support, as well as its uncertainty because of dependence upon annual appropriations from the Congress, and the increasingly developmental character and spirit of the research projects.

2. It is true that many of the smaller and less qualified institutions—the "forgotten men" in the present programs—are seeking to get on the band wagon and, to change the figure, share in the spoils. However, despite the appeal of this new source of financial support, even these institutions recognize the hazards, as do those more experienced with the problem. Those who are heavily involved in Government sponsored research are trying to get out of as much of it as they can gracefully and to replace it with more stable support of the research programs and staffs they have developed.

3. Some of the more serious hazards of Government-sponsored research were encountered while I was in Colorado where they have a State-sponsored industrial development research program, involving the University of Colorado, the Colorado School of Mines and the Colorado Argicultural and Mechanical College. Similar situations exist in several other States where attempts are being made to utilize the publicly supported institutions of the particular States. Much of this results from a desire to cater to the industrial interests of a State and serve those interests much as the land-grant colleges are and have been serving the agricultural interests, with Federal as well as State funds. Canada, which is a year ahead of us in its postwar reconversion planning, has embarked upon an extensive program of this character, on a provincial basis. There is no question but that certain of the research contemplated under these programs is legitimate and highly desirable, but in many instances the bureaucratic control and direction of the work lead to most undesirable effects upon the research men themselves and upon the other, more fundamental, activities of the institutions, as was very clearly demonstrated in the Colorado situation.

4. While, under our present tax structure, the 60 families are no more and the funds available through the larger and better known foundations are dwindling, as are the returns on college endowments, there is apparent an increasing interest among the more enlightened industrial groups—and the number of such is growing—in supporting fundamental research work in our educational institutions. They recognize that, especially with the present shortage of adequately trained scientific and technical personnel and the difficulty in obtaining matériel and other facilities for research laboratories, the educational institutions are the only going concerns in a position today to continue the search for new knowledge and uncover new ideas which industry can develop and utilize through its own laboratory efforts and manufacturing operations.

5. There are two grave dangers involved in this new marriage between education and industry—and on that account a trial marriage in many respects. (a) Too many institutions, carried away in their enthusiasm for this new source of financial support and unaware of its cost to them in money and in effect upon the basic responsibilities of the institutions, are selling their services too cheap. Our study of the contractual bases of industry-sponsored research reveals that the charges are much too low for what industry gets, not only in personnel, facilities, and services, but also in the intangibles available in the educational research environment. A bad precedent is being established and the wide diversity in charges and commitments are already causing industry—and also Government—to shop around for the best terms, often regardless of the quality and ultimate benefits of the end results. (b) In an effort to serve small business, prompted in many instances by its public-relations value, many institutions are accepting—and even actively soliciting—purely developmental jobs, projects that rightfully do not belong in the educational program but, rather, should be performed in commercial laboratories. The directors of research at some institutions frankly admit that they are in business and are conducting their research programs with a view to solving local problems, even of individual concerns, and making money.

6. There is money aplenty available in private hands that can be obtained for the support of fundamental scientific research. I was told that in Dallas alone there are 110 millionaires who could give—and many are already being cultivated and are interested in giving—from $5,000,000 to $150,000,000 for the support of research. I also understand that in Atlanta there a number of foundations, many recently established, with more than $75,000,000 in capital funds. And, as you may have noticed in Time (April 7, page 29), a Texas tycoon, Hugh Roy Cullen, has just given what is estimated at $50,000,000 to $100,000,000 to establish a new foundation with eleemosynary objectives. The Midwest Research Institute in Kansas City has already raised nearly $1,000,000 from public sources in support of its $2,000,000 research program, and the University of Syracuse has already in hand, from industrial gifts, a large part of $1,150,000 which it is seeking to finance its new research institute. These are only a few instances that come immediately to mind.

7. Whether there is need for a change in our tax structure in order to encourage more private and corporate support of research, as Bob King so eloquently suggests in his memorandum, I am not in a position to say. But on the basis of my own experience in raising funds and in advising others in such activities—at Columbia (1925–27), at Cornell (1934–38), and as president of the University of Chattanooga (1938–42), as well as doing work with the Institute of International Education (1927–29), and with the Association of American Colleges (1929–34), I am disposed to place the emphasis rather on organized effort to enlist public interest. If I recall correctly, the public generally takes only about 2 percent of the allowable 15 percent Federal income-tax deduction for all types of charitable donations. Possibly, greater liberality and flexibility in the laws governing corporate gifts for eleemosynary purposes, including research, may be necessary, but even here I feel that the greater need is for guidance and proper direction.

8. In fact, methinks that the real need is for broadening the base and enlisting wider distribution of private support of research. In that connection the following data on alumni giving to educational institutions last year, through alumni funds, may be interesting:

Dartmouth, $416,677 from 13,215 alumni, 60 percent of total.

Yale, $370,491 from 16,000 alumni, 40 percent of total.

Cornell, $283,086 from 12,530 alumni, 25 percent of total.

Princeton, $216,234 from 8,440 alumni, 42 percent of total.

Harvard, $210,338 from 15,174 alumni, 35 percent of total.

These gifts are in addition to moneys obtained by these institutions from other sources, including amounts from foundations, corporations, and other donors for specific purposes, including research. You may be interested in the enclosed copy of a paper I gave at Vanderbilt University, on the occasion of O. C. Carmichael's inauguration, in which I discussed this very problem.

9. Similarly, through the development of a bequest consciousness among college alumni and among the public generally—a fertile and relatively new field—greater private support of research can be obtained. My own experience at Cornell and at Chattanooga strengthens my enthusiasm for this comparatively untapped source. (I was also instrumental in developing similar programs at Vanderbilt and Rutgers.) Our inheritance tax laws already provide a convenient means for this purpose.

10. One of the potential danger spots in any Government-supported program, i. e. local pressure, was clearly illustrated in an experience I had on my recent western trip. At the luncheon preceding the formal meeting with a group at a State university in the hinterland, mention was made of the proposed National Science Foundation. The president of the university frankly expressed his fear that, because of its relative isolation and less favored academic status, the institution and the State might not get its "fair share" of financial support from the Foundation. He had therefore written strongly on the subject to the State's Representatives in the Congress and was urging others to do likewise.

11. While it is true that those that have often gotten the lion's share of any distribution of funds, private or public, and are probably better able to give a better return on whatever funds are invested in research at their institutions, there is at the same time need for a wider distribution of funds to improve existing weak spots and stimulate scientific endeavor and productive scholarship in all parts of the country. Nevertheless, the expenditure of public—and even private funds—in the public interest should be on the basis of the best judgment available, free from political and economic pressure.

12. Fundamental to the enlistment of private, as well as public, support of research—as of any public interest or eleemosynary objective—are, in my mind: (a) over-all coordination and direction of the effort, (b) preliminary cultivation of sources, (c) dissemination and exchange of information and accomplishments, (d) stimulation and guidance, (e) a positive program of solicitation and encouragement of giving.

Whether these are functions which, in the case of scientific research, the National Academy of Sciences or the National Research Council can and should undertake is for others to decide, but I feel that no greater service could be rendered today than for some such independent, objectively-minded organization to take the leadership

and provide the medium for organizing and directing effort along these lines.

13. These are but random thoughts, hastily and poorly expressed, but I submit them for your consideration. If you desire to discuss any of them further, I shall be only too happy to elaborate upon them. I am sorry that illness prevented you from coming to Washington today and I hope that you will soon be back in good health, able to give the statesmanlike leadership this important problem requires.

14. I am taking the liberty of sending copies of this letter to Det Bronk and to Bob King, for their information.

Cordially yours,

ARCHIE M. PALMER,

Copies to Dr. Detlev W. Bronk, Dr. Robert W. King.

(Dr. Palmer is former secretary and acting deal of College of Arts and Sciences, Cornell, past president of University of Chattanooga. He is at present director of patent policy survey.)

MARINE EXPERIMENTAL STATION
OF THE LANKENAU HOSPITAL
RESEARCH INSTITUTE,
Cape Cod, Mass., March 26, 1947.

DEAR DR. JEWETT: As one who has been a worker in science since 1898 and is about to bow out, may I express to you my pleasure for your opposition to a National Science Foundation under Federal auspices.

To me self-respect is man's only reliable possession; and self-reliance is its foundation.

Any young person today as in my day who wants to get to be a competent worker in science can do so if he is willing to take and do whatever work there is to do; and there is plenty still to be done.

I washed dishes in cheap restaurants; worked as laborer in a bleachery, as a necktie salesman in a department store, as a waiter in a hotel, as a laborer on farms, and so forth, to get money for books and clothes. Such jobs are still to be had.

The philosophy of the past 16 years that folks should be taken care of from lust to dust at the expense of those who like to work is false.

And the proposed National Science Foundation is an expression of that philosophy.

Scholarships and fellowships for those who want to earn them are fine. But to hand such out who want them and are not willing to earn them is a farce. And that is what Conant, Bush, and others are proposing. Let them come from such as the Mallinckrodts, Lilly, and the like. Not from the Government.

Thank you for your effort, even though it is a lone voice.

Sincerely yours,

FREDERICK S. HAMMETT,
Scientific Director.

ELECTRICAL TESTING LABORATORIES, INC.,
New York, N. Y., June 16, 1947.

FUNDS FOR SCIENTIFIC RESEARCH

Hon. ROBERT HALE,
House of Representatives,
Washington, D. C.

DEAR SIR: Since the idea was first outlined to me some year or so ago, I have become increasingly interested in the suggestion that funds adequate for scientific research in the interest of the Nation might best be obtained through income-tax credits accorded business and individuals for contributions to approved scientific agencies.

The description of the plan that appears in Science for June 6, 1947, page 593, leads me to take the liberty of commending careful consideration of this program to the Committee on Interstate and Foreign Commerce.

Cordially yours,

PRESTON S. MILLAR,
President.

RENSSELAER POLYTECHNIC INSTITUTE,
Troy, N. Y., June 18, 1947.

The Honorable ROBERT HALE,
The House of Representatives,
Washington, D. C.

Re: Legislation in support of science.

DEAR SIR: It is understood that Dr. F. B. Jewett, in a recent statement before your committee on Foreign and Domestic Commerce, has referred to a tax-credit plan designed to stimulate private contributions for the support of science. This plan, as you know, visualizes a reestablishment of private donations to science through the inducement of tax relief in direct proportion to the amounts given—at least up to a certain limit. A very able discussion of the plan has been prepared by Dr. R. W. King, and was published in Science for June 6, 1947, page 593.

It seems to me this plan has far-reaching merits, chief of which is perhaps that funds so contributed are free from political control and are put to work by organizations long established for the purpose of furthering scientific research and training. It is therefore my hope that your committee will see fit to give thorough consideration to this plan before the present Senate bill 526, creating a National Science Foundation, is sent to the floor of the House for debate. In spite of talk from certain quarters about the urgency of establishing a National Science Foundation, I think it is of utmost importance at this time to weigh carefully and deliberately the merits of both proposals. Such small delay as may be involved is little to pay for assurance of finding the best long-range solution to the problem.

I trust you will give full consideration to the tax-credit plan for reestablishing private support of pure science.

Respectfully yours,

WILLIAM H. CREW,
Assistant Dean of Students.

NEW YORK, N. Y., *June 18, 1947.*

The Honorable CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR SIR: It is understood that Senate bill 526, to create a National Science Foundation, may be considered by the House of Representatives in the near future. The writer, as a research worker, inventor, and former member of a university engineering faculty, wishes to lay his views before you.

The writer urges that the Committee on Interstate and Foreign Commerce seriously consider, and correspondingly report to the House, the following facts.

1. There is a great difference between research and development. Research is a pioneer venture into the unknown. In general, it can be planned only very broadly; its results are unpredictable and frequently not at all along anticipated lines; the percentages of successful research are small; research workers function best under minimum control and when operating in small groups; and research itself is a delicate activity easily ruined by bureaucratic interference or official control.

2. Development work, on the other hand, is the application of known scientific principles, by engineering methods, to the design and production of useful products, services, or processes.

It is best carried on by men of a practical turn of thought; it is effective in fairly good-size groups; it is most productive when the workers are close to the problems of actual factory production of an industry and understand the methods and problems of that industry in detail; it can be relatively economically conducted; the results are usually predictable to some extent; and the best development workers are men of considerable enterprise and ambition.

3. It is not believed that, in general, a governmentally operated laboratory constitutes as hopeful a location for research work (as described under 1 above) as does a university laboratory or the research division of a major industrial laboratory. The necessary conditions and safeguards of Government employment, and the requisite supervision and controls, as well as the appropriate types of personnel for Government activities have not as yet proven themselves to be as fitted for advanced research work as are, for example, university research men and research workers in industrial groups.

4. Nor does it seem likely that Government laboratories, considerably removed from problems of industry, would be the most effective organizations for development work which would benefit the public by the stimulation of the production of improved industrial material and processes. Government, in its nature, appears detached from industry and its methods and problems. Governmental development work is accordingly less likely, in general, to be able to render helpful service to industry and the public according to the requirements of 2 above.

5. It is agreed by those who have studied the situation that the fostering of research and development in the United States is urgently necessary and desirable. It remains, however, to determine how best to secure this result. There appear to be two main methods.

Accordingly to the first method, the Government enters into research and development work according to the plans of Senate bill 526, either by carrying out the research or by financing (and ultimately, in some measure, controlling) such research and development work. For the reasons outlined above, this method is not likely to be efficient, successful, stimulating to the scientist and the engineer, nor helpful to the public and to the industrial groups in the United States. It is certain to lead to many extraneous problems such as the entry of scientists into politics (which is highly undesirable in view of the nature of his work), the creation of governmentally owned patent situations concerning the utilization of which there will be much conflict; and the injection of the Government into numerous patent disputes between its own patents and those which it has granted to individual inventors not operating with its financial support.

The second method, and a much more desirable one, is to encourage the financing of research by a system of tax allowances to industrial enterprises carrying on research, and by suitable grants, on a broad basis, to universities conducting purely scientific research work (not development work).

6. The writer wishes respectfully to stress the importance of encouraging pure scientific research in the universities, and in industrial laboratories; the desirability of doing this by grants to the universities and by tax allowances to industrial organizations; and that development work be similarly encouraged in industry by the method of tax deductions for development work.

It is, in the opinion of the writer and on the basis of his experience, as impracticable to carry forward research work under the necessary procedures of government and under governmental control and planning as it would be to compose great music, to write masterpieces of literature, or to create the paintings of the old masters in governmental institutions and under governmental control.

Accordingly the writer urges that the Committee on Interstate and Foreign Commerce consider the tax-deduction method for the promotion of industrial research and development, and the grant method for the

promotion of pure research in universities and report correspondingly to the House.

Sincerely yours,

ALFRED N. GOLDSMITH.

CORNELL UNIVERSITY,
DEPARTMENT OF PHYSICS,
Ithaca, N. Y., June 25, 1947.

The Honorable ROBERT HALE,
House of Representatives,
Washington, D. C.

DEAR SIR: Inasmuch as Senate bill 526, which would create a National Science Foundation, is to be debated soon in the House of Representatives, and another plan for the support of science has been advanced in part in an article by Rober W. King, in the issue of Science for June 6, 1947, page 593, I would like to express to you some thoughts on the whole matter which I consider of major importance with regard to the way such support would affect the progress of science, the universities, and, most of all, the future welfare of our Nation. In the framework of existing conditions I believe there can be no question about the necessity for seeing to it that adequate progress in science is assured.

The roots from which all such scientific progress stems are located in the major universities of the country. Such progress is becoming increasingly expensive, and in these days of dwindling private incomes and decreasing incomes from endowments, it is quite clear that the universities will not be able to furnish sufficient financial support to their scientific departments. Yet I am sure that our Nation cannot afford not to be continually in the front rank among nations from a scientific point of view.

Some means for helping the universities meet this problem is urgently needed, yet I think great care should be exercised by those responsible for legislation connected with such aid, so that means for scientific achievement can be assured, and at the same time avert some very undesirable effects which could come about if such financial support were improperly administered.

It seems to me of the utmost importance that the aid come from some source which is removed from political domination. It is absolutely essential that the universities receive the aid in such a way that they are always left entirely free to have members of their faculty advance their considered opinions on science and other educational matters without endangering the source of the financial aid, as was the case in the large endowed colleges and universities.

From the standpoint of the Nation's welfare, and educational progress in general, I would fear to contemplate a state of affairs in which all of the major educational institutions in the country had to rely on direct governmental support. It seems to me absolutely necessary that there exist a number of strong educational institutions that are not supported chiefly by the Government, so that opinions on major questions of the day can be fearlessly expressed by members of the staff without endangering the source of financial aid, and, in addition, that the subject matter taught be in no way interfered with or edited in any way so as to be in harmony with any current political point of view in order to retain the means of support. For these reasons, I would like to urge you, as a member of the Committee on Interstate and Foreign Commerce of the House, to survey this whole matter fully and critically and, in particular, to weigh carefully the merits of the plan outlined by R. W. King referred to above.

It seems to me that this offers a way of providing adequate support to strong educational institutions in a way which approaches that of private donations and endowments, thereby removing much of the danger of political pressures on a given institution. We must maintain strong, independent educational institutions in this country to preserve the basic feature of our American way of life, and our national leadership.

I would appreciate your earnest consideration of these thoughts in connection with your study and actions concerning the matter of the support of science in the educational institutions of this country.

Very sincerely yours,

LLOYD P. SMITH,
Professor and Chairman.

NATIONAL ACADEMY OF SCIENCES,
Washington, D. C., June 18, 1947.

Hon. ROBERT HALE,
House of Representatives,
Washington, D. C.

MY DEAR MR. HALE: * * * The more I survey the crazy quilt of Federal aid to science which is forming in the various bills pending, the more I'm inclined to think that if Congress is seriously interested in helping science the best thing it can do at this session is to do nothing. The latest thing to come to my attention has to do with cancer research. S. 526 contemplates establishment of a special commission in this sector and yet the papers report that the House committee considering appropriations for the Atomic Energy Commission has included a very large item for one phase of cancer research. Nobody yet knows how much money can be profitably spent in the whole field of cancer research, much less what portion can be spent in any one sector.

In my judgment, the wisest thing Congress could do at this juncture, if it is not prepared to try the expedient of securing enlarged private support through modification of the tax laws, would be to authorize a distinguished study committee such as was contemplated in S. 1771 of the last Congress. This committee should not be composed wholly or even predominately of scientists but should be broadly representative both of science and of the sectors of society which science affects. Congress would then have a balanced basis on which to formulate legislation.

Sincerely yours,

F. B. JEWETT,
President.

ARMOUR RESEARCH FOUNDATION
OF ILLINOIS INSTITUTE OF TECHNOLOGY,
Chicago, June 17, 1947.

The Honorable ROBERT HALE,
Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR SIR: I have followed with a great deal of interest the Senate and House consideration of bills regarding the establishment of a National Science Foundation. Realizing full well that additional funds must be obtained to support basic science investigations in the colleges and universities of our country, I feel that the financial support for this activity should come from individuals and corporations of this country rather than from the Federal Government. I feel sure also that adequate financial support will be given by individuals and by corporations if our tax laws are amended to provide additional incentive for grants and contributions to nonprofit educational institutions.

The strength of fundamental research lies in keeping freedom of inquiry. Administration by Federal agencies cannot help but be somewhat costly, somewhat inefficient, and subject perhaps to political interference. Furthermore, no small group of people, however capable, should be in a position to direct all of the fundamental research in this country. Industry and individuals, with a multiplicity of interests in fields of investigation, with widely varied interests in institutions and individual scientists, are in a position to place funds for the support of research with more intelligent distribution of those funds and with less possibility of interference and outside direction. I therefore hope that full consideration will be given to amending our tax laws so that administration of funds for research by Government agency will not be necessary. It will then remain necessary for the Federal Government to only support and supervise research in public health, public safety, national security, the conservation and development of natural resources, the maintenance of technical and scientific standards, and research by military agencies.

My views on this subject are outlined more in detail in a talk I recently gave before the Chamber of Commerce of the United States. A copy of this talk is attached.

Respectfully yours,

J. E. HOBSON,
Director.

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK,
June 18, 1947.

The Honorable ROBERT HALE,
Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR MR. HALE: It seems to me highly important for the future of our civilization to make as rapid progress as possible in scientific research. Because of the falling rates of interest, substantially higher costs, and the failure of private contributions to expand adequately, educational and scientific institutions do not have sufficient resources to press ahead as rapidly as the communities' needs warrant.

I feel that the income-tax plan proposed by Dr. Frank B. Jewett, would be of substantial aid. I urge that you support this measure as vigorously and as promptly as possible. Although there may be details of the bill which I would like to see changed, the general outlines certainly deserve support. If possible, action should be taken during this session of Congress, so that contributions made during this year will qualify.

Yours very truly,

C. LOWELL HARRISS.

Copies to Dr. Frank B. Jewett and Dr. Robert W. King.

COLUMBIA UNIVERSITY OF THE
CITY OF NEW YORK,
June 18, 1947.

The Honorable ROBERT HALE,
Committtee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR MR. HALE: I am writing this to urge the adoption by Congress of what has been called the Income Tax Plan, as this plan has been set forth by Dr. Frank B. Jewett, president of the Bell Laboratories and former president of the American Association for the Advancement of Science. I feel very strongly that everyone interested in the scientific and educational future of our country has been rendered an important service by Dr. Jewett and by those Members of Congress who have undertaken to support this proposal with a view to legislative enactmenrt.

Evidence that has been brought to light through analysis of income-tax returns indicates that our existing arrangement for deductibility for income-tax purposes of gifts to privately endowed scientific and educational institutions is not yielding returns sufficient to provide for the growth and continued integrity of these private institutions. The issue is one that many of us engaged in educational and scientific work regard as of the greatest importance to the future of our country. I believe that the proposals offered by Dr. Jewett provide a way out of what may become a difficult impasse,

so far as the further development of science and higher education is concerned.

Very sincerely yours,

HORACE TAYLOR.

Copies to Dr. Frank B. Jewett and Dr. Robert W. King.

CORNELL UNIVERSITY,
Ithaca, N. Y., June 16, 1947.

The Honorable ROBERT HALE,
Member of the Committee on Interstate and Foreign Commerce, House of Representatives,
Washington, D. C.

DEAR SIR: I have carefully studied Dr. Frank B. Jewett's proposal of a tax credit plan for reestablishing private support of pure science.

May I be permitted to state that according to my opinion the enactment of such a plan is highly desirable and will be of great importance for the so much needed further development of fundamental research in this country.

Respectfully,

P. DEBYE,
Chairman, Department of Chemistry.

Copy to Dr. Frank B. Jewett, New York, N. Y.

HARTSDALE, N. Y., *June 18, 1947.*

Hon. ROBERT HALE,
Committee on Interstate and Foreign Commerce, House Office Building, Washington, D. C.

DEAR MR. HALE: This is with reference to the proposed law to create a National Science Foundation, which, I understand, is soon to come up for consideration before the House (cf. S. 526).

The proposal, it seems to me, is basically bad for two reasons: First. It is a second or third rate way of getting the desired result. Second. It further increases Government activities and bureaucratic control at a time when the crying need is to reduce them.

1. Despite all the attempts of collectivists to discredit our private enterprise, the simple fact is that our past practice of private support and direction of research and development put us so far in the lead—and particularly in the ability to deliver under emergency—that our scientists and our industry during recent years performed miracles that amazed the world and which our totalitarian opponents were quite sure could not be accomplished. Why scrap a practice of such proved success to imitate the totalitarians who failed; for that is about what the proposal amounts to.

2. The cancerous growth of bureaucracy itself is one of the greatest threats to our freedom. If we are ever to get rid of it there must be eternal vigilance against the insidious tendency to increase the number, size, and functions of Government agencies. To take such a big step in the wrong direction would surely be a mistake if there is any other way in the world to do the thing.

And here there is another way—our traditional way of private support and direction—and the past indicates that it is a better way. The simple change in the tax laws to encourage it, as proposed by Dr. F. B. Jewett in recent hearings before the committee, would keep it functioning. I suggest that this alternative be given full and prayerful consideration.

Sincerely yours,

WILLIAM R. BALLARD.

RENSSELAER POLYTECHNIC INSTITUTE,
Troy, N. Y., June 30, 1947.

The Honorable ROBERT HALE,
The House of Representatives,
Washington, D. C.

Re: The tax-credit plan to aid private support of science and education.

DEAR SIR: In his recent statement before the House Committee on Foreign and Domestic Commerce, Dr. F. B. Jewett referred to a tax-credit plan, the details of which are doubtless familiar to you. I am taking the liberty of writing this letter in order to indicate to you the reasoning through which I have been led to lend my support to this plan.

Briefly:

1. This is a period of rapid development in science. Moreover, this period of development is a highly competitive one among nations. Whereas we feel no danger from friendly powers now engaged in advanced scientific research, the attitude of Russia suggests the necessity for a greater effort on our part to lead the world in the mastery of physical sciences.

2. The situation is even more acute in the field of social sciences. Our democratic ideals and institutions—the State, the family, private property, and religion—are best preserved through the medium of broader and more advanced education in the social sciences—sociology, economics, and political science.

3. In the face of possible physical and actual ideological aggression, our schools and other agencies most capable of combating these forces are inadequately financed and equipped. Their need for support is the greatest in all our history.

4. It is undeniable that present tax legislation has effectively shut off this needed financial support for science and education at this highly critical period.

5. It is equally possible to deny that some form of revision of tax legislation, permitting a full flow of support to science and education, is urgently needed now.

Doubtless, a wide variety of worthy solutions for this problem might be evolved. The present Senate bill 526, creating a National Science Foundation, is one. However, I feel that the greatest merit, in effectiveness, flexibility, and general acceptability, lies in the plan outlined by Dr. Robert W. King in the June 6, 1947, issue of Science. This is the plan to which Dr. Jewett referred in his statement before the House Committee on Foreign and Domestic Commerce.

I believe that such a plan in practice would not only benefit science and education directly but would also immeasurably aid industry in production for either peace or war.

I sincerely commend this plan to you for your consideration and trust that you will lend it your support.

Respectfully yours,

RALPH E. WINSLOW,
Head of the Department.

NEW YORK, N. Y., *July 1, 1947.*

The Honorable CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

MY DEAR SIR: May I first express my deep appreciation for your letters of June 23 and June 27 relative to legislation before your committee dealing with the proposed National Science Foundation.

It was encouraging to note that "careful consideration is being given to the tax-deduction method of encouraging research", even though, at this time, you regard legislation authorizing this procedure as unlikely.

From a life-long experience in research and invention, I am certain that some basic principles must be accepted if America is to remain strong through being at the forefront of invention and research. In the first place, inspiration and research ingenuity occur, with disconcerting frequency, in the most unlikely quarters, at odd times, and in every corner of the land. The discovery of fundamental truths of science will, in my opinion, resist institutionalization and systematic planning. About all that could be done to encourage research and invention will be to enable the largest number of most widely distributed people, working either independently or in connection with a large diversity of enterprises, to carry forward their work and to endeavor to discover previously unknown principles.

In the second place, these new basic principles are, in general, far more important in the long run than the specific applications or developments which are later worked out by the engineers, and which can be more nearly planned and coordinated. The reason for their paramount importance is that they are (a) far rarer, (b) far more inclusive and stimulating, (c) capable of being applied in a far greater number of cases, and—most important of all—that they are the foundation stone of all later development work.

In other words, one new truth, resulting from research or invention, may lead to a thousand practical developments. But developments do not naturally lead to research. Basic truth is the "seed corn" of modern industry—and without it the development engineers are balked.

I have advocated the tax-deduction method of financing research for the simple reason that I am strongly convinced that only by such a process will research be as diversified, widespread, and effective as your committee no doubt hopes.

As regards development, this is a job which industry can generally carry out effectively once research has provided the raw material for practical developments. In the military field, it may well be necessary, for security reasons, for the Government either to sponsor or carry out certain development projects. But, in the main, even development grows best in the friendly soil of the industry to which it will be applied. For this reason as well, I believe that the tax-deduction method should not be dismissed, even at this time. If vested interest in research and development are created in governmental quarters in the United States, we may bitterly regret the ultimate outcome. Far-sighted statesmanship will preserve the American tradition of individual and widespread effort in these vital directions.

May I again thank you for your consideration of the thoughts which it has been my privilege to lay before you.

Sincerely yours,

ALFRED N. GOLDSMITH.

The CHAIRMAN. The time of the gentleman from Maine has expired.

The pro forma amendment was withdrawn.

Mr. WALTER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 13, line 18, strike out section 12.

Mr. WALTER. Mr. Chairman, members of the committee have assured me and other members of the Judiciary Committee that there is no intention on the part of the committee reporting this legislation to do anything that would affect the basic patent laws of this Nation. If this be the fact, then there is no reason for incorporating in this measure section 12. If I understand this section correctly it does very materially affect the patent laws.

It so happens that under the Reorganization Act the functions formerly in the Patent Committee were turned over to the Judiciary Committee. There are few members of that committee who have had very much experience in patent law, but from the advice we have received this language does affect basic law in that it permits turning over to the Government "or its nominee" any invention indicated in the bill. The Government would determine who would get the

benefit of this research and the inventions involved.

In this connection I wish to call your attention to the testimony of the Secretary of War, on page 30 of the hearings. In reply to a question asked by the gentleman from California [Mr. HINSHAW], Secretary Patterson said:

> That gets us into what the patent lawyers say is a highly controversial field and I merely meant that if you are going to have any basic change in the patent law, I think you ought to have it through the front door and not through the rear door.

The Secretary of Commerce, on page 174 of the hearings, had this to say about this language:

> The question of patent policy is a separable question; it affects all Government departments and not only the proposed Foundation. It is the subject of a very detailed and careful study by the Attorney General which has recently been submitted to the President for consideration. It is also a subject of study by the President's Patent Committee.
>
> Therefore I suggest that the question of broad patent policy on research contracts be omitted from this bill so as to expedite its consideration and passage; and that Government-wide patent policy be considered as a separate problem.

It certainly seems to me that in the light of the very positive statements made by these two Secretaries—and I understand the Secretary of the Navy has made a similar statement—we ought to delete from this bill this section having to do with patents.

The thing I am afraid of about this language is just this—and I say that it represents a departure from our basic patent laws—somebody in the Government is going to be able to select a person or an organization who will have the right to exploit the work that comes from the brain of another person. That is entirely foreign to anything that we have known heretofore; and, if, as the members of this committee say, this language is not intended in anywise to affect the basic patent laws of this land, why not delete it from the bill?

I understand that the committee that is studying the general patent law question will make a report very shortly. This report will be referred to the Committee on the Judiciary and we ought to have an opportunity to examine that report before positive action is taken.

The patent provisions in this bill are entirely different from those in the four identical original bills on which the Committee on Interstate and Foreign Commerce held the hearings, and no further hearings were held on this bill and its new provisions. That is hardly the way to legislate with reference to anything so fundamental in America as our patent system. That system has been the very basis of our progressive development, and certainly any legislation affecting it should emanate from the committee which has been given legislative jurisdiction concerning it. The incentive of that system must be preserved and safeguarded or we shall find ourselves following the false doctrines of ideologies in which we do not believe.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania.

Mr. Chairman, the gentleman from Pennsylvania has, I believe, run on to some portions of the testimony relating to one or more of the several bills which the committee had under consideration. As I remember it, there were in certain of these bills provisions that affected patent law. In the pending bill, however, there is nothing that affects the patent laws, as was previously stated. The need for retaining section 12 in the bill is because, as I tried to explain a few moments ago, it is inevitable in the course of the work to be done pursuant to this act that certain patent rights will appear. They appeared under the Office of Scientific Research and Development, they appeared elsewhere in the course of the Government conduct of scientific research and they will appear now pursuant to this act. Some provision must be made in the bill for the proper disposition of any such right and that is the reason for section 12.

If you delete section 12 from the bill, as is proposed by the gentleman from Pennsylvania, then these rights are wide open to anybody in taking the benefit for themselves of funds that are expended on behalf of the Federal Government. I do not think the gentleman from Pennsylvania really wants that to be done. I am quite sure he does not and I know that if he gives mature thought to it he would want to withdraw his amendment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I do not think that will happen. I do not think the inventor would have the exclusive right if he enters into a contract under which he agrees that the benefits of his research work shall be used a certain way. He certainly should be entitled to the fruits of his studies financially, he should be able to contract at arms' length for the use of the patent.

Mr. HINSHAW. I wish the gentlemen of the committee would read section 12 which says:

> SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions, consistent with the laws affecting the issuance or use of patents, governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest.

That is absolutely necessary in the law. Then it goes on to say:

> (b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities.

The committee will agree it is necessary for us to protect the public interest by leaving this language in the bill. I therefore urge the House to defeat the gentleman's amendment. I have the highest regard for the gentleman, but I think he is wrong this time.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from Pennsylvania raises a very important, technical question. As the Secretary of War said before the committee, it is a highly controversial issue, even among patent lawyers.

The committee has endeavored to protect the public interest as much as it is possible without changing the basic patent law. I have the highest regard for the gentleman from Pennsylvania; I recognize his judicial capacity and I recognize his interest in this provision, but it is the feeling of the members of the committee, who have given most careful and thorough study to the problem, seeking information from witnesses who appeared before the committee, that this is the type of language that should be included here in order to protect the public, in order to protect the very people he would protect, and yet not change the basic patent laws of our land. I say, with all respect to those who have different views, that the provision in section 12 in my opinion does protect those who are interested in the patent provisions and the basic patent laws of the United States. I say that for this reason, because in setting up a foundation of this kind with the officers and members of the foundation in a position where they might—I do not say anyone would, but it is conceivable—take advantage of having inside information and do the very thing that the gentleman from Pennsylvania said a moment ago they could do; that is, taking advantage of the inside information and going out and file for patent rights on some development that might materialize from the program. Now, we say no officer or employee of the foundation can have that privilege.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. O'HARA. Does not the gentleman feel, while I make no claim to being a patent lawyer——

Mr. HARRIS. Neither do I, I will say to the gentleman.

Mr. O'HARA. But upon the principle of, let us say, a great scientific development such as the atomic bomb, I presume that the money which was largely spent in the development of that project was Government money. Why should not that belong to the Government and to the people of the United States rather than to one individual who may have had a part of the idea? That theme runs deeply in this provision in the patent law of this section.

Mr. HARRIS. Yes, that is exactly what the committee had in mind when we endeavored to amend this section and provide the language such as we have in sections 12 (a) and (b).

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think the complete answer to what the distinguished gentleman from Minnesota has stated is contained in the testimony of the Secretary of the Navy which I just found. He states:

> It is my considered opinion, however, that the patent provisions of H. R. 942 requiring as they do a dedication to the public of all patents and inventions made in the course

of federally financed research, would make it difficult, if not impossible, for the Government to place many important research contracts, and would seriously impede and imperil the Navy's own research program.

Mr. HARRIS. Yes. We have endeavored at the hearings and we have endeavored here to pursue the same course.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CRAVENS. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. I want to thank my colleague from Arkansas. I do not want to utilize too much of the committee's time, but this is a highly controversial point in the bill that I wanted to refer to in the debate a moment ago and did not have time.

I was going to say that we endeavored to pursue the same course in providing language for this patent section as the OSRD pursued during the course of its existence, that is, to include in contracts to private institutions a provision with reference to patent rights and how they may be utilized by certain people and in an effort to protect the basic patent laws as well as the rights of the individual who acquired a right under the contract.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to my distinguished colleague.

Mr. CRAVENS. I understand the objective is perfectly wholesome, but is there not a chance if you do not adopt this amendment that the people who invent things and devise things will go underground to avoid the governmental regulations so as to make something for themselves?

Mr. HARRIS. That is true, if the language in the bill does not remain.

Mr. CRAVENS. How can you prevent it? Is there any practical way to prevent that sort of a situation?

Mr. HARRIS. Not without certain language as we have provided in this bill.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the very astute and very able gentleman, who has provided us with so much valuable assistance.

Mr. HINSHAW. I thank the gentleman. The language that my good friend from Pennsylvania read a moment ago relates to bills that were introduced in the committee. The bill that was passed out by the committee is not related in these particular ways to the testimony which the gentleman has been reading. I quote from a section of H. R. 942, in which it says:

> All inventions, discoveries, or findings to which the United States or any governmental agency shall hereafter hold any rights, including patent rights, shall be made available to the public on a nonexclusive and royalty-free basis.

We heard testimony on a lot of bills, but that does not relate to the present bill.

Mr. HARRIS. That is true. I call the attention of the gentleman from Pennsylvania and the Members of the House to the fact that on page 223 of the hearings you will find a letter to the chairman of our committee signed by Mr. R. Morton Adams, president of the New York Patent Law Association, in which he says, "In brief, we approve the patent provisions of H. R. 1815, H. R. 1830, H. R. 1834, and H. R. 2027," the very bill we have here. He is a man who knows something about patent law and has been interested in it for many, many years. He says they approve the provisions we have in this bill, but he opposed the provisions in the patent section under the Celler bill.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman has attempted to or has created the erroneous impression that a man employed by the Foundation could resign his position and then sell his invention, whatever it was. The fact of the matter is that under the basic patent laws of the United States any discovery he made while he was connected with the Foundation would belong to the Foundation.

Mr. HARRIS. I call the attention of the gentleman to the fact that the Foundation does not make any scientific experiments or research.

Mr. WALTER. It makes contracts.

Mr. HARRIS. The Foundation makes contracts with institutions, individuals, and private concerns. The Foundation does not have any way except through contracts with private institutions or other organizations to have any information regarding the patents that might come out of that study or research.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Say a person makes an invention while he is working for the Government. All he has to do is suppress it, then resign from the Government and go outside and come back in with it again. Is this a matter that can be practically dealt with by any legislation?

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I am at a loss to understand the viewpoint that is being expressed by the gentleman from Pennsylvania [Mr. WALTER]. That which is contained in this bill represents what is now the practice of this Government in its several departments on this matter, and the provisions contained in the bill do not deviate in the slightest way from that which has been found so worth while during all of our war effort.

Mr. HARRIS. I think the amendment should be defeated.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this because attendance at a meeting of another committee compelled me to be off the floor a few minutes. I should like to have some information referring directly to the provisions in title XII. I have just heard the statement made by the distinguished chairman of the committee. If this whole over-all program is carried out as contemplated, grants will be made to research institutions and colleges and universities throughout the country. It may be that they will establish two or three fellowships in a particular university, in a particular section of research, for example. That may be only a part of the expense that is connected with the research program. It may be a small part of the total expense connected with that research. My own university—the University of Wisconsin—for example, is conducting a great many research programs, among them cancer research, researches in the field of vitamins, agriculture, metallurgy, and so forth. Let us say that this outfit decides to give a grant to help carry on the work of a certain scientist conducting research in the field of vitamins. This man discovers something that is exceedingly worth while and which can be patented. Do I understand that pursuant to this act, this man who is working for the university and who is in the pay of the university, if he desires to assign that patent to the University of Wisconsin Foundation, which is set up for the purpose of promoting research in the university, cannot do so because this law steps into the picture and says that he has received at least part of the expense of conducting the research from this Scientific Foundation and, therefore, unless there is a specific contractual relationship at the time the grant is made, the grant would have to go to the Scientific Foundation itself?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HINSHAW. The language of section 12 is quite specific in that respect. It states:

> Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions, consistent with the laws affecting the issuance or use of patents, governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed.

That sort of an arrangement was entered into by the Office of Scientific Research and Development during the war, and depending upon the type of contract and what it was all about, they arranged those equities as between the individuals and institutions and the Office of Scientific Research and Development. There is no possible way of standardizing it. It must be done on the basis of the individual case by negotiation between the parties.

Mr. KEEFE. We have at the University of Wisconsin, as perhaps some of you know, the University Alumni Research Foundation which is set up as a nonprofit organization to take over the sale

of certain things that are manufactured as a result of research. The Steenbock program for the irradiation of milk has brought into that foundation millions of dollars which, in turn, is used solely for research in other fields, of dietetics, and so forth, in the university.

What I am interested in is to make sure that we are protecting this effort that has been made in the University of Wisconsin as a result of this research to see to it that they are not hamstrung in any way and if they enter into a contract and accept money under a grant from this Scientific Foundation that they have a right at the time that contract is entered into to insist that any terms or conditions shall be a part of it, which will fully protect them. Of course, if the terms and conditions are such that they may not want to agree to the contract, they may step out.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. KEEFE] may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Chairman, I hold in my hand a restricted document which I am not at liberty to read to the gentleman but which he can see. In this document it is stated that the University of Wisconsin, among other universities, has had such contracts, and they are perfectly aware of the conditions. They are accustomed to them, and they understand what it is all about. I am sure they will find themselves in no difficulty in relation to this type of contract.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WALTER. I call the attention of the gentleman to the proviso on page 14. Under that proviso, very clearly the authority is in the Foundation to compel the assignment to the Government or its nominee of any application for a patent.

Mr. HINSHAW. No; that is not true. That section relates only to the officers or those who are employees of the Foundation. It does not relate to the institutions.

Mr. KEEFE. I may say to the gentleman that I have read that section, and I think the construction placed upon it by the gentleman from California [Mr. HINSHAW] is the proper construction. The gentleman has properly answered the question which I have asked. The contract that is submitted or the institution which is offered a grant and which accepts that grant leaves it within the purview of that organization to write into the contract the protective and restrictive provisions which will safeguard the institution in its investment, if it has any, and the ultimate procurement of the patent which may be granted as a result of the research; is that right?

Mr. HINSHAW. That is exactly correct.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has again expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: Page 15, between lines 13 and 14, after the word "Treasury" insert:

"(c) Of the funds appropriated to the Foundation for research activities (excluding funds expressly appropriated for national defense), not less than 25 percent shall be apportioned among the States as follows: Two-fifths shall be apportioned among the States in equal shares, and the remainder shall be apportioned among the States in the proportion that their respective populations bear to the population of all the States, determined according to the last preceding decennial census. The amounts so apportioned to each State shall, except as hereinafter provided, be available for expenditure only for carrying on research activities in the facilities of tax-supported colleges and universities (including the land-grant colleges) within such State pursuant to contracts or other financial arrangements. In making such contracts or other financial arrangements, the Foundation shall give each college or university the widest latitude in its selection of individual research projects. Notwithstanding the fact that funds may have been apportioned to any State under the provisions of this subsection, the Foundation shall obligate itself by contracts or other financial arrangements with the tax-supported colleges or universities within such State to expend only such part of the funds apportioned to such State as the Foundation determines may be expended, pursuant to proposals submitted by such colleges and universities, in a manner which is consistent with such general program and standards as the Foundation may establish in order to carry out the objectives and provisions of this act. Any funds apportioned to any State which the Foundation does not, within 9 months after the date such funds are so apportioned, obligate itself to expend pursuant to contracts or other financial arrangements entered into with tax-supported colleges or universities within such State shall thereafter revert to the general funds of the Foundation and be available, either within or without such State or both, for expenditure by the Foundation for the purpose of conducting research activities in the same manner in which such activities may be conducted with unapportioned funds of the Foundation. For the purposes of this subsection, the term 'State' includes Alaska, Hawaii, and Puerto Rico."

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 10 minutes.

Mr. MACKINNON. Mr. Chairman, I object.

Mr. HINSHAW. Mr. Chairman, I modify the request to make it 20 minutes, reserving the last five minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from California, as modified?

There was no objection.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment to H. R. 4102 to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

The amendment which I am offering will guarantee to all sections of the United States, the Territories of Alaska and Hawaii, and to the insular possession of Puerto Rico, a share of funds to be expended under this National Science Foundation Act of 1947.

This amendment would guarantee that all portions of the United States family take part in, and benefit to the greatest degree from the enactment of this legislation. This would be accomplished by this amendment which provides that 25 percent of the funds appropriated by Congress to carry out the provisions of this act be spent in the 48 States, Alaska, Hawaii, and Puerto Rico as follows: Two-fifths of this would be divided equally among the States, the two Territories, and Puerto Rico. The remaining three-fifths would be apportioned on the basis of population. Within each State, Territory, or insular possession the funds would go to tax-supported colleges and universities, including land-grant colleges.

While I anticipate the sponsors of this bill will argue that there will be no discrimination against the smaller schools in those States where the population is limited and small, it stands to reason that, unless some safeguard is applied, the greatest portion of this program will be concentrated at large schools. Therefore, I feel that some safeguard as proposed in my amendment be adopted so that small schools and States with small populations will be insured of participation in this program.

Although this act intends to promote the basic sciences and is not to entail research of new products and new markets, still the locality of the school will have a tremendous influence upon the trend of scientific thought. If this program is too highly concentrated in the East, as it might well be without a limitation such as that proposed in my amendment, the progress of science might be restricted in certain fields. For example, students in Pennsylvania would have natural interests in coal and steel. Students in New York and New Jersey would have natural interests in industrial science. In the great Midwest, the breadbasket of the world, the trend of scientific thinking would be agrarian. In my State there are vast deposits of what is known as lignite coal; yet science has not begun to explore the possibilities and uses of this precious mineral. We need scientific research as much in the West as they need it in the East. We do not have billion-dollar corporations conducting research beneficial to our part of the country, and for the ultimate benefit of an enriched Nation.

Our forefathers set forth a Government which has proved the greatest of all time. These far-sighted men believed that men are created equal. Based upon this premise, our free economy has done more to promote science, advance health, prosperity, and welfare, it has done more to arm our Nation for its own defense than any other system based on any other premise than has

been created in this world. We should not forsake this premise that all men are created equal. We must recognize that scientific minds and scientific achievement can thrive as well in a small community, in a farm or mountain State, in a small school as it can in an industrial center having a number of large colleges. The sons of farmers can be as useful to the development of science as can the sons of industrialists and laborers. Their natural interest in the soil will carry with them through scientific study, and they will be equipped to transfer from basic science to science in agriculture. Discrimination is an abhorrence in the law. In considering the National Science Foundation Act of 1947 we must be careful to not legislate discrimination into that law. For this reason I present this amendment for the careful consideration of Members from all parts of this great Nation.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. MUNDT. I wish to say I am thoroughly sympathetic with the gentleman's amendment. I think it should be pointed out that not only does it provide that you will have scientific development in various areas and sections and various types of products, such as the very important field of farm chemistry, but it should also be stated for the record that a great deal of the best scholastic work is being done in small colleges. It is not always the large institutions with great buildings that contribute most to the advancement of the arts and sciences.

This amendment will insure the participation of scholars and scientists all over the country. It is a very important amendment.

Mr. ROBERTSON. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

The gentleman from Minnesota [Mr. MACKINNON] is recognized for 4 minutes.

Mr. MACKINNON. Mr. Chairman, I have exactly the same amendment pending at the desk and thus am pleased to support this proposal of the gentleman from North Dakota. This proposed amendment relates only to 25 percent of the amount of money appropriated for research, exclusively of the money for national defense.

The argument is going to be made here in closing that this is a grab by a special group. It is nothing of the kind. Seventy-five percent of these funds are untouched. This is merely a minimum guaranty. Twenty-five percent of that money will be appropriated and distributed as follows: Two-fifths to the States in equal proportions and three-fifths to the States on a population basis. Then if any institution that falls within this category has a worth-while project, it may present it to the board and the money will be available to this minimum extent. If they do not have a worthwhile project the money reverts to the general fund after 9 months and then is available for general distribution.

This is the most important provision in the whole bill because it is on this rock that the whole legislation fell before. I want to read a statement of a gentleman who has had as much to do with formulating this legislation from the very inception, as any person in the Congress. He states:

> At the outset the faculties of the scientific colleges, particularly those in the State universities, were opposed to the idea of the establishment of such a scientific foundation because they feared it would impede them? It was only when they felt sure that a provision like the one in my amendment would be included that they went along wholeheartedly.

The amendment referred to was one to insure minimum geographical distribution.

Today 55 of the leading colleges and universities in America are on record as favoring this amendment. By referring to pages 5456 to 5463 of the CONGRESSIONAL RECORD the following support this amendment:

University of Minnesota, president, national association of State universities and association of land-grant colleges and universities, Chancelor Gustavson and Edmund E. Day.
West Virginia University, president.
University of Kentucky, president.
University of Michigan, president.
University of Connecticut, president.
University of Illinois, George D. Stoddard.
University of Massachusetts, president.
A. and M. College of Texas, president.
University of Mississippi, chancelor.
Yale University, school of engineering, dean.
New York State College of Ceramics, dean.
Georgia School of Technology, engineering experiment station, director.
Rensselaer Polytechnic Institute, dean of faculty.
University of Nebraska, college of engineering, dean.
West Virginia University, engineering experimental station, W. A. Koehler.
University of Missouri, college of engineering, Acting Dean Harry Rubey.
Mississippi State College, president.
Georgia School of Technology, president.
Rutgers University, president.
University of Tennessee, acting president.
University of North Carolina, president.
Rhode Island State College, president.
Alabama Polytechnic Institute, president.
University of Florida, president.
University of Colorado, president.
North Carolina State College, chancelor.
University of Nevada, president.
University of Idaho, president.
State University of Iowa, dean of engineering and president, engineering college research council.
University of New Hampshire, president.
Washington State College, director, engineering experiment station, and chairman, research committee.
Dean, college of engineering, and director, engineering experimental station, Louisiana State University and A. and M. College.
Oregon State College, director, engineering experiment station, and dean, graduate school.
University of Texas, director, bureau of engineering research.
Virginia Polytechnic Institute, acting president.
Colorado A. and M. College, president.
University of Delaware, president.
University of Alabama, acting president.
North Dakota Agricultural College, president.
Texas A. and M., dean of engineering.
University of Arizona, president.
University of Georgia, Harmon Caldwell.
University of South Dakota, president.
Maine Technology Experiment Station, director.
Pennsylvania State College, president.
Kansas State College, president.
University of North Carolina, president.
Rhode Island State College, acting dean of engineering.
Syracuse University, dean of applied science, and director of research institute.
Montana State College, president.
University of Wyoming, president.
Princeton University, dean of engineering.
Utah State Agricultural College, president.
University of Oregon, president.
University of Oklahoma, dean, college of engineering.

In their belief this amendment is absolutely necessary to guarantee that their faculties are not going to be raided. They do not want to lose the right to teach students who come to them. If we make it possible for this money to be used by a few favored institutions to proselyte the instructors from less-favored institutions there is going to be absolutely no one to teach the children and young men of this country who wish to be taught the basic tenets of science.

So, Mr. Chairman, this is not pork-barrel legislation; this is an amendment designed to protect grass-roots education in America. I hope the House will vote favorably thereon to protect these great institutions.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Chairman, what I am more disturbed about in this bill than anything else is the statement that has been made in the concluding remarks of the gentleman from Wisconsin. There is the danger that without the amendment we may see our best teacher staffs in the smaller institutions siphoned off to larger institutions with more money. These small institutions have been meeting this competition as best they could, based on their endowments or the funds they receive from taxes in the different States; but it does seem to me that this makes it possible for certain institutions to receive additional funds which will enable them by offers of greater salaries to thereby draw away the faculties of our smaller institutions. By this amendment we only limit it to 25 percent, and it seems to me our smaller institutions are entitled to that protection.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from Tennessee.

Mr. PRIEST. The gentleman and one or two others have referred to the fear that without this amendment or a similar amendment some institutions might suffer by having the faculty members siphoned off. I cannot find anything in the bill and I do not believe there is anything in the bill that would warrant that fear. This foundation makes a contract with an institution. It does not furnish that institution money to hire faculty members. It makes a contract for carrying out certain research under the direction of the foundation. I frankly believe that those fears are unfounded. There will be other arguments advanced, but those fears are not well founded, as I see it.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from Minnesota.

Mr. MACKINNON. The gentleman may be an expert on that, but those are the fears that exist in the minds of the presidents of 55 large colleges and universities of America, and their fears are based on their experience of operating under exactly the similar situation during the past war.

Mr. GOFF. I will only say one thing more in the brief time that I have, and that is that the Senate, after days of debate, adopted this very amendment, and it is in the Senate bill now, and if we fail to adopt it, it is going to go to conference. One thing more. I say now, as a graduate of a small institution, that I do not favor any legislation that would make it possible for the Government to subsidize a few colleges in New England to the detriment of our institutions throughout the United States.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I would like to have the gentleman point to that provision in the bill which he stated would enable preference to be given to the larger colleges. As a matter of fact, the bill as it has been presented to the House makes it possible for the 1,700 colleges in this land of ours, large and small, to participate according as the foundation shall determine which is best equipped to do so. There is no preference given by the bill to large over small colleges. The only preference is that you seek to give by the amendment which is now proposed, which seeks to give some 200 colleges a preference over the remaining 1,500.

Mr. GOFF. I am still of the same opinion.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Minnesota.

Mr. MACKINNON. I think the gentleman from New Jersey, the distinguished chairman of the committee, gave the answer to his own question inquiring for that portion of the bill that would make it operate in the manner claimed when he said that the bill made it possible for them to put the research projects in the universities best equipped.

Mr. DAVIS of Georgia. I thank the gentleman for his observation, and in line with what has just been said, and by the gentlemen who preceded me, whatever confidence the gentleman from Tennessee and the gentleman from New Jersey may feel that there will be no discrimination practiced when this bill goes into effect, nevertheless, the heads of these institutions do have that fear, and they are experienced and know the ins and outs of this kind of legislation.

I have a letter from the president of one of the finest institutions in this country, Georgia Tech, in Atlanta; a school which trained thousands of men for the armed services during the war; a school which is now operating with the Government in training thousands of veterans under the Government's program. He says this to me, and I have seen letters from presidents of similar institutions to Members in this House:

> This is very important to Georgia Tech and the State of Georgia. If some such provision is not in the bill, all of this research work will be performed in a few favored institutions. Because of our past poverty, we have hardly had enough money to develop our undergraduate schools of engineering and science. Hence, we do not have the long experience and reputation in research enjoyed by institutions in other sections. We are developing and growing rapidly, and we should not be shut off from participation in this work if we can show we are qualified.

That is a fair request.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I have a restricted document in my hand and consequently cannot disclose what is in it, but I invite the gentleman to inspect it. He will see that Georgia Tech is now participating in the War Department program.

Mr. DAVIS of Georgia. They of course know that they are, and based on that knowledge I still have this letter from the president of that institution.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from South Dakota.

Mr. MUNDT. Does not the gentleman agree that since the people in all sections of the country are to be taxed to support this very worth-while program the schools in every section of the country should participate?

Mr. DAVIS of Georgia. They should also have this small percentage of it allotted for that purpose.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Tennessee.

Mr. PRIEST. Does the gentleman believe that if we allocate funds to every school in the country on a percentage basis that is the way to achieve the objective of this bill, which is to get basic scientific research?

Mr. DAVIS of Georgia. In this short time I cannot demonstrate and the gentleman cannot demonstrate all that we believe about this, but I am firmly committed to the position I am taking on this and I believe in it. I have an amendment at the Clerk's desk which is identical with the amendment now under consideration.

This morning the gentleman from Ohio in opening the debate on the rule said that the purpose of this bill is to reach out and find the young man of promise and, regardless of the place of his birth or his station in life, give him an opportunity to prepare himself to utilize his capabilities. How will you do that if a young man in one end of the country is not accessible to an institution where this program is in effect? He will probably never know about it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, the amendment which has been offered by the gentleman from North Dakota [Mr. ROBERTSON] is identical with an amendment I had planned to offer. As a matter of fact the language contained in the Robertson amendment is taken from the Senate bill S. 526 which is a companion bill to the measure before us. The reason for the amendment being offered is to write into the House bill the language of the Senate bill. This amendment provides for a geographic distribution of national science foundation research funds to prevent concentration of funds in the hands of a few well-intentioned but less representative groups.

It is interesting to note that during the Senate debate one of the Members of that body, when opposing the principle of geographic distribution, stated explicitly, the belief that training of research personnel and research work in the physical sciences should be concentrated at a half dozen leading institutions. In order to avoid such a situation the adoption of the Robertson amendment is necessary.

Among the many supporters of the principle of geographic distribution are the land-grant colleges and universities of the United States, whose president is Dr. Ralph D. Hetzel, president of the Pennsylvania State College and one of the foremost educators in the United States.

Dr. Hetzel, in speaking of the merits of geographic distribution, said:

> The land-grant and other State-supported institutions have had long experience with research supported by public funds, and there is nothing in this long experience to indicate that the predictions of political involvement or conflict by opponents of geographic distribution are warranted. The reverse is true, in that by establishing the principle of distribution in the legislation, the foundation itself will to that extent be relieved of pressures which would be sure to arise should one or the other philosophy become dominant.
>
> The mandatory distribution of a portion of science foundation funds to the States is a guarantee against complete domination by a Federal agency of the basic research program of the country should the foundation later control large funds for research. The balance achieved by the principle of support of both Federal and State research programs is exemplified in the area of agricultural research, in which great contributions have been made both in concentrated programs in large laboratories, and by the research staffs of the several States. The fine contributions of scientists whose training and research has been done in a wide variety of institutions, is demonstration of the fact that diversification of research is both valuable and essential; and that a great deal of fine research talent is uncovered through the inspiration, example, and guidance of competent scientists carrying on their work in the several States.
>
> It is very doubtful that a talent discovery program concentrated wholly upon finding talent in the States and channeling it into a few centers would be equally rewarding. It may be granted that such a program has its place but it should not exclude the development of talent in the areas of its origin. The two types of programs are complementary, not exclusive.
>
> With respect to the point sometimes raised, that specific channeling of a portion of research funds into land-grant and tax-supported institutions ignores the interests of the many fine colleges and universities not in

this category. It may be said that 75 percent of foundation funds are not covered by this provision and may be distributed as the foundation in its wisdom sees fit. It may be added that there are many who are opposed in principle to the expenditure of any publicly appropriated funds in nonpublic institutions, and that the position taken by the association represents a most substantial concession on their part to the views of others.

For the reasons given above, for additional reasons outlined in the memorandum sent to all Presidents under date of April 1, 1947, and for reasons equally valid which may occur to you, it is believed that the principle of geographic distribution is valid.

The statement of Dr. Ralph D. Hetzel, which I have read, should convince even the most skeptical that the principle of geographical distribution of funds is meritorious. This bill, if approved, with the Robertson amendment contained therein, will make possible a comparable program of benefits similar to those enjoyed under the Hatch acts with respect to agricultural research.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. WOLVERTON. I have before me a list of colleges in the State of Pennsylvania. Reference has been made to the views of the president of Pennsylvania State College. Did you hear anything from the other colleges located in your State of Pennsylvania? There are about 50 in number. They are large and small. The latter are far in the majority. Did you hear anything from the following:

Albright College, Allegheny College, Beaver College, Bucknell University, Cedar Crest College, Chestnut Hill College, College Misericordia, Dickinson College, Drexel Institute of Technology, Duquesne University, Elizabethtown College, Franklin and Marshall College, Geneva College, Gettysburg College, Grove City College, Haverford College, Immaculata College, Juanita College, Lafayette College, La Salle College, Lebanon Valley College, Lehigh University, Lincoln University, Marywood College, Mercyhurst College, Moravian College, Moravian College for Women, Mount Mercy College, Muhlenberg College, Pennsylvania College for Women, Rosemont College, St. Francis College, St. Joseph's College, St. Vincent's College, Seton Hill College, Susquehanna University, Swarthmore College, Temple University, Thiel College, University of Pennsylvania, University of Pittsburgh, University of Scranton, Ursinus College, Villa Maria College, Villanova College, Washington and Jefferson College, Waynesburg College, Westminster College, and Wilson College? Did any of these indicate to you their approval of the amendment which you are supporting? I will venture to say they did not.

In other words, there are some 50 colleges in Pennsylvania that would have a chance to benefit under the provisions of this bill and you are seeking to present the views of just one college.

Mr. VAN ZANDT. In reply to the chairman, I would say that his statement strengthens the argument in favor of the amendment. It is for that reason that this amendment should be adopted so that land-grant colleges with their splendid facilities will be assured of at least 25 percent of the funds and the remaining 75 percent of the funds will be available for other educational institutions. It is not a question of granting preference to any particular college or university, but to make certain that land-grant colleges are definitely included in the program and that it is not concentrated in one section of the country.

Mr. WOLVERTON. If the gentleman will yield, the amendment he supports does not take care of all colleges, large and small, and the bill does. There should be no preference except on the basis of ability to conduct the experiments fixed by the Foundation.

I am certain that if the gentleman from Pennsylvania will refer to section 3 (a) on page 2 and section 4 (b) on page 4 and section 16 (h) on page 19 of the bill he will appreciate the extent to which the committee went to prevent undue concentration of research funds. The 24 members of the Foundation are to be selected from all areas of the Nation. It appears most likely that the institutions the gentleman from Pennsylvania has in mind will be amply represented on the foundation.

Section 4 (b) specifically states one of the objectives is to avoid undue concentration.

Again, in section 16 (h), reference is made to nonprofit institutions. The bill is not intended to subsidize research or education, but rather to advance fundamental research and provide for its supporting talent.

It has the support of the American Association of Colleges, 642 in number. Many of the 69 land-grant and 133 State institutions in the Nation are members of this association.

I understand the State and land-grant institutions already receive in excess of $500,000,000 annually from Federal, State, or district sources.

I was equally impressed by the statement of the president of one of our land-grant institutions who did not believe it desirable to legislate a portion of the funds to any specific group, type, or location of institution. He stated that there was an impressive record of first-class young scientists coming from the hundreds of small colleges throughout the country.

The point I wish to make is that the very end the gentleman from Pennsylvania seeks is accomplished in the bill in a less costly and more satisfactory manner without discriminating against tax exempt but not tax supported institutions.

The reference made to concentration in half a dozen leading institutions no doubt refers to remarks concerning career research on page 5335 of the CONGRESSIONAL RECORD of May 15 and does not refer to the policy of the proposed foundation.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, the Committee on Interstate and Foreign Commerce have worked long and earnestly on this bill. They have brought in a bill which has eliminated in every respect politics and pork barreling. This amendment, with all due respect to my friend the gentleman from North Dakota, and others of my friends who have supported it, is a 25-percent pork-barrel proposition. If you want to start this bill off on the wrong track and get it in bad right away, all you have to do is put politics or pork-barrel tactics in it, so far as these funds are concerned. Please do not do that.

Permit me to point out to you that it is the fundamental purpose of this bill to seek answers to problems of fundamental research not yet solved by man. The bill is not intended to subsidize research or education. It can be said that the amendment would create a highly organized political-pressure group that would be insisting upon this 25 percent now. Let us not do that. If their research facilities are commensurate with the political pressure they will capture all of the positions in the Foundation and get all the contracts.

I come from a great State that has one of the finest land-grant colleges in the country, which is the University of Minnesota. But these 69 land-grant institutions receive $40,000,000 annually from the Federal Government and $90,000,000 from State, county, and district grants. One hundred and thirty-three State institutions receive about $450,000,000 annually from their States. Thus, these 69 institutions, plus the 133 State institutions, or 202 institutions altogether, asking for 25 percent of the Foundation's funds already receive about $530,000,000 from Federal and State sources.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. JUDD. Does not the gentleman think the Foundation ought to be in a position to allocate these funds to whatever college or whatever institution is in the best condition to use the funds to the greatest advantage regardless of whether they are supported by public taxes or whether they are privately supported?

Mr. O'HARA. Of course. That is the way I want it to be or I am not going to vote for this bill. The President will appoint the 24 original members of the Foundation. From that time on there is nothing connected with politics and there should not be. I know of little institutions that have produced some of the most marvelous developments of this war, just as I know the University of Minnesota has produced some marvelous developments. But do you mean to say that because the University of Minnesota has produced something of great importance to this country, some little college in Pennsylvania or some little college in Wyoming should not have fair consideration? The Foundation should approach this with the same spirit that we were trying to show when we reported out his bill, and keep it away from politics, and measure it on the basis of ability, and keep it on the basis of doing something for the development of science, and not just start talking about "We want our 25 percent."

I think it is the most unfortunate thing that could happen if this amendment should be adopted.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HALE. Does not the gentleman think that the science which would be most encouraged by this amendment would be the science of getting money out of the Government?

Mr. O'HARA. Exactly; and that is a highly developed science already.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HESELTON. Should not the attention of members be drawn to the requisite of the nominees which the committee has written into this bill, that they shall be so selected as to provide representation of the most scientific leaders in all areas of the Nation?

Mr. O'HARA. The gentleman is exactly right. If you start this bill out on the basis of politics, you will have every scientist in this country suspicious and against the very heart of the bill. Let us not do it. Let us defeat this amendment, which I think is fundamentally bad in every respect.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

All time has expired.

The question is on the amendment offered by the gentleman from North Dakota [Mr. ROBERTSON].

The question was taken; and on a division (demanded by Mr. MACKINNON) there were—ayes 33, noes 81.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 10, line 9, after the word "Foundation", insert "at the earliest practical date, but not later than 1 year after the establishment of such special commission."

Mr. WOLVERTON. Mr. Chairman, we are prepared to accept the amendment offered by the gentleman from New York [Mr. JAVITS].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I am deeply grateful that the committee has seen fit to accept my amendment, which will set an outside time limit of 1 year within which the Special Commission for Heart Diseases must formulate and recommend to the National Science Foundation an over-all research program in the field of heart and cardiovascular diseases. This applies equally to the special commissions for cancer and polio. I wish to gratefully acknowledge the advice and help of my colleague the gentleman from Minnesota [Mr. JUDD] in connection with this amendment.

I hope at this time to call attention to the problem dealt with by my bill, H. R. 3762, to provide for research relating to diseases of the heart and circulation and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such diseases, and for other purposes, which has the support of the American Heart Association, the leading professional agency in the field. Though cancer research has had appropriations of over $14,000,000 for the next fiscal year—aside from $25,000,000 for cancer research in the appropriations for the Atomic Energy Commission—and research in infantile paralysis has had enormous support, there is estimated to be spent currently about $1,200,000 per annum for research in diseases of the heart and arteries, outside the National Institute of Health; and that has, I understand, only a small amount available which might be devoted to this problem. This despite the fact that heart disease is the No. 1 killer of our people.

More than 587,000 men, women, and children died of heart diseases in 1945, twice as many as the number of Americans who lost their lives in battle in World War II. Deaths from heart diseases rate 3 times as high as cancer; 6 times as high as from accidents; 11 times as high as from tuberculosis; and at least 500 times as high as from infantile paralysis. A broad-scale attack on the problem of heart diseases is essential in order to cut down this ghastly death toll. My bill, H. R. 3762, provides for such a broad-scale attack on the problem of heart diseases, in the same way as we are attacking the problems of cancer and of mental health. It initiates a program immediately through vesting its administration in the Surgeon General's office by setting up a Heart Disease Institute in the National Institute of Health; it also provides for a national heart disease council, composed of leading medical and scientific authorities, and other citizens, which is given full control over research and research projects. In this way, administrative efficiency is obtained, but initiative and scientific resources are not sacrificed.

Let us hope that the special commission on heart diseases appointed under this bill will immediately proceed with its work. At the same time we should push forward with a program contemplated by my bill, H. R. 3762, which is designed to bring research in heart diseases up to parity with the work being done in cancer and infantile paralysis. When the National Science Foundation is really under way all this research can be integrated under its auspices.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 4, line 16, after "United States", insert "including its Territories and possessions."

Mr. MARCANTONIO. Mr. Chairman, the purpose of this amendment is to have the benefits of this legislation extended to Territories and insular possessions of the United States. My amendment would include Puerto Rico. As long as Puerto Rico is under the jurisdiction of the United States it is entitled to the benefits of all progressive legislation we pass here.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. WOLVERTON. The language of the gentleman's amendment is similar to that which appears on page 11, and we are prepared to accept the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. GILLIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor for the purpose of asking the members of the Committee a few questions. As you know many of the diseases of the lower animals are communicable to man. The most important diseases we think of at this time are rabies, brusilosis, salmonellosis, and Q fever, which has recently been discovered in Texas caused by the tick. I should like to ask the Committee what is going to be done in connection with the work on these four diseases and several other diseases along with them? Does the National Science Foundation intend to work on this particular kind of work?

Mr. HINSHAW. The gentleman will find on reading the bill that the Committee of the House has not attempted to evaluate to the Foundation the various fields in which they shall concern themselves. As the subjects which the gentleman mentions, however, are related to medical science, particularly veterinary medicine, I have no reason to believe that the Foundation would intend to preclude such activities from their fundamental research along the lines which the gentleman is talking about.

It would, of course be impossible for the Committee to write into the bill, or for the House to write into the bill all of the subjects in which the Foundation might be interested. I would suggest that the subjects the gentleman mentioned are not precluded from being considered by the Foundation under the terms of the bill.

Mr. GILLIE. The American Veterinary Association set up a foundation to study these particular diseases. I am wondering whether the American Veterinary Association would get help and cooperation from this particular foundation.

Mr. HINSHAW. I would assume that as in the case of all other interested concerns, they would make due application and it would be considered as other applications are considered.

Mr. GILLIE. Then they would get assistance in carrying on particular lines of experimental and research work.

Mr. HINSHAW. That would be in the hands of the Foundation itself; yes.

Mr. GILLIE. Just recently, of course, the disease, la fiebre aftosa, or foot-and-mouth disease, which has broken out in Mexico, is very serious. We are very anxious that a research bureau be set up to study that disease. It never has been allowed to be studied in the United States because of its high infectiousness; our Government will not even allow research laboratories to conduct any kind of research on this particular disease in the United States. I ask the gentleman if there is a possibility of this foundation setting up a research laboratory to study this disease?

Mr. HINSHAW. No, it is not possible under this bill for the Research Foundation to establish or operate laboratories. Under the terms of this bill the Foundation provides funds to other institutions

for that purpose and does not operate any itself.

Mr. GILLIE. I am glad to have these questions answered.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Would it not be possible under this bill to enter into agreements with another country whereby institutions in that country may carry out such research?

Mr. HINSHAW. There are provisions for international cooperation. Under section 13, the Foundation is authorized to cooperate in any international research activities consistent with the purposes or provisions of this act, and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 19, line 9, after the word "agencies" insert the following: "and State scientific institutions, colleges and universities in the various States."

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Mexico.

Mr. Chairman, the amendment which has been offered should not be adopted. It would present a very confusing situation if it were adopted. In the first place, let me call attention to the fact that the wording of the amendment would indicate that it is to apply to State colleges and universities. We are all cognizant of the fact that in every State there are many colleges, schools, and institutions that are not State in character; therefore it should not be limited as this amendment provides. Furthermore, the attention of the membership should be directed to paragraph (h) on page 19 where you will see that the committee has sought to use language that will broaden and expand the opportunity of the Foundation to utilize all organizations, agencies, institutions, or individuals, including Government agencies throughout the entire Nation and also include the Territories and the District of Columbia.

Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ].

The amendment was rejected.

Mr. HINSHAW. Mr. Chairman, in the interest of conserving the time of the House, I ask unanimous consent that all debate on the bill do now close.

Mr. CHURCH. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 2, line 6, after the word "of", insert the words "business administration."

Mr. CHURCH. Mr. Chairman, I believe the chairman of the committee will accept this amendment.

Mr. HINSHAW. No, sir; we will not accept that amendment.

Mr. CHURCH. Mr. Chairman, I will make my remarks brief. The committee desires to close the debate. If you read section 3, the persons mentioned for appointment as members of this Foundation "shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs." My amendment speaks for itself. I believe that a foundation of this kind should have as a qualification for its membership eminence in the field of business administration. It speaks for itself. I shall take no more time on that amendment and hope it may be adopted. I am offering other amendments but the time limit will permit no debate on them. If adopted they will make the bill a better one, I believe.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 2 minutes.

Mr. CHURCH. I object.

Mr. HINSHAW. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 2 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the pending amendment relates to membership in the Foundation. As I understand, it would include among those who shall be nominated for appointment as members those who are qualified and eminent in business administration.

Mr. Chairman, the section reads as follows:

The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation.

Mr. Chairman, I do not think that any further qualification should be inserted in this bill, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CHURCH].

The amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 3, line 12, after the word "other", insert the word "written" and in line 17 after the word "other", insert the word "written."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 4, line 17, after the period, insert the following: "The Foundation shall, however, have no authority to exercise any dictation or control over research or education."

The amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 8, line 18, before the period, insert the following words: *"Provided, however,* That all appointees to the Committee for the Division of National Defense shall be appointed by the President by and with the consent of the Senate."

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CORBETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4102) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, pursuant to House Resolution 289, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill, S. 526.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill.

Mr. WOLVERTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLVERTON: Strike out all after the enacting clause of the bill S. 526 and insert in lieu thereof the provisions of the bill H. R. 4102, as amended.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4102) was laid on the table.

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an editorial from today's Washington News.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. HARRIS. Mr. Speaker, my colleague the gentleman from Arkansas [Mr. HAYES] a few days ago received permission to extend his remarks in the RECORD and include certain extraneous material. In his absence he has been notified by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

UNIFICATION OF ARMED SERVICES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on Friday next and thereafter to consider the bill H. R. 4214, that all points of order against the said bill be considered as waived, and that there be not to exceed 5 hours of general debate, to be confined to the bill and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments; and further, Mr. Speaker, I ask unanimous consent that after the passage of the bill H. R. 4214 the Committee on Expenditures shall be discharged from the further consideration of the bill S. 758, and it shall then be in order in the House to move to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the provisions contained in H. R. 4214 as passed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include an address by the Honorable OWEN BREWSTER.

Mr. HALE asked and was given permission to revise and extend the remarks he made today concerning the National Science Foundation and include a large number of letters in connection with that legislation.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD on the subject of our Filipino veterans and include a pertinent editorial which appeared in the Washington Star of July 15.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 8, 1947:

H. R. 2700. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1948, and for other purposes.

On July 9, 1947:

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes.

On July 11, 1947:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania.

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 811. An act for the relief of J. F. Powers;

H. R. 837. An act for relief of the estate of Abram Banta Bogert;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the Commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street Southwest, between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

On July 14, 1947:

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code; and

H. R. 1946. An act to amend section 2801 (e) of the Internal Revenue Code.

On July 15, 1947:

H. R. 1658. An act for the relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton;

H. R. 1956. An act for the relief of Hugh C. Gilliam;

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

On July 16, 1947:

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

TEMPORARY APPROPRIATIONS, FISCAL YEAR 1948

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 240, making temporary appropriations for the fiscal year 1948, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Line 3, after the word "appropriated", insert "and out of applicable corporate or other revenue, receipts, and funds respectively."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

WATER RESOURCES CONTROL PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 404)

The SPEAKER laid before the House the following message, which was read and referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

The major opportunity of our generation to increase the wealth of the Nation lies in the development of our great river systems. I urged in the state of the Union message on January 6, 1947, that the program for improvement of our rivers be pushed with full vigor.

Since that time, the urgency of one phase of our water resources control program has been demonstrated forcefully and tragically. Vast areas of the most productive sections of the Missouri and upper Mississippi River Valleys have been subjected to a series of the most

destructive floods in our history. Too frequently within our memory, as well as in earlier years, the Mississippi River Basin has been similarly stricken. This continued threat and the recurring and accumulative damage to the national economy and well-being call strongly for the prompt use of more effective countermeasures. Prudence requires that adequate measures be taken for protection against these devastating floods.

Measures for flood control should be integrated with plans for the use and conservation of water resources for other purposes. This will insure maximum control of floods at the least cost and will permit the full utilization of water resources in the development of this vast region.

The drainage basin of the Mississippi River and its tributaries comprises nearly half of the Nation in area and population. It is a rich central core from which stem goods and services vital to the entire country. A large proportion of the people in this great central basin, their homes and businesses, their fertile farm lands and their transportation and communication systems are concentrated in the flood plains and lowlands immediately adjacent to the rivers. Nature also requires the use of these flood plains for drainage. Consequently, we must pay the price for occupancy of these lands, either in the form of continued flood damage or in preventive measures.

The economy of controlling floods as compared with the cost of continuing under the handicap of their disruptive force has been amply demonstrated.

In the short 10-year period from 1937 through 1946 a total of more than a billion dollars in flood damage has been suffered in the Mississippi Basin. The real cost to the Nation, of course, has been much greater. Dollars are not adequate to measure the toll in the hundreds of lives lost and the suffering of millions of persons affected. The cost of rehabilitation and repair of flood damage, though staggering, is but the initial burden. Extended effects, both in distance and time, are reflected throughout the Nation as a result of the disruption of lives and activities in the flood zone. These more remote inroads on our health and prosperity are not so obvious, but they may total many times the more apparent losses in the flood area.

In the light of the accumulative burden of our flood problem in the decade just past, the impact of this year's floods in the Missouri and Upper Mississippi Valleys is even more appalling. Again, unprecedented flood stages have been experienced at many points on these rivers, and the total damages will approach and may exceed the $500,000 loss suffered in 1937. Again thousands of our people have been forced to leave their homes and their normal pursuits. All or a large part of the year's income has been ruthlessly taken from thousands of farmers. The loss of their crops is not only a personal calamity to these farmers but is a staggering blow to the Nation and to other countries where many additional thousands will be deprived of essential foods.

The recurrent floods in the Mississippi Basin constitute a national problem which demands immediate attention. The means for solution are available to us and will permit us, at the same time, to prevent destruction and waste of productive soils, to improve the utility of the rivers for transportation, to conserve water that would otherwise be wasted with destructive force and to use this water constructively for domestic purposes, for irrigation, for development of needed electric power, for the abatement of pollution, and for the enjoyment of recreational activities.

After the destructive floods of 1927 in the lower valley of the Mississippi, the Congress charged the Corps of Engineers of the War Department with the preparation of plans for control of floods in that valley, and with the making of surveys of tributary rivers for their development for flood control and allied purposes. Since that time, surveys, studies, and preparation of plans have gone forward hand in hand with urgently needed construction. As a result we now have available comprehensive and detailed plans for most of the work needed to eliminate destructive floods and provide for the beneficial use of water in the Mississippi River Basin.

The Congress has also provided legislative authority to proceed with these plans.

The Flood Control Act of May 15, 1928, authorized a plan for the protection of the lower Mississippi Valley. Subsequent legislation has permitted the extension and development of that plan to a high degree of completion. The Flood Control Act of 1938 approved comprehensive flood-control plans for each of the five major tributary basins of the Mississippi River and authorized the expenditure of funds for the initiation and partial accomplishment of those plans. Subsequent general flood-control acts have authorized expenditure of additional sums to continue this work. These acts provided that Federal investigations and improvements for flood-control and allied purposes should be prosecuted by the War Department, under the direction of the Secretary of War and the supervision of the Chief of Engineers.

The Flood Control Act of 1936 provided for Federal investigation of watersheds and for measures of run-off and waterflow retardation and soil-erosion prevention on watersheds, to be prosecuted by the Department of Agriculture. The reclamation laws authorize irrigation programs and the prosecution of such programs by the Bureau of Reclamation of the Department of the Interior, in coordination with plans for flood control. The Federal Water Power Acts and appropriate parts of the Flood Control Acts provide for participation of the Federal Power Commission when hydroelectric power is involved in these programs.

A comprehensive program for flood control in the entire Mississippi River Basin is essential. The lower Mississippi River, as it flows through its alluvial valley, must carry the flood discharge from every tributary river basin from the Appalachians to the Rocky Mountains. Fortunately we have never had a simultaneous occurence of major floods on all the great tributaries: the Missouri, Ohio, upper Mississippi, Arkansas, and Red Rivers. Such a coincidence of flood crests is highly improbable, but if it did occur under present conditions, the floods would overflow the entire lower Mississippi Valley from Cairo, Ill., to the Gulf of Mexico and would cause untold damage to one of the richest areas in the world. It would not be feasible to build levees high enough and floodways wide enough to pass such a flood safely to the Gulf. Therefore, it is necessary to prevent the concurrence of tributary floods by a coordinated system of storage reservoirs in the major tributary basins. In these same tributary basins, levees, floodwalls, and diversion channels are necessary to protect cities, towns, and farms. Farther up on the headwater tributaries of each major basin, and throughout their watersheds, soil conservation measures are needed to retard the flow and runoff and reduce the loss of topsoil which is impoverishing our farmlands and clogging our reservoirs and river channels.

Corollary to the control of floods is the harnessing of floodwaters for productive uses which will return to the Government a large share of the initial investment. Fortunately, the means available to us for control of floods in many cases furnish the opportunity for use of water for irrigation, navigation, and development of hydroelectric power. Multiple-use reservoirs produce these and other benefits, including the improvement of municipal and industrial water supplies, new recreational areas and opportunities, the preservation of fish and wildlife, and the abatement of pollution.

The problem confronting us is of prime importance in our national life. During the war it was unavoidably necessary to defer in large part works of this character. In the immediate postwar period conflicting needs for other Government programs caused further deferment. These conflicting needs are now diminishing and the experience of the past few months has presented convincing evidence that we must press forward vigorously toward a solution of this problem.

In the execution of a comprehensive program for the development of the Mississippi River Basin, protection from floods is of such urgency that it should be given first attention. We already have plans for the projects which will largely provide this protection. The construction agencies of the Departments of War, Interior, and Agriculture are ready to proceed with these projects when funds are provided.

I, therefore, urge that this Congress undertake a program which will provide for the substantial completion within 10 years of the flood-control projects necessary for the protection of the Mississippi River Basin. Most of these necessary projects have already been authorized by the Congress. This 10-year program should also contain a smaller group of projects which have not yet been authorized by the Congress, but are now being planned and investigated. As rapidly as the plans are completed, these

projects will be submitted for approval by the Congress in accordance with present law and procedure.

An orderly program of appropriations for prosecution of this work on a sustained and comprehensive basis is essential. Any plan of this magnitude can be accomplished in an efficient manner only if the planning and constructing agencies have advance knowledge of the funds that they may expect over a period of years. If construction schedules and contracts are extended over long periods because of limited and varying appropriations, excessive costs to the Federal Government are the result. An orderly program of appropriations will get the job done efficiently and economically.

I recommend that this 10-year program be initiated during this fiscal year. The appropriations required for the first year (in addition to appropriations heretofore made or considered for the fiscal year 1948) will be approximately as follows:

War Department, Corps of Engineers	$237,000,000
Department of the Interior, Bureau of Reclamation	10,000,000
Department of Agriculture, Soil Conservation Service	3,000,000
Total	250,000,000

The formal estimate of supplemental appropriations for the fiscal year 1948 to finance this proposal will be transmitted to the Congress promptly.

The projects for which these appropriations are recommended are essential to any program for flood control and the development of the water resources of the Mississippi River Basin. A prompt start on the 10-year program proposed in this message will be consistent with whatever type of administrative authority may be determined to be best suited to meet regional and national needs.

This plan does not change the desirability of the ultimate establishment of valley authorities, but the urgency of the flood problem is such that we must take necessary steps to expedite this program without awaiting determination of the administrative pattern for the various regional valley development programs.

In addition to the program aimed primarily at flood control, there are many valuable projects for navigation, irrigation, hydroelectric power development, and other utilization of water resources which are essential to a complete and well-rounded valley development program. These projects will be included in their proper place in the regular annual budget program and consequently are not specifically within the scope of this message.

We must never forget that the conservation of our natural resources and their wise use are essential to our very existence as a nation. The choice is ours. We can sit idly by—or almost as bad, resort to the false economy of feeble and inadequate measures—while these precious assets waste away. On the other hand, we can, if we act in time, put into effect a realistic and practical plan which will preserve these basic essentials of our national economy and make this a better and a richer land.

In the development of our river valleys, first things must come first. The most pressing problem is that of flood control. It is a problem of desperate urgency. What we need to do is to take immediate advantage of the Mississippi Basin authorizations—totaling almost $6,000,000,000—which the Congress has already voted for flood control and related purposes. Of this amount, from $3,500,000,000 to $4,000,000,000 is either directly or closely related to flood control. Let us, through the next 10 years, accelerate our program and put this money to work, together with such additional moneys as may be required and as our economy from year to year shall permit. In that way we shall save ourselves untold billions and pave the way for the wealth production that surely will flow from the integrated development of our valleys.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 16, 1947.*

UNIFICATION OF THE ARMED SERVICES

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures may have until midnight tonight to file a report on the so-called unification bill, H. R. 4214.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CERTAIN SURVEYS BY PUBLIC WORKS COMMISSION

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 211, authorizing and directing the Committee on Public Works to conduct surveys of certain works of improvement, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Committee on Public Works of the House of Representatives is authorized and directed to conduct investigations and surveys of certain works of improvement under its jurisdiction, and located in the United States, with a view to determining if legislation relating to such projects should be enacted.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as are deemed desirable.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may use.

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 211, which was reported unanimously by the Rules Committee, gives the Committee on Public Works of the House of Representatives, which is headed by the gentleman from Michigan [Mr. DONDERO], the power to continue, during the congressional recess, the investigations and studies which it has been making, and has the power to make, during the sessions of Congress under the Reorganization Act. It gives the committee subpena power in connection with its investigations during the recess period and permits the committee to study and investigate any matter coming under its jurisdiction, any development, any river project, and so forth, anywhere in the United States which, of course, includes any Territory of the United States, should that become necessary.

This is a very simple resolution. It is the usual procedure and I do not think I shall take the time of the House to discuss it further. Everyone understands exactly what it is. I hope the resolution will be agreed to unanimously.

Mr. SMITH of Virginia. Mr. Speaker, this resolution passed the Rules Committee without any opposition. I know of no opposition on this side and I have no requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AMENDMENT TO EMPLOYERS' LIABILITY ACT

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 270 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes of the available time

to the gentleman from Virginia [Mr. SMITH].

Mr. Speaker, I yield myself such time as I may desire at this time.

Mr. Speaker, House Resolution 270 makes in order under an open rule the bill H. R. 1639, which has come from the Committee on the Judiciary. The rule provides for 2 hours of general debate.

Mr. Speaker, H. R. 1639 is known to most Members of the House as the Jennings bill. It is a technical measure which fixes the status of certain civil suits for damages and is so technical that I am not going to attempt to explain it. Instead I will ask for adoption of the rule as soon as the gentleman from Virginia has consumed his time.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Speaker, in the limited time of 5 minutes it is very difficult to discuss thoroughly this very important bill. It is very important because it takes away from the ordinary railroad employee his rights in suing the railroad for personal injuries, and also the rights of his administrator or executors for wrongful death. It takes away those rights insofar as it restricts the venue or the forum in which he or his representative may prosecute suit.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Minnesota.

Mr. DEVITT. I notice by reading the bill that it is an entirely different bill than the one that was introduced in the House. I notice it also has a new title and amends a different section than the original bill. I will ask the gentleman if the House Committee on the Judiciary held any hearings on the bill as it is now amended?

Mr. FEIGHAN. The bill as it is now amended was not considered whatsoever with reference to the other discriminatory phase that I wanted to bring out, that is, no consideration was given to the discrimination against nonrailroad employees which is embodied in the substitute bill.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Arkansas.

Mr. CRAVENS. I think it is common knowledge that this bill originally started out to deal solely with the venue of cases brought by railroad employees.

Mr. FEIGHAN. That is correct.

Mr. CRAVENS. But due to the insistence of the railroad employees or their representatives it was said to be discriminatory because we did not include everybody else, so the reason that other than railroad employees are included is that it was insisted upon by the brotherhoods themselves.

Mr. FEIGHAN. The gentleman bears out the statement brought forth by the gentleman from Minnesota that the original bill was amended in the committee. It was amended after the hearings had been concluded and there was absolutely no testimony whatever presented with reference to the rights of the nonrailroad employees.

Mr. CRAVENS. Except the fact that we amended the bill at their request. They wanted another hearing.

Mr. FEIGHAN. Whoever may have requested the amendment does not matter, the bill was amended in such a fashion that it increased the discriminatory feature that was present in the original bill which deprived the railroad employee of his forum that had been granted to him by Congress in 1910.

Mr. CRAVENS. It was done pursuant to the objection of the railroad employees' representatives themselves who said that the other bill was discriminatory, that is, the original bill was discriminatory, and this would reduce the very discrimination that they complained of.

Mr. FEIGHAN. This does not reduce the discrimination. It retains it and broadens the discrimination by including not only the railroad employees but also nonrailroad employees.

Mr. CRAVENS. If it does, it was done at the request of the railroad brotherhoods themselves.

Mr. FEIGHAN. Regardless, it is a very bad bill because it is discriminatory.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. My understanding is that the railroad brotherhoods are just as vigorously opposed to this bill as they were to the original bill.

Mr. FEIGHAN. That is my understanding.

Mr. McCORMACK. Only 3 minutes ago I got that information.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I gladly yield to the distinguished chairman of my committee, the gentleman from Michigan.

Mr. MICHENER. I am not going to discuss the merits at all, but we want to be clear on the procedure. The Jennings bill H. R. 1639 was introduced on February 3, 1947. After extensive hearings were held, going over several weeks, the bill came to the full committee by a divided subcommittee report. The bill as reported to the House was approved by a majority of the committee. If I am wrong, I want to be corrected.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield further, the amendment probably would not be germane if the rule did not waive points of order.

Mr. FEIGHAN. That is correct.

Mr. McCORMACK. Because the first bill related to one class and this includes another class.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SMITH of Virginia. Mr. Speaker, the gentleman has been so generous in yielding time that I yield him five additional minutes.

Mr. FEIGHAN. Thank you.

Mr. MICHENER. We want to get this thing right and the House wants to understand it, that is all. Then the subcommittee reported the bill back to the full committee. The full committee gave it consideration. The gentleman was there and I was there. That consideration extended over several meetings. Then the full committee amended the bill as it now appears before the House. That is correct, is it not?

Mr. FEIGHAN. They accepted the substitute bill, which, of course, is an amendment.

Mr. MICHENER. Yes, they accepted the bill. All I am saying is that this bill has had regular subcommittee and full committee consideration. I am not saying a word about the merits, but I am saying there is no mystery, there is nothing unusual about it. All the cards are on the table.

Mr. FEIGHAN. The gentleman is accurate in stating that the full committee considered the original bill and the substitute bill. However, the subcommittee held no hearings on and did not consider the substitute bill; none of the provisions with reference to nonrailroad employees was ever discussed in the subcommittee hearings.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Ohio.

Mr. BREHM. It is not true that the bill as now written grants more consideration to animals, even hogs, in transit, than it does to either railroad employees or the public?

Mr. FEIGHAN. Very definitely. In fact, during the general debate I hope I have sufficient time to point out that particular distinction. This bill deprives railroad employees and nonrailroad employees of the venue rights which they now have in suing for personal injury or wrongful death, by restricting them to the forum where the cause of action arises or where the claimant resides. The bill places no such restriction upon claimants suing railroads for damages to animals or other property—such claimants can sue the railroads wherever the railroads are doing business.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield further?

Mr. FEIGHAN. I yield to the gentleman from Arkansas.

Mr. CRAVENS. I am sure the gentleman is well aware of the fact, and I am not going to misstate it or mislead anybody about it, that this bill when originally introduced provided that its application was limited to railroad employees.

Mr. FEIGHAN. That is correct.

Mr. CRAVENS. The representatives of the railroad brotherhoods came in and said that under those circumstances it was discriminatory because the passengers and other people who had claims against the railroads are not similarly restricted with respect to venue. This amended bill was introduced to meet the very objection the representatives of the railroad brotherhoods said was the basis of their objection to the bill.

Mr. FEIGHAN. I disagree with the gentleman on that. The reason they objected to it was that it was discriminatory against the railroad employees. It would be no solace to the railroad employees to have nonrailroad employees join them in their misery.

Mr. CRAVENS. They said it was discriminatory against them because it did not apply equally to the passengers or the person killed or hit at a crossing or

on the right-of-way, so we extended it to meet their objections, but they are still opposed to it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. FEIGHAN. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. They called attention to the fact that the original bill would not apply to a passenger simply to show the discrimination against the railroad employees, but the fact that the committee included passengers does not at all mean that the brotherhoods favor the bill.

Mr. FEIGHAN. No; that is absolutely true.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Is it not a fact that as of today the railroad brotherhoods are vigorously opposed to the enactment of this legislation?

Mr. FEIGHAN. They are vigorously opposed to the enactment of the substitute bill and also the amendment which may be offered by the gentleman from Minnesota [Mr. DEVITT].

Mr. McCORMACK. To show further the discrimination against these two classes, even if a shipment of cattle or pigs or anything else is involved in a collision and the animals are killed, the owners can sue the railroad any place.

Mr. FEIGHAN. That is correct. Under the present law the rights of a passenger or a nonrailroad employee are the same with reference to suit as they are for a person who is suing for loss of personal property, but under this bill the forum in which a passenger or a nonrailroad employee may sue is restricted. He cannot sue under this bill where he would be able to sue at the present time. His present right to sue for the loss of his pigs or his cattle is not disturbed. Therefore this bill not only discriminates against railroad employees and nonrailroad employees, but it results in giving an advantage to those suing for property damage.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, this bill changes the existing law relating to railroad employees for the past 37 years. As I read the hearings, the main reason for the action taken was to get at some ambulance chasers. This bill is a result of an effort to get at some ambulance chasers who were chasing these accidents and probably bringing suit in certain courts.

It seems to me that if the reason for this legislation is ambulance chasing, the problem ought to be solved through some other means.

Mr. ENGLE of California. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ENGLE of California. This is a case of burning down the house in order to get rid of a couple of rats.

Mr. McCORMACK. It certainly is that, or the same as cutting off your nose to spite your face.

This is the situation, and we might just as well face it. This Congress has already passed several bills, such as the Taft-Hartley bill, reduced appropriations for the Department of Labor, and skeletonized that Department which labor had so much confidence in and in which it took so much pride. Now we are following it up with another bill which a very fine organization—the railroad brotherhood—is absolutely opposed to.

Let us not fool ourselves. The reason for this bill is ambulance chasing. In order to try to control ambulance chasing, they are going to wipe out all the rights that these men have.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DEVITT. May I ask the gentleman if it is not the fundamental duty of the courts and the bar associations to discipline erring attorneys?

Mr. McCORMACK. That is correct. The ambulance-chasing problem is not a matter for the legislative body to control. It is a matter that concerns the bar associations and the courts.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DINGELL. But, barring action on the part of courts and the bar association, Congress should take action against them.

Mr. McCORMACK. But, in any event, whatever action is taken, it should not be taken along these lines. Action should be directed toward the abuses and the control or elimination of the abuses.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CRAVENS. Does the gentleman feel that the railroad employee who may be injured in the railroad yards in Boston ought to be allowed to go to New Orleans to bring suit?

Mr. McCORMACK. Does the gentleman believe that a person shipping goods to Chicago should be able to bring suit in New Orleans just because the railroad runs to New Orleans?

Mr. CRAVENS. This bill does not affect that situation at all.

Mr. McCORMACK. Yes, but he can do it under the law.

Mr. CRAVENS. Yes, but I am talking about a railroad employee bringing suit in New Orleans, and I am asking you whether he should be allowed to bring suit in New Orleans.

Mr. McCORMACK. But you deny to a human being the same right which you give to the owner of property to exercise in relation to his property when damaged or destroyed while in transit on a railroad.

Mr. CRAVENS. If the gentleman will yield further, do you want this bill enlarged to include the shippers of property on the railroad?

Mr. McCORMACK. This bill started out against the railroad workers. It is fundamental in law as I remember, and I had some pretty active practice in law before I came to Congress in the civil courts, that you can sue a person wherever he has a place of business. That is elementary in every State law. You can sue where the plaintiff lives, but you cannot sue where the cause of action arises unless the defendant had a place of business there; that is, unless the defendant had some legal status so that you could bring suit there and serve the necessary papers in a court proceeding, such as a notice, subpena, and so forth. It is elementary that you can bring suit wherever a person has a place of business, and yet this restriction is being imposed upon railroad workers and the passengers who are also included.

My dear friend from Michigan knows this bill in its present form would probably be subject to a point of order because the original bill confined itself to one group and the committee substitute includes two groups. If the original bill included the two groups, a third group could be included, but it was confined to one group, and that is why the rule waived the point of order.

The reason this bill was orginally introduced, affecting the railroad workers, was to try to meet the abuses that exist in connection with ambulance chasing. If that is the situation, it should be attacked. Something should be done with reference to it, but certainly it should not be done in the manner this bill proposes.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman one additional minute.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FOGARTY. Is this not just another movement in the over-all plan of the railroad lobby to get what they can get from this Congress while they have a chance, with the other bills that are before the Congress, like the Bulwinkle-Reed bill, and others, and the effort to repeal the Crosser Act?

Mr. McCORMACK. Well, the results of this bill certainly are not beneficial to either the railroad workers or the passengers.

For 37 years the right has existed. Up to the end of July there have been 40 passengers killed and over 1,400 injured. Among the railroad workers there are about a thousand killed each year and over 30,000 injured. Seven hundred and fifty-eight were killed at grade crossings and over 2,500 to date this year. This is a serious proposition, and in order to get at ambulance chasers, this bill is the result. I respectfully submit that it is not the right way to meet abuses of that kind. I submit that this bill is not the proper kind of legislation to pass in order to get at ambulance chasing. Under this bill you deny to human beings who are injured by a railroad the legal rights they now have, but the owner of cattle injured or killed can sue any place a railroad runs.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, this is a venue bill, designed to stop a Nationwide racket in the solicitation and transportation of personal injury lawsuits against interstate railroads, all the way

from hundreds to thousands of miles from where the accident happened and where the injured employee lived at the time of the accident. It is being done at the expense of the general public, in that it is a burden upon interstate commerce and it is being done at the expense of the injured employees of the railroads.

When this Federal Employers Liability Act was originally passed by Congress, there was no venue provision in it. Suits were brought under the general Federal venue statute, and it was found that in many instances that it required the injured employee of the railroad or representatives of his beneficiaries to go hundreds or thousands of miles to the habitation of the railroad to bring suit. To avoid that inconvenience to the plaintiff, the act was amended so that he could bring suit in the county or Federal district where he lived at the time of the accident, or where the accident occurred. Out of an abundance of precaution, so that there would be no question about his getting service, it was further provided that he could bring suit wherever he might get process on the defendant. Then this racket arose. Instead of a man bringing suit in his own home court at the hands of his own home lawyer and before juries who knew him better than anybody else in the world, they began to transport suits from California to New York, from all of the 43 States, except five, into California, Missouri, Illinois, Minnesota, and New York. So that today this is a multimillion dollar racket and the representatives of these racketeers are crowding the corridors of this Capitol and the halls of the House of Representatives today.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. In just a minute. You talked about suing for hogs and cattle. Why, my dear friend, this bill is limited to tort actions against railroads. A suit against a railroad for the loss of stock, a hog, or a cow, or a horse in shipment is naturally brought by the owner of the animal where the shipment originated, because under the Carmack amendment with respect to shipments of freight it is provided that the shipper of livestock may bring action against the initial carrier and the shipper does not have to cross the continent to bring suit against some subsequent carrier who may have lost his stock. That is not a tort action, that is a suit on contract as the gentleman must know, being an able Boston lawyer.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. Yes; I yield.

Mr. McCORMACK. The gentleman is aware of the fact, I am sure, that out of many contracts may develop tort actions.

Mr. JENNINGS. No, the gentleman is in error about that.

Mr. McCORMACK. If the gentleman will yield again, does the gentleman admit that the reason for this bill is to try to get at these racketeers that he refers to?

Mr. JENNINGS. The reason for this bill is to stop the racket, to protect the victims of the racket, because recently in Chicago a man for whom a suit in the sum of $75,000 was brought got a verdict of $4,000, but when he had divided with his lawyers he had $230 for himself.

Mr. McCORMACK. In other words, to get at the racketeers you are penalizing the others.

Mr. JENNINGS. No.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the distinguished gentleman from Arkansas.

Mr. CRAVENS. Can the gentleman figure out any reason for the apprehension of the gentleman from Boston about having a railroad employee file a suit in Boston if he is injured there?

Mr. JENNINGS. No; there is no point in that in my opinion.

Mr. CRAVENS. They must have honest judges and honest juries there. Why should there be objection to having them tried in any city?

Mr. JENNINGS. I assume they have.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. JENNINGS. I yield to my friend from Georgia.

Mr. COX. I should like for the gentleman to inform the House as to the interest of the unions in these suits.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield two additional minutes to the gentleman from Tennessee.

Mr. JENNINGS. Mr. Whitney's union hired a fellow by the name of Atherton, a railroad pass lawyer in California, to appear as a witness before the Judiciary Committee. They took him over to Cleveland, and gave him a prepared statement. On cross-examination the gentleman from Indiana [Mr. SPRINGER] and myself developed from him that Whitney's union up to the time I introduced this bill, was getting 5 percent of the recoveries obtained by the pikers who brought these suits at the insistence of Whitney's union.

The reason we broadened this bill was to meet their theme song which was "You let a passenger sue anywhere, you let a hobo sue anywhere, you let the man who gets hurt on the railroad tracks sue anywhere." Well, we just pulled the rug out from under them and said "We will let all tort actions against railroads be brought where the person injured was hurt or where he resided at the time of the accident, and if the plaintiff cannot get service on the railroad in those places, he can bring it wherever he can get service on the defendant."

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. FEIGHAN. But your pulling the rug out from under them took rights away from them and made them sue in State courts.

Mr. JENNINGS. No. They can sue in either a State or Federal court. If suit is brought in a State court it cannot be removed to a Federal court.

Mr. FEIGHAN. You are restricting the venue of passengers to State courts, and I think that is constitutionally wrong.

Mr. JENNINGS. Any passenger who has sense enough to go to the depot and buy a ticket would not want to leave home and bring a suit.

Mr. BROWN of Ohio. Mr. Speaker, in my younger days I went to law school, where I graduated, and then took a little postgraduate work. By that time I had reached the age of good judgment and sound discretion, and my conscience would not permit me to practice law. Instead I went into the newspaper business and politics.

As I have listened to the debate here between the legal luminaries of this House I have come to the conclusion that time has proven my judgment was very good, and that I belong in the newspaper business whether I belong in politics or not.

I believe everybody on both sides of the House will agree with me that these great legal lights of the House of Representatives, who have put on this debate today, should be permitted to continue it on the bill.

I therefore move the previous question and hope the resolution will be adopted.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

The SPEAKER. The Chair wishes to announce that pursuant to the provisions of section 3, Public Law 162, Eightieth Congress, the Chair appoints as members of the Commission on Organization of the Executive Branch of the Government the following Members of the House: Hon. CLARENCE BROWN, of Ohio; Hon. CARTER MANASCO, of Alabama; and the following from private life: Hon. Herbert Hoover, Hon. James Rowe, Jr.

AMENDMENT TO THE EMPLOYERS' LIABILITY ACT

Mr. MICHENER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1639, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER], chairman of the subcommittee which held the hearings, and who is very familiar with the entire bill and the procedure for bringing it to the floor.

Mr. SPRINGER. Mr. Chairman, it seems there has been some discussion with respect to the hearings on this bill. I hope each and every Member will get a copy of those hearings. There are 170 printed pages in those hearings on the bill, and there was taken up every phase that is presented under this measure. In the hearings we had 35 State bar asso-

ciations from 35 States of the Union that endorsed this bill; we had 27 bar associations from various large cities over the country that endorsed this bill; we also had 106 county bar associations, all of which endorsed the bill 100 percent.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Yes; I yield to the gentleman from Minnesota.

Mr. DEVITT. I am sure that the gentleman from Indiana does not mean to mislead the House when he states these bar associations have endorsed this bill, because I want to assure the gentleman that if he will examine the record, pages 20 to 24, he will find some comments from the Chicago Bar Association with reference to proposed amendments which it recommends to this bill, and if he will examine the resolution adopted by the Minnesota State Bar Association he will also notice some amendments recommended to the bill.

Mr. SPRINGER. May I say to the distinguished gentleman that I am familiar with both of those bar associations' resolutions and the statements which they made. But I am speaking of the over-all picture that is presented by the various bar associations of the country. They have expressed their vigorous protest against the practice that has developed into a real racket in the bringing of those actions. As I recall, the State bar association of the great State of Massachusetts approved this measure, and many other bar associations throughout the country gave their 100-percent endorsement of it.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Since one of the major objectives of this bill is to do away with this racketeering, there is absolutely no assurance that by the passage of this bill a single racketeering lawyer who solicits and transports these cases will be disbarred. That is entirely up to the court, and the court has the ability. If the bar association brings the man before the bar of justice he can be disbarred. This is not going to disbar anybody. This is not going to stop them from proceeding with cases in the Federal courts or the State courts.

Mr. SPRINGER. May I say to my distinguished friend that under this present bill it provides that those actions may be brought in the county where the injured party, the plaintiff, resides. He can bring it in a State court or it may be brought in the county where the accident happened, or if he elects, to bring the action in the Federal district court. He can bring it in the Federal district court in the district in which he resides or he can bring it in the Federal district court where the accident actually happened. That is the broad latitude granted, under the pending bill. That is merely the institution of the action. Of course, after the action is brought all of the minutia of procedure follows. A change of venue can be taken; a change can be taken from a court. A change of venue can be taken from a county. All of those various steps can be taken, so the plaintiff in the action has every right and every power of every proceeding which is available to him in any action. Therefore, this measure would stop this racketeering in this class of cases. At least they could not be bought in New York, St. Louis, St. Paul or Minneapolis, or in Oakland, California.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. Take a passenger going from New York to New Orleans, what is the right of the passenger to bring suit for an action under such circumstances?

Mr. SPRINGER. The right of a passenger is the same as the right of a railroad employee. He has the same right to bring the action either where he lives, if the railroad company has a line of road bed across that part of the county, if he brings it in the county court, or if he brings it in the United States district court, if the railroad company has a line across the district, he can bring it there. He can bring it where he lives or where the accident happened, if the railroad has a domicile or place of business thereat. Otherwise, he can sue at any place at which he can secure service upon the defendant company.

Mr. McCORMACK. Does the gentleman construe a railroad in this bill to also mean a bus company?

Mr. SPRINGER. This relates only to railroads in interstate commerce.

Mr. McCORMACK. So with reference to a bus company in interstate commerce, this bill does not relate to it?

Mr. SPRINGER. It relates to interstate railroads, because it so refers to that character of corporation.

Mr. McCORMACK. So as against a bus company, he can bring suit any place?

Mr. SPRINGER. This measure relates to a railroad common carrier, engaged in interstate business.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. BREHM. If the particular railroad on which the accident occurs does not run through the employees' home district, then he cannot bring the action in his home district.

Mr. SPRINGER. Then he can bring the action any place where the railroad has a line of railroad, or an office, or at any place service may be obtained.

Mr. BREHM. But not in his home town unless the particular railroad supplies or services his home town.

Mr. SPRINGER. He can go outside in that event, in the event the railroad does not run through his home county. If he cannot get service, or the railroad does not operate through his county or community, then he can go to that county where the railroad has a line and bring action at such place.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Georgia.

Mr. WOOD. That means he can go into any county where he can find an agent of the company to put the service on.

Mr. SPRINGER. The gentleman is entirely and precisely correct. I hope you will look at the hearings and read them. I hope you will get all the information that is disclosed there as to the racket that has actually developed in the bringing of these actions. We found that one lawyer in Chicago had brought 792 cases in 1 year. Those came from Indiana, from Illinois, they came from Arkansas, they came from Louisiana, they came from Texas, they came from all over the South, brought all the way to Chicago, where the poor injured fellow was carted up there and kept there until his case was tried. Finally, as the gentleman from Tennessee [Mr. JENNINGS] has said, in one of those cases after they had divided up what they received on account of the man's injuries, the lawyers, snoopers, and assistants all along the line taking a share, the poor fellow finally got $230 for his injury, although the recovery was a little over $4,000. We found in this hearing that in some instances some of these poor, unfortunate, injured fellows had been compelled to pay as high as 50 and 60 percent of their recovery for attorneys' fees and for the lawyers and the fellows who went out and secured the business and investigated the facts and brought the case to these lawyers. They were all a part of this racket. Those are the things we are trying to stop. I think every Member on the floor of this House will agree with me that that is a practice that should be stopped in good conscience and in law.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Did the committee give any consideration to the establishment of a percentage in the division of the award, as regards the fee of the attorney?

Mr. SPRINGER. No, that was not taken into consideration. That is a matter of contractual relation between the injured party and the attorney. In studying some of the contracts these lawyers made we found one instance where the lawyer had slipped a paper in front of the injured fellow when he was sick and disconsolate and said, "Sign here, this is for an examination." The fellow found out a few days afterward that it was a paper that called for 65 percent of the recovery to go to the plaintiff's attorney.

There have been many unthinkable abuses in this practice. In my opinion, and in my judgment, the only effective manner to stop this unholy practice—which has been detrimental to the injured people—is to fix the venue of all such actions, and that will certainly stop this practice.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CELLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is purely and simply a railroad bill inaugurated by the

railroads. The railroads are to be the chief beneficiaries. It is very significant that under this bill venue is narrowed down to only two places. The plaintiff can bring suit where the accident occurred or he can bring suit in his district of residence. He cannot bring suit where the railroad does business, where the railroad has its office.

What is the situation with a bus company, a maritime shipping company, an interstate traction company, or an airplane company? You do not apply the same rule embodied in the pending bill to those nonrailroad entities.

I brand this purely and simply a bill instituted by the railroad lobby, a lobby that has been highly successful of late. Witness the stream of bills that have been pouring through this Congress, inaugurated and abetted by the railroads.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. O'HARA. Let us say that I leave my home and I take the Milwaukee Railroad to Chicago and then take either the Pennsylvania or the B. & O. to Washington. Let us say that there is an accident and I am injured on the train as a passenger. How would I have any right to bring that action in the place of my residence when there is no place where service can be made upon the Pennsylvania Railroad?

Mr. CELLER. You would have to bring the suit in the district where the accident occurred. You would have no other choice. You would be limited because they treat you as a passenger on the railroad by this bill or by a committee amendment in the bill the same as they do a railroad employee.

A wide range of venue of which I spoke has been in existence for how many years? Since 1910. For 37 years it has been in existence and has remained undisturbed. Suit by an injured railroad employee or by an injured nonemployee could be brought at the place of residence of the plaintiff, the district of the accident, the district of the office of the railroad, or the place of business of the railroad. Now, at this late hour, they come and ask for this change. They do it under the guise of striking at barratry and champerty and maintenance. Of course, there is barratry and champerty and maintenance on the part of many irresponsible lawyers. But this is no way to get at the irregularities in the legal profession. Those irregularities should be scotched by the bar associations or by the courts. The court has the power to summon any lawyer before it who employs a tout, or runner, or chaser, and the court has the right and power to discipline such an attorney indulging in such illegal practices. Let us clean these Augean stables, but not by striking at railroad employees.

The district courts of the United States have a right to yank any lawyer into court and tell him, "You have no right to do this. We shall prevent you from appearing in this court for a certain designated period because of your derelictions." If there is any doubt as to the power of discipline resting in the United States district courts let us give the courts the necessary power.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. CRAVENS. The gentleman is a great lawyer from New York.

Mr. CELLER. I do not know about that, but I think that the gentleman propounding the question is an able lawyer.

Mr. CRAVENS. I will vouch for the gentleman. But what have the courts of New York done about the racket that has gone on in New York City with reference to railroad cases all over the country? Have you done anything at all?

Mr. CELLER. We have not sought to get after that evil by adopting statutes of this character.

Mr. CRAVENS. Have you done anything at all?

Mr. CELLER. Our bar association gets after these practitioners who indulge in such practices. Every day we have them brought before the courts, and they are disciplined. Our State courts are very vigilant in that regard, and our district courts, our United States district courts, are likewise very vigilant in my State. I venture the assertion that the attorneys in New York State, as a rule, are good attorneys and are just and moral practitioners. But the conduct of lawyers in New York is not the issue we are debating. Let us stick to our subject.

Mr. CRAVENS. We are not talking about the general rule, but are talking about these particular cases.

Mr. CELLER. The point I am trying to make is that we should now, by the method of this bill, get at this evil of champerty and ambulance chasers and touts. Restricting venue will leave the evil still unabated. The evil will still exist.

It has been charged that most of these cases gravitate to comparatively few lawyers. Well, that is the situation with every intricate subject. Railroad law is intricate, and so is income-tax law, and so is the labor law. You will find the practice before the National Labor Relations Board is limited to certain experts on that law. The result is that cases gravitate to that type of lawyer who is an expert in his field. Because we have railroad liability law experts, are we going to adopt this very narrowing and confining venue statute? I think it would be wrong. We have ambulance chasers who unduly solicit claims against the owners of automobiles of auto accidents. That occurs in all States. In order to do away with ambulance chasers do we say that anybody injured in an automobile accident shall be limited in the bringing of a suit either to his place of residence or to the district where the accident occurred? We do not do that. But when it comes to railroads apparently we want to adopt a different policy that will favor the railroads.

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. FELLOWS. If the gentleman will pardon the illustration, but if the gentleman were injured on a railroad in the State of New York he could bring his action in the proper district in the Federal court, or the proper county, if he brought it in the county or State court, in the State of New York.

Mr. CELLER. If I am injured on a railroad, under this proposed statute, I have only two places where I must bring suit.

Mr. FELLOWS. Where?

Mr. CELLER. I can bring the action at the place of my residence or in the district of the accident.

Mr. FELLOWS. That is New York State.

Mr. CELLER. Well, the State of New York, by State statute, has a different law. We have our Civil Practice Act which provides that an action must be tried in the county in which one of the parties reside and if neither party reside in the State, then the action can be brought in any county designated by the plaintiff. This is a broad venue since a railroad "resides" wherever it operates.

Mr. FELLOWS. But you could bring it in the proper district in the Federal court in the State of New York.

Mr. CELLER. Well, let us get this straight. I could bring it, under present conditions, in three places, in three United States district courts—in the districts of my residence, of the accident, of the defendant's place of business.

Mr. FELLOWS. Under this bill, I mean.

Mr. CELLER. Only in two places under the bill.

Mr. FELLOWS. Where?

Mr. CELLER. I bring it in the place of my residence.

Mr. FELLOWS. That is New York State.

Mr. CELLER. That is New York State. Or I can bring it at the place where the accident occurred, which might or might not be in New York State.

Mr. FELLOWS. If you could not get justice in New York State, where would you like to have it? Under this bill you would bring the action in your own State. If you could not get justice in New York State where would you seek it?

Mr. CELLER. That is an "iffy" question. That is not relevant. This bill applies to the whole United States. A man is injured on a railroad, crossing the State of Pennsylvania. He happens to be a resident of the State of New York. Under this bill he would be limited to bringing his action to his place of residence, bringing his action against the Pennsylvania Railroad in New York State, the place of his residence; or he would have to bring it in the district of Altoona, say, where the accident occurred. At the present time he could bring it against the Pennsylvania Railroad Co. wherever it does business, that is, wherever it has its tracks or does business.

Mr. FELLOWS. What is the advantage to him in that?

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. CELLER. I yield myself two additional minutes, Mr. Chairman.

To me, personally, it might not be of any great moment. I am financially able to hire a lawyer anywhere. If the injured be a man of consequence or a man of wealth, he has the ability to

pay for a lawyer anywhere, but when it comes to an injured railroad employee, a brakeman or a trainman or a switchman or an injured passenger, he has not the wherewithal to do what others financially better situated can do. He is confined to certain sections. He must sue in either of the two districts mentioned, despite the advantage he may have in suing in another district, for example, where his witnesses may live or where he knows the atmosphere of the court and its jury is not prejudicial to his cause. He is deprived of the right of selection.

Mr. FELLOWS. Does the gentleman mean he could not afford a New York lawyer, so he would have to go to Chicago where he could afford one?

Mr. CELLER. No, indeed. Plaintiff should have the right of choice to bring the action where he has brought it for 37 years, without any cry of pain or anguish from the railroads. Now, apparently, they think they have a field day. Then can put through this House and the other body anything they see fit. That is the sum and substance of it. Why should we disturb a situation that has existed for 37 years? Nobody has complained except the lawyers—the lawyers who do not "get in on the kill"; lawyers who could not get these cases. Let us see what the testimony yielded in that regard. Mr. Warren H. Atherton, counsel for the Brotherhood of Railroad Trainmen, said:

> I have closely studied the testimony of the proponents of H. R. 1639. They were all lawyers. Most of them were lawyers for railroads. Their arguments are that this bill will save money for the railroads and make some business for lawyers who are not getting it. The railroad employees who lose the legs, and the dependents of those who die, believe that those savings and that business would be at their expense.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CRAVENS. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the proponents of this bill state that their major objective is to eliminate so far as cases under the Federal Employers' Liability Act are concerned, the racketeering which consists of soliciting and transporting cases involving the injury or death of railroad employees. The testimony does not disclose that the passage of this bill will bring about the disbarment of any of these racketeering lawyers. The more appropriate means of obtaining that objective lies in the use of the customary machinery for professional discipline; which machinery is not only appropriate, but can also be more effective. The enactment of this bill would not bring about the disbarment of a single unethical lawyer, nor would it exclude such lawyers from practice in Federal Employers' Liability Act cases. At most, it could make it more inconvenient for them and thus add to expenses employees would be required to bear. A careful analysis of the original bill and the substitute bill will show that this laudatory objective will not be attained. Passage of the original bill would deprive railroad employees of special venue privileges which were conferred upon them by Congress as long ago as 1910. If the substitute bill were to pass, it would deprive not only railroad employees of the venue rights which they now have, but it would also restrict the venue rights of nonrailroad employees in bringing suits for injury, and the rights of their administrators or executors in bringing suits for wrongful death.

Under the present law enacted in 1910 a claimant under the Federal Employers Liability Act has the choice of suing in the Federal courts either in the district where the defendant resides or where the cause of action arose, or where the defendant is doing business—this jurisdiction in the Federal courts is expressly made concurrent with that of the several States; thus the whole question of venue in the State courts is left by the present act to be determined by State law just as it is with respect to other kinds of suits to which railroads are subject and over which courts have jurisdiction.

H. R. 1639 as originally introduced, proposed to take away the rights thus conferred upon the railroad employees more than 37 years ago by limiting the actions brought under the Federal Employers' Liability Act to the Federal district court or State court in the district or county, respectively, in which the accident occurred, or in which the employee suffering injury or death resided at the time of the accident.

This original proposal was clearly discriminatory against railroad employees because under the general Federal venue statute suit can be brought against defendant corporations wherever they are doing business; whereas H. R. 1639 would limit actions for personal injury under the Federal Employers' Liability Act to the residence of the claimant or to the place where the cause of action arose.

Moreover, the original H. R. 1639 would limit the venue of actions in State courts to the county in which the action arose or where the claimant resided, and would thus single out the claims of railroad employees from all the claims against railroads and discriminate against them. The choice of forum which claimants have in State courts does not derive from any special grant of Congress. Before the enactment of the Federal Employers' Liability Act, personal-injury claims of railroad employees were cognizable in State courts and Congress refrained from ousting them from that jurisdiction. The Federal Employers' Liability Act exists solely for the purpose of giving railroad employees certain advantages that did not attach to other negligence actions. The original H. R. 1639 would have placed railroad employees under a disadvantage that does not attach to other negligence actions or any other transitory action in which State courts have jurisdiction.

H. R. 1639 in its original form was so palpably discriminatory against the employees that the substitute bill was introduced, which only obscures that discrimination by broadening the classes discriminated against, namely, by discriminating against nonrailroad employees as well as against railroad employees. The substitute bill provides that the venue of all civil suits for damages for wrongful death or personal injury against any railroad may be brought only in a Federal district court or State court in the district or county, respectively, in which the cause of action arose or where the person suffering death or injury resided at the time it arose.

The right given to passengers by this bill to sue where the injury occurred is of doubtful benefit because the action may have occurred at a far distant point where it would be difficult to obtain necessary witnesses and competent legal, medical, and other technical services. Their only alternative would be to sue at their place of residence which also might be far distant from the place where the witnesses live.

In thus discriminating against personal injury claimants, the substitute bill discriminates in favor of the owner of property damaged or destroyed in a railroad accident because he is unfettered by any such restriction of venue. For instance, if a person driving his automobile were struck by a train at a grade crossing, under the terms of the substitute bill, he could sue only for personal injury in a Federal court or State court in the district or county in which he resides or in which the cause of action arose, whereas he could sue the railroad for damages to his automobile in any Federal district or in any State in the county in which the railroad was doing business. As another example, if an employee of a farmer were driving the farmer's cattle across a grade crossing and the farm hand and the cattle were injured by a train, the farmer could bring suit against the railroad for the damage to his cattle wherever the railroad was doing business, but the employee in suing for his personal injury would be restricted under the terms of the substitute bill, to the Federal or State court in the district or county in which he resided or in which the cause of action arose.

The substitute, H. R. 1639, would thus result in the anomaly of permitting a person to sue for the damage to his property wherever the railroad was doing business, while limiting him in his action for personal injuries to the district or county in which he resided or the cause of action arose, even though the personal-injury action arose out of the same accident as the property-damage suit. There is no justification for any such discrimination between personal-injury and property-damage suits.

The substitute bill raises serious constitutional questions. A burden on interstate commerce would be the only constitutional basis for the substitute bill. There was no testimony or other evidence presented at the hearings which would justify such a finding with respect to suits brought against railroads by personal-injury claimants other than railroad employees.

The purpose behind the legislation is to put an end to the solicitation and transportation of lawsuits under the Federal Employers' Liability Act to remote jurisdictions from localities in

which the cause of action arose. No question was raised or evidence presented at the hearings that such practices exist with respect to nonemployees liability act cases, or, if they do, that they constitute such a burden to interstate commerce as to justify the drastic changes in the venue laws.

Personal-injury suits brought against railroads by private citizens in State courts are purely State matters, and the attempt made in the substitute bill to limit venue in the State courts in such cases is a definite and far-reaching interference with the judicial business of the State which raises serious constitutional doubts.

Heretofore Congress has recognized that the determination of venue is a matter of State policy with which the Federal Government should not interfere. The substitute bill would disrupt the venue legislation of each of the States. Actions for personal injury brought by employees of industries other than the railroad industry, and suits brought against railroads by others than personal-injury claimants, as well as all other actions cognizable in the State courts would continue to be governed by the policy the States have formulated in their statutes for the distribution of judicial business in their courts, but their State policy would be abrogated so far as personal injury suits against railroads are concerned.

The railroad employees' right to sue under the Federal Employers' Liability Act in the State courts is given by a Federal statute which may expand or contract those rights, but the suits by railroad passengers, those using the highways and others who may sustain injury by the operation of railroads, except railroad employees, find their roots not in a Federal statute, but in the common law. Thus the attempt in the substitute bill to regulate the venue in State courts of personal-injury suits against railroads by nonrailroad employees may well be an invasion of the powers of the States that could not be sustained in the courts.

The substitute bill also raises the constitutional question of due process. There is no reasonable basis for classifying nonrailroad employee personal injury claimants with railroad employee personal injury claimants rather than with property damage claimants.

The purpose of the proposed legislation is to relieve the burden on interstate commerce caused by racketeering practices with reference to Employers Liability Act cases. There is no evidence that such practices exist with reference to nonrailroad employee personal injury suits, and there was no reasonable basis shown for treating nonrailroad employee personal injury claimants different from property damage claimants.

There is no reasonable basis for treating tort actions differently from contract actions for the purpose of regulating the venue of such actions. And, in fact, the classification provided for in the substitute bill cuts across tort and contract lines. The man whose automobile is damaged by a train is not within the purview of the substitute bill when he sues the railroad for damage to his property, yet he sues the railroad for damage to his property, yet he sues not in contract, but in tort. On the other hand, the injured railroad passenger may find it advisable to sue in contract and not in tort. He may sue on an implied warranty by the railroad of safe carriage and avoid the necessity of proving negligence.

If the substitute bill is unconstitutional with respect to personal-injury claimants other than railroad employees and the separability clause in the bill saves it with respect to the personal-injury claims of railroad employees we have left only the original H. R. 1639, which was recognized to be unfair and too discriminatory against railroad employees. This recognition was predicated on the fact that if the forum in which an action can be brought is restricted as proposed by H. R. 1639, the injured employee may be placed under such severe handicaps as to be substantially deprived of his rights. It may be that witnesses are not accessible and no legal specialist is located at either the place of injury or the residence of the claimant. Of course, lawyers can institute actions at points distant from their offices but doing so adds to the burden and expense of litigation which the injured employee must face. In order to have the advantage both of specialization in this field of litigation and familiarity with the local practice in the place where suit would have to be brought the employee might often have to retain two attorneys rather than one. If, however, the choice of forum afforded by the present law is left undisturbed, all the considerations of convenience can be balanced in arriving at a choice.

It can scarcely be doubted upon appraisal of the testimony of the proponents at the hearings on H. R. 1639 that their major objective is the correction of violations of professional ethics on the part of a few members of the bar. The more appropriate means of obtaining that objective lies in the use of the customary machinery for professional discipline. That machinery is not only more appropriate; it can also be more effective. The enactment of H. R. 1639 would not bring about the disbarment of a single unethical lawyer nor would it exclude such lawyers from practice in Federal Employers' Liability Act cases. At most it could make it more inconvenient for them and thus add to the expenses employees would be required to bear. For depriving such lawyers of the right to transport the cases to the jurisdictions in which their offices are located would hardly lose them the client. The large speculative fees are sufficiently attractive to have them travel to the claimant's residence, or to the place where the cause of action arose, to try the case, and this would entail the added expense to the claimants of not only paying the traveling expenses of such lawyers, but also of engaging local attorneys familiar with local practice to assist in the trying of the cases.

Some effort has been made to show that the decisions of the Supreme Court in *Baltimore & Ohio R. Co.* v. *Kepner* (314 U. S. 44) and *Miles* v. *Illinois Central R. Co.* (315 U. S. 698) have left the States powerless to protect themselves against having burdensome out-of-State cases brought into their courts. But those decisions merely establish that a State court of the plaintiff's residence cannot, on grounds of burden to the railroad, enjoin him from bringing a lawsuit arising under the Federal Employers' Liability Act in another State in a Federal or State court which has jurisdiction and is prepared to entertain the suit. The policy expressed in those decisions is sound, for it would be an unwarranted burden on an injured railroad employee if, having selected the forum most convenient to him, the railroad could, in the language of Mr. Justice Jackson, "force him to try one lawsuit at home to find out whether he would be allowed to try his principal lawsuit elsewhere." An injured employee or the family of a deceased one is too unequal to the railroad in the capacity to bear the burdens of litigation to warrant any such doubling up of the burden on what Mr. Justice Jackson has called "a rather fantastic fiction that a widow is harassing the Illinois Central Railroad."

It does not follow from such decisions, however, that the States do not have the power to protect themselves from burdensome out-of-State cases. In the first place, those decisions relate solely to Employers' Liability Act cases, and hence do not, so far as nonrailroad employee personal-injury actions against railroads are concerned, in any manner deprive State courts of their old equitable power to protect against unjustly oppressive foreign suits through the issuance of injunctions, or forbid Federal or State courts to decline jurisdiction in the interest of justice on familiar grounds of forum non conveniens.

Even with respect to suits under the Employers' Liability Act, the Supreme Court in *Douglas* v. *N. Y., N. H. & H. R. Co.* (279 U. S. 377), decided that the States do have the power to protect themselves from burdensome out-of-State Employers' Liability Act suits so long as they do not discriminate against Federal causes of action. That case has not been overruled and was cited as authoritative in the majority opinion in the Miles case and more recently in *Gulf Oil Corp.* v. *Gilbert* (No. 93, October term, 1946). Whether a Federal court having jurisdiction, and of appropriate venue, could dismiss an Employers' Liability Act case on grounds of forum non conveniens is an unsettled question. It was not established until the recent decision in the Gulf Oil Corp. case that the Federal courts had such power in any cases. Some of the language in the opinion in that case may indicate that the decision would not apply in an Employers' Liability Act case, but only the Miles and Kepner cases are cited in support of that language, and those cases, as shown above, involved only the substantially different question of the power of the courts of the home State to enjoin the action.

But even assuming that this newly recognized power of the Federal courts does not extend to Employers' Liability Act cases, this certainly cannot be a difference of great moment. For more than 150 years the Federal courts have been operating without exercising this power in other kinds of cases. This is a strong

indication that the Federal courts have not felt themselves so burdened with extraterritorial litigation to cause them to try to get rid of it by applying a doctrine of forum non conveniens.

There are sound reasons why injured railroad employees must be permitted a wide choice of forum if they are not to be substantially deprived of their rights in many cases. The work of many railroad employees takes them great distances from their homes through many intermediate points. Wherever a railroad employee works he is subject to risk of suffering injury or death. The witnesses may be persons residing close to the residence of the injured or deceased employee or residing at points far removed from his residence. The conditions are susceptible of such infinite variation that the convenience of the railroad employee regarding the accessibility of witnesses can be served only by giving him a wide choice of forum.

There is also a thread of argument running through the testimony of the proponents to the effect that the choice of forum left to the employees in Employers' Liability Act cases places an undue burden on the railroads. It has been shown above that the proposed restriction would place an undue burden on the employees to a degree that might in many instances deprive them of the opportunity to enforce their rights effectively. Undoubtedly there are cases in which the forum chosen by the claimant as the most convenient for him is not the forum that is most convenient for the defendant. But if the choice as to whose convenience will be accommodated is approached objectively it would be difficult for fair-minded men to reach any conclusion other than that the convenience of the employees should be accommodated in Employers' Liability Act litigation. The cost of litigation is a personal expense to the employees and is, at best, a deterrent to the enforcement of their rights; whereas the railroads are much better equipped to absorb the expense and inconvenience of such litigation, having regularly retained counsel practically everywhere that they do business, as well as having at their disposal transportation and other facilities, not available to the employees, to aid them in the investigation and litigation of these cases.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Indiana.

Mr. SPRINGER. May I ask the gentleman where the witnesses to an accident are located other than where the accident has happened?

Mr. FEIGHAN. By the time of trial of the suit witnesses may be in many places other than where the accident happened. As an example, a passenger or a railroad employee may live in Chicago, be injured in New Mexico, and taken to a hospital in California, where he is treated for his injuries. Under this proposed substitute bill the injured person would not have the privilege of suing in California, which privilege he now enjoys, even though all witnesses, including important medical witnesses, reside in California. There is a typical example.

Mr. SPRINGER. But the lay witnesses to a transaction of that kind are located where the accident happened, are they not, and those are the witnesses upon whom juries and courts usually rely.

Mr. FEIGHAN. I disagree that juries and courts usually rely on such witnesses. Indeed, the testimony of medical witnesses is the most important testimony in this type of case. I also disagree that even the lay witnesses are likely to be residents of the place where the accident occurred. Witnesses to the accident would probably be the crew and passengers, none of whom might live at the place of the accident.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Minnesota.

Mr. MACKINNON. Is it not a fact that in many of these cases the medical testimony is more important than the testimony as to the accident?

Mr. FEIGHAN. There is no question about that.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Kentucky.

Mr. ROBSION. I want to have clear in my own mind that the actions we are talking about are transitory actions.

Mr. FEIGHAN. Yes; they are transitory actions.

Mr. ROBSION. If they are transitory, then the general law of the land is that you can sue on a transitory claim wherever you can find the defendant, whether it be an individual or a corporation.

Mr. FEIGHAN. That is correct, at least, with respect to defendant corporations and, of course, all railroads are corporations. As you point out under the present law, the railroads as well as other corporations can be sued wherever they are doing business under the proposed bill that would no longer obtain.

Mr. MICHENER. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. DEVITT], a member of the subcommittee.

Mr. DEVITT. Mr. Chairman, I suppose those of you who are not lawyers are pretty well confused now as to just what the situation is and what this controversy is all about. I am a little fearful that there is a feeling growing up in the House that if you vote for this bill you stand for righteousness and justice and legitimate law practice; but if you vote against it, you stand for upholding the hand of every chiseling, racketeering lawyer in the country. I should like, insofar as I am able, to disabuse your minds of that thought, because by no stretch of the imagination does it mean that if you are opposed to the bill you favor the racketeering lawyers. I assure you that everyone of us on the Committee on the Judiciary, and I am sure I can say the same thing for all of you here, is violently opposed to giving any kind of aid and comfort to a continuation of the nefarious practices of these racketeering lawyers.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from California.

Mr. GEARHART. I wonder what the place of trial or venue has to do with the question of ambulance chasing.

Mr. DEVITT. I am very glad the gentleman mentioned that. I will be glad to answer the question in just a moment, but before doing so I should point out to the Members of the Committee that the Committee on the Judiciary is split three ways on the advisability of adopting this legislation. Seven of us have signed one minority report, in which two additional Members are joining, although their names are not signed to it, and the second minority report has been filed by another gentleman of the committee.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman feel that if the Supreme Court had not decided in the Kepner and Miles cases that the doctrine of forum non conveniens did not apply to actions brought under the Federal Employers' Liability Act, we would not be here today?

Mr. DEVITT. Exactly.

Mr. WALTER. Before those decisions and for a number of years there were no abuses and no complaints about the venue selected in the trial of these cases.

Mr. DEVITT. That is right. The racket only arose after the Supreme Court rendered those decisions in 1941 and 1942.

In reply to the gentleman from California who asked just what good this legislation is going to be in driving racketeers out of the profession, my answer is that it is not going to do much good. There is one thing that is fundamental in life, and that is that you cannot legislate morals, and you cannot legislate ethics. If there were some prospect of driving these racketeers out of the profession by this bill there might be some justification for enacting it. But this bill would result in all kinds of prejudices to the railroad people and of the abridgment of the powers of State courts to try their lawsuits under State laws.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. O'HARA. Do not most of the States have the power through their courts or through the bar associations and the committees on ethics of the bar associations to prosecute and disbar this type of ambulance chaser concerning whom complaints have been made?

Mr. DEVITT. The gentleman's question is answered in the affirmative. They do.

The testimony before the committee by one Judge Thompson, of the city of Chicago, was that the Chicago bar is making vigorous efforts at driving these ambulance chasers out.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. BREHM. If, as the gentleman says, the Committee on the Judiciary is split three ways on this question, would it not have been smarter to have left it in the committee and thus leave only

the committee confused instead of bringing to the floor of the House and confusing the House three different ways?

Mr. DEVITT. I would not want to join with the gentleman in condemning my own committee, but I thank the gentleman for his observation.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. MACKINNON. How did the subcommittee stand on this particular issue?

Mr. DEVITT. I may advise the gentleman that the bill was reported from the subcommittee without recommendation.

There are three reports filed on this bill which I urge all of you to read and read diligently because it is a matter of major importance. There is the majority report. There is the minority report which seven members of the committee joined with me in signing, and there is a third report filed by the gentleman from Ohio [Mr. FEIGHAN]. If you will examine part 2 of the first minority report, which I have prepared and signed, you will note that I make three objections to this bill, and in the alternative I propose another remedy for the evils which exist today. The just objection that I have is that you cannot legislate morals or ethics; and even if this bill were enacted, these racketeers would continue to ply their nefarious trade.

The second objection is that it unfairly discriminates against railroad workers.

My colleague, the gentleman from New York [Mr. CELLER] and others have dwelt on that proposition as to how it is possible, for instance, for a person who has had his hogs killed in transit to sue a railroad any place in the United States, but that if a railroad employee is injured he is limited to those two specific places. It seems to me that the discrimination which exists against railroad employees is most glaring in this instance.

As to the third objection, I have examined the statutes of the 48 States of the Union and the applicable law of Alaska and the Territory of Hawaii. I find that in 48 of those 50 jurisdictions it is possible for a person who brings a lawsuit in one county to move that lawsuit to some other county for the convenience of witnesses or to satisfy the ends of justice or because the people of their community happen to be prejudiced or because the judge happens to be prejudiced.

I emphasize to you that that is the law of 46 States of the Union as well as the law of Alaska and the Territory of Hawaii.

If the bill proposed by my good friend from Tennessee, Judge JENNINGS, is adopted, the effect of it is going to be that the Federal Government will say to the 48 jurisdictions that these various statutes which they have enacted with reference to the power of courts to move lawsuits from place to place is automatically abrogated. What justification is there for our infringement upon the legitimate province of the State courts?

It should be remembered that 90 percent of these lawsuits are tried, not in the Federal courts but in the State courts. So that in the event an injured railroad employee lives in Chicago, let us say, but he finds that necessary witnesses are in the southern part of the State, for instance passengers on the train who witnessed the accident or, medical experts in the hospital where he was hospitalized the man who was injured in Chicago and who lives in Chicago is going to be powerless to move that lawsuit from Chicago to the southern part of Illinois where his witnesses are and where his medical experts are and where good sense would require the lawsuit to be tried.

Now, it seems to me it is only common sense for us to recognize the soundness of these various statutes of the 48 jurisdictions, which permit the movement of these lawsuits for the convenience of the witnesses, in order to promote the ends of justice, and for like reasons.

In the course of the testimony there were several examples given of the need for keeping the place where these lawsuits are to be tried fluid. Let me tell you a very good example of why you should not adopt this bill with its restrictive provisions. Let us say a railroad man is injured on the Santa Fe in the State of New Mexico. He lives in New Mexico. He is injured there. But the Santa Fe Railroad maintains a hospital in San Francisco, like many of the railroads do—the Northern Pacific, for instance, maintains one in my home town of St. Paul. In the normal course of events that injured railroad employee is taken to San Francisco. He engages a doctor there who observes his condition from day to day. Under the Jennings proposal, when he gets well enough to sue the railroad, then he has to go back to the State of New Mexico to do so. Will you tell me how he is going to get a high-priced medical specialist, who practices medicine in San Francisco, to go to New Mexico at $25 a day to testify? He just will not do it. The testimony, not on the part of the Railroad Brotherhood, but on the part of the railroads themselves, was to the effect that you could not get some of these specialists if you paid them a thousand dollars a day. Every lawyer who has tried a lawsuit knows that a deposition is a very poor excuse for the actual testimony of a medical witness.

There are all kinds of instances where we should maintain this same fluidity so that lawsuits can be tried where it will be most convenient for all parties, so that they can get away from jurisdictions where prejudice exists on the part of a jury or a judge. That is the third objection which I have to this proposition.

Mr. Chairman, I said in the first instance that I was just as vigorously opposed to nurturing the continued trade of these racketeering lawyers as my good oratorical friend the gentleman from Tennessee, Judge JENNINGS. I commend the gentleman very highly for bringing this problem to the attention of the Congress. I think we can take some action today that will go a long way toward wiping out this evil. I do not hold that we can legislate on ethics and morals and drive it out completely because I think that is fundamentally the problem of the courts and the bar associations. But what can we do? If we admit there is the evil existing today, what are we going to do about it? I am sure my good friend the gentleman from Tennessee, Judge JENNINGS, does not want to infringe upon the legitimate rights of anyone in the United States, but I am fearful that in his fervor to do something about this problem he has gone too far in the proposal which he sets forth.

So, what is the alternative? If you will bear with me, I would like to talk with you now about some rather technical aspects of the law which brought about this problem.

As the gentleman from Pennsylvania [Mr. WALTER] pointed out, this racketeering started in 1942 following two decisions of the United States Supreme Court. The evidence was clear in the hearing that we did not have much of this racketeering prior to these two decisions. I am satisfied, and the hearings bear it out, that the reason we have racketeering today is because of the new interpretation of the law that was made by the Supreme Court in 1942.

What are those decisions and what did they deal with? We have a doctrine in the law called the doctrine of forum non convenens. "Forum non convenens" is a Latin expression which we lawyers use for the English expression "The court is not convenient." How does this doctrine of forum non convenens work? Prior to 1942, let us say, a man injured on a railroad in Chicago, Ill., lived there, the accident happened there, and the witnesses lived there, medical witnesses and all, but he gets the bright idea of bringing the lawsuit not in Chicago, or in Illinois, but down in Florida. As soon as he does that the railroad company comes into court and says that he should not bring the lawsuit there, that it is a burden on interstate commerce and requires the bringing of all the witnesses to Florida and so forth, and they want the court to send this lawsuit back to Chicago where it belongs. Prior to 1942 the courts could do that. They could say to the man who brought the suit down in Florida: "Go back to Chicago where you belong." In those days it was seldom that a racketeer stuck his head above water, for the railroad would have the action sent back to Chicago under the doctrine of forum non convenens. But that doctrine was upset in 1941, in October, and early in 1942, in February. These two decisions were rendered by the Supreme Court, deciding that the doctrine of forum non convenens was not applicable to cases brought under the Federal Employers' Liability Act.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. DEVITT. In 1942 the court said this doctrine was not applicable to this kind of suit. As soon as those cases were decided the racketeers rose and flourished, and, as will be described for you by my good friend the gentleman from Tennessee [Mr. JENNINGS], they brought their lawsuits all over the country regardless of where plaintiff lived or the accident happened. The practice became very general.

If that be the situation what is the best way to cure the evil? Is it not to make the law the same as it was before those

decisions were rendered in 1941 and 1942? It seems to me that is the sensible thing to do. Most lawsuits are brought under a statute called the general venue statute, section 112 of the Judicial Code. Anyone who wants to sue another in the Federal courts brings his lawsuit under the general venue statute.

I suppose you will ask the question, Is the doctrine of forum non convenen applicable to the general venue statute? The answer is that it is; for if anybody brings a lawsuit, other than a railroad lawsuit, they are still subject to the doctrine of forum non convenens; but under the law today these railroad cases are not.

So my suggestion, my remedy for the situation, is let us take the trial of these lawsuits out of the special statute and require that they be brought under the general venue statute. This will have the effect of making the doctrine of forum non convenens applicable again just exactly as it was prior to the Supreme Court decisions of 1941 and 1942. That, I think, is a fair solution. It just means that if the plaintiff from Chicago brings a lawsuit down in Florida and it has no business being there, the court will hold that the doctrine forum non convenen is applicable and refuse to hear the case, and will send it back to Chicago where it belongs.

Do you see what we would accomplish by this? We put the law back the way it was prior to 1942. We drive these racketeers out, insofar as legislation can drive them out, but, at the same time, we preserve the legitimate rights of the injured railroad employee to bring his lawsuit in a mutually convenient forum.

This is a fair provision. If you were to ask the railroads if they favor my proposal, they would not say anything. If you were to ask the railroad brotherhoods if they favor my proposal, they would not say anything. There is no criticism, no praise.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. CRAVENS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. DEVITT. Mr. Chairman, no one seems to want my amendment. The railroads do not want it, the railroad brotherhoods do not want it. But I am here to tell you they would both be very glad to get it. I think the best endorsement of this proposed amendment, which I shall offer at the proper time, is that each party would be happy to settle for it.

In my 6 months of legislative experience I have learned that there are always two sides to every controversy. One side wants everything their way, the other side wants it their way; neither side is willing to give in. The fact that neither side will endorse my proposal, the fact that neither side will condemn it, is to me the best argument in its favor.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from Illinois.

Mr. OWENS. I want to congratulate the gentleman for a clear statement. It is not only persuasive but it is an answer to the entire question.

Mr. DEVITT. I thank the gentleman.

Mr. CRAVENS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I just want to offer a few observations. One point that seems to have been overlooked, one to which nobody has thought to call attention, is the fact that we ought to be able to get justice in any court in this Nation. There have been implications creeping into this debate that there is some great virtue is being able to search the United States over in order to find a court in which to bring a lawsuit. If I felt that way I would despair of the future of this democracy. To my way of thinking, we have just, honest and honorable courts, lawyers and juries in every State of this Nation and in every portion of every State. We have a Government of law, which is the bedrock of our democracy.

When I hear people sometimes talk about communism, fascism and other isms overthrowing this Nation of a free people, I think of the fundamental proposition that as long as we live in a land where we make our own laws and elect our own officials freely, and have freedom of information and have courts of justice in which to determine the rights of our people, we will always be safe. Our democracy will be truly threatened when our people lose faith in the institutions they have set up for their Government, and particularly the courts of their country. When they feel that they can buy justice in the courts, or that there is one brand for the rich, another for the poor, or one brand of justice for the strong, another for the weak, we will be on the rocks.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The distinguished gentleman from Texas, who has been an eminent judge in that State, makes a very fine statement. I want to ask him a question. It was urged by those who appeared before the Judiciary Committee in opposition to this measure that it would be necessary to transport their cases to California, to Minneapolis, to Chicago, to New York, to St. Louis, in order to get competent lawyers who understood how to bring a suit under the Federal Employers Liability Act and to get before judges who had the proper attitude toward plaintiffs and to get jurors who would be just to them. Now, has the gentleman found that that is true of the judges, and the bar, and the jurors of the great State of Texas?

Mr. COMBS. I will say to the gentleman from Tennessee that I do not think any section or any place, country town, or city, has a monopoly on brains or integrity in this Nation. I think I could throw a pine knot in a haw thicket in many sections of these United States and beat out more brains than you can find behind some of these desks with Ph. D. degrees. No; you can find good lawyers and good and honest jurors in any country town or city or county seat, or any other place in this Nation. I think we are overlooking that.

I want to say that the argument of the gentleman who just preceded me here was very persuasive. I am not prepared to say that his argument would not be a fine solution of this problem. I judge from the arguments that have been made and from the testimony taken at the hearings that a sort of racket has sprung up. I have not looked into that question as the members of the committee have, but let me offer an observation. A suggestion was made by one of the preceding speakers that the lawyers are jealous; that they want to get these fellows out of the profession who have been going around and getting these cases. Listen, the bar association of my State and every decent lawyer of this Nation has been confronted with this situation every time they want to get rid of the crooks. They are not jealous. That is not the question. Why do we want to get the racketeer out of the profession? For the protection of the public. A lawyer is licensed, and thereby he is clothed by his oath of office and the authority of his country with the right to accept the business of his clients who put their fate in his hands. The racketeering chiseler will go out and get a dozen lawsuits, with maybe one or two good cases and the others bad, and he will settle them all in a group and parcel out the money among the people who sought his advice, which is downright dishonesty. We have found that situation to exist in our State in some instances and I dare say it is practiced in other States.

I just wanted to offer these few general observations. In conclusion, my colleagues, the committee apparently has studied this question with some care and have gone into the facts. I have not studied the facts that came out in the hearings as to the particular practice they are complaining about, but I do think that when a man is given the right to bring his cause of action either in the jurisdiction where he lives or where his accident occurred, that that is all he needs to obtain justice in these United States. If and when you and I leave these halls and start for our respective States, and in going down through another State have an automobile wreck and need to sue the man that runs into us in Tennessee or Virginia or some other place, we have to go there and sue him, or if we are in the wrong and he has to sue us, he has to follow us to our State, because a judgment across the State line is no good. If I thought this bill in anyway deprived any man of his day in court or of good justice I would certainly be against it. To the extent that it prevents racketeering and ambulance chasing, it is certainly desirable legislation.

Mr. CRAVENS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Chairman, I can recognize the desirability of running the racketeers out of the legal profession and I can understand the attitude of the railroad companies toward suits brought against them all over the United States. The thing I have not

been able to find out is how this legislation will correct the situation. As an illustration, I live in California. If I start out for my home at the end of this session and I am injured 200 or 300 miles from Washington, under this bill I have two jurisdictions available to me.

I have the jurisdiction where the accident occurred and I have the jurisdiction of my home town of Red Bluff, Calif. I have every reason to believe that the railroad company would be as dissatisfied with being sued in Red Bluff, Calif., as it would be in being sued in Florida or New York. In other words, as far as the railroad company is concerned, the action has been moved 3,000 miles. I submit to you that any time you have a passenger on a railroad train he is going some place or is on his way back from some place away from home, usually. As a consequence, if that train is involved in an accident, he has to bring suit either in his home town or where the accident occurs. Nine times out of ten his home is going to be some place different, possibly, than where the railroad does business or where it would be convenient for the railroad company to defend the action; so I cannot see how this bill is going to help the railroads particularly in that respect. They have just as good a chance under this bill of having an action filed a thousand miles from where they do business or the accident occurred, or 3,000 miles away, as they do now.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Minnesota.

Mr. O'HARA. May I suggest to the gentleman that this is the situation in which the gentleman would find himself. How would he get jurisdiction on say the Baltimore and Ohio or the Pennsylvania Railroad?

Mr. ENGLE of California. That is exactly correct. That is the point I am coming to. That is the reason for this bill's being, in my opinion, more discriminatory against the passenger and against the railroad employee than against the railroad company. In a great many instances, in my own case, for instance, suing from California, I could not get jurisdiction of the railroad company. Therefore, I would be limited in bringing my action to the place where the accident occurred. That would be an extreme disadvantage to me. It would be away from my home town, it would be away from where I knew any lawyers, it would be away from the place where I had any connections, and possibly it would be away from any place where there was a lawyer really competent to handle that type of technical action; whereas the railroad company, armed as it is with experts in all lines and with lawyers trained in defending that type of action, would not be subject to the same inconvenience.

So I say it does not seem good judgment to upset and confuse the entire legal basis for the venue of actions to drive out a few racketeers in the legal business. The way to get at that is either using a Flit gun on those racketeers or adopting the type of amendment suggested by the gentleman from Minnesota [Mr. DEVITT], which would place the matter of jurisdiction of these suits before the court itself, where it could either accept or reject them.

In any event, this does not appear to be good legislation. I hope it will either be amended here on the floor to properly accomplish what everyone admits should be accomplished, or sent back to committee. We should aim at the legal racketeers and be sure we hit them. In this bill we will not hit or stop them, but we will knock down rights which 2,000,000 railroad workers have had for nearly 40 years—plus the rights of all those who ride on the railroads.

Mr. CRAVENS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CHADWICK].

Mr. CHADWICK. Mr. Chairman, I have the honor to be a member of the committee which labored with this problem. I was not very familiar with the legal aspects of it until it was brought forcibly to our attention. I was impressed with the fact that there has grown up under the present law an abuse which amounts to a racket and which deserves to be corrected. I was, however, also very much impressed with the fact that it might be undesirable, unwise, and inexpedient to go too far in changing the basic act for the purpose of correcting that abuse. I have some feeling that the gentleman's phrase about "burning the barn to get rid of the rats" has justification.

I also have a great objection to giving rise, in any group in our country, to the thought that they are being discriminated against or brought within more stringent bounds than the rest of our country. This reaction may not be warranted, but it certainly exists. It was for this reason that in the course of our committee discussion I offered a substitute for Mr. DEVITT's amendment, aimed at producing exactly the same effect, although in other words. At the time I had had no chance to study his amendment, but we were in agreement that something like this ought to be done. Neither of these amendments were adopted in the committee. I then stated to the gentleman from Minnesota [Mr. DEVITT], when I found he was going to pursue his amendment, that I would be glad to join him in that effort when the bill reached the floor. Under his amendment, the courts will be able to limit, if not wholly eliminate, the abuses in question. It is their function, rather than ours, to do so. The present law denies them this power.

Something should be done in this situation, and in my professional judgment it is accomplished fairly and reasonably, beyond the possibility of fair objection by anyone, by the amendment which the gentleman from Minnesota [Mr. DEVITT] has proposed and which I propose to support tomorrow.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. CHADWICK. I yield.

Mr. MATHEWS. Suppose that I as a resident of New Jersey am changing my residence and traveling by railroad from New Jersey to California and an accident happens en route. Where can I bring suit? Do I have to go back to New Jersey where I just left my residence because I have not established a residence in California?

Mr. CHADWICK. May I say to the gentleman from New Jersey that he is touching upon one of the things that makes the committee bill seem to me undesirable in its present form.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

If we adopt the standard of residence in this, are we not going to have very much the same problem that we had with reference to the District of Columbia income-tax law when we adopted the standard of residence?

Mr. CHADWICK. It is such a common, customary, and generally accepted standard that it seems to me there should be no difficulty on that.

Mr. MACKINNON. But not with respect to the residence of an individual.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Does not there seem to be absolute confusion here as between residence and domicile?

Mr. CRAVENS. In answer to the question of the gentleman from New Jersey with reference to the change of residence, this bill is very plain with respect to that phase of the matter. Suit must be brought where the person resides at the time the accident occurs or where the accident occurred. It is very obvious to begin with. And if he cannot get service at either one of those places, then he may go anywhere in the United States where he may obtain service on the railroad.

Mr. CHADWICK. Incidentally, at that stage, not to be unduly critical of the bill, you reintroduce the possibility of all the abuses that are intended to be corrected by the bill.

Mr. OWENS. Mr. Chairman, if the gentleman will yield to permit me to ask a question, do you mean by the word "residence," domicile?

Mr. CRAVENS. That is the effect of it. Residence in this bill is used in the sense of domicile. I think that is perfectly plain that it is the permanent place of abode.

Mr. MICHENER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. DELANEY asked and was given permission to extend his remarks in the RECORD.

COMMUNICATIONS RELATIVE TO THE DEATH OF KING CHRISTIAN X OF DENMARK

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 16, 1947.

The honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith the letter of the Chief of Protocol of the Department of State, enclosing a copy of a note from the Danish Embassy expressing the thanks of the Danish Government to the House of Representatives for its resolution of sympathy on the occasion of the death of His Majesty Christian X, King of Denmark.

Very truly yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

DEPARTMENT OF STATE,
Washington, July 15, 1947.

The Honorable JOHN ANDREWS,
Clerk of the House of Representatives.

MY DEAR MR. ANDREWS: I am enclosing herewith a copy of a note from the Danish Embassy at Washington dated June 28, 1947, expressing the thanks of the Danish Government to the House of Representatives for its resolution of sympathy on the occasion of the death of His Majesty Christian X, King of Denmark.

Sincerely yours,

STANLEY WOODWARD,
Chief of Protocol.

(Enclosure: From Danish Embassy, June 28, 1947.)

WASHINGTON, D. C., *June 28, 1947.*

The Honorable GEORGE C. MARSHALL,
Secretary of State,
Department of State,
Washington, D. C.

SIR: Through the American Embassy in Copenhagen, the Danish Government has received a resolution of sorrow, dated April 21, 1947, adopted by the House of Representatives of the United States of America upon the death of His Majesty King Christian X of Denmark.

Acting upon instructions received from my Government, I have the honor to ask you kindly to transmit to the House of Representatives the Danish Government's heartfelt thanks for this expression of participation in the Danish national grief.

Accept, Sir, the renewed assurances of my highest consideration.

BANG-JENSEN.

MAY 14, 1947.

The PRESIDENT,
The White House.

THE PRESIDENT: The House of Representatives, on April 21, 1947, adopted a resolution relative to the death of His Majesty Christian X, King of Denmark.

The Clerk has the honor to transmit herewith the enrolled copy of this resolution which may be used by the President in communicating this expression of sentiment of the House of Representatives to the Government of Denmark, as requested by the House.

Respectfully,

JOHN ANDREWS,
Clerk of the House of Representatives.

HON. LOUIS LUDLOW

Mr. MADDEN. Mr. Speaker, in accordance with your designation of me, pursuant to House Resolution 301, Eightieth Congress, adopted by the House of Representatives, to administer the oath of office to Representative-elect LOUIS LUDLOW, of the Eleventh District of Indiana, I have the honor to report that today, at Washington, D. C., I administered the oath of office to Mr. LUDLOW, form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. LUDLOW subscribed.

Mr. Speaker, I offer a resolution (H. Res. 302) and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas LOUIS LUDLOW, a Representative from the State of Indiana, from the Eleventh District thereof, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed to the oath of office before the Honorable RAY J. MADDEN, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the said oath be accepted and received by the House as the oath of office of the said LOUIS LUDLOW as a Member of this House.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SALE, TRANSFER, AND USE OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mr. O'HARA submitted a conference report and statement on the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, and transfer and use of pistols and other dangerous weapons in the District of Columbia."

PRIORITY FOR PAYMENT OUT OF THE GERMAN SPECIAL DEPOSIT ACCOUNT

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill (H. R. 4043) to change the order of priority for payment out of the German special deposit account, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ARMED SERVICES COMMITTEE, SUBCOMMITTEE NO. 2

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Armed Services Committee may sit tomorrow, Friday, and Monday during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There was no objection.

EXTENSION OF REMARKS

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include certain data.

Mr. JENISON asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post.

Mr. McCOWEN asked and was given permission to extend his remarks in the RECORD and include a radio broadcast by the master of the Ohio State Grange.

Mr. LANDIS asked and was given permission to extend his remarks in the RECORD.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include a survey of shortage of American seamen on merchant ships at scheduled times of sailing.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CELLER. Mr. Speaker, it is our understanding that we will resume action on the pending bill tomorrow at 11 o'clock.

The SPEAKER. That was the gentleman's request.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAYS (at the request of Mr. HARRIS), for an indefinite time, on account of necessary absence from the country to attend an international conference.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. JACKSON] is recognized for 30 minutes.

NATIONAL SECURITY

Mr. JACKSON of California. Mr. Speaker, on Friday next, according to present plans, there will be brought to the floor of the House, H. R. 4214, which measure purports to be, and I quote:

An act to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security.

Certainly, Mr. Speaker, no more popular title for this act could possibly be conceived. These few and well chosen words encompass all that is held dear to the hearts of those who love America. Here is a promise for national security which holds forth hope for the future and which, in addition, suggests well-oiled defense machinery and a high degree of coordination and efficient operation. Furthermore, one might reasonably assume that in this measure, at long last, would be included everything necessary to gain it the unqualified support of all those who dedicate their lives to military and naval careers.

But, lest we proceed in the same degree of haste which has been evidenced recently with respect to this measure, and lest we fail to give due consideration to

all of the factors involved in the proposed legislation, it might be well for us, charged as we are with the passage of vital legislation, to read between the lines, so to speak, in an effort to determine, in honesty and sincerity, if the measure is all that its title would seem to imply.

Certainly, Mr. Speaker, there is no Member of this House who does not ardently desire to see efficiency, coordination, and economy in the operation of our armed services. By the same token, there is no one of us who does not decry waste, overlapping, and inefficiency on the part of those charged with the conduct of the national defense. Does the proposed legislation in all of its aspects of radical departure from what we have long conceived to be the proper function of the military actually fulfill, implement, and carry out the expressed intent of the men who founded this great Republic? The Constitution of the United States wisely provides that in all cases the military shall be subservient to the civil. Extreme caution was ever exercised by the founding fathers to insure that a minimum of opportunity was offered for the creation of military cliques, blocs, and factions. It was never the intent of the men who drafted the Constitution that there should ever arise in this new land a system of military caste which might, with the passage of the years, become a threat to civil government or civil rights. Time and again the Constitution makes astute provision for the relegation of the military to a subordinate position with relation to civil government. The proposed measure, which to this time has had a relatively smooth legislative passage, constitutes the first real threat to this historic relationship. Under the guise of efficiency, it establishes a set of precedents which may well prove to be the opening wedge to a possible military dictatorship.

Under the cloak of increased efficiency, the measure poses a serious challenge to our national traditions. Under the placid exterior of its words and phrases, there can be discerned the beginnings of a total military control.

The Committee on Expenditures in the Executive Departments has labored long and hard upon the drafting of this legislation. I have no doubt but that the individual members of the committee have brought to the great task at hand a high degree of ability, integrity, honesty of motive, and genuine concern for the welfare of this country. It is difficult, under the circumstances, to take issue with the members of that committee and the many witnesses of the armed forces who have appeared in support of the proposed legislation. In justice to all concerned with the drafting of this bill, I feel it only fair to say that I am personally convinced of their unquestioned integrity and their complete sincerity. Mr. Speaker, I cannot, nor do I profess to qualify as an expert on military or naval affairs. My experience in this regard has been limited and incomplete. However, I do not stand alone in stating my fears as to the ultimate result of this legislation. Many others are equally concerned at the implications of the act as they pertain to our future welfare and stability in what is traditionally a civilian economy.

Unquestionably, even more officers and more men would have expressed their concern relative to H. R. 4214 had they not been made objects of an official gag rule seldom paralleled in the peacetime history of this country. Beneath a suspended sword of Damocles poised above them in the form of regulations, they were forbade to express an opinion upon the merits or demerits of this act until as recently as June 23 last. Men who placed principle above blind obedience to military dictation found themselves the targets of official wrath. Some of these officers have retired under pressure; others were subjected to official and unofficial censure. The final story remains to be told in the cases of some who dared venture the suggestion that this legislation was not in the best interests of the United States but was, to the contrary, a decided threat to the integrity and fighting ability of our armed forces. Certainly, Mr. Speaker, it is not the part of democratic processes to deny a voice to those who would speak in opposition to any legislation. The privileges upon which we place such high value and which accrue to us as Members of this august body, should not, and must not, be denied to others except in such cases as their disclosures might represent a menace to the safety and security of the United States. No such issue was here involved, and for the administration to silence the one while permitting the other to press its program in as vital a piece of legislation as is here presented is to make a mockery of our Constitution and a farce of our Bill of Rights.

It is my understanding, Mr. Speaker, that the hearings were arbitrarily concluded before witnesses numbering more than a score who desired to appear in opposition were privileged to be heard. Why this unseemly haste? Why the urgent necessity to combine into one these two great services whose feats at arms astounded the world?

No one, Mr. Speaker, contends that officers and men of the armed forces should be free to criticize laws already enacted or to descend upon the Capital to protest such statutes. Nor do I subscribe to service lobbies designed to secure amendment, repeal, or modification of legislation duly enacted by the Congress pursuant to the authority vested in it.

But to deny opponents of this measure a right to be heard in opposition to the so-called merger, when all of their superb training, all of their experience, and every instinct cried out against passage, was to force abridgement of their oath to defend the United States. No amount of persuasion, no last-minute waivers, no protestations on the part of the Executive, no quoting of regulations will suffice to convince these men who desired to speak and were held in silence by official order.

There is unquestionably much of value in the proposed legislation, but it is also reasonable to assume, in light of past experience, that many of the claims made for the new lgislation are not indeed founded in fact, but are rather a shining example of wishful thinking. Economies are suggested rather than made a matter of definite assurance to the Congress. It is implied that coordinated purchasing methods will render possible material savings. In this connection it must be remembered that only 17 percent of procurement during World War II was made in those categories of common utilization. In our expression of ardent desire to achieve goals of economy and to eliminate overlapping and duplications, we should certainly not create new evils of concentration and over-centralized military control. While we seek on the one hand to abolish civilian bureaucracies and to strike them from the body politic, it would not appear to be the part of wisdom to create on the other hand a military bureaucracy, more dangerous in its implications than anything now existent in the executive branch of Government. As every organization and department should have a responsible head whose functions are those of evaluation, coordination, and the achievement of standard procedure, so should the Army, Navy, and Air Force. Provision is made in H. R. 4214 for the appointment of a Secretary of Defense, whose primary functions would be those of a general manager, acting directly under the control of and in accordance with the policies laid down by the President as Commander in Chief. As industry requires the need of a coordinated board of directors to meet, discuss, and act upon problems peculiar to that business, so should the armed forces establish and make use of such a board. I do not take issue with either of these reasonable procedures. The danger as many see it, lies in the fact that the Secretary of Defense, with his powerful influence on policy, is to be a member of a body comprised of Secretaries of Army, Navy, and Air.

Here we have a situation in which the general manager sits with his subordinates to decide over-all policy in operation rather than in his intended capacity as an impartial arbiter and assistant to the President. The situation must inevitably develop wherein the four supreme authorities under the President will arrive at common goals together, and the subsequent report to the President will be based upon common agreement between one civilian and three members of the military. The conduct of military and naval affairs and the control of those operations may well be entirely removed from the control of the Congress in the absence of a supreme secretary whose function should primarily be that of an arbiter superior to the Secretaries of Army, Navy, and Air, and responsible, in turn, directly to the President. Instead of exercising high functions on the policy level, it is more likely that the Secretary of National Defense will appear before the President and the Congress pleading the case of the armed forces rather than presenting an objective statement of fact. All who have had occasion to hear witnesses before the several committees of the House have been struck by the fact that unanimous decisions have been arrived at previous to hearings and that instructions appear

to have been issued to the witnesses relative to policy and testimony prior to their appearances before the standing or select committees. Testimony has become largely a matter of departmental agreement rather than of personal opinion. The danger inherent in combining these four functionaries on one level of discussion and of command must be apparent to all. The Secretary of National Defense must be a man of high and unimpeachable character, trained in budget operation, and of a nature designed to recognize unreasonable pressures which may be exerted against him. As the testimony before the committee sets forth, it would have been almost impossible for Mr. Byrnes, while acting as top coordinator for the war effort, to have served as the unbiased arbiter of the many difficulties and disputes between the several departmental agencies had he himself been the head of one of the departments concerned. In my opinion, it is essential that the Secretary of National Defense be completely divorced from the War Council as established in the National Security Organization. The welfare and safety of the Nation may depend largely upon sound decisions made by the Secretary of National Defense. His opinions will carry great weight with the Commander in Chief. It appears to many of us that these opinions and decisions must not be unduly influenced by the armed forces, as they most certainly will be if the Secretary of National Defense is an equal member with common powers in the War Council. At the proper time during the course of debate upon this measure an amendment will be offered to separate these activities in the chain of command.

Furthermore, if there be any doubt in the minds of the Members, Mr. Speaker, it might be well to point out at this time that H. R. 4214 is a measure which has been in large part conceived, designed, and brought into being by the military. From my own brief experience in the ancient and honorable profession of arms, I can state with complete confidence that seldom has the military relinquished any powers once granted to it. On the contrary, the tendency has been to resist any and all efforts to restrict such powers, and to add to them as circumstances permitted. I do not go as far in my feeling relative to this bill as do some of the other Members of the House. There are those who state emphatically and categorically that the measure is incompatible with our national traditions, and contains little of merit to recommend it to the attention of this body. To the contrary, it is my belief that there is much of value in the measure. I trust that none will place his consideration of this measure upon the basis of his personal service with either the Army or the Navy. H. R. 4214 is as vital a piece of legislation as could possibly be conceived at the present time. The future consequences of our action upon this bill will be of great moment in the event of another war. However, and in full justice to the committee reporting the measure, many of us feel that there are inherent dangers in several of the contemplated provisions. We assume that the committee is willing to listen to and give weight to these objections as they are voiced by men who have also seen war in all of its fury. With the members of the committee we seek only the most perfect instrumentality for the welding together of all of our armed forces. We do demand however, that all transactions entered into by the Army and Navy be subject to public scrutiny and subject to the will of the Congress. We refuse to sanction a military cartel which may, by common consent and previous agreement, appear before the Congress of the United States with decisions made, budget formulated and testimony prearranged and decided upon to the preclusion of reasonable inquiries on the part of the House.

One of the great tendencies of today, both political and economical, is the international trend to collectivize and centralize all manner of authority. Too recently have we seen the result of that policy. It was a single, unbridled military service on which Adolf Hitler rose to power. It was upon the back of military might that Mussolini forced his will, not only upon his own people, but upon those of his neighbors. It is upon solidarity of military force in the form of the Red Army that Generalissmo Stalin has ridden roughshod over the prostrate bodies of his victims. Where the people control the power of the military and keep it steadily moving in its ordained orbit, there is small likelihood that the force will outride its master. It remains a free force of freemen, which has always represented the strength of American arms. Whenever the military, whether by internal agreement, such as might well be the effect of H. R. 4214, as it now stands, or by violent alliance together against constituted authority, comes into power, constitutional rights become in fact null and void. Today, Mr. Speaker, more than at any time before in the history of our great country, we need a strong, mobile, hard-hitting, well equipped, fighting Army and Navy. Upon that point we are all agreed. If H. R. 4214 can be so amended as to provide for the integrity of the several branches of our armed forces, I shall support it gladly.

The SPEAKER pro tempore (Mr. POULSON). Under the previous order of the House, the gentleman from Tennessee [Mr. KEFAUVER] is recognized for 20 minutes.

SINCE CONGRESS HAS ACTED TO CURB LABOR MONOPOLY IT SHOULD IN FAIRNESS CURB BIG BUSINESS MONOPOLY—LET US BE CONSISTENT

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a quotation from a House Judiciary Committee report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, on June 23, the Senate of the United States voted to override the President's veto of the labor bill.

Mr. Speaker, I do not wish to reopen the debate on that bill. It is water over the dam. My views on the subject are a matter of public record. However, the passage of the bill raises a serious question which, I believe, merits the immediate consideration of Congress. It will be recalled that the bill is aimed at certain so-called monopolistic practices of labor unions. The charge of monopoly was made incessantly by the bill's proponents. The propaganda which was spread so lavishly throughout the country in support of the labor bill was based largely upon the central theme that labor unions have become monopolistic and therefore must be subject to Government control. In basing their propaganda on this charge of monopoly, the proponents of the bill were appealing to one of the most fundamental beliefs of the American people—the idea that monopoly is antagonistic to our way of life.

Now, as a members of the House Small Business Committee for five years and as former chairman of its Monopoly Subcommittee, I have obtained more than a passing acquaintanceship with the subject of monopoly including its existence in certain segments of the labor movement. No one can deny that there are monopolies in the field of labor; no one who has even a headline reader's familiarity with the practices of a Petrillo can hold that restraints of trade are completely absent from the field of labor. No one who has seen the collusion between employers and unions in the building trades can maintain for one minute that monopoly is unknown in the labor movement.

But is monopoly to be found only in labor? Is the existence of monopoly completely unknown in industry? Or is the glare of business monoply so blinding that we must shut our eyes to it?

HOW ABOUT BUSINESS MONOPOLY?

Mr. Speaker, we have passed a bill to do something about the problem of monopoly in labor. But is this Congress going to make itself ridiculous in the eyes of history by passing a stringent far-reaching bill against the problem of monopoly in labor, while at the same time ignoring the much greater problem of monopoly in industry?

Mr. Speaker, I think we need to regain our perspective. Monopoly in industry is by far the more serious problem. Monopoly in industry long preceded the emergence of large labor organizations; in fact, it is the very existence of giant industrial corporations which has made almost inevitable the development of large labor organizations and, in turn, of big Government agencies to deal with the two of them.

Mr. PRICE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. PRICE of Illinois. From what the gentleman has said thus far I believe he and I are in agreement that there should possibly be some strengthening of our antitrust laws. What does the gentleman think the prospects are of some such action from the House at this session?

Mr. KEFAUVER. I appreciate the question of the gentleman from Illinois. I was going to go into that more fully, but briefly we should plug the loopholes in the Clayton Act and we should also give our Antitrust Division of the Department of Justice more funds and a larger personnel with which to do their work. These are the two important things, I would say to the gentleman.

Mr. Speaker, if we may learn anything from the history of other nations, it is that the time schedule reads: first, big business; second, big labor; third, big government; and fourth, collectivism. It appears that we in this country have long since passed the first stage; we have recently entered the second, and now we are embarking upon the third. Can anyone be so blind as not to see what the fourth step will inevitably be?

BUSINESS MONOPOLY—LABOR MONOPOLY—STATISM GO HAND IN HAND

The facts are that economic concentration had reached serious heights long before there was any national labor movement to speak of. For example, in in 1929, long before anyone had heard of the CIO and when the AFL consisted largely of small, scattered craft unions, the 200 largest nonfinancial corporations owned no less than 48 percent of all the assets of all the nonfinancial corporations in the country. In that same year, these 200 giants received fully 43 percent of the total net income of all corporations. And in the field of manufacturing, alone, 316 large corporations held 40 percent of the total working capital of all corporations. By way of contrast, in 1929, only 11 percent of the wage-earners in manufacturing belonged to labor unions, and only 10 percent of all nonagricultural workers were union members.

In industry after industry, this same situation prevailed. In the steel industry, the four largest producers in 1930 held 55 percent of the total rolling mill capacity; in 1930 there was no United Steel Workers Union. In that same year, the three largest automobile companies made 83 percent of the total number of automobiles produced; in 1930 there was no United Automobile Workers Union. In that same year the four largest producers accounted for 76 percent of the total copper mined in the country; in 1930 there was no United Mine, Mill & Smelter Workers Union. Thus there can be absolutely no doubt concerning the existence of a high degree of concentration of industry prior to the emergence of industry-wide labor organizations. This is no "Which came first, the chicken or the egg" dilemma. It is perfectly clear that monopoly in industry long preceded monopoly in labor.

With the coming of the great depression, the power of business monopoly advanced still more. Thousands of small business firms, unable to obtain capital or low-interest rate credit—which were freely available to large corporations—folded up throughout the land. In other words, big business gained in power and position because of its greater staying power and financial resources.

And what of labor? Most of the large unions of today did not get under way until the mid-thirties. And by that time big business had already gained the ascendency in most of our major industries. Organizations of labor were starting practically from scratch, while immense organizations of capital were already entrenched.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to my friend from Arizona.

Mr. MURDOCK. We have to admit, and the gentleman already has admitted, that there are some monopolistic practices in labor that ought not to be hard to explain. It goes back to 1914. The Clayton Act paves the way for it, but what I would like to ask the gentleman is, Why do we have today so much monopoly after a generation of antimonopoly legislation beginning with the Sherman Act of 1890 and going on down the line? We have had more monopoly growth in spite of our antimonopoly legislation.

Mr. KEFAUVER. The gentleman's question is very pertinent and to the point. He has made an extensive study of this problem, and I will say to the gentleman that the reason is that both political parties and candidates for office do a lot of talking about preventing business monopolies and concentrations but that is as far as they get—conversation, pledges, and talk, but not action. Monopolies have, of course, continued to grow and we are now in a very dangerous stage of concentration even with the existence of the Sherman Act and the Clayton Act. The Clayton Act has been a nullity as far as preventing monopolies is concerned since 1926. It was passed in 1914. Year after year we proposed laws plugging the loopholes. We give lip service to the free-enterprise system, but we do nothing effectively to remedy the laws to prevent greater concentrations. Unless we alter this course we are eventually going to drive the little men out of the competitive field of enterprise.

THE CONCENTRATION PICTURE

By the outbreak of World War II, the power that big business had obtained was little short of staggering. Let me give you briefly a picture of the extent of concentration as it revealed itself to the Temporary National Economic Committee. The 200 largest nonfinancial corporations, which in 1929 held 48 percent of all the assets of all the nonfinancial corporations, now hold 55 percent. Some 316 giant manufacturing corporations, which in 1929 held 40 percent of the working capital of all manufacturing corporations, had increased their share to 47 percent.

The extent of concentration in individual industries was truly amazing. One company produced 100 percent of the virgin aluminum, 80 percent of the tapered bearings, 75 percent of the cinema film, 66 percent of the canned soup, 59 percent of the incandescent lamps, 55 percent of the biscuits and crackers and tin cans, 45 percent of the passenger automobiles and gasoline, 43 percent of the farm tractors, 40 percent of corn products, industrial alcohol, trucks, heavy alkali, soap, and asbestos, 39 percent of the electric ranges, 37 percent of all agricultural machinery, 35 percent of the electric water heaters, 33 percent of the cheese, and 30 percent of the dyestuffs.

Two companies produced 89 percent of the synthetic nitrogen, 85 percent of the industrial gases, 80 percent of the locomotives, 78 percent of the sewing machines, 68 percent of the synthetic fibers, 64 percent of the tire cord fabric, 56 percent of the glass containers, 47 percent of the beef products, 34 percent of chlorine, drugs and medicines, domestic vacuum cleaners, and 31 percent of the domestic electric flatirons.

All told, there were 121 important products in 1937, each of which was valued at more than $10,000,000, in which more than 75 percent of the output was manufactured by four firms. For manufacturing as a whole, about one-third of the total value of products was produced under conditions where the largest four producers of each individual product turned out from 75 to 100 percent of the United States production of those products.

WAR INCREASED MONOPOLY TREND

Then came the war, and with it the concentration of economic power rose to even new and greater heights. It is no exaggeration to state that the war superimposed upon an already highly concentrated economy the greatest centralization of economic power which has ever existed in this country. Speed was the watchword of war production, and whether right or wrong, the war agencies felt that the quickest way of getting out war production was through centralizing it in a few large plants.

The 100 largest corporations obtained 67 percent of the prime war contracts, 45 percent of the carbon steel, 70 percent of the alloy steel, 81 percent of the aluminum, 79 percent of the copper, 66 percent of the copper-based alloy, operated 75 percent of the Government-owned plants, received 66 percent of the funds provided by the Government to private industry for scientific research and development, and secured the rights to peacetime patents resulting therefrom. If the 250 largest corporations obtain the Government-owned plants which they operated during the war—as they appear to be doing on the basis of the War Assets Administration's records—they will hold two-thirds of the productive capacity of the country. The aggregate facilities of these 250 giant corporations will be nearly equal to the entire productive capacity of all manufacturing corporations before the war.

It is not necessary to belabor the point concerning the increase in concentration during the war. We all know that it took place. Future historians will undoubtedly debate the question of whether or not it was necessary. The important fact is that it happened.

But the wartime increase in concentration occurred under emergency conditions. Today, those emergency conditions have disappeared. Yet concentration continues its steady march. The Federal Trade Commission recently issued a report which showed that since 1940 over 1,800 manufacturing and mining corporations have been absorbed through corporate mergers and acquisitions. Most of these have taken place since VJ-day. The asset value of the independent corporations taken over amounts to no less than 5 percent of the total asset value of all manufacturing corporations—a sizable proportion of

the economy to be removed from the competitive scene in so short a period of time.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Tennessee.

Mr. EVINS. In view of the remarks which the gentleman has made, what is his suggestion and remedy as to what should be done to correct these situations? Would he not say that we should strengthen and enforce our antitrust laws rather than weaken them?

Mr. KEFAUVER. I appreciate that query from the thoughtful and able gentleman. That brings me to the major point of this discussion.

THE LOOPHOLE IN THE CLAYTON ACT

What are we doing to prevent this steady rise in monopolistic mergers? You may ask Why is not the Federal Trade Commission stopping these mergers and acquisitions? You may say that the Federal Trade Commission was given the power to prevent acquisitions of stock of competing companies by the Clayton Act way back in 1914. Actually, however, that law has been a dead letter for many years. Only a few years after this law was passed, clever corporation lawyers discovered that although it prevented acquisitions of stock—which at that time was the current and prevailing method of effecting mergers—it said nothing about assets. As a result of Supreme Court decisions, the loophole was enlarged until the law became a nullity. Today, whenever the Federal Trade Commission tries to stop a stock acquisition, the intent of the law is easily circumvented by the purchase of assets. Moreover, when acquisitions are made in the first instance through the purchase of assets, and no stock is involved in the transaction, the Commission has never had any authority to take action. In other words, the Commission is completely powerless whether or not stock is involved. Yet the intent of Congress in passing the Clayton Act—and I quote from the report of the Senate Committee on the Judiciary of January 22, 1914—was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency."

The Commission itself has been fully aware of this glaring loophole in the antitrust laws, and since 1927 has recommended that it be plugged. Year in and year out the annual reports come to Congress from the Federal Trade Commission; year in and year out they urge the Congress to take action which would make the present law effective; and year in and year out we do nothing. It is true that lengthy hearings have been held in both Houses of Congress; it is true that voluminous testimony has been taken; and it is true that practically no logical opposition to the bill has developed. Yet action has not been forthcoming.

During the second session of the Seventy-ninth Congress, the Judiciary Committee of the House of Representatives held extensive hearings on a bill designed to plug the loophole, which I filed. The small business organizations strongly supported the bill, as did numerous independent small businessmen. The House Judiciary Committee voted to approve the bill and it was sent to the Rules Committee of the House—where it died.

REMEDY BILL BEFORE CONGRESS BUT NO ACTION

Again, this session the House Judiciary Committee has approved the bill H. R. 3736. In Report No. 596, dated June 17, 1947, by the gentleman from Iowa, Representative GWYNNE, the majority of the Judiciary Committee stated:

> The history of legislation previously adopted to prevent monopoly, the great increase in recent years of competition-destroying mergers, the damage to small business, the blighting of opportunity for our young people—all cry out for the enactment of legislation to stop the rising tide of monopoly.

The report concludes with these words:

> In adopting the Sherman Act and later the Clayton Act, the Congress, without partisan division, gave expression to a virtually unanimous demand that our competitive economic system be protected against those forces of monopoly which would destroy it. The platforms of both major political parties have consistently carried planks approving the course thus charted. Both President Hoover and the late President Roosevelt recommended tightening up of the Sherman and Clayton Acts. President Truman has specifically recommended this amendment to the Clayton Act.

Mr. Speaker, I must say that at the present time it appears that history is going to repeat itself. Last session of Congress we held extensive hearings, the Judiciary Committee approved the bill, but the Rules Committee killed it. This session we have again held hearings, the Judiciary Committee has again approved the bill, but the Rules Committee will not even give us a hearing. The consistent reluctance of the Rules Committee to permit the House even to consider this legislation is passing strange.

Perhaps there may be some doubt concerning the present onward march of monopoly. Perhaps there may be a few who do not realize that while we are repressing labor, monopoly in industry is growing stronger every minute. Let me call to your attention the fact that in the first quarter of this year, merger activity in the United States reached the highest level for any corresponding period since 1931, and exceeded by 20 percent the level of the fourth quarter of 1946. And there is every reason to believe that this upward trend will continue almost indefinitely. During the war, as we all know, the giant corporations made tremendous profits. They now have the financial resources to absorb practically all small and medium-sized manufacturing corporations in the United States. At the end of 1945, the 62 largest listed corporations held $8,400,000,000 of net working capital which was largely in highly liquid form. With this enormous reservoir of liquid wealth, the 62 giants could purchase the assets of nearly 90 percent of the total number of manufacturing corporations in the United States.

RECENT MERGERS ALARMING

I have in my hands this large stack of work sheets. Each sheet represents a merger which has taken place during the current year, that is, between January and June 7, 1947. I will be glad to make them available to any Member of the House who may be interested. Let me cite just a few examples. Burlington Mills, one of the most active companies in the recent merger movement, has recently announced a proposed consolidation with May-McEwen-Kaiser Co. The combination of these two firms will establish Burlington Mills as the largest hosiery producer in the country.

Pittsburgh Plate Glass, not only a leading producer of glass, but also a prominent manufacturer of paints, has taken over the Forbes Varnish Co., of Cleveland, a competitor in the paint and varnish field.

National Lead Co. has absorbed the Texas Mining and Smelting Co., the only independent processor of antimony in the country.

General Portland Cement Co. has consolidated with three prominent cement companies, Signal Mountain Portland Cement Co., Florida Portland Cement Co., and Trinity Portland Cement Co.

Atlas Corp., one of the giant investment trusts of Wall Street, has acquired control of the Indian Motorcycle Co., one of the two leading motorcycle producers in the country.

Swift & Co., the Nation's leading meat packer, which in 1942 made 18 percent of the total sales of all meat packers, announced less than a month ago that it had purchased two competitive meat packing concerns, Clayton Packing Co. and Johnson Veal and Lamb Co.

Cudahy, fourth largest meat packer, moved into the Southwest to take over Tovrea Packing Co., of Phoenix, Ariz.

McCormick & Co., Inc., which every housewife recognizes as the dominant factor in the spice trade, has taken over A. Schilling & Co., a competitor in spice manufacturing.

Carr-Consolidated Biscuit Co., one of the leading biscuit companies, has taken over a competitor, Laurel Biscuit Co., of Dayton, Ohio.

The American - LaFrance - Foamite Corp., which has just pleaded nolle contendere to an indictment instituted by the Department of Justice on the grounds that it conspired to monopolize the field of fire-fighting equipment, is adding to its sphere of influence by purchasing International Meters, Inc., a sponsor of a twin-meter idea for parking two cars instead of one.

Admiral Corp., like other large radio manufacturers, has reached out to take over a manufacturer of radio cabinets, the Chicago Cabinet Corp.

Shell Oil Co., Inc., has recently purchased the Adkins Oil Associates, of Tulsa, Okla.

United States Rubber Co., third largest rubber-tire manufacturer in the country, has acquired two producers of tire cord fabric—Stevens Manufacturing Co., and Seaboard Mills, Inc., both of Burlington, N. C.

B. F. Goodrich Co., fourth largest producer in the rubber-tire industry, has acquired the Transportation Rubber Co., Inc.

Freeport Sulphur Co., world's second largest producer of sulfur, purchased the assets of International Pulverizing Corp.

McKesson & Robbins, Inc., has continued the parade of acquisitions, which has been going on for years in the drug field, by acquiring Gilmore Drug Co., of Pittsburgh, and the Pioneer Atlas Liquor, Inc.

Talon, Inc., which produces probably 90 percent of all the zippers used in the United States, has picked up Wilson Fastener Co., of Cleveland.

United Wallpaper, Inc., leading producer in that field, has just recently purchased two competitors, Superior Wallpaper Co. and Missouri Valley Wallpaper Mills, both located in the Middle West.

Finally, as an example of the capture of the productive resources of the South and the West by eastern interests, the purchase of 11 rice mills in Arkansas, Louisiana, and Texas, and their consolidation into a $15,000,000 corporation, by a group of unknown eastern financiers was announced on May 27. It is of interest to note that the names of the backers of the new concern were withheld.

Let me repeat that all of these mergers have taken place in the first 6 months of 1947. They are but a few of the many mergers that have taken place this year. I could go on listing them by the hour.

LARGE COMPANIES GOBBLING UP SMALL ONES

Let me further emphasize that these mergers do not represent the combination of small companies in order to better their position against the larger companies in their industry. On the contrary, they consist predominantly of acquisitions of small companies by large corporations. As the Federal Trade Commission recently pointed out in its report to the Congress on the Present Trend of Corporate Mergers and Acquisitions, nearly three-fourths of the total number of firms acquired between 1940 and 1946 have been absorbed by large corporations with assets of over $5,000,000. The other half of this picture of large corporations taking over small firms is shown by the fact that fully 70 percent of all the firms bought out since 1940 were small companies with assets of less than $1,000,000. Thus the power and dominance of big business is growing at the expense of small business!

Mergers are occurring in manufacturing and mining industries at a startling rate. In the past 2 years more mergers have taken place than in the 7 years immediately prior to the outbreak of World War II in 1939. And the upward trend continues unabated.

What are we going to do to stop this disappearance of independent small business from our economy? In the debates on the labor bill I heard many statements, both in and out of Congress, to the effect that monopoly in industry has been ended by the antitrust laws and that the only task remaining was to eliminate monopoly in labor. Today we find that the exact converse is true. We have, indeed, enacted a stringent law against monopoly in labor, but at the same time monopoly in industry, instead of being held back by the antitrust laws, continues to flourish. Why? Largely as a result of the failure of the Congress to plug up the gaping loophole in the antitrust laws.

DO WE MEAN WHAT WE SAY ABOUT STOPPING MONOPOLIES? I'M AFRAID NOT!

We have now an opportunity to see whether those who in the debates on the labor bill were so opposed to monopoly are actually against monopoly itself or are only critical of monopoly when it appears in the field of organized labor.

Mr. Speaker, I hope that I may be permitted to grow a bit philosophical. For several years I have been introducing bills designed to halt the trend of monopoly. I have done this not out of any animus or personal antagonism toward big business. It is my own belief that many of our most prominent industrialists have contributed greatly to the growth and development of this country. No; my motive in introducing these bills has been to preserve the free competitive system. Each year I have pointed out that the unchecked growth of big business in industry would surely lead to the growth of big labor organizations and then to the establishment of big Government agencies in order to deal with them. It has been my profound conviction that, through this route, monopoly in industry will lead inexorably to some form of collectivism in the United States and thus to the disappearance of our economic liberties and political rights.

Mr. Speaker, have I been wrong in my fears and apprehensions? We have big business dominating our industry; we have big labor unions; and now we have established a new big Government bureau to cope with the two giants. If we are to prevent collectivism and maintain our democratic, free-enterprise system, we must act, and act quickly. We must strike at the root of this drive toward collectivism which stems basically from monopoly in industry. The two spectific steps which we can and must take at the present time are, first, plug up this wide-open loophole in the Clayton Act, as the House Judiciary Committee has twice recommended; and, second, grant adequate appropriations to the Department of Justice and the Federal Trade Commission to enforce the antitrust laws, and, third, refuse to pass special legislation granting immunity from the antitrust laws to railroads, news services, gas companies, or any other special-interest groups.

Mr. Speaker, I think that it is about time that those who opposed monopoly so vociferously in the consideration of the labor bill now let the people know, by their actions on the above three points, whether they are really opposed to monopoly, wherever it may be, or only when it shows itself in types of organizations which they happen to dislike.

EXTENSION OF REMARKS

Mr. TALLE asked and was given permission to extend his remarks in the RECORD and include two brief quotations.

ENROLLED JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel;

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon;

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land;

S. 558. An act for the relief of the alien Michael Soldo.

S. 880. An act for the relief of Rev. John C. Young.

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia;

S. 1360. An act for the relief of Eric Seddon;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; and

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Thursday, July 17, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

934. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $333,100 for the Department of Labor (H. Doc. No. 402); to the Committee on Appropriations and ordered to be printed.

935. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to extend the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to Alaska; to transfer certain functions of the Department of the Interior to the Public Roads Administration; and for other purposes; to the Committee on Public Works.

936. A letter from the Secretary of War, transmitting a draft of a proposed bill to

provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; to the Committee on Public Lands.

937. A letter from the Attorney General, transmitting his request for withdrawal of the case of Paul Rene Refoule from those 166 cases involving suspension of deportation referred to in letter of April 1, 1947; to the Committee on the Judiciary.

938. A letter from the Attorney General, transmitting his request for withdrawal of the case of Gus Emanuel Kontos from those 182 cases involving suspension of deportation referred to in letter of May 1, 1947; to the Committee on the Judiciary.

939. A letter from the Assistant Secretary of the Interior, transmitting a copy of his order canceling certain charges existing as debts due the United States by individual Indians and tribes of Indians; to the Committee on Public Lands.

940. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for the construction, rehabilitation, conversion, and maintenance of buildings, structures, utilities, and other facilities, including the acquisition of land, for the National Guard, Organized Reserve Corps, other Reserve components of the Army of the United States, and for other purposes; to the Committee on Armed Services.

941. A letter from the assistant to the president, the American Academy of Arts and Letters, transmitting the official report of the American Academy of Arts and Letters for the year ending December 31, 1946; to the Committee on House Administration.

942. A letter from the Assistant Secretary, National Institute of Arts and Letters, transmitting the official report of the National Institute of Arts and Letters for the year ending December 31, 1946; to the Committee on House Administration.

943. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by the various Government agencies; to the Committee on House Administration.

944. A communication from the President of the United States, transmitting revised estimates of appropriations for the fiscal year 1948 involving a decrease of $25,000 for the Department of Commerce (H. Doc. No. 403); to the Committee on Appropriations and ordered to be printed.

945. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H. R. 2964. A bill providing for the conveyance to the regents of the University of Texas of that portion of the San Antonio Arsenal determined to be surplus to the needs of the War Department; with an amendment (Rept. No. 932). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCK. Committee on Education and Labor. H. R. 3870. A bill to authorize certain expenditures from the appropriation of St. Elizabeths Hospital, and for other purposes; with amendments (Rept. No. 933). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYNCH: Committee on Ways and Means. H. R. 958. A bill to amend section 2402 (a) of the Internal Revenue Code; without amendment (Rept. No. 934). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 1544. A bill to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II; without amendment (Rept. No. 935). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 2993. A bill to authorize the appointment of certain additional permanent major generals and brigadier generals of the line of the Regular Army, and for other purposes; without amendment (Rept. No. 936). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3874. A bill to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes; with amendments (Rept. No. 937). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3973. A bill relating to the compensation of commissioners for the Territory of Alaska; without amendment (Rept. No. 938). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2622. A bill to authorize loans for Indians, and for other purposes; with amendments (Rept. No. 939). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes while such lands remain under trust patents; with an amendment (Rept. No. 940). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3326. A bill to provide for the granting of certificates of competency to certain members of the Osage Indian Tribe in Oklahoma, and for other purposes; with an amendment (Rept. No. 941). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3538. A bill to authorize the Bureau of Reclamation to investigate and report on projects for reclaiming lands by drainage; with amendments (Rept. No. 942). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4059. A bill to provide for the settlement of certain parts of Alaska by war veterans; with an amendment (Rept. No. 944). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. H. R. 739. A bill to provide for the protection of veterans and career-service employees in connection with reduction in force in the Federal service; with amendments (Rept. No. 945). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of California: Committee on Merchant Marine and Fisheries. H. R. 1238. A bill to permit vessels of Canadian registry to transport certain merchandise between Hyder, Alaska, and points in the continental United States; with amendments (Rept. No. 946). Referred to the Committee of the Whole House on the State of the Union.

Mr. GAMBLE: Committee on House Administration. H. R. 29. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; without amendment (Rept. No. 947). Referred to the House Calendar.

Mr. CHIPERFIELD: Committee on Foreign Affairs. H. R. 2776. A bill to extend the times for commencing and completing the construction of a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; with an amendment (Rept. No. 948). Referred to the House Calendar.

Mr. CHIPERFIELD: Committee on Foreign Affairs. H. R. 3332. A bill creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; without amendment (Rept. No. 949). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3334. A bill granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River; with an amendment (Rept. No. 950). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 3738. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; with an amendment (Rept. No. 951). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Wisconsin: Committee on Foreign Affairs. H. R. 4010. A bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations on a reimbursable basis; with amendments (Rept. No. 952). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. H. R. 4084. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; without amendment (Rept. No. 953). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONKMAN: Committee on Foreign Affairs. H. R. 4168. A bill to provide for the reincorporation of The Institute of Inter-American Affairs, and for other purposes; without amendment (Rept. No. 955). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Wisconsin: Committee on Foreign Affairs. House Joint Resolution 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; without amendment (Rept. No. 956). Referred to the Committee of the Whole House on the State of the Union..

Mr. SMITH of Wisconsin: Committee on Foreign Affairs. House Joint Resolution 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; without amendment (Rept. No. 957). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes; with an amendment (Rept. No. 958). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. S. 1515. An act to make surplus property available

for the alleviation of damage caused by flood or other catastrophe; without amendment (Rept. No. 959). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3739. A bill to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes; without amendment (Rept. No. 960). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. H. R. 4214. A bill to promote the national security by providing for a Secretary of Defense; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security; without amendment (Rept. No. 961). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, a report of a committee was delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALSH: Committee on Public Lands. H. R. 3696. A bill authorizing the issuance of a patent in fee to Daniel Broken Leg; without amendment (Rept. No. 943). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Ways and Means was discharged from the consideration of the bill (H. R. 4213) to change the order of priority for payment out of the German special deposit account, and for other purposes, and the same was referred to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JACKSON of Washington:

H. R. 4229. A bill to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. O'HARA (by request):

H. R. 4230. A bill to authorize additional payments to certain disabled veterans of the war with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Veterans' Affairs.

By Mr. TOWE:

H. R. 4231. A bill to incorporate the Legion of Guardsmen; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 4232. A bill to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor; to the Committee on Education and Labor.

By Mr. ANDREWS of New York:

H. R. 4233. A bill to authorize the transfer of certain troop kitchen railway cars to the War Department, and for other purposes; to the Committee on Armed Services.

By Mr. BUCHANAN:

H. R. 4234. A bill to amend section 5 of the Federal-Aid Highway Act of 1944, approved December 20, 1944; to the Committee on Public Works.

By Mr. JONES of North Carolina:

H. R. 4235. A bill to provide Federal aid to the States for the construction of armories and similar training facilities for the National Guard and Naval Militia; to the Committee on Armed Services.

By Mr. MORRISON:

H. R. 4236. A bill to amend the Civil Service Act to remove certain discrimination with respect to the appointment of persons having any physical handicap to positions in the classified civil service; to the Committee on Post Office and Civil Service.

By Mr. RIZLEY:

H. R. 4237. A bill to amend the Surplus Property Act of 1944 with reference to condemnation powers of the Administrator; to the Committee on Expenditures in the Executive Departments.

H. R. 4238. A bill to reduce from 90 to 30 days the priority period within which former owners of surplus real property may exercise their priorities; to the Committee on Expenditures in the Executive Departments.

By Mr. BUSBEY:

H. R. 4239. A bill to amend the Social Security Act to provide that State agencies, in determining whether individuals need aid, shall not take into consideration payments to such individuals as to the widows or children of veterans; to the Committee on Ways and Means.

By Mr. CHELF:

H. R. 4240. A bill to authorize the United States during an emergency period to assist in the resettlement of displaced persons now residing in displaced persons' camps within the American occupation zone in Germany and Austria, including relatives of members of our armed forces, by permitting their admission into the United States in a number equivalent to a part of the total quota numbers unused during the war years; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 4241. A bill to repeal the Taft-Hartley Act; to the Committee on Education and Labor.

By Mr. MATHEWS:

H. R. 4242. A bill to amend the income limitation governing the granting of pension to veterans and death pension benefits to widows and children of veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SARBACHER:

H. R. 4243. A bill to provide minimum ratings for service-connected arrested tuberculosis; to the Committee on Veterans' Affairs.

By Mr. VAIL:

H. R. 4244. A bill to enable the Veterans' Administration to provide housing units for certain disabled veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. MARCANTONIO:

H. J. Res. 243. Joint resolution amending Public Law 27, Eightieth Congress; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Directorate of the Constitutional Congress of the Republic of Costa Rica, extending cordial greetings to the House of Representatives of the United States of America; to the Committee on Foreign Affairs.

Also, memorial of the Chilean House of Deputies, expressing good will and congratulations on July Fourth; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H. R. 4245. A bill for the relief of Victor R. Browning & Co., Inc.; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 4246. A bill for the relief of J. L. Hitt; to the Committee on the Judiciary.

By Mr. VURSELL:

H. J. Res. 242. Joint resolution to direct the Secretary of the Interior to issue a patent for certain lands to Joel D. Minor; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

749. By Mr. LECOMPTE: Petition of sundry citizens of Albia and Lovilia, Iowa, in the interest of H. R. 2716; to the Committee on Veterans' Affairs.

750. By the SPEAKER: Petition of various governmental employees, petitioning consideration of their resolution with reference to protesting the proposed increase of parking rates; to the Committee on the District of Columbia.

SENATE

THURSDAY, JULY 17, 1947

(Legislative day of Wednesday, July 16, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, our Father, for Thy leadership in the past. We pray for that leadership in the present. Save us from disillusionment and despair. Help us to envision a world in which men are united—in which there are liberty and justice for all—in which the curse of war is no more. We may not enter that kind of a world in our generation, but, please God, when we fall, we will fall with our faces toward it.

We pray in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 16, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the bill (S. 526) to promote the

progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PLOESER, Mr. JENSEN, Mr. SCHWABE of Oklahoma, Mr. COUDERT, Mr. MAHON, Mr. GORE, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REED of New York, Mr. KEAN, Mr. MASON, Mr. DINGELL, and Mr. MILLS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 3997) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CONSULAR-TYPE FUNCTIONS OF SECRETARY OF STATE

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the Secretary of State to perform certain consular-type functions within the United States, its Territories and possessions (with an accompanying paper); to the Committee on Foreign Relations.

EXTENSION OF FEDERAL-AID ROAD ACT TO ALASKA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to Alaska, to transfer certain functions of the Department of the Interior to the Public Roads Administration, and for other purposes (with an accompanying paper); to the Committee on Public Works.

CANCELLATION OF CERTAIN DEBTS OF INDIANS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of his order canceling certain charges existing as debts due the United States by individual Indians and tribes of Indians (with accompanying papers); to the Committee on Public Lands.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BROOKS, from the Committee on Rules and Administration:

S. Res. 142. Resolution increasing the limit of expenditures by the Committee on Rules and Administration for the employment of temporary assistants and making certain expenditures; without amendment.

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 1582. A bill relating to the sale of Paxon Field, Duval County, Fla.; without amendment (Rept. No. 574).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 3444. A bill to amend section 251 of the Internal Revenue Code; without amendment (Rept. No. 575).

By Mr. McCARTHY, from the Committee on Banking and Currency:

S. 1429. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; with an amendment (Rept. No. 576).

PERMISSION FOR COMMITTEE ON FINANCE TO FILE REPORT

Mr. MILLIKIN. Mr. President, I ask unanimous consent to file a report from the Senate Committee on Finance, up to midnight tonight, dealing with the subject of proposed sugar legislation.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Colorado is granted.

Mr. MILLIKIN subsequently, from the Committee on Finance, to which was referred the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, reported it with an amendment and submitted a report (No. 578) thereon.

JOINT COMMITTEE TO INVESTIGATE HOUSING

Mr. McCARTHY. Mr. President, today the Committee on Banking and Currency ordered that Senate Concurrent Resolution 25, establishing a joint committee to investigate the entire housing field, a resolution sponsored by myself and the Senator from West Virginia [Mr. REVERCOMB], be reported favorably. The Senator from Alabama [Mr. SPARKMAN] was of great help in drafting amendments and working with us on the resolution. It is a completely nonpolitical and nonpartisan measure. I ask unanimous consent that the name of the Senator from Alabama be added to the list of sponsors of the concurrent resolution.

The PRESIDENT pro tempore. Without objection, the name of the Senator from Alabama [Mr. SPARKMAN] will be added as a sponsor of the concurrent resolution.

Mr. McCARTHY subsequently said: Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with amendments the concurrent resolution (S. Con. Res. 25) establishing a joint committee to investigate the entire housing field, and I submit a report (No. 577) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and, under the rule, the concurrent resolution will be referred to the Committee on Rules and Administration.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 1648. A bill to authorize the expenditure of income from Federal Prison Industries, Inc., for training of Federal prisoners; to the Committee on Expenditures in the Executive Departments.

By Mr. SALTONSTALL:

S. 1649. A bill to authorize the payment of certain claims for medical care and treatment of personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service furnished other than by activities of the Federal Government; and for other purposes; to the Committee on Armed Services.

S. 1650. A bill for the relief of George Krinopolis; to the Committee on the Judiciary.

By Mr. CAPEHART (for himself and Mr. JENNER):

S. 1651. A bill to amend the General Bridge Act of 1946; to the Committee on Public Works.

(Mr. BRIDGES (for himself, Mr. BARKLEY, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. DWORSHAK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. HILL, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KNOWLAND, Mr. MARTIN, Mr. MAYBANK, Mr. MORSE, Mr. REVERCOMB, Mr. FLANDERS, Mr. FERGUSON, and Mr. HAWKES) introduced Senate bill 1652, to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. CAPEHART:

S. 1653. A bill to control the export to foreign countries of gasoline and petroleum products from the United States; to the Committee on Interstate and Foreign Commerce.

(Mr. MAGNUSON (for himself, Mr. MORSE, Mr. LANGER, Mr. TAYLOR, Mr. YOUNG, Mr. MURRAY, Mr. CHAVEZ, and Mr. MYERS) introduced Senate Joint Resolution 149, relating to Palestine, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

ATTENDANCE OF MEMBERS OF CONGRESS AT MEETING OF EMPIRE PARLIAMENTARY ASSOCIATION IN THE BAHAMAS

Mr. VANDENBERG submitted the following concurrent resolution (S. Con. Res. 26), which was referred to the Committee on Foreign Relations:

Resolved by the Senate (the House of Representatives concurring), That the Senate and the House of Representatives hereby accept the invitations tendered by the president of the legislative council and the speaker of the House of Assembly of the Bahamas Government to have four Members of the Senate and four Members of the House of Representatives attend a meeting of the Empire Parliamentary Association to be held in the Bahamas beginning December 28, 1947. The President pro tempore of the Senate and the Speaker of the House of Representatives are authorized to appoint the Members of the Senate and the Members of the House of Representatives, respectively, to attend such meeting, and are further authorized to designate the chairmen of the delegations from each of the Houses. The expenses incurred by the members of the delegations appointed for the purpose of attending such meeting, which shall not exceed $2,000 for each of the delegations, shall be reimbursed to them from the contingent

fund of the House of which they are Members upon submission of vouchers approved by the chairman of the delegation of which they are members.

HEARINGS BEFORE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BRICKER submitted the following resolution (S. Res. 152), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 102 (g) (2) (D) of the Legislative Reorganization Act of 1946, the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized to make such expenditures and to employ upon a temporary basis such investigators and such technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $30,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Expenditures in the Executive Departments.

AMENDMENT OF SUBSISTENCE EXPENSE ACT OF 1926—AMENDMENT

Mr. BRICKER submitted an amendment intended to be proposed by him to the bill (S. 544) to further amend section 3 of the Subsistence Expense Act of 1926, as amended, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3997) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code was read twice by its title and referred to the Committee on Finance.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. IVES. Mr. President, I ask unanimous consent that the Subcommittee on Antidiscrimination of the Committee on Labor and Public Welfare be permitted to continue its hearings now being held, which will probably proceed for another hour.

The PRESIDENT pro tempore. Without objection, the order is made.

LEAVE OF ABSENCE

Mr. ROBERTSON of Virginia. Mr. President, I ask unanimous consent to be excused from attendance on the Senate this afternoon by reason of public business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR MYERS BEFORE PENNSYLVANIA VETERANS OF FOREIGN WARS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "Where Do We Go From Here?" delivered by him at the annual encampment of Veterans of Foreign Wars of Pennsylvania, at Harrisburg, Pa., on July 16, 1947, which appears in the Appendix.]

COMMENCEMENT DAY ADDRESS BY SENATOR MYERS AT VILLANOVA COLLEGE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a commencement day address delivered by him at the annual commencement exercises at Villanova College, Villanova, Pa., on June 16, 1947, which appears in the Appendix.]

REBUILDING THE NATIONAL INTEGRITY OF NATIONS—ADDRESS BY SENATOR MALONE

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an address delivered by Senator MALONE before the National Convention of the Young Republican National Federation, at Milwaukee, Wis., June 7, 1947, which appears in the Appendix.]

ENTRY OF DISPLACED PERSONS INTO THE UNITED STATES—EDITORIAL COMMENT

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD editorials from the New York Times of July 15 and 17, and from the Baltimore Sun and the Washington Post of July 16, on the question of legislation authorizing entry into the United States of a number of displaced persons, which appear in the Appendix.]

NATIONAL SCIENCE FOUNDATION

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "National Science Foundation Act of 1947."

ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation").

MEMBERSHIP OF FOUNDATION

SEC. 3. (a) The Foundation shall have 24 members, to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation.

(b) The term of office of each member of the Foundation shall be 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of appointment, eight at the end of 2 years, eight at the end of 4 years, eight at the end of 6 years after the date of enactment of this act. Any person who has been twice appointed as a member of the Foundation shall thereafter be ineligible for appointment.

POWERS AND DUTIES OF THE FOUNDATION

SEC. 4. (a) The Foundation is authorized and directed—

(1) to formulate, develop, and establish a national policy for the promotion of fundamental research and education in the sciences;

(2) to initiate and support basic scientific research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research;

(3) to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;

(4) to grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

(6) to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and

(7) to establish (A) a special commission on cancer research (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act.

(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

(c) The members of the Foundation shall meet at the call of the chairman but not less frequently than once each year. A majority of the members of the Foundation shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than 15 days prior to any meeting, of the call of such meeting.

(d) The Foundation shall elect its chairman and vice chairman biennially, who shall also serve as chairman and vice chairman of the executive committee. The vice chairman shall perform the duties of the chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall elect a member to fill such vacancy.

(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the executive committee to the Foundation provided for in section 5 (e).

CREATION AND POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

SEC. 5. (a) The Foundation shall elect biennially from its own membership an executive committee composed of nine members which shall, except as otherwise provided by the Foundation, exercise the powers and duties of the Foundation. In case a vacancy occurs on the executive committee, the Foundation shall elect a member to fill such vacancy. The executive committee may delegate or assign to officers, employees, and divisions, within the Foundation, any of its powers, duties, and functions.

(b) The executive committee shall meet at the call of the chairman or at such times as may be fixed by itself, but not less than six times each year.

(c) Five members of the executive committee shall constitute a quorum.

(d) The executive committee may establish such advisory committees as may be necessary for the consideration of programs administered by the Foundation.

(e) The executive committee shall render an annual report to the Foundation, summarizing the activities of the executive committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of mem-

bers of the executive committee, the divisional committees, and special commissions shall be included in such annual reports.

DIRECTOR OF FOUNDATION

SEC. 6. The Foundation shall have a chief executive officer, who shall be known as the Director of the Foundation (hereinafter referred to as the "Director"). The powers and duties of the Director shall be prescribed by the executive committee and shall be exercised and performed by him under the supervision of such committee. The Director shall be appointed by the Foundation and shall receive compensation at the rate of $12,000 per annum.

DIVISIONS WITHIN THE FOUNDATION

SEC. 7. (a) There shall be within the Foundation a Division of National Defense, which shall administer programs of the Foundation relating to research on military and naval matters, and such other divisions as the Foundation may, from time to time, deem necessary. Each such division shall exercise such powers and perform such duties as the Foundation may prescribe.

(b) Until otherwise provided by the Foundation there shall be within the Foundation, in addition to the Division of National Defense, the following divisions:

(1) a Division of Medical Research, which shall administer programs of the Foundation relating to research in the medical sciences;

(2) a Division of Mathematical, Physical, and Engineering Sciences, which shall administer programs of the Foundation relating to research in the mathematical, physical, and engineering sciences;

(3) a Division of Biological Sciences, which shall administer programs of the Foundation relating to research in the biological sciences; and

(4) a Division of Scientific Personnel and Education, which shall administer programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences.

DIVISIONAL COMMITTEES

SEC. 8. (a) There shall be a committee for each division of the Foundation.

(b) Each divisional committee, except the Committee for the Division of National Defense, shall be appointed by the Foundation and shall consist of not less than five persons who may be members or nonmembers of the Foundation.

(c) The Committee for the Division of National Defense shall consist of members in a number which is a multiple of 12, to be fixed by the Foundation, but which shall be not less than 12 and not more than 36. One-half of the members of such committee shall be civilians appointed by the Foundation, and the remaining half shall be representatives of the armed services, designated in equal numbers, respectively, by the Secretaries of the principal branches thereof. There shall be within the divisional committee for the Division of National Defense an executive committee of not more than six, consisting of the chairman of the divisional committee, as chairman; two civilian members of such committee elected annually by the civilian members thereof; a member of such committee representing each of the principal branches of the armed services and designated by the Secretary thereof. Such executive committee shall perform such functions as may be prescribed by the Committee for the Division of National Defense with the approval of the Foundation.

(d) The term of each member of each divisional committee shall be fixed by the appointing or designating authority. Each divisional committee shall annually elect its own chairman from among its own members, and shall prescribe its own rules of procedure, subject to such restrictions as may be prescribed by the executive committee.

(e) Each divisional committee shall have the power and duty to make recommendations to, and advise and consult with, the executive committee and the Director with respect to matters relating to the program of its division, and shall have such additional powers and duties as the Foundation may delegate or assign to it.

(f) The executive committee, after receiving the advice of the Committee for the Division of National Defense, shall establish regulations and procedures for the security classification of information or property in connection with scientific research (having military significance) under this act, and for the proper safeguarding of any information or property so classified.

SPECIAL COMMISSIONS

SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7) shall consist of 11 members appointed by the Foundation, 6 of whom shall be eminent scientists and 5 of whom shall be from the general public. Each special commission shall choose its own chairman and vice chairman biennially.

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than 1 year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there are not sufficient scholarships or fellowships, as the case may be, available to grant one to each of such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its possessions. No individual shall be listed in such register without his consent.

AUTHORITY OF FOUNDATION

SEC. 11. The Foundation is empowered to do all things necessary to carry out the provisions of this act, and, without being limited thereby, the Foundation is specifically authorized—

(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

(b) to make such expenditures as may be necessary for carrying out the provisions of this act;

(c) to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this act;

(d) to enter into such contracts or other arrangements, or modifications thereof, without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U. S. C., sec. 5);

(e) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

(f) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research;

(g) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

(h) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard to the provisions of section 87 of the act of January 12, 1895 (28 Stat. 622), and section 11 of the act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

(i) to accept and utilize the services of voluntary and uncompensated personnel and to pay the actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) of such personnel incurred in the course of such services; and

(j) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

PATENT RIGHTS

SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions, consistent with the laws affecting the issuance or use of patents, governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed.

(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish.

INTERNATIONAL COOPERATION

SEC. 13. (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international scientific research activities consistent with the purposes or provisions of this act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

(b) The Foundation may defray the expenses of representatives of Government

agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this act.

APPROPRIATIONS

SEC. 14. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

(b) The funds hereafter appropriated to the Foundation, as herein authorized, shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for 4 years following the expiration of the fiscal year for which appropriated. After such 4-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

INTERDEPARTMENTAL COMMITTEE ON SCIENCE

SEC. 15. (a) There is hereby established an Interdepartmental Committee on Science, to consist of the Director of the Foundation, as chairman, and the heads (or their designees) of such Government agencies engaged in or concerned with the support of scientific activity to a substantial degree as the President may from time to time determine. The interdepartmental committee shall meet whenever the chairman so determines, but not less than once a month.

(b) The Interdepartmental Committee on Science shall gather and correlate data relating to the scientific research and scientific development activities of the Federal Government; and shall make such recommendations to the President, the Foundation, and other governmental agencies as in the opinion of the committee will serve to aid in effectuating the objective of this act and other legislation providing for Federal support of scientific research and scientific development, and in preventing and eliminating unnecessary duplication of such activities by departments and agencies of the Federal Government.

(c) The Interdepartmental Committee on Science shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities of the Federal Government and the activities of the Interdepartmental Committee in relation thereto, together with such recommendations as it may deem advisable; and the Interdepartmental Committee may submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Minority views and recommendations, if any, of members of the Interdepartmental Committee shall be included in such annual reports and in such special reports and recommendations.

GENERAL PROVISIONS

SEC. 16. (a) The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed desirable by the Director, technical and professional personnel may be employed without regard to the civil-service laws or regulations, and their compensation may be fixed without regard to the provisions of the Classification Act of 1923, as amended. The Director, the Deputy Director hereinafter provided for, and the members of the divisional committees and advisory committees, shall be appointed without regard to the civil-service laws or regulations.

(b) The Director may appoint with the approval of the executive committee a Deputy Director who shall receive compensation at a rate of not to exceed $10,000 per annum.

(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

(d) The members of the Foundation, and the members of each divisional committee, special commission, or advisory committee, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) when engaged, away from home, in the duties of their offices.

(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees, special commissions, and advisory committees, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

(f) Service of an individual as a member of the Foundation, of a divisional committee, of a special commission, or of an advisory committee shall not be considered as service bringing him within the provisions of section 109 or section 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

(g) The Office of Scientific Research and Development is abolished, and its affairs shall be liquidated by the Foundation, which shall be its successor agency. The property, records, funds (including all unexpended balances of appropriations or other funds now available), and contracts (and rights and obligations thereunder) of the Office of Scientific Research and Development are transferred to the Foundation. Such abolition and transfer shall take effect 30 days after the Director has taken office.

(h) In making contracts or other arrangements for scientific research, the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies and institutions, or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staff of organizations, particularly nonprofit organizations, in the States and Territories and the District of Columbia, and (3) encouraging independent research by individuals.

(i) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies (except the Office of Scientific Research and Development) authorized to engage in scientific research or scientific development.

(j) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved in whole or in part of the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made.

(k) The National Roster of Scientific and Specialized Personnel shall be transferred from the Department of Labor to the Foundation, together with such of the personnel, records, property, and balances of appropriations as have been utilized or are available for use in the administration of such roster as may be determined by the President. The transfer provided for in this subsection shall take effect at such time or times as the President shall direct.

(l) The Foundation shall not support any research or development activity in the field of atomic energy, nor shall it exercise any authority pursuant to section 11 (f) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946.

Mr. SMITH. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. TAFT, Mr. AIKEN, Mr. SMITH, Mr. THOMAS of Utah, and Mr. ELLENDER conferees on the part of the Senate.

Mr. SMITH. Mr. President, I now ask unanimous consent that the bill be printed showing the amendment of the House of Representatives.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FIDELITY BUILDING IN KANSAS CITY, MO.—VETO MESSAGE (S. DOC. NO. 77)

The President pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Public Works and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, S. 1231, a bill authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes.

The proposed legislation would authorize and direct the Commissioner of Public Buildings in the Federal Works Agency to determine by appraisal the fair market value of the Fidelity National Bank & Trust Building in Kansas City, Mo., and the land upon which it is situated. The bill would further authorize the Commissioner of Public Buildings to solicit and receive sealed bids for the sale of this property by the United States and would require him to submit the appraised value, together with abstracts of all bids received for the purchase thereof, to the Congress for further action.

The building in question has been purchased by the United States under specific congressional authority for the use of various offices of the Government, and at a fair price. It is needed for this purpose and the price paid represents considerably less than would be required to construct a comparable building. Arrangements have been made to honor the leases of the present tenants and temporary arrangements for leased space have been made to accommodate the Government agencies which are waiting until the entire building can be avail-

able for public use. The purchase and use of this building by the Government represents a prudent investment. Moreover, it obviates the Government having to enter the construction field to procure needed space at a time when construction personnel and materials are so vitally needed for other purposes. The appraised value of the property can be readily reported to the Congress without the necessity of an act. The securing of bids for the sale of the property when there is no authority or direction to sell it would be a futile gesture. I am convinced that the building ought not now be sold by the Government.

For these reasons, I have not approved the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 16, 1947.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONVENTION ON RIGHTS OF AUTHOR IN LITERARY, SCIENTIFIC, AND ARTISTIC WORKS—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate a message from the President of the United States, transmitting Executive HH, Eightieth Congress, first session, a certified copy of the Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works, signed at Washington on June 22, 1946, on behalf of the United States of America and each of the other 20 American Republics. Without objection, the injunction of secrecy will be removed from the convention; and, without objection, the message from the President, together with the convention, will be printed in the RECORD and referred to the Committee on Foreign Relations. The Chair hears no objection.

The message and convention are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works, signed at Washington on June 22, 1946, on behalf of the United States of America and each of the other 20 American Republics.

I transmit also for the information of the Senate the report by the Secretary of State regarding the convention, together with a copy of the report of the United States Delegate to the Inter-American Conference of Experts on Copyright at which the Convention was formulated.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 17, 1947.*

(Enclosures: (1) Report by the Secretary of State; (2) certified copy of Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works, signed at Washington June 22, 1946; (3) report of United States Delegate to the Inter-American Conference of Experts on Copyright.)

DEPARTMENT OF STATE,
Washington, July 16, 1947.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of the Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works signed at Washington on June 22, 1946, on behalf of the United States of America and each of the other 20 American Republics.

The convention was formulated at the Inter-American Conference of Experts on Copyright which met at the Pan American Union in Washington from June 1 to 22, 1946, at the invitation of the Governing Board of the Pan American Union. That conference was held in accordance with Resolution XXXIX of the Eighth International Conference of American States for the purpose of revising the Convention on Literary and Artistic Copyright signed at Buenos Aires August 11, 1910 (38 Stat. 1785), which was ratified by the President of the United States of America on March 21, 1911.

In the formulation of proposals to be made to the Conference of Experts on Copyright in connection with the new copyright convention, and in the consideration of proposals made by representatives of other participating governments, the United States delegation to that conference had the benefit of the advice and counsel of five copyright consultants whose appointment was approved by the President, and of their alternates, and several other persons interested in copyright matters who asked to be permitted to join the group discussions.

It was recognized early in the conference that the differing copyright laws in the 21 American Republics made concessions on the part of the various delegations necessary if a convention of any merit was to be agreed upon. Those concessions involved a few departures, in one form or another, from the provisions of the national laws of the various states represented at the conference. Although a few of the provisions of the convention involve, in some respects, departures from the United States copyright law, the provisions of the convention in general are in accord with the laws and current practices on copyright matters in the United States. In reconciling the differing copyright systems the convention establishes the minimum uniform regulations necessary for present day inter-American copyright relations and provides protection long desired by United States authors for their works in other American Republics.

There is transmitted herewith for the information of the Senate in the consideration of the convention a copy of the report of the United States delegate to the Conference of Experts on Copyright. Attention is invited especially to (1) the letter printed therein from the United States delegate transmitting that report to the Secretary of State and recommending approval of the convention by this Government; (2) the general statement on pages 1–7 regarding the origin, organization, plenary sessions, and significance of the conference; and (3) the commentary on pages 8–31 regarding the text of the convention.

In that commentary the text of the convention is discussed, article by article, and the purposes of the various provisions are set forth, together with considerations involved in their formulation.

The final act of the conference is likewise discussed in the commentary regarding the text thereof on pages 32–41 of the report of the United States delegates. In addition to indicating the views of the various delegations with respect to the importance of the convention, the resolutions embodied in the final act and the commentary thereon reflect the consideration given by the conference to various copyright matters which were not embodied in the convention.

Among the articles of the convention to which attention is invited especially is article IX which defines the basis on which international copyright protection is provided under the convention. Under the first sentence of that article when a work created by a national of one contracting state, or by an alien domiciled therein, has secured protection in that state, the other contracting states are required to grant protection to that work without any requirement of registration, deposit or copy, or other formality. This basis of inter-American copyright protection is essentially the same as that provided in the Buenos Aires Convention of 1910 except for the requirement in the third article of the 1910 convention that there shall always appear in the work a statement that indicates the reservation of the property right. This requirement of the Buenos Aires Convention is frequently overlooked, causing loss of rights, and it has been considered of little value because it has not resulted in the giving of information regarding the date protection began or information concerning the whereabouts of the owner of the copyright in the work. The second sentence of article IX of the convention submitted herewith is intended to afford to a work by a national of one contracting state, or by an alien domiciled therein, the same protection in another contracting state as is specifically provided for in the convention as well as the protection accorded by the latter state to works by its nationals.

The protection accorded by the convention is limited to nationals of and aliens domiciled in each particular contracting state, as in the 1910 convention, in order to avoid the application of the convention to works by persons who are neither citizens nor domiciled residents of a contracting state. Without such a limitation protection might be claimed in all the contracting states for works protected in Brazil under the convention for the protection of literary and artistic works signed at Rome June 2, 1928 (Berne Convention), without reciprocal protection for works by nationals of the American republics parties to the convention submitted herewith. This limitation is in keeping with the principle of reciprocity embodied in the United States copyright law.

While neither notice of copyright nor any indication of a reservation of rights is required under the convention as a condition of copyright, the convention recommends in article X, with a view to facilitating the utilization of literary, scientific, and artistic works, the practice of publishing each work with an indication of the copyright, followed by the year in which the protection begins, the name and address of the copyright owner, and the place of origin of the work. Similarly, article XVI of the convention provides for the transmission by each contracting state to the other contracting states and to the Pan American Union, at regular intervals, of "official lists, in card or book form, of copyrighted works, assignments thereof, and licenses for their use, which have been registered, or otherwise officially made of record in its appropriate office by nationals or domiciled aliens." Such information will be of especial value to industrial users of copyrighted works in determining the authors thereof and in reaching the owners of these works to arrange for their use. A number of directives for the formulation of standards and regulations designed to facilitate and encourage the exchange of information provided for in article XVI are recommended in Resolution V of the final act of the conference. which is printed on pages

55–56 of the above-mentioned report of the United States delegate.

Under the provisions of the first paragraph of article XVII thereof the convention will replace between the contracting states the Buenos Aires Convention of 1910, the revision of that convention signed at Habana on February 18, 1928, and all earlier inter-American conventions on copyright, but will not affect rights already acquired under those conventions.

Ratification of the convention by the signatory states in accordance with their respective constitutional procedures and deposit of the instruments of ratification with the Pan American Union are provided for in article XIX. The convention is already in force, pursuant to the provisions of article XX thereof, with respect to the Dominican Republics, Ecuador, and Mexico as a result of the deposit of their respective instruments of ratification. Subsequent ratifications will become effective on the date of their deposit.

Provision is made in article XXI for any contracting state to withdraw from the convention by the giving of 1 year's notice to the Pan American Union. Such withdrawal will not affect rights acquired under the convention prior to its termination with respect to the state which gives such a notice.

Respectfully submitted.

GEORGE C. MARSHALL,
Secretary of State.

INTER-AMERICAN CONVENTION ON THE RIGHTS OF THE AUTHOR IN LITERARY, SCIENTIFIC, AND ARTISTIC WORKS

The Governments of the American Republics,

Wishing to improve the reciprocal inter-American protection of the rights of the author in literary, scientific, and artistic works, and

Desiring to promote and facilitate inter-American cultural interchange,

Have decided to conclude a convention in order to give effect to the foregoing purposes, and have agreed upon the following articles:

ARTICLE I

The Contracting States agree to recognize and protect rights of authors in literary, scientific, and artistic works, in accordance with the provisions of the present Convention.

ARTICLE II

Under the present Convention, copyright comprises for the author of a literary, scientific, or artistic work the exclusive right to: use and authorize the use of his work, in whole or in part; transfer the right in any manner, in whole or in part; and transmit it by will or by operation of intestate laws. In utilizing his work the author has the right to make the following uses of it, and such other uses as may hereafter be known, in accordance with its nature:

(a) Publish it, either by printing or in any other form;

(b) Represent, recite, exhibit, or perform it publicly;

(c) Reproduce, adapt, or present it by means of cinematography;

(d) Adapt and authorize general or individual adaptations of it to instruments that serve to reproduce it mechanically or electrically; or perform it publicly by means of such instruments;

(e) Diffuse it by means of photography, telephotography, television, radio broadcasting, or by any other method now known or hereafter devised and which may serve for the reproduction of signs, sounds, or images;

(f) Translate, transpose, arrange, orchestrate, dramatize, adapt and, in general, transform it in any other manner;

(g) Reproduce it in any form, whether wholly or in part.

ARTICLE III

The literary, scientific, and artistic works protected by the present Convention comprise books, writings, and pamphlets of all kinds, whatever the number of their pages; written or recorded versions of lectures, addresses, lessons, sermons, and other works of a similar nature; dramatic or dramatico-musical works; choreographic works and pantomimes the stage directions of which are fixed in writing or other form; musical compositions with or without words; drawings, illustrations, paintings, sculptures, engravings, lithographs; photographic and cinematographic works; astronomical and geographical globes; maps, plans, sketches or plastic works relating to geography, geology, topography, architecture, or any science; and, in short, any literary, scientific, or artistic work that can be published or reproduced.

ARTICLE IV

1. Each of the Contracting States agrees to recognize and protect within its territory the rights of authors in unpublished works. The present Convention shall not be construed to annul or limit the rights of an author in his unpublished work, nor his right to prevent its reproduction, publication, or use without his consent, nor his right to obtain damages therefor.

2. Works of art made principally for industrial purposes shall be protected reciprocally among the Contracting States which now grant or shall in the future grant protection to such works.

3. The protection provided by the present Convention does not include protection of the industrial utilization of scientific ideas.

ARTICLE V

1. All translations, adaptations, compilations, arrangements, abridgments, dramatizations, or other versions of literary, scientific, and artistic works, including photographic and cinematographic adaptations, shall be protected as original works, without prejudice to the copyright in the original works.

2. Whenever the versions referred to in the foregoing paragraph are of works in the public domain, they shall be protected as original works, but such protection shall not give exclusive right to use the original works.

ARTICLE VI

1. Literary, scientific, and artistic works, whatever may be their subjects, published in newspapers or magazines in any Contracting State and enjoying protection therein, may not be reproduced in the other Contracting States without authorization.

2. Articles on current events in newspapers and magazines may be reproduced by the press unless such reproduction is prohibited by a special or general reservation therein, but in any case the source from which they are taken must be cited clearly. The identification of the author by name shall constitute such a reservation in those countries in which the law or custom so considers it.

3. The present Convention shall not give protection to the factual content of news published in newspapers.

ARTICLE VII

The person whose name or known pseudonym is indicated on a protected work shall be considered as the author of that work, except in case of proof to the contrary. Consequently, the courts of the Contracting States shall admit actions brought against infringers by such author or his successor in interest. As to anonymous, or pseudonymous works whose authors are not known, the publisher of those works shall have the right to bring such action.

ARTICLE VIII

The duration of the copyright protection shall be governed by the law of the Contracting State in which the protection was originally obtained, but it shall not exceed the duration fixed by the law of the Contracting State in which the protection is claimed. In case the law of any Contracting State grants two successive periods of protection, the duration of the protection with respect to that State shall include, for the purposes of the present Convention, the aggregate of both periods.

ARTICLE IX

When a work created by a national of any Contracting State or by an alien domiciled therein has secured protection in that State, the other Contracting States shall grant protection to the work without requiring registration, deposit, or other formality. Such protection shall be that accorded by the present Convention and that which the Contracting States now accord to their nationals or shall hereafter accord in conformity with their laws.

ARTICLE X

In order to facilitate the utilization of literary, scientific, and artistic works, the Contracting States agree to encourage the use on such works of the expression "Copyright" or its abbreviation "Copr." or the letter "C" enclosed within a circle, followed by the year in which the protection begins, the name and address of the copyright owner, and the place of origin of the work. This information should appear on the reverse of the title page in the case of a written work, or in some accessible place according to the nature of the work, such as the margin, on the back, permanent base, pedestal, or the material on which the work is mounted. However, notice of copyright in this or any other form shall not be interpreted as a condition of protection of the work under the provisions of the present Convention.

ARTICLE XI

The author of any copyrighted work, in disposing of his copyright therein by sale, assignment, or otherwise, retains the right to claim the paternity of the work and to oppose any modification or use of it which is prejudicial to his reputation as an author, unless he has consented or consents, before, at the time, or after the modification or use is made, to dispose of or waive this right in accordance with the provisions of the law of the State where the contract is made.

ARTICLE XII

1. The reproduction of brief extracts of literary, scientific, and artistic works in pedagogical or scientific publications, in chrestomathies, or for purposes of literary criticism or of research shall be permitted, provided that such extracts are reproduced exactly and that their sources are indicated in unmistakable manner.

2. For the same purposes and subject to the same restrictions, brief extracts of works in translation may be published.

ARTICLE XIII

1. All infringing publications or reproductions shall be seized at the instance of the government, or upon petition by the owner of the copyright, by the competent authorities of the Contracting State in which the infringement occurs or into which the infringing works have been imported.

2. Any infringing presentation or public performance of plays or musical compositions shall, upon petition by the injured copyright owner, be enjoined by the competent authorities of the Contracting State in which the infringement occurs.

3. Recourse to the above measures shall be without prejudice to pertinent civil remedies or criminal action.

ARTICLE XIV

When a copyrighted work has become internationally famous and its title has thereby acquired such a distinctive character as to become identified with that work alone, that title cannot be attached to another work without the consent of the author. This prohibition shall not extend to the use of such a title on other works that are so different

in kind or character as to preclude any possibility of confusion.

ARTICLE XV

The provisions of the present Convention shall not prejudice in any way the right of a Contracting State to inspect, restrict, or prohibit, in accordance with its domestic laws, the publication, reproduction, circulation, representation, or exhibition of such works as it considers contrary to public policy.

ARTICLE XVI

1. Each Contracting State shall transmit to the other Contracting States and to the Pan American Union, at regular intervals, official lists, in card or book form, of copyrighted works, assignments thereof, and licenses for their use, which have been registered or otherwise officially made of record in its appropriate office by nationals or domiciled aliens. Such lists shall not require complementary anthentication or certification.

2. Regulations for the exchange of such information shall be formulated by representatives of the Contracting States in a special meeting called by the Pan American Union.

3. The said regulations shall be communicated to the respective Governments of the Contracting States by the Pan American Union and will become operative between the Contracting States which approve them.

4. Neither the foregoing provisions of this Article nor the regulations adopted pursuant thereto shall be considered as constituting a requisite to protection under the present Convention.

5. Official signed statements issued by the appropriate offices, on the basis of the lists referred to above, shall, in the Contracting States, have legal force as evidence of the facts contained in the aid statements, subject to proof to the contrary.

ARTICLE XVII

1. The present Convention shall replace between the Contracting States the Convention on Literary and Artistic Property signed at Buenos Aires on August 11, 1910, the revision of that Convention signed at Habana on February 18, 1928, and all earlier inter-American conventions on copyright, but shall not affect rights acquired under those Conventions.

2. No liability shall attach under the provisions of the present Convention for lawful uses made or acts done in a Contracting State in connection with any literary, scientific, or artistic work prior to the date such work became entitled to protection in that State under the provisions of the present Convention; or in respect to the continuance in that State of any utilization lawfully undertaken prior to such date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction, circulation, or performance of any such work.

ARTICLE XVIII

The original of the present Convention in the English, Spanish, Portuguese, and French languages shall be deposited with the Pan American Union and opened for signature by the Governments of the American States. The Pan American Union shall transmit certified copies to the Governments for the purpose of ratification.

ARTICLE XIX

The present Convention shall be ratified by the Signatory States in conformity with their respective constitutional procedures. The instruments of ratification shall be deposited with the Pan American Union, which shall notify the Governments of the Signatory States of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE XX

The present Convention shall come into force, with respect to the States which have deposited their respective instruments of ratification, as soon as two of the Signatory States have deposited said instruments. The Convention shall enter into force with respect to each of the remaining Signatory States on the date of the deposit of its instrument of ratification.

ARTICLE XXI

The present Convention shall remain in effect indefinitely, but may be denounced by any of the Contracting States by means of one year's advance notice to the Pan American Union, which shall transmit a copy of the notice to each of the other Signatory Governments. After the expiration of this period of one year, the Convention shall cease in its effect as regards the State which denounces it, but shall remain in effect for the remaining States.

The denunciation of the present Convention shall not affect the rights acquired in conformity with the provisions thereof before the date of the expiration of this Convention with respect to the State which denounces it.

In witness whereof, the undersigned Plenipotentiaries, having deposited their full powers found to be in good and due form, sign the present Convention in English, Spanish, Portuguese, and French on the dates which appear opposite their respective signatures.

For Nicaragua:
(F) GUILLERMO SEVILLA SACASA
22 de junio de 1946

For Ecuador:
(F) L. N. PONCE
(F) E. AVELLÁN F.
22 de junio de 1946

For the Dominican Republic:
(F) J. R. RODRÍGUEZ
22 de junio de 1946

For Guatemala:
(F) JORGE GARCÍA GRANADOS
(F) R. ARÉVALO MARTÍNEZ
22 de junio de 1946

For Mexico:
(F) G. FERNÁNDEZ DEL CASTILLO
22 de junio de 1946

For Venezuela:
(F) A. CASAS BRICEÑO
22 de junio de 1946

For Peru:
(F) J. B. DE LAVALLE
22 de junio de 1946

For Haiti:
(F) DANTÈS BELLEGARDE
le 22 juin 1946

For Panama:
(F) GRACIELA ROJAS SUCRE
22 de junio de 1946

For Colombia:
(F) ANTONIO ROCHA
22 de junio de 1946

For Chile:
(F) BENJAMÍN DÁVILA IZQUIERDO
(F) HUMBERTO DÍAZ CASANUEVA
22 de junio de 1946

For Brazil:
(A) JOÃO CARLOS MUNIZ
22 de junho de 1946

For Costa Rica:
(F) JORGE HAZERA
22 de junio de 1946

For Honduras:
(F) JULIÁN R. CÁCERES
22 de junio de 1946

For the Argentine Republic:
(F) RODOLFO GARCÍA ARIAS
22 de junio de 1946

For the United States of America:
(S) LUTHER H. EVANS
June 22, 1946

For Uruguay:
(F) ROBERTO FONTAINA
ad referendum de la aprobación por el Gobierno de la Republica de acuerdo al Art. XIX de la presente Convención.
22 de junio de 1946

For Paraguay:
(F) CÉSAR ROMEO ACOSTA
ad referendum
22 de junio de 1946

For El Salvador:
(F) SALVADOR SALAZAR ARRUÉ
22 de junio de 1946

For Cuba:
(F) NATALIO CHEDIAK
22 de junio de 1946

For Bolivia:
(F) V. ANDRADE
22 de junio de 1946

I hereby certify that the foregoing document is a true and faithful copy of the original, in Spanish,[1] English, Portuguese, and French, of the Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works, signed at the Inter-American Conference of Experts on Copyright held at the Pan American Union from June 1 to 22, 1946.

Washington, D. C., August 30, 1946.

[SEAL] L. S. ROWE,
Director General of the Pan American Union.

THE CALENDAR

The PRESIDENT pro tempore. Under the unanimous-consent order, the Clerk will continue the call of the calendar.

Mr. WHITE. Mr. President, I understand the call of the calendar is to be resumed with Order No. 536. Am I correct in that?

The PRESIDENT pro tempore. The Senator is correct. Does the Senator desire that a quorum be called before the calendar is resumed?

Mr. HATCH. Mr. President, it just occurred to me that we should have a quorum call.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Pepper
Bridges	Holland	Reed
Brooks	Ives	Revercomb
Bushfield	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thomas, Utah
Downey	McGrath	Thye
Dworshak	McKellar	Tydings
Eastland	McMahon	Umstead
Ecton	Magnuson	Vandenberg
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young

[1] The English only is reproduced herein.

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. BARKLEY. I announce that the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

THE COAST GUARD

The bill (H. R. 3494) an act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

SPECIAL COINAGE COMMEMORATIVE OF ADMISSION OF WISCONSIN

Mr. WILEY. Mr. President, may I ask the Senate to revert to Calendar 527, House bill 1180? I understand that the Senator from Colorado [Mr. JOHNSON], who objected to that bill, is present.

Mr. JOHNSON of Colorado. Mr. President, may I ask the Senator from Wisconsin if he will kindly withhold his request a little while, until the junior Senator from Wisconsin comes to the floor? If the request may be withheld for a few minutes, I shall be pleased.

UNITED STATES MERCHANT MARINE ACADEMY

The bill (H. R. 3672) to create an Academic Advisory Board for the United States Merchant Marine Academy was considered, ordered to a third reading, read the third time, and passed.

SPECIAL COINAGE COMMEMORATIVE OF UTAH PIONEERS—BILL PASSED OVER

The bill (S. 421) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the entrance of the Utah pioneers into Salt Lake Valley on July 24, 1847, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Colorado. Mr. President, I desire to have Order No. 539, Senate bill 421, passed over for a few minutes.

The PRESIDENT pro tempore. Without objection, the vote whereby the bill was passed will be rescinded, and the bill will be passed over, under objection.

ADA B. FOSS

The bill (S. 1039) for the relief of Ada B. Foss was considered, ordered engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ada B. Foss, of Cape Porpoise, Maine, the sum of $275.99, in full satisfaction of her claim against the United States for compensation for accrued annual leave, earned by her husband, the late Justin A. Foss, as a lighthouse keeper at the Great Island Light Station, Cape Porpoise, Maine, the said Justin A. Foss having been prevented by his death on December 26, 1942, while serving in the United States Coast Guard, from making application under the act of August 1, 1941 (55 Stat. 616), as amended, for payment for such accrued leave: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SECRETARIES FOR JUDGES

The bill (H. R. 2746) to provide secretaries for circuit and district judges was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF ADMINISTRATIVE PROCEDURE ACT

The Senate proceeded to consider the bill (S. 1077) to amend the Administrative Procedure Act to authorize commissioned officers of the Coast Guard to preside at the taking of evidence in proceedings under section 4450 of the Revised Statutes, as amended, and for other purposes which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That an act to amend section 4450 of the Revised Statutes of the United States, as amended by the act of July 29, 1937 (50 Stat. 544; 46 U. S. C. 239 (g)), is amended by striking out the period at the end thereof and adding the following: "Provided, however, That one or more commissioned officers of the Coast Guard may act as hearing or deciding officers and may be subject to the supervision or direction of a Coast Guard district commander for the performance of duties unrelated to proceedings under this paragraph."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 4450 of the Revised Statutes of the United States, as amended by the act of July 29, 1937, and for other purposes."

PERMANENT HEADQUARTERS OF UNITED NATIONS

The Senate proceeded to consider the joint resolution (S. J. Res. 144) authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes, which had been reported from the Committee on Foreign Relations with an amendment, on page 7, after line 15, to insert a new section, so as to make the joint resolution read:

Resolved, etc., That the President is hereby authorized to bring into effect on the part of the United States the agreement between the United States of America and the United Nations regarding the headquarters of the United Nations, signed at Lake Success, N. Y., on June 26, 1947 (hereinafter referred to as the "agreement"), with such changes therein not contrary to the general tenor thereof and not imposing any additional obligations on the United States as the President may deem necessary and appropriate, and at his discretion, after consultation with the appropriate State and local authorities, to enter into such supplemental agreements with the United Nations as may be necessary to fulfill the purposes of the said agreement.

SEC. 2. For the purpose of carrying out the obligations of the United States under said agreement and supplemental agreements with respect to United States assurances that the United Nations shall not be dispossessed of its property in the headquarters district, and with respect to the establishment of radio facilities and the possible establishment of an airport:

(a) The President of the United States, or any official or governmental agency authorized by the President, may acquire in the name of the United States any property or interest therein by purchase, donation, or other means of transfer, or may cause proceedings to be instituted for the acquisition of the same by condemnation.

(b) Upon the request of the President, or such officer as the President may designate, the Attorney General of the United States shall cause such condemnation or other proceedings to be instituted in the name of the United States in the district court of the United States for the district in which the property is situated and such court shall have full jurisdiction of such proceedings, and any condemnation proceedings shall be conducted in accordance with the act of August 1, 1888 (25 Stat. 357), as amended, and the act of February 26, 1931 (46 Stat. 1421), as amended.

(c) After the institution of any such condemnation proceedings, possession of the property may be taken at any time the President, or such officer as he may designate, determines is necessary, and the court shall enter such orders as may be necessary to effect entry and occupancy of the property.

(d) The President of the United States, or any officer or governmental agency duly authorized by the President, may, in the name of the United States, transfer or convey possession of and title to any interest in any property acquired or held by the United States, pursuant to paragraph (a) above, to the United Nations on the terms provided in the agreement or in any supplemental agreement, and shall execute and deliver such conveyances and other instruments and perform such other acts in connection therewith as may be necessary to carry out the provisions of the agreement.

(e) There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be required to enable the United States to carry out the undertakings hereby authorized.

SEC. 3. The President, or the Secretary of State under his direction, is authorized to enter into agreements with the State of New York or any other State of the United States and to the extent not inconsistent with State law, with any one or more of the political subdivisions thereof in aid of effectuating the provisions of the agreement.

SEC. 4. Any States, or, to the extent not inconsistent with State law any political subdivisions thereof, affected by the establishment of the headquarters of the United Nations in the United States are authorized to enter into agreements with the United Nations or with each other consistent with the agreement and for the purpose of facilitating compliance with the same: *Provided*, That, except in cases of emergency and agreements of a routine contractual character, a repre-

sentative of the United States, to be appointed by the Secretary of State, may, at the discretion of the Secretary of State, participate in the negotiations, and that any such agreement entered into by such State or States or political subdivisions thereof shall be subject to approval by the Secretary of State.

SEC. 5. The President is authorized to make effective with respect to the temporary headquarters of the United Nations in the State of New York, on a provisional basis, such of the provisions of the agreement as he may deem appropriate, having due regard for the needs of the United Nations at its temporary headquarters.

SEC. 6. Nothing in the agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries. Moreover, nothing in section 14 of the agreement with respect to facilitating entrance into the United States by persons who wish to visit the headquarters district and do not enjoy the right of entry provided in section 11 of the agreement shall be construed to amend or suspend in any way the immigration laws of the United States or to commit the United States in any way to effect any amendment or suspension of such laws.

Mr. FULBRIGHT. Mr. President, may we have an explanation of the joint resolution?

The PRESIDENT pro tempore. If the Senate will permit the Chair to make the explanation from the chair, this is the joint resolution which implements the United States agreement for the relationship between the city of New York, the State of New York, and the United Nations site, plus the establishment of the usual diplomatic immunity so far as the Government of the United States is concerned. It has the approval of the mayor of New York, the Governor of New York, the State Legislature of New York, and the unanimous report of the Foreign Relations Committee.

The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

CHARLES KILLS THE ENEMY

The Senate proceeded to consider the bill (S. 312) authorizing the issuance of a patent in fee to Charles Kills the Enemy, which had been reported from the Committee on Public Lands with an amendment, on page 1, line 3, after the word "that", to insert "upon application in writing", so as to make the bill read as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Charles Kills the Enemy, of Winner, S. Dak., a patent in fee to the following-described lands allotted to him in the State of South Dakota: The northwest quarter of section 21, township 36 north, range 29 west, sixth principal meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CALVIN W. CLINCHER

The Senate proceeded to consider the bill (S. 313) authorizing the issuance of a patent in fee to Calvin W. Clincher, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "that", to insert "upon application in writing"; on the same page, line 7, to strike out "north half" and insert "northwest quarter"; and, on the same page, line 8, after "Range 35", to strike out "east, Black Hills meridian", and insert "sixth principal meridian of South Dakota, containing 160 acres", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Calvin W. Clincher, of Gordon, Nebr., a patent in fee to the following-described land allotted to him in Washabaugh County, S. Dak.: The northwest quarter of section 8, township 41 north, range 35 sixth principal meridian of South Dakota, containing 160 acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. BESSIE TWO ELK-POOR BEAR

The Senate proceeded to consider the bill (S. 499) authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear, which had been reported from the Committee on Public Lands with an amendment, on page 1, line 3, after the word "that", to insert "upon application in writing", so as to make the bill read:

Be it enacted, etc, That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Mrs. Bessie Two Elk-Poor Bear, of Allen, S. Dak., a patent in fee to the northeast quarter of section 19, township 41, range 34 west, of the sixth principal meridian, South Dakota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. ELLA WHITE BULL

The Senate proceeded to consider the bill (S. 542) authorizing the issuance of a patent in fee to Mrs. Ella White Bull, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing"; on line 8, after the words "township 37", to insert "west"; and on line 8, after the figure "40", to strike out the comma and "east of the Black Hills meridian" and insert "west, sixth principal meridian, South Dakota", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Mrs. Ella White Bull, of Porcupine, S. Dak., a patent in fee to the following-described lands allotted to her in Bennett County, State of South Dakota: The southwest quarter of section 29, township 37 west, range 40, west, sixth principal meridian, South Dakota.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TOM EAGLEMAN

The Senate proceeded to consider the bill (S. 500) authorizing the issuance of a patent in fee to Tom Eagleman, which had been reported from the Committee on Public Lands with an amendment, on page 1, line 3, after the word "That", to insert "upon application in writing", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Tom Eagleman, of Pierre, S. Dak., a patent in fee to the southwest quarter of the southeast quarter and the south half of the southwest quarter of section 25 and lot 3 of the southwest quarter of section 26, all in township 108, range 73 west, of the fifth principal meridian, South Dakota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANT OF CITIZENSHIP TO METLAKAHTLA INDIANS OF ALASKA

The bill (H. R. 205) to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska was considered, ordered to a third reading, read the third time, and passed.

LITIGATION AFFECTING QUINAIELT TRIBE OF INDIANS

The bill (H. R. 734) to amend the act of February 12, 1925, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

REFUND OF TAXES TO CERTAIN INDIAN CITIZENS

The Senate proceeded to consider the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens, which had been reported from the Committee on Public Lands with an amendment, on page 3, after line 14, to insert:

Notwithstanding any contract to the contrary, not more than 15 percent of any amount received as a refund of taxes pursuant to this section shall be paid to or received by any agent or attorney on account of services rendered in connection with such refund. Any person violating the provisions of this paragraph shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RED LAKE BAND OF CHIPPEWA INDIANS

The bill (H. R. 1337) authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation was considered, ordered to a third reading, read the third time, and passed.

ALICE SCOTT WHITE

The bill (H. R. 1486) to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in

fee to certain land was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF PUBLIC-SCHOOL FACILITIES TO INDIAN CHILDREN, CASS COUNTY, MINN.

The bill (H. R. 1882) for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district was considered, ordered to a third reading, read the third time, and passed.

NORTHERN CHEYENNE INDIAN RESERVATION

The bill (H. R. 2097) to declare the ownership of the timber on the allotments on Northern Cheyenne Indian Reservation, and to authorize the sale thereof, was considered, ordered to a third reading, read the third time, and passed.

ERLE E. HOWE

The bill (H. R. 2151) authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe was considered, ordered to a third reading, read the third time, and passed.

MENOMINEE INDIANS ON THE MENOMINEE RESERVATION, WIS.

The bill (H. R. 2484) to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season, 1934–35, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL FUNDS FOR SCHOOL DISTRICTS IN FIVE COUNTIES IN MINNESOTA

The bill (H. R. 2825) to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children was considered, ordered to a third reading, read the third time and passed.

BECKER LITTLE LIGHT

The bill (H. R. 2885) authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light was considered, ordered to a third reading, read the third time, and passed.

RICHARD LITTLE LIGHT

The bill (H. R. 2886) authorizing the sale, under supervision, of land of Richard Little Light was considered, ordered to a third reading, read the third time, and passed.

INDIANS OF THE FIVE CIVILIZED TRIBES OF OKLAHOMA

The Senate proceeded to consider the bill (H. R. 3173) relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes.

Mr. BUTLER. Mr. President, the Senator from Oklahoma [Mr. MOORE] desires to offer a minor amendment to the bill.

Mr. MOORE. I wish to offer an amendment to correct a typographical error. On page 3, line 17, before the word "district", the word "this" should be changed to "the." I offer an amendment to that effect.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

OSAGE TRIBAL COUNCIL, OKLAHOMA

The bill (H. R. 3323) to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla., was considered, ordered to a third reading, read the third time, and passed.

JONAH WILLIAMS

The Senate proceeded to consider the bill (S. 310) authorizing the issuance of a patent in fee to Jonah Williams, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing," and in line 9, after the figure "52", to strike out "east" and insert "west", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Jonah Williams, of Sisseton, S. Dak., a patent in fee to the following-described lands allotted to him in the State of South Dakota: The west half of the southeast quarter and the southwest quarter of the northeast quarter of section 32, township 126, range 52 west of the fifth principal meridian.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES GHOST BEAR, SR.

The Senate proceeded to consider the bill (S. 311) authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr., which had been reported from the Committee on Public Lands with an amendment, on page 1, line 3, after the word "That", to insert "upon application in writing", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Charles Ghost Bear, Sr., of Gordon, Nebr., a patent in fee to the following-described lands allotted to him in the State of South Dakota: The southwest quarter of section 13, township 40 north, range 34 west, sixth principal meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1372) authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery was announced as next in order.

Mr. CAPPER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

MRS. MARGERT PICKETT YELLOWTAIL

The Senate proceeded to consider the bill (S. 1150) authorizing the issuance of a patent in fee to Mrs. Margert Pickett Yellowtail, which had been reported from the Committee on Public Lands with an amendment, on page 1, line 3, after the word "That", to insert "upon application in writing", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior be authorized and directed to issue to Mrs. Margert Pickett Yellowtail a patent in fee to the following described lands: Southwest quarter southeast quarter section 12, township 4 south, range 32 east, Montana principal meridian, containing 40 acres.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 318) to authorize the coinage of 50-cent pieces to commemorate the patriotic services of Patrick Henry was announced as next in order.

Mr. JOHNSON of Colorado. Over.

The PRESIDENT pro tempore. The bill will be passed over.

INCREASE IN SIZE OF ISOLATED OR DISCONNECTED TRACTS OF PUBLIC DOMAIN

The Senate proceeded to consider the bill (S. 1363) to amend section 2357 of the Revised Statutes to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes, which had been reported from the Committee on Public Lands with an amendment to strike out all after the enacting clause and insert:

That section 2455 of the Revised Statutes (43 U. S. C., sec. 1171), as amended, is hereby amended by striking out the words "seven hundred and sixty" and inserting in their place the words "one thousand five hundred and twenty." The said section is further amended by striking out the words "one hundred and sixty" in the second proviso and inserting in their place the words "seven hundred and sixty."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 2455 of the revised statutes, as amended, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes."

TRANSFER OF CERTAIN LANDS IN ACADIA NATIONAL PARK, MAINE

The bill (S. 1220) to transfer jurisdiction of certain lands comprising a portion of Acadia National Park, Maine, from the Department of the Interior to the Department of the Navy, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That control and jurisdiction over the following-described lands now comprising a portion of the Acadia National Park, in the State of Maine, are hereby transferred from the Department of the

Interior to the Department of the Navy: *Provided*, That the Secretary of the Interior shall retain the right to approve the design of the buildings and structures to be placed thereon.

All that certain tract or parcel of land on Big Moose Island, Winter Harbor, Maine, which is bounded southerly and easterly by a chain link security fence, and northerly and westerly by the waters of Pond Island Cove and Frenchman Bay, and which is more particularly described as beginning at a point on the shore at the high-water mark of Frenchman Bay on the southwesterly side of Big Moose Island, so-called, thence following the chain link security fence as now erected by the three following courses and distances: North no degrees five minutes west one hundred and fifty-three feet; thence north thirty degrees twenty-four minutes east one hundred and fifty-seven and seven-tenths feet; thence south eighty-nine degrees nine minutes east one thousand four hundred and fifty-five and three-tenths feet to a point and angle in the said security fence which bears north thirty-four degrees fifty-four minutes west and is fifty feet distant at right angles from a point in the center line of the National Park Service road known as the Big Moose Island Road; thence turning to the left and following the said security fence in a general northerly direction but everywhere parallel with and fifty feet distant from the center line of the said Big Moose Island Road three thousand five hundred feet more or less to the high-water mark on the shore of Pond Island Cove; thence in a generally westerly and southerly direction but everywhere following the high-water mark of Pond Island Cove and Frenchman Bay seven thousand four hundred and seventy feet more or less to the place of beginning; except that portion thereof, containing twenty-five and ninety-six one-hundredths acres, which was transferred to the jurisdiction of the Department of the Navy pursuant to the act of August 24, 1935 (ch. 644, 49 Stat. 795); the lands herein described containing one hundred and fifty-one and eighty-six one-hundredths acres after excluding the excepted portion.

SEC. 2. The Secretary of the Navy is authorized and directed to retransfer jurisdiction over the property described in section 1 of this act to the Secretary of the Interior in the event such property hereafter becomes surplus to the needs of the Department of the Navy, in which event it again shall become a part of Acadia National Park.

POWERS OF GOVERNOR OF ALASKA IN CERTAIN CRIMINAL CASES

The bill (H. R. 175) to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION OF CERTAIN EMPLOYEES IN ALASKA

The bill (H. R. 187) to amend Public Law 304, Seventy-seventh Congress, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

Mr. BUTLER. Will the Senator permit me a few moments to examine the bill?

Mr. McCARRAN. Very well.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

Mr. McCARRAN. Mr. President, I wish to announce that I shall ask for an explanation of House bill 2938, Calendar No. 575, when it is reached.

The PRESIDENT pro tempore. Is the Senator from Nebraska [Mr. BUTLER] prepared to explain House bill 187?

Mr. BUTLER. Yes.

The PRESIDENT pro tempore. Very well. The Senate will revert to House bill 187. The Senator from Nevada has asked for an explanation.

Mr. BUTLER. The Senate committee acted upon the House bill. The bill was passed unanimously by the House. It is a bill to authorize the transportation of civilian employees of the United States residing in Alaska in Army airplanes, in addition to the authorization which now exists by virtue of Public Law 304, which permits the transportation of such employees on vessels of the Army Transport Service.

Mr. McCARRAN. Does that mean that the Army Transport Service is going into competition with air lines flying into Alaska?

Mr. BUTLER. I am quite certain that it does not mean that there will be additional competition any more than there is at the moment on vessels and trains and transports. It simply permits the Army to transport civilian employees by air when occasion requires.

Mr. McCARRAN. Do I understand correctly that it relates to the transportation of civilian employees of the Army?

Mr. BUTLER. Civilian employees of the Army; yes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 187) to amend Public Law 304, Seventy-ninth Congress, was considered, ordered to a third reading, read the third time, and passed.

EXERCISE BY THE LEGISLATURE OF ALASKA OF CERTAIN ZONING POWER

The bill (H. R. 1609) to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE ALASKA GAME LAW

The bill (H. R. 3343) to amend the Alaska game law was considered, ordered to a third reading, read the third time, and passed.

RIGHT-OF-WAY ON LANDS ENTERED IN ALASKA

The bill (H. R. 1554) to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932, was considered, ordered to a third reading, read the third time, and passed.

PRICE OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Senate proceeded to consider the bill (H. R. 2938) to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior, which had been reported from the Committee on Public Lands with an amendment, on page 2, line 12, after the word "distribution", to insert "the money received for copies under this section shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of furnishing copies as herein authorized."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 2857) to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. The Senator from Montana [Mr. ECTON], who reported the bill from the committee, is not in the Chamber at the moment.

Mr. McCARRAN. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

COMPENSATION FOR PERFORMING DUTIES OF POSTMASTERS

The bill (H. R. 1203) to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN DISBURSING AND CERTIFYING OFFICERS OF THE WAR AND NAVY DEPARTMENTS

The bill (S. 323) authorizing the Comptroller General of the United States to allow credits to and relieve certain disbursing and certifying officers of the War and Navy Departments in the settlement of certain accounts was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

Mr. COOPER. Mr. President, the purpose of the bill is to relieve former officers of the Army, Navy, and Marine Corps who during the war served as disbursing and certifying officers. It would also relieve a certain number of civilians who served in the same capacity. It would authorize the Comptroller General in certain cases and under certain conditions to relieve these officers from personal liability in the settlement of their accounts.

It developed that during the war these individuals had to disburse large sums of money. Now they are out of the service, and they find, several years thereafter, that they are being charged with either loss of funds or overpayment. The bill simply provides that the Comptroller General, when he assures himself that the payments were made in good faith and without fraud or collusion, may relieve the disbursing officers from personal liability. If the amount is more than $2,500, the facts must be certified to by the Secretary of War or

the Secretary of the Navy. If as much as $10,000 is involved, the recommendation of the Comptroller General must be concurred in by the Attorney General. In no case is the payee or recipient of the overpayment discharged, and in no case is the disbursing officer discharged unless the payment was made in good faith. He is not relieved if there was fraud or collusion. A similar law has been enacted after every war since the Mexican War.

Mr. McCARRAN. Mr. President, is it not true that the Senator's subcommittee has amended the bill so as to include the words "fraud and collusion", so as to guard against fraud or collusion? As I understand, the bill has been so amended as to provide that there shall be no release unless the payment is free from fraud and collusion.

Mr. COOPER. The Senator is exactly correct. Unless it can be certified that there is no fraud or collusion, the officer is not relieved.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 10, after the words "more than", to strike out "$5,000" and insert in lieu thereof "$2,500"; in line 13, after the word "Navy", to insert "which recommendation shall be concurred in by the Attorney General if the amount exceeds $10,000 and"; in line 16, after the word "payment", to insert "and shall state that such transaction, expenditure, loss, or payment appears to be free from fraud or collusion and incurred or made in good faith"; and in line 20, after the word "that", to strike out "the transactions, expenditures, losses, or payments appear to be free from fraud or collusion" and insert "such transaction, expenditure, loss, or payment appears to be free from fraud and collusion and incurred or made in good faith,", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized, through such officer as he may designate, and within 2 years from the passage of this act, (a) to relieve disbursing and certifying officers, including special disbursing agents of the War and Navy Departments, from accountability or responsibility for losses, occurring between September 8, 1939, to July 1, 1946, of funds, or of accounts, papers, records, vouchers, or data pertaining to said funds, for which said officers or agents were accountable or responsible; and (b) to allow credits, in the settlement of accounts of said officers or agents, for payments made in good faith on public account during said period, notwithstanding failure to comply with the requirements of existing law or regulations pursuant thereto: *Provided*, That in cases of losses or payments involving more than $2,500 the Comptroller General shall exercise the authority herein only upon the written recommendation of the Secretary of War or the Secretary of the Navy, which recommendation shall be concurred in by the Attorney General if the amount exceeds $10,000 and which recommendation shall also set forth the facts relative to such loss or payment and shall state that such transaction, expenditure, loss, or payment appears to be free from fraud or collusion and incurred or made in good faith: *Provided further*, That the Comptroller General in all cases shall certify that such transaction, expenditure, loss, or payment appears to be free from fraud and collusion and incurred or made in good faith.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPLICABILITY OF INTERSTATE COMMERCE ACT TO SLEEPING-CAR COMPANIES

The Senate proceeded to consider the bill (H. R. 2331) to amend section 20a of the Interstate Commerce Act.

Mr. TAFT. Mr. President, may we have an explanation of the bill? It does not explain itself on its face.

Mr. WHITE. Mr. President, the bill amends section 20a of the Interstate Commerce Act. All it does, in effect, is to enlarge the jurisdiction of the Interstate Commerce Commission over rates and practices by including like authority with respect to sleeping-car companies. It brings pullman cars and services within the same authority which applies generally to railroads.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS

The joint resolution (S. J. Res. 136) authorizing the President to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations was announced as next in order.

The PRESIDENT pro tempore. Let the Chair state that this supplements the action taken a few moments ago in respect to the relationships which are necessarily established at the site of the United Nations, as a result of the fact that it is in the United States. The joint resolution mutualizes the privileges and immunities so that American nationals may obtain the same privileges and immunities elsewhere when engaged in the business of the United Nations.

The Chair should state for the information of the Senate that the privileges and immunities involved are simply those involved in behalf of the higher echelon in all embassies. The committee declined, and this report declines, to agree to the United Nations proposal that the salaries of American nationals employed by the United Nations shall be tax-exempt. The report declines to accept that exemption. It also declines to accept the exemption that American nationals shall be free from military responsibility.

Mr. TAFT. Mr. President, may I ask the Chair a question?

The PRESIDENT pro tempore. Certainly.

Mr. TAFT. I notice that in the joint resolution it is provided that—

The premises of the United Nations shall be inviolable. The property and assets of the United Nations, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether by executive, administrative, judicial or legislative action.

Is that the same immunity as is granted to embassies?

The PRESIDENT pro tempore. That is the Chair's understanding.

Mr. TAFT. What situation arises when a criminal, or a man who violates the speeding laws, disappears into the United Nations building in New York? Is he then immune? What is the practice?

The PRESIDENT pro tempore. If the Senate will indulge the Chair in making this response, that specific question was canvassed in detail. It is a very practical question. It was asked, by way of analogy, for example, What would happen to a holdup man on Massachusetts Avenue if he should step onto the lawn of the British Embassy? Would he then be immune from arrest? The answer is "no," because in each instance special agreements under the immunity act are made for police protection, which includes the right of pursuit. The same thing is contemplated in New York. The mayor of New York and the police department of New York have approved the arrangement.

Inadvertently a note was printed at the bottom of page 17 of the joint resolution which has no relationship whatever to the joint resolution. Without objection, it will be eliminated.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Foreign Relations with amendments, on page 2, after line 11, to insert "with respect to section 18 (b) regarding exemption from taxation on salaries and emoluments paid by the United Nations insofar as that section may apply to United States nationals, and"; and on page 3, line 4, after the word "prevail", to insert "Nothing in article VII of the said Convention with respect to laissez-passer shall be construed as in any way amending or modifying the existing or future provisions of United States law with respect to the requirement or issuance of passports or of other documents evidencing nationality of citizens or agents, or the requirement that aliens visiting the United States obtain visas", so as to make the joint resolution read:

Resolved, etc., That the President is hereby authorized to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations, a copy of which is appended and made a part hereof, and to issue a proclamation setting forth that the aforesaid instrument is accepted by the Government of the United States of America in accordance with its law and shall have full force and effect in the United States and its Territories and possessions, except that the United States and its Territories and possessions, except that the United States reserves its position with respect to section 18 (b) regarding exemption from taxation on salaries and emoluments paid by the United Nations insofar as that section may apply to United States nationals, and with respect to section 18 (c) regarding immunity from national service obligations insofar as that section

may apply to the United States nationals or persons who have declared their intention to become citizens of the United States.

That, insofar as any provisions of this Convention and the International Organizations Immunities Act (59 Stat. 669), as applied to the United Nations relate to the same matter, the two provisions shall wherever possible be treated as complementary to each other so that both provisions shall be applicable and neither shall narrow the effect of the other; but in any case of absolute conflict, the provisions of the Convention shall prevail. Nothing in article VII of the said Convention with respect to laissez-passer shall be construed as in any way amending or modifying the existing or future provisions of United States law with respect to the requirement or issuance of passports or of other documents evidencing nationality of citizens or agents, or the requirement that aliens visiting the United States obtain visas.

"CONVENTION ON THE PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS ADOPTED BY THE GENERAL ASSEMBLY OF THE UNITED NATIONS ON FEBRUARY 13, 1946

"Whereas article 104 of the Charter of the United Nations provides that the Organization shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes; and

"Whereas article 105 of the Charter of the United Nations provides that the Organization shall enjoy in the territory of each of its members such privileges and immunities as are necessary for the fulfillments of its purposes and that representatives of the members of the United Nations and officials of the Organization shall similarly enjoy such privilege and immunities as are necessary for the independent exercise of their functions in connection with the Organization.

"Consequently the General Assembly by a resolution adopted on February 13, 1946, approved the following Convention and proposed it for accession by each member of the United Nations.

"ARTICLE I. JURIDICAL PERSONALITY

"SECTION 1. The United Nations shall possess juridical personality.

"It shall have the capacity:

"(a) to contract;

"(b) to acquire and dispose of immovable and movable property;

"(c) to institute legal proceedings.

"ARTICLE II. PROPERTY, FUNDS, AND ASSETS

"SEC. 2. The United Nations, its property and assets wherever located and by whomsoever held, shall enjoy immunity from every form of legal process except insofar as in any particular case it has expressly waived its immunity. It is, however, understood that no waiver of immunity shall extend to any measure of execution.

"SEC. 3. The premises of the United Nations shall be inviolable. The property and assets of the United Nations, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation, and any other form of interference, whether by executive, administrative, judicial, or legislative action.

"SEC. 4. The archives of the United Nations, and in general all documents belonging to it or held by it, shall be inviolable wherever located.

"SEC. 5. Without being restricted by financial controls, regulations, or moratoria of any kind.

"(a) the United Nations may hold funds, gold or currency, of any kind and operate accounts in any currency;

"(b) the United Nations shall be free to transfer its funds, gold or currency, from one country to another or within any country and to convert any currency held by it into any other currency.

"SEC. 6. In exercising its rights under section 5 above, the United Nations shall pay due regard to any representations made by the government of any member insofar as it is considered that effect can be given to such representations without detriment to the interests of the United Nations.

"SEC. 7. The United Nations, its assets, income, and other property shall be:

"(a) exempt from all direct taxes; it is understood, however, that the United Nations will not claim exemption from taxes which are, in fact, no more than charges for public utility services;

"(b) exempt from customs duties and prohibitions and restrictions on imports and exports in respect of articles imported or exported by the United Nations for its official use. It is understood, however, that articles imported under such exemption will not be sold in the country into which they were imported except under conditions agreed with the Government of that country;

"(c) exempt from customs duties and prohibitions and restrictions on imports and exports in respect of its publications.

"SEC. 8. While the United Nations will not, as a general rule, claim exemption from excise duties and from taxes on the sale of movable and immovable property which form part of the price to be paid, nevertheless when the United Nations is making important purchases for official use of property on which such duties and taxes have been charged or are chargeable, members will, whenever possible, make appropriate administrative arrangements for the remission or return of the amount of duty or tax.

"ARTICLE III. FACILITIES IN RESPECT OF COMMUNICATIONS

"SEC. 9. The United Nations shall enjoy in the territory of each Member for its official communications treatment not less favorable than that accorded by the Government of that Member to any other government including its diplomatic mission in the matter of priorities, rates and taxes on mails, cables, telegrams, radiograms, telephotos, telephone and other communications; and press rates for information to the press and radio. No censorship shall be applied to the official correspondence and other official communications of the United Nations.

"SEC. 10. The United Nations shall have the right to use codes and to dispatch and receive its correspondence by courier or in bags, which shall have the same immunities and privileges as diplomatic couriers and bags.

"ARTICLE IV. THE REPRESENTATIVES OF MEMBERS

"SEC. 11. Representatives of Members to the principal and subsidiary organs of the United Nations and to conferences convened by the United Nations, shall, while exercising their functions and during their journey to and from the place of meeting, enjoy the following privileges and immunities:

"(a) immunity from personal arrest or detention and from seizure of their personal baggage, and, in respect of words spoken or written and all acts done by them in their capacity as representatives, immunity from legal process of every kind;

"(b) inviolability for all papers and documents;

"(c) the right to use codes and to receive papers or correspondence by courier or in sealed bags;

"(d) exemption in respect of themselves and their spouses from immigration restrictions, alien registration or national service obligations in the state they are visiting or through which they are passing in the exercise of their functions;

"(e) the same facilities in respect of currency or exchange restrictions as are accorded to representatives of foreign governments on temporary official missions;

"(f) the same immunities and facilities in respect of their personal baggage as are accorded to diplomatic envoys; and also

"(g) such other privileges, immunities, and facilities not inconsistent with the foregoing as diplomatic envoys enjoy, except that they shall have no right to claim exemption from customs duties on goods imported (otherwise than as part of their personal baggage) or from excise duties or sales taxes.

"SEC. 12. In order to secure, for the representatives of members to the principal and subsidiary organs of the United Nations and to conferences convened by the United Nations, complete freedom of speech and independence in the discharge of their duties, the immunity from legal process in respect of words spoken or written, all acts done by them in discharging their duties shall continue to be accorded, notwithstanding that the persons concerned are no longer the representatives of members.

"SEC. 13. Where the incidence of any form of taxation depends upon residence, periods during which the representatives of members to the principal and subsidiary organs of the United Nations and to conferences convened by the United Nations are present in a state for the discharge of their duties shall not be considered as periods of residence.

"SEC. 14. Privileges and immunities are accorded to the representatives of members not for the personal benefit of the individuals themselves, but in order to safeguard the independent exercise of their functions in connection with the United Nations. Consequently a member not only has the right but is under a duty to waive the immunity of its representative in any case where in the opinion of the member the immunity would impede the course of justice, and it can be waived without prejudice to the purpose for which the immunity is accorded.

"SEC. 15. The provisions of sections 11, 12, and 13 are not applicable as between a representative and the authorities of the state of which he is a national or of which he is or has been the representative.

"SEC. 16. In this article the expression "representatives" shall be deemed to include all delegates, deputy delegates, advisers, technical experts, and secretaries of delegations.

"ARTICLE V. OFFICIALS

"SEC. 17. The Secretary-General will specify the categories of officials to which the provisions of this article and article VII shall apply. He shall submit these categories to the General Assembly. Thereafter these categories shall be communicated to the governments of all members. The names of the officials included in these categories shall from time to be made known to the governments of members.

"SEC. 18. Officials of the United Nations shall:

"(a) be immune from legal process in respect of words spoken or written and all acts performed by them in their official capacity;

"(b) be exempt from taxation on the salaries and emoluments paid to them by the United Nations;

"(c) be immune from national service obligations;

"(d) be immune, together with their spouses and relatives dependent on them, from immigration restrictions and alien registration;

"(e) be accorded the same privileges in respect of exchange facilities as are accorded to the officials of comparable ranks forming part of diplomatic missions to the Government concerned;

"(f) be given, together with their spouses and relatives dependent on them, the same repatriation facilities in time of international crisis as diplomatic envoys;

"(g) have the right to import free of duty their furniture and effects at the time of first taking up their post in the country in question.

"SEC. 19. In addition to the immunities and privileges specified in section 18, the Secretary-General and all Assistant Secretaries-General shall be accorded in respect of themselves, their spouses and minor children, the privileges and immunities, exemptions and facilities accorded to diplomatic envoys, in accordance with international law.

"SEC. 20. Privileges and immunities are granted to officials in the interests of the United Nations and not for the personal benefit of the individuals themselves. The Secretary-General shall have the right and the duty to waive the immunity of any official in any case where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the United Nations. In the case of the Secretary-General, the Security Council shall have the right to waive immunity.

"SEC. 21. The United Nations shall cooperate at all times with the appropriate authorities of Members to facilitate the proper administration of justice, secure the observance of police regulations and prevent the occurrence of any abuse in connection with the privileges, immunities and facilities mentioned in this article.

"ARTICLE VI. EXPERTS ON MISSIONS FOR THE UNITED NATIONS

"SEC. 22. Experts (other than officials coming within the scope of art. V) performing missions for the United Nations shall be accorded such privileges and immunities as are necessary for the independent exercise of their functions during the period of their missions, including the time spent on journeys in connection with their missions. In particular they shall be accorded:

"(a) immunity from personal arrest or detention and from seizure of their personal baggage;

"(b) in respect of words spoken or written and acts done by them in the course of the performance of their mission, immunity from legal process of every kind. This immunity from legal process shall continue to be accorded notwithstanding that the persons concerned are no longer employed on missions for the United Nations;

"(c) inviolability for all papers and documents;

"(d) for the purpose of their communications with the United Nations, the right to use codes and to receive papers or correspondence by courier or in sealed bags;

"(e) the same facilities in respect of currency or exchange restrictions as are accorded to representatives of foreign governments on temporary official missions;

"(f) the same immunities and facilities in respect of their personal baggage as are accorded to diplomatic envoys.

"SEC. 23. Privileges and immunities are granted to experts in the interests of the United Nations and not for the personal benefit of the individuals themselves. The Secretary-General shall have the right and the duty to waive the immunity of any expert in any case where, in his opinion, the immunity would impede the course of justice and it can be waived without prejudice to the interests of the United Nations.

"ARTICLE VII. UNITED NATIONS LAISSEZ-PASSER

"SEC. 24. The United Nations may issue United Nations laissez-passer to its officials. These laissez-passer shall be recognized and accepted as valid travel documents by the authorities of Members, taking into account the provisions of Section 25.

"SEC. 25. Applications for visas (where required) from the holders of United Nations laissez-passer, when accompanied by a certificate that they are traveling on the business of the United Nations, shall be dealt with as speedily as possible. In addition, such persons shall be granted facilities for speedy travel.

"SEC. 26. Similar facilities to those specified in section 25 shall be accorded to experts and other persons who, though not the holders of United Nations laissez-passer, have a certificate that they are traveling on the business of the United Nations.

"SEC. 27. The Secretary-General, Assistant Secretaries-General, and Directors traveling on United Nations laissez-passer on the business of the United Nations shall be granted the same facilities as are accorded to diplomatic envoys.

"SEC. 28. The provisions of this article may be applied to the comparable officials of specialized agencies if the agreements for relationship made under article 63 of the Charter so provide.

"ARTICLE VIII. SETTLEMENT OF DISPUTES

"SEC. 29. The United Nations shall make provisions for appropriate modes of settlement of:

"(a) disputes arising out of contracts or other disputes of a private law character to which the United Nations is a party;

"(b) disputes involving any official of the United Nations who by reason of his official position enjoys immunity, if immunity has not been waived by the Secretary-General.

"SEC. 30. All differences arising out of the interpretation or application of the present convention shall be referred to the International Court of Justice, unless in any case it is agreed by the parties to have recourse to another mode of settlement. If a difference arises between the United Nations on the one hand and a member on the other hand, a request shall be made for an advisory opinion on any legal question involved in accordance with article 96 of the Charter and article 65 of the statute of the Court. The opinion given by the Court shall be accepted as decisive by the parties.

"FINAL ARTICLE

"SEC. 31. This convention is submitted to every member of the United Nations for accession.

"SEC. 32. Accession shall be affected by deposit of an instrument with the Secretary-General of the United Nations and the convention shall come into force as regards each member on the date of deposit of each instrument of accession.

"SEC. 33. The Secretary-General shall inform all members of the United Nations of the deposit of each accession.

"SEC. 34. It is understood that, when an instrument of accession is deposited on behalf of any member, the member will be in a position under its own law to give effect to the terms of this convention.

"SEC. 35. This convention shall continue in force as between the United Nations and every member which has deposited an instrument of accession for so long as that member remains a member of the United Nations, or until a revised general convention has been approved by the General Assembly and that member has become a party to this revised convention.

"SEC. 36. The Secretary-General may conclude with any member or members supplementary agreements adjusting the provisions of this convention so far as that member or those members are concerned. These supplementary agreements shall in each case be subject to the approval of the General Assembly."

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The clerk will state the next bill on the calendar.

Mr. BARKLEY. Mr. President, the remaining bills on the calendar were reported only yesterday, and there are no reports available. I suggest that the calling of the remainder of the calendar await the receipt of copies of the reported bills, so that we can see what amendments have been made, and examine the reports on them.

Mr. TAFT. Mr. President, I fully agree with the view of the Senator from Kentucky. These bills were reported only yesterday. There are no reports and no copies of the bills in the files on the desks of Senators. Of course, if any Senator wishes to make a motion to consider a specific bill, he can describe it.

Mr. BARKLEY. Even in that event, without copies of the bills as reported, showing the amendments, and reports explaining the bills, we should all be in a blind alley. My suggestion would involve a delay of only a day.

Mr. TAFT. I may say that it is contemplated that there will be a call of the calendar not later than Monday. I do not know whether it can be called again this week.

Mr. BARKLEY. It is better to do it that way than to try to go through the calendar without any information about the bills.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. I have no objection to the procedure which has been suggested. However, there is one bill on the calendar which comes within the class about which the Senator is speaking, which is purely an emergency measure. If it is to accomplish anything it must not only pass the Senate but also the House of Representatives.

The time between now and July 26 is getting very short, especially for action in the House of Representatives. I should like very much, if the Senator from Ohio [Mr. TAFT] is advised of the nature of the bill I have in mind, that I may make a motion to take up that particular measure and make an explanation of it, in order to meet the time situation.

Mr. BARKLEY. What is the bill?

Mr. HATCH. It is a stop-gap measure relating to an irrigation project in New Mexico.

Mr. BARKLEY. There may be a few isolated bills on the calendar about which we might get information, but, as a whole, we do not have any information before us concerning the bills which were reported yesterday.

Mr. HATCH. I could explain it in 3 minutes' time if I had the opportunity.

The PRESIDENT pro tempore. So far as the Chair is concerned, the Chair can do nothing except to continue the call of the calendar, unless there be a contrary order of the Senate.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the call of the calendar from here on be suspended until further order of the Senate, and that it be called whenever the bills, amendments, and reports are available for the information of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, would that preclude making motions to take up bills objected to yesterday?

Mr. BARKLEY. No; I do not think so. It is in order to move to take up any bill on the calendar at any time.

The PRESIDENT pro tempore. Immediately before taking the recess last night that question was answered by the Chair. The Chair specifically stated that bills which had been passed over in the call of the calendar could be recalled.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. I do not understand that a motion to take up a bill and make it the unfinished business is in order.

The PRESIDENT pro tempore. The Senator is entirely correct. The Chair is speaking of unanimous consent to take up any bills on yesterday's calendar.

Mr. BARKLEY. Mr. President, when there is no other matter pending before the Senate it is in order to call up a bill on the calendar, is it not?

The PRESIDENT pro tempore. The Senator is correct. That may be done when the call is completed.

Mr. MAGNUSON. Mr. President, a Senator may ask unanimous consent to take up bills passed over yesterday?

Mr. BARKLEY. That has nothing to do with this question. I was talking about the bills which were reported yesterday.

The PRESIDENT pro tempore. The Senator from Kentucky is asking unanimous consent that the calling of the remainder of the calendar be dispensed with. If the order shall be made, the Chair will be glad to entertain any request to return to any bills which were passed over on yesterday's call of the calendar.

Mr. SALTONSTALL. Mr. President, yesterday there were passed over Senate bill 1324 and Senate bill 995, being Orders Nos. 440 and 441, on page 10 of the calendar. I now ask unanimous consent——

The PRESIDENT pro tempore. The Senator will have to wait until we discover whether there is a unanimous-consent agreement.

Mr. McCARRAN. Mr. President, reserving the right to object, and taking into consideration the statement made by the Presiding Officer a moment ago, before the request of the Senator from Kentucky is granted, I ask unanimous consent to withdraw my objection to the consideration of Order No. 576, House bill 2857, which was called this morning.

The PRESIDENT pro tempore. Does the Senator object to the unanimous-consent request of the Senator from Kentucky [Mr. BARKLEY]?

Mr. McCARRAN. I want to make certain that my objection is withdrawn as to the bill mentioned, which was called this morning.

The PRESIDENT pro tempore. The Senator's objection is withdrawn; and as soon as the unanimous-consent request is agreed to the Presiding Officer will recognize the Senator from Nevada with regard to the bill to which he has referred.

Mr. JOHNSON of Colorado. Mr. President, reserving the right to object, I should like to find out at what point on the calendar the Senate is now considering bills.

Mr. BARKLEY. My request referred to Calendar No. 581, House bill 3587, and those following.

Mr. REVERCOMB. Mr. President, reserving the right to object, I understand that the reason for the motion at this time by the Senator from Kentucky is that certain reports have not as yet been filed for the information of the Senate. Is that correct?

Mr. BARKLEY. Yes. Furthermore, there are bills on the calendar with amendments, and the reported bills and amendments are not before us.

Mr. TAFT. There are no bills and no reports after the one we have just considered.

Mr. REVERCOMB. In one instance I know that a report has been filed on a bill from the Judiciary Committee a number of days ago. It then had to go back to the Committee on Rules and Administration. I do not want to make objection as to those bills on which there are no reports. I think the point is well taken. But if the report to which I am referring is brought forth today, I feel that I have a right to move to take up the bill for immediate consideration.

The PRESIDENT pro tempore. There can be no motions to take up bills under the order upon which we are now proceeding. That will have to be done by unanimous consent.

Is there objection to the request of the Senator from Kentucky?

Mr. BREWSTER. Mr. President, reserving the right to object, I should like to point out that Calendar No. 581, House bill 3587, was disposed of by the Senate yesterday. So that we may clear the calendar to that extent.

The PRESIDENT pro tempore. That happens to be the fact, but it has no particular bearing upon the immediate question to which the Chair is trying to get an answer. Is there objection to the request of the Senator from Kentucky? The Chair hears none; and the order is made. Therefore the calendar is now open to recall for consideration any bills which were passed over yesterday.

The Chair has agreed to recognize the Senator from Nevada [Mr. McCARRAN], and he does so.

EXTENSION OF SECOND-CLASS MAILING PRIVILEGES TO BULLETINS ISSUED BY STATE CONSERVATION AND FISH AND GAME AGENCIES

Mr. McCARRAN. Mr. President, when Order No. 576, House bill 2857, was called a few moments ago I interposed an objection. I have since looked into the matter and I now withdraw my objection. I have no objection.

The PRESIDENT pro tempore. The clerk will state House bill 2857 by title.

The CHIEF CLERK. A bill (H. R. 2857) to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LANGER. Is the bill subject to amendment from the floor?

The PRESIDENT pro tempore. It is.

Mr. LANGER. Then at this time I move that at the appropriate place in the bill the following words be inserted——

The PRESIDENT pro tempore. First, the Chair will have to discover whether the Senate is willing to consider the bill.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LANGER. Mr. President, I offer an amendment to insert on page 2, line 2, after the word "department", a comma and the words "by the adjutants general of each of the States."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

APPLICATION OF CIVIL-SERVICE RETIREMENT TO OFFICERS AND EMPLOYEES OF NATIONAL LIBRARY FOR THE BLIND

Mr. SALTONSTALL. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 1324, which was passed over yesterday. This bill would permit employees of the National Library for the Blind, at their option, to be included in the civil-service retirement system of the National Government. There are approximately eight employees in the National Library for the Blind. That library is soon to be taken over by the Library of Congress.

The PRESIDENT pro tempore. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1324) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 3 of the Civil Service Retirement Act, approved May 29, 1930, as amended (U. S. C., title 5, sec. 693 (a)), is amended by inserting before the colon preceding the first proviso thereof a comma and the following: "and to all officers and employees of the National Library for the Blind at the election of such officers and employees as herein provided."

SEC. 2. Subsection (a) of section 3 of such act is further amended by adding at the end thereof two new sentences as follows: "In the case of any officer or employee in the service of the National Library for the Blind on the effective date of this amendment, notice of desire to come within the purview of the act must be given to the disbursing officer by whom his salary is paid within 6 months from the date of enactment of this act. In the case of any officer or employee

of the National Library for the Blind who enters the service of such institution after the date of enactment of this amendment, such notice of desire to come within the purview of this act must be given within 6 months after the date of entrance into such service."

SEC. 3. The first paragraph of section 5 of such act is amended by inserting after "or the legislative branch of the Government" a comma and "and periods of service as an officer or employee of the National Library for the Blind."

SEC. 4. Any service rendered prior to the effective date of this act as an officer or employee of the National Library for the Blind shall be considered creditable service for the purposes of section 9 of such act.

APPLICATION OF CIVIL SERVICE RETIREMENT TO OFFICERS AND EMPLOYEES OF THE COLUMBIA INSTITUTION FOR THE DEAF

Mr. SALTONSTALL. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 995, which was passed over yesterday. This bill would permit officers and employees of the Columbia Institution for the Deaf, at their option, to be included in the civil-service retirement system of the National Government. There are approximately 90 employees in the Columbia Institution for the Deaf. There is ample precedent for this bill and the one just passed. The Smithsonian Institution, the Howard University, and the Mellon Art Gallery are three institutions having similar relationship. I hope that the bill will be passed.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 995) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the bill (S. 995) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 3 of the Civil Service Retirement Act, approved May 29, 1930, as amended (U. S. C., title 5, sec. 693 (a)), is amended by inserting before the colon preceding the first proviso thereof a comma and the following: "and to all officers and employees of the Columbia Institution for the Deaf at the election of such officers and employees as herein provided."

SEC. 2. Subsection (a) of section 3 of such act is further amended by adding at the end thereof two new sentences as follows: "In the case of any officer or employee in the service of the Columbia Institution for the Deaf on the effective date of this amendment, notice of desire to come within the purview of the act must be given to the disbursing officer by whom his salary is paid within 6 months from the date of enactment of this act. In the case of any officer or employee of the Columbia Institution for the Deaf who enters the service of such institution after the date of enactment of this amendment, such notice of desire to come within the purview of this act must be given within 6 months after the date of entrance into such service."

SEC. 3. The first paragraph of section 5 of such act is amended by inserting after "or the legislative branch of the Government" a comma and "and periods of service as an officer or employee of the Columbia Institution for the Deaf."

SEC. 4. Any service rendered prior to the effective date of this act as an officer or employee of the Columbia Institution of the Deaf shall be considered creditable service for the purposes of section 9 of such act.

FORT McINTOSH, TEX.

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of House bill 2225, Calendar No. 532, to which objection was made yesterday. I feel sure that it will not be objected to today.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 2225) authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement.

Mr. CHAVEZ. Mr. President, reserving the right to object, although I do not believe I shall object, I wish to say that the reason why I objected to consideration of the bill yesterday was that I try to keep up with my constituents, and it appears that in New Mexico the Young Republicans have declared war on Texas, including the senior Senator from Texas [Mr. CONNALLY].

I hold in my hand a short article from the Albuquerque Journal of July 13, and which reads, in part, as follows:

YOUNG GOP BACKS RIO FLOOD PROJECT

Opposition to development of the lower Rio Grande in Texas until an appropriation for the proposed middle Rio Grande project has been passed by Congress was expressed Saturday by the Bernalillo County Young Republican Club at its organizational meeting.

The group also elected Joe Wilson as chairman and heard a report on the organization's national convention.

In a formal resolution, the group requested New Mexico's congressional delegation "not favor appropriations for the Texas Lower Rio Grande project until the survey and repairs of the middle Rio Grande area is completed, and appropriations made accordingly."

In discussing the resolution, Richard Losh, who was chairman of the meeting's resolutions committee, stated that Texas has a proposal for a $65,000,000 project on the lower Rio Grande but that Senator TOM CONNALLY of Texas "has fought to prevent appropriations being made for the middle Rio Grande survey."

In other words, appropriations for New Mexico.

Of course I wish to find out about the situation, and I wish to represent my New Mexico constituents properly, but I do not desire to be fanatic about the matter. Out of consideration for Webb County, which I love, and because I like the people of that county, I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the request for present consideration of the bill?

There being no objection, the bill (H. R. 2225) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 739, Calendar No. 470, a companion bill to the bill just passed, will be indefinitely postponed.

STATISTICS OF COTTONSEED AND COTTONSEED PRODUCTS

Mr. HAWKES. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1497, Calendar No. 494, to which I understand the Senator from New Mexico has objected. Let me ask whether I am correct in understanding that the Senator from New Mexico now is withdrawing his objection to the bill.

Mr. CHAVEZ. Mr. President, I did not object to the bill. I might have objected to having it considered at that point during the call of the calendar, but I have no objection to the bill at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1497) to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916, which had been reported from the Committee on Civil Service with an amendment to strike out all after the enacting clause and insert:

That the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916 (39 Stat. 436; U. S. C., title 13, secs. 81 to 84, inclusive), is amended to read as follows:

"That (a) the Director of the Census is authorized and directed to collect, collate, and publish monthly statistics concerning—

"(1) the quantities of (A) cottonseed, soybeans, peanuts, flaxseed, corn germs, copra, sesame seed, babassu nuts and kernels, and other oilseeds, nuts, and kernels received, crushed, and on hand at oil mills; (B) crude and refined oils, cakes, and meals, and other primary products, by type or kind, of the above-mentioned seeds, nuts, and kernels manufactured, shipped out, and on hand at oil mills and processing establishments; (C) crude and refined vegetable oils, by type or kind, used by class of product and held by manufacturers of vegetable shortening, margarine, soap, and other principal products using large quantities of vegetable oils; (D) crude and refined vegetable oils, by type or kind, held in warehouses and in transit to consuming establishments;

"(2) the quantities, by types or kinds, of (A) animal fats and oils and greases produced; (B) animal fats and oils and greases shipped and held by producers; (C) animal fats and oils and greases, fish and marine mammal oils used by class of product and held by manufacturers of shortening, margarine, soap, and other principal products which require the use of large quantities of animal fats and oils and greases, fish and marine mammal oils; (D) animal fats and oils and greases, fish and marine mammal oils held in warehouses, cold storage, and in transit to consuming establishments.

"(b) Nothing in this section shall be construed to require the Director to collect, more frequently than he deems necessary to provide reliable statistical reports, information from any person who produces, holds, or consumes fats and oils in inconsequential quantities.

"SEC. 2. The inquiries, and the number, form, and subdivisions thereof for the censuses and surveys provided for in this act, shall be determined by the Director of the Census, with the approval of the Secretary of Commerce.

"SEC. 3. All information furnished to the Bureau of the Census by any individual establishment under the provisions of this act shall be considered as strictly confidential and shall be used only for the statistical purposes for which it is furnished, and shall not be used for any other purpose. Any employee of the Bureau of the Census who, without the written authority of the Director of the Census, shall publish or communicate any information given into his possession by reason of his employment under the provisions of this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 1 year, or both.

"SEC. 4. It shall be the duty of each owner, official, agent, or person in charge of any mill, or of any manufacturing or wholesale establishment or warehouse, or cold-storage establishment, when requested by the Director of the Census or by an employee of the Bureau of the Census acting under instructions of said Director, to answer correctly, to the best of his ability, all questions of the census schedules submitted to him under the provisions of this act. Any owner, official, agent, or person in charge of any mill, or of any manufacturing or wholesale establishment or warehouse, or cold-storage establishment, who shall willfully refuse or neglect to answer any questions of the census schedules submitted to him under the provisions of this act or shall willfully answer any such questions falsely shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $1,000. The request of the Director of the Census may be made by registered mail, by telegraph, by visiting representative, or by one or more of these, and if made by registered mail or by telegraph the return receipt therefore shall be prima facie evidence of an official request.

"SEC. 5. The Director of the Census shall not by this act be restricted or limited from collecting and publishing under the general authority of the Bureau such statistics on fats and oils or products thereof not specifically herein required as is deemed to be in the public interest.

"SEC. 6. Statistics now required under existing Federal law to be collected by any other Federal department or agency in a manner comparable both as to form and period of time to the collection of statistics provided for herein shall not be collected by the Director of the Census under the authority of this act: *Provided*, That immediately upon his request, the Director of the Census shall have access to any such statistics and shall include them in the publication required herein."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. HAWKES. Mr. President, I have two amendments to offer to the committee amendment. I send the first amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 7, in line 14, after the word "establishment" and the comma, it is proposed to insert "engaged in the activities set forth in subsection (a) of section 1, and."

The amendment to the amendment was agreed to.

Mr. HAWKES. Mr. President, I have another amendment which I offer to the committee amendment, and I ask to have it stated.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 7, in line 21, after the word "establishment" and the comma, it is proposed to strike out "who shall willfully refuse or neglect" and insert "engaged in the activities set forth in subsection (a) of section 1, and who shall refuse or willfully neglect."

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment and third reading of the bill.

The bill (S. 1497) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916 (39 Stat. 436; U. S. C., title 13, secs. 81 to 84, inclusive), is amended to read as follows:

"That (a) the Director of the Census is authorized and directed to collect, collate, and publish monthly statistics concerning—

"(1) the quantities of (A) cottonseed, soybeans, peanuts, flaxseed, corn germs, copra, sesame seed, babassu nuts and kernels, and other oilseeds, nuts, and kernels received, crushed, and on hand at oil mills; (B) crude and refined oils, cakes, and meals, and other primary products, by type or kind, of the above-mentioned seeds, nuts, and kernels manufactured, shipped out, and on hand at oil mills and processing establishments; (C) crude and refined vegetable oils, by type or kind, used by class of product and held by manufacturers of vegetable shortening, margarine, soap, and other principal products using large quantities of vegetable oils; (D) crude and refined vegetable oils, by type or kind, held in warehouses and in transit to consuming establishments;

"(2) the quantities, by types or kinds, of (A) animal fats and oils and greases produced; (B) animal fats and oils and greases shipped and held by producers; (C) animal fats and oils and greases, fish and marine mammal oils used by class of product and held by manufacturers of shortening, margarine, soap, and other principal products which require the use of large quantities of animal fats and oils and greases, fish and marine mammal oils; (D) animal fats and oils and greases, fish and marine mammal oils held in warehouses, cold storage, and in transit to consuming establishments.

"(b) Nothing in this section shall be construed to require the Director to collect, more frequently than he deems necessary to provide reliable statistical reports, information from any person who produces, holds, or consumes fats and oils in inconsequential quantities.

"SEC. 2. The inquiries, and the number, form, and subdivisions thereof for the censuses and surveys provided for in this act, shall be determined by the Director of the Census, with the approval of the Secretary of Commerce.

"SEC. 3. All information furnished to the Bureau of the census by any individual establishment under the provisions of this act shall be considered as strictly confidential and shall be used only for the statistical purposes for which it is furnished, and shall not be used for any other purpose. Any employee of the Bureau of the Census who, without the written authority of the Director of the Census, shall publish or communicate any information given into his possession by reason of his employment under the provisions of this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 1 year, or both.

"SEC. 4. It shall be the duty of each owner, official, agent, or person in charge of any mill, or of any manufacturing or wholesale establishment or warehouse, or cold-storage establishment, engaged in the activities set forth in subsection (a) of section 1, and when requested by the Director of the Census or by an employee of the Bureau of the Census acting under instructions of said Director, to answer correctly, to the best of his ability, all questions of the census schedules submitted to him under the provisions of this act. Any owner, official, agent, or person in charge of any mill, or of any manufacturing or wholesale establishment or warehouse, or cold-storage establishment, engaged in the activities set forth in subsection (a) of section 1, and who shall refuse or willfully neglect to answer any questions of the census schedules submitted to him under the provisions of this act or shall willfully answer any such questions falsely shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $1,000. The request of the Director of the Census may be made by registered mail, by telegraph, by visiting representative, or by one or more of these, and if made by registered mail or by telegraph the return receipt therefor shall be prima facie evidence of an official request.

"SEC. 5. The Director of the Census shall not by this act be restricted or limited from collecting and publishing under the general authority of the Bureau such statistics on fats and oils or products thereof not specifically herein required as is deemed to be in the public interest.

"SEC. 6. Statistics now required under existing Federal law to be collected by any other Federal department or agency in a manner comparable both as to form and period of time to the collection of statistics provided for herein shall not be collected by the Director of the Census under the authority of this act: *Provided*, That immediately upon his request, the Director of the Census shall have access to any such statistics and shall include them in the publication required herein."

AMENDMENT OF NATURAL GAS ACT

Mr. MOORE. Mr. President, I ask unanimous consent for the present consideration of House bill 2956, Calendar No. 465, which was passed over yesterday on the objection of the Senator from New Mexico.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 2956) to amend the Natural Gas Act approved June 21, 1938, as amended.

Mr. MOORE. I understand that the Senator from New Mexico has withdrawn his objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CHAVEZ. Mr. President, there seems to be a misunderstanding here that certain Senators were objecting to bills. That was not the case at all. The objection was to returning to a preceding part of the calendar, and not proceeding with the calendar at the point which had then been reached.

Mr. JOHNSON of Colorado. Mr. President, I do not even see the bill on the calendar.

The PRESIDENT pro tempore. The bill is not on the printed calendar. That is a typographical error. The bill is the same as Senate bill 1028, Calendar No. 436, which is on the calendar.

Is there objection to the request of the Senator from Oklahoma for the present consideration of the bill?

There being no objection, the bill (H. R. 2956) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1028, Calendar No. 436, a companion bill, is indefinitely postponed.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. McGRATH. Mr. President, I ask unanimous consent that the Senate revert to House bill 3131, Calendar No. 483.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McGRATH. Mr. President, during the call of the calendar yesterday, the Senator from Louisiana objected, stating that he would object unless we would accept an amendment which he was prepared to offer. At the moment I was unable to give him an answer, because I was handling the bill for the Senator from Delaware [Mr. BUCK], the chairman of the Committee on the District of Columbia.

Since that time I have communicated with the Senator from Delaware and with other members of the Committee on the District of Columbia, and they have consented to accept the amendment as offered or proposed to be offered by the Senator from Louisiana.

Therefore, I ask unanimous consent that the amendment intended to be proposed by Mr. OVERTON, which now lies at the desk, be now considered as offered by him, and be presented for consideration.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The amendment will be stated.

The CHIEF CLERK. At the end of the bill, it is proposed to insert the following new section:

SEC. 2. Section 5 of such act, as amended (D. C. Code, 1940 ed., sec. 45–1605), is amended by inserting at the end thereof the following new subsection:

"(d) The relinquishment of any housing accommodations, other than those in hotels and apartment hotels, by the original tenant, lessee, or occupant thereof shall not affect any subtenant of such tenant, occupant, or lessee, and no action or proceeding to recover possession of such housing accommodations shall be maintainable by any landlord against such subtenant, so long as such subtenant continues to pay the rent to which the landlord may be entitled under the provisions of this act."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. McGRATH. I make the same request with respect to an amendment intended to be offered by the Senator from Delaware [Mr. BUCK].

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The amendment will be stated.

The CHIEF CLERK. In line 7, it is proposed to strike out "1947" and insert in lieu thereof "December 31, 1947".

Mr. TAFT. Mr. President, I did not understand the amendment.

The PRESIDENT pro tempore. The amendment will be restated.

The CHIEF CLERK. In line 7, it is proposed to strike out "1947" and insert in lieu thereof "December 31, 1947".

Mr. McGRATH. I might explain that the amendment merely corrects a technical error in the printing of the bill. It makes no change in the bill itself.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to extend for 3 months the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended."

Mr. McGRATH. Mr. President, this is a House bill the Senate has amended, and I believe it is in order at this time that I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on behalf of the Senate. I do so move.

The motion was agreed to and the President pro tempore appointed Mr. BUCK, Mr. BALL, and Mr. McGRATH conferees on the part of the Senate.

INCREASES IN CIVIL WAR AND SPANISH-AMERICAN WAR PENSIONS

Mr. RUSSELL. Mr. President, inasmuch as the RECORD erroneously indicates that I interposed objection to Order No. 497, House bill 3961, to provide increases in the rate of pension payable to Spanish-American War and Civil War veterans and their dependents, I should like to inquire whether that bill has been passed today. If it has not, I think the bill should be again called, because I do not like to have the RECORD show I objected to it. Then any Senator who wished to do so could interpose objection.

The PRESIDENT pro tempore. The Senator from Georgia asks unanimous consent that the Senate recur to Calendar No. 497, House bill 3961.

Mr. BYRD. Mr. President, I do not think that bill should be passed on the Unanimous Consent Calendar, and I object.

The PRESIDENT pro tempore. The Senator from Virginia objects.

SPECIAL COINAGE COMMEMORATIVE OF ADMISSION OF WISCONSIN

Mr. JOHNSON of Colorado. Mr. President, earlier in the day I objected to three bills, so-called special coinage bills. I objected because I have a similar bill pending in the Committee on Banking and Currency. I felt that no special coinage bill should be considered on the calendar unless all pending bills were considered. My bill is still in committee. However, I do not wish to be an obstructionist, so I am withdrawing my objection to Calendar 527, House bill 1180, and ask that it be considered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado that the Senate recur to Calendar No. 527, House bill 1180, to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State?

Mr. TAFT. I object.

The PRESIDENT pro tempore. The Senator from Ohio objects.

Mr. MURRAY. Mr. President——

Mr. TAFT. Mr. President, if the bill to which I have just objected is the Wisconsin bill, I do not wish to object.

Mr. JOHNSON of Colorado. It is the Wisconsin bill.

The PRESIDENT pro tempore. The objection is withdrawn?

Mr. TAFT. Yes.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. FULBRIGHT. Mr. President, there seem to be other Senators interested in similar bills. I do not see the Senator from Virginia present. There are three similar bills. I have no interest in any of them, except that I am a member of the committee and heard the discussion. There are three different bills, as I have said. I do not know why the Senator from Colorado is selecting one. Why not take them all?

Mr. JOHNSON of Colorado. I cannot take them all three at one time.

Mr. FULBRIGHT. Does the Senator intend to ask that they all be taken up?

Mr. JOHNSON of Colorado. Yes, one at a time.

The PRESIDENT pro tempore. Is there objection to the consideration of House bill 1180?

There being no objection, the bill (H. R. 1180) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State was considered, ordered to a third reading, read the third time, and passed.

SPECIAL COINAGE COMMEMORATIVE OF UTAH PIONEERS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 539, which is the Utah coinage bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 421) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth

anniversary of the entrance of the Utah pioneers into Salt Lake Valley on July 24, 1847, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in commemoration of the one hundredth anniversary of the entrance of the Utah pioneers into Salt Lake Valley on July 24, 1847, there shall be coined not to exceed 500,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for such coinage.

SEC. 2. The coins herein authorized shall bear the date of the year in which they are minted, shall be legal tender to the amount of their face value, and shall be issued only upon the request of the treasurer of the State of Utah, upon the payment by it of the par value of such coins. Such coins shall be issued in such numbers and at such times during the calendar year 1947 as shall be requested by such State of Utah and may be disposed of at par or at a premium, and the net proceeds shall be used for the observation of the centennial as directed by the Governor of the State of Utah.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material; and for the transportation, distribution, and redemption of coins; for the prevention of debasement or counterfeiting; for the security of the coins; or for any other purpose, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

SPECIAL COINAGE COMMEMORATIVE OF PATRICK HENRY

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Senate recur to Calendar No. 567, Senate bill 318, the Virginia coinage bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 318) to authorize the coinage of 50-cent pieces to commemorate the patriotic services of Patrick Henry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That to commemorate the life and patriotic services of Patrick Henry for the independence and liberty of our country and especially to aid in preserving his home and last resting place at Red Hill, Va., forever as a national patriotic shrine, there shall be coined by the Director of the Mint not exceeding 300,000 silver 50-cent pieces of standard size, weight, and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for their coinage.

SEC. 2. The coins herein authorized shall be issued at par and only upon the request of the Patrick Henry Memorial Foundation, Inc., a corporation founded for the purpose of perpetuating the patriotic services of Patrick Henry and maintenance of his home at Red Hill, Va., as a patriotic shrine.

SEC. 3. Such coins may be disposed of at par or at a premium by such banks or trust companies, or other financial institutions, selected by the Patrick Henry Memorial Foundation, Inc., and all proceeds thereof shall be used to maintain and preserve as a suitable memorial the last home and burial place of Patrick Henry at Red Hill, Va., and as may be decided upon by the Patrick Henry Memorial Foundation, Inc.

SEC. 4. The coins authorized herein shall be issued in such numbers, and at such times, as shall be requested by the Patrick Henry Memorial Foundation, Inc., and upon payment to the United States of the face value of such coins: *Provided,* That none of such coins shall be issued after the expiration of the 5-year period immediately following the enactment of this act.

SEC. 5. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, as far as applicable, apply to the coinage herein directed.

DENTAL RESEARCH INSTITUTION

Mr. MURRAY. Mr. President, I ask unanimous consent that the Senate recur to Calendar No. 449, Senate bill 176, to provide for, foster, and aid in coordinating research relating to dental diseases and conditions.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. WHERRY. Over.

Mr. MURRAY. Mr. President, I wish to state we held extensive hearings on this bill, that it passed the Senate a year ago, and it seems to me it is of great importance to the country that the research bureau provided for in the bill should be established, because of the need for research along this line. It is supported by the American Association of Dentists, and I do not know of any objection. The bill passed the Senate before, and it should be passed again. I wish to ask what objection there is to it.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, I was one of those who objected yesterday, on behalf of a Senator who is not on the floor today. I understand the bill carries an appropriation of about $2,000,000; does it not?

Mr. MURRAY. Yes.

Mr. WHERRY. I suggest to the distinguished Senator that he press for consideration of the bill at the next call of the calendar, which I think will be arranged at almost any time, and that he confer with the Senator who asked me to object.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MURRAY. Mr. President, this bill has the unanimous support of the members of the committee.

Mr. WHERRY. I am not in any way objecting to the bill personally; I want that understood; but inasmuch as the bill carriers an appropriation of $2,000,000, a distinguished Senator asked me to object to it yesterday, and I ask whether the Senator will not join with me and let the matter go over until the next call of the calendar. I am satisfied the Senators might iron out their differences.

Mr. MURRAY. If the bill is not passed at this time, we will not be able to get it through at this session at all. It has the unanimous support of the majority members of the committee. In fact, it was unanimously reported.

Mr. WHERRY. I should like to accommodate the Senator——

The PRESIDENT pro tempore. Does the Senator from Nebraska object?

Mr. WHERRY. I do.

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF TIMBER IN TONGASS NATIONAL FOREST

Mr. MAGNUSON. Mr. President, I ask that the Senate recur to Calendar No. 446, Senate Joint Resolution 118, to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest.

The PRESIDENT pro tempore. Is there objection to the consideration of the joint resolution?

Mr. LANGER. I object.

The PRESIDENT pro tempore. The Senator from North Dakota objects.

Mr. MAGNUSON. Mr. President, I hope the Senator from North Dakota will allow me to explain the purpose of the bill and the necessity of getting something done during this session, before he objects. I hope he will reserve the right to object, and allow me to explain the bill.

Mr. BUTLER. Mr. President——

Mr. MAGNUSON. Will the Senator from North Dakota do that?

Mr. BUTLER. Will the Senator yield to me for a moment in order that I may make a statement?

The PRESIDENT pro tempore. As the matter stands, the bill will have to go over, unless the Senator from North Dakota withdraws or suspends his objection.

Mr. LANGER. I withdraw it if Senators desire to make a statement. I am going to object, anyway, when they get through.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized under the 5-minute rule.

Mr. BUTLER. Mr. President, I do not care to waste my breath.

The PRESIDENT pro tempore. The Senator from North Dakota objects.

Mr. MAGNUSON. Mr. President, I have the floor. I yielded to the Senator from Nebraska.

Mr. WHERRY. Mr. President——

The PRESIDENT pro tempore. The Senator from North Dakota, as the Chair understands, objects to the request to recur to Senate Joint Resolution 118. Therefore, it is passed over.

Mr. CAIN. Mr. President, the senior and junior Senators from Washington would like to give notice of their intention to call up Order 446, Senate Joint Resolution 118, at the earliest possible moment.

I request unanimous consent, out of order, to have inserted in the RECORD an article entitled "Congress Action Now Vital if Alaska Is To Get Pulp Industry," from the Seattle Times, covering the subject of the resolution under discussion.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS ACTION NOW VITAL IF ALASKA IS TO GET PULP INDUSTRY

(By Ross Cunningham)

The legislation proposed in Congress which would clear the way for a pulp industry in southeastern Alaska was involved today in a race against time.

Congress is scheduled to adjourn at the end of the month, proponents of the legislation point out, and if the measure is not passed by then the entire project will be held up indefinitely.

Plans are well under way for two mills between Ketchikan and Juneau and it is hoped to get them started as soon as possible to offset the shortage of pulp. The next few years are looked upon as the advantageous time for the development of the industry. This advantageous time might be lost if Congress fails to act in this session.

One site is at Thomas Bay 14 miles north of Petersburg where there is a suitable site at Cascade Falls for waterpower near the geographical center of Tongass National Forest. This forest has enough suitable timber for production of pulp over virtually an unlimited period of time.

The second site is near Ketchikan, but its exact location has not been announced publicly.

Some progress has been made in Congress toward compromising the Indian claims, which are the main blocks in the way of passage of the legislation. Representatives of some of the Indians contend the legislation should specify that 10 percent of the proceeds from the sale of the timber should be divided among the natives.

While not disputing that the Indians may have a valid claim, many Alaskans see a dangerous precedent if such a clause were included in the legislation.

If the Indians have a valid claim to 10 percent of the proceeds from the timber, this also could be construed as setting a figure for future claims by the Indians against all property in Alaska.

This would include the townsites, fishing grounds, agricultural lands in central Alaska, mineral development, and other resources.

The claims might even be held to be retroactive.

Former Secretary of the Interior Harold Ickes is blamed by Alaskans for setting in motion the Indian claims when his Department instituted the action 2 years ago by which representatives of the natives claimed the fishing rights.

There is a growing feeling in Alaska that the native claims should be settled for once and for all so they will not be raised again to cloud the issue when the Territory is on the threshold of achieving developments which it expects in coming years.

Several methods of enabling the pulp industry to be started immediately, without prejudicing the native claims, have been advanced. The suggestion most widely advocated in Alaska is to pass a simple bill assuring the industry permanence of its supply of timber, and allow the claims to be settled later.

Present thinking in Congress is to expedite the measure, with the idea of taking care of the claims in subsequent legislation or through a court test. Previous court tests of the Indian claims have been adverse to the natives.

There are bills in both branches of Congress. Committees of each House have reported their bills out favorably, but with amendments. These amendments are in conflict and will have to be settled in conference. This will require considerable legislative action within the next 2½ weeks if a consolidation is to be effected and final passage achieved.

DOCUMENTATION OF DREDGE "AJAX" AND EQUIPMENT

Mr. MAGNUSON. Mr. President, I have another unanimous-consent request to submit. I should like to have the Senate recur to Calendar No. 533, Senate bill 885, relating to the dredge *Ajax*.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington that the Senate recur to the Senate bill 885?

Mr. MAGNUSON. The Senator from Louisiana has an amendment to offer.

The PRESIDENT pro tempore. The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 885) to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under laws of the United States.

The PRESIDENT pro tempore. Is there objection to consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. OVERTON. Mr. President, I offer an amendment, to insert this language at the proper place in the bill:

Provided, That the documentation of the *Ajax* as provided in this act shall terminate upon completion of the Wrangell Narrows, Alaska, contract now in force between United States engineers and subject company.

The PRESIDENT pro tempore. The Senator from Louisiana submits the amendment which he has read. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Director of the Bureau of Marine Inspection and Navigation is authorized and directed to document under the laws of the United States the Canadian-built dredge *Ajax* and the Canadian-built dump scows *D. S. 135290, D. S. 135291, D. S. 308*, and *D. S. 310*, which are owned by the Puget Sound Towboat Co., a subsidiary of the Puget Sound Bridge & Dredging Co., in order that such vessels may continue to operate within the United States without violating the restrictions of the navigation laws on dredging operations and coastwise transportation: *Provided*, That the documentation of the *Ajax* as provided in this act shall terminate upon completion of the Wrangell Narrows, Alaska, contract now in force between United States engineers and subject company.

Mr. OVERTON. Mr. President, in connection with the bill just passed, I ask to have printed at this point in the RECORD a letter received by me from the Senator from Washington.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
July 17, 1947.

Senator JOHN H. OVERTON,
United States Senate,
Washington, D. C.

DEAR SENATOR OVERTON: Yesterday I stated I would give you a report on the circumstances surrounding the acquisition and use of the dredge *Ajax* by Puget Sound Bridge & Dredging Co.

First, let me say that I agree with you completely that American firms should not be subjected to the kind of competition which would result from wholesale acquisition of this type of equipment acquired from Canadian builders. I sincerely feel, however, that the circumstances in this case are such as to warrant an exception to the general principles in which we both believe.

During the war Puget Sound Bridge & Dredging Co. was working on Army-Navy contracts in Alaska. The work being performed was vital to the defense of the Nation. While performing this work in Alaskan waters, the company's dredge, the *Everett*, together with her dump scows, was lost. At the insistence of the Navy the company immediately sought a replacement, as the urgency of the work demanded no disruption. The only dredge available was the *Ajax*, then owned by the Dominion Government of Canada. The company purchased the *Ajax* to replace their dredge, the *Everett*, upon assurance by the Navy of assistance in obtaining easements for her use.

The company is now engaged in a contract for the Army engineers involving dredging operations at the Wrangell Narrows in Alaska. The *Ajax* has a steel hull, and in the winter operations which are necessary in performance of the present contract the ice conditions in that area make a wooden-hull dredge totally unsuitable for the work. There are only two other clipper dredges on the west coast. One is engaged in work on the Columbia River for the Corps of Engineers. The other, a wooden-hull dredge, is idle at Antioch, Calif.

The existence of this equipment on the Wrangell Narrows job does not present a threat of unfair competition to other companies in the United States, because it is the only piece of equipment on the west coast eminently suitable for this particular job. Further, as I indicated before, the *Ajax* was acquired during the war emergency as a result of the loss sustained by the company in the sinking of the *Everett* and her scows while engaged on urgent war work.

I don't see how these circumstances could be repeated in any future case, and I feel, therefore, that in enacting my bill, S. 885, we are not setting a precedent which could serve in the future to encourage other companies to acquire Canadian or other foreign-built equipment. I am just as anxious to prevent such an eventuality as you are, and whereas I appreciate fully your justifiable concern for protecting American companies from unfair competition, I am sure you will recognize that the circumstances surrounding this case are unique.

WARREN G. MAGNUSON,
United States Senator.

RETURN TO UNITED STATES OF REMAINS OF VETERANS

Mr. MAYBANK. Mr. President, I ask unanimous consent to revert to Calendar No. 364, House bill 3394, to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who are buried outside of the continental United States," and that the bill be considered at this time.

The PRESIDENT pro tempore. The Senator's request is out of order, because it precedes the order number at which the call of the calendar was started.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUDS IN MISSOURI—MOTION TO DISCHARGE

Mr. WHERRY. Mr. President, has the unanimous-consent agreement now been completed?

The PRESIDENT pro tempore. As the Chair understands, there must be a further request.

Mr. WHERRY. I move, then, that the Senate proceed to the consideration of Senate Resolution 150.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate Resolution 150.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state the point.

Mr. McCARRAN. Mr. President, I should like to have the Senator explain——

Mr. LODGE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LODGE. May the title of the Senate Resolution 150 be stated?

The PRESIDENT pro tempore. Senate Resolution 150 reads as follows:

Resolved, That the Committee on the Judiciary be, and it is hereby, discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. Is it not true that a unanimous-consent agreement was entered at the instance of the Senator from Kentucky that all bills on the calendar after a certain number—I do not have the number in mind at the moment—would go over, because no reports had been filed on many of the bills? Am I not correct in the statement?

The PRESIDENT pro tempore. The Senator is correct in his statement insofar as the call of the calendar under the unanimous-consent agreement is concerned.

Mr. McCARRAN. Very well. The resolution now called has had no report filed with it, and the same objection should prevail. Is the motion subject to debate?

The PRESIDENT pro tempore. The Senator's point is not well taken, because the unanimous-consent request of the Senator from Kentucky related exclusively to the unanimous-consent call of the calendar. We have now passed from that order.

Mr. McCARRAN. Very well. The motion of the Senator from Nebraska is debatable, is it not?

The PRESIDENT pro tempore. The motion is debatable.

Mr. McCARRAN. Then the Senator from Nevada will desire to debate the motion.

The PRESIDENT pro tempore. The Senator is entitled to the floor at any time he wishes.

Mr. HATCH. Mr. President, during the time when we were going back to take up bills to which objections had been made I thought it was understood that, after that was completed, a Senator might be recognized to move to take up one of the bills which had been caught within the unanimous-consent agreement propounded by the Senator from Kentucky.

I had such a bill that I desired to move be brought up for present consideration, and I ask a brief time for the purpose of an explanation. I think that upon explanation no one will object to the bill, and it might be passed today. I ask unanimous consent that, notwithstanding the motion of the Senator from Nebraska, I may now proceed to request consideration of that bill.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent to suspend a vote on the motion of the Senator from Nebraska, pending his request to take up a bill on the calendar by unanimous consent.

Mr. HATCH. That is correctly stated.

The PRESIDENT pro tempore. Is there objection?

Mr. TAFT. I object, unless in some way the consent is confined to taking it up and passing it by unanimous consent. I object, if any debate is involved.

The PRESIDENT pro tempore. The Chair includes that in the statement.

Mr. HATCH. Mr. President, if there is any controversy or any debate, I shall withdraw the request, because I realize the report is not available. I merely want to make a brief explanation.

Mr. KEM. Mr. President, I object.

The PRESIDENT pro tempore. The Senator from Missouri objects. The question is on agreeing to the motion of the Senator from Nebraska.

Mr. HATCH. I desire to discuss the pending motion.

The PRESIDENT pro tempore. The Senator is recognized for that purpose.

Mr. BARKLEY. Mr. President, would the Senator like to have a quorum present while he discusses the motion?

Mr. HATCH. I think so.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cain	Ecton
Baldwin	Capehart	Ellender
Ball	Capper	Ferguson
Barkley	Chavez	Flanders
Brewster	Connally	Fulbright
Bricker	Cooper	George
Bridges	Cordon	Green
Brooks	Donnell	Gurney
Bushfield	Downey	Hatch
Butler	Dworshak	Hawkes
Byrd	Eastland	Hayden
Hickenlooper	Magnuson	Smith
Hill	Malone	Sparkman
Hoey	Martin	Stewart
Holland	Maybank	Taft
Ives	Millikin	Taylor
Jenner	Moore	Thomas, Okla.
Johnson, Colo.	Morse	Thomas, Utah
Kem	Murray	Thye
Kilgore	Myers	Tydings
Knowland	O'Conor	Umstead
Langer	O'Daniel	Vandenberg
Lodge	O'Mahoney	Watkins
McCarran	Overton	Wherry
McCarthy	Pepper	White
McClellan	Reed	Wiley
McFarland	Revercomb	Williams
McGrath	Robertson, Wyo.	Wilson
McKellar	Russell	Young
McMahon	Saltonstall	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

The Senator from New Mexico [Mr. HATCH] has the floor.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. FERGUSON. Mr. President, will the Senator from New Mexico yield to me?

Mr. HATCH. I am glad to yield to the Senator from Michigan. I understand the purpose for which he makes the request, and I am glad to yield. But I yield upon the express condition that I do not lose the floor by doing so.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Senator from New Mexico not lose the floor by yielding to me.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FERGUSON. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary may conduct a hearing this afternoon during the session of the Senate. The meeting will be held on the nomination of Philip B. Perlman to be Solicitor General of the United States. The subcommittee hopes to report the nomination of Mr. Perlman to the full Committee on the Judiciary on Monday next at its regular meeting. It is the desire of the subcommittee to do so, and we will make every effort to do it. Although I cannot be present at the hearing, by reason of the legislative situation in the Senate, I present the unanimous-consent request on behalf of the subcommittee. I may say that I have conferred with the able Senator from Maryland [Mr. TYDINGS], and that we are both anxious to have the matter concluded. Therefore I make the unanimous-consent request.

Mr. TYDINGS. Mr. President, will the Senator from New Mexico yield to me so I may make a brief statement?

Mr. HATCH. I yield to the Senator from Maryland on the same condition, that I do not lose the floor thereby.

Mr. TYDINGS. I desire to thank the Senator from Michigan for setting the date as Monday next when he feels the subcommittee can report the nomination to the full Committee on the Judiciary, and that it is the desire of the subcommittee to make the report at that time. In view of the long delay I certainly hope that nothing will intervene to upset that schedule. I am sure the Senator from Michigan will try with all his might and

main to make the announcement he has just made hold water.

Mr. FERGUSON. Mr. President, we will do everything possible to carry out the announced intention.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. HATCH. I yield to the Senator from Nevada upon the same condition as I have heretofore yielded.

Mr. McCARRAN. The Senator from Michigan [Mr. FERGUSON] has presented a unanimous-consent request that a subcommittee of the Committee on the Judiciary may hold a hearing this afternoon. I make a similar request that another subcommittee of the Committee on the Judiciary may be permitted to hold a hearing this afternoon at 2 o'clock, pursuant to Senate Resolution 35 of the Seventy-ninth Congress and Senate Resolution 90 of the Eightieth Congress relating to the activities of the Securities and Exchange Commission and the Post Office Department in Florida. Notice of the hearing was issued several days ago and witnesses are present and will be in attendance upon the subcommittee. They have been notified that the hearing will be held in the District of Columbia Committee room at 2 o'clock today. I make the unanimous-consent request that the subcommittee may be permitted to hold the hearing at 2 o'clock today.

The PRESIDENT pro tempore. Is there objection?

Mr. FERGUSON. Mr. President, I should like to be heard for a moment respecting that request.

Mr. HATCH. Mr. President, I must insist that unanimous consent be given that, by yielding to the Senator from Michigan further, I not lose the floor.

The PRESIDENT pro tempore. The Chair's understanding of the unanimous consent previously given is that if the situation does not get out of hand the Senator's possession of the floor will be protected.

Mr. HATCH. Very well; then I shall sit down.

Mr. FERGUSON. Mr. President, the Senator from Michigan is greatly interested in the hearing to be held before the subcommittee, with reference to which the Senator from Nevada has just spoken. It would be absolutely impossible, however, to be present and engage in debate concerning the legislation about to be considered on the floor, as well as take part in the hearing of the Perlman nomination, which the members of the subcommittee of which I am a member feel must be reported to the full committee by Monday, and also attend the hearing before the subcommittee in connection with which the Senator from Nevada has just made a request. It is impossible to be in the three places at one time. If the request made by the Senator from Nevada is granted it would mean that the Senator from Michigan would be obliged to insist upon the witnesses returning and testifying further, if their testimony is taken today at a time, when the Senator from Michigan, or some other Senator on his behalf, could take part in questioning the witnesses. I see the Senator from Oklahoma [Mr. MOORE] is on the floor. I am anxious to know if he will be able to take part in that hearing.

The PRESIDENT pro tempore. The question before the Senate is the request made by the Senator from Michigan [Mr. FERGUSON] that a subcommittee of the Committee on the Judiciary be permitted to hold a hearing this afternoon during the session of the Senate, as well as a similar request made by the Senator from Nevada [Mr. McCARRAN]. Is there objection to the two requests? The Chair hears no objection, and the requests are granted.

SOCKEYE SALMON FISHERY OF THE FRASER RIVER

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HATCH. I yield to the Senator from Washington upon the same understanding as was had previously, that I shall not lose the floor thereby.

Mr. MAGNUSON. Mr. President, I ask unanimous consent for the immediate consideration of House bill 3767. I will explain the reason for it when the Chair puts the question.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

Mr. TAFT. Mr. President, reserving the right to object, will the Senator explain the bill?

Mr. MAGNUSON. I shall be glad to do so.

The PRESIDENT pro tempore. What is the calendar number?

Mr. MAGNUSON. It is not on the calendar. The report from the committee is not before us; but this is an emergency matter, with which the Senator from Maine [Mr. WHITE] and I are quite familiar. It involves the sockeye salmon treaty with respect to the salmon fishery of the Fraser River system, which treaty was negotiated many months ago between the United States Government and the Dominion of Canada. The consent of the Congress is required to implement the treaty. The fishing season opens on next Monday; and unless the bill is passed both the Canadian and American fleets will have to remain idle.

Mr. TAFT. Mr. President, I object at this time. I shall be glad to examine the bill and the treaty, but I do not believe that we should consider any treaty which we have not seen. No Member of the Senate has seen it. We ought to have at least time to read the proposal which is before the Senate.

Mr. MAGNUSON. I may say to the Senator from Ohio that many Members of the Senate have seen it. Members of the Senate Committee on Interstate and Foreign Commerce have seen it and are familiar with it. Today we happened to become involved with the Natural Gas Act, and did not have an opportunity to reach the sockeye salmon treaty.

Mr. TAFT. I object at the present time. At the end of the day, perhaps in executive session, it may be possible to consider the question.

The PRESIDENT pro tempore. The Chair would like to inquire how a treaty comes before the Committee on Interstate and Foreign Commerce?

Mr. MAGNUSON. The President pro tempore being an expert on international affairs, I stand corrected. The word "convention" is used.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. TAFT] objects.

Mr. TAFT. I object at this time.

Mr. MAGNUSON. I hope that before the day is over I shall be able to convince the Senator from Ohio of the necessity of passing this legislation.

Mr. WHITE. Mr. President, I should like to say a word in approval of the course which the Senator from Washington is seeking to pursue. As I understand, this is a bill which passed the House, I believe, without a dissenting vote in the House. It was before the Senate Committee on Interstate and Foreign Commerce, but there has been no opportunity in the past 2 or 3 days to make any progress with other than one or two principal matters.

The bill simply undertakes to implement the convention agreements between the United States and Canada with respect to fisheries, in particular upon the Fraser River system. There is great need for this action, and I express the hope that during the day the Senator from Washington will be able to persuade the Senator from Ohio that the bill should be considered.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUDS IN MISSOURI—MOTION TO DISCHARGE

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150.

PROPOSED ADJOURNMENT OF CONGRESS

Mr. HATCH. Mr. President, I believe that Senators have now completed their routine business. I am sorry that I was unable to obtain action upon a bill which I tried to have the Senate dispose of. It was rather important, and I very much regret that objection was made. Of course, any Senator has the right to make an objection at any time, and I do not complain too much.

Before I proceed to a discussion of the pending motion, which I understand is a motion on the part of the Senator from Nebraska [Mr. WHERRY] to proceed to the consideration of a resolution relating to the report from the Judiciary Committee involving an election in Kansas City, there are several matters which I wish to discuss. I have wished for some time to discuss them on the floor of the Senate. I shall proceed to discuss one of those subjects at this time, and shall deal with others later.

First, let me say that I am quite in earnest in advocating, as I have advocated for some time, that the Congress of the United States should not adjourn

sine die with the expectation of not returning until the next regular session begins in January of next year.

Mr. President, until this morning I thought I stood alone in urging that the Congress take a recess on the 26th of July, or on some other date, for a reasonable length of time—whatever time is necessary for Members of Congress to return to their homes and secure a much needed rest and vacation, and also to visit and mingle with their constituents in their various districts and States—and return later in the year. I think it is important at intervals for Congress to adjourn or recess so as to give Members an opportunity to return to their districts and discuss issues with their constituents. There is much to be learned from a visit to the folks back home.

As I have stated, I thought I stood alone in urging that a recess be taken until some time early in the fall, and that at that time, after the vacation was over and Members had rested and visited with their constituents, they return to Washington and resume their legislative duties, and not wait until January of next year.

Today I find that I do not stand alone. If one of the pages will bring me a copy of this morning's Washington Post, I shall read an editorial which was published in that newspaper this morning. In that editorial are recited some of the things which I have had in mind, and upon which I have based my contention for a recess rather than an adjournment of the Congress.

Two or three months ago, when I first began to urge this procedure, the only reaction I obtained came from Members of Congress. Almost without exception they were opposed to the idea. None of them liked the idea, and some were very frank in telling me that I was decidedly wrong in my suggestion, all of which contributed somewhat to the lonely position in which I found myself. So, Mr. President, naturally it was with some gratification that I read an editorial this morning and found some company.

I have in my hand a copy of the Washington Post, issued today, containing an editorial which is entitled "Congress Should Return." It reads as follows:

The apparent agreement between President Truman and the Republican leaders of Congress—

That is an interesting observation. I did not notice that when I first read the editorial. I did not know that there was an agreement between the President and the Republican leaders of Congress. It is a commendable thing to have the President and the Republican leadership in accord—

that there is now in sight no necessity for Congress to reassemble next fall seems to us extremely short-sighted.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JENNER in the chair). Does the Senator from New Mexico yield to the senior Senator from Michigan?

Mr. HATCH. I yield.

Mr. VANDENBERG. I think the RECORD should be quite clear on the subject of the so-called agreement. When the Senator from Michigan returned from the White House conference on Monday he made a statement from the Chair in which he specifically stated that the President had been asked whether he expected there would be necessity for the recall of Congress prior to New Year's. His reply was that under the situation as it presently exists he saw no such necessity, but, of course, reserved to himself the right, if an emergency should arise, to exercise his judgment. There was no agreement on the matter; it was simply a question and answer as of today respecting the situation as it exists today.

Mr. HATCH. Mr. President, I am grateful to the Senator from Michigan. As a matter of fact, later I expect to discuss the situation and to say that it is my understanding, and has been all the time, that it was the thought of the leadership of this body, of the other branch of the Congress, and the President, of course, that if the necessity arose Congress would be called back into session. Everybody understands that. I want to emphasize and make clear that what I am saying does not lose sight of the fact that it is the intention to call Congress back if the necessity should arise. I hope to be able to point out during the course of my remarks that that does not adequately meet the situation, as I see it. But, nevertheless, that is a true statement, I think.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. HATCH. Yes; I yield.

Mr. VANDENBERG. In the course of the conversation there was the further suggestion by the President that perhaps there might be developments which would recommend what might be called an intermediate plan which might recall the Senate Committee on Foreign Relations, for example, ahead of the next regular session, for the purpose of doing preliminary exploration in respect to whatever plans may develop on the foreign front. All I am trying to say is that there was no agreement of any nature; it was simply a statement of the President respecting his present expectation, always reserving to himself the right of complete freedom of action, which obviously he has to reserve.

Mr. HATCH. It would have been better to say that there was a general understanding of the entire situation, rather than to use the word "agreement."

Mr. VANDENBERG. Certainly.

Mr. HATCH. I shall continue reading the editorial.

If Congress adjourns on July 26, in accord with present plans, it will inevitably leave a large volume of unfinished business.

I want to stress those words—"unfinished business"—

Many of those measures could be properly disposed of during the autumn months. Left to the regular session beginning next January, there is grave danger that they will be caught in the political merry-go-round of an election year.

On those points, Mr. President, I expect to elaborate somewhat later in my remarks, because they are some of the things which have induced me to reach the conclusion which I have reached that the Congress should not now adjourn. I read further from the editorial:

Congress has worked with great diligence during the last 6 months, and it has passed a large volume of legislation, including such momentous acts as the new labor law and the program of giving aid to Greece and Turkey. Unquestionably, its Members need a breathing spell, and this ought to be taken during the remainder of the summer months.

I might say in passing, Mr. President, that I am in complete accord with the thought that Congress does need a breathing spell and that there should be a vacation period during the summer months, but it should be only a vacation, Mr. President. I read further from the editorial:

It is equally clear, however, that next fall would be the best time to deal with such urgent legislative matters as universal military training, the admittance to this country of a portion of Europe's displaced persons, the Taft-Ellender-Wagner housing bill, flood control, comprehensive tax legislation and many other issues that demand nonpolitical deliberation. Even more important will be legislation to support the Marshall plan. To risk throwing this problem into the 1948 session along with politics, appropriations and a plethora of domestic measures would be incredibly poor planning.

I want again to emphasize that this editorial is strongly stressing my own ideas on the exact points. I think it would be tragic to risk throwing this all-important question of rehabilitation, reconstruction, and economic recovery of Europe into the Congress of the United States in a Presidential election year. On that subject I shall have more to say later.

Continuing with the editorial:

Even next fall the political pots will probably be boiling, but not with anything like the intensity that must be anticipated in 1948. When Congress meets next January it will have the appropriations bills to pass, and a disconcerting legislative jam can scarcely be avoided if some of the more difficult problems confronting it have not been previously removed. Next year, moreover, an early adjournment must be taken for granted because of the national political conventions and the campaigns that will follow. We cannot help thinking that the most practicable course would be for Congress to come back about next September 15 and get as many as possible of the major problems off its chest before the big guns of 1948 begin to boom.

Mr. President, again I say that this editorial expresses, but only in part, my own strong convictions on this subject.

As has been indicated by the discussion which took place a short while ago, it is a matter of common knowledge that the leadership of the Congress thinks it is unnecessary and will be unnecessary for the Congress to return early this fall. The President of the United States, as has been said, himself has indicated a similar thought.

Only yesterday, after the session had been adjourned and as we returned to

our respective offices in the Senate Office Building, I broached this matter to the able and distinguished Senator from Ohio [Mr. TAFT]. The Senator from Ohio was quite positive in his statement that Congress would adjourn on July 26, and that it was not intended for the Congress to return until its regular session begins in January. Of course, his view and those of all other Senators whose views I have heard expressed, including that which the Senator from Michigan [Mr. VANDENBERG] expressed just now, always are based on the reservation that Congress could and would be called back if necessary and when necessary.

Mr. President, the editorial I have just read suggests September 15 as the date on which Congress should return. I am not in agreement as to that date; I think that is a trifle early. I think Congress could well return, however, a month later, on October 15. That would give us more time, more rest, and an opportunity for better contacts with our constituents. But now the adjournment date of July 26 is about to arrive, and the time between now and July 26 is very, very short. I call attention to the fact that there now exists, almost, a legislative jam of bills and important measures, the passage of which is eagerly sought by various Members of this body who, as was the case yesterday, are eager to have the bills called on the calendar or otherwise presented to the Senate and passed, so that they can start on their way to the House of Representatives, in hope that action may be obtained in that branch of Congress before July 26 arrives. We know the number of bills that are now in conference, including the most important measures, the appropriation bills, which must be acted upon.

I wish to say now that I am in complete disagreement with the practice which has been pursued too long, namely, the practice of postponing action on important legislation until the last few days of the congressional session.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. O'MAHONEY. If the Senator will turn to the back page of the calendar which is upon the desk of every Senator, he will find there a statistical report of the status of the appropriation bills. This is the most startling and, I may say, the most appalling situation which has ever developed in my experience.

Mr. HATCH. The Senator from Wyoming is a member of the Appropriations Committee. He is thoroughly familiar with the items listed on the page of the calendar to which he has referred. I would gladly yield time to him to permit him to discuss this matter somewhat, because the situation is serious and important.

Mr. O'MAHONEY. Mr. President, it is a very simple matter. The calendar shows that the following appropriation bills for the fiscal year 1948, which began 17 days ago, have not been enacted into law: The Interior Department appropriation bill, the Navy Department appropriation bill, the Department of Agriculture Appropriation bill, the military appropriation bill, the Government corporations appropriation bill, the independent offices appropriation bill, the legislative establishment appropriation bill, the War Department civil functions appropriation bill, and the District of Columbia appropriation bill. They make a total of 9 out of 12 major appropriation bills. More than 2 weeks of the fiscal year have elapsed, and yet we have not completed action on 9 of the 12 major appropriation bills.

Mr. HATCH. Mr. President, inasmuch as the Senator has said that 2 weeks of the new fiscal year have elapsed, let me point out that less than 10 days remain between now and the proposed date of adjournment.

Mr. O'MAHONEY. Yes; it is proposed that we adjourn a week from the coming Saturday, and today is Thursday, July 17.

Mr. President, the Appropriations Committee is divided into a number of subcommittees, and the sad fact of this situation is that the consequence of this congestion on the Senate side means that the members of the subcommittees are not in position to give attention to all these bills.

For example, I am a member of the Interior Department appropriation bill conference committee. I am also a member of the subcommittee on the District of Columbia appropriations, and I am also a member of the subcommittee on the civil functions of the War Department appropriations bill. The subcommittee on the civil functions of the War Department appropriation bill has been called to mark up that bill this afternoon, but the Interior Department appropriation bill conference committee is still in session. The chairman of the subcommittee on the civil functions of the War Department appropriation bill is also a member of that conference. He cannot attend both meetings. Other members are in exactly the same position, and that situation is further complicated by the fact that the subcommittee is endeavoring to mark up the District of Columbia appropriation bill.

All that results in neglect of the public business. Senators are not able to devote their time to the consideration of these most important money bills. This session of Congress has advertised itself to the country as a Congress which is concerned with the appropriation of the taxpayers' money to run the Government, and yet we are not attending to that duty.

Chairmen of committees have come upon the floor of the Senate—and among them have been chairmen of subcommittees handling these bills—with an inadequate explanation to make on the floor of the Senate as to the bills, and we pass the bills without understanding them, because at the same time the legislative committees are calling for our services.

Mr. HATCH. Mr. President, let me say that not only are bills passed without understanding, but they are passed without information upon which we may base an understanding.

Mr. O'MAHONEY. In the last week we have passed bills upon this floor without having printed hearings available, so that Members of the Senate have not known what they were doing; and all this is being done because the whip is being held over the Congress, which is told that it must adjourn a week from Saturday, regardless of the public business. I think it is a sad commentary upon the capacity of the Congress to perform its functions.

If we neglect our duty, if we neglect these bills, if we pass bills upon the word of this Senator or that Senator, how can we complain if the powers of the Executive grow? If Congress will not do its own duty, then the executive departments must do the duty.

Here we have these nine major appropriation bills still unenacted, and we are rushing through stop-gap resolutions so as to make sure that the employees of the various departments will receive their salaries.

The legislative establishment appropriation bill has not yet been enacted. Not even the legislative employees of the Senate and the House of Representatives are receiving their salaries. There is a neglect of public business, without justification.

Congress is under no obligation to adjourn on the 26th of July, but because this congestion is permitted, it may safely be predicted that many of the bills which will be passed will contain provisions which Members of the Senate and Members of the House will greatly regret, after they have been placed upon the statute books.

Mr. HICKENLOOPER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. What is the business before the Senate?

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. HATCH. Mr. President——

Mr. HICKENLOOPER. May I have an answer to my inquiry?

The PRESIDING OFFICER. The business now pending before the Senate is the motion to proceed to the consideration of Senate Resolution 150.

Mr. HICKENLOOPER. I thank the Chair.

Mr. O'MAHONEY. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield, upon the understanding that by so yielding I shall not lose the floor.

Mr. O'MAHONEY. I merely wish to ask unanimous consent that the last page of the calendar, showing the status of appropriation bills as of today, may be printed in the RECORD at this point.

Mr. FERGUSON and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. HATCH. Upon the same understanding, that I do not lose the floor, I yield first to the Senator from Michigan.

Mr. O'MAHONEY. Mr. President, may I ascertain whether my request was granted?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Status of appropriation bills, 1st sess., 80th Cong.

Number of bill	Title	Passed House	Received and referred in Senate	Reported in Senate	Passed Senate	Sent to conference	Conference report agreed to in—		Date approved	Number of law
							Senate	House		
		1947	1947	1947	1947	1947	1947	1947	1947	
H. R. 1968	Urgent deficiencies, 1947	Feb. 18	Feb. 19	Feb. 28	Mar. 5	Mar. 6	Mar. 12	Mar. 11	Mar. 22	20
H. R. 2436	Treasury and Post Office, 1948	Mar. 11	Mar. 12	May 26	June 2	June 4	June 27	June 27	July 1	147
H. R. 2700	Labor and Federal Security, 1948	Mar. 25	Mar. 26	Apr. 28	May 5	May 12	July 2	July 2	July 8	165
H. J. Res. 159	Deficiency, 1947 (supplemental)	Mar. 26	do	Mar. 27	Mar. 28				Mar. 29	25
H. R. 2849	First deficiency, 1947	Apr. 1	Apr. 2	Apr. 21	Apr. 24	Apr. 25	May 1	Apr. 30	May 1	46
H. R. 3123	Interior, 1948	Apr. 25	Apr. 28	June 13	June 16	July 8				
H. R. 3245	Second deficiency, 1947	May 2	May 5	May 15	May 16	May 20	May 22	May 22	May 26	76
H. R. 3311	State, Justice, and Commerce, 1948	May 15	May 16	June 24	July 1	July 2	July 3	July 3	July 9	166
H. R. 3493	Navy, 1948	May 20	May 21	June 23	June 24	June 27	July 15	July 15		
H. R. 3601	Agriculture, 1948	May 28	May 29	July 11	July 14	July 15				
H. R. 3678	Military, 1948	June 5	June 6	July 9	July 15	July 16				
H. R. 3756	Government corporations, 1948	June 11	June 12	July 14	July 16					
H. R. 3791	Second urgent deficiency, 1947	June 12	June 13	June 20	June 23	June 24[1]			June 27	122
H. R. 3839	Independent offices, 1948	June 18	June 19	July 11	July 15	July 16				
H. R. 3993	Legislative, 1948	June 27	June 30	July 9	July 10	July 11	July 15	July 15		
H. R. 4002	War Department civil functions, 1948	July 2	July 3							
H. R. 4031	Emergency Appropriation Act, 1948	June 30	June 30	July 1	July 1	July 2	July 2	July 2	July 3	161
H. R. 4106	District of Columbia, 1948	July 9	July 10							

[1] House agrees to Senate amendments.

Mr. HATCH. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, in fairness to the Committee on Appropriations of the Senate it should be said at this time that the committee has devoted itself to the appropriation bills. For the first time since I have been a Member of the Senate the committee has held open hearings. It has for the first time gone into the appropriations and heard the witnesses from both sides, in an endeavor to reduce the costs of government. In previous years I have many times sat in the appropriations hearings, and they were merely a matter of form, because the same branch that was declaring what the budget should be was declaring what money should be appropriated. The Committee on Appropriations of the Senate in the present Congress has devoted itself to the hearing of appropriation matters, and as a member of the committee I wish to say that it has taken time, but the time has been well spent, because the budget of $37,500,000,000 has been reduced.

Mr. O'MAHONEY. Mr. President, will the Senator from New Mexico yield to me on that point?

Mr. HATCH. I think that in justice to the Senator from Wyoming I should yield to him, and let the discussion of the subject be concluded. Then I shall yield to the Senator from Indiana.

Mr. O'MAHONEY. Nothing I have said should be taken as a criticism of the Senate Committee on Appropriations; I did not intend it as such. However, I do contend that the delay of which I speak is not at all due to the action of the Senate committee in holding hearings. It is due to the fact that the bills have not passed the House of Representatives in time for the Senate committee to give any consideration to them. The following bills have been passed by the House, in the following order:

The military appropriation bill on June 5; the Government corporations appropriation bill on June 11; the second urgent deficiency bill on June 12; the independent offices appropriation bill on June 18; the legislative appropriation bill on June 27; the War Department civil functions appropriation bill on July 2; the Emergency Appropriation Act for 1948 on June 30; the District of Columbia appropriation bill on July 9.

Mr. President, this clearly shows that these bills have all been thrown into the lap of the Senate during the past 30 days, or slightly more, and it has been physically impossible for the Committee on Appropriations of the Senate to give the attention to the bills which they should receive. The fact of the matter is that with respect to many of these more recent bills the hearings have been of the most sketchy kind. It is true that we have held open public hearings, but I think if the volumes of printed hearings of past years are compared with the hearings this year, it will be seen that both sides have been heard in the past.

Mr. HATCH. I now yield to the Senator from Indiana.

Mr. CAPEHART. I dislike, as much as does the able Senator from New Mexico and the able Senator from Wyoming, to see delay in the Senate, but I am wondering how we are going to correct it. I am wondering if we possibly should not have a rule, or some sort of an agreement, that Senators would talk to the subject in hand and the pending business. My observation has been that the delay comes about almost entirely on account of Senators talking about other than the pending business. I am wondering if at the present time we are not observing a little filibuster. I use the term "a little filibuster."

Mr. FERGUSON. A "slight" filibuster.

Mr. CAPEHART. A slight filibuster—in respect to the motion of the able Senator from Missouri [Mr. KEM]. I appreciate that most of us have just had a big luncheon, and it is possibly the hour to relax a little, and talk about everything else except the pending business.

I do not know how we are to correct the situation the able Senator objects to unless we have some sort of a rule whereby Senators must stay on the subject, and, when the pending business is the motion of the able Senator from Missouri, not talk about whether Congress should or should not adjourn.

Far be it from me to deny any Senator the right to talk, and talk as long as he cares to, but I feel that my remarks possibly enter into the spirit of what has been going on here for the past 30 minutes, and I offer them in that spirit, perhaps not too seriously, but in the spirit of what has been happening in the Senate for the past 30 minutes.

Mr. HATCH. Mr. President, in the same spirit in which the remarks and the genial advice of the Senator from Indiana are offered, I wish to make a suggestion or two to him.

In the first place, the Senator wants to know how the situation can be corrected. In reply to that I suggest to him that if he will do me the honor to listen for a little while—and I shall not talk at any great length on the subject, though it is an important subject—he may get an idea or two.

Mr. O'MAHONEY. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. O'MAHONEY. I merely wish to explain to the Senator that I wish to ask to be excused at this time, not because I do not care to listen to his comments, but because I wish to prevent delay in the action of the Senate upon the Interior Department appropriation bill, the War Department civil functions appropriation bill, and the District of Columbia appropriation bill; so that, if I may be excused, I shall now attend the subcommittees considering those bills.

Mr. KEM. Mr. President, will the Senator from New Mexico yield to me?

Mr. HATCH. I yield to the Senator from Missouri.

Mr. KEM. I wish to indulge the hope that before he concludes his remarks,

the able and talented author of the Hatch Act will give the Senate the benefit of his views on clean elections in Kansas City.

Mr. HATCH. It will not take me very long to give my views on the question of clean elections in Kansas City, or New Mexico, Michigan, or any other place. I can do that very quickly, and in very few words.

Mr. KEM. I am sure the Senate would be interested to hear the Senator's remarks on that subject.

Mr. HATCH. The Senate has heard me on that subject many times at length.

Mr. KEM. I take it, then, that the Senator's views have not changed?

Mr. HATCH. My views have not changed. If anything, they grow stronger all the time.

Mr. KEM. I am very glad to hear that, and I hope that the views of the Senator from New Mexico will be joined in by his colleagues on the other side of the aisle when the pending motion comes to a vote.

Mr. HATCH. Mr. President, I continue the discussion, and I am very serious about the matters I am discussing. I am not talking for the purpose of killing time. When I began my remarks I had expected to occupy not more than 15 minutes, at the most, but there were two subjects upon which I had prepared remarks which I had desired to make during the course of the day. As the situation developed I chose to speak at this time, for reasons which seem good and sufficient to me, and so long as they are good and sufficient for me, I shall necessarily have to follow the course of that reasoning, rather than abide by the able remarks of the Senator from Indiana. It is always advisable for a person to conduct his own affairs in his own way, and to let other men and particularly other Senators to conduct their affairs in their own way. That would be one way to expedite the business of the Senate.

I was discussing the question of the return of Congress, rather than adjournment on July 26, when I was interrupted by the Senator from Wyoming, and the colloquy took place. But on the question of adjournment, I want to say a word. I think it is wrong to fix the date of July 26, or any other definite date, and say the Congress is going to adjourn then, whether the public business is completed or not. It is true, Mr. President, that under the Legislative Reorganization Act there is fixed a definite time for adjournment—as I recall, the last day of July. I do not believe the act is in effect this session. I do not believe, unless affirmative action should be taken by the Congress, that the terms of the Legislative Reorganization Act would come into play, and the Congress would automatically adjourn. If I remember correctly—and I am speaking largely from memory—the Reorganization Act provides that this shall not be the effective date in time of war, and also if I remember correctly it has been held that until the peace treaties are signed, we are still technically at war. Therefore, from a technical standpoint that provision of the Reorganization Act would not apply, and it will require affirmative action on the part of Congress to adjourn on whatever date is decided upon.

The better rule—and again, if the Senator from Indiana will give me his attention—the better rule would be for the Congress to say, "We are going to stay here on the job and finish the business of the Congress of the United States."

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CAPEHART. What is the business that cannot be finished within the next week?

Mr. HATCH. The Senator has not been here. I just read an editorial from the Washington Post that enumerated a long list of bills.

Mr. CAPEHART. Oh, I was here. I remember the Senator had a hard time making up his mind whether it was in the Washington Post or in some other paper. I was here when the Senator read it.

Mr. HATCH. Oh, no. Mr. President, I do not yield. The Senator may have been here, but evidently he does not listen when he is on the floor, and he does not know what goes on. I was handed the wrong paper.

Mr. CAPEHART rose.

Mr. HATCH. I have the floor. I am not yielding now. The editorial from which I sought to read was not contained in the paper that was handed to me. But there was read here on the floor of the Senate from an editorial a list of measures which require and demand attention from the Congress of the United States.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CAPEHART. Were those measures requiring action in the opinion of the Senator, or in the opinion of the editor of the Washington Post?

Mr. HATCH. I said the language of the Post only expressed in part my views. So far as it goes, I go along with it, but it does not go far enough.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CAPEHART. I appreciate that each Senator is entitled to his own opinion, and the Senator's opinion is that the Congress should stay in session indefinitely. My personal opinion is that the best interests of the Nation would be served if the Congress would pass the appropriation bills and then recess until next January 3. In my opinion, that would be in the best interests of all the people.

Mr. HATCH. Mr. President, that is the subject I am discussing. The Senator seems to object to my taking the time. I have already taken three times as much time as I had intended to take, and if the Senator will permit me to proceed without interruption, I can conclude my remarks on this subject rather quickly. While I do not object to yielding, I would like to conclude what I have to say on this particular subject. As I was saying, I think the better plan is to finish the business of the Congress first, and then fix the date of adjournment.

In answer to the Senator from Indiana, who says he thinks we ought to take a vacation, that we ought to go home, I have already explained my views on that. I do not think the Congress can or should stay in session indefinitely, without an ample period of time for proper rest and relaxation, and for proper contact with the people at home. If that is what the Senator from Indiana wants, for once I am in complete accord with him. But I object to taking almost half a year, when there is important business of the Congress, affecting perhaps the Nation's welfare, if not the fate of the world.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CAPEHART. Of course, the Senator and I disagree possibly on what is important legislation. My point is the Congress has been in session too long now, and has passed too many laws, which cost the American people too much money. In my opinion, in the best interests of the people, it would be much better to recess and go home, and give the people a chance to rest a little bit and to recover from the war period and all the other things through which they have been passing.

Mr. HATCH. I am shocked and dumfounded to hear a member of the majority party say that the Congress has been so expensive that we ought to adjourn and go home, to save the money of the people. I thought it was an economy-minded Congress. Evidently I have been misled, as I think the people of America have been misled in reaching such an erroneous conclusion, that the Congress was to prove to be either economical or efficient.

Mr. President, I was about to say, when I was again interrupted, that what I had in mind and what I was saying was not to be construed as a criticism of the majority party. That was not my intention when I began to speak. I certainly did not intend to place any of my thoughts or suggestions upon a partisan basis. I am willing to say that this session, under its present leadership, has been extremely industrious. There has been every effort evidenced to do the job before us, from the standpoint of industry. Industry, Mr. President, however, is not alone sufficient. Industry may be wasted and misguided and ill-conceived in misdirected efforts, and I think that much of the time of the Congress has been consumed and taken up with ill-advised, misdirected, and unwise efforts. But, Mr. President, again I do not want to raise any partisan issue in this discussion. I am very serious about the general program and procedure of the Congress of the United States, and how our industry and how our efforts should and can be directed to secure the greatest amount of efficiency for the good of the whole country. I would have a maximum of accomplishment. I would put more stress upon achieving a maximum of accomplishment; not so much upon the maximum of ordinary industry.

Mr. President, it is often true that under wise leadership sound programs can be carried through with a minimum of effort and result in a maximum of accomplishment. It is also true that a

maximum of endeavor or industry may be exercised and a minimum of accomplishment achieved. Industry is not by any means the sole test.

Mr. President, as has already been pointed out, no matter how industrious we may have been, no matter how hard we may have tried, the unalterable fact remains that if we adjourn on July 26, the date set, there will be much important legislation unfinished and unconcluded. Some of it should not wait until January 1948. I am not now going to enumerate all the measures which should be acted upon. I have already mentioned several—those which were contained in the Washington Post editorial—but there are others. I think every Member of Congress will agree that I speak but the simple truth when I say there will be much important legislation unfinished when the Congress adjourns.

To the distinguished Senator from Missouri [Mr. KEM] who seems to be crowded for time on his particular resolution, I would say that if the adjournment date were postponed to the middle of August, or some other time, and we should forget the date of July 26, he would not be so rushed, he would not be so crowded. He could then take whatever time was necessary and present his case fully, so the Senate could clearly understand every detail of it, and after a complete hearing before the Senate, the Senate could vote whether his resolution should be adopted or not.

Mr. KEM. Mr. President, will the Senator yield?

Mr. HATCH. Yes; but before I yield I wish to say that I was using the case of the Senator merely as an illustration of the general situation I was discussing. I now yield to the Senator.

Mr. KEM. I should like to say to the Senator from New Mexico that I asked and received the attention of the Senate yesterday for some time, about an hour and a half, during which time I presented rather fully the position I have taken in regard to the resolution now before the Senate, Senate Resolution 150. I believe the Senator from New Mexico, who is well-known throughout the country as a protagonist and an exponent of clean and honest elections, will certainly join me in an effort to bring the resolution to an early disposition in the Senate, and I hope the able author of the Hatch Act will include my resolution at the top of the necessary business he has in mind for his agenda.

Mr. HATCH. Mr. President, I will include all legitimate legislation in the same category as the matters I have been discussing, because it is a part of the business of the Congress and it should be attended to. The Senator from Missouri is certainly entitled to have action on his resolution, and the Senate ought to give it every consideration. When the time comes for a vote, individual Senators should and will, I am sure, vote according to what they think is right.

I will say to the Senator from Missouri, as I said before, that I have for some time intended to speak on the matter I am now discussing, and that I am not trying to prevent action on his resolution. I am no longer a member of the Judiciary Committee. I have not studied either his resolution or the facts and evidence adduced before the committee, either for or against it. I am not in a position to discuss it now, nor would I be to vote upon it at this moment. However, when the resolution is considered, and when it is voted upon, I hope to be sufficiently familiar with it so I can cast a vote which will be in line not only with my belief, but I think—and I have had much experience in this body with Members on both sides of the aisle—that of every Member of the United States Senate, for they all want fair, clean, and honest elections. Simply because the Senator from New Mexico introduced a bill which corrected some vices and wrongs in connection with fraudulent election practices and procedures, the Senator from New Mexico has no monopoly upon a desire for fair and honest elections. Such desires prevail in the thought and mind of every Senator, regardless of which side of the aisle he is on. That is my honest conception of my fellow Members in this body.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAPEHART in the chair). Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. HATCH. I yield.

Mr. KEM. I should like to say that, as the author of the pending resolution, I hope the Senator from New Mexico will add to the discussion by way of such inquiries as he sees fit to make, to bring out all the facts in connection with this matter, its background, and its entire history. I hoped yesterday, when the Senator from New Mexico was good enough to ask me some questions at the time of my presentation, that he would continue the colloquy and, I may say, I shall be glad at any time during the course of the debate to give the Senator such information as he may require.

Mr. HATCH. Of course the Senator from Missouri will understand that the question I asked him yesterday was prompted by the exchange which had occurred between him and the Senator from South Carolina [Mr. JOHNSTON], and was more or less facetious. I thought the Senator from Missouri had laid himself rather wide open in condemning a certain member or members of his own party, and I felt compelled to point to that situation. But that was merely in passing. It had nothing to do with the merits of the situation he presented.

Mr. KEM. I hope the Senator will feel that I protected myself.

Mr. HATCH. The Senator did the best he could in view of the bad cause which he had and which he had announced.

Mr. KEM. Does the Senator refer to the cause of the integrity of the ballot as a bad cause?

Mr. HATCH. No, I refer to the integrity of a Senator of the United States. There was an implication; at least I took it that way, I will say to the Senator.

Mr. KEM. Mr. President, a point of order. I should like to have the Senator point out what I said which in any way would reflect on the integrity of any Member of this body.

Mr. HATCH. Mr. President, if the Senator will permit me I will proceed to make the explanation he asks for.

Mr. KEM. A point of order, Mr. President. I think the Senator is out of order. He is saying that a Member of this body reflected on the integrity or honor of another Member of the body.

Mr. BARKLEY. Mr. President, under the rule a Senator has no right to impugn the motives of another Senator. I do not understand that the Senator from New Mexico has impugned the motives of any Senator.

Mr. HATCH. I want to make myself perfectly clear. I do not impugn the motives of the Senator from Missouri nor of the other Senator to whom I referred. If anything, I would say, I am certain the Senator from Missouri did not intend to reflect upon the integrity of a fellow Senator. I was sure that was not his purpose. What I was about to say was that the language he used implied, or rather I drew the inference, and maybe I was wrong—perhaps I was—that when a Member of this body, a member of the majority party, exercised his own independent judgment on a matter in committee and did not vote with his own party, he was no longer a member of that party. Perhaps I may have drawn the wrong inference, but that was the inference I drew.

Mr. KEM. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. KEM. The RECORD is before us here. My remarks appear beginning on page 9001 of the CONGRESSIONAL RECORD of yesterday. I should very much appreciate it if the Senator from New Mexico would point out the language upon which he placed such an implication.

Mr. HATCH. At the first opportunity, if the Senator insists, I shall be very glad to do so. I can hardly do so now, while I attempt to continue the discussion upon which I started more than an hour ago, and which I expected would last not more than 15 minutes at the outside.

I have almost forgotten what particular feature of the subject I was discussing when the last interruption occurred.

The PRESIDING OFFICER. Is the Senator from Missouri satisfied?

Mr. KEM. I am satisfied. I withdraw my point of order.

The PRESIDING OFFICER. The Senator from New Mexico may proceed.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. May I ask just what was implied in the question by the Chair?

The PRESIDING OFFICER. The Senator from Missouri called the Senator from New Mexico to order under rule XIX. The Chair gave the Senator from New Mexico an opportunity to make his explanation, which he did. The Chair then asked the Senator from Missouri if he was satisfied with the explanation, and he stated that he was.

Mr. HATCH. I did not understand the parliamentary situation. I really thought the Chair had overruled the

point of order. I was not debating the point of order.

The PRESIDING OFFICER. The Chair has made no decision.

Mr. HATCH. Mr. President, again I shall endeavor to proceed with my few remarks, get through, and surrender the floor, if Senators will be kind enough to permit me to do so.

I had said that if the Congress were to adjourn on the 26th of July we would go home—much as we want to go home; and I do as much as does any other Member—and leave important business unfinished. If the present program is carried out, five precious months will be lost, so far as action by the legislative body of this great Government is concerned. With constantly and swiftly changing scenes in the domestic and foreign fields, with the pattern of affairs changing almost daily, with new conditions and new problems of grave and extreme importance—some of them of importance to every person in the world—the Congress of the United States proposes, on the 26th day of July, to halt, to stop, and to bring to a standstill all the legislative machinery of this great Government, and Members of Congress will go home.

Mr. President, to me this is wrong. It should not be done. It should not be done this year or in any other year. The business of being a Member of the Congress is a year-round job. We might just as well reconcile ourselves to that fact. No matter how much we may yearn for days that used to be, those times when the Congress met each year and adjourned early in the summer, those days are not our days. Those days are gone, and in my opinion they are gone forever. The Congress of the United States should be prepared to remain in session for a full 12 months in the year, with the exception of such times for recess as may be necessary for the health of the Members, with due regard for the transaction of important business.

Aside from the necessity and obligation to continue our legislative program without undue interruption and delay, there is another matter of which I must remind Senators—or is it necessary to remind Senators that next year is election year?

Under the political system by which our officials are chosen, election years are always difficult years in which to legislate properly or wisely. In 1948 all of us, Democrats and Republicans alike, will be looking to the fall elections. This is not wrong, Mr. President, although the Congress is frequently criticized for being concerned about elections. Under our process of free elections—and for the benefit of the Senator from Missouri [Mr. KEM] may I include in the word "free" clean and fair elections—that process to which we are all so devoted, it is right that we go before the people and submit to the electors in our districts and States our own record—the record of things we have done, of votes we have cast, of measures we have sponsored. Perhaps it is even of greater importance that we submit to the electors our plans for the future. What ideas do we have in connection with the vexatious problems, some of which seem to be almost impossible of solution?

The free elective processes of this Nation must go on if free government is to survive; and it is of extreme importance that those processes be not neglected. Members of the House of Representatives are elected every 2 years. One-third of our own body must be elected every 2 years.

We do not wait until election day to campaign. In many of the States the primary is an essential part of the elective process, which begins early in the spring. Members of the House especially—and some Senators, for that matter—will have to leave here early next year and go back and attend to the very necessary and proper elective processes in their respective States and districts. In some places the campaign which begins in the spring of the year continues until the fall elections.

Of course, we all know that our national conventions usually meet early in July. But before those national conventions are held, State primaries and State conventions must be held for the selection of delegates to the national convention, all of which involves the free elective processes essential to free government, but which will absolutely interfere with and perhaps stymie the legislative machinery during that period of time.

Mr. President, I shall pass that point. All of us are so familiar with the situation that it is unnecessary to discuss it further. But I have yet a stronger, graver reason why Congress should not take a prolonged recess.

It exceeds and transcends everything that I have said or that any one else has said or can say regarding the necessity for the completion of our legislative domestic program. It exceeds the importance of any election, including that of the President of the United States. Notwithstanding what President Truman may have said—and everyone knows in what high respect I hold the President of the United States—notwithstanding what Secretary Marshall may have said, and notwithstanding what the leadership of the two Houses may say, it is my firm conviction that our relations with other nations of the world may well reach a crisis long before January of next year. Mr. President, I, for one, will be surprised if more than one crisis does not occur between July 26 and January 1948. In fact, Mr. President, at this time each day presents some new and important issue in the field of foreign affairs. When the nations of the whole world are even now in consultation, hoping to work out an agreement and to submit proposals in line with Secretary Marshall's suggestion, no one can tell how quickly it may be necessary for us to act. But to me it is clear, Mr. President, that the longer the other nations delay and the longer we delay the greater is the danger to us and to our own institutions.

Mr. President, it was Secretary Marshall himself who said, in substance, "The patient is sinking while the doctors consult." The patient is sinking, and the doctors are consulting. If any workable plan shall come out of the discussions which are now in progress and which will be concluded long before next January, the Congress of the United States should be in session, ready to perform whatever may be required of it to carry on its part of the world program.

Mr. President, this is not all. A special session could be called to meet that situation. The Foreign Relations Committee could be called back to take up, consider, and hold hearings on necessary legislation; but there is another place wherein an adjournment of the Congress at this time, with the avowed purpose of not returning until January 1948 could do almost irreparable damage. It is a fact, Mr. President, that those nations which are opposed to our participation in European affairs—to any participation on our part—who urgently want us to get out and stay out so that they can completely dominate and control all of Europe, perhaps much of Asia and Africa, and, eventually, the whole world, will read into an adjournment of Congress at this time, with the avowed purpose of not returning until January, an untrue interpretation. Nevertheless they will make that interpretation. Again they will say, with added force and strength, and backed by the action of Congress in so adjourning, the United States is only half-hearted about the whole matter; that the United States is again delaying, dilly-dallying, and withdrawing. They will point to our adjournment under those circumstances and conditions as evidencing the lack of faith and firm intention and steadfast purpose with which they charge us daily. That propaganda is hurled throughout the nations of the world constantly—that the United States cannot be relied upon; that it will withdraw; that it is not in earnest; that it is only half-hearted. As a result of that kind of propaganda it is no wonder that the peoples of those nations which want help become doubtful and, to some extent, distrustful and perhaps suspicious, for they too will note that the United States Congress has adjourned and gone home not to return until January 1948, 5 months from this time. Five months may not mean much to Senators who plan mountain trips or sea voyages, and restful times to which they are entitled and which I hope that all of them will have; but 5 months' time, to a hungry and starving nation, can mean destruction.

Mr. President, that is what the Congress of the United States proposes. That is the message which it will send abroad when it takes its adjournment on July 26, not to return until January 1948. If I had no other reason than this for urging, as I have urged, that the Congress return in the early fall and pick up its legislative duties where they were laid down and proceed to dispose of the necessary and important items of legislation which ought not to be involved in a political year, I would say, Mr. President, that the one issue of the effect upon our international relations might well be destructive of some of the finest and best things we hope to accomplish.

I have stated that notwithstanding the remarks of the distinguished Senator from Indiana [Mr. CAPEHART], the

present occupant of the Chair, that he saw signs of a filibuster in progress, it was not my intention to consume anything like the time which I have occupied.

In conclusion, let me say that I have spoken as earnestly as I know how to speak. I urge the Congress of the United States to take a recess, to go home for a month or 2 months or whatever time may be necessary, but to come back to its place of duty, the place to which its high, solemn, and responsible duty and obligation call it, and pick up the task at the point at which it was interrupted when the much-needed vacation was taken. But do nct prolong the vacation into an absence which the present times and conditions cannot justify, but which, on the contrary, demand be not indulged in.

I hope, Mr. President, that the members of the majority party, upon whom rests the responsibility for laying out the program, will understand that I have spoken earnestly and not from a partisan standpoint. I hope that arrangements will be made to take a vacation until the early fall, and then return and continue with our duties, and not wait until January 1948, when, for some things, it may be too late.

GRADING OF CIVIL-SERVICE EMPLOYEES

Mr. LODGE. Mr. President, I want to call the attention of the Senate to a personnel problem in our Government which demands immediate correction. As most Senators know, civil-service employees who are not war veterans are graded according to their merit into four classes: Excellent, very good, good, and fair. Under the present Civil Service Commission regulations, a governmental department or agency is frequently required to fire an employee whose efficiency rating is excellent, while at the same time it is required to retain an employee whose rating is merely good or even as low as fair. This means that in reducing the number of Government employees, the good ones are very often released while the inferior ones are kept.

This is an unhealthy and even a dangerous situation. It is unfair to the public, and is a gross injustice to the employee who has done well. We often hear the accusation that if private industry were run the way our Federal service is conducted, the private business would fold up in a month. This may be something of an exaggeration, but certainly no private business could expect to remain in existence were it obliged to get rid of its best-qualified employees and keep the less able ones on its pay roll.

In these troubled and difficult times, we must insist upon maximum efficiency in all branches of the Government, and especially in that branch of the Government whose duty it is to execute the laws. To ignore the present situation is to shut our eyes to something which in the immediate future will spell inevitable disaster to an effectively functioning Civil Service.

First, I wish to analyze the operation of the present so-called "reduction in force" procedure. Secondly, I shall recommend a simple, stop-gap remedy. Lastly, I shall discuss briefly a proposal for the longer future.

Section 12 of the Veterans' Preference Act of 1944 provides in part:

> In any reduction in personnel in any civilian service of any Federal agency, competing employees shall be released in accordance with Civil Service Commission regulations which shall give due effect to tenure of employment, military preference, length of service, and efficiency ratings.

Mr. President, I have no quarrel with the law. I certainly do not question the propriety of military preference. But I do condemn the regulations promulgated by the Civil Service Commission under this law affecting nonveterans. These regulations gather nonveteran Federal employees into three retention groups according to the type of appointment held. Group A comprises those having permanent competitive status. Group B comprises those without permanent status, but serving under an indefinite appointment. Our so-called war service appointees, consisting of nonveterans who entered Government service during the war, make up the greater proportion of this second group. The third group, group C, consists of those whose appointment is specifically limited to 1 year or less.

Each of these three groups of nonveterans is subdivided into two subgroups. In subgroup 2, we have those holding positions of the same class with "good" or better efficiency ratings. In subgroup 4, we have those with "fair" ratings. Subgroups 1 and 3 relate to veterans whose status is in no wise affected by what I am saying here today.

Within each subgroup, the relative standing of each employee is computed by a point system. One point is given for each year of Federal service. An "excellent" efficiency rating is awarded 5 points. A "very good" rating gets 3 points, while a "good" rating is given 1 point. No points are given for a "fair" rating.

When reduction in force hits an agency, it must first rid itself of all group C employees, starting with subgroup 4, and then working up through subgroup 1. Next, group B employees are released in a similar order. Not until all of group B is exhausted can the agency touch any of its group A employees.

Mr. President, the fundamental weakness of this system becomes apparent when we begin to examine its operation in specific cases. I shall give examples of actual cases. For obvious reasons I use fictitious names.

"Miss Excellent," let us say, is a grade 5 clerical employee with 3 years of service under a war-service appointment. Hence, she falls into group B. She has college training which is directly related to her Federal job, and during her entire period of service on that job she has demonstrated outstanding ability. Her efficiency ratings have all been "excellent." This puts her in subgroup 2 of group B. "Miss Mediocre" holds another position of the same class in the same agency. She has been in service for 7 years and has a so-called permanent status. During her employment, "Miss Mediocre" has rendered service which has been just good enough to get by, having shown no particular initiative or interest in her job except as it assures her a monthly pay check. Her efficiency ratings have always been "fair." In practical terms, this means that she was not quite incompetent enough to be dismissed. "Miss Mediocre" falls into group A–4. In the necessary postwar retrenchment the agency finds it necessary to abolish "Miss Mediocre's" job, but this by no means signifies that "Miss Mediocre," the third-rate employee, will be dropped. On the contrary, under the present regulations, which would give "Miss Mediocre" seven retention points for 7 years of service, in group A, and "Miss Excellent" eight retention points, for 3 years of service, plus five points for "excellent" rating, in group B–2, "Miss Excellent" will be dropped and "Miss Mediocre" kept on indefinitely because her permanent civil-service status retains her in preference to "Miss Excellent," the far more superior war-service employee.

One more example will suffice to illustrate the weakness of the present system. "Mr. Superior," let us call him, joined the Federal service during the war at some personal sacrifice and because of a feeling that he wanted to be as closely connected with the war effort as possible, since his age barred him from military service. Recently, "Mr. Superior" was dismissed as a result of reduction in force in his agency. This was necessary because the present regulations required the agency to retain "Mr. Inferior," whose position was abolished, but who had some related training and experience, even though during his 8 years of Federal service he had shown no particular talent and had done absolutely nothing more than necessary to draw his pay check. In this case "Mr. Superior" would in all probability have given a quality of service to the Government which would have saved his pay many times over, while "Mr. Inferior" will continue, in all likelihood, to drift along doing, in a routine fashion, what is put before him, but never doing it quite so badly as to permit his being fired for outright incompetence.

Mr. President, I could take the time to give example upon example of how this present system has operated to force our departments and agencies to lose countless loyal, ambitious, and outstandingly well-qualified employees in order to permit retention of others far less able who happened to be fortunate enough to hold permanent status. But I think these examples suffice. However bad the past has been, what gives me most serious cause for alarm is the prospect in the future of losing an increasingly greater number of equally well-qualified men and women in order to protect the relatively incompetent. We believe that our departments are going to shrink, not expand.

In that inevitable shrinkage, we cannot afford to lose our good people simply in order to retain those who have in so many cases demonstrated their incapacity. I believe in the career service, and

that is why I say that the career service must not become a haven for drones.

To permit the continuance of such a practice can result only in hopeless inefficiency and bad morale. If we insist that one person shall do the work which today in our sprawling Government is done by three, we must simultaneously insist that the one person be the best possible one for the job.

What can we do about it? The Civil Service Commission can afford immediate relief by revising its regulations to permit many categories of employees to compete for retention in the service on the basis of demonstrated ability without regard to the technical character of the appointments under which they entered the service. I say this to the Civil Service Commission: abolish the distinction between group A and group B employees in computing retention credits. Regroup all employees on the basis of efficiency ratings, regardless of whether they hold competitive or noncompetitive tenure. Excluding group C personnel—those holding definitely limited temporary appointments—and, of course, without disturbing the veteran's preference required by law—we should then have four groups, each comprised respectively of nonveteran employees with "excellent," "very good," "good," and "fair" efficiency ratings. These groups would include all personnel presently designated group A and B.

In making any reduction in force, the agency would first drop all those with "fair" ratings, then all those with "good" ratings, and so on up the line, not touching the "excellent" employees until all "fair," "good," and "very good" personnel had been released. As between two or more employees of the same class with the same ratings, due effect should then be given to tenure of employment, and length of service—but this "due effect" required by law should not be given, as it is now, until all employees with a lower efficiency rating have been released. There is nothing in the law which requires or justifies the present illogical procedure. If the Civil Service Commission immediately adopts this reform, we shall no longer be confronted with the sorry spectacle of an employer forced to fire his efficient and retain his average and below-average employees. At the same time, under this reform the Commission would be acting wholly within the letter and the spirit of the law.

Mr. President, I recommend this reform as an essential stop-gap. Obviously, long-range reform is equally essential, but time is short, and the period of widespread reduction in force is at hand. We cannot permit the present system to multiply itself into a national scandal. The Civil Service Commission must act quickly if we would avert complete disintegration in the quality and effectiveness of our Federal service.

But once this urgent correction is made, serious attention must be given the problem of putting a better efficiency rating system into effect. Almost everybody agrees that the present subjective, rule-of-thumb method of rating subordinates is antiquated and anything but an ideal method of arriving at an enlightened evaluation of an employee's value to the service. The Civil Service Commission must undertake positive action to take advantage of the sound advances in performance evaluation techniques which have been pioneered and brought to a high degree of effectiveness and reliability by many commercial, industrial and non-Federal public organizations. In the very nature of its function, the Commission has a strong obligation to provide aggressive leadership, to use imagination and inventiveness in seeking constantly to improve its policies and techniques. In view of the obvious direct relationship between efficiency ratings and reduction in force which I have outlined, the long-range necessity for the uniform improvement of our means of personnel evaluation continues as one of the primary problems of Government-wide personnel management.

I believe that immediate revision of the present regulation concerning the priority of non-veteran retention, supplemented by a thorough overhaul of personnel evaluation techniques, will do much to insure that our executive branch is populated with men and women of real ability. What good does it do us here to deliberate the wisdom of legislation only to permit it to be administered by those who are not competent? We must have prompt revision of the regulations—not, as is so often the case, 6 months or 6 years from now, but immediately. I submit in all seriousness that this is a matter of extreme urgency.

Mr. President, I conclude. This problem of personnel is a vital part of the whole question of economical and efficient government. At the beginning of the session I introduced a bill for a commission to study and report on the reorganization of the executive branch of the Government. A thorough overhauling is long overdue.

Congress enacted the bill, and the President signed it. A little while ago the President pro tempore of the Senate made his appointments under the terms of the bill, and yesterday the Speaker of the House of Representatives made his appointments, and very excellent ones they are.

Later in the session I outlined the steps which I thought were necessary toward developing a modern American personnel to carry out our foreign policy abroad. Today I discuss the broad question of developing high grade personnel in all civilian departments of the Government at home, as well as abroad. All these topics are closely related to each other. All of them lead to this truth that without effective government, democracy is bound to disappear here as it has in all the countries of the old world where democracy was unable to translate into effective action the aims and aspirations of the people.

So we face the question of making our Government effective at home and abroad; and of providing the highest type of personnel we can find to handle the Government business.

Secretary of the Navy Forrestal, who is one of the great students of the art of making government effective, said this so wisely:

> There is in the Federal Government a critical lack of men able to bring to the Government service * * * breadth of experience, maturity of personality, and soundness of judgment * * *. There is no present program to develop such men nor are there well established posts at the top of the American public service for career men with these qualities * * *. Men with such qualities are not developed by chance. Careful planning is required to produce satisfactory results.

While I do not today submit a sufficiently detailed program to give effect to Secretary Forrestal's thought, I do submit, as forcefully as I can, that our Government is only as good as the people who operate it. Let us promptly take the first steps which I have outlined here so that at the very least our ablest personnel will not have to leave the public service.

THE VETERANS' ECONOMIC DEVELOPMENT CORPORATION ACT

Mr. BRIDGES. Mr. President, for myself and a number of other Senators, I ask unanimous consent to introduce a bill at this time, and I send it to the desk for appropriate reference. I desire to speak on the bill.

There being no objection, the bill (S. 1652) to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy, introduced by Mr. BRIDGES (for himself, Mr. BARKLEY, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. DWORSHAK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. HILL, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KNOWLAND, Mr. MARTIN, Mr. MAYBANK, Mr. MORSE, Mr. REVERCOMB, Mr. FLANDERS, Mr. FERGUSON, and Mr. HAWKES), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. BRIDGES. Mr. President, this bill may be called the Veterans' Economic Development Corporation Act, and joining with me in its introduction of the bill are many distinguished Members of the Senate, including the Senator from Kentucky [Mr. BARKLEY], the Senator from Nebraska [Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Idaho [Mr. DWORSHAK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Indiana [Mr. JENNER], the Senator from Colorado [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Carolina [Mr. MAYBANK], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Vermont [Mr. FLANDERS], the Senator from Michigan [Mr. FERGUSON], and the Senator from New Jersey [Mr. HAWKES].

Bills similar to the one I am now introducing have been introduced in the House of Representatives by Representative KEARNEY, of New York; Representative KEFAUVER, of Tennessee; Representative ROGERS, of Massachusetts; Representative SPENCE, of Kentucky;

Representative VAN ZANDT, of Pennsylvania; and Representative WOLCOTT, of Michigan.

The objectives of the bill, which proposes the Veterans' Economic Development Corporation Act, have the support of the Veterans of Foreign Wars; the AMVETS of World War II; the American Legion, Department of New Hampshire; District of Columbia Department of the American Legion; and other departments, as well as some national officers of the American Legion. It may be the subject of resolutions at the forthcoming national convention of the American Legion. The bill is also supported by the District of Columbia Department, Disabled American Veterans, which is taking it to the floor of the national DAV convention in August.

These individuals and organizations are endorsing an opportunity for other Members of the Congress, the rank and file of our veterans, and the people of the country generally, to have an opportunity to give to the proposal full and sincere study. By the introduction of this bill today, it is the desire of those whose names the bill bears to join with House Members who have introduced similar bills in providing a public platform for the consideration of the proposed Veterans' Economic Development Corporation Act.

Mr. President, over 2 years after the ending of World War II we find ourselves still engaged in a vitally important twofold task. Our country is still seeking procedures for a full and wise return to a sound peacetime economy. We are also seeking in cooperation with other nations of the world to establish a sure way to lasting world peace. This bill is introduced in direct connection with that twofold task. We believe that this proposition should have the study of the Members of both Houses of the Congress and should by way of this introduction be made available for study by our veterans' organizations and the rank and file of American veterans as well as by the people as a whole to determine whether a veterans' economic development corporation could be one of those sound mediums by which the great American task I have mentioned can be accomplished. The bill being introduced today is still the subject of study by those who are joining in making it available for the attention of the Congress and the people. The nature of the proposed undertaking is such that we feel it should command the interested attention of all citizens who seek wise procedures toward a sound national economy and world peace and with such attention to the bill it can be determined as study progresses whether the procedure proposed therein can help.

There can be no quarrel with the objectives of this bill for they are the current basic objectives of the Nation. There can be and probably will be questions with reference to parts of the bill. Some of us in presenting the bill have questions of our own, and we consider those questions a part of the sound reasoning which leads us to introduce the bill now so that all Members of the Congress may make it a subject of their personal attention and so that the people of the country can direct their personal attention to the contents of the bill. I personally hope that we who join in providing a public platform for this proposal will find each Member of the Senate prompted to study personally the bill's provisions. I say that because this is more than ordinary legislation. It is, frankly, extraordinary because it proposes a veterans' program such as the Government has not previously undertaken. But it is patterned after other Government programs which have been in effect in recent years for the benefit of small business. We who introduce the bill mean to continue our own study of it and will in the months preceding the next session of the Congress welcome the opinions of other Members of the Congress and the opinions of the people.

In connection with the introduction of the bill I ask unanimous consent to include as a part of my remarks a number of letters, statements, and resolutions which have come to me regarding the bill.

The first is a description of the bill by Omar Ketchum, able director of the national legislative service of the Veterans of Foreign Wars of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE VETERANS' ECONOMIC DEVELOPMENT CORPORATION—HOW WILL IT OPERATE? WILL IT BE A BURDEN ON TAXPAYERS? ARE ITS BENEFITS LIMITED TO VETERANS?

(By Omar B. Ketchum, national legislative service, Veterans of Foreign Wars of the United States)

The immediate passage of this act is urgent and necessary, as no existing Government agency or private concern has the resources and facilities to meet the emergency and to develop the unused natural resources of the Nation and thereby create additional employment opportunities.

What is the Veterans' Corporation? The fundamental purposes of the act are to develop unused natural resources and unused productive capacity and to provide increased employment opportunities, with particular emphasis upon jobs for veterans. The act will create a Government corporation vested with broad powers to provide long-range credit and technical advisory services to: (a) Private business—individuals, firms, and corporations, and (b) State and municipal self-liquidating public projects; with the condition that preference in new employment opportunities created would be given veterans, if available. The Corporation will be set up and will operate along lines similar to those of the Reconstruction Finance Corporation, with its broad lending powers, and, in addition, will have authority to provide technical advisory services. Applicants for loans will have to satisfy sound business requirements established by the Corporation to assure efficient operation and protect the Government against loss.

Will the Corporation operate without cost to the taxpayer? Yes. The Corporation will borrow money through the Federal Treasury at its prevailing low rate of interest and lend it at a higher rate. Experience, based on RFC operation, indicates that the earnings of the Corporation will not only cover all administrative costs and any losses from loans, but should return a profit to the Treasury. The technical advisory services authorized in the act will serve to minimize losses and at the same time protect the borrowers against business failures.

Are the loans and benefits of the act limited to veterans? No. Credit may be granted individuals, irrespective of veteran or nonveteran status, or to firms, corporations, other organizations, and municipalities. The only condition is that preference shall be given veterans in new employment opportunities, if available. The over-all benefits of the act will apply to the entire Nation.

HOW WILL VETERANS AND THE NATIONAL ECONOMY BENEFIT FROM THE ACT?

1. Through the lending powers and technical advisory services of the Corporation, existing business and industry can expand where justified and needed industries can be developed, thereby creating additional employment opportunities for veterans and others.

2. A veteran or a group of veterans may develop a new enterprise or expand an existing business, provided they can meet the standards established by the Corporation.

3. Veterans and nonveterans may be enabled to exploit the hundreds of thousands of enemy patents, secret processes, and manufacturing methods that our veterans have captured and to make use of our surplus war plants and facilities, in the development of needed new businesses and industries.

4. Agriculture may be modernized and profits increased through utilization of new techniques and mechanization, and new industrial uses for agricultural products.

5. Educational institutions and trade schools may be enabled to provide adequate facilities and housing to accommodate the influx of veteran students.

6. States and municipalities may be enabled to finance essential, self-liquidating public projects, such as parking buildings, auditoriums, toll roads, toll bridges, public markets, airports, and irrigation projects, that will provide construction jobs for veterans and careers for veterans in the operation and maintenance of such projects.

7. Opportunities may be created in our foreign trade for veterans and nonveterans, thereby expanding our foreign markets and helping to modernize the economy of friendly nations, thus providing increased employment for all American workers at home.

8. Municipalities and private enterprises may be enabled to break bottlenecks in housing and to meet the shortages through construction of multiple low-rental units and the development of prefabricated and industrial housing.

WHY IS THE VFW, A VETERANS' ORGANIZATION, ADVOCATING THIS ACT?

Because veterans are already facing unemployment problems which may be further aggravated in the months and years ahead. By reason of military service veterans lost opportunities to establish a business or to acquire seniority rights in employment, and are faced with competition for available jobs as they are already at the bottom of employment lists.

Approximately 7,000,000 World War II veterans have no reemployment rights, and of these over 4,000,000 had no occupation or work experience of any consequence prior to military service. Two million veterans are in educational institutions or in on-the-job training and will, in the near future, be entering the business and labor market. This bill is the only one before the Congress that offers insurance against a depression in which veterans would suffer. There were 1,500,000 veterans of World War I on relief in the last depression, and we wish to avoid a repetition in view of the fact that there are now four times as many living veterans after World War II.

The national economy and the over-all well-being of our people will not benefit from veterans merely displacing nonveterans in existing jobs and business. New employment

and business opportunities must be created and only through national planning with large credit facilities and technical advisory services, such as proposed in the Veterans' Corporation Act, will those opportunities be developed. There is almost no limit to which our national economy can be expanded in providing for a more abundant life for our own people and supplying the needs of a devastated and hungry world.

WHAT OTHERS SAY ABOUT THE VETERANS' CORPORATION

President Truman, on December 11, 1946, told Commander in Chief Starr of the VFW and a delegation of VFW national officers that he approved the principle of the Veterans' Corporation. The President noted that the present RFC would expire or would be greatly modified this year and that an act such as the Veterans' Corporation Act would increase the scope of benefits to small business which are limited under the present RFC, thus helping many more millions of our people.

General Omar N. Bradley said, "We must have a separate agency of government, such as the Veterans' Corporation, that can develop employment opportunities for veterans as the Veterans' Administration now has all that it can reasonably handle with the hospitalization, pension claims and insurance for veterans. Yet we receive thousands of letters blaming the Veterans' Administration for veterans being obliged to work at substandard wages or finding no jobs at all."

Mr. Alfred Schindler, Under Secretary of Commerce, said, "It is a well recognized fundamental of business economics that expanded commercial activity creates employment, and your bill, Veterans' Corporation, designed to incorporate the existing reservoir of our veterans in such expansion, offers the most intriguing possibilities of any piece of current legislation which has come to my attention."

Former Secretary of State Byrnes, in referring to the relationship of the Veterans' Corporation to the International Bank, the Export-Import Bank, and the International Trade Organization in developing our world trade said, "This all adds up to a program of great magnitude. Each reinforces the other. A more productive world will, I am convinced, be a freer world."

Mr. BRIDGES. My colleague, the Senator from Nebraska [Mr. BUTLER], who joins in introducing this bill, has addressed a letter to me relative to the potential help which this bill offers in the conservation and developing of our natural resources. I ask that the letter of the Senator from Nebraska be included at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 8, 1947.

Hon. STYLES BRIDGES,
Chairman, Committee on Appropriations, United States Senate.

MY DEAR STYLES: As chairman of the Senate Public Lands Committee and as a cosponsor of the bill to establish a Veterans' Economic Development Corporation, I would like to let you know some of the tremendous potentialities that I hope can be realized through enactment of this bill. I refer to the almost unlimited opportunities for development of the economic resources of our great West, and of our last and greatest frontier in Alaska.

Responsible economists are authority for the statement that our 11 Western States, with a present population of only about 16,000,000, could easily support a population of 60,000,000 people at a high level of prosperity if the resources of those States are adequately developed. If this statement seems amazing, it is only because too many of our people do not realize the tremendous possibilities of growth in the West. These resources include vast mineral deposits not yet surveyed in many cases, tremendous quantities of potential hydroelectric power, millions of acres of dry land to be brought under irrigation, and many others.

To give only one example of the wealth that is waiting there to be opened up for productive use, the full development of irrigation in the 17 western reclamation States can bring into cultivation 20,000,000 additional acres of highly productive land.

Irrigated land of this type has a high value per acre and a high productive capacity, and can be conservatively valued, on the average, at $200 per acre. It is evident that such a program would involve the ultimate development of agricultural wealth to the extent of a $4,000,000,000 increase in the value of the land alone. That should give some idea of the size of the program, without even mentioning the possibilities of mineral and industrial development.

The other great undeveloped region that seems to offer tremendous hope for the future is Alaska. This vast territory is more than one-sixth of the entire area of the United States. In this atomic age of 10,000-mile planes and over-the-pole flying, Alaska is now the key to our national security. It will never be safe until it is more densely populated. The economic potentialities are equally important. Alaska has abundant natural resources and an equable climate. Its area is far greater than that of Norway, Sweden, and Denmark, yet the population of Alaska is only 100,000, compared to 13,000,000 in Scandinavia. To mention only one important resource, Alaska has enough good timber to supply one-fourth of the newsprint pulp requirements of the United States in perpetuity, taking into account the regrowth of the trees. This means that thousands of new industries based on wood, wood pulp, and their by-products and chemical derivatives could provide a tremendous basis for employment.

All of this development means opportunities for expanded prosperity to thousands of our people. I am thinking particularly of our millions of veterans, many of whom are looking for an opportunity to help carve out a new economic empire. This bill is particularly designed to provide such an opportunity.

What our Western States and Alaska need is capital that would stay in the country and develop it, plus the energy of our veterans. This bill provides for both, plus the adequate technical advice that is necessary for sound development and assurance of success.

I believe this bill would serve as a spearhead to get this development going. Section 2a (6) of the bill provides for the stimulation of profitable activity so as to attract the investment of private risk capital within areas which at present still need such capital. The following subsection provides for assisting State, community, and private agencies in financing self-liquidating projects which will utilize profitably the services of veterans. I believe these two subsections fit precisely the needs of our undeveloped territories in the West and Alaska.

In many fields, the Federal Government has found it necessary to stimulate economic expansion and pioneering development by self-liquidating loans. It is worth mentioning that our experience with such loan programs has been profitable to the Government and the taxpayers. To illustrate this point, I only need mention such programs as Rural Electrification, Home Owners' Loan, and Federal Farm Mortgage Corporation, all of which are distinct financial successes. I am confident that the Veterans' Economic Development Corporation would be at least as successful from a financial standpoint.

In short, I believe that veterans need and deserve some such program as this, and I believe that the Nation will benefit from mobilizing their talents in a program of economic expansion. I am glad to join with you in pushing for early consideration of the proposal.

Sincerely,

HUGH BUTLER,
United States Senator.

Mr. BRIDGES. The Senator from Oregon [Mr. MORSE] has addressed a letter to me pertaining to the potentialities of the bill so far as world reconstruction and peace is concerned. I ask that the letter of the Senator from Oregon be included at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
July 11, 1947.

Hon. STYLES BRIDGES,
Chairman, Senate Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SENATOR: I am heartily in favor of the Veterans' Economic Development Corporation legislation and will do all I can, as cosponsor, to support its speedy passage. Through this legislation we shall enable many of our 20,000,000 living veterans to provide active assistance in strengthening the Nation against communism and the threat of war. This measure will also aid the veterans in reestablishing their economic independence, and at the same time it will help to develop the untouched resources of this and other countries. For this reason I regard this bill as an important step in the social, economic, and political progress of the United States and the United Nations.

In a very real sense this bill takes a long step in the direction of providing full employment for veterans and giving to them the economic opportunity which their great service to the country has earned.

In my opinion, the United States is fast losing the peace while Russia continues to win the war. This I confirmed in my tour through Germany, the Mediterranean countries and the Middle East. Everywhere I observed that those countries under Communist police-state control were directing their propaganda to destroy the prestige of the United States. Each day Russian forces are rolling into the vacuum in Europe and Asia opened by our war against Germany, Italy, and Japan, heretofore deterrents against the spread of Communist imperialism. Russia has already engulfed Estonia, Latvia, Lithuania, Poland, one-half of Germany, and one-half of Korea. The strategy of Communist imperialism has also brought under control of the Russian dictatorship Finland, Hungary, Yugoslavia, Bulgaria, Austria, Czechoslovakia, Albania, and Rumania. She is organizing potent forces in Greece, Iran, Turkey, Italy, France, and China in addition to more than 50 other countries. Obviously Russia is playing for time.

The Veterans' Economic Development Corporation legislation is necessary, in my opinion, as a strengthening force for the maintenance and perpetuation of our private property economy. The best answer to communism and fascism is to make democracy, based upon private economy, work. It will not work unless full employment and economic opportunities are available to all willing and able to work and who have the individual initiative and pride in our system of private enterprise to make it work. We must never forget that unless our workers who include a large proportion of our veterans are able to buy the products of their labor the private property system is bound to be challenged. We should never permit any cause for reasonable criticisms of it to develop, because it is the only economic system in my opinion

which offers security to the individual as well as a protection of his individual rights and of his dignity as a human being.

Because of the growing power of Russia, it is necessary for each one of us to subordinate his personal interests to the Nation's interest if our democracy is to survive. The need for our complete national unity at home and full devotion on the part of all of us to our patriotic obligations was no greater on the day of Pearl Harbor, December 7, 1941, than it is at this hour. The tragedy is that the present crisis is not so dramatic as was the sneak attack on Pearl Harbor. We have not as yet lost any battleships. Nor have we lost any men on the battlefields of Poland, Hungary, or the other countries the Russians have conquered. We shall never stop the spread of communism in Europe, Asia, or elsewhere until we first stop the spread of economic isolationism at home. We must bring the American people to their senses, and quickly, in regard to what it will mean to the destiny of our Nation if we continue to lose the peace.

Our veterans are one of our greatest national assets. As they have been away some of the best years of their lives, this "Veterans' Corporation" will help them to catch up with the economic parade at home and abroad. In two world wars the United States Congress and our people entrusted the security of the Nation to our present veterans, who performed miracles under professional military leadership. In my opinion, our veterans, with American industrial scientific leadership, can again accomplish miracles in winning the peace if we pass this legislation designed to enable them to win the peace. This "Veterans' Corporation" will provide a partnership of American engineering and commercial genius with the ambition, loyalty, and energy of our veterans to open at home and abroad the greatest frontiers in all human history. This bill is particularly appropriate at this time as it will not only aid the veteran but will also help us solve the problem of world conflict.

What we need in the United States is neither reaction nor leftism, but a progressive middle-of-the-road course of action which will perpetuate our constitutional form of government and safeguard individual and human rights, including protection of the economic weak from exploitation by the economic strong. This Veterans' Corporation bill will go far to provide the half-way mark in full employment in the United States that the Congress has sought to achieve, as veterans will otherwise constitute about one-half of the unemployed labor force when present employment demands level off. Since new job and economic opportunities for veterans will be opened under this Veterans' Corporation, the conflicts between veterans and labor over job seniority and job opportunities will undoubtedly be composed to the satisfaction of both.

If we keep ourselves strong and united at home, we can demonstrate to the world that we are strong enough to preserve the peace until such time as other nations, including Russia, acting through the United Nations, demonstrate that they want peace. Therefore, I urge the greatest speed by this Eightieth Congress in enacting this Veterans' Economic Development Corporation bill into law.

Sincerely yours,

WAYNE MORSE.

Mr. BRIDGES. Louis E. Starr, commander in chief of the Veterans of Foreign Wars of the United States, wrote to the President of the United States on March 27, 1947, regarding H. R. 157, the House bill similar to the bill introduced here in the Senate today, in which he also points to the potential help of this bill to our own national economy and in the world situation. I ask that Mr. Starr's letter be included at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 27, 1947.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: May we solicit your cooperation in urging Congress to early and favorable action on H. R. 157, entitled "The Veterans' Employment and National Economic Development Corporation Act," popularly referred to as the Veterans' RFC. While this bipartisan measure is designed primarily to strengthen our domestic economy, it would also reinforce our foreign relations because, among other things, it provides, "to assist qualified veterans engaged in useful and profitable enterprises, services, professions or trades in other countries, thereby cultivating those countries to become increasingly our customers and friends.

Never before in history have we had so many potential good-will missionaries as we have in our veterans, 12,000,000 of whom are veterans with foreign service. They understand foreign relations as American veterans who have had first-hand experience in serving in every quarter of the globe. The program provided by the Veterans' RFC will be a powerful new factor in preventing war by strengthening our ties with other countries in the United Nations.

Secretary of Commerce Harriman states, "Without expanding our world trade, our own economy must shrink." The program provided by the Veterans' RFC should make possible the peaceful, mutually profitable penetration of many other foreign countries by American experts and capable veterans who are interested in setting up projects and business enterprises or developing natural resources, thus creating indigenous wealth with which to enable those countries to purchase increasingly more of the products of our workers in the United States. This will reinforce our foreign relations as it will demonstrate how on-the-scene democratic business and free enterprise can succeed in an economic democracy. This would be particularly significant in those areas where our system of free enterprise must compete for survival with totalitarian systems. In this connection we should have little concern about the loyalties of the men and women selected and approved for such penetration as the War and Navy Departments have already screened them for their loyalties to our form of government.

We urge you therefore, Mr. President, to ask the Congress to speed the enactment of this legislation as we are confident that it will enable our veterans to help win World War III now without the firing of a shot.

Respectfully yours,

LOUIS E. STARR,
Commander in Chief.

Mr. BRIDGES. In order that the Members of the Senate may be familiar with the thinking of our distinguished colleagues in the House who are also sponsoring this veterans' corporation bill, I asked Representative WOLCOTT, chairman of the House Banking and Currency Committee, to send us a memorandum on the subject. His opinion is significant as his committee is examining the present RFC. He is esteemed by the veterans' organizations and was himself a combat machine gunner and is a member of the American Legion and of the Veterans of Foreign Wars. I am sure his great record in Congress is known to all. In recognition of his unique services to the Nation and his constructive work in Congress, the Collier's award for 1946 was bestowed upon him recently at a White House ceremony and a check for $10,000 given with it, which he turned over to the Michigan State College of Agriculture for scholarships. As he is highly respected by authorities in banking, economics, and industry, I believe the Members of the Senate and the public will be interested in what he has to say. I ask that Representative WOLCOTT's memorandum be included at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Memorandum to: Senator STYLES BRIDGES, chairman, Senate Committee on Appropriations.

From: Representative JESSE P. WOLCOTT.

Subject: The proposed act to establish the Veterans' Economic Development Corporation to enable our veterans to recoup their economic losses, without increasing the cost of government.

At home and abroad the Veterans' Corporation would create economic opportunities for veterans and others through broad lending powers along the lines of the present RFC. But, in addition, the veterans' corporation would afford skilled technical advisory service to self-liquidating projects that will employ veterans and to qualified veterans themselves. It would be a move toward matching veterans' skills against the unused production capacities of the Nation and our untapped abundant national resources to meet the phenomenal demand for American goods and services throughout the world.

Although the proposed Veterans' Corporation is charged specifically with solving veterans' short-range and longe-range economic problems, at the same time it is designed to produce an economic profit to the Nation. It is estimated that it will reduce the cost of veterans' affairs by $1,000,000,000 per year by creating gainful employment; also, it may make it possible to save taxpayers other billions of dollars in direct expense. The Veterans' Corporation is so designed that it should operate without cost to the taxpayers, as the spread between the rate of interest the Treasury pays the public for the bonds, and the interest rates charged on loans made by the Veterans' Corporation will more than cover administration, losses from loans, and operating costs. Specifically, it would be the difference between the Treasury rate of 2.9 percent or less, and the Veterans' Corporation rate of 4 percent. The present RFC reports that, under similar conditions, it has returned more than $500,000,000 profit to the Treasury. It is estimated that with the wider distribution of loans made by the Veterans' Corporation and with its skilled technical advisory and research services to protect the Government against loss, the Veterans' Corporation should return a still greater profit to the Treasury than the present RFC.

For the first time in American history, we have a specific foreign policy. Consequently, it is possible for the State Department, with the help of the Senate, to put teeth in our new foreign policy. We believe that the Veterans' Corporation provides the most immediate approach to this objective and in support of what Senator VANDENBERG, the chairman of the Senate Foreign Relations Committee, says, this approach will help "peace living" countries rather than "peace loving" countries to bring lasting peace to the world. At a time when we no longer have a powerful Army to reinforce our foreign policy, it is significant that 20,000,000 living American veterans, who with their families represent 60 percent of the people of the United States, constitute a potential new moral and economic force

in the world. More than 13,000,000 of these living veterans are veterans of foreign wars. Our veterans were selected from the cream of 140,000,000 people for their physical, mental, and educational superiority and are now the finest essence of our people. Many of them are experienced and capable and, if properly utilized, are a source of a new domestic economic power. They are also a source of vast new power to reinforce our foreign relations, as many experienced veterans are eager to go as business and technical missionaries to countries that we have helped to liberate, including Korea, China, India, the Philippines, Iraq, Iran, Arabia, Italy, France, Turkey, and Greece. Our veterans are, potentially, the greatest army of good-will missionaries in all human history. Under the provisions of this legislation our veterans could help to tip the scales now between war and peace.

The passage of this act is immediately necessary and urgent as no other Government or private agency can perform the functions to meet the emergency.

The Veterans' Corporation would strengthen the hand of the Eightieth Congress for several reasons:

(a) It appeals to the taxpayers as it will save an estimated $1,000,000 000 per year in veterans' unemployment compensation and obviate the abuses of the "52–50 club."

(b) Banking approves of the Veterans' Corporation because, like the present RFC, it will make only loans that do not compete with private banks. It will help to balance the Federal budget. The American Bankers Association in their Journal of January 15, said: "During a term of office in which economy and tax reduction will offer no new plums for veterans, the proposed $500,000,000 capitalized Veterans' RFC (sponsored by Chairman WOLCOTT, of the House Banking and Currency Committee, and several Senators) will provide something which Members of Congress can loudly endorse and set their records straight with veterans' votes." The Veterans' Corporation should cost the taxpayers nothing, as all projects and enterprises will be self-liquidating and will show a profit to the Nation. It will utilize all existing facilities of government without duplication and simplify veterans' affairs. (The veteran had 9 agencies of government to give him the run-around after World War I, and now after World War II has 29 agencies of government to confuse him. On December 11 President Truman indicated to Commander in Chief Starr, of the Veterans of Foreign Wars, and a delegation of veterans, that he approved of the principle of the Veterans' Corporation. Mr. Truman noted that the present RFC would expire or be modified this year and that the Veterans' Corporation would benefit many more millions of our people. The President also told Col. Richmond Harris that he liked the Veterans' Corporation because "it would help ambitious and worthy veterans, yet discourage the professional veterans from using a scoop shovel in the Federal Treasury."

(c) A good cross-section of labor leaders—in fact, all we have contacted—favor this bill. They recognize that it means the halfway mark in permanent full employment because veterans would otherwise compose half the unemployed labor force during depressions. It would prevent the inevitable conflict between the veterans' organizations and organized labor by opening new opportunities for fuller employment where both will profit.

(d) The veterans' organizations are supporting this bill because it will enable veterans to recoup their losses in economic opportunities in competition with those who remained at home and it will provide self-supporting careers for disabled veterans. For example, veterans' organizations are urging the enactment of this legislation, as it will immediately help to break the bottlenecks in veterans' housing and provide careers for veterans. The veterans' organizations also like the features that will enable capable veterans to trade abroad, to return as technical and business experts, to help modernize many of the very countries they helped to liberate such a short time ago. They believe, also, that the program provided by the Veterans' Corporation will be a powerful factor in strengthening our ties with other countries in the United Nations, thus helping to prevent war.

This legislation will also enable us to plan ahead for the 2,700,000 now in training—men who will be entering the labor force coincident with large-scale unemployment in a recession that many authorities predict will culminate in 1948. Domestically, the Veterans' Corporation should spread the base of our economy, which has already suffered by the alarming loss of many small industries and businesses which, heretofore, have given America its phenomenal economic strength. Unless we act quickly, there is the recognized danger that our economy will become topheavy, as big business must feed largely on small business. We believe, furthermore, that this legislation will be insurance against a recession; in fact, the best insurance now in sight.

A statement, prepared by the experts of the Department of Commerce over the signature of Under Secretary Alfred Schindler to Senator WAYNE MORSE, of Oregon, concerning the Veterans' Corporation said: "It is a well-recognized fundamental of business economics that expanded commercial activity creates employment, and your bill, designed to incorporate the existing reservoir of young veterans in such expansion, offers the most intriguing possibilites of any piece of current legislation which has come to my attention. * * * America, in the years ahead, needs alert young men in business, and the men released by the armed forces are the natural source of this necessary manpower potential. I feel strongly that we cannot and must not offer the returning veteran alleged employment based on 'leaf raking' or comparable projects which do not add to our industrial capacity. * * * It seems to me that your bill, which will permit private business to expand its efforts legitimately, which will provide much needed additional consumer goods and will create these necessary job opportunities for veterans, strikes a new and intelligent cord. Government support in a business-expansion program of the type you visualize is simply common sense."

The Commerce Department tells us that we now have hundreds of thousands of captured enemy trade secrets, patents, and secret processes, many of which are immediately commercially profitable and suited to this program. The Interior Department tells us that millions of acres of good land are ready to be opened. There is a vast new opportunity in the further mechanization of agriculture and in industrial uses of agricultural products that they themselves can manufacture—establishing a better-balanced economy.

When Ambassador Frank T. Hines was Veterans' Administrator, he pointed out to Colonel Harris the need for a corporation such as the Veterans' RFC, which prompted Colonel Harris and a group of experts in veterans' affairs to draft this bill. Upon seeing the draft of this bill, Ambassador Hines wrote: "In my judgment, such a measure would prove effective and of great value for the veterans. I think it would also offer a means for business to cooperate with such corporation and tend to centralize the activities and responsibilities dealing with this important subject."

General Bradley, the present Veterans' Administrator, also said to Colonel Harris: "We must have an agency such as this Veterans' RFC, as the Veterans' Administration, with its 200 hospitals and enormous load, has all that it can handle with hospitalization, pensions, claims, and insurance. We cannot handle the creation of employment opportunities for veterans; yet we receive thousands of letters blaming us for veterans being obliged to work at substandard wages or not finding a job at all."

In sponsoring this bill, we propose to nominate for appointment to the Board of Directors and to the Advisory Council of the Veterans' Corporation (with the advice and consent of the Senate) outstanding leaders, such as Herbert Hoover, who can direct and counsel this important agency to serve its new high purpose for the Nation The Board of Directors would establish standards for loans. Under it, a staff of the best technical experts would have two primary responsibilities: to enforce the standards, both before and after the establishment of the projects or enterprises; and, to provide technical service to the organizations or individuals to protect the Government against loss by protecting the organizations or individuals against failure.

After other American wars, new frontiers were developed with the help of veterans. From the days of the Cumberland Road, which George Washington and other veterans helped to build and which speeded the development of our rich Midwest after the Revolutionary War, veterans have engineered and worked to stimulate our Nation's growth. Veterans helped to open the plains beyond St. Louis after the War of 1812. After the War Between the States, veterans helped to engineer and build our railroads to the west coast and to develop the valleys along the Pacific seaboard. The Federal Government planned and helped develop these frontiers. Now vast new frontiers—the greatest frontiers in all American history—are ripe for development; the new technological frontier at home and the vast new frontier where we can help modernize other friendly countries (quoting from the bill) "thereby cultivating those countries to become increasingly our friends and customers," thus preventing war and strengthening the United Nations. For example, take the case of China. Both Senator Austin, who has directed large commercial operations in China, and Ambassador Wei have told us that they concur in the immediate application of the provisions of the Veterans' Corporation to the parts of China where they are not fighting; where we can establish American pilot industrial communities, operated by Americans, to help modernize China, to integrate our economic democracy with China's and to secure the peace in the Pacific. There is also Alaska, the most strategic world area in this atomic age of over-the-pole flying. Our study of Veterans' Opportunities in the Development of Alaska, that was made by Colonel Harris at President Roosevelt's direction, reveals that the Veterans' Corporation now offers us a great opportunity to guide the rapid development of that vast rich territory through veterans and others who are loyal to our form of government. This program will offer protection against communism to us in that strategic territory.

Secretary of Commerce Harriman states: "Without expanding world trade, our own economy must shrink." The program provided by the Veterans' Corporation should make possible the peaceful, mutually profitable penetration of many foreign countries by American experts and capable veterans who are interested in setting up projects and business enterprises or developing natural resources. This will strengthen our foreign policy as it will demonstrate how on-the-scene democratic business can succeed in economic democracy. This would be particularly significant in those areas where our system of democracy must compete for survival with totalitarian and despotic systems. In this connection, it is important again to note that there should be little or no concern about the loyalties of the men selected and approved for such penetration.

The War and Navy Departments already have their complete case histories, and our veterans have been screened as to their loyalties to our American form of government. Furthermore, this overseas-economic-development program would be accomplished without the drain on our Treasury that additional foreign loans would impose.

The experts in the State Department are giving us their hearty cooperation in making plans for the modernization of certain countries where the Veterans' Corporation legislation will meet the emergency, as it is acknowledged that this Veterans' Corporation bill has prospects of earlier enactment than any other legislation for accomplishing those objectives of economic development on the ground level in other countries. Our work with the State Department had its inception with the blessing of former Secretary Byrnes. In referring to the relationship of the Veterans' Corporation to the International Bank, the Export-Import Bank, and the International Trade Organization, he says: "This all adds up to a program of great magnitude. I am convinced that for the accomplishment of our purposes, it must be so. * * * We can expect neither prosperity nor peace in an unproductive world. You are well aware that economic break-down, whether arising from depression or from the devastation of war, has in recent years put much of the world's industry and trade in a straitjacket of discriminatory state trading, exchange restriction, quota controls, and the like. It is for this reason that I regard as complementary, first, the economic development program of which you have spoken and, secondly, such trade-liberalizing efforts as the articles of agreement of the International Monetary Fund."

In respect to the fact that the Veterans' Corporation would supplement the other agencies mentioned above to build our foreign trade and to strengthen our foreign relations, Secretary Byrnes continued: "Each reinforces the other. A more productive world will, I am convinced, be a freer world."

This legislation will undoubtedly stimulate an ever-expanding economy in industry, agriculture, unused natural resources, and overseas trade sufficient to assure full employment in the United States for the decades covered by the term of this legislation.

Mr. BRIDGES. Captain Watson Miller, past commander of the District of Columbia American Legion and Federal Security Administrator, has handed to me a copy of the resolution adopted by his own post of the District of Columbia department of the American Legion on June 25, 1947, which endorses the bill and which also will place the subject before the national convention of the American Legion to be held in New York City August 28 to 31 of this year. I ask that this resolution be included at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Be it resolved by the Henry C. Spengler Post, No. 12, Department of Washington, D. C., of the American Legion, at its regular meeting on June 25, 1947, That we do hereby unanimously sponsor and endorse, and call upon the next national convention of the American Legion to adopt the following resolution:

"Resolution urging enactment of Veterans' Economic Development Corporation Act of 1947

"Whereas it is estimated that there are about 4,000,000 employable veterans of America's wars who are not now gainfully employed, of whom nearly (1) 1,000,000 are depending upon so-called readjustment allowances, payable to World War II veterans during periods of unemployment under the so-called GI bill of rights and under which about 40,000 veterans each month are exhausting their unemployment compensation benefits of $20 per week for not more than 52 weeks, with an alarming total so far of 300,000 veterans who have completely exhausted their unemployment allowances; (2) 2,700,000 are pursuing educational or vocational-training courses under the provisions of Public Law 16 or Public Law 346, as administered by the Veterans' Administration; (3) 100,000 are receiving medical treatment or domiciliary care in Veterans' Administration hospitals; (4) 300,000 now must depend in whole or in part upon their inadequate disability compensation payments from the Veterans' Administration, their mustering-out payments, accrued savings, loans, casual or part-time employment, or the financial assistance received from relatives, or from public or private charities—practically all of whom would much prefer to be able to rely on suitable, useful, gainful, continuous employment; and

"Whereas America's 20,000,000 living veterans, representing a cross section of the Nation—politically, geographically, socially, educationally, religiously, racially, economically, financially, and occupationally—being anxious to strengthen the economy of our Nation for the benefit of all its people, would much prefer to rely upon income from suitable gainful employment, or some profitable private enterprise, than to have to rely upon any form of Government hand-outs; and

"Whereas it is estimated that there are more than 1,000,000 veterans who were disabled in wartime who are not gainfully or continuously employed, who very much desire to become fully self-sustaining citizens; and

"Whereas there are probably several million other veterans who, because of not having any reemployment rights or not having any background of experience before their war service, have taken low-paying jobs which have failed to utilize fully their natural capacities; and

"Whereas most veterans, by reason of the time that they spent in active military service, were deprived of opportunities that they might have had during civilian life—job experience, promotions, salary increases, and the increasing of their assets—who now deserve an opportunity to establish themselves as self-sustaining, self-respecting individuals in jobs, professions, trades, crafts, and businesses, comparable to the opportunities that were obtainable by those who did not serve in the armed forces; and

"Whereas surveys indicate the probability of an increase of dislocations among the employees in productive industries, after present accumulated demand for goods and commodities have been filled and, even more significantly, as technological developments and processes displace hundreds of thousands of production employees, which will therefore result in greater unemployment among veterans, proportionately, than among other groups, unless constructive steps are taken in the meantime to create new opportunities for their suitable and permanent employment; and

"Whereas the phenomenal technological wartime advancement will produce increasingly more and more peacetime products and utilize fewer and fewer people, thus threatening a repetition of the depression and recessions that followed the post-World War I boom, which may result in unemployment for several million veterans; and

"Whereas some 100,000 patents and the thousands of trade secrets and processes, captured from our enemies during time of war, together with thousands of existing and potential scientific developments which are available for production, as well as our many unused war plants and billions of dollars' worth of surplus war assets at home and abroad, could be utilized to create opportunities for many additional factories and businesses, which would result in much additional employment and many new career opportunities for veterans, by the use of the financial loans and technical "know-how" made available through this proposed Veterans' Economic Development Corporation, with resulting benefits to the veterans directly concerned, but also indirectly for the economic and social betterment and security of Americans generally in each community; and

"Whereas the intensified private enterprises thereby generated would furnish thousands of scientifically trained veterans who could be of service as technical and business missionaries to help develop and modernize the economy of many other countries, such as China, Korea, India, the Philippines, Iraq, Iran, Turkey, Greece, and Italy, thereby stimulating international trade between the United States and other countries, which could very well result in prosperity and abundance for all people and prove to be the most effective means of strengthening the United Nations and preventing a world war III; and

"Whereas the creation by the United States Government—without any actual cost to the Nation's taxpayers—of a Veterans' Economic Development Corporation with the power to make loans which private banks are not interested in undertaking (accompanied by pertinent technical information and advice), for the purpose of promoting, financing, and developing self-liquidating businesses, industries, and projects (including laboratories and experimental workshops for the development of new technology), designed to increase opportunities for gainful employment, primarily for veterans, without displacing other workers and without disturbing existing labor contracts, would in turn greatly stimulate other industries, as well as private banking in the investment of risk capital, and thereby result in the creation of additional private enterprises: Now, therefore, be it

"Resolved by the national convention of the American Legion, assembled in New York City, August 28 to 31, 1947, That we do hereby call upon the President of the United States to issue a call for a special session of the Eightieth Congress to reconvene in November 1947, for the specific purpose of enacting legislation for the establishment of the Veterans' Economic Development Corporation, commonly referred to as the "Veterans' Corporation" or "Veterans' RFC," such as would be authorized by the enactment of one of the companion bills, S.——, being introduced by Senator STYLES BRIDGES, of New Hampshire, on behalf of himself and Senator BARKLEY, of Kentucky, Senator BUTLER, of Nebraska, Senator CAIN, of Washington, Senator CAPEHART, of Indiana, Senator DWORSHAK, of Idaho, Senator EASTLAND, of Mississippi, Senator FULBRIGHT, of Arkansas, Senator HILL, of Alabama, Senator JENNER, of Indiana, Senator JOHNSON of Colorado, Senator KNOWLAND, of California, Senator MARTIN, of Pennsylvania, Senator MAYBANK, of South Carolina, Senator MORSE, of Oregon, Senator REVERCOMB, of West Virginia, Senator FLANDERS, of Vermont, Senator FERGUSON, of Michigan, and Senator HAWKES, of New Jersey.

"Bills identical in purpose have been introduced in the House of Representatives by Representative KEARNEY, of New York, Representative KEFAUVER, of Tennessee, Representative ROGERS of Massachusetts, Representative SPENCE, of Kentucky, Representative VAN ZANDT, of Pennsylvania, and Representative WOLCOTT, of Michigan."

Mr. BRIDGES. Next I want to include at this point a letter addressed to me by James F. O'Neil, past commander of the New Hampshire department of the American Legion. Jimmy O'Neil also introduced a resolution at the New Hampshire department convention of the American Legion this year endorsing the bill being introduced today. The resolution was passed unanimously by the convention. Jimmy O'Neil is an outstanding citizen of New Hampshire and an outstanding member and leader of the American Legion.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR BRIDGES: I wish to compliment you * * * in formulating an American doctrine to build mutual prosperity between our communities in America and the communities in friendly countries that are trying to hold the line against communism. * * * I believe it is possible that your doctrine may go far to assure prosperity and peace for the United States and for the United Nations, by integrating the economy of other countries with ours.

By utilizing the manpower and the skills of the veterans, you put your finger on what I believe is the spearhead to prosperity and Americanism against depression and communism. In their stand on Americanism, 20,000,000 living American veterans can't be wrong. From what I know of veterans, I can say that we have at least one more good fight left in us, and this is it. As you gentlemen in Congress have challenged us, I believe we can meet the challenge in peace with as much vigor and determination as we have met the challenge in war.

I believe I can speak for many of the Legionnaires in our State, and I am confident that with the Legion program for community economic development, the Legion posts of our State will cooperate with civic pride to participate in your plan for economic development. Furthermore, as all veterans alike have served their neighbors and our Nation, I am confident that the Legionnaires in our State will invite the cooperation of the members of other veterans' organizations to meet this new challenge to champion Americanism against communism through your economic development plan.

The Army and the Navy were charged with being prepared to defend Pearl Harbor, but obviously their lack of coordination paid its toll. I, for one, wish to prevent a Pearl Harbor in veterans' affairs. To that end I am confident that the American Legion will cooperate with other veterans' organizations in our communities, and in our State to help unify our people for the best interest of all.

I am impressed by the number of Legionnaires in the Eightieth Congress who are cosponsoring with you your veterans' corporation bill, which appears to be a good basis to afford veterans economic opportunities and housing and to complete an over-all veterans' program for the benefit of the veterans and of the Nation.

With my best wishes for your success in your plan to fight communism with prosperity, I am,

Sincerely,

JAMES F. O'NEIL.

Mr. BRIDGES. The Senator from West Virginia [Mr. REVERCOMB], as chairman of the Senate Public Works Committee and cosponsor of this bill, foresees in the measure the encouragement of beneficial public-works programs. I ask that his letter on this subject be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 16, 1947.

Senator STYLES BRIDGES,
Chairman, Senate Committee on Appropriations.

DEAR SENATOR BRIDGES: I appreciate the opportunity you have given me as a cosponsor of the measure to express my opinion of the Veterans' Economic Development Corporation bill, which I regard as a basis for study toward our enactment of sound legislation to solve critical problems for our taxpayers and veterans.

As chairman of the Senate Public Works Committee, I am naturally interested in all phases of current public works and those we will undoubtedly need in the future.

Certainly it is clear to most of us that we can learn from our mistakes of the past. We should be ready in the event of need to carry forward a constructive, efficient public-works program.

The possibilities contained in this Veterans' Corporation are unlimited. State by State, we should be ready to meet present and future unemployment needs with a program which will enhance the real wealth of the Nation rather than haphazard, temporary boondoggling projects.

Under the provisions of this act States and municipalities would be able to care for their own unemployed veterans and others through essential self-liquidating public projects such as parking buildings, auditoriums, toll roads and bridges, public markets, airports, and irrigation projects.

Also, under the provisions of this legislation, cities and communities would be able to rehabilitate their local public works after years of neglect due to war and intense industrial activity. Similar public utilities such as run-down transportation lines, waterworks, gas companies, rural communication lines, and all such public conveniences could and would be revitalized.

I can foresee the real benefits of such legislation to my own State of West Virginia. Whether or not we all realize at this time that the youth of our Nation which fought the last war returned to a situation which will inevitably lead to their being placed at the ends of the pay rolls and the first in the unemployed lines is a question. The signs of such a condition already face us.

The public-works provisions of this act could be aimed as a stimulant to agriculture, small industry, and small business toward an ever-expanding economy as insurance against depression, communism, and war. This bill could act as a spearhead in the proper utilization of our surplus war plants and equipment as a means of spreading and expanding our economy. It would be also an effective brake on any cycle of unemployment.

We hear a great deal these days about a threatened collapse in the American educational system. A public-works program such as could be created by this legislation could do a great deal in improving the physical structures in our educational system and also a great deal in providing the means whereby much needed improvement of schools and school districts could be accomplished.

The application of this legislation could be coordinated with similar programs under the provisions of the veterans' corporations operated in the States, within geographical areas, thereby eliminating much of the overlapping and confusion which too often develops between Federal and State governmental programs.

With these thoughts in mind, I am anxious to offer my unlimited support and encouragement to the enactment of this act.

Sincerely,

CHAPMAN REVERCOMB.

Mr. BRIDGES. Representative ESTES KEFAUVER, of Tennessee, as another cosponsor of this bill, relates to me, by letter, his injection of a new purpose for the Veterans' Corporation in emphasizing the veterans' part in the peaceful use and development of fissionable material. I ask unanimous consent that his letter be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 14, 1947.

Senator STYLES BRIDGES,
Chairman, Senate Appropriations Committee.

DEAR SENATOR BRIDGES: Another reason why we should have a Veterans' Corporation is that it would enable our veterans to participate in the tremendous economic possibilities which lie in the field of peacetime uses of atomic energy.

Industrial and commercial opportunity in the field of atomic energy cannot be clearly defined today, but there are firm indications that the development of nuclear science will have a far-reaching effect in many allied fields. Even in the most conservative estimates the proposed possibilities of peacetime uses of atomic power are sufficient to stagger the imagination of the average citizen. The changes that are sure to come will be great beyond prediction.

There will include the design, development, and manufacture of many special types of equipment, structural materials, and instruments. The expansion of uses of radio isotopes in medicine, agriculture, and in industry will also bring demands for special types of equipment and instruments and will itself be an important field of technical activity. The future development of useful power from nuclear fuels will create a demand for entirely new types of equipment and will open a new field of engineering. Properly trained and advised veterans would give us a head start in the atomic race for economic development just as our scientists and technicians gave us a head start in the development of the atom bomb, and the consequences may be even more far-reaching.

Our veterans have returned recently in glory from military conquests in every quarter of the globe. Now, the most exciting conquests of all lie ahead of them under the provisions of this bill. They can be trained collaboratively with the rapid developments of peacetime opportunities in the field of atomic energy. This bill will open to our veterans the greatest frontier in American history—the technological frontier—for the increasing benefit of our veterans and of our Nation.

In order that the United States may keep the lead in the development of new uses for atomic power, I urge immediate enactment of the Veterans' Economic Development Corporation bill.

Sincerely,

ESTES KEFAUVER.

Mr. BRIDGES. I also submit for the CONGRESSIONAL RECORD a letter from Col. George E. Ijams, who is well known to many Members of the Congress because of his service as Assistant Director of the old Bureau of War Risk Insurance, Assistant Director and later Director of the United States Veterans' Bureau and as Assistant Administrator of Veterans' Affairs from June 1919 until March 1, 1946, when he resigned from the Government to become director of the national rehabilitation service of the Veterans of Foreign Wars. Colonel Ijams is not only well known in the Con-

gress of the United States, but because of his long service to the veterans as an official of the Federal Government he is very well known to the rank and file of the veterans of both World Wars.

During the latter part of his service with the American Expeditionary Forces of World War I, Colonel Ijams served on the staff of Brig. Gen. Charles G. Dawes and acted in a liaison capacity between the Dawes organization and the civilian and military officials of our then allies. In 1921, while serving as Assistant Director of the War Risk Insurance Bureau, he was again sent abroad to negotiate reciprocal agreements with our former allies and to investigate financial arrangements in various European countries for the delivery of compensation and pension checks to former American soldiers living abroad.

In May 1945 President Truman sent Colonel Ijams to the Philippine Islands as a member of the commission headed by Senator TYDINGS, of Maryland, which was charged with the responsibility of surveying the economic situation in the Philippine Islands preparatory to passage of legislation for their assistance and rehabilitation. I am mentioning these facts to emphasize Colonel Ijams' long experience in veterans' affairs as an official of the United States Government and his knowledge of conditions in foreign countries and their methods of transacting business.

Colonel Ijams is a member of the Veterans of Foreign Wars of the United States, a member of the American Legion, and participated in the Paris caucus in 1919 which culminated in the birth of the American Legion. In 1933 he was elected commander in chief of the Military Order of the World War and served for 3 years in that capacity. Upon his retirement from that office he was voted the title of honorary commander in chief for life.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., July 10, 1947.

The Honorable STYLES BRIDGES,
Chairman, Senate Committee
on Appropriations,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BRIDGES: I am delighted to learn that you and other distinguished Members of the Senate are sponsoring the Veterans' Economic Development Corporation legislation, commonly known as the Veterans' RFC bill. This piece of legislation was first called to my attention while I was serving as Assistant Administrator of the Veterans' Administration by Col. Richmond Harris, then associated with Gen. Frank T. Hines in the Office of Retraining and Reemployment as his consultant. After studying the bill, it became apparent to me that its provisions covered two of the most critical problems confronting the veterans of our wars. First, the Veterans' Corporation will create jobs and economic opportunities for veterans; second, it will, in my opinion, enable the veterans themselves to break the bottleneck which has retarded housing for veterans at prices they can afford to pay without resorting to Federal or State subsidies. Having spent many years of my life handling veteran problems, I am fully conversant with the tremendous cost of veteran legislation to the American taxpayer. Consequently, I was particularly interested in this legislation because for the first time it presents a plan which will benefit our unemployed veterans and will improve the economic conditions of thousands of American communities without costing our taxpayers 1 cent.

In traveling through the country and discussing this legislation with both veterans and businessmen, I find they are intensely interested in the Veterans' Corporation bill because of its unique provisions which will benefit so many and at no cost to the taxpaying public.

This legislation will also avoid the necessity for huge expenditures running into billions of dollars for unemployment compensation through providing economic opportunities for employment instead of the payment of the dole of $20 a week while veterans are unemployed.

From the beginning of World War II we have recognized our obligations to provide employment for both the able-bodied and disabled veterans returning from that conflict. Many articles have been written on this subject and many speeches have been made. However, the Veterans' Economic Development Corporation legislation is the first concrete attempt to actually do something about this all important problem. We must not forget that millions of young men entered the services in World War II directly from schools and colleges and therefore they have no preference in the employment field. Others are taking vocational training to fit them for employment, but unfortunately in too many instances there will be no employment opportunities awaiting these young men when they have completed their training unless we broaden the economic base of the country and provide employment opportunities without displacing others now employed. Consequently, it is my belief that this Veterans' Corporation bill will complement and supplement the GI bill of rights by broadening the economic base of the country and enabling us to place our jobless veterans in the type of positions for which they have been trained.

In recent months it has become more and more evident to the American people that Communists and other enemies of the American system of government are doing their utmost to create a feeling of dissatisfaction and distrust on the part of our veterans because of the difficulty they are experiencing in finding employment. Nothing could do more to off-set this type of propaganda than to make positions available to our veterans through the creation of new opportunities for employment which can be filled as far as possible by the veterans of our wars.

As director of the national rehabilitation service of the Veterans of Foreign Wars of the United States, I am now making an inventory in our 48 States and in our possessions to list opportunities which exist in local communities for self-liquidating projests in which our veterans can be employed. New frontiers at home and abroad are being discovered every day. Not the least of these is the desire of the veterans to solve their own housing problems. Many veterans have written asking assistance in securing surplus equipment and the necessary capital to enable them to finance themselves in small businesses in their home communities. These men have the usual American initiative and the "know-how," but they lack funds so necessary to their success. There are literally thousands of self-liquidating projects which would accrue to the benefit of all of our people and in particular would provide permanent employment for veterans which could be financed under the provisions of the Veterans' Corporation legislation. I am listing below only a few examples.

1. Building experts have estimates and finished examples of single dwellings and multiple-unit housings that can be built under the provisions of the Veterans' Corporation that will go far to break the bottlenecks in veterans' housing. Veterans will also be afforded opportunities in the supply of critical items, construction, and maintenance.

2. There is a wide variety of opportunities for veterans in business. I have been reliably informed that large manufacturers of radios, automobiles, electric home appliances, and many other items state that under the provisions of the Veterans' Corporation they will assist veterans in obtaining sales and distribution franchises and repair-facilities franchises where they are needed in communities and will be profitable to the veterans.

3. Our veterans can be afforded access to the thousands of enemy patents, secret processes, and manufacturing methods that they captured from our enemies, many thousands of which now can be commercially profitable to our veterans instead of allowing monopolies to gain control as they did to a large degree following World War I.

4. Before we destroy or give away to other nations our vast array of good ships our navy veterans who know the sea can develop shipping at home and abroad and put these ships to work as an outlet for our trade, industry, and agricultural products in our States from which oceangoing, lake, and coastal ships can operate to supplement existing facilities, thus enabling us to maintain our maritime position and to insure our national security. In the Pacific and in Central and South America there is an abundance of timber new to America that could be profitably used in the United States and in other countries. Veterans have written me that they would like to secure and operate surplus LST's (landing ship tanks) which they could use to carry American manufactured goods needed abroad and return with loads of timber or other material and supplies so badly needed in our own country.

5. With the wide variety of opportunities opened by the Veterans' Corporation adequate positions could undoubtedly be found for the employment of our 350,000 unemployed disabled veterans whose remaining abilities could be used to advantage in many of the positions made available through projects financed under the Veterans' Corporation legislation.

6. We can help veterans to increase the profit in agriculture by newly developed scientific methods for mechanization and cultivate many new items of agricultural products required in industry and foreign and domestic commerce.

7. This legislation will enable experts and veterans to develop the unopened millions of acres of good land and our vast untapped natural resources within our 48 States and in our possessions, to utilize this undeveloped wealth to supply our critical domestic and foreign shortages and to stock pile critical items for our defense program.

8. This program will utilize and preserve in good condition our modern war plants, facilities, and abundant surplus property in many States in the Union and in many trade routes overseas and will provide employment for veterans as well as to help build our domestic and foreign commerce.

9. The enactment of the Veterans' Corporation Act will justify taking an inventory, with our city planners, as we believe there is hardly a community which is not in dire need of some necessary self-liquidating projects. Parking buildings, toll roads, and toll bridges, tourist courts, and various other self-liquidating projects, which will produce permanent employment for thousands of veterans are needed in many American communities. The construction of such projects will provide jobs for veterans in our home communities, and the maintenance of

these projects will provide life careers for these men.

10. Two years ago President Truman appointed me a member of the Tydings commission to visit the Philippine Islands. Those islands were then a part of the United States. They are now an independent nation. It must be remembered that through a long period of years, while living under the American flag, Filipinos have learned to respect and trust Americans. I found that they are quite conscious of the fact that they, too, died in defense of the American flag. Hundreds of thousands of American soldiers, sailors, and marines saw service in the Philippines, and many of these men discovered business opportunities which, if properly financed, would not only produce employment for Americans and Filipinos alike but would serve to cement the bonds of friendship and comradeship which now exists between our two nations. The Communists are very busy in the Philippines capitalizing upon the results of the almost complete destruction of their domestic economy by the Japanese. I am convinced that we now have an opportunity through the Veterans' Corporation legislation to set an example for the 1,000,000,000 people of the Orient by assisting the free people of the Philippine Islands to develop their economy and raise their standards of living as a model for all other people who must choose between the destructive forces of communism and the constructive principles of decent, God-fearing Americanism. There are literally thousands of opportunities in the Philippines in two-way trade which will react to the advantage of our country and of the new Philippine Republic which we established for this great people and, at the same time, will bring lucrative employment to thousands of our veterans.

11. Alaska is now one of the most strategic areas in the world. We all realize that this great country must be colonized with carefully selected Americans whose loyalty is unquestioned. There are only 90,000 people in that fabulously rich territory, of whom nearly one-half are Indians and Eskimos, many of whom are in poor health. With more area than Scandinavia, having 10,000,000 people who have developed a high level of civilization, Alaska has a better climate, a more fertile soil, and an abundance of natural resources that exceed those of Scandinavia. A pattern for the industrial, business, economic, and community development was devised for Alaska by Col. Richmond Harris at the direction of President Roosevelt. This plan could be put into immediate operation upon the enactment of the Veterans' Corporation legislation.

12. For those veterans whose physical conditions require them to live in a milder climate, our undeveloped Virgin Islands offer the most ideal climate under the American flag. The Virgin Islands, possessing the same climate, the same fine fishing, and other recreational opportunities as the nearby British islands, have been a drain upon the Treasury of the United States since we acquired them from Denmark early in World War I. During these years hundreds of millions of dollars have been spent by American citizens who have gone to nearby British islands to enjoy their climate, simply because recreational and resort facilities have not been available in the Virgin Islands. With the passage of the Veterans' Corporation legislation the Virgin Islands could be developed as a vacation and resort area; adequate tourist facilities could be made available which would bring about business opportunities of all kinds in which our veterans could be employed. Why should we continue to pour millions of dollars into the Virgin Islands on WPA projects when these islands could be made self-sustaining and become an asset to America with a little planning and investments which would produce thousands of jobs for our veterans.

I could present many other opportunities open to veterans under the Veterans' Corporation legislation, but I have already imposed too much upon your time. In closing, I should like to reiterate the statement I made earlier that while many persons have been talking about providing jobs for veterans, the Veterans' Corporation legislation is the first concrete evidence that we are going to do something about this all-important problem. That is why this legislation was approved by the members of the national welfare and service committees of the Veterans of Foreign Wars and by the national legislative committee of our organization. That is why the national encampment of the Veterans of Foreign Wars held in Boston last September unanimously approved of this legislation and requested the President to call a special session of Congress so that it might be enacted for the benefit of those men and women who have served their country in time of war. These soldiers, sailors, and marines were promised that everything would be done for them after victory was achieved. These veterans do not want a dole or unemployment compensation. They want an opportunity to secure decent employment like other Americans. Fortunately, this employment can be provided for them to a great extent through the enactment of the Veterans' Corporation legislation and without cost to the American taxpayer. I have spent the last 28 years of my life in the service of veterans of our wars, but this is the first time in my experience that I have discovered a plan which will be so beneficial to our veterans, to their home communities, and to our citizens as a whole at no cost to our taxpayers.

May I again express my thanks to you, Senator BRIDGES, and the gentlemen who have joined you as sponsors of this bill, for the efforts you have put forth on behalf of the welfare and continued happiness of the millions of men and women whose courage and sacrifices in time of war have saved America.

Sincerely yours,

GEORGE E. IJAMS,
Director, National Rehabilitation Service.

Mr. BRIDGES. I want at this point to include another letter addressed to me by a New Hampshire man, the national commander of AMVETS of World War II, Ray Sawyer. His letter is an endorsement of the bill by the AMVETS national legislative committee and a review of the potential help it can be in improving the economic status of our veterans and the national economy generally, as well as in promoting peace in the world.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMVETS NATIONAL HEADQUARTERS,
Washington, D. C., July 12, 1947.

Hon. STYLES BRIDGES,
Chairman, United States Senate Committee on Appropriations.

DEAR SENATOR BRIDGES: Please accept my congratulations for your demonstration of far-sightedness in proposing and introducing the bill to establish the Veterans' Economic Development Corporation. As the father of a boy who served in World War II and as chairman of the Senate Committee on Appropriations, I know you are deeply interested in the problems of postwar reconstruction.

It is a great pleasure for me, as national commander of the AMVETS, the largest organization composed entirely of men and women who served in the armed forces during the Second World War, to have the opportunity of presenting a statement in support of your bill. As you know, the purposes for which AMVETS was organized include (1) promoting world peace; (2) preserving the American way of life; and (3) helping veterans help themselves.

Having just returned from 4 months of traveling to every section of the United States, I am acutely aware of the need for the type of long-range business stimulation which your bill envisages.

Every major war has been followed by a depression. Most of our economists are forecasting a business recession; some, a depression. This means that World War II veterans are about to become America's unemployed class. Legislation such as you propose is urgently needed to help prevent the creation of such a lost generation of patriotic young American men and women.

HELPING VETERANS HELP THEMSELVES

Whether American postwar history repeats itself, with resurgent waves of veteran discontent and angry bonus marches, depends on what the leaders of our country do to help veterans help themselves.

Veterans need, but do not have, job seniority for time spent in the service, housing at prices they can afford, and sufficient career and business opportunity to catch up with those who stayed at home during the war. Actually, the successful fulfillment of these needs is more important to America as a whole than to veterans as a group. The AMVETS program of job seniority, housing, and business opportunity is necessary to stabilize the social, moral, and economic fabric of American family life. Your bill will help veterans of World War II to make these adjustments.

JOB SENIORITY

As an example of the need for seniority on the job, take the case of two boys who left high school or college together at the beginning of the war. One went into the armed services, and one went to work in a factory. Four years later, the first boy was discharged from service and became a veteran. He went to work in the same factory with his classmate. A year later factory orders were curtailed and employment was reduced. Somebody had to be laid off. And that somebody was the boy who served his country in uniform during the war. This is because under practically all employment rules and contracts, the first person to be laid off is the one with the least seniority.

The situation is essentially the same for older workers. Although the Selective Training and Service Act guarantees every veteran his old job, or one with like seniority, the United States Supreme Court decided in April that this guaranty is good for only 1 year. Veterans are the last to be hired, and will be the first to be laid off in a recession.

Veterans are at the bottom of the national income ladder. They already carry the main brunt of the housing shortage. And they are the least able to bear the current postwar inflationary spiral. I am sure our country has no desire to add unemployment, and thus saddle economic calamity on this one class of society.

HOUSING

Un-American methods in the form of monopoly, price fixing, and restrictive practices are responsible for about 20 percent of the cost of housing today.

The American home is a symbol of American independence and the citadel of democracy. Yet the great masses of our people cannot afford to own one. Because of the unnecessarily high cost of construction, the building industry not only has priced itself out of a building boom but is pricing itself out of the free enterprise system in the Nation's most important industry.

The purchase of a house is the largest single investment the average family makes in a lifetime. The payment of rent represents the first or second largest item of expenditure in the budget of families not owning a home. The current housing shortage is, moreover, our biggest unsolved social prob-

lem. Slums breed crime. Crowded tenements spawn juvenile delinquency. The lack of housing retards marriage. It reduces births. It increases divorce. It poisons the roots of American family life. It must be solved, and solved in the free enterprise way if we are to avoid the European method—subsidies and eventually socialization of our great home-building industry.

BUSINESS OPPORTUNITY

Two hundred and fifty giant corporations control nearly two-thirds of the manufacturing facilities in the United States. In making this report, the United States Senate Committee on Small Business predicted that the future economic trend for the next decade would be determined by the manner in which the Government disposed of its billions of dollars' worth of surplus property.

With an eye to helping veterans and at the same time promoting small business, Congress wrote into law a provision granting veterans a priority in obtaining surplus property. The administration of this law has been a disappointment to veterans. Consequently, I note with interest that your bill is designed to cure many present abuses in the disposal and utilization of surplus property.

The proper disposal of this great mass of surplus property would benefit not only veterans but America as a whole, because the march of monopoly is fast swallowing small business in this country.

What better way to preserve the American free-enterprise system could we adopt than to give every veteran a fair chance to establish his own stake in America? By what better method could we spread the benefits of capitalism than by selling billions of dollars' worth of surplus Government property into the millions of small hands represented by veterans who wish to establish a small business for themselves?

We have repeated in 1946 and 1947 many postwar mistakes of 1919 and 1920 in all three fields—jobs, housing, and surplus property. These mistakes precipitated veteran unrest of revolutionary proportions after the First World War. When the depression came veterans were the hardest hit. Veterans, then as now, were at the bottom of the economic ladder. When their jobs were taken from them, when decent housing eluded their means, and when the doors of business opportunity closed in their faces, they turned to a Federal bonus in the United States and to dictatorships in other parts of the world.

With the whole world now plunging toward the totalitarian form of government, we in America must take inventory, for, if America was alarmed by the march of a bonus army on Washington in the 1930's, we have seen nothing as compared to what even a vocal minority of the 15,000,000 angry, unemployed, poorly housed, dispossessed, and radically led veterans of this war could bring upon the Nation. The type of legislation which your bill proposes is designed to afford career and business opportunities to veterans which will minimize these dangers in the years ahead.

PRESERVING THE AMERICAN WAY OF LIFE

Over 2,500,000 young veterans are studying under the GI bill in American colleges, trade schools, and on-the-job training. One present weakness of this program is that we are educating and training veterans for jobs which do not exist.

The continued successful operation of the free-enterprise system requires Government and industry to work together to provide suitable employment for these millions of young veterans by the time they have finished their training.

We must not forget that these young men and women are the future leaders of our country. In preserving the American way of life the type of teaching they receive ranks in importance with job seniority, housing, and business opportunity.

From one end of this great country of ours to the other, I have spoken at mass meetings of college students and have been interviewed by college newspaper editors and reporters. It has been my startling discovery to learn that the present generation of college students are learning all about the excesses of capitalism. But many of them have not learned, or do not remember, that the American free-enterprise system guarantees every man the freedom to start and operate a business in fair competition with his neighbor; that our system has been the successful arsenal of victory in two world wars; that it has given us the highest standard of living in the world while at the same time preserving the basic freedoms of speech, religion, and elections.

If our educational system is to bulwark democracy we must insist that high school and college teachers of business administration and economics have practical experience in the fields which they teach. Their horizons must be broader than mere textbook learning.

In our efforts to correlate education with the free-enterprise system, and as a method of stimulating educated people to interest themselves and participate in government, I am sure you will be interested in knowing that AMVETS is sponsoring in all 1,250 of our posts the educational training program of the Committee of Seventy in Philadelphia. This program is designed to help school teachers, school superintendents, school boards, and college trustees to attune their school and college curriculums to the demands of self-government, free enterprise, and democracy.

We aim to arouse the educational leaders of America to the dangers inherent in continuing the present overemphasis on the dry, classical, academic approach to history and government. Young people in schools and colleges must be taught that government is a live, dynamic force which can save or destroy the freedoms which make life worth living, and the system which has produced the highest standard of living in all human history. The study of history, government, and economics likewise must be dynamic, not a dry memory ccurse in names, dates, and places.

WORLD PEACE

Communist Russia has overrun more territories and nations during and since World War II than Nazi Germany did in precipitating the war. Russia has absorbed Latvia, Estonia, Lithuania, the Kuriles Islands, Port Arthur, Darien, and half of Sakhalin. Russia has taken over parts of Poland, Finland, Czechoslovakia, Rumania, and Mongolia. In addition, Russia dominates all of Austria and Germany except the American zone, Poland, Rumania, Yugoslavia, Bulgaria, Albania, and Hungary. As if this were not enough, Russia also has requested or demanded two provinces of Turkey, and military bases in Spitzbergen and the Dardanelles.

America is the last of the great democratic, capitalistic nations left in a world moving toward socialistic or totalitarian government. Stalin has declared that Russian communism and the American free-enterprise system cannot both exist side by side in the same world. Russia's spies have been caught on our continent and some of them already have been convicted in Canada. Russia has stalled for time at peace conferences and blocked every constructive effort of a peace-hungry world to make the United Nations an effective instrument for peace. Finally, Russia has rejected the only plan yet conceived by the human mind for the open inspection and control of atomic energy.

Therefore, America cannot afford to repeat the mistakes of 1919 and 1920, when we junked our Army, stripped our Air Forces and scuttled our Navy. We must not repeat other mistakes which followed World War I and led to World War II. For example, I remember that before the war we shipped scrap iron to the Japs, despite your vigorous protests, and after Pearl Harbor lived to beg our own people to contribute to our own scrap iron drives. We must not now continue shipments to Russia of equipment, factories, machinery, machine tools, and oil with which they can prepare for war against us.

We both remember that before the war our use of moral suasion and diplomatic notes failed to keep Japan out of Manchuria and China. We had no ready reserve of modern weapons or manpower, and our efforts failed. Later we started talking tough, but Japan knew our Army was training with rifles made of broom handles. Pearl Harbor and war was our tragic reward.

In a democracy the great source of strength is an informed and aroused public opinion. The veterans of World War II must play a major role in creating sufficient public opinion to achieve military preparedness. One of the tragedies today is the failure of 11,000,000 of the 15,000,000 World War II veterans to join any of the veterans' organizations. Incredible though it may be, these 11,000,000 men and women who invested up to 5 years of their lives in serving the cause of freedom have not yet insured that investment by devoting as little as 2 hours a month to the support of a veterans' organization whose primary goal is world peace.

Most Americans have not yet learned the lesson of Pearl Harbor, namely, that weakness on the part of America does not inspire the rest of the world to live according to the Christian principle of treating your neighbors as you would be treated; but that military weakness in America invites military attack on America.

The great war plants and aircraft factories which out-produced the world in the 1940's are an absolutely essential part of our preparedness program. Most of these plants and factories are now lying idle. Under your veterans corporation bill they can be utilized in stand-by condition in case of war, and can now help meet the world demand for American goods by employing the new skills of veterans to reinforce our own economic position throughout the world.

Finally, your bill will enable us to avoid another mistake we made after the First World War. Then we spent millions of dollars in Europe and Asia on relief and practically nothing in demonstrating the ideals of democracy. Subsection 5 of your bill includes a provision "to assist qualified veterans engaged in useful and profitable enterprises, services, professions, or trades in other countries, thereby cultivating those countries to become increasingly our friends and customers."

In our present world of conflict, our greatest job at home and abroad is to work to make democracy work. Your bill takes a long stride forward in this direction. It expresses the hopes of millions of World War II veterans by encouraging them to seek productive careers, and by restoring opportunity lost while in the service of the Nation. Your bill not only will help veterans but will help reenforce democracy at home and contribute to peace throughout the world.

Very sincerely yours,

RAY SAWYER,
National Commander, AMVETS.

Mr. BRIDGES. In June I submitted a copy of the bill being introduced today to Millard W. Rice, who is national director of employment and public relations of the Disabled American Veterans and a past national commander of the DAV. I want at this point to include the reply which Mr. Rice addressed to me, and also to include the resolution in support of the bill adopted by the

District of Columbia Department of the Disabled American Veterans on July 7, 1947, which also calls upon the national convention of the organization to endorse the bill.

There being no objection, the letter and the resolution were ordered to be printed in the RECORD, as follows:

JULY 8, 1947.

Senator STYLES BRIDGES,
Chairman, Senate Committee on Appropriations,
The Capitol, Washington, D. C.

MY DEAR SENATOR BRIDGES: A carbon copy of a letter that you addressed to me dated June 27, was just received in this office yesterday and has just come to my attention, but, so far as I can ascertain, the signed original has not been received in this office. This accounts for my delay in responding to your request to advise you as to my evaluation of the contents of the enclosed draft of a bill which you propose to introduce on your own behalf and on the behalf of several other Senators, to authorize a Veterans' Economic Development Corporation Act of 1947.

Your enclosed draft is very similar to the contents of H. R. 157, introduced by the Honorable JESSE P. WOLCOTT, of Michigan, chairman of the House Committee on Banking and Currency, and is the bill as to which I have had many conversations during more than the last year with Col. Richmond Harris and concerning which we collaborated in the drafting of a detailed resolution last night by the Federal Chapter No. 1, of the Disabled American Veterans, adopted to be submitted to our coming national convention to be held in Las Vegas, Nev., August 17-23, 1947. A copy thereof is enclosed. Incidentally this chapter has about a thousand members, all wounded or war-disabled veterans. Your proposed Veterans RFC is designed primarly to authorize the proposed Veterans' Economic Development Corporation to extend business loans to such private and public agencies as will use such funds for the development or creation of self-liquidating businesses and services, with the understanding that preference of opportunity for the new jobs thereby created would be extended to available qualified veterans and disabled veterans, and their dependants, without the necessity of displacing other employed persons.

Because of being in active military service, veterans of World War II have missed out on the opportunity for developing seniority, job experience, skills in suitable jobs, or in self-employment; they are at the "tail end," generally speaking, of employment and economic opportunities.

A Veterans RFC, such as you propose, could well operate to extend to qualified veterans the opportunity for useful, profitable employment, in a private enterprise system, without the necessity of having to kick someone else off the job, by some system of super seniority or preference policy, which is too frequently distasteful to many veterans.

Fundamentally, veterans want a decent opportunity—an equalized opportunity—to become self-sustaining, self-respecting American citizens, enabled to live in the American way according to decent American standards, for themselves and their dependents and potential dependents, without having to rely upon Government doles of any kind.

The enactment of the proposed Veterans RFC, if followed through by an enlightened administration of the act, by extending loans for many new and expanding businesses to private individuals and firms, and to other governmental agencies, which would undertake to give a preference of opportunity for the new jobs thereby created to veterans, and disabled veterans, and their dependents, would certainly give new hope to scores of thousands of veterans and disabled veterans, not now gainfully employed, that they might have the opportunity to become self-sustaining, self-respecting citizens in suitable and useful employment.

In my capacity as national director of public relations and employment for the DAV, I am particularly interested in the development of opportunities for suitable employment for service-disabled veterans, through private agencies and governmental agencies.

Your proposed Veterans RFC would appear to have the peculiar merit of sparking the development of new jobs through both private and governmental agencies by business-like loans, backed up by expert technological advice and counsel, which should bring huge dividend returns to the private and governmental agencies directly concerned, to their respective communities, and to the employables who thereby procure suitable, gainful employment.

Although I cannot officially endorse this bill, because our national organization has not as yet had an opportunity to consider a resolution concerning the matter, nevertheless, as one of the DAV officers tremendously interested in the development of employment opportunities for veterans and disabled veterans, it would appear to me that this proposed legislation, if enacted, will facilitate and increase opportunities for suitable useful employment for possibly scores of thousands of veterans and disabled veterans and their dependents.

With kind personal regards, I am,
Respectfully yours,

MILLARD W. RICE.

Be it resolved by the Federal Chapter No. 1, District of Columbia, of the Disabled American Veterans, at its regular meeting on July 7, 1947, That we do hereby endorse and call upon the next District of Columbia department convention and the next national convention of the DAV to adopt the following resolution:

"Resolution urging enactment of Veterans Economic Development Corporation Act of 1947

"Whereas it is estimated that there are about 4,000,000 employable veterans of America's wars who are not now gainfully employed, of whom nearly (1) 1,000,000 are depending upon so-called readjustment allowances, payable to World War II veterans during periods of unemployment under the so-called GI bill of rights and under which about 40,000 veterans each month are exhausting their unemployment compensation benefits of $20 per week for not more than 52 weeks, with an alarming total so far of 300,000 veterans who have completely exhausted their unemployment allowances; (2) 2,700,000 are pursuing educational or vocational training courses under the provisions of Public Law 16 or Public Law 346, as administered by the Veterans' Administration; (3) 100,000 are receiving medical treatment or domiciliary care in Veterans' Administration hospitals; (4) 300,000 now must depend in whole or in part upon their inadequate disability-compensation payments from the Veterans' Administration, their mustering-out payments, accrued savings, loans, casual or part-time employment, or the financial assistance received from relatives, or from public or private charities—practically all of whom would much prefer to be able to rely on suitable, useful, gainful, continuous employment; and

"Whereas America's 20,000,000 living veterans, representing a cross section of the Nation—politically, geographically, socially, educationally, religiously, racially, economically, financially, and occupationaly—being anxious to strengthen the economy of our Nation for the benefit of all its people, would much prefer to rely upon income from suitable gainful employment, or some profitable, private enterprise, than to have to rely upon any form of Government hand-outs; and

"Whereas it is estimated that there are more than 1,000,000 veterans who were disabled in wartime who are not gainfully or continuously employed, who very much desire to become fully self-sustaining citizens; and

"Whereas there are probably several million other veterans who, because of not having any reemployment rights or not having any background of experience before their war service, have taken low-paying jobs which have failed to utilize fully their natural capacities; and

"Whereas most veterans, by reason of the time that they spent in active military service, were deprived of opportunities that they might have had during civilian life—job experience, promotions, salary increases, and the increasing of their assets—who now deserve an opportunity to establish themselves as self-sustaining, self-respecting individuals in jobs, professions, trades, crafts, and businesses, comparable to the opportunities that were obtainable by those who did not serve in the armed forces; and

"Whereas surveys indicate the probability of an increase of dislocations among the employees in productive industries, after present accumulated demands for goods and commodities have been filled and, even more significantly, as technological developments and processes displace hundreds of thousands of production employees, which will therefore result in greater unemployment among veterans, proportionately, than among other groups, unless constructive steps are taken in the meantime to create new opportunities for their suitable and permanent employment; and

"Whereas the phenomenal technological wartime advancement will produce increasingly more and more peacetime products and utilize fewer and fewer people, thus threatening a repetition of the depression and recessions that followed the post-World War I boom, which may result in unemployment for several million veterans; and

"Whereas some 100,000 patents and the thousands of trade secrets and processes, captured from our enemies during time of war, together with thousands of existing and potential scientific developments which are available for production, as well as our many unused war plants and billions of dollars' worth of surplus war assets at home and abroad, could be utilized to create opportunities for many additional factories and businesses, which would result in much additional employment and many new career opportunities for veterans, by the use of the financial loans and technical know-how made available through this proposed Veterans' Economic Development Corporation, with resulting benefits to the veterans directly concerned, but also indirectly for the economic and social betterment and security of Americans generally in each community; and

"Whereas the intensified private enterprises thereby generated would furnish thousands of scientifically trained veterans who could be of service as technical and business missionaries to help develop and modernize the economy of many other countries such as China, Korea, India, the Philippines, Iraq, Iran, Turkey, Greece and Italy, thereby stimulating international trade between the United States and other countries, which could very well result in prosperity and abundance for all people and prove to be the most effective means of strengthening the United Nations and preventing a World War III; and

"Whereas the creation by the United States Government—without any actual cost to the Nation's taxpayers—of a Veterans' Economic Development Corporation with the power to make loans which private banks are not interested in undertaking (accompanied by

pertinent technical information and advice), for the purpose of promoting, financing, and developing self-liquidating businesses, industries, and projects (including laboratories and experimental workshops for the development of new technology), designed to increase opportunities for gainful employment, primarily for veterans, without displacing other workers and without disturbing existing labor contracts, would in turn greatly stimulate other industries, as well as private banking in the investment of risk capital, and thereby result in the creation of additional private enterprises: Now, therefore, be it

"Resolved by the Disabled American Veterans at its twenty-sixth annual national convention assembled in Las Vegas, Nev., week of August 17-23, 1947, That we do hereby call upon the President of the United States to issue a call for a special session of the two Houses of Congress to reconvene in November 1947, for the specific purpose of considering and enacting legislation designed to create opportunities for suitable, useful, gainful, permanent employment for all employable veterans, particularly by providing for the establishment of a Veterans' Economic Development Corporation, commonly referred to as the Veterans' Corporation or Veterans' RFC, such as would be provided for by the enactment of one of the companion bills, S. — (introduced by Senator STYLES BRIDGES, of New Hampshire, on behalf of himself and Senator BARKLEY, of Kentucky, Senator BUTLER, of Nebraska, Senator CAIN, of Washington, Senator CAPEHART, of Indiana, Senator DWORSHAK, of Idaho, Senator EASTLAND, of Mississippi, Senator FULBRIGHT, of Arkansas, Senator HILL, of Alabama, Senator JENNER, of Indiana, Senator JOHNSON, of Colorado, Senator MARTIN, of Pennsylvania, Senator MAYBANK, of South Carolina, Senator MORSE, of Oregon, Senator REVERCOMB, of West Virginia, Senator FLANDERS, of Vermont, Senator FERGUSON, of Michigan, Senator HAWKES, of New Jersey, and Senator KNOWLAND, of California.

"Bills identical in purpose have been introduced in the House of Representatives by Representative KEARNEY, of New York; Representative KEFAUVER, of Tennessee; Representative ROGERS of Massachusetts; Representative SPENCE, of Kentucky; Representative VAN ZANDT, of Pennsylvania; and Representative WOLCOTT, of Michigan."

Mr. BRIDGES. I am happy to say that the Senator from Vermont [Mr. FLANDERS], my esteemed neighbor and colleague in the Senate, is a cosponsor in the introduction for study of the Veterans' Economic Development Corporation bill.

The Senator pointed out recently in the CONGRESSIONAL RECORD that Federal Government expenditures for veterans are running at an annual rate of $7,000,000,000. Obviously, as he says, we owe the veterans and the other citizens of this Nation greater opportunities in our economic system if taxation is to be substantially lowered. He also points out that 98 percent of all business units in the country come within the ranks of small business. It is apparent, he says, that when we talk about small business, we are, in effect, talking about the basic American business system. His statement has a direct relationship to the purposes of this bill.

Mr. President, in introducing the bill, I merely state to the Senate and to the country that it is being introduced for the purpose of study. The basic objectives of the bill are sound. It has widespread support in the country. I have no question that the bill as introduced may be improved after study. I am sure as the months pass between the present time and the reconvening of the next session of the Eightieth Congress, a more general knowledge of the purpose of the bill may be had, and a more general opinion of its purposes received from various groups throughout the country. I believe the comment and advice we may receive will be constructive. I am hopeful that in the second session of the Eightieth Congress we may obtain some action on the proposed legislation, which I think will be a step in the right direction, for not only the veterans of the country but for the country itself.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUD IN MISSOURI—MOTION TO DISCHARGE

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to consider Senate Resolution 150.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Pepper
Bridges	Holland	Reed
Brooks	Ives	Revercomb
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thomas, Utah
Donnell	McFarland	Thye
Downey	McGrath	Tydings
Dworshak	McKellar	Umstead
Eastland	McMahon	Vandenberg
Ecton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Flanders	Maybank	Wiley
Fulbright	Millikin	Williams
George	Moore	Wilson
Green	Morse	Young
Gurney	Murray	

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150.

Mr. BARKLEY. Mr. President, the Senator from Nevada [Mr. MCCARRAN], who I understand is planning to address the Senate on the motion, has just been called to the telephone by a long-distance call of some importance. Therefore, I shall occupy the time of the Senate for a brief spell.

Mr. President, it seems to me that this is a rather unusual motion. It is a motion to discharge the Committee on the Judiciary from further consideration of a resolution upon which it has acted. Sometimes a motion to discharge a committee may be justified on the ground that it is impossible to take action upon a matter pending before the committee, but as I understand—not being a member of the committee—this is a motion to discharge a committee from the consideration of a resolution upon which it has taken action because the maker of the motion does not agree to the action taken by the committee to which it was referred. That puts it in the category of unusual motions.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. Am I to understand that a majority of the Committee on the Judiciary has already taken action on this question?

Mr. BARKLEY. As I understand, the majority of the Committee on the Judiciary voted for a motion to postpone the resolution indefinitely, which meant, of course, that it took action; but it did not report the resolution, either favorably or unfavorably. It postponed it indefinitely by a vote of a majority of the committee, all members being present or accounted for.

Mr. TYDINGS. Let me ask the able Senator from Kentucky if the question was thoroughly investigated by the Senate Committee on the Judiciary.

Mr. BARKLEY. I can only testify on that point from hearsay; but from hearsay I should say that the question was investigated as fully and completely as was the Perlman nomination before the same committee.

Mr. McCARRAN entered the Chamber.

Mr. TYDINGS. Does the Senator know that the able and distinguished Senator from Nevada [Mr. MCCARRAN] has now returned to the Chamber?

Mr. BARKLEY. Being a man of good eyesight, I have observed the return of the Senator from Nevada.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Arizona.

Mr. McFARLAND. I invite the attention of the Senator to House bill 4017, Calendar No. 589, which provides for the payment in cash of terminal leave bonds, and ask the Senator if he does not believe that consideration of that bill is far more important than consideration of Senate resolution 150. Does not the Senator believe that we should have action on that bill immediately, in order that the men who need this money may know what to count on?

Mr. TYDINGS. Mr. President, before the Senator answers that question, will he yield to me?

Mr. BARKLEY. I yield.

Mr. TYDINGS. I should like to observe that if in the future a historian reading the colloquy between the able Senator from Kentucky and myself were to consider the remarks made as in the nature of a filibuster, he would have to write a footnote to the effect that it was the shortest filibuster in the history of the Senate.

Mr. BARKLEY. I thank the Senator from Maryland for his effort to make the history of the Senate absolutely correct, so that there will be no misunderstanding.

Replying to the Senator from Arizona with respect to the terminal leave pay bill, the bill passed the House of Representatives unanimously. I do not believe there was a dissenting vote in the House on the payment of the terminal leave bonds. I believe the bill has been unanimously reported by the committee to which it was referred in the Senate, the Committee on Armed Services. It is now on the calendar.

The bill involves the cashing of the terminal leave bonds held by ex-service men, which Congress authorized last year in a bill reported, I believe, from the Committee on Military Affairs or the Committee on Finance—I have forgotten which. At any rate, the bill is on the calendar.

I agree with the Senator that inasmuch as the bill has been unanimously approved so far, and is now on the calendar of the Senate, it seems to assume an importance greater than that of the resolution which we are now considering, which involves the election of a Member of the House of Representatives, not a United States Senator. That very properly raises the question as to whether the United States Senate should assume the right to investigate the election of a Member of the House of Representatives, or his nomination, or his failure to be nominated, in a primary held in one of the States of the Union.

So I agree with the implication involved in the question of the Senator from Arizona that the consideration of that bill, which is now on the calendar, is of widespread importance to every man who fought in the armies of the United States during the recent war, and it certainly ought to be taken up and considered at this session.

Mr. McFARLAND. I appreciate the remarks of the distinguished Senator. I certainly hope that the majority will give this bill due consideration and that it may be passed without delay. The distinguished Senator from South Carolina [Mr. MAYBANK], the Senator from Colorado [Mr. JOHNSON], and I have been very much interested in the matter, as we introduced legislation for payment of terminal leave in cash, but a compromise was reached whereby it was to be paid in bonds. I hope House bill 4017 will pass and that these men who served their country will be paid now.

Mr. BARKLEY. I appreciate the Senator's assistance and cooperation in undertaking to secure consideration of the proposed legislation to which he has referred.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCARRAN. The boys who were dismissed from the service and given bonds should now receive cash for them. It may be, however, that in the payment of the $2,500,000,000 which it will require to pay off the bonds, we shall be confronted with the charge, which does not alarm me, that we are creating a vehicle for inflation. I think that subject will have to be discussed quite at length. I hope that the bill may be taken up so that it may be discussed and that charge exploded as early as possible.

Mr. BARKLEY. I thank the Senator from Nevada for his contribution to the discussion with reference to the payment of terminal leave bonds.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Florida.

Mr. HOLLAND. I wonder if the Senator from Kentucky has thought about the situation created in connection with Senate bill 1394, Senate bill 1393, and Senate bill 1391, and the complete refusal of the Republican leadership to allow those uncontested measures, vitally affecting veterans, to come up and to be passed at the time when the Senator from Oregon [Mr. MORSE] sought to bring them up. I call the Senator's attention to the fact that Senate bill 1394 would provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes. It is intended to give a little nearer full subsistence to GI boys who are trying to take educational courses to overcome the handicap which they sustained while in the service.

Senate bill 1393 is a bill to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a) as amended. That supplements, of course, the first measure which I mentioned. The first applies to those GI's in colleges and universities; the second, to those who are taking training on the job in certain establishments. The third measure, Senate bill 1391, is a bill to authorize payments by the Administrator of Veterans' Affairs in the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The Senator will recall that when a lull was reached in the late afternoon, 2 days ago, and the Senator from Oregon [Mr. MORSE] sought to bring up those measures by motion, not only was his effort thwarted by the leadership of the Senate, but when it was quite apparent that there was an intention to pass the bills, and a great desire by a majority of the Senate to do so, a desire in which many of the majority party shared, the leadership of the majority went to the extreme of moving an adjournment in order to prevent the consideration of those bills, stating at the time that it was feared that some time might be consumed in the consideration of one or all those measures, and that it was so important that the program be handled in the way fixed by the policy committee, that the bills could not possibly be taken out of the agenda for consideration. They did not affect anyone but the veterans who fought in the Second World War. Does the Senator recall that position?

Mr. BARKLEY. I recall that. The Senator is correct in stating that there was a lull in the proceedings, during which the Senator from Oregon [Mr. MORSE] moved for the consideration of one of those bills, but immediately upon entering that motion the lull terminated and great commotion then prevailed in the Senate, and the motion was not voted upon.

I was convinced then and am now convinced that if the majority had permitted a vote upon that motion it would have been agreed to and the bill would have been passed in less time than it took to prevent a vote on the motion to take up the bill. Finally, there was a very unusual procedure in the Senate, although a parliamentary procedure which is permitted by the rules. There was a motion to adjourn during the consideration of a motion to take up a bill. That automatically ended the motion so that it was just as if it had not been made. A motion to adjourn was resorted to in order to kill not only the bill itself, but the motion to take up the bill so that the Senate could act upon it.

Mr. HOLLAND. I am glad the Senator recalls that incident. I was wondering if, out of the abundance of his experience in this body, he was able to reconcile the position of the majority leadership on that occasion, showing a complete unwillingness to take up those three bills which are of paramount importance to the veterans because the agenda arranged was so vital in connection with passing appropriation bills, which have not yet been brought up and passed, that no time could be taken up in consideration of veterans' matters, and also the decision apparently made, which was permitted to take up a considerable portion of the time of the Senate yesterday and most of the time of the Senate today in the consideration of a measure rejected by the Republican control of the Committee on the Judiciary, a measure aimed at straightening out political morals in a State far from here, which is a matter not related to a Member of the Senate—I say, I was wondering how the distinguished Senator reconciled that former position with the position which permits these dilly-dallying tactics in connection with the pending measure.

Mr. BARKLEY. I appreciate the desire of the Senator from Florida to have me reconcile the actions on the other side of the aisle, but I would not attempt to do that, because their actions and their pretentions are so irreconcilable that I do not wish to indulge in a futile attempt to reconcile them.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McFARLAND. I wish to join the the Senator from Florida in urging that early consideration be given Senate bill 1391, Senate bill 1393, and Senate bill 1394. The first of these bills would give needed assistance to the GI's attending school, increasing a single man's pay from $65 to $75 a month and a married man's pay, without dependents, from $90 a month to $105 a month, and $120 a month with more than one dependent. Senate bill 1393 increases the maximum amount of compensation a man on the job training may receive from $200 a month to $250 a month. Certainly, these veterans need this additional money granted under both bills to meet the increase in the cost of living. Yet the passage of these bills is being delayed.

If this is continued until the day before the Congress adjourns, the House will not have time to act upon this legislation and half of the school year will be over before we reconvene. They need this assistance now, not after they have finished their training. This legislation could have been passed today, yet we debate political matters and let the GI who fought for his country wait.

Mr. BARKLEY. I thank the Senator from Arizona for his contribution to the discussion. Of course the bill to which the Senator from Florida has referred is the one which increases the allowance for married students from $90 to $105 a month, and for unmarried students from $65 to $75 a month, I believe. The other two bills are companion bills, but one of them deals with training on the job, as it is called, and the other deals with automobiles.

However, they are all beneficial to veterans, and no politics is involved in them, because they have been acted upon, so far, by unanimous vote in the committees, without any political differences. I am quite satisfied that the veterans of the war in whose behalf this proposed legislation has been reported and is now pending, will not appreciate the effort to give priority to a political question, over their rights in regard to the legislation which the Senator from Florida has called to my attention.

Mr. President, I do not care to occupy the floor any further. The Senator from Nevada has now returned to the floor of the Senate, from his important mission.

I now yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150.

THE PALESTINE SITUATION

Mr. MAGNUSON. Mr. President, out of order, on behalf of myself, the Senator from New Mexico [Mr. CHAVEZ], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], and the junior Senator from North Dakota [Mr. YOUNG], I ask unanimous consent to introduce for appropriate reference a joint resolution.

There being no objection, the joint resolution (S. J. Res. 149) relating to Palestine, introduced by Mr. MAGNUSON (for himself, Mr. MORSE, Mr. LANGER, Mr. TAYLOR, Mr. YOUNG, Mr. MURRAY, Mr. CHAVEZ, and Mr. MYERS), was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. MAGNUSON. Mr. President, because of the importance of the resolution, I should like to discuss it at this time. It relates to the perennial question of Palestine. Many Members of the Senate have devoted themselves to this subject on many occasions, ever since 1928, when the distinguished former Member of this body, now a delegate to the United Nations, Warren R. Austin, headed the delegation looking into the Palestinian matter.

Prior to World War II, many of us felt that Great Britain was not living up to her moral and legal obligations in regard to the Jews in the Middle East, and that subject was discussed many times in the Senate.

After World War II—during which the Arabs were more or less collaborating with the Axis Powers, whereas the Palestinians were loyal to the Allies, Arabia herself having declared war on Germany the day after the war ended—many other factors in the East, including the oil treaties with Great Britain and the demise of the League of Nations, have again brought this matter to the forefront.

I appreciate very much, Mr. President, the position of the Chief Executive in this matter. He has always been of the opinion that there should be a free Palestinian state, that a democracy should be established in the fertile crescent of the Middle East, insofar as we can aid in establishing such a democracy, and that a home for the displaced Jewish people of Europe should be established there.

Mr. President, prior to World War II the Jewish population of Europe was approximately 6,000,000. At the end of that war that population had been dissipated—through brutal treatment, massacres, murder, and other activities of the totalitarian powers—to well under 1,500,000 Jews. Most of them are displaced persons. Most of them are homeless; most of them are broken in spirit and in health. Commission after commission has been appointed to investigate this matter.

Mr. President, we did not enter the League of Nations. If we had done so after World War I, in all probability the so-called mandate would have been a legal responsibility of both the United States and Great Britain. Until recently Great Britain has always accepted us as a partner in this matter; but because we did not formally enter the old League of Nations, Great Britain assumed responsibility for the mandate of Palestine and the Near East. That was followed, as many of us in the Senate well know, by the famous Balfour Declaration, which, in effect, established a Jewish state in Palestine. That in turn was superseded by a complete change and a violation, in my opinion, of Great Britain's moral and legal obligation not only to the League of Nations but to ourselves. I refer to the famous white paper.

Today the Palestinian controversy has flared anew. Why Great Britain does not act in this matter in the way that all fair-thinking people in the world think she should act, I do not know. I sometimes believe that she continues these commissions and her delaying process in connection with the Palestinian matter because apparently Palestine is the only excuse Great Britain has for keeping her troops in the Middle East, and I suppose Great Britain thinks it serves her colonial and imperialistic policies well to keep troops there.

The late President Roosevelt and now President Truman time and time again, both officially and unofficially, have asked Great Britain to do something about this eternal problem, to do what all fair-minded people in the world who have studied the question think should be done, and, above all, to do what everyone in the United States thinks should be done in regard to Palestine. Great Britain has sometimes said that she would do some of these things, but the inevitable final result seems to be the appointment of another commission.

President Truman has issued statement after statement completely in accord with American public and official opinion on this question. I appreciate that since World War II there are two problems in connection with this subject. One is the immediate problem of displaced persons, Jews who are wandering over the face of Europe, with no place to lay their heads. The other problem involves a permanent solution in regard to Palestine and a Jewish homeland.

As to the immediate problem, we have done little since the end of World War II. Of course, the United Nations could do very little. The President of the United States has twice asked the Congress to take up the matter of displaced persons. He has twice asked the Congress to open the heart of America and allow entry to a considerable number of these stricken people. He has twice asked the Congress to permit the entry into the United States of at least 100,000 of these poor, broken people, who could well be absorbed into the economy and the plenty of the 139,000,000 people who constitute the United States. He has asked the Congress to do that, pending a permanent solution of the Palestinian problem.

When the President of the United States first asked Great Britain, a year ago in August, again to join with us in the establishment of a Jewish homeland, the British Government again appointed a commission. The commission was known as the Anglo-American Commission, composed of 50 percent Britons and 50 percent Americans. They made an extensive study of the European situation, and came back with a very complete report. The significant thing about the report, so far as the immediate problem of Palestine was concerned, was that when the displaced Jews in Europe, those homeless people, were asked where they wanted to go, 95 or 96 percent, without hesitancy, said they would get to Palestine or die in the attempt. Still no action was taken, and still trouble reigns in the Middle East; still there are terrorists, Jewish terrorists on the one side—and we do not condone terrorism—and British military imperialism on the other side, and the Arabs in between.

Probably Congress will adjourn without taking any action on the immediate problem of the so-called displaced persons. Ten days or 2 weeks ago the President sent a second message on the subject.

I hope we can do something about it. The Committee on the Judiciary, of which I am a member, has appointed a subcommittee to look into the matter. It has been suggested that the members of that subcommittee visit Europe and take a look for themselves, because it is hard

to understand the terrible plight of those people unless it is seen. I hope the members of the committee will follow that suggestion during the recess, and return with some fair recommendations consistent with the policies of the United States.

In the meantime, so far as the permanent problem is concerned, the United Nations has acted, and set up another commission to inquire into the Palestinian question.

I appreciate the position of the Executive, in that while this committee is examining the matter the official announcement of the position of this Government, whether it comes from the Secretary of State or whether it comes from the President of the United States, or both, probably should be withheld until another commission reports.

I presume this commission will be fair about the matter. From what I read in the press, both the Jewish side of the question and the Arab side, and the opinions of other nations, have been presented, and I hope the report will be forthcoming quickly. Perhaps the Senator from Michigan or the Senator from Texas can advise us, but I think there is a date on which they must make a report, probably September 1.

In the meantime, other things are happening, and I myself, and the cosponsors of the joint resolution, deem it advisable, before final adjournment, to call the attention of the Senate to these matters, and to invite the attention of the people of the country to them. That is the purpose of the introduction of the joint resolution.

Mr. President, I should like to read the joint resolution for the RECORD. It is as follows:

Whereas on December 3, 1924, a treaty between the United States and Great Britain was signed, by which the United States assumed responsibility for the reestablishment of the Hebrew Nation in Palestine, in accordance with the League of Nations Mandate; and

Whereas the American people and the Government of the United States have traditionally aided the cause of freedom and independence of small nations; and

Whereas the Hebrew population of Palestine is today oppressed by a British army of occupation, numbering more than 120,000 mechanized troops and an administration which has revoked the most elementary civil rights and liberties and unlawfully established a police state in Palestine; and

Whereas three members of the Hebrew underground resistance—Mayer Nakar, Jacob Weiss, and Absalom Habib—were condemned to death on June 17, 1947, by a British military court in Palestine for participating in the attack on Acre Prison in which no British lives were lost; and

Whereas the British military courts have been established in Palestine in violation of the provisions of the mandate and the condemned men have refused to recognize the right of this court to try them and have demanded prisoner-of-war status; and

Whereas on June 22 the United Nations Special Committee on Palestine entered a plea to the British Government for commutation of these death sentences, expressing "concern as to the possible unfavorable repercussions that execution of three death sentences pronounced by a military court in Jerusalem on June 16, the day the committee held its first meeting in Jerusalem" might have; and

Whereas Lt. Gen. G. H. R. MacMillan, commander of British forces in Palestine, confirmed on July 8 the death sentences imposed by the Britsh military court, ignoring the plea of the United Nations Special Committee, as well as the plea of numerous public bodies, both inside and out of Palestine; and

Whereas the Congress of the United States regards these death sentences and their confirmation by the commanding general of the British forces in Palestine as "cruel and unusual punishment": Therefore be it

Resolved, etc., That the Secretary of State is hereby directed to inform His Britannic Majesty's Government that by this additional act of provocation in Palestine the Government of Great Britain demonstrates again that the behavior of the British military in Palestine is considered that of an army of occupation and that such behavior is in flagrant violation of the American-British Mandate Convention of December 3, 1924.

SEC. 2. The Secretary of State is hereby directed to request His Britannic Majesty's Government immediately to abolish the emergency regulations at present governing the administration of Palestine and to reestablish a civilian administration and civil liberties to the people of Palestine.

Mr. President, that is the context of the resolution submitted by the Senator from Oklahoma [Mr. MOORE], the Senator from Idaho [Mr. TAYLOR], the Senator from North Dakota [Mr. LANGER], the Senator from Montana [Mr. MURRAY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. MYERS], the Senator from Oregon [Mr. MORSE], the Senator from North Dakota [Mr. YOUNG], and myself.

It is difficult to understand Great Britain's action in this matter. It is difficult to understand the inconsistencies of Great Britain's attitude all through the years in regard to Palestine. For instance, it is difficult to understand that action when other actions by the British Government throughout the world are completely inconsistent with it.

I read an editorial from the New York Post of July 8, 1947. The editorial, which is entitled "Protest British Injustice Now," reads:

PROTEST BRITISH INJUSTICE NOW

A British lieutenant general, Sir John Harding, last Friday commuted the death sentences of three German commanders in Italy, Kesselring, von Mackensen, and Maeltzer, all found guilty of responsibility for the brutal massacre of 335 Italians.

But a British lieutenant general, G. H. A. MacMillan, today refused to commute the death sentences of three young Jews who took part in the attack on Acre Prison in Palestine.

Nobody other than Germans sought commutation of the sentence on the German mass-murderers.

The United Nations Commission on Palestine asked their parent body to intervene for the three Jews, not as a matter of sentiment but in order to prevent British injustice from interfering with work of investigation by provoking disorder. In reply, the Commission got an insulting, impudent, scolding letter from Sir Henry Gurney, the Chief Secretary of the Mandatory Government of Palestine.

We urge President Truman to make a direct protest to Prime Minister Attlee.

We urge Congress to pass a resolution expressing American disgust.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. MAGNUSON. I yield.

Mr. LANGER. Mr. President, the distinguished Senator from Washington [Mr. MAGNUSON] has introduced a joint resolution in behalf of eight Senators. I rise to address the Senate in support of the joint resolution on Palestine which has been introduced by the Senator from Washington.

At the present time, when the Senate is so vitally concerned with domestic matters, we are apt to forget that the United Nations will meet in September and hear the report of its investigating commission at a time when Congress will not be in session.

This is virtually the last time when we will have the opportunity to express ourselves regarding this vital issue prior to the United Nations decision. It seems unfortunate that the Congress will not be in session at that time, because our presence would, I believe, strengthen and give courage to the United States representatives at the United Nations, who have shown a marked pro-British tendency on the issue of Palestine, whereas the British have indicated an anti-American tendency on this same issue.

The Senate realizes that this current commission is conducting the twenty-seventh investigation of Palestine. Is there any Senator, or any expert, or any official of the State Department who can tell me what the other 26 reports produced in settling the disputes and solving the problems of the Holy Land? I recall a highly touted investigation called the Anglo-American Commission of Inquiry which spent many months and a lot of money studying the problem last year. Its report was watered down and weak compromises were inserted so as to induce the British members to sign it. The Anglo-American inquiry report did not move one displaced person, did not improve the education of one Arab, did not speed by 1 hour progress in the Holy Land. It merely served as a delay, as a cheap stall in which we, the United States, were implicated. Fifty Hebrews a day died in Europe while impartial gentlemen trooped about, probing into the wounded souls of the concentration camp victims in Europe and instructing themselves on the lore of Palestine.

I feel very strongly about the matter, Mr. President, because I attended various meetings in New York and other places, and I saw evidences of the feeling on the part of thousands of good American citizens. I saw their attitude on what was formerly called the Balfour Declaration, which was embodied in a treaty entered into with Great Britain during the administration of President Coolidge.

Now, we are urged to be silent while this same peformance is repeated. We are told, "Don't rock the boat; don't upset the peace in Palestine." What peace, I ask, reigns in Palestine? We are asked to remain silent, to close our eyes, shut our mouth, and turn off our conscience. The problem, we are told, is being investigated.

There are those who will call me a cynic when I say that any United Nations investigating report which does not fit into the schemes of the British Colonial Office will be sabotaged by the British. But I offer in evidence the statement of Lord Hall, British Labor Party represent-

ative in the House of Lords, who assured the Lords last April that no UN decision would be binding on the British Government.

Any individual who cries out against this monstrous and vicious perversion of the United Nations Charter, which Britain signed at San Francisco, is dubbed impatient, and any organization which cheers the Hebrew people and tells them that the decent people—the majority of people of America—are with them in their struggle for national liberation is reprimanded and told to shush, because the British Ambassador is uneasy over the effect of an aroused American public opinion. I cite the repeated protests of the British Ambassador against the educational and informative public messages of the American League for a Free Palestine. The British Ambassador does not enjoy seeing the factual analysis of such Americans as the Honorable Guy M. Gillette, and Messrs. Louis Bromfield, Ben Hecht, William Ziff, the Honorable Will Rogers, Jr., and Representative Andrew M. Somers spread across before the eyes of the American people.

The work W. V. (Bill) Ziff has done in the publication of his book, The Rape of Palestine, is sufficient to open the eyes of the American people as to what is taking place in that country.

It interfered with the campaign which seeks to prove that any Jew who stands up on his hind legs and insists on living, is a "terrorist"; the same campaign which seeks to prove that the British are the "peacemakers" in Palestine, pillars of law and order.

Mr. President, I support the proposed resolution wholeheartedly, because it is the first time in the history of this Senate that a proposal is offered to the Senate which does not take the form of a protest to the British Government regarding their conduct in Palestine, but does take the positive form of a directive.

Need we argue the futility of protesting to the British? Clearly, they are pursuing a conscious policy, however sinister it may be. Britain proceeds on the assumption that we will protest, abhor, denounce, and let flow with a copious flow of words. Our words are discounted days and weeks before they are uttered.

But, Mr. President, the joint resolution directs the Secretary of State—I call the attention of the Senate particularly to the word "directs"—to inform His Britannic Majesty that he is waging undeclared war in Palestine. This implies that His Britannic Majesty considers Palestine enemy territory. Who, pray, is the enemy, and why did the British travel to the far end of the Mediterranean to seek out this enemy? Under this resolution the captured fighters of the Hebrew underground would assume the status of prisoners of war. I ask, Why should that be? Many thousands of Hebrews fought in the war, in nearly every country that later was liberated. The treatment they have been accorded is a disgrace to twentieth century civilization.

Finally, should Britain deny a state of war exists in Palestine, this resolution directs the Secretary of State to call upon the British to reestablish civilian administration and civil liberties to the people of Palestine.

Is it so radical, so intemperate, and so terrifying a proposal to ask the British to stop hanging Hebrews in the land which Britain was designated to protect?

I favor this resolution, Mr. President, because I want the displaced in Europe and the Hebrews in Palestine to know that we shall not be silent. I want all freedom-loving people, everywhere, to know that the spirit of independence and respect for the individual human being, however lowly he may be, continue to burn brightly in our Congress.

And, Mr. President, I favor this resolution because I object to the degradation and lynching of an entire nation by anyone, but above all, I object to it when it is done not by the cruel and self-convicted barbarians, but by the self-righteous, carefully cultured, Oxford-accented empire builders, who go forth in the name of the white man's burden, to other people's lands, spreading their law with a lash and erecting gallows as monuments to British justice.

Before such a performance we must refuse to remain silent. And this resolution is the most eloquent voice we can give to the highest sentiments of decency in this Congress.

In closing, Mr. President, may I not pay my compliments to the distinguished Senator from New Mexico [Mr. HATCH], who, only day before yesterday, at a time when, in one of our own States, members of what was designated a club were discriminating against a very humble person, a person away down in the very lowest category, perhaps, to be found in certain States, protested, saying that in his opinion the humblest person should be accorded exactly the same treatment under our Constitution as the most highly educated and the most worthy citizen of the land. I congratulate the Senator. I do not know of anything that has caused me to have greater pride in what any Senator has done on the floor than when I read in the Washington Post last evening that the distinguished Senator from New Mexico had taken it upon himself to serve notice upon the individuals in question in the southern State that he would demand equality, justice, fair play, and right, or he would take up the matter on the floor of the United States Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska [Mr. WHERRY], to proceed to the consideration of Senate Resolution 150.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. MAGNUSON. Mr. President, I thought I had the floor. I yielded to the Senator from North Dakota [Mr. LANGER]. I shall be glad to yield now to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Washington has the floor, and yields to the Senator from New Mexico.

Mr. HATCH. Mr. President, I have no desire to take the Senator from Washington from the floor. I thought he had surrendered the floor.

Mr. MAGNUSON. No. I thought the Senator was going to ask for a vote on the pending question.

Mr. HATCH. No. I will simply occupy a moment. First I desire to thank the Senator from North Dakota for the remarks he has just made, which I believe to be unjustified and undeserved. Nevertheless, in common with all mankind we do like to receive a word of commendation now and then.

Mr. President, every Senator receives letters and various kinds of communications from his constituents which gives him something to think about, unless he be so self-centered and so egotistical that he can learn from no one, and respects only his own opinion.

Mr. President, this morning in the course of the regular mail there came to my desk a letter which impressed me very much. It came from a man who lives in my own home town. It shows such a grasp, such a comprehensive understanding of the affairs in this country and abroad, and of current issues about which we cannot help but believe a great many men are deceiving themselves, that I send the letter to the desk and ask that the clerk may read it in its entirety, and I respectfully ask that Senators forget for a moment their private conversations, that they take their seats, and listen to the reading of the letter from a constituent of mine in the State of New Mexico.

Mr. WHERRY. Mr. President, what is the parliamentary situation? Who has the floor?

The PRESIDING OFFICER. The Senator from New Mexico had the floor. He has just taken his seat.

Mr. MAGNUSON. I have the floor, and I yielded to the Senator from New Mexico.

Mr. WHERRY. That is the point concerning which I am interested. I shall not object to the reading of the letter, but——

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. I sent a letter to the desk and asked that the letter be read by the clerk. May not that letter be read?

The PRESIDING OFFICER. The letter may be read. The clerk will read.

Mr. WHERRY. Mr. President, I shall not object to the reading of the letter, but I want to state to the present occupant of the chair that I feel there ought to be some bounds to what is taking place on the floor of the Senate. Action should be had under the rules of the Senate. I feel the Chair should hold the Senator who has the floor to comply with the rule with respect to farming out his time. I shall not object to the reading of the letter, because I do not want in any way to interfere with the presentation by the distinguished Senator from New Mexico, but from now on I shall insist that the rules of the Senate be strictly enforced.

The PRESIDING OFFICER. The Senator from Nebraska has the right to object.

Mr. WHERRY. Mr. President, I shall not object to the reading of the letter

presented by the distinguished Senator from New Mexico. He has a perfect right to have it read.

The PRESIDING OFFICER. The clerk will read the letter.

Mr. MAGNUSON. Mr. President, I will say to the Senator from Nebraska that I yielded to the Senator from North Dakota [Mr. LANGER] because we were both discussing the same subject, and by reason of the fact that the Senator from North Dakota mentioned the Senator from New Mexico I yielded to the Senator from New Mexico, because I thought he might have something laudatory to say about the Senator from North Dakota.

Mr. WHERRY. Mr. President, the request I made is in order, and I insist that the present occupant of the chair enforce the rule after the letter is read.

The PRESIDING OFFICER. The rule will be enforced. The clerk will read.

Mr. HATCH. Mr. President, may we have order? I ask that all Senators present listen for just a few moments.

The PRESIDING OFFICER. Senators will please take their seats. The Senate will be in order. The clerk will read.

The legislative clerk read as follows:

CLOVIS, N. MEX., *July 13, 1947.*

Senator CARL HATCH,
Washington, D. C.

DEAR SENATOR HATCH: After considering the various angles of the income-tax cut bill, I believe it would be better to leave the income tax as it is for awhile.

My reasons—first: Those of us who are in the lower income groups (I receive $2,900 per year) are accustomed to getting along without the extra money the lowering of the income tax might give us.

Two: With Russia having laid her cards down as she apparently has, the United States is in a fine position to help our friends abroad to get back upon their respective feet.

I would be very glad to keep on paying my $18 per month into the Federal Treasury if it would help England, France, our part of Germany, Greece, etc., to obtain a higher standard of living.

To my way of thinking, this would go further in preventing another war than any other plan yet devised. If through our efforts we can bring happiness and prosperity to the war-torn countries who will let us help them, it will show Russia and her sphere of influence how wrong they are.

Sincerely yours,

JOE BEN HUNSAKER.

Mr. MAGNUSON. Mr. President, returning to the Palestinian question, and confirming what the distinguished Senator from North Dakota [Mr. LANGER] said in his remarks to the Senate on the subject, and confirming the conclusions contained in the resolution, and the fact that Great Britain has apparently violated all the civil rights in Palestine under the guise of an emergency, I wish to read the latest report dated July 12 from Palestine, a report by Richard Mowrer, of the Overseas News Agency and the New York Post correspondent in that area. This is what is happening, despite the fact that the United Nations Commission has asked that such things not take place during the course of their inquiry. Richard Mowrer says, as of July 12:

JERUSALEM, July 12.—Palestine is a police state. Here people are arrested without reasons and without warrant. They are detained without trial for weeks, months, even years. They are deported and held thousands of miles from their families, indefinitely. This happens with no other explanation than that it is done under "emergency regulations."

These regulations are the supreme law. They empower the authorities to disregard the usual legal processes which are the basis of the world's civilized communities. And in Palestine it is the law that the emergency regulations shall not be questioned in any court of law.

These regulations were adopted in 1937, at a time of Arab disturbances, by special Order in Council of the King in London enabling the High Commissioner to make "such regulations as appear to him in his unfettered discretion to be necessary or expedient for securing the public safety, the defense of Palestine, the maintenance of public order, and the suppression of mutiny, rebellion, and riot."

EXPANDED AFTER WAR

The war came, and the regulations were temporarily replaced by defense laws similar to those enacted in Britain. But when the war ended, the regulations in Britain were repealed; those in Palestine were reenacted and thrice amended to expand their scope.

Today the regulations designed to cope with Arab disturbances are being applied against the Jews, ostensibly to cope with the underground terrorists.

There are three detention camps for Jews: Latrun A; Latrun B, where newly arrested persons are held in transit for screening; and Bethlehem Detention Camp for women. Outside of Palestine, there is a detention camp for deportees at Gilgil, Kenya. There are no camps for Arabs, because the last of those (less than 100) to be detained or deported under the original regulations is again a free man.

Inmates of the present-day detention camps are not necessarily proved terrorists. They are "suspects." When the government has substantial proof, there is a trial. When the evidence is less than substantial, there is detention without trial. A person is "guilty until proved innocent."

HOW THE RULES WORK

Imagine yourself arrested as a suspect. You can be held legally for 7 days. If you have not then been released, a detention order is signed by any military commanding officer or his deputy.

You can apply to the advisory committee, a group appointed by the High Commissioner to rule in detention cases. The police participate in the hearings, but you can't. Without knowing the charges against you, you must make your plea by letter.

You are permitted to have a lawyer. He tries to find out from the Criminal Investigation Department why you're detained; the CID is not obligated to tell him.

Your lawyer tries to reconstruct the charge against you from the questions put by the police. Then he makes written (not oral) representations to the advisory committee.

You are meanwhile in detention under an order valid for 1 year, with the possibility of extension for another year. If the advisory committee rules against you, you continue to sit it out in Latrun as a "suspect." You may have been a victim of someone who holds a grudge. Someone may have wanted your job, or your landlord may have wanted you out of your apartment. Such things happen.

You may receive one 15-minute monthly visit from a relative in the presence of a police officer, with a wire grill between you and your visitor.

If you are a man still worse can happen. You may go to the Gilgil detention camp in Kenya with severely censored mail as your only contact with your family. You will meet Meir Bargiora, Jacob Hershman, the three Vinietsky brothers, Benjamin Zironi and Schlome Trachtmann, all detained since 1941.

Perhaps by this time, the advisory committee in Palestine has recommended your release. But the Kenya camp is under the military; you may continue to sit. I was told of a released deportee who could not get out. When I asked if I could use the name, my lawyer friend hesitated, then said: "I'd rather you wouldn't; it might prejudice his case."

In Palestine there is a special variety of "suspects" who are not detained, but who must remain at home between sunset and sunrise, report regularly to the police and have permits to leave the town. Whenever something happens, these "supervisees" are rounded up.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KEM. As I understand, the Senator from Washington is interested in maintaining free institutions in Palestine. I should like to ask the Senator if he is equally interested in maintaining free elections at home—for example, in Kansas City?

Mr. MAGNUSON. I am equally interested in both.

Mr. KEM. I thank the Senator.

Mr. MAGNUSON. I continue with Mr. Mowrer's report:

Even a person tried and acquitted has no guaranty of freedom. On September 10, 1946, the Palestine Post reported that Judge L. A. W. Orr, acting president of the Jerusalem district court, declined to convict Ruth Cohen, 17, of Tel Aviv, charged with possessing seditious documents and attempting to escape. "After the trial," the paper said, "the girl was, however, taken back to the Bethlehem Women's Prison."

In another case, reported on November 11, 1946, Judge Orr specifically instructed the police not to rearrest a youth in the court building. The youth left the courtroom but was immediately arrested and taken to Latrun Detention Camp.

I asked a lawyer to analyze the effect of the regulations. He replied: "They are not stopping terrorism, presuming that is the reason for their continuing in force. Rather, they terrorize peaceable citizens. * * * The authorities say, 'In England we had the same.' But they forget that they also had parliamentary control—Parliament remained supreme. Here there is no check to safeguard the people."

To me the refusal of the British Government, on the one hand, to commute the sentence of three Jewish boys who were condemned to die, and on the other hand, the commutation of the sentences of three high official German mass murderers, is inconsistent. The United Nations committee which is now investigating the subject may come to an equitable and fair conclusion on the Palestinian problem, and may have recommendations to make to the United Nations. Surely while that committee is in session, and during the course of its inquiry, it behooves Great Britain, which is at fault if any nation is at fault in the Palestinian matter, to see that the civil rights of the people of Palestine are safeguarded. The civil rights of the people, whether in Palestine or anywhere else in the world, including Kansas City, should be safeguarded.

Mr. MORSE. Mr. President, I wish to make a statement as to why I am making this speech today.

It was the expectation of those of us who are cosponsors of the joint resolution which has just been introduced by the Senator from Washington that the joint resolution would be introduced yesterday, and I expected to make this speech yesterday. But the hour grew so late yesterday afternoon that the Senator from Washington and I discussed the matter and decided that it would be an imposition on the Senate to hold it in session longer last night. We agreed then that we would not introduce the joint resolution late last night.

I was not aware that Senator KEM'S resolution would be pending today. My preference would be that this resolution on Palestine go over until tomorrow. However, as I understand, commitments were made to those interested in this joint resolution that it be introduced this afternoon.

While I was in committee this afternoon I did not have an opportunity to discuss the subject with the Senator from Washington before he introduced the joint resolution. I understand why he introduced it, and it is quite right that he did so, because of commitments made to persons interested in it. I should like to have the RECORD show that so far as my preference is concerned, I would that it had been introduced either yesterday or tomorrow, because I have no desire to delay a vote of the Kem resolution calling for an investigation of elections in Kansas City.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAGNUSON. The Senator is quite correct. I also want the RECORD to show that I intended to introduce the joint resolution yesterday. Because of the lateness of the hour I did not do so. I intended to introduce it today and make these few remarks on it, regardless of what the pending business was.

Mr. MORSE. Because I am one of the cosponsors of the joint resolution I wish to make my statement now on the day when the joint resolution is being introduced. I intend to be very brief. I have reduced my remarks to formal form, and I do not think I shall require very long to make them.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a radiogram from the chairman of the Korean Peoples' Great Assembly.

There being no objection, the radiogram was ordered to be printed in the RECORD, as follows:

SEOUL, KOREA, *July 17, 1947.*

Please transmit to Senate and House: "We 230 delegates representing 30,000,000 people now in session at Seoul unanimously resolved to express to you, and through you, to the Government and people of the United States, our profound gratitude and appreciation for the proposed offer of material aid and assistance for relief and rehabilitation sorely needed in this critical reconstruction period. The great United States, the hope of the peace-loving and liberty-loving peoples of the world, is extending this helping hand to a nation which has been shut off even from the humanitarian heart of the American people over 40 years. Please be reassured that the grateful sentiment of the Korean people toward the United States is genuine and deep-seated in conformity with President Truman's and Secretary Marshall's new world policy. We are preparing for general election to set up an independent interim government for United Korea, although at present it may not operate in the north if the results of the joint commission are satisfactory and acceptable to the Korean people we will readjust our plan. We are confident that this new plan is in line with the policy of the United States."

EUNHI PAI,
Chairman, Korean Peoples Great Assembly.

Mr. MORSE. Mr. President, every time I enter the Halls of the Senate I try to remind myself that I was sent here by the people of Oregon to represent them, and to safeguard our way of life and the democratic institutions of our Republic.

But I also cannot help remembering that the very fact that we have a democratic Government in this country and in many other countries in the world is owed, in a great measure, to the battle waged by the people of England over seven centuries ago. I cannot help remembering that the Magna Carta in 1215, remains the foundation upon which the entire edifice of western democracy grew and flourished until it became synonymous with what we call our democratic way of life.

Every time I enter a court of law, I am indeed reminded that all our concepts of law and justice and the processes of administering them are rooted in that great tradition which the English people built over long centuries for themselves and handed on to the peoples of the world. The inviolability of the rights of the individual, the sanctity of the court, the impartiality of the judge, the scrupulousness in receiving and weighing evidence, in fact, the entire concept of the word "justice" has been given its current meaning as a result of the legacy transmitted to us by the people of England. Basic also to democratic rights are free elections untarnished by fraud or corruption.

I would go even further in saying that these are the same principles which the nations of the world are at present endeavoring to project into the realm of international relations. These are the very same concepts which led to the formulation of the UN charter, which we hope will become the law of all mankind in the not-too-distant future.

The great principles of human rights which are set forth in the preamble of that Charter I hope may also come to characterize the administration of justice of Palestine.

Let me illustrate a few points in corroboration of this statement. What are the cornerstones of our system of administering justice? That a man is innocent until proved guilty; that a man is entitled to a trial by jury by his fellow citizens; that no man can be deprived of his liberty without due process of law, protected by the writ of habeas corpus; that no cruel and unusual punishment shall be meted out; that the verdict of a court may be appealed to a higher court; that a man cannot be tried without the benefit of a counsel of his own choice; that a man may not be tried more than once on the same charge—all of these precious tenets were handed to us virtually ready-made in the body of law which we rightly designate by the name of Anglo-Saxon justice.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KEM. Does the Senator from Oregon regard the institution of free elections as one of the cornerstones of our institutions?

Mr. MORSE. I do not think the Senator heard my statement a few moments ago in which I included that as certainly one of the great cornerstones of human liberty.

Mr. KEM. I am very glad the Senator did. May I ask the Senator another question?

Mr. MORSE. Certainly.

Mr. KEM. Does the Senator consider that the maintenance of that cornerstone of our free institutions at home should be a matter of prime importance?

Mr. MORSE. Fundamental and vital.

Mr. KEM. One more question, if the Senator will further yield. Does the Senator not believe that the maintenance of those free institutions at home should receive prior attention at our hands before we undertake to give our attention to setting them up abroad?

Mr. MORSE. I think we should insist upon their maintenance wherever we find them violated.

Mr. KEM. But as a matter of priority in the Senate, should the Senate be inclined to give priority to our free institutions at home or to free institutions abroad?

Mr. MORSE. I think if we cannot keep our own nest clean we cannot very well expect to clean the nests of others.

Permeating and overriding this structure is the transcending principle of the independence of the court and its separation from the quixotic political whims of the state. Kings may live and die, cabinets may change, even the social and economic structure of the nation may be profoundly altered and still the sanctity of the rights of the individual is protected. "My home is my castle" expresses the proud feeling of freemen today as on the day when an Englishman, a freeman, first uttered it in Chaucerian English.

The rich heritage of our system of justice, obtained from the people of England, has become part and parcel of the woof and warp of America. These are the things for which every one of us is ready to fight. These are the values for which millions of our young men took up arms, in the recent war, and for which so many made the supreme sacrifice: that men be free and that no people be oppressed.

May I pause long enough to call attention to the fact that if we really want to live up to the great principles for which we went to war and for which so many human sacrifices were made, we should not now sacrifice the ideals set forth in those principles. That is why I think it is quite proper from time to time to call the attention of the Senate and of the Nation to the fact that I do not think we can make democracy what I believe it is and should be, namely, Christianity put to practice, unless we recognize that we cannot sit here in the

comforts of our society and permit hundreds of thousands of persons to languish, as they are languishing, in DP camps in Europe. We have a great Christian responsibility as a Christian Nation to those DPs. I shall never be found, Mr. President, giving support to the idea that we must not in any degree whatsoever touch the immigration laws of this country by way of special acts to give special consideration to those persons as long as we hold ourselves out to the world as a Nation which believes in carrying out Christian justice. I have no hesitancy in saying, Mr. President, that until the United States and the Congress of the United States take some action in regard to the great cruelties and hardships that characterize the handling of the so-called displaced persons today we shall have fingers pointed at us the globe around questioning whether we are willing to practice our preferred Christian principles.

That has a rather close relationship to the subject of my talk today, because I think those principles should apply to Great Britain, because she, too, has demonstrated over the centuries that her principles of democracy are, after all, based upon the sound principles of Christianity put to practice. I want her to practice them too. I think great democracies could give greater manifestation than they have given in the recent past in regard to living up to the great Christian principles which, after all, characterize the democratic process.

For we rightly conceive that an attempt to destroy the fundamental values anywhere on this earth is an attack on the roots of our national existence.

We are naturally opposed to any attempt to destroy these fundamental guaranties of our way of life, from whatever quarter the attack may come, and whatever the excuse that may be given. But when the attack comes from the very people whose ancestors were the creators of these values, then we are indeed stunned and horrified. It is nothing new for us to find due processes of the law swept aside, drumheads substituted for court rooms, arbitrary official edicts replacing civil codes and statutes.

That is characteristic of fascism and communism. But it should never, Mr. President, characterize democratic processes, be they in the United States or in the British Empire.

But we do not expect to find the seal of Great Britain, the stamp of approval of the Government of England, fixed with care and meticulousness to a conscious policy in the British mandatory of Palestine which violates all of the British guaranties of human rights and cuts to the quick the entire system of Anglo-Saxon law.

There was much talk recently, particularly in conservative quarters, about the prodigal pace at which the British Labor Government is squandering the billions of dollars which we loaned to them only a short while ago. This, if true, would be a serious charge indeed, especially when one considers the difficult plight in which the people of England found themselves as a result of the war devastation. However, how much more grievous and damaging is the squandering of another treasure, a treasure which they could not buy or borrow, the treasure which the British people amassed over generations and centuries, and into the making of which went so much of the genius and spirit and blood of the people of England? What doth it profit the people of Britain to rebuild their cottages and lose their souls and the great name which they made for themselves?

Mr. President, I should like to have excerpts from a New York Post editorial of recent date, entitled "In Memoriam British Justice," printed at this point in the RECORD, and I ask unanimous consent for that purpose. I make this request, rather than to take time to read the excerpts.

There being no objection, the excerpts from the editorial were ordered to be printed in the RECORD, as follows:

IN MEMORIAM BRITISH JUSTICE

British justice long ago became a farce in Palestine. Under "emergency" laws, the British authorities there can and do flout every traditional guaranty of civil rights with mass searches and seizures, with arrest at whim, with imprisonment without trial, execution of the death penalty by military dictate on the flimsiest of evidence * * *.

Americans have a profound stake in British justice. Upon British tradition, our concepts of justice are founded. If small-minded men are betraying that tradition, we have a right to call the attention of the decent people of the British Empire to that betrayal.

We believe that they would not willingly permit their servants to write the epitaph of a set of principles that have brought honor and admiration to their forebears through the centuries.

Mr. MORSE. Mr. President, let me make perfectly clear my position in regard to this matter, because we all know that when one speaks on a subject as controversial as this one, those who do not seek to be fair to the speaker will read into his speech misinterpretations and misrepresentations. So on this matter, let me be perfectly clear. To the question, Does the Senator from Oregon hold any brief for the terrorism that is occurring in Palestine, I say, "No." I condemn it with all my being. I say that those who are responsible for the terrorism in Palestine are doing a great injustice to the Jews who want to see the Palestine question settled in the interest of justice to all. I also say that the terrorists in Palestine are doing great injury to Jews the world over, and I think they will have to assume a large share of responsibility for the increase—and I believe there is an increase—in anti-Semitic feeling in the world today. I say that because irrespective of their motives, the methods which have characterized terrorist conduct in Palestine—the letting of blood, the resort to gangster and racketeering methods, the blowing up of the King David Hotel, and the type of terrorism that I saw on my visit to Palestine—simply mean that they are doing great injury to their own cause, and the interests of Jews everywhere. I condemn it.

However, the fact that I am arguing this afternoon for the doing of justice in the midst of terrorism, must not be and is not entitled to be interpreted as meaning that in any degree whatsoever do I condone terrorism. I simply say the great principles of Anglo-Saxon justice should apply in determining the guilt or innocence of terrorists, as well as the guilt or innocence of criminals anywhere that democratic principles of justice are applied. The essence of my argument is that democratic justice does not prevail in Palestine today.

So, Mr. President, I say that I hold no brief for terrorism, as such. I abhor violence in all its forms. And least of all will I accept violence as a method in the settlement of mutual relations between citizens or between individual citizens and the administration of a country.

But when the citizens of a country are confronted with the realization that they are left without recourse to any court, when the State discards all pretense of orderly and civilized administration, when government becomes synonymous with the use of brutal and oppressive force against which there is no appeal, it is not surprising to find excesses in Palestine.

It is inexcusable that they resort to those excesses, but my point is that it is understandable that some people will become so emotionally aroused—as is apparently the case in some quarters in Palestine—as to resort to excesses.

So, without taking one whit of responsibility off of the terrorists for the terrorism, nevertheless I say to Great Britain that she, too, cannot change human nature, and it is to be expected that in a society which is in flux, in a society in which great problems, such as those now existing in Palestine, are present, some people will lose their heads. When they do, and when they commit crimes, as the terrorists commit them, then all I say this afternoon is that they should get a fair trial in the determination of their guilt, and certainly they should receive full and adequate punishment for their wrongs.

Mr. President, people will always resist what they consider to be great injustice. It was Jefferson who said, "Resistance to tyranny is obedience to God."

If people become imbued with the idea that they are resisting tyranny, then it is very easy for them to make the next mental step in their thinking and take the position that they should be willing to make human sacrifices out of themselves for the principles in which they believe.

Mr. President, there was a time when our own forefathers were trespassed upon by the British Crown. Though they were tied to England by blood, and certainly by language and common interests, yet they did not hesitate to take the field, once rights which we term inalienable were placed in jeopardy.

I should like to quote from that great document of indictment, our own Declaration of Independence, some of the major grievances which impelled Colonial America to take up arms, and I shall also cite each comparable instance now current in the British Mandatory of Palestine.

In our declaration, the king of Great Britain is charged with refusing "his assent to laws most wholesome and nec-

essary for the public good." In Palestine, the British mandatory has refused to permit the development of a civil code of laws essential to a peaceful society.

The Declaration charged that the King of Great Britain "has refused to pass other laws for the accommodation of large districts of people, unless those people would relinquish the right of representation." Here we have a curiously current parallel. In Palestine, the mandatory has completely refused to permit the accommodation of those very people for whom the mandate was originally established. The British white paper of 1939 closes the doors of Palestine to the Hebrew people.

Mr. President, I think I have read practically all of the British alibis and excuses and rationalizations and explanations for the white paper of 1939; but there is one thing the British cannot erase, and that is that the White Paper of 1939 constitutes a going back on their word. It constitutes what I consider to be the withdrawal of a solemn pledge. So I say that in order for Great Britain to clear herself with the thinking people, those who love freedom the world around, she must discard her present position on the white paper of 1939.

In 1776 our forefathers charged that the King "has dissolved representative houses repeatedly, for opposing with manly firmness his invasions on the rights of the people." In Palestine, the British have prevented the gathering of representatives of the people, and keep minor municipal councils in a constant state of fear.

Our declaration charged the Crown with endeavoring "to prevent the population of these States; for that purpose obstructing the laws for naturalization of foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new appropriations of lands." In Palestine, British troops not only obstruct the laws for naturalization, but forcibly deport from the shores of Palestine thousands of men, women, and children who have every legal and moral right to dwell there. Furthermore, in Palestine the British administration has prevented the settlement and development of the major portion of the country by unnatural and arbitrary closing of vast territories.

The declaration charged that the Crown "obstructed the administration of justice by refusing his assent to laws for establishing judiciary powers." In Palestine, civil courts have been superseded by military tribunals. No judge is elected by the people, and the military decide right and wrong on the basis of a system of quasi-military law.

The declaration charged the Crown with sending to the colonies "swarms of officers to harass our people and eat out their substance." In Palestine the British have indulged in the conqueror's custom of living off the land. The vast officialdom which the British Colonial Ministry has established in Palestine is maintained by the people of the country, who are taxed without representation and who have no authority to determine the spending of state moneys.

The declaration charged that the King "has kept among us, in times of peace, standing armies without the consent of our legislatures. He has affected to render the military independent of and superior to the civil power." There are at present over 100,000 British troops in Palestine. The war is presumed to be over, yet Britain maintains more troops in Palestine today than she did at any time during the war.

Our forefathers charged Great Britain with "quartering large bodies of armed troops among us." In Palestine families are summarily dispossessed, yielding their homes for the shelter and comfort of British troops.

The Colonists charged Britain with protecting her soldiers "by a mock trial from punishment for any murders which they should commit on the inhabitants of these States." In Palestine British troops have repeatedly committed homicides upon the Hebrew population, including the killing of a 4-year-old girl within recent months, without even the formality of a mock trial of the implicated soldiers.

The declaration charged the Crown with "cutting off our trade with all parts of the world." Trade in Palestine has been throttled until the flourishing economy of that country has been brought to a virtual standstill, and may be completely extinguished if there is no relief from British restrictions.

In fact, when I was in Palestine last fall I saw truckloads of oranges, sliced oranges, being fed to the dairy cattle in Palestine because the boycott on Palestinian goods was so efficient within the British Commonwealth of Nations that the people could not ship their oranges out of Palestine. When I arrived in London I found oranges selling for over a dollar apiece, while they were being virtually wasted in Palestine. The British boys and girls and the patients in the hospitals of Great Britain were at that very time in dire need of oranges. And that goes for other Palestinian goods, too. Mr. President, this furnishes a rather interesting parallel to the protests we made in 1776 against the conduct of Great Britain at that time in regard to American trade.

The Colonists charged that they had been deprived "in many cases of the benefits of trial by jury." Jury trial has long since been discarded by the British in Palestine, where thousands have been deprived of all their liberties, their property, and in many cases of life itself without the benefit of jury trial.

The declaration charged Great Britain with "transporting us beyond seas to be tried for pretended offenses." How many young men have been arrested in Palestine and whisked away to a British concentration camp in Kenya, without trial, without being charged, there to languish for months or years in a camp modeled after Devil's Island? The last figures indicated over 500 incarcerated at Kenya. When an appeal in behalf of one of these prisoners is placed before the highest officials in Palestine, they claim no jurisdiction, since Kenya is "another colony" thousands of miles away.

The declaration charged Great Britain with "abolishing the free system of English laws in a neighbouring province, establishing therein an arbitrary government, and enlarging its boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies." Does this not bear a resemblance to what Great Britain has recently done in severing the entire area of Palestine east of the Jordan River?

The declaration charged that the Crown "has abdicated government here by declaring us out of his protection and waging war against us." Certainly the same charge could be made today by the beleaguered population of Palestine—if it could speak.

The declaration charged that the Crown "has plundered our seas, ravished our coasts, burnt our towns, and destroyed the lives of our people." The looting by British troops in Palestine, their vandalism in orange groves and in the cooperative villages, their ruthlessness in seizing refugee ships at sea, in holding vessels, exiling passengers, imprisoning crews, are all a matter of the daily public record being inscribed by the British Army, Air Force, and Navy in the Middle East.

And the declaration laid this charge at the door of the British Crown: "He is at this time transporting large armies of foreign mercenaries to complete the works of death, desolation, and tyranny, already begun with circumstances of cruelty and perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the head of a civilized nation."

Has not the British administration maintained large forces of Polish anti-Semitic troops on the borders of Palestine? A former Member of this body, the eminent Democrat from Iowa, Guy M. Gillett, reported after his visit to the Holy Land last year that he saw columns of Arab mercenaries from Trans-Jordan riding into Palestine in armored vehicles. It is a military secret as to how many mercenaries Great Britain is maintaining in Palestine, but that she has picked troops who are by their nature hostile to the peaceful population is without question.

The Crown was charged with inciting "domestic insurrections amongst us, and has endeavored to bring on the inhabitants of our frontiers, the merciless Indian savages, whose known rule of warfare is an undistinguished destruction of all ages, sexes, and conditions." This parallels the situation today where British agents arm and agitate the nomads of the desert in an attempt to create a spurious conflict between the Arab and the Hebrew.

And now I quote from the declaration one of its most moving passages:

> In every stage of these oppressions we have petitioned for redress in the most humble terms. Our repeated petitions have been answered only by repeated injury. A prince whose character is thus marked by every act which may define a tyrant is unfit to be the ruler of a free people. Nor have we been wanting in attention to our British brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred to disavow these

usurpations, which would inevitably interrupt our connections and correspondence. They, too, have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our separation, and hold them, as we hold the rest of mankind, enemies in war, in peace friends.

How many times have the Hebrews appealed, begged, pleaded, petitioned, and sought by every peaceful means some measure of consideration from the British Government? The present investigation being conducted by the United Nations Commission is the twenty-seventh in Palestine since Britain assumed the mandate. If we can strike any balance between the grievances enunciated in the Declaration of Independence and those of the population of Palestine and the displaced Hebrews of Europe—95 percent of whom at least want to go to Palestine and not to America—then I think any sober-minded judge must admit that our forefathers had relatively a lighter burden and less urgent grievances, and that the Hebrew people have been infinitely more patient in their sufferance of injuries and usurpations.

In the light of this situation, and the current emergency in Palestine created by the British willful plan to rush three more Hebrew underground fighters to the gallows, I should like to seek a course of action which is effective and speedy. Protests have a diminishing moral effect when they are repeatedly rejected.

Frankly, I think our protests have come to mean very little in Great Britain.

I therefore favor some action by the Senate which would direct the Secretary of State to make representation to the British Government along unmistakably clear lines. For too long have the British been permitted to believe that we are not serious about our commitments and our rights as regards Palestine. They have been comforting themselves with the notion that we Americans were merely making sentimental statements, possibly motivated by domestic politics. Ernest Bevin has bluntly said as much.

Mr. President, this is not an issue which belongs to the Jewish people, or to the British people, or to the Arab people. It is not a Republican or a Democratic issue. It is one of those profound questions in which the morality of our society is being tested.

The question of law and order in a lawless and disordered world is the issue. The three young men awaiting the noose in Palestine are, in a measure, a test case. I therefore sponsor a resolution, Mr. President, which will let the people of Britain know that we consider their entire system of justice and administration in Palestine designed for warfare against the population of that country, and against the institutions of justice which we cherish.

Mr. President, I feel that the resolution will compel the British administration to define their intentions in Palestine and place them in a position where they will have to account for their actions to the world, and to their own conscience.

In closing, let me make two points perfectly clear, Mr. President. I want terrorists in Palestine brought to justice. I want them brought to justice in accordance with the tenets of Anglo-Saxon law. I want them brought to justice in accordance with the principles of democratic processes. If they are killing British soldiers, if they are guilty of any crimes in Palestine, I want justice given to them. I want them to get the noose, if they are found guilty of murder, if that is the punishment under British law, I want such justice administered in accordance with the tenets of British law as it has been handed down to us and has become the framework of American jurisprudence.

The second point I want to make, in closing, Mr. President, is, I also want it definitely understood that I believe this is an issue which clearly is one for the jurisdiction of the United Nations. I think it is high time the United Nations stop being a debating society about it and proceed with action in regard to Palestine. Unless the United Nations becomes a body of action as well as discussion, then it seems to me it does not augur well for the future as an instrumentality for maintaining peace by way of peaceful procedures. It must protect human rights as well as talk about them.

So I submit the resolution to the Senate today, as one of its sponsors, and I have made this speech in order to set forth my reasons as to why the resolution should be adopted.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had insisted upon its amendment to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLVERTON, Mr. HINSHAW, Mr. HOWELL, Mr. PRIEST, and Mr. HARRIS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLVERTON, Mr. HINSHAW, Mr. HOWELL, Mr. BULWINKLE, and Mr. PRIEST were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1448. An act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902; and

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3864) to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 555. An act for the relief of Edna Rita Saffron Fidone;

H. R. 566. An act for the relief of Choctawhatchee Electric Cooperative, Inc.;

H. R. 649. An act for the relief of Antonio Belaustengui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 1015. An act for the relief of Fred Pittelli;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1176. An act for the relief of Mrs. Elizabeth Kempton Bailey;

H. R. 1393. An act for the relief of Donna L. I. Carlisle;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1502. An act for the relief of Herman Trahn;

H. R. 1888. An act to incorporate the AMVETS, American Veterans of World War II;

H. R. 2167. An act to authorize the inclusion within the Angostura unit of the Missouri Basin project of certain lands owned by the United States;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 2314. An act to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the Act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates;

H. R. 2573. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis;

H. R. 3053. An act to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, T. H.;

H. R. 3056. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes;

H. R. 3149. An act to amend the act approved December 28, 1945 (Public Law 271, 79th Cong.), entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces;

H. R. 3170. An act for the relief of R. W. Wood;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3252. An act to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes an easement in certain lands within the Navy housing project at Long Beach, Calif.;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3744. An act to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia;

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; and

H. R. 4011. An act to amend section 1602 of the Federal Unemployment Tax Act.

NATIONAL AVIATION COUNCIL—ADDITIONAL SENATE CONFEREES

Mr. BREWSTER. Mr. President, the House of Representatives has just transmitted to the Senate a message announcing its disagreement to the amendments of the Senate to the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, and agreeing to the conference requested by the Senate on the disagreeing votes of the two Houses thereon. The House has appointed five conferees, while the Senate had appointed only three. I therefore ask unanimous consent that the Chair appoint two additional conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine? The Chair hears no objection, and appoints the Senator from Indiana [Mr. CAPEHART] and the Senator from Connecticut [Mr. MCMAHON] additional conferees on the part of the Senate.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUD IN MISSOURI—MOTION TO DISCHARGE

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	McFarland
Baldwin	Flanders	McGrath
Ball	Fulbright	McKellar
Barkley	George	McMahon
Brewster	Green	Magnuson
Bricker	Gurney	Malone
Bridges	Hatch	Martin
Brooks	Hawkes	Maybank
Bushfield	Hayden	Millikin
Butler	Hickenlooper	Moore
Byrd	Hill	Morse
Cain	Hoey	Murray
Capehart	Holland	Myers
Capper	Ives	O'Conor
Chavez	Jenner	O'Daniel
Connally	Johnson, Colo.	O'Mahoney
Cooper	Kem	Overton
Cordon	Kilgore	Pepper
Donnell	Knowland	Reed
Downey	Langer	Revercomb
Dworshak	Lodge	Robertson, Wyo.
Eastland	McCarran	Russell
Ecton	McCarthy	Saltonstall
Ellender	McClellan	Smith
Sparkman	Thye	White
Stewart	Tydings	Wiley
Taft	Umstead	Williams
Taylor	Vandenberg	Wilson
Thomas, Okla.	Watkins	Young
Thomas, Utah	Wherry	

The PRESIDING OFFICER (Mr. JENNER in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

SOCKEYE SALMON FISHERY OF THE FRASER RIVER

Mr. MAGNUSON. Mr. President, I ask unanimous consent for the immediate consideration of House bill 3767, to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes, which deals with a convention between the United States and Canada relating to the Fraser River sockeye salmon industry.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3767) to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

Mr. TAFT. Mr. President, earlier today I objected to consideration of the bill because it had just been reported to the Senate, but I now withdraw my objection. I should like to have the Senator make a brief explanation of the bill.

Mr. MAGNUSON. Mr. President, by way of explanation, the reason for my request at this time is that this is an emergency measure. The fishing fleets are ready to sail on Monday. This convention must be ratified by the Congress. Under the United States and Canadian salmon fisheries treaty each nation pledges itself to enact enabling legislation. Canada has done so through her Parliament. The House of Representatives has passed the bill unanimously, without a dissenting vote, and although the Committee on Interstate and Foreign Commerce has not officially reported the bill, we are very familiar with its provisions. Because of the pressure of other legislation today it could not be reported. I am sure that there is no objection in the committee.

This treaty has been the subject of many conferences and negotiations. The Fraser River lies wholly within the Dominion of Canada, but the mouth of the river is about 5 miles north of our northern border, and all the salmon are caught in international waters in Puget Sound, between Canada and the United States. Because of the fact that the fleets are ready to start the first of the week, I hope the Senate will see fit to follow the House action and the action of the Canadian Parliament in ratifying this convention.

Mr. KEM. Mr. President, reserving the right to object, the pending business before the Senate is a resolution involving a most important issue, the issue of free elections, the very bed-rock of our institutions. Before withdrawing the objection which I have heretofore made to taking up this bill, I should like to ask the Senator from Kentucky [Mr. BARKLEY], the minority leader, what his disposition is in regard to the matter now pending before the Senate—whether there will be any maneuvers or any effort on the part of the minority to prevent that question from coming to a decision tomorrow.

Mr. BARKLEY. Mr. President, I am not the keeper of the conscience of any Member of the Senate except myself—and sometimes my own gets away from me. [Laughter.]

I believe that a number of Senators wish to address the Senate on the resolution. I myself wish to address the Senate, not at length, but to express my views with reference to it. I cannot say how many Senators wish to speak, or how long they will want to speak. I cannot guarantee the Senator from Missouri that the pending question will reach a vote tomorrow. I am quite certain that a vote will not be reached this evening.

Mr. KEM. I invite the attention of the minority leader to the fact that since this subject has been the order of business, or since an effort has been made to make it the order of business of the Senate, a number of addresses have been made on such subjects as free institutions in Palestine. I think I am correct in saying that no Member of the minority who has spoken since that time has addressed himself to the subject before the Senate.

There is no thought on the part of anyone that the time of any Senator who wishes to discuss the integrity of the ballot, free institutions, and the conduct of the Department of Justice, or any germane or relevant matter, should be foreclosed. However, it seems to me in all fairness that we have a right to ask the minority leader if the discussion from this point on is to be on a large number of irrelevant subjects, or whether it is to be confined to the business before the Senate.

Mr. BARKLEY. Mr. President, I should like to reply to that part of the Senator's remarks in reference to the speech delivered on the subject of free institutions in Palestine. I suppose he has reference to the speech of the Senator from Oregon [Mr. MORSE] a while ago on that subject. So far as I can recall there has been no speech on any subject since he concluded, except that the Senator from Washington [Mr. MAGNUSON] made a few remarks about the salmon convention. There has been no speech on any other subject.

Mr. KEM. I take it the Senator from Kentucky was not in the Chamber when the Senator from Washington [Mr. MAGNUSON] engaged the attention of the Senate for some time.

Mr. BARKLEY. That was not since the Senator from Oregon spoke. That was before he spoke.

Mr. KEM. But it was since an effort was made to make Senate Resolution 150 the business of the Senate.

Mr. BARKLEY. I was in the Chamber during a part of the time when the Senator from Washington was making his very able address.

The Senator knows that under the rules of the Senate any Senator who obtains the floor may speak on any subject which engages his attention. The Senate has never been willing to adopt any rule to prevent that practice. It has never been willing to consider the question of germaneness in debate. When a Senator rises and obtains recognition I have no way of knowing what he proposes to discuss, and it would be presumptuous of me to try to find out, when he obtains recognition, what he intends to discuss. That is one of the things which I do not feel like undertaking to do.

I have frequently stated that I believe that debate ought to be pertinent to the question before the Senate, but I have been the victim so many times of the opposite practice that I have long since ceased to think that we shall ever be able to do very much toward correcting that situation.

I would not attempt to say to the Senator from Missouri or to the Senate that I can tell how many speeches are to be delivered, or on what subjects. I can guarantee only that when I speak on the pending question, my remarks will be pertinent to the issue.

Mr. KEM. Under those circumstances, Mr. President, I am compelled to object. I shall continue to object to taking up any other matter until the pending business is disposed of.

The PRESIDING OFFICER. Objection is heard.

Mr. WHITE. Mr. President, I appeal to the Senator from Missouri not to take that attitude at this moment. The bill in which the Senator from Washington is interested involves, in a sense, the good faith of the United States. It is a bill which seeks to implement the international commitments of the United States. If our action is to be effective, it must be taken promptly, because the present regulations and authority expire in 2 days. If the United States is to act in full good faith with respect to its commitments to Canada, we must move now. I ask the Senator from Missouri if under the circumstances he will not withdraw his objection.

Mr. KEM. Of course, the request of the majority leader is one to which I must give attention, and I will do so. I ask the Senator from Maine if it would not be possible to dispose of this matter tomorrow.

Mr. WHITE. Mr. President, of course I cannot tell who will be recognized or who will not be recognized tomorrow, or what course the debate will take tomorrow. I must very largely let tomorrow take care of itself.

I have been a little disappointed at the lack of speed in this debate. We have not moved toward a conclusion with the celerity that I had hoped for. I had believed that the Senator from Nevada [Mr. MCCARRAN] was to speak this afternoon, and I had hoped that he might continue until 6 o'clock, or a quarter past six, and that then the Senate might take a recess. Before we take a recess, if that is the desire of the Senate, let me say that a serious effort will be made to continue the session tomorrow, into the night if necessary, and possibly the Senate will be requested to hold a session on Saturday, all in the hope that we may reach a decision on the question in which the Senator from Missouri is interested, and with respect to which all of us have some responsibility.

So I again express the hope that the Senator from Missouri will withdraw his objection, so that the bill in which the Senator from Washington is interested may be speedily disposed of and the Senator from Nevada [Mr. MCCARRAN] may begin his address. At 6 o'clock or a quarter past, I hope I may have an opportunity to move a recess until tomorrow.

Mr. KEM. Mr. President, at the request of the Senator from Maine, and in deference to his judgment, I withdraw my objection.

The PRESIDING OFFICER. Is there objection to discharging the Committee on Interstate and Foreign Commerce from the further consideration of House bill 3767? The bill is in committee and the committee must be discharged from its further consideration before it can be considered by the Senate.

Mr. TAFT. Mr. President, has the bill been reported?

Mr. MAGNUSON. The bill has not been reported.

The PRESIDING OFFICER. Is there objection to discharging the Committee on Interstate and Foreign Commerce from the further consideration of the bill?

Mr. WILLIAMS. Mr. President, is the Senate acting now under unanimous consent?

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS. I should like to ask the Senator from Maine a question. I did not quite understand what he stated; I could not quite hear it. Was it his intention to recess immediately following this matter and then have a session tomorrow night and to continue through Saturday?

Mr. HATCH. Mr. President, a point of order. It is absolutely impossible to hear what is going on. I have no idea what the Senator from Delaware has asked the Senator from Maine.

The PRESIDING OFFICER. The Senator from Delaware will restate his question.

Mr. WILLIAMS. I think perhaps the answer of the Senator from Maine will be sufficient.

Mr. HATCH. Mr. President, some of the other Senators would like to know what is going on.

Mr. WILLIAMS. Mr. President, I merely asked the Senator from Maine to repeat what he said a moment ago, which I did not understand.

Mr. WHITE. The Senator from Delaware is inquiring when the Senate will recess. I stated a moment ago that it was my hope that the matter in which the Senator from Washington [Mr. MAGNUSON] is interested might be speedily disposed of, that the Senator from Nevada [Mr. MCCARRAN] might begin his address, and that at approximately quarter past 6 we might recess until tomorrow. The answer is that I hope for a recess at approximately quarter past 6.

Mr. WILLIAMS. Mr. President, a further question. As I understand, a session is planned tomorrow night and on Saturday in order to try to obtain action on the pending motion.

Mr. WHITE. I am asked if a session is planned for tomorrow night. I have already said that I was disappointed at the speed which was made, and I am anticipating that there will be a discussion of this subject tomorrow, and that it will run into the night, at least.

Mr. WILLIAMS. Under the circumstances, I object to the consideration of the bill.

The PRESIDING OFFICER. Objection is heard.

THE PALESTINE SITUATION

Mr. MURRAY. Mr. President, the remarks of the able Senators from Washington and Oregon should make a profound impression on this body.

The situation in Palestine is disintegrating rapidly and will soon be reaching a bloody climax—a climax in which we will share a measure of responsibility and from which American citizens will suffer definite consequences.

On previous occasions, on the floor of this Senate and in various public addresses by numerous Members of Congress of both parties, it has been repeatedly pointed out that the British policy of repression in Palestine could only beget great resistance on the part of the population, culminating in violence. Furthermore, the British policy of locking the doors to the Hebrew displaced persons of Europe, the rightful citizens of Palestine—a policy which the British enunciated in their white paper of 1939—has been denounced as illegal and inhuman on countless occasions by Members of the Congress, by the League of Nations, and by leading statesmen of Britain as well as other countries. This policy of locking the Hebrew people with their murderers in Europe, must, we predicted, also beget violence—as must any policy based on injustice and flagrant violation of legal and human rights.

I shall not dwell here on the misdeeds of the British in their grotesque perversion of their sacred trust in Palestine. The existence of the world's largest concentration camp—Cyprus—and of a quarter of a million displaced Hebrews in Europe in this the third year of what is glibly called their liberation, are prima facie evidence of the consequences of British policy, evidence which should raise welts on our conscience and drive decent men to choke with anger. I hope that British infamy in Palestine will be recorded before the proper tribunal at the proper time, as it is now being recorded before the public opinion of the free peoples of the world.

Mr. President, it is my considered opinion that the British Government is, at the present time, embarked upon a course which is purposefully designed to create strife, and which is calculated to drive the Hebrew population to seek recourse to arms as the only decent and possible method for a normal people striving to survive in a world which has shown them the cruelest and most un-Christian treatment. Just what sinister motives lie behind the current British

course I do not attempt to interpret. But I do know this, that they move from oppression to suppression, from censorship to gagging, from mock trials to drumhead courts-martial, from whipping and torture to lynchings—legal hangings, if you please—of the young men who represent the fighting underground of a people driven to desperation by the calculated viciousness of an occupying army of over 120,000 invaders.

Yesterday the British added another page to their record of infamy in Palestine. And, I might add, history will record that they dug a little deeper the grave of the British Empire. Yesterday a British lieutenant general, G. H. A. MacMillan, confirmed the death sentence of three Hebrew members of the fighting resistance who took part in an underground action which succeeded in liberating 251 Hebrew and Arab political prisoners from Acre Fortress. For participating in this operation in which no British lives were taken, the three Hebrews who were captured were summarily sentenced to death.

The United Nations Commission, now on the scene in Palestine, has called on the British Administration to prevent the execution of these three Hebrew soldiers. In the face of the United Nations Commission's urgent request, and in the face of President Truman's proclamation urging all interested parties to remain tranquil in order to facilitate a United Nations inquiry, the British continue to pursue their bloody folly, terrorizing a population whom they first incite by depriving them of all rights and liberties.

On the front page of the New York Post of July 8, 1947, there appears the following terse editorial which sheds some painful light on the underlying pattern of British policy:

PROTEST BRITISH INJUSTICE NOW

A British lieutenant general, Sir John Harding, last Friday commuted the death sentences of three German commanders in Italy, Kesselring, Von Mackensen, and Maeltzer, all found guilty of responsibility for the brutal massacre of 335 Italians.

But a British lieutenant general, G. H. A. MacMillan, today refused to commute the death sentences of three young Jews who took part in the attack on Acre Prison in Palestine.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. PEPPER. It seems to me that in the illustration the Senator from Montana has just given, he has suggested a very interesting contrast. After all, the Germans were fighting, in a state of war, and they caused the massacre of the Italian prisoners as a part of an act of retaliation for an alleged attack on German soldiers who were killed in Rome. In the case the Senator from Montana has pointed out, where the British commanders refused to commute the sentences of the three Jewish boys, could it not be said that those Jewish boys were fighting in the defense of what they thought was their country?

Mr. MURRAY. That is correct.

Mr. PEPPER. They were fighting for a kind of independence and a kind of recognition which had been established, first, by the League of Nations, and, second, by an Anglo-American investigating committee.

So it would seem to me that the facts of the case make it all the more glaring, for we find that the British commanders did not show any mercy to men who were fighting for their homes and their families, whereas they did show mercy to those who caused the bloody massacre at Rome.

Mr. MURRAY. Mr. President, the Senator from Florida is absolutely correct. The instance to which we have been referring is an illustration of the oppressive policies the British have pursued throughout their history. They indulged in similar oppressive practices against the Irish, who sought to secure their freedom; in Ireland, men who fought for that right were drawn and quartered. Similarly, today the British are indulging in excesses in Palestine. The Irish fought the British until they finally succeeded in compelling the British to recognize the Irish Free State. If I have any faith in the Jewish people, I am confident that they will hang on in Palestine until they force the British to give them their freedom there. I do not think they will lie down in the face of the acts of repression undertaken by the British officers in that area.

Mr. President, I read further from the editorial:

Nobody other than Germans sought commutation of the sentence on the German mass-murderers.

The United Nations Commission on Palestine asked their parent body to intervene for the Jews, not as a matter of sentiment but in order to prevent British injustice from interfering with work of investigation by provoking disorder. In reply, the Commission got an insulting, impudent, scolding letter from Sir Henry Gurney, the Chief Secretary of the Mandatory Government of Palestine.

We urge President Truman to make a direct protest to Prime Minister Attlee.

We urge Congress to pass a resolution expressing American disgust—now.

That concludes the editorial.

Mr. President, in the light of America's responsibilities and our stake in the Middle East, and, above all, out of regard to our own conscience, we must postpone no longer. It is time to quit dilly-dallying about Palestine and pretending that it is a British province and a British problem.

Since the British have chosen to ignore and virtually to insult the United Nations Commission, and to slap world opinion in the face, it is time for some action, affirmative, and constructive, to be initiated by the United States.

It is my intention to propose a specific course of action in the immediate future. However, at this time I am merely supporting the joint resolution which has been introduced this afternoon. I endorse every line of it, and I sincerely hope the Senate will take prompt action on it. I think that would be the fitting thing to do.

Mr. President, while I am on my feet, I should like to call attention to the reaction which confronts us in every part of the Nation. The other day, the Most Reverend Bernard J. Shiel, auxiliary bishop of Chicago, delivered an important address at the National Convention of the American Veterans Committee. I wish to call attention to some of the things he said at that time:

In the life of every nation comes a moment when that nation must study once more its basic principles. It must reexamine those basic ideals which are the source of its greatness, and it must examine itself to see whether it is still following those ideals. Such a moment has arrived for the United States. It is a moment crucial in its implications not only for us but for all humanity. In the tragic war which scourged our world and in the social revolution now sweeping the earth there is and there shall remain but one issue: Man and the freedom and justice belonging to him. It is imperative, then, that we be neither ignorant nor uncertain of what the American ideal is, for it is an ideal which, in the destiny of this Nation, was meant to be a model and a hope for the people of the world.

The ideal of America is a society of free men enjoying the fruits of justice; men free to think, to speak, to worship; men free to govern themselves without arbitrary domination by self-appointed masters; men free to live their lives without fear or oppression or want; men free from any economic strangulation which would make freedom a hollow catchword. This is the American ideal—an ideal which is the very lifeblood of a genuine and organized democratic society.

Americans have always sought freedom and justice for all men. They have sought freedom and justice, because only in such an atmosphere can the human person flourish in the manner God intended. Freedom and justice are not luxuries which only the rich and privileged can afford. They are not merely an expensive addition to fine living. They are an absolute condition of life. They are God-given rights, not something bestowed by a paternalistic government or a kindly superstate. They belong as of right to all men and to every man individually.

The key to the interpretation of American history is the persistent struggle to keep alive this ideal of freedom and justice; to vindicate it and to expand it against every force, which would seek to destroy or restrict it. That struggle has never ended, and each generation of Americans must not only protect and consolidate the hard-won gains of the past; it must also move forward by making freedom and justice vital realities in every sphere of life for ever-increasing numbers of people.

To us, the possessors of this noble heritage, has fallen the high duty of preserving and expanding this freedom and justice from the growing threat of totalitarianism—the most powerful single danger to the entire concept of democracy. The choice, not of the future, but of the present, is between democracy and totalitarianism; between a social order based upon human freedom and one founded upon the idea of the state as the complete and unquestioned arbiter of human life. The successful conclusion of the war has only intensified the urgency of choosing the social order of the future. I repeat, the choice is between democracy and totalitarianism.

We Americans believe that our democracy, of all the political systems in the world, is the one which now most closely corresponds to the needs and rights of men. It is based squarely upon the deeply religious foundations of the fatherhood of God and the brotherhood of man. Its roots lie deep in the soil of Christianity, so that it is impossible to understand democracy correctly apart from its religious background. Above all, it derives its strength from the Christian belief in the absolute and unique value of the human soul, which transcends all the power and glory of the world. In our democracy man is the foundation and the end of the

state; man is the shaper, the maker, not the tool of the state. Only at our grave peril can we neglect the religious foundations of our American democracy, for without this foundation democracy cannot remain itself. Without this foundation freedom and justice and equality will have only a tenuous hold on the minds and wills of men.

And there are suspicions of a fading concern for freedom and justice within this Nation. Our concern for these things is fading because we are not quite sure what they are. It is strange and sad that we who possess the only decent political form of life hesitate and grope when we should be firm and decisive. For many of us, our glorious tradition is in tattered remnants. In the land of Washington, Jefferson, and Lincoln, in the land of noble avowals of devotion to freedom and justice, shameful compromises abound. There are Americans who have never understood America. And they have consistently acted against the best interests of the country. We cannot, of course, doubt their integrity, but we are justified in questioning their practical wisdom.

A glaring example of this unenlightened action is the Taft-Hartley bill. Without any doubt, this bill is aimed at hamstringing all unionism. The alleged interest in the freedom of the individual worker is an ironic play with words. The bill is out of line with the American tradition because it unduly restricts freedom and interferes with that justice which is every man's due. It is almost entirely punitive in nature, and as such, it will cause more ills than it is designed to cure. The satisfaction of spiteful revenge is not calculated to produce beneficial results for the Nation.

The desire to weaken unions is not shared by everyone, but it is common among powerful groups. And we must remember that it is the unions who deliver the workingmen from their bondage. It is the unions which have given justice to workingmen; for this alone, unions deserve our most fervent and devoted support. Through the unions, the working people have tasted economic justice and have enjoyed the fruits of economic freedom. All the Taft-Hartley bills in the world will not make them forget that freedom and that justice. The memory of such rights, once enjoyed, will never die.

Mr. PEPPER. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield to the Senator from Florida.

Mr. PEPPER. I am very much interested in the remarks of the Senator about what the dominant policy here has been toward industrial labor. I should like to call attention to what has been done to agricultural labor.

During the Roosevelt Administration, and for the last several years, up until the recent action of the Congress, the United States Government aided in the recruitment and sometimes in the transportation, as well as in the housing, of migratory farm workers in the States where there were seasonal crops, and that embraced a great many States of the Union.

Among other things, the United States Government, as a humane measure, provided medical care to migratory farm workers and to their families, because it was found that a worker would not be established in the community to which he went, he would not have any credit, he would not have any money, he would not be able to get a doctor or to get hospital care. So the Government of the United States built a hospital in my State at a little town named Bell Glade, on the edge of Lake Okeechobee, and there the United States Government provided medical care for the migratory farm workers and their families, due directly to the tragedy of the loss of life in the families of such workers and among the workers because there were not facilities available to them.

What has now happened? The Government has cut out the migratory-worker part of the program, it has ceased to give any assistance to workers in finding places where their labor is needed, and in getting to the places where their labor is required. Now it has provided no funds for the hospitals, and, accordingly, in the future no care can be given to the families of those distressed farm workers.

I wanted the Senator to know that not only has there been shown an inconsiderate policy toward the industrial workers, but even when it involved the very lives of the farm workers, without whom many of our great seasonal crops could not have been harvested, even a lack of humanity has been shown by the failure to care for the farm worker's distressed family or his ill wife or children.

Mr. MURRAY. Mr. President, I thank the Senator. He has very ably pointed out how these very important programs can be hamstrung by the Congress denying sufficient appropriations to carry them into effect. That is the situation not only in connection with the program which the Senator has described, but the same situation applies to practically every program we have. The Congress has denied adequate appropriations to carry out an antimonopoly enforcement program in this country. As a result, we see monopoly growing on every hand. During the war there was a tremendous expansion of monopoly, and it will continue so long as the Congress does not afford adequate appropriations to enforce the antitrust laws, which are so important to the welfare of our country and to the preservation of our democratic system.

I continue the quotation from Bishop Sheil:

Only in the past years have labor unions come into their own as an acknowledged and responsible social force in the United States. Yet they have, by and large, shown an anxiety for the welfare of the Nation that industry itself might well imitate.

In their over-all concern for justice the labor unions have pointed the way to their colleagues. The unions, unquestionably, have done more than any other economic group to bring justice to ordinary men; by and large, they have been more democratic within their own ranks than have their managerial counterparts. It would be most unfortunate for the United States if any serious harm were done to the cause of unionism now; unfortunate for the very things for which America stands: Liberty, justice, and equality.

There is still much muttering——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HATCH. I observe it is nearly 6:15 o'clock. I am wondering what the program is for the remainder of the afternoon. May I have an expression from the majority floor leader?

Mr. WHITE. It was my purpose, if I got the opportunity and obtained the floor, to move a recess. I expressed the hope that would be out by a quarter past 6. If the floor is yielded to me I will make that motion for a recess now.

Mr. HATCH. Mr. President, will the Senator from Montana yield to me?

Mr. MURRAY. I yield.

Mr. HATCH. Would the Senator be willing to yield to the Senator from Maine for the purpose of making the motion?

Mr. MURRAY. I should very much like to conclude my remarks. I have a number of other matters that I wish to call to the attention of Senators. But I am willing; if I may have the floor tomorrow morning I would be very glad to yield at this time. I yield with the understanding I may have the floor tomorrow.

Mr. FERGUSON. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Montana has the floor.

Mr. HATCH. Mr. President, my inquiry did not go to whether the Senator from Montana should have the floor tomorrow morning. I merely asked if he would yield to the Senator from Maine in order that the Senator from Maine might make a motion.

Mr. WHITE. Mr. President, I understood that the Senator from Michigan objected to that part of the request which disposed of the time at the opening of the session in the morning.

Mr. HATCH. I made no such request.

Mr. WHITE. I understood the Senator did not.

Mr. HATCH. I did not.

Mr. BARKLEY. The Senator from Montana said he was willing to yield, provided he could have the floor tomorrow.

Mr. FERGUSON. That is the part to which I objected.

Mr. BARKLEY. That is the part to which the Senator from Michigan objected. Personally, I do not see any particular advantage in requiring that we agree the Senator from Montana shall have the floor tomorrow. He can get the floor, I have no doubt, without an advance agreement, if not at the opening of the session, then at any time when he obtains recognition.

Mr. WHITE. If the Senator from Montana will yield to me without conditions, I shall move that the Senate recess.

SOCKEYE SALMON FISHERY ON THE FRASER RIVER

Mr. MAGNUSON. Mr. President, before the Senator makes the motion to recess, I wonder if I might again renew my unanimous-consent request to discharge the Committee on Interstate and Foreign Commerce from the further consideration of House bill 3767, and ask immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be read by title.

The LEGISLATIVE CLERK. A bill (H. R. 3767) to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

Mr. WILLIAMS. Mr. President, I would withdraw my objection to the consideration of the bill on one understand-

ing, namely, that there shall be no other exceptions made until the pending business has been disposed of.

Mr. BREWSTER. I trust what the Senator from Delaware has in mind is other matters than conference reports and appropriation bills, which will have the right of way; but with reference, I take it, to other matters on the calendar, which come within this category.

Mr. WILLIAMS. That is the understanding.

Mr. BARKLEY. Reserving the right to object, it seems to me that at this stage of the session, when the leadership of the Senate has worked out and has announced a program for the remainder of the session in which we are seeking to cooperate and to carry out the program in good faith, Senators ought not to put conditions upon agreeing to any request, that something else shall not be agreed to in the future. Nobody can tell what is going to be brought up. Nobody knows what unanimous-consent request will be made. Therefore, the Senate ought not to be required to foreclose its right to give unanimous consent on anything that comes up in the next few days.

Mr. TAFT. Mr. President, if the Senator will yield, as I understood the Senator from Delaware, he merely meant to give notice that he is giving consent on the condition that he himself is not going to give consent again. He can always change his mind.

Mr. BREWSTER. Mr. President——

Mr. MAGNUSON. Mr. President, where is my sockeye salmon? [Laughter.]

Mr. BREWSTER. Mr. President, I do not understand there is any condition. It is simply that it is the Senator's understanding that he will object. If he chooses not to object, he cannot commit any other Member of this body of 95 Members, who may or may not want to object.

Mr. BARKLEY. I understand, of course, the Senator can control only his own consent. But I thought from the manner in which he stated it, he wanted everybody perhaps to agree on it.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I want to know exactly what we are agreeing to.

The PRESIDING OFFICER. The Chair will state the question. Is there objection to discharging the Committee on Interstate and Foreign Commerce from further consideration of the House bill 3767 and to its present consideration?

Mr. MORSE. It is understood that the statement made by the Senator from Delaware, by way of a condition, a moment ago, has been withdrawn, and he reserves only unto himself the right to object in the future, if he cares to object.

RECESS

Mr. WHITE. Mr. President, under all the circumstances, I think I am justified in moving that the Senate stand in recess until 12 o'clock noon tomorrow. I make that motion.

The motion was agreed to; and, at 6 o'clock and 17 minutes p. m., the Senate took a recess until tomorrow, Friday, July 18, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 17 (legislative day of July 16), 1947:

DIPLOMATIC AND FOREIGN SERVICE

H. Freeman Matthews, of Maryland, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Sweden.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Plummer R. Walsh, Oroville, Calif., in place of J. E. Byrne, deceased.

Frances S. Armstrong, Pala, Calif. Office became Presidential July 1, 1947.

Clara E. Coker, Stevinson, Calif. Office became Presidential July 1, 1947.

Robert J. Blaney, Weaverville, Calif., in place of J. J. Blaney, retired.

COLORADO

William A. Russom, Bristol, Colo. Office became Presidential July 1, 1945.

CONNECTICUT

Frederick J. Whelan, Greenwich, Conn., in place of W. S. Meany, retired.

FLORIDA

Carl C. Mueller, Limona, Fla., in place of J. E. Barr, retired.

GEORGIA

Nell V. Devine, Fort Screven, Ga. Office became Presidential July 1, 1947.

IDAHO

Laura B. Campbell, Anderson Dam, Idaho, in place of W. N. Woodall, resigned.

ILLINOIS

Beulah V. O'Donnel, Martinton, Ill., in place of J. O. Perry, resigned.

Emileen Grafton, Metcalf, Ill., in place of P. E. Malone, retired.

C. Edgar Carlson, Wheaton, Ill., in place of C. W. McDonald, retired.

Ruth F. Vermillion, Wood Dale, Ill., in place of F. R. Anderson, resigned.

INDIANA

Harlan C. Dodd, Charlestown, Ind., in place of J. C. McKillip, resigned.

Dean Wallace Simpson, Glenwood, Ind., in place of R. I. Perin, resigned.

IOWA

Sam M. Childs, Atlantic, Iowa, in place of C. E. Malone, deceased.

Raymond W. Meinert, Durant, Iowa, in place of C. W. Langmann, transferred.

Clara Hamann, Persia, Iowa, in place of C. A. Alter, deceased.

Richard M. Leeper, Redfield, Iowa, in place of Hattie Bandy, resigned.

Lowell D. Rothbart, Wheatland, Iowa, in place of H. H. Ballhorn, resigned.

Pearl L. Smith, Woden, Iowa, in place of V. L. Eaton, resigned.

KANSAS

Freda M. Stiles, Derby, Kans., in place of S. Z. Alley, resigned.

Henry B. Schmidt, Elbing, Kans. Office became Presidential July 1, 1947.

William C. Edwards, Jewell, Kans., in place of E. B. Gray, transferred.

Mary E. Babcock, Welda, Kans. Office became Presidential July 1, 1945.

KENTUCKY

James Paul Dodson, Scottsville, Ky., in place of Roy Dye, resigned.

LOUISIANA

Roland E. Daigre, Plaquemine, La., in place of J. M. Carville, resigned.

Clement Steinacker, St. Benedict, La., in place of Adalbert Svrcek, retired.

MASSACHUSETTS

Bernard N. Powers, Hadley, Mass., in place of E. C. Pelissier, retired.

MICHIGAN

Frederick O. Misteli, Baldwin, Mich., in place of B. B. Burwell, transferred.

MINNESOTA

Lillie C. Bodey, Brimson, Minn. Office became Presidential July 1, 1947.

Sadie E. Brooker, Gheen, Minn. Office became Presidential July 1, 1947.

Clarence Wall, Hayward, Minn., in place of R. E. Dewey, deceased.

Julia S. Perala, Makinen, Minn. Office became Presidential July 1, 1947.

Freda M. Levin, Zim, Minn. Office became Presidential July 1, 1947.

MISSISSIPPI

Thomas L. Simpson, Fernwood, Miss., in place of N. B. Williams, retired.

MISSOURI

Orien C. West, Camdenton, Mo., in place of B. W. Harwood, Jr., resigned.

Henry H. Womack, Catron, Mo., in place of Ollie Bullock, resigned.

John B. Robinson, Half Way, Mo., in place of O. G. Gamel, transferred.

Florence E. Godman, Miami, Mo., in place of E. A. Hisle, transferred.

Desmond Earl Todd, Pevely, Mo., in place of V. G. Guidicy, resigned.

Archie Norman Cooper, Rushville, Mo., in place of L. D. Dyer, transferred.

MONTANA

Ruby Dunning, Ashland, Mont. Office became Presidential July 1, 1947.

Arvilla B. Reed, Coram, Mont. Office became Presidential July 1, 1947.

Robert J. Armont, Geyser, Mont. Office became Presidential July 1, 1947.

Jessie C. Martin, Harrison, Mont. Office became Presidential July 1, 1947.

Olga S. Dahl, Stockett, Mont. Office became Presidential July 1, 1947.

John J. Cernik, Trout Creek, Mont. Office became Presidential July 1, 1947.

NEBRASKA

Viola Calhoon, Benedict, Nebr. Office became Presidential July 1, 1947.

NEW HAMPSHIRE

Alice L. Myers, Jaffrey, N. H., in place of Charles Myers, declined.

NEW YORK

Hubert I. Raynor, Remsenburg, N. Y. Office became Presidential July 1, 1947.

William V. Colange, West Shokan, N. Y. Office became Presidential July 1, 1947.

NORTH DAKOTA

Eleanor M. Ryan, Sterling, N. Dak. Office became Presidential July 1, 1947.

OKLAHOMA

Frank H. Stockton, Bethany, Okla., in place of N. W. Sanford, deceased.

George R. McConnell, Delaware, Okla., in place of R. I. Corbin, resigned.

Ernest B. Simpkins, Jennings, Okla., in place of W. F. Cowan, resigned.

Brownie C. Sparks, Maysville, Okla., in place of B. R. Brummett, resigned.

Charles C. Nida, Orlando, Okla., in place of B. J. Van Coevering, resigned.

Joe Edwin Ewers, Welch, Okla., in place of G. C. Talley, transferred.

OREGON

Etta Owens Goudy, Wedderburn, Oreg. Office became Presidential July 1, 1947.

PENNSYLVANIA

Douglas James McHenry, Fort Washington, Pa., in place of M. M. Kavanagh, resigned.

SOUTH DAKOTA

Pearl P. Beeninga, Monroe, S. Dak. Office became Presidential July 1, 1947.

TEXAS

Sal Alvin Armstrong, Bigwells, Tex., in place of Mima Fessler, retired.

Bernice Gates, Flomot, Tex., in place of W. G. Tanner, resigned.

Mary C. Braden, Nada, Tex., in place of A. J. Lichnovsky, retired.

Rebecca Sewell, Wills Point, Tex., in place of Ellis Campbell, deceased.

WEST VIRGINIA

James R. Judge, Pine Grove, W. Va., in place of W. S. Moore, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate on July 16, 1947, which were omitted from the CONGRESSIONAL RECORD of that date:

POSTMASTERS

WYOMING

George P. Hicks, Jr., Casper.
Signe S. Mackinen, Frontier.
Helen D. Weimer, Glendo.
Harry S. Cashman, Rawlins.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 17, 1947

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou Divine Spirit, who alone canst bring our forlorn and faltering humanity out of dark and devious ways into the radiant paths of a new day, we pray that we may give ourselves unreservedly and confidently to Thy leading.

Hitherto Thou hast been our refuge and strength and we have dwelt under the sheltering canopy of Thy kind providence. May the memory of Thy goodness follow all our days and encourage us to carry on in faith and in faithfulness.

Grant that our President, our Speaker, and all the Members of this legislative body may discern Thy divine will in some clear and unmistakable way and be used by Thee in mediating to all mankind the blessings of gladness and peace.

Hear us in the name of the Christ who is the light of the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 555. An act for the relief of Edna Rita Saffron Fidone;

H. R. 566. An act for the relief of Choctawhatchee Electric Cooperative, Inc.;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 1015. An act for the relief of Fred Pittelli;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1176. An act for the relief of Mrs. Elizabeth Kempton Bailey;

H. R. 1393. An act for the relief of Donna L. I. Carlisle;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1502. An act for the relief of Herman Trahn;

H. R. 1888. An act to incorporate the AMVETS, American Veterans of World War II;

H. R. 2167. An act to authorize the inclusion within the Angostura unit of the Missouri Basin project of certain lands owned by the United States;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 2314. An act to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates;

H. R. 2573. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis;

H. R. 3053. An act to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, Territory of Hawaii;

H. R. 3056. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes;

H. R. 3149. An act to amend the act approved December 28, 1945 (Public Law 271, 79th Cong.), entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces";

H. R. 3170. An act for the relief of R. W. Wood;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3252. An act to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes an easement in certain lands within the Navy housing project at Long Beach, Calif.;

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil service retirement and disability fund;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3744. An act to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia;

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto;

H. R. 4011. An act to amend section 1602 of the Federal Unemployment Tax Act; and

H. Con. Res. 70. Concurrent resolution authorizing the Committee on Expenditures in the Executive Departments of the House of Representatives to have printed for its use additional copies of the hearings on the bill (H. R. 2319) "The National Security Act of 1947."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1448. An act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902;

H. R. 3055. An act to permit the Secretary of the Navy and the Secretary of War to supply utilities and related services to welfare activities, and persons whose businesses or residences are in the immediate vicinity of naval or military activities and require utilities or related services not otherwise obtainable locally, and for other purposes;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; and

H. R. 3864. An act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 84. An act for the relief of Mrs. Clinton R. Sharp;

S. 99. An act for the relief of John T. Hollingsworth, Jr.;

S. 167. An act for the relief of Mrs. Yoneko Nakazawa;

S. 185. An act for the relief of Thomas Abadia;

S. 191. An act for the relief of Julian Uriarte;

S. 316. An act for the relief of Mary Sungduk Charr;

S. 339. An act for the relief of Lucy Jefferson Weil;

S. 418. An act to provide for water pollution control activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes;

S. 457. An act for the relief of Anna Kong Mei;

S. 474. An act for the relief of Samuel E. Belk;

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 794. An act to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C.;

S. 929. An act to amend section 2 of the act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes, approved March 3, 1883 (22 Stat. 564);

S. 1132. An act to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended;

S. 1348. An act to provide for the addition of certain revested Oregon & California Railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes;

S. 1487. An act to remove restrictions upon loans by Federal agencies to finance the construction of certain public works;

S. 1512. An act to improve accounting within the Federal Security Agency, to au-

thorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes;

S. 1576. An act to amend section 3121 of the Internal Revenue Code;

S. 1579. An act for the relief of Damian Gandiaga;

S. J. Res. 70. Joint resolution authorizing the President to issue posthumously to the late Col. William Mitchell a commission as a major general, United States Army, and for other purposes;

S. J. Res. 84. Joint resolution to provide for the restoration and preservation of the Francis Scott Key mansion, to establish the Francis Scott Key National Memorial, and for other purposes;

S. J. Res. 94. Joint resolution to establish the Fort Sumter National Monument in the State of South Carolina;

S. J. Res. 130. Joint resolution relating to safety in bituminous-coal and lignite mines of the United States;

S. J. Res. 134. Joint resolution providing for the proper observance of the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America; and

S. J. Res. 148. Joint resolution to authorize the temporary continuation of regulation of consumer credit.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3756. An act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FERGUSON, Mr. REED, Mr. WHERRY, Mr. SALTONSTALL, Mr. MCKELLAR, Mr. OVERTON, and Mr. RUSSELL to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. LANGER a member of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Justice.
3. Department of Labor.
4. Post Office Department.
5. Department of the Treasury.
6. Department of War.
7. Federal Security Agency.
8. Government Printing Office.
9. National Archives.
10. National Housing Agency.
11. Office of the Housing Expediter.
12. United States District Court (Northern District of California).

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3818. An act to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. TAFT, and Mr. GEORGE to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Goverment," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of Justice.
4. Department of the Navy.
5. Post Office Department.
6. Department of the Treasury.
7. Department of War.
8. Federal Security Agency.
9. Federal Works Agency.
10. National Archives.
11. Veterans' Administration.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3587. An act to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BREWSTER, Mr. HAWKES, and Mr. JOHNSON of Colorado to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments:

1. Department of the Navy.
2. Department of War.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 526) entitled "An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TAFT, Mr. AIKEN, Mr. SMITH, Mr. THOMAS of Oklahoma, and Mr. ELLENDER to be the conferees on the part of the Senate.

PALESTINE

Mr. TWYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TWYMAN. Mr. Speaker, this morning 28 other Republican Members of Congress and I are presenting to the House of Representatives identical concurrent resolutions, in which we restate the historical policy of the United States regarding Palestine. Five Presidents of the United States, from President Wilson to and including President Truman, have expressed themselves with reference to the establishment of a national home for the Jewish people in Palestine. These identical resolutions announce that the United States is continuing its Palestine policy as established by the President and the Congress, and indicate a willingness to join in the carrying out of a solution of the Palestine problem along the lines of such policy.

All of the Members submitting these identical resolutions are Republicans, but it is our desire that Members from the other side of the aisle will join with us and make this a bipartisan policy. We shall welcome their cooperation and participation.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States by Mr. Miller, one of his secretaries, informed the House that on July 17, 1947, the President approved and signed bills and a joint resolution of the House of the following titles:

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia; and

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948.

AMERICAN POLICY TOWARD PALESTINE

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I am also one of those Members who have presented one of these identical resolutions this morning. It seems to me that these resolutions merely implement the policy that our country has been committed to.

The United States for a long time has declared itself to be favorable to the doctrine that Palestine should be a national homeland for the Jewish people. We feel that we have got to do more than say it. We feel that we have got to insist that our word be carried out; and, as we state in this resolution: That it is the sense of the Congress that the United States announce its continued adherence to its Palestine policy as established by the President and the Congress and its willingness to join in the carrying out of the solution of the Palestine problem along the lines of this policy.

VETERANS' ADMINISTRATION PROSTHETIC APPLIANCE EXHIBITION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include

therein a statement prepared by the Veterans' Administration regarding a prosthetic appliance exhibition.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning, together with many other persons, I went to see an exhibition that the Veterans' Administration is showing of artificial arms, legs, hearing devices, ears, plastic work on faces, and so forth. It is a very large exhibition.

The Veterans' Administration deserves great credit. Mr. Walter Bura, Director, Prosthetic Appliance Service, is at the head of it and he deserves great appreciation for collecting these prosthetic appliances and for urging manufacturers to make them.

I was very much struck by the fact that although the appliances are better than they were a year ago or 2 years ago, they are very far from perfect.

It is up to the Congress, in my opinion and in the opinion of thousands of others, that we should do more to see that the men get better appliances and more than just the hooks that they are giving the men and the plastic hands and gloves which look more like hands but are not adaptable to much use.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MILLER of Nebraska. I saw the exhibit yesterday and I thought that it was one of the best exhibits that I have ever seen. I have viewed them in the past, and I feel they are making tremendous progress in the various mechanical appliances for the individual needing artificial limbs, eyes, ears, and even noses. Of course, you will never reach perfection because that it impossible. However, it does seem to me from experience of many years of looking at these exhibits and seeing them operate that the men in that type of work are making great progress.

Mrs. ROGERS of Massachusetts. The gentleman's opinion is extremely valuable, as the Members of the House know.

The statement referred to is as follows:

PROSTHETIC APPLIANCES SERVICE, VETERANS' ADMINISTRATION

JULY 16, 1947.

A prosthetic appliance is an artificial device used to replace a lost member of the human body or to supplement a member which has lost part of its ability to function normally. Artificial limbs, wigs, plastic eyes, hearing aids, eye glasses, orthopedic shoes and braces comprise only a partial list of such appliances.

The policy of the VA is to furnish disabled veterans the best available prosthetic devices to aid them in overcoming their handicaps. For psychological reasons the final selection of any appliance is left, as far as possible to the veteran.

To assure efficient administration of their policy the VA established a Prosthetic Appliances Service in January 1946. High lights of this program set up by the Prosthetic Appliances Service are:

The VA does not manufacture prosthetic devices, but purchases at no cost to veterans the best items available from private manufacturers. (Exceptions are one limb shop in New York, the plastic eye clinics, and hospital brace shops.) This makes available to veterans the sales and service facilities of all manufacturers throughout the United States. Also prosthetic devices developed through Government research by the Committee on Artificial Limbs of the National Academy of Sciences, the Army, Navy, and similar groups are made available as soon as released by the developing agencies.

In July 1946, prosthetic service cards were authorized for all amputee veterans. These cards, to be carried by the veterans at all times, positively establish their identity and eligibility for the limb manufacturer's service. In case of a break-down of their appliances, they may go to the nearest limb shop and obtain immediate repairs or adjustments. Shops send invoices direct to the VA for payment. There, they are carefully studied by the Prosthetic Appliances Service to determine the frequency and cause of break-downs, with view to reducing the probability of reoccurence through changes in design or materials. The service card offers the twofold advantage of providing on-the-spot repairs and reducing cost to the Government. Issuance of similar service cards for veterans using other types of prosthetic devices is under consideration.

Prosthetic units are being established in every regional office to attend to the special interests and problems of all veterans wearing artificial appliances.

A prosthetic testing and development laboratory is located in the VA regional office, 252 Seventh Avenue, New York City. This laboratory, which carries on testing and development work for the Committee on Artificial Limbs, private inventors, limb manufacturers and any Government agency concerned with the development of prosthetic appliances, is the first facility of its kind for such projects. Its operation assures continued improvement in this field.

A VA prosthetic restorations research laboratory has been established at the University of Maryland School of Medicine, Baltimore, Md., to meet the need for concentrated research and development in cosmetic replacements. The work of this laboratory is limited to research in synthetic materials and techniques for producing plastic eyes, ears, noses, and other facial restorations. The prostheses are produced and fitted in 12 clinics established in the larger centers of population of the Nation.

As a basis for sound planning and consulting activities it was found necessary to have available, for immediate reference, samples of all prosthetic devices manufactured in the United States. These have been assembled into the prosthetic appliances reference exhibit which opened officially on July 16, 1947. This exhibit, the only one of its kind in the world, now contains almost 1,000 items. Ninety-five percent of the items were contributed by the private manufacturers at no cost to the Government. Without the availability of such an exhibit no prosthetic specialist can make positive factual evaluations of more than a fraction of the devices on the market.

With the exception of experimental models, all of the devices shown are in production and available to disabled veterans under VA's free choice of appliances policy. All are available to physically handicapped nonveterans through private industry.

The collection enables VA prosthetic specialists to make critical analyses of the different features of the various aids and give guidance to veterans in selecting devices best suited to their needs.

The exhibit is also expected to aid in eliminating duplication of effort in research work by providing a centralized point at which inventors may learn what has already been developed in the field of aids for the physically handicapped. It is situated permanently in room 890-H of the VA central office, Vermont Avenue between H and I Streets NW., Washington, D. C., where it has been arranged into 18 sections as follows:

ITEMS DISPLAYED

Section No. 1: Equipment for the blind, including standard and portable typewriters, braille writer, writing slate, talking book, radio, braille watches, electric shaver, one-hand typewriter, sound scriber, wire recorder, canes of all kinds; orthopedic shoes, forms and photographs showing process of taking measurement and casts; IBM electric typewriter arranged for one-handed operation (for amputees, paraplegics, etc.).

Section No. 2: Knee-bearing legs; suction-socket legs; above-knee legs; below-knee legs.

Section No. 3: Below-knee legs.

Section No. 4. Below-knee legs.

Section No. 5: Above-knee legs, including Hanger-DeSoutter.

Section No. 6: Various types of sockets on below-knee legs, including air sockets, three types of slip sockets, soft leather, cork insert, leather removable, solid leather, solid wood, leather lined, leather cushion, metal shin with wood socket; all types of crutches; crutch accessories, including arm pit pads, hand grips, crutch tips; rubbers equipped with cleats to prevent slipping on ice and snow.

Section No. 7: Above-knee legs; below-knee legs.

Section No. 8: Legs submitted by the Committee on Artificial Limbs, including hip disarticulation, Hanger-DeSoutter, and standard below-knee and above-knee legs.

Section No. 9: Component mechanical parts manufactured by various parts suppliers, used in the building of artificial limbs; stump socks knitted by: The C. H. Bennington Mfg. Co., The Knit-Rite Co., Ohio Willow Wood Co., John J. McCann Co.; charts and graphs showing break-down of repair invoices; illustrations of the Veterans' Administration Prosthetic Testing and Development Laboratory.

Section No. 10: Artificial hands; cosmetic gloves; component parts, dissembled, for the Fitch dual control arm.

Section No. 11: Hooks, hand brushes, nail holders, and various devices used with artificial arms. (These artificial hands, hooks, and devices are interchangeable and can all be attached to standard wrist connections on artificial arms); arm controls, flexible steel cable with spring steel wire housing.

Section No. 12: Below-knee legs; above-knee legs, including one tilting table; Syme's and Chopart limbs; map showing prosthetic service field organization; the processing of willow wood for use in the manufacture of artificial limbs, from a cross-section of a 90-year-old tree to the finished shin blocks, ankle blocks, knee blocks, sockets, and feet.

Section No. 13: Arms; illustrations describing the cineplastic operation and its use with an artificial arm.

Section No. 14: Above-knee legs; various steps in the manufacture of metal limbs; special ankle joints; waist belts; knee joints; various component parts of artificial limbs from the Committee on Artificial Limbs (sec. 14 behind sec. 4).

Section No. 15: Braces and belts.

Section No. 16: Hearing aids, hearing-aid batteries, and battery charger.

Section No. 17: Sectional views and explanation of component parts used in the manufacture of artificial limbs.

Section No. 18: Plastic artificial eyes; facial restorations; ear molds for hearing aids; collapsible wheel chair.

EXTENSION OF REMARKS

Mr. ELSAESSER asked and was given permission to extend his remarks in the RECORD and include a statement by Henry C. Link entitled "How to Sell America to Americans."

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include two short editorials.

FLOOD-CONTROL WORK

Mr. MUHLENBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUHLENBERG. Mr. Speaker, in view of the President's message yesterday about the necessity for an increase in flood-control activities, I want to call to your attention and to the attention of the general public the fact that the reason more flood-control legislation has not been brought before the House is that in the President's budget message he advised us in effect that he had directed the Corps of Engineers, our consulting engineers, not to ask for any appropriations for or consideration of new projects whatsoever, for that item was made a mere token $100. I believe thoroughly as do you that flood control is necessary. I simply want to offer my felicitations on the change of opinion which has been registered by the President's message yesterday. We are all for a continuous program for flood control, including expansion where necessary, as is now proposed, but in view of the fact that the Corps of Engineers was instructed not to ask for a program including new work you can see that the new statement of the President is a direct reversal of his opinion in January and is now following the Republican opinion on the necessity of a continuing program so ably expressed during the recent hearings by the chairman of the Subcommittee on Appropriations on Civil Works, the gentleman from Michigan [Mr. ENGEL].

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. MUHLENBERG] has expired.

FOREIGN RELIEF AND REHABILITATION

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, on yesterday I made a statement drawing attention to the enormous sums of money obligated or requested by this administration for foreign relief and rehabilitation and the maladministration of these funds by our agents, a fact which is now recognized by most everyone.

The distinguished ex-Speaker of the House, the gentleman from Texas [Mr. RAYBURN], criticized my remarks principally on the basis that, considering the conditions existing in the world at this time, these matters should not be discussed.

I am pleased that the gentleman directed attention to my statement because it is my conviction that the people of this country should be enlightened as to the conditions here and abroad, and I sincerely believe that there is never a time in peacetime when incompetence and maladministration should not be exposed and the persons responsible be brought to the bar of public opinion. It is not too late to endeavor to improve a bad situation.

The world now knows that we blundered at Teheran; we blundered at Yalta; we blundered at San Francisco on the veto power agreement; we blundered at Potsdam on the reparation and the acceptance of the Morgenthau plan as stated yesterday by the gentleman from Mississippi. All this has made its contribution to the heartbreaking situation now existing in Europe and Asia.

Every Member of this House recognizes the gravity of the situation, but if the same hands and the same minds are to continue in the same capacity, there is no basis for any hope that the problem will be satisfactorily solved.

I congratulate the Speaker on his plan to appoint a special investigating committee of this House to ascertain the facts pertaining to this very question. It is recognized that it is the only way that we can secure the facts, and in my opinion the action should have been taken years ago.

FOREIGN RELIEF AND REHABILITATION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, in my remarks yesterday I did not say to the gentleman from West Virginia [Mr. ELLIS], or anybody else, that I thought they should remain quiet. This is exactly what I said:

> Knowing the condition of this world, inflammable as it seems to me it is now, I do think that people in position of high authority or any authority should be very careful about what they say.

That is what I said. I did not say that anyone should not make a talk.

Then further I did say this, and I repeat it:

> And especially for the gentleman from West Virginia to advertise for the world that our State Department, the people who are looking after our foreign affairs, are indulging in underhand propaganda is just too bad.

That is what I said and what I repeat every day.

The SPEAKER. The time of the gentleman from Texas has expired.

THE STERLING AREA BLOC POOL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

Mr. CELLER. Mr. Speaker, under the British loan agreement, Great Britain on the 15th of this month, 2 days ago, was supposed to dissolve the sterling area bloc pool. Some efforts have been made in that direction, but the pool in general still exists unabated as to many countries. There is thus default on the part of Great Britain.

I wonder whether British leaders remember an event 65 years ago when the Khedive of Egypt defaulted on his obligations to Great Britain, and Egypt was occupied by British troops. Of course, we would not try to invoke such sanctions, but it is well to remind Great Britain of her obligations under that loan agreement, and I hope that those in authority on this side of the ocean will remind those on the other side most forcibly that there is a solemn obligation as to the sterling area bloc pool that Great Britain must live up to. Also be it remembered Great Britain defaulted upon her debt to us after the last war.

The SPEAKER. The time of the gentleman from New York [Mr. CELLER] has expired.

FLOOD CONTROL

Mr. POAGE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, yesterday, the President sent a message to the House suggesting conservation and flood control over a vast area of this Nation. With that I am in full accord. I am convinced, however, that it was a great mistake to overlook the equally serious flood problems of other sections. I have asked this brief moment to speak rather than extend my remarks, that I may call the attention of the Members of the House to the fact that vast losses have been sustained in this country outside of the Mississippi-Missouri River Valleys.

I am in favor of taking care of those valleys but I am also in favor of taking care of all the rest of the valleys of the United States. We are all a part of this Nation. Those who happen to live in the great valley of the Father of Waters do not, I am sure, ask that they be given a monopoly on conservation and flood control.

It happens that there is a tributary of the Brazos River in Texas, misnamed the Little River, which at flood stage has carried more water than either the Mississippi or the Missouri above their junction. The Mississippi has never carried more than 500,000 cubic second-feet above the junction, and the Missouri has never reached 600,000 second-feet, but the Little River has carried 647,000 cubic second-feet past Cameron, Tex.

This is just one tributary of the Brazos River which is itself a stream of more than a thousand miles in length and which drains an area approximately the same size and supporting the same population as the drainage basin of the Tennessee. Yet this whole great drainage basin has only one Federal flood-control project underway—the Whitney Dam which was only commenced a few months ago. The Miller Springs Dam near Belton, Tex., was authorized more than a year ago. It would give substantial relief from the flood conditions I have described on the Little River, but so far no funds have been appropriated for its construction.

Due to the fact that the bed of the Little River is very small, its floods inevitably spread out over a wide expanse.

Due to the fact that the rainfall in the Southwest is likely to come as cloudbursts, our streams are subject to devastating flash floods which result in an extremely high loss of life as well as of property. It must never be forgotten that it is the maximum height, not the yearly average flow that counts when we are considering floods.

Because of the vast expanse of the State of Texas, I am sure that both President Truman and many Members of this House, have thought that the Government was dealing adequately with our flood problems when provision was made for as many structures as are provided in the average smaller State. I have pointed out that the Brazos Valley alone is as large as the Tennessee Valley. The Brazos does not have as large yearly run-off as the Tennessee, but the greatest known flood of the Tennessee carried only 460,000 second feet or considerably less than one tributary of the Brazos. Surely neither the President nor the Congress would intentionally discriminate against the people of Texas simply because our State is as large as several ordinary States, but sometimes we feel that we are the victims of unintentional discrimination.

Nor can the failure of the Federal Government to extend the same assistance to the problem of flood control in Texas as elsewhere in the Union be charged to any failure of the local people to recognize the problem and to do their best to solve it. Four years before the TVA was established the legislature of Texas created the Brazos River Conservation and Reclamation District—the first great stream control authority in the world to embrace an entire major river system from its source to its mouth. The State has contributed more than $6,000,000 of State money to this work, but the job is too great to be handled by any one State.

We have taken the lead in soil conservation practices. Every acre of the district I represent is a soil conservation district. We have in the Little River valley the largest soil conservation demonstration project in the United States. Our people are alive to the fact that flood control must start where the water falls. We yield to no section in our efforts and our achievements along that line.

Neither are we justified in by-passing the Brazos-Little River flood problem on the grounds that more recent floods have occurred elsewhere. The very fact that it has been longer since our area has suffered from such floods makes it the more likely the next destructive overflows will probably occur in our section.

Mr. Speaker, we of central Texas have buried our dead; we have rebuilt our homes; we have replaced our roads and bridges; we have done what we could to make up for the top soil that we cannot replace, but we have not forgotten our suffering. We know that the floods will come again. We appeal to our Government to include our streams and our farms in any program of soil conservation and flood control. We want no special treatment, but we do want fair and equal treatment.

FLOOD CONTROL

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, the President, in his message yesterday, advocated an additional $250,000,000 for flood-control and irrigation projects. This included some new dams and projects. This is a reversal of the President's viewpoint when, at the beginning of this term of Congress, he instructed the Army engineers not to indicate any new flood-control projects.

It is to be remembered that in the past 7 years Congress has designated some 700 flood-control projects. In my opinion some of these were pork-barrelled projects and not worthy of consideration at this time.

The Congress, yesterday, passed a resolution which gives authority to the Public Works Committee to make a study and reexamine all public works including flood-control projects. This revaluation should eliminate some projects and indicate those which are most urgent.

I agree with the President that the Mississippi-Missouri Valley, which makes up one-sixth of the country's area is in need of more energetic work in the control of floods. It is in this area in which the loss of life, property, and great destruction has taken place.

It does seem to me that instead of pouring billions of dollars into loans, gifts, and other channels to foreign nations, that we ought to give more attention to the problems at home. It is my opinion that the moneys we are pouring down a dozen or so rat holes in Europe in an effort to help other countries will not even return to this country good will. Many of these countries will refer to "Uncle Shylock" and demand more. They are already doing so.

I would urge that this Congress recognize the need of energetic work for flood control. It seems to me that in the past we have started too many dams and flood-control activities which take too long to finish. The work ought to be speeded up. The dams should be completed and then from these dams we could develop irrigation projects and electric energy. I agree we should adopt the policy that when a project is once started it should be pushed to completion at the earliest possible date.

I expect to support an amendment in the House tomorrow, if it is presented, to the deficiency bill which will make more money available for flood-control work. I consider it essential in rebuilding our resources and bringing additional assets and revenues to this country. New lands brought under irrigation, which means flood control and soil conservation, adds additional value to this country.

Again I would urge the Congress to pay more attention and be more liberal with the folks at home and be less anxious to dissipate our resources all over the world.

The SPEAKER. The time of the gentleman from Nebraska has expired.

FLOOD CONTROL

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, with reference to the remarks of the gentleman from Texas, the amount of water that a stream carries does not determine whether or not it carries flood hazard. It is not whether it flows at the rate of 500,000 cubic-second feet or 600,000; the controlling factor is the size of the pipe or the size of the channel that has to carry that much water. The reason we have these disastrous floods in the Missouri and Mississippi Basins and their tributaries is because of the large drainage area they have in proportion to the channel. It is that too great an amount of water comes for the channel. In some instances, so-called channel improvement has reduced channel capacity.

What the gentleman from Nebraska said is eminently correct, the Congress should adjust itself to the meeting of these flood problems and do it now. It is entirely in order, in my judgment, to put in contrast what we do here to repair the ravages of these floods and what it is proposed to do to repair the ravages of war in foreign countries. The House still has time to do something about this matter at this session.

The SPEAKER. The time of the gentleman from South Dakota has expired.

NORTH CAROLINA'S NEW HEALTH PROGRAM

Mr. DEANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Speaker, our respective States frequently do not receive the best in publicity. However, today as a North Carolinian, I am happy to make announcement to the House that the far-reaching health program sponsored and promulgated by the North Carolina Medical Care Commission was officially approved by the Surgeon General.

The North Carolina program is one of the most outstanding health programs conceived by any State. It is pleasing to those of us privileged to represent districts from this State to know that North Carolina is one of the first States to have its plan approved by the Office of the Surgeon General.

Two other States join with North Carolina in being the first to take advantage of the Hill-Burton Act approved in the Seventy-ninth Congress.

Mr. Speaker, North Carolina is accepting the responsibility of carrying to the people of that State a hospital-construction and health program that will in my opinion challenge the entire Nation. We are committed to a plan to assure that no man, woman, or child anywhere in

North Carolina shall lack hospital service or medical care.

INJUDICIOUS STATEMENTS

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JARMAN. Mr. Speaker, while perusing the CONGRESSIONAL RECORD this morning my eyes fell upon the remarks indulged in yesterday by the gentleman from Texas [Mr. RAYBURN], a former Speaker of this House and an excellent one, as you all know. I was impressed that few remarks have been made in the House recently which I regard as equal to those of the gentleman from Texas in appropriateness

I then referred to the remarks of the gentleman from West Virginia [Mr. ELLIS], of which Speaker RAYBURN spoke, and after having read them, I was more thoroughly impressed with the statement of the gentleman from Texas than I was when I first read it.

Mr. Speaker, it occurs to me that we certainly should, as the gentleman from Texas so well said, be very careful indeed in a critical period, such as this, about what we say. We should bear in mind several facts. I doubt if many of us, with the opportunity for information most of us have as compared with that which the officials of the State Department have, are as competent to know the in's and out's of the whole picture as the gentlemen of the State Department are. The world picture is a large and important one, which is being very carefully studied at the State Department by many men of 10, 20, 30, and 40 years' experience in such work which, whether we realize it or not, is quite technical.

I would particularly call your attention to the fact that the great majority of these officials of our Government are not partisan Democrats or Republicans. They are primarily Americans who are devoting their lives to the service of our country. Many of them entered this service during Republican administrations, and I doubt not that as many of them are of the Republican persuasion as of the Democratic. While it is true that each of us was elected by the constituents of his congressional district, and they were appointed through the Civil Service or otherwise, I am not sure that we have a right to judge ourselves as enjoying patriotism superior to theirs; nor, patriotic though we all are, I do not believe we Members of Congress have any monopoly on patriotism, and I regard it as our duty to give these other officials of our Government, who are trusted by others, credit for patriotism and conscientious service.

Oh, yes; it is easy for some of us who, I am afraid, are none too familiar with the details of the whole picture to lambast the State Department and its personnel, thereby perhaps appealing to the isolationists and other elements of our constituency. I am strongly of the opinion, however, that before attempting to profit politically by such criticism, particularly when it is ill-advised and indulged in without great knowledge of the facts, it behooves us to realize the seriousness of so doing. I do not believe there is a Member of this body who would knowingly harm the country we all love or run the risk of contributing toward the death of his own son and hundreds of thousands of other fine American boys in battle for personal advertisement or political gain. However I repeat that we should be careful what we say during such times for whatever purpose. I am impressed that we should consider that the Department which these criticisms and attacks attempt to destroy is the one which deals with foreign governments for us, the one which is contributing far more toward keeping us out of war, if it proves to be our good fortune to keep out of war, for which situation we all so ardently pray, than any other. I hear no such attacks on the War Department or the Navy Department, nor is any considerable proportion of the Congress niggardly with these Departments in the matter of appropriations, and yet while it is true that they would largely fight a war should it become our great misfortune to have to participate in another one, it is not these Departments but the State Department which will prevent one.

I answer your probable reaction to the effect that preparedness prevents war, by expressing the fear that, aside from our occupation forces, we are scarcely adequately prepared to prevent war. It is true that we have a Navy in stand-by condition and sufficiently trained discharged soldiers and recently used industrial know-how to become adequately prepared for war on comparatively short notice, which fact the State Department may be able to use as a considerable deterrent against war. However, it is that Department, which so many seem determined to discredit and destroy, and not our present Army and Navy for which we gladly vote huge appropriations, which will really prevent war. If it fails to do so who can be sure that we can profit by even short notice?

I came from my committee meeting a few minutes ago without any intention of making a statement, but to insert in the RECORD an editorial from yesterday's Evening Star, having been influenced to do so by the remarks to which I have referred. I quote that very appropriate editorial:

"NO BLINKING THE FACT"

Although he used circumspect language, Secretary Marshall did not equivocate in his solemn address to the conference of governors at Salt Lake City. Speaking at a time when 16 free nations of Europe are meeting in Paris to act upon his proposal for their common recovery, he made clear that the United States must support them to the full or risk "seeing them move in directions which are consistent neither with their own traditions nor with those of this country."

Translated into less diplomatic terms—with specific mention of the country Secretary Marshall was careful not to name—this means simply that if we do not help the Paris conferees to help themselves they will go into an economic and political decline likely to wreck their free civilization and expose the whole of Europe to the dominance of Communist Russia. Add to this the danger of a similar development in Asia, and it is easy to understand why the Secretary, in an obviously somber mood, has urged the Governors to consider most carefully what such a situation could mean for the future prosperity and security of our own land.

Certainly, in the Secretary's words, "There is no blinking the fact that this country now stands at a turning point in its relations to its traditional friends among the nations of the Old World." To get back on their feet, to maintain themselves as independent lands, to escape being engulfed by the Kremlin's expanding totalitarianism, they must have all the moral and economic support we can give them. This will impose burdens on us. It is likely to call for a kind of lend-lease program costing us billions of dollars a year for 4 years or more. It may even require the return of some types of rationing among us. Yet, as Secretary Marshall has warned, the United States will either follow such a course or face "a radical alteration of its own position" in the international balance of political, economic and military power—an alteration that could leave us globally isolated, with the Soviet Union eventually so entrenched throughout all of Europe and Asia as to have a profound effect on our own free way of life, our prosperity and our safety.

This is the most challenging fact before us in the age of the atom, and there is indeed no blinking it. The day is coming, moreover, when Congress will have to act upon it one way or the other—when the decisions will have to be made to back European recovery either feebly or strongly with our money and other types of aid. As Secretary Marshall has said, we have an "incalculable stake" in the situation. At the moment—since the current Paris Conference marks the first direct approach to the problem—the American people may not fully understand all that is involved, but nothing could be more important than that they come to understand it as soon as possible.

The Governors who have just heard the Marshall address can play a vital role in this respect. By building up a clear understanding at the State level, they will be promoting the same kind of understanding at the national level. Given that, when the time comes for Congress to act, the action will be affirmative and American aid will be forthcoming in sufficient quantity to preserve western civilization. In any event, there is no blinking the fact that a do-nothing course would be perilous folly for America.

EXTENSION OF REMARKS

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include an editorial on soil erosion.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in today's New York Times.

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD in reference to the former mandated islands held by the Japanese.

Mr. MASON asked and was given permission to extend his remarks in the RECORD on the subject Pertinent Observations Concerning Communism.

COMMUNISM IN AMERICA

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, the press carries a story that the distinguished gentleman from Illinois [Mr. DIRKSEN] has announced that before the House adjourns we will authorize funds for the documentation and publication of Communism in America. I am in full accord with this proposal.

The gentleman from Illinois [Mr. DIRKSEN] is quoted in this article as stating that every point should be supported by proof so as to leave not the slightest doubt as to how diligently the Communists are working to impose their ideology on the American people. With this I also agree, but I would like to call to the attention of the House of the need for a clear and understandable definition of what communism really is before we proceed to publish such a House document.

On February 12, 1947 I introduced House Resolution 99 to define communism. It was referred to the House Un-American Activities Committee. No action has been taken on this resolution to date. It seems to me that this is one of the neglected duties of that committee.

If we are going to approve a House document on communism in America, we should most certainly define communism so that the public will be well aware of what we are talking about. There are too many doubtful opinions of what communism is. A clear and easily understood definition of it would also be of great help to the courts where many cases involving communism have been held in doubt because of the lack of a proper definition.

I submit herewith a copy of my House Resolution 99:

House Resolution 99

Whereas communism as a political policy, or a way of life, is inimical to the people of the United States; and

Whereas communism advocates deceit, conspiracy, confusion, subversion, revolution, and the subordination of man to the state; and, because of its practice of deceit and confusion its real purposes and intentions are clouded and misunderstood to the extent that many persons in the United States have been influenced to believe in and sympathize with communism; and

Whereas there is a pressing need for a clear and easily understandable definition of communism in order to protect the people of the United States from its insidious influence: Now, therefore, be it

Resolved, That communism be defined and declared to be not a political policy, but is an international conspiracy and an anti-Christian ideology which advocates and practices deceit, confusion, subversion, revolution, and the subordination of man to the state, and which has for its purpose and intention the overthrow of any democratic form of government by force and violence, if necessary; and be it further

Resolved, That any person, either citizen or alien, adhering to or expounding the purposes and intentions of communism, should be exposed and revealed as an enemy of the United States and dealt with accordingly.

AMENDING THE FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. REED of New York, KEAN, MASON, DINGELL, and MILLS.

SUBVERSIVE ACTION IN AMERICA

Mr. OWENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, it was not my intention to say anything this morning, but after hearing the gentleman from California talk about the publication of a document called Communism in Action in America, I think it would be well for us to consider the publication of a document entitled "Subversive Action in America." In that way we are not going to have another document printed about a Fascist Action in America or other types of action. We will cover them all in one document, because, after all, whether it is communism or fascism or any other ism, what I am worried about is whether it is subversive to the interest of the United States, and that is the type of document that in my opinion should be published.

GOVERNMENT CORPORATIONS AND INDEPENDENT EXECUTIVE AGENCIES APPROPRIATION BILL, 1948

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 3756, an act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PLOESER, JENSEN, SCHWABE of Oklahoma, COUDERT, MAHON, GORE, and WHITTEN.

AMENDMENT TO EMPLOYERS' LIABILITY ACT

Mr. MICHENER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1639, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I rise in support of this bill which I think to be highly desirable. This proposed legislation, as you know, is intended to eliminate ambulance chasing and racketeering primarily in the matter of employers' liability suits under the Federal Employers' Liability Act.

If you read the hearings it is perfectly apparent that a multi-million-dollar racket has grown up in this type of litigation. I notice on page 31, for example, that 21 suits from Texas are pending in Illinois; two suits from Texas in Minnesota; two suits from Texas in New York; three suits from Texas in Missouri, and three suits from Texas in California. It does not indicate there the number of claims as distinguished from suits that have been imported out of Texas into these various States.

To be opposed to this bill it seems to me that one would have to presume that a litigant, a plaintiff, an injured employee could not get justice in his home State or in the place of his residence. I was very much impressed by the fine talk that my distinguished colleague, the gentleman from Texas [Mr. COMBS] made yesterday on this subject in which he said that it was his conviction that there were honorable judges, honest lawyers, and fair juries in every bailiwick in this great Republic of ours. I concur in that opinion. As a matter of fact, if I thought this bill deprived any employees of just rights, if it crippled their opportunities to get adequate recoveries, I would be opposed to it. It seems to me it is a protection for the injured employee against racketeering lawyers. It seems to me he ought to be able to get a judgment and recovery where he lives, or where he is injured, or in his home State quicker and at least equal to that which he could get in any other State. He would in most cases surely be more adequately and fairly represented at home than abroad.

As to these ambulance-chasing lawyers, one firm in Chicago has something like 600 cases. They send their runners out into the States. They go to this fellow who has been injured on the railroad and say, "This is a highly technical procedure. We are experts. Here is a list of the vast number of cases we have handled. We have our doctors, and this, that, and the other, and we are set up to handle your business." They sell that fellow on what they can do for him. The firm in Chicago that is representing John Doe down in Texas are not particularly interested in John Doe. If they find it to their convenience to settle his case at less than he is entitled to, they are going to so settle it.

There is nothing complicated about a Federal employer's liability suit. Most of you who are lawyers know that under the Federal Employer's Liability Act the three stock defenses of the ordinary tort action are waived; that is, fellow servant, assumed risk, and contributory negligence are not defenses in such cases. About all the injured employee has to do, and I think the Employer's Liability Act is a good law, is to prove he was injured

and that the railroad did it. It is a much simpler form of action than some of the common-law actions and other forms of action to which the ordinary layman must resort. So there is no sound reason, to my way of thinking, why this fellow ought to have his case brought in Chicago or out in California or up in New York, when his injuries occur in States far removed from these forums.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Alabama.

Mr. RAINS. I note that it places the venue or jurisdiction either at the place where the injury occurred or at the residence or domicile of the plaintiff. In the event the railroad has no place of business in the domicile of the plaintiff, would the action still lie there?

Mr. GOSSETT. No; he would have to get service on the defendant in the place where the plaintiff resides or where the injury occurred. If he could not get service on it there, then he could get it anywhere the defendant has an office or in which it is doing business. This bill just sets up a priority of venue, so to speak.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from New York.

Mr. CELLER. In the gentleman's own State of Texas a suit against a railroad may be brought in any county through which the railroad runs. This bill changes the State statute in that regard. Is the gentleman willing to have that done?

Mr. GOSSETT. I think it is to the interest of the employee. I do not think it imposes any hardship on him. Our primary purpose, however, is to protect him from the out-of-State solicitors.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman five additional minutes, from the time allotted to the gentleman from Tennessee [Mr. JENNINGS].

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Illinois.

Mr. OWENS. Insofar as those gentlemen in Chicago are concerned, they are being taken care of very well at this time. In fact, before I came to Congress an action to disbar was started on its way. Does the gentleman feel that because of a few men of that type all the railroad men throughout the United States should be inconvenienced?

Mr. GOSSETT. I think it inconveniences the railroad man if he lives in Texas to have his suit filed in Chicago. I can see no inconvenience to the injured employee if he has a right to sue where he lives or where the injury occurred, and if he cannot get service where he lives or where the injury occurred, then any place where he can get service.

There is another provision in this bill that we have been overlooking, of which I think the railroad man would approve. It is in the first part of the bill:

> No case arising under this chapter and brought in any State court of competent jurisdiction shall be removed to any court of the United States.

That certainly is for the employee's benefit. Suppose that John Doe back in the county seat of one of my home counties files suit in a State court. The railroad cannot then come in and remove his case to a Federal court on grounds of diversity of citizenship or on any other grounds. The railroads would doubtless object to this provision. We are trying to write a bill that would be fair to all parties.

Mr. OWENS. There are very desirable provisions in the bill, but the plaintiff in interest is often the relative or the son, for example, of the deceased person. He may be living in a different locality from that in which the deceased was domiciled at the time he died. There is no reason why he should have to go down to that place to start an action. He may be the relative or the father or the son of the deceased. I think that is a very poor provision in the bill.

Mr. GOSSETT. I think he will come nearer getting an early and just settlement of his case where the witnesses reside or where the injury occurred than he would a thousand miles away in some foreign bailiwick. The plaintiff, if he might be the son of the deceased, can sue in his home town or county.

Mr. OWENS. No; not according to this bill. It must be where the person injured resided.

Mr. GOSSETT. That is, where the plaintiff resides.

Mr. OWENS. No; it is where the injured person resided and not where the plaintiff resides.

Mr. GOSSETT. I will have to study that a little further. I think I am right, although you may be right.

Mr. OWENS. I will read it to you. It says "where the person suffering death or injury resided at the time" and not the plaintiff in interest.

Mr. GOSSETT. Well, that is perhaps true.

I yield to my friend the gentleman from Minnesota, into which State many of these suits have been imported, incidentally.

Mr. DEVITT. I thank the gentleman. I call the attention of the gentleman to the statute of the State of Texas—the gentleman's home State. The Penal Code, section 2170 provides that a lawsuit brought in Texas can be moved around for the convenience of witnesses or to get away from the prejudice of a judge or jury. May I advise the gentleman with respect to that?

Mr. GOSSETT. I think every State has such a law, do they not?

Mr. DEVITT. That is right. Every State does have such a law. But may I advise the gentleman that if this bill passes, the citizens of Texas, and especially railroad employees, are going to be denied that right in Texas. Does the gentleman want to deny that right to the railroad people in Texas?

Mr. GOSSETT. No; they will not be denied that right.

Mr. DEVITT. Yes; they would.

Mr. GOSSETT. No, no. Any time you can come in and show that you cannot get a fair trial in a local jurisdiction, then you can have the venue changed.

Mr. DEVITT. No; I might advise the gentleman that is not true under this bill. I believe the author of the bill will tell you that is the situation. I might further refer you to the Supreme Court decisions.

Mr. GOSSETT. Furthermore, you are reading from the Penal Code.

Mr. DEVITT. Yes; I am reading from the Penal Code.

Mr. GOSSETT. I call the gentleman's attention to the fact that criminal jurisprudence is vastly different from civil jurisprudence. That is for the purpose of taking care of cases where the local populace have become inflamed or perhaps there is some racial question involved and the defendant cannot get a fair trial. Does the gentleman think in an ordinary civil action that there is any bailiwick in this country in which either the plaintiff or the defendant cannot be fairly heard or will not get justice?

Mr. DEVITT. May I first tell the gentleman that this statute applies to civil suits? May I read it to you? It is as follows:

> A change of venue may be granted in civil cases upon application of either of the parties, supported by their own affidavit and the affidavit of at least three creditable witnesses that there exists in the county where the suit is pending so great a prejudice against him that he cannot obtain a fair and impartial trial.
>
> No. 2. There is a combination against him instigated by influential persons.
>
> No. 3. For other sufficient causes to be determined by the court.

Mr. GOSSETT. I thank the gentleman, and repeat that this proposed legislation will in nowise abrogate the provisions of the law the gentleman has quoted.

Mr. DEVITT. Let us ask the author of the bill.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MACKINNON].

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield.

Mr. BREHM. Does not the gentleman feel as I do that this bill should be recommitted and let the Committee on the Judiciary fight it out instead of coming in here and fighting it out in our presence?

Mr. MACKINNON. I feel that the bill should be recommitted but I do not think the issue to be decided in this bill should be decided by the lawyers. I think this issue ought to be decided by the Committee on Interstate and Foreign Commerce where the legislation originated. In my opinion, it is not proper for lawyers to decide this dispute over which lawyers shall have the advantage in obtaining this type of litigation.

Much has been said about racketeering. The so-called racketeering that exists with respect to personal-injury cases arising in railroad cases exists on two sides. It exists by the overzealous claim agent and by the lawyer who is just as zealous to protect his particular cause of action. If there is any claim that the railroad recognizes and pays a fair amount you do not get to court. The only cases that get to court are those that are brought about by the unwillingness of the wrongdoer, the railroad in this instance, to pay a fair amount of damages. You know and I know how

claim agents work. They are faster afoot than the ambulance chasers. They go out with the wrecking crew. They get on the ground first and they settle actions for amounts far below what is just. They make misrepresentations. They induce injured persons to settle claims before they know what their injuries are. It is because of activity of that kind that lawyers have been more or less forced, in this class of cases all over the country, against all types of defendants, to move just about as fast, if they specialize in personal-injury cases.

This bill is going to present for the first time in the history of the United States the novel doctrine that a corporation cannot be sued at its principal place of business. There is no State law in the United States that denies a corporation the right to be sued at its principal place of business. In my opinion, it is unthinkable to say that you cannot sue a corporation where it resides.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield.

Mr. CELLER. This bill in that regard, since you cannot sue a corporation where it resides, overrides practically every State venue statute in this country.

Mr. MACKINNON. I will say, from some 15 years' legal experience working with the corporation statutes of every State in this Union and the nine Canadian provinces, that this would override the venue statutes of all the 48 States.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield.

Mr. DEVITT. Is it not true, as a general principle of law, that you can sue a corporation wherever you can find it?

Mr. MACKINNON. Yes; and I think that is a wise provision of law, because these corporations are very strong. I submit that litigants against corporations need all the protection that the law can afford in order to get justice.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield.

Mr. OWENS. Do you know also that it is a fact that it has been difficult for the bar associations of the various States to deal with this question because they have as much or more trouble with the claim agents than they have with the lawyers over whom they have jurisdiction?

Mr. MACKINNON. The gentleman is correct. It is the competition afforded by the claim agents who set the pace that requires personal-injury lawyers to be as aggressive as they are in the protection of their clients' rights.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MACKINNON] has expired.

The CHAIRMAN. The Chair may state that the gentleman from Michigan has 20 minutes remaining and the gentleman from New York 11.

Mr. MICHENER. Mr. Chairman, we have but one more speaker. Will the gentleman from New York use his time?

Mr. CRAVENS. We had intended to yield time at this time to the gentleman from Alabama [Mr. HOBBS], but he is unavoidably detained in a committee hearing.

Mr. MICHENER. Because the gentleman from Alabama is detained in a committee hearing, I will change the usual procedure and I now yield the remainder of my time to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, let us get a clear picture of this Federal Employers' Liability Act and this proposal to limit venue under it.

This act puts the employees of interstate railroads in a class by themselves. They and the administrator of one's estate in a death case are the only industrial employees in the United States who can bring a suit at law, whether for personal injury or for death, and not be confronted with the common-law defenses of assumption of risk, contributory negligence, and the fellow-servant doctrine. It is a good law. I favor its continuance.

This bill that we are offering governing venue does not take from the injured employee or his dependents a single right that is given to him or to them under this act. It simply gives an injured employee that high privilege of bringing his action where he lived at the time of the injury or in the county or district where the accident happened.

So sacred is the right of an American citizen to be tried before his neighbors that the Constitution of this country provides that a man charged with crime which might affect his life or liberty can be tried only before a jury in the district where the offense was committed, and ordinarily that is where he lives.

As was stated yesterday, the act at first had no venue provision. Suits under it, therefore, had to be brought under the Federal Venue Act, and that, in many instances, required the plaintiff under this act to go to the home of the defendant, many times hundreds or thousands of miles from where he lived. That was an inconvenience and an injustice to the plaintiff. To remedy that the act was amended so as to give the plaintiff the right to bring his suit in the county or district where he resided at the time of the accident, or where the accident occurred, and if he could not get service in those places, then wherever the defendant had an agent. Under that act, a racket grew up, not in 1942, as has been stated, but that racket was in existence prior to the First World War. That is why the Director General of Railroads, Mr. Davis, promulgated a rule requiring all suits brought against him as manager and operator of the interstate railroads of the country to be brought in the county or district of the residence of the plaintiff, because the practice that had grown up created an intolerable burden upon interstate commerce in time of war.

What is this racket, and how great is it, and how can we remedy it? My good friend from Minnesota yesterday said that you could not legislate morals. You can, at least, pass a law that will make it as hard as possible for a man to do wrong and as easy as possible for him to do right. He says that the bar associations ought to do it. Well, bless your soul, we of the other 43 States have no control over these 5 States, New York, Illinois, Minnesota, Missouri, and California, where this is going on.

Let us see how great is that racket out there in Minnesota, in St. Paul and Minneapolis. Let me call your attention to what is going on out there, and in Chicago, Ill.

One man in Chicago, Sol Andrew, Russian-born, who got a license to practice law, has a quarter of a million dollars invested in this racket.

Let us talk about St. Paul and Minneapolis, Minn., and see what has happened out there. Just before this bill was introduced, from Illinois 35 suits have been imported into Minnesota, 4 from Indiana, 39 from Iowa, 4 from Kansas, 5 from Michigan, 1 from the rest of the State of Minnesota, 1 from Mississippi, 8 from Missouri, 25 from Montana, 24 from Nebraska, 14 from North Dakota, 8 from Oklahoma, 1 came from Ohio, 6 from South Dakota, 2 from Texas, 22 from Washington, 35 from Wisconsin, and 6 from Wyoming, a total of 237. All told they have had transported into these States, California, Missouri, Illinois, Minnesota and New York, more than 2,300 lawsuits.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Dakota.

Mr. ROBERTSON. As the gentleman knows, I represent the State of North Dakota at large. It is through my State of North Dakota that the northern transcontinental railroads all run. They radiate out of St. Paul. I have lived out in that country a long time and I positively know of a number of cases where men have been taken into St. Paul and their board and room paid for months upon months during the time their cases are being held up for trial. I think it is time that we correct this situation and I am thoroughly in accord with the gentleman's bill.

Mr. JENNINGS. The only way it can be done is by legislative action.

In a case in which the Supreme Court divided 5 to 4 on whether or not this racket should be stopped, Mr. Justice Jackson said:

> A privilege of venue, granted by the legislative body which created this right of action, cannot be frustrated for reason of convenience or expense. If it is deemed unjust, the remedy is legislative—a course followed in securing the amendment of April 5, 1910, for the benefit of employees.

That is the only remedy we have. These local bar associations have no defense against a fellow who comes in during the night, goes out and solicits a case, gets a contract and transports it to these lawyers up there in Minnesota or in Illinois or in California. Why, there is one firm out in Los Angeles that has over 600 pending cases. It is heartening, however, to know that the State bar association of California has endorsed this measure, the bar association of Los Angeles has endorsed it, and this morning a letter came to me showing the endorsement of this measure by the State Bar Association of New York. Thirty-eight State bar associations have endorsed it. The American Bar Association has endorsed

it as well as hundreds of local bar associations.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I am familiar, as is the gentleman, with what is going on in Tennessee. It seems to me the trouble about the bar associations doing anything about the problem is that we in Tennessee, for instance, can do something with our lawyers, but when lawyers come in from another State and probably leave in the next day or two, it is very difficult to do anything.

Mr. JENNINGS. You cannot do anything at all.

Mr. KEFAUVER. For instance, if a lawyer comes into Tennessee from Missouri, Illinois, or St. Louis, Mo., the Missouri bar will not be very much concerned about what they do in Tennessee. Is that not the case?

Mr. JENNINGS. That is true. These States in which and from which these racketeers ply their trade care not what their denizens do to Tennessee. In addition to that, here is the excuse they give for it.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The gentleman has stated that the bar associations have endorsed this bill. Now, have they endorsed the bill as originally introduced, which was limited to Federal Employers Liability Act cases?

Mr. JENNINGS. They have endorsed the objective of the bill, and all that I have heard from since this amendment was proposed by the committee have endorsed it.

Mr. FERNANDEZ. They have not directly endorsed the bill.

Mr. JENNINGS. This is a bill to destroy the racket, and those opposed to the racket endorse this bill. I cannot yield further right now.

Now, here is the ground they put their justification of this solicitation on. I read from a letter from F. G. Pellett, State representative of the Brotherhood of Railroad Trainmen. I want to say that all the representatives of the other brotherhoods who testified before the Committee on the Judiciary state that they oppose this practice and their brotherhoods have not resorted to these methods. They do not have these lawyers who go out and run down these cases for some racketeer. This man Pellett wrote me this letter defending his opposition to this measure, and in speaking of these small towns from which these lawsuits are transported, he wrote:

> In smaller localities it is almost impossible to get a competent lawyer who understands the problems of these railroad men or who would be able to properly handle their cases. Of course, that is one of the principal reasons why the railroads want this bill. The lawyers who specialize in these cases are found in the larger cities, and would not be available in the outlying communities. These laws present very specialized problems and the lawyers who try these cases need to know the various safety appliance and other laws and railroad rules and practices. Furthermore, they should have facilities for conducting a proper investigation and obtaining independent medical examinations by medical experts. It is seldom that the lawyers in the smaller communities are able to do these things.

Now let me say to you as a lawyer who has tried personal-injury cases for more than 40 years that a personal-injury suit is the simplest lawsuit that a lawyer brings in any court. All in the world you have got to do under this Federal Employers' Liability Act is to put your fingers on some act, any act, of negligence of any employee or agent of the carrier which caused the injury or the death of an employee, and when you do that your action is complete, and the lawyer who has sense enough to draw a pleading and find his way to the courthouse can bring, try, and win one of these lawsuits. When they tell you that it takes these specialists in these big cities to prepare these personal-injury suits, which is little more than a suit on a note, they do not rise to the dignity of respectable nonsense. Oh, they say they have doctors at their beck and call in these centers. It does not take a doctor to tell that a man is dead. A wayfaring man, though a fool, knows when a man is dead. If a man has a leg or an arm off, that is self-evident; he knows that. A man came in to see me this week and asked me to vote against my own bill. He said the thing that bothers him and his associates is the sacroiliac injury. He says it really takes an expert to make a lawsuit out of a sacroiliac injury. I said, "Why?" "Well," he said, "the symptoms are subjective; there is nothing there to see. You have just got to take the fellow's word for it. You have to have an expert to build him up." Now, that just does not make sense. My distinguished friend the gentleman from Minnesota [Mr. DEVITT] says he has an amendment that will cure this whole thing. First, I will read you the indictment that he brings against this practice of these lawyers, these men who dominate the practice in St. Paul, Minn. Here is what my good friend the gentleman from Minnesota [Mr. DEVITT] says in his report to this House:

> It is admitted that certain unethical attorneys solicit cases under the Federal Employers' Liability Act and transport them to far-distant places for trial.

Why, there are instances where cases have been taken from Washington, and Oregon, and California, and New Mexico, and Arizona, and Nevada, to New York, more than 3,000 miles away, and they have transported cases from New York and Pennsylvania to the west coast. Nearly all the lawsuits that arise in Pennsylvania are transported to Chicago.

A lawyer flitted into our hearing room from New Jersey and represented himself to be a representative of the Bar Association of New Jersey, and then we pinned him to the wall and made him admit that he was not a representative of the association. It developed on cross-examination that within the last year he had brought 20 suits under this act, and that the suits originated in Pennsylvania, Ohio, New York, and West Virginia, and that these plaintiffs that he represented had never known him before. He had never been in their counties. He had never tried a lawsuit there. How did he happen to get those cases other than by runners who transported them to him? Now, this man Andrews, from Chicago, this Russian, has organized a side-kick corporation, the stockholders of which are his wife and his brother.

In that enterprise he has invested a quarter of a million dollars. A report was made just the other day by a special master to the Cook County Superior Court in Chicago that Andrews would send runners out; he hired a yard foreman out in California, and he would send his runners out to the injured man or to the family of a deceased and they would show them a big check that he claimed he had gotten as a recovery, and then when the person solicited would sign a contract, in order to fence against trouble, if Andrews should be hauled into court his runners would antedate a letter and have the victim sign a letter reciting that they had heard of a big recovery that Andrews had obtained for some person and they wondered if they could induce him to take his lawsuit and do something for him. That practice has gone on until he has been driven into a corner and is nearing the end of his tether.

Lawyers are not policemen. Bar associations are loath to get after a brother lawyer. But I have this conception of the legal profession. The majority of lawyers are decent in the practice of the law. The honorable lawyer is an unbonded trustee of society. Are these fellows who are getting all this business going to get away with this by telling your people, who live in your district, that there are no lawyers in your congressional district who are competent to bring a lawsuit under this act, that the judges are owned and dominated by the railroads, and that the jurors are all under the control of the railroads? A. F. Whitney wrote me, and this is what he said:

> These widows and orphans require the services of lawyers who are specialists in handling cases under the highly technical provisions of the Federal Employer's Liability Act, and they require suit to be brought in communities where in many instances—

Listen to this, now—

> every man, woman, and child is to a greater or less extent under the influence of the railroads against whom the judgment is sought.

I live in a town where there are more than 5,000 railroad employees. They are fine citizens, members of the churches, members of the lodges, members of the civic organizations, owners of their homes. They have intermarried with people all over the county. There never has been a time when an injured railroad man could not get justice at the hands of a jury and a court in my State. The truth of it is that the railroad company starts with two strikes on it in undertaking to defend that kind of a suit.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Everyone who ever tried a lawsuit against any city slicker lawyer knows that you always stand a

better chance in your home district, where the man lives.

Mr. JENNINGS. Of course. I thank the gentleman for that contribution. If they have these specialists, these wizard lawyers who have that great keenness of intellect which enables them to understand and effectively apply the simple provisions of the Federal Employer's Liability Act, just like the ABC's, they can import them into Tennesse and into Texas and Oklahoma. That will be cheaper and simpler than transporting these thousands of cases across the continent. The State Bar Association of Indiana and the county bar associations in Indiana are here endorsing this measure. Indiana lawyers are good lawyers. Tennesse lawyers are good lawyers.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from New York.

Mr. CELLER. Will the gentleman say that the bar associations he mentioned have approved H. R. 1639, the committee print that was reported to the House June 19, 1947, or was it the previous bill?

Mr. JENNINGS. They approved the previous bill, and they also approve this bill. I received a letter this morning from the Bar Association of the State of New York.

Mr. CELLER. Did all the bar associations the gentleman mentioned approve the second bill?

Mr. JENNINGS. They approve the objectives of the bill. This is designed to stop a racket. The racketeers and their friends and supporters say it cannot be done. Thirty-eight State bar associations think it can be stopped. Every racketeering lawyer thinks this bill, if enacted into law, will stop the racket. Because of this fear and belief they are all opposed to it. There is just one remedy for the disgraceful misconduct that has been exposed in the hearings on this measure. That remedy is in the hands of Congress. It can be accomplished by passing this bill.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to my friend from North Carolina.

Mr. FOLGER. May I ask the gentleman if this legislation is not conceived and designed to protect people and their rights rather than to protect lawyers in their practice?

Mr. JENNINGS. You are exactly right because in many instances where these victims of these racketeers are transported across the continent and put in hotels and kept there at their own expense when a recovery is had. These lawsuits are purchased for from $400 to $4,000. In many instances, after the recovery is had and these fellows take out the expenses of taking these people across the continent, transporting witnesses, and keeping them in hotels, and so forth, plaintiffs do not have anything left. This is a showdown between the honest lawyers and the honest people of this country and the racketeers who are victimizing the injured railroad employees and bringing these suits under this act. The brazen effrontery of this racket is without precedent in the history of our profession.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I suppose after the closing remarks made by the distinguished gentleman from Tennessee it might be concluded that I am on the side of the unlawful and the shysters. It certainly seems to me that we can correct the racket which admittedly exists through the adoption of the amendment which our distinguished colleague, the gentleman from Minnesota [Mr. DEVITT] will offer. It is very significant that up to 1942 these rackets did not exist. They were unheard of. They were unheard of because the doctrine of forum non conveniens applied, and when an attempt was made to take a defendant railroad into a jurisdiction where there was no reason for it to be, the railroad interposed that plea, and the court thereafter decided that it did not have jurisdiction and sent the case to the proper forum.

I have gotten the impression we are today attempting to use a shotgun when an air rifle would do. I do not see any reason in the world why the law as it existed up to the time of the Kepner decisions is not adequate. Certainly, it is necessary to maintain some fluidity in the place of venue. It is necessary to permit the plaintiff to have his cause adjudicated in the district in which witnesses are available. That is what happened before the Kepner decision, a decision of the Supreme Court in which it was held that the Federal Employees' Liability Act did not come within the general provisions of the venue statutes.

Why should we write a law that unquestionably discriminates against a certain class of our citizens? This law, as suggested here today, provides a different method of bringing a cause of action for people who are injured on railroads. Do we want to do that? Is that the fair thing to do? I am thoroughly convinced that we can eliminate all this racketeering. This racketeering that has grown up since 1942 through the enactment of the amendment that the gentleman from Minnesota [Mr. DEVITT] will introduce, as I understand it.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Minnesota.

Mr. DEVITT. May I ask the distinguished lawyer, the gentleman from Pennsylvania, if it is not true that if we adopt the proposal embodied in this bill we are going to abrogate the venue statutes of all the States of the Union with reference to the movement of lawsuits around the States?

Mr. WALTER. There is no question about that. And do you think that we in Congress ought to enact legislation which will seriously affect the venue statutes of every one of the 48 States? That is exactly what would happen under this bill.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Illinois.

Mr. OWENS. I just want to take this time to congratulate the gentleman from Pennsylvania for a calm and legal dissertation on the subject without the heat and unfounded charges of the previous speaker. I wish to congratulate him.

Mr. WALTER. Of course, all of us abhor ambulance chasing. We lawyers have always been very careful to try to eliminate people of that sort from the profession. The bar associations are always alert. As a matter of fact, the most flagrant case was one in Illinois, and I understand that steps have been taken there to disbar the lawyer who had runners out over the country bringing this type of cases to him. If we will follow the law as it worked up to 1942, this matter will take care of itself and we will not be placed in the position where we could be charged with writing a discriminatory statute.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I have been much amused by two things in this debate. One of them is the frequency with which the phrase "ambulance chaser," or "ambulance chasing," comes up. Such an expression now, because of this racket, is an anachronism. We do not have any more ambulance chasing. Nowadays these unethical lawyers send the ambulance for the victim, take to the air, if necessary, and wait for him at the hospital. Ambulance chasing is now old stuff and outmoded.

The single purpose of the pending bill is to promote and more nearly assure justice by bringing back the right of every person having a lawsuit against a railroad to have it tried in his home county or at the place where the cause of action arose, whichever he prefers.

Nearly 800 years ago this right was born. Even the Court of Star Chamber held all its sessions in London—a fixed place, known in advance. This courtroom was within 600 miles of the most remote home in "the tight little island." But Englishmen rightly felt that the Court of Star Chamber was an inexcusable deprivation of the right of a free man to a trial in the vicinity of his home, or of the res gestae, by a court held in, and by a jury of his home county. So they revolted against such tyranny, and through their representatives, the barons, wrung from the unwilling hand of King John, at Runnymede, the Magna Carta which granted and guaranteed the right of local judicial trial, by a local jury. This Magna Carta became part of the common law of England which we adopted as the basic law of the United States, and of every State of our Union except Louisiana, which preferred to continue to use the "Code Napoleon." So important was it deemed by our founding fathers that it was enshrined implicitly in our Constitution and Bill of Rights.

This is how Magna Carta put it: "Amercement shall be only by the oath of honest and lawful men of the vicinage."

This right, among others, for which the barons of Runnymede risked their baronies and lives, we have forfeited by changing the law so as to permit racke-

teers and their "runners" to beguile the uninitiated into exiling their causes of action to the control of strangers, in strange and distant places, whose only interest is selfish gain.

These strangers had never been seen before the accident, and never will be seen after the trial. So, they are under no restraint of friendship for the injured, nor of fear of the condemnation of public sentiment in the remote bailiwick of their victim. They rarely exact more than 90 percent of the judgment.

Quoting from the report of this bill:

The evidence presented to the committee establishes that the employees of 51 railroads, during the 5-year period, July 1941 through June 1946 filed a total of 2,512 suits, in remote jurisdictions rather than in the district where the accident took place or the plaintiff lived. More than 92 percent of all these imported suits were filed in five States: Illinois, California, New York, Minnesota, and Missouri. In Illinois alone, 772 suits of this character were filed. They were based on causes of action arising not only in nearby States, but also in Washington, Oregon and California; in New Mexico, Arizona, and Texas; in Florida, Georgia, Virginia, and the Carolinas; and in New York, Pennsylvania,, and New Jersey. Of the suits so filed in Illinois, 75 involved accidents in California, and 54 involved accidents in Pennsylvania.

The committee also finds that the concentration of such legal business was almost exclusively for the benefit of a few lawyers. Three Chicago law firms handled 456 cases of this kind, or almost 60 percent of all cases filed in Illinois; two Minneapolis law firms handled 57 percent of all such suits filed in Minnesota; and one Oakland, Calif., law firm handled 643 of a total 696 suits filed in California.

The reason back of this horrible situation is clearly shown by the testimony given at the hearings in your Committee on the Judiciary, describing its iniquitous workings, as quoted in the report of this bill. "The line" of solicitation used by the employed "runners" include these two persuasive arguments: that it would be considerably more difficult for the railroad to defend itself if the case were taken for trial in some far distant city rather than at home; and that "larger verdicts could be gotten in Chicago."

Mr. Justice Robert H. Jackson never uttered a truth more worthy of study in this context than when he said, "Courts try cases, but cases also try Courts."

This bill is not for the benefit of the bar. It is not a lawyer's bill, as the opposing lobbyists charge. The local lawyer can get along without the employment in the case of his home-town friend. That is only one case. But frequently that case is the entire estate of the man who was injured or killed.

No, the only question in this case is: Are you for or against stealing?

The racketeers this bill will stop steal in every case. If they get a fair and honest verdict, they wrongfully take from the plaintiff their excessive fee, "runners drag," and needless expenses for travel and maintenance. If they get a verdict for more than is fair and honest, then they have robbed the railroad. Either is stealing.

But they also steal the good name—that pearl of great price—from both bench and bar.

Another theft is of the confidence of the public in the administration of justice, leading to the temptation to take the law into private hands, substituting the law of the jungle for civilization.

Judge Morris, in the Eisler trial, just yesterday illustrated the basic truth that courts of justice, worthy of the name, must preserve inviolate the right to a fair trial. Nothing short of that can be justice. Shake public confidence in that, and respect for all government dwindles. So communism is bred.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman the balance of my time.

The CHAIRMAN. The gentleman from Alabama is recognized for one additional minute.

Mr. HOBBS. I thank the gentleman from New York [Mr. CELLER].

Mr. Chairman, may I conclude by saying a word about the Devitt amendment?

The gentleman from Minnesota [Mr. DEVITT] is a most honorable, sincere, able, and lovable lawyer, jurist, and gentleman. However, he is espousing a cause that is unworthy of his high character and talent. The gentleman from Minnesota talks of restoring what he and his conferees are pleased to call the doctrine of forum non conveniens. They use Latin. Is it because they fear we might understand? Of course, he does not mean to help the crooks we are crimping. But, with reference to this bill, forum non conveniens means: for the convenience of crooks.

Mr. Chairman, this bill is righteous. It cures a shameful situation, the corruption of which cannot be defended. I know the pressure that has been brought upon all of us to kill this bill. Those gentlemen who fight this reform are honestly mistaken, but I cannot say that they are honestly misled. My experience in dealing with and representing railroad brotherhoods has taught me that their membership, and most of their leadership, is composed of good American citizens who wish only what is right. The passage and approval of this bill will assure them and all others, what is right—a square deal, justice. Those who fight this bill today will live to bless it.

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time has expired. The Clerk will read the committee amendment as an original bill.

The Clerk read as follows:

Be it enacted, etc., That the second paragraph of section 6 of the act entitled "An act relating to the liability of common carriers by railroads to their employees in certain cases," approved April 22, 1908, as amended (title 45, U. S. C., sec. 56), is amended to read as follows:

"No case arising under this chapter and brought in any State court of competent jurisdiction shall be removed to any court of the United States."

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Tennessee [Mr. JENNINGS] spoke of the approval of this bill by, I believe he said, thirty-odd bar associations. I want to draw the committee's attention to the fact that those approvals were of the original bill. The original bill was limited to employees of railroads. Under an amendment adopted by the committee as embodied in the bill before us the venue limitation was expanded so that it applies not only to employees of railroads but to anyone injured by the railroad company whether he be a passenger or someone injured along the tracks or in a terminal or office or property of the railroad. I am sure the bar associations mentioned would not approve the bill that is now before us. Bar associations with probably one or two exceptions, I am sure, would not give approval, now that the bill includes passengers and those injured on or along the railroad tracks or in railroad terminals.

The gentleman from Tennessee says this bill takes away no rights. I must emphatically deny that. He did not tell you that this bill takes away a precious right, the right granted by 48 States, the right to sue the railroad where it resides, where it does business, or has its office. Thirdly, note the favoritism to railroads. Why are railroads singled out for these benefits?

The so-called burdens are not removed from interstate bus companies, they are not removed from airplane companies, they are not removed from companies operating along interstate rivers. Why is it that interstate common carriers by rail are the only ones to be favored?

Mr. Chairman, this bill got off to a wrong start. It originally provided that the venue should be limited when employees of railroads sued to the residence of the employee or the district where the accident occurred. We properly charged in the committee that that was rank discrimination—discrimination against the 2,000,000 railroad employees. We argued, "Why should employees of railroads be singled out and have these burdens solely placed upon them? Then the author of the bill and those who followed him in the committee amended the bill to include not only railroad employees but any plaintiff bringing any action for death or injuries due to negligence against the railroad.

Now you have a situation where they have worsened the bill. It was bad enough originally. Now you take away these precious rights not only from railroad employees but from the passengers, thousands and thousands of passengers, who may want to bring a suit in tort against railroad companies, as well as 2,000,000 railroad employees.

The liability of railroads to respond in damages for injury or death negligibly inflicted on passengers or employees is not a Federal right. It is basically a common-law right deriving from State law and cognizable in the courts of the several States notwithstanding the fact that the right has been codified by act of Congress and certain common-law defenses eliminated. The right stems essentially from the State. Now you come in and push the States around as though they were pawns on a chessboard.

I shall put in the RECORD the venue statutes of quite a number of States. Let me read a few.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. CELLER. Mr. Chairman, let me read you the statute of the State of Alabama, from which the gentleman comes who just addressed you. That provides that a foreign corporation may be sued in any county in Alabama, and it goes on to say that a railroad company shall be deemed a foreign corporation.

In Illinois civil actions may be brought against a railroad company in the county in which such corporation has its principal office. That is done away with by this bill.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Minnesota.

Mr. MACKINNON. Is it not a fact that any foreign corporation that comes in must file a consent-to-be-sued in every county of the State?

Mr. CELLER. I think that is correct.

In Indiana an action against a railroad for injury to persons or property on the railroad may be brought in any county through or into which it passes.

Iowa, an action may be brought against any railroad corporation in any county through which such road or line passes or is operated.

Kentucky: Permits suits against common carriers to be brought in the county where the defendant resides or where the plaintiff resides or where the injury occurs. In a particular case it was held that the residence of a foreign corporation is where its chief officer in the State resides. This bill would eliminate that forum.

Let us see what the statute is in my own State of New York. An action must be tried in the county in which one of the parties resided at the commencement thereof, and if neither party resides in the State, in any county designated by the plaintiff.

In my own State of New York a railroad is held to reside, for purposes of the venue statute, wherever it operates, wherever it has its tracks.

And so on through the other States of Ohio, Pennsylvania, and Texas.

We would do away and wipe out all those State venue statutes and we should therefore consider this matter very carefully before we take such action. I herewith give some of the State venue statutes:

ALABAMA

Code of Alabama, 1940, title 7, section 60, provides that a foreign corporation may be sued in any county in which it does business by agent, and a domestic corporation may be sued in any county in which it does business by agent or did business when the cause of action arose. But all actions against a domestic corporation for personal injury must be brought in the county where the injury occurred or where the plaintiff resides if the corporation does business by agent in that county. Since most railroads doing business in Alabama are foreign corporations, the State policy as expressed in State law makes most railroads subject to suit in any county in which they do business and accordingly the injured employee, like other claimants against railroad, now has the choice of any of these counties in which to bring suit. The bill would exclude all of them except the county in which the injury occurred or the county of the employee's residence.

ILLINOIS

Jones' Illinois Statutes, Annotated, section 104.008, provides that civil actions may be brought against a railroad company in the county in which such corporation has its principal office or is doing business or in which the transaction or some part thereof occurred out of which the cause of action arose. The bill would substitute for the county in which the corporation has its principal office or is doing business the county in which the plaintiff resides. It has not been ascertained whether in Illinois a railroad is considered to be doing business for purposes of this statute in each county in which it operates, but the statute on its face would seem to indicate that it is subject to suit in each such county.

INDIANA

Burns' Indiana Statutes, 1933, section 2–705, provides that an action against a railroad for injury to persons or property on the railroad may be brought in any county through or into which it passes. Obviously under this provision all claimants against railroads for injury to persons or property now have, and claimants other than employees will continue to have, a wide choice of forum.

IOWA

Code of Iowa, 1946, section 616.8, provides practically the same choice of forum as that provided in Indiana. Under it an action may be brought against any railway corporation in any county through which such road or line passes or is operated.

KENTUCKY

Kentucky Code of Practice in civil cases, section 73, permits suits against common carriers to be brought in the county where the defendant resides or where the plaintiff resides or where the injury occurs. In the case of *Knight* v. *Pennsylvania Railroad* (264 Ky. 412) it was held that the residence of a foreign corporation is where its chief officer in the State resides. The bill would eliminate that forum.

MASSACHUSETTS

Under Annotated Laws of Massachusetts, chapter 223, section 7, the venue for suits in the superior courts is substantially the same as that which the bill would provide, but that section does not apply to actions in the district courts, and the district courts have concurrent jurisdiction in tort cases. Venue in the district courts is governed by chapter 223, section 2, which provides that actions are to be brought where a defendant resides but that actions brought against persons who are not inhabitants of the State may be brought wherever service of process or attachment can be had. The Massachusetts courts hold foreign corporations doing business in the State to be not inhabitants of the State. See *Potter* v. *Lapointe Machine Tool Co.* (201 Mass. 557). Consequently, under present Massachusetts law all railroad companies not incorporated in Massachusetts are subject to suit in the district courts wherever service of process or attachment may be effected.

MICHIGAN

Michigan Statutes Annotated, section 27.641, provides that suits against a railroad company may be brought in any county where the principal office of the company within the State is located or any county traversed by any line owned or operated by the company or any county where it owns or leases right-of-way, but if the line traverses the county of the plaintiff's residence suit is required to be brought in that county. Thus, plaintiffs who do not reside in a county traversed by the line of road have a wide choice of forum which the bill would take away.

NEW YORK

New York Civil Practice Act, section 182, provides that an action must be tried in the county in which one of the parties resided at the commencement thereof, and if neither party resided in the State, in any county designated by the plaintiff. It is established by judicial decision in New York that this provision affords a much broader choice of forum for actions against a railroad than it would appear to do on its face, because a railroad is held to reside, for purposes of this section, wherever it operates. See *Levey* v. *Payne* (200 App. Div. 30).

OHIO

Page's Ohio General Code, section 11273, lays the venue in personal injury actions against a railroad in the county where the cause of action arose or where the plaintiff resided at the time of injury if any part of the road is located in that county. But if no portion of the road is located in the county of the plaintiff's residence, he may sue in the nearest county where the road is located. Thus the bill would affect employees resident in Ohio only where no part of the road is located in the county of the employee's residence. However, nonresident employees who wish to sue in Ohio may do so in any county and are not restricted as to forum in the manner that resident employees are—*Railroad* v. *Baillie* (112 Ohio State 378). Apparently venue in such cases is governed by the general provision contained in the section above cited that actions against a railroad may be brought in any county into which or through which the line of railroad extends. It is interesting to note that when the Director General of Railroads during the First World War issued an order limiting venue in the same manner that the bill seeks to do, the order was held invalid in Ohio because of conflict with the State law—*Eystone* v. *C. C. & St. L. Ry.* (21 N. P. R. (N. S.) 553).

PENNSYLVANIA

Rule 2179 provides that actions against corporations may be brought in and only in the county where its registered office

or principal place of business is located or a county where it regularly does business Here again the "doing business" basis of venue affords a wide choice of forum that would be abrogated by enactment of the bill.

TEXAS

Vernon's Annotated Texas Statutes, article 1995, paragraph 23, sets forth the basis of venue in suits against corporations generally, and then provides specifically that suits against railroads may also be brought in any county into or through which the road extends or is operated. This specific expression of State policy likewise would be superseded by Federal law if H. R. 1639 were enacted.

Mr. SPRINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: Page 2, line 18, after the word "this", strike out the word "chapter" and insert the word "act."

Mr. SPRINGER. May I say, Mr. Chairman, that this is merely a clarifying amendment. It does not change the meaning or phraseology of the act in any respect whatsoever.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. SPRINGER].

The amendment was agreed to.

Mr. DEVITT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. DEVITT offers the following substitute for the committee amendment to H. R. 1639: Strike out all after the enacting clause and substitute the following: "That the second paragraph of section 6 of the act entitled "An act relating to the liability of common carriers by railroads to their employees in certain cases," approved April 22, 1908, as amended (U. S. C., 1940 ed., title 45, sec. 56), is amended to read as follows:

" 'Under this act an action may be brought in a district court of the United States in accordance with the provisions of the General Venue Statute (U. S. C., 1940 ed., title 28, sec. 112, as amended) applicable to other civil suits. The jurisdiction of the courts of the United States under this chapter shall be concurrent with that of the courts of the several States, and no cases arising under this chapter and brought in any State court of competent jurisdiction shall be removed to any court of the United States.' "

Mr. DEVITT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DEVITT. Mr. Chairman, I am very sorry that this discussion has degenerated into appeals to passions and prejudice with reference to these racketeering lawyers. I want to tell you that no Member of this House has a corner on righteousness or justice or in his desire to uphold fair dealing and honest relationship between lawyers and their clients. I was very sorry to hear the gentleman from Tennessee make reference, in the manner that he did, to the racketeers who flourish in the State of Minnesota, a statement which, to me, carried the inference that I might in some way be associated in support of such nefarious activities.

I want to advise him, and I want to advise the Members of this House, that I condemn with all the vigor at my command the activities of any lawyer who violates any of the codes of ethics of the American Bar Association or of any bar association in any State of the Union. I am bitterly and unalterably opposed to their activities. But those of us who are opposed to this bill, and have a substitute solution to the problem, are immediately held up as upholding the hands of these racketeering lawyers; so I repeat to you again and again that I am bitterly opposed to their activities. I think that we can prevent their further activities without at the same time enacting prejudicial legislation, not only to the 2,000,000 railroad workers, but to all of the people of the country who might have a lawsuit against a railroad, and at the same time without disturbing the well-established fabric of our Federal and State laws.

I was a member of the subcommittee which held hearings on this legislation. I attended every one of those hearings. I read the report of the hearings twice. I have studied and examined the statutes of the 48 States of the Union, the statutes of the Territory of Hawaii, and of Alaska, with reference to this problem. So I feel that in some way the solution which I will offer today has some merit.

I want to assume that many of you were not here late yesterday afternoon when I talked to the Members about this proposed amendment, and if I may make that assumption, I would like to go on and tell you about the amendment and what it seeks to do.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from Indiana.

Mr. SPRINGER. The gentleman was present at all of the hearings. Some question has been raised here about the insufficiency of the hearings. Is it not true that we went into every phase of this question at those hearings?

Mr. DEVITT. I am very happy to tell the Members of the House that the committee held extensive hearings for many weeks, covering some 124 pages, and I may say that the gentleman from Indiana [Mr. SPRINGER] was very fair in conducting the hearings. At the same time, I think I should say to the gentleman from Indiana and the members of the committee that the bill on which we are asked to vote today is not the bill on which we held hearings. It is an entirely different bill, which amends a different section of the statute, and it also has an entirely different title.

I may say in passing that not one single bar association or group of lawyers in the United States has approved this bill in its present form. The gentleman from Tennessee this morning read the names of various bar associations that had given endorsements, but those bar associations did not endorse this bill. They endorsed the principle of driving racketeers out of the legal profession, and I, too, endorse that principle. I challenge the gentleman who sponsors the bill to bring in the resolutions of these associations. If you will turn to the record of the hearings, on pages 20 to 24 you will find a resolution of the Chicago Bar Association, of which I happen to be a member. That resolution does not endorse this bill. It endorses the principle, and recommends amendments to the bill. That is what I am trying to do today, propose amendments to it.

Mr. NIXON. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from California.

Mr. NIXON. The gentleman has indicated that he has made a rather complete study of the statutes of the various States and that he has attended extensive hearings on this matter He has also indicated that the problem of racketeering in these cases is one about which something should be done. Has the gentleman in studying the various statutes found any one of them which attempted to control this type of racketeering in the legal profession, which we know exists not only in railroad cases but in connection with other types of litigation through this method of limiting the venue in the cases?

Mr. DEVITT. I answer the gentleman's question in the negative. I have found no instance where there was an attempt by a legislative body to remedy an evil of this kind. I would be content to enact legislation which might remedy the situation if at the same time it did not work a prejudice on other people, if at the same time it did not disturb all the State laws and our own Federal law and practice which has existed for 150 years.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. The gentleman has made a very fair statement about the matter, and I am sure no Member of the House wants to approve racketeering. May I ask the gentleman if it might not be that in establishing the doctrine of forum non conveniens there would have to be two trials? That question was raised in the committee. You would first have a trial to see whether that was a convenient forum, and then if it was decided that it was not a convenient forum, you would have to send it to some other court. Has the gentleman gone into that question?

Mr. DEVITT. Yes, I have; and I would be very glad to answer the gentleman's question.

Mr. KEFAUVER. Will the gentleman tell us the result of his research?

Mr. DEVITT. I would be very glad to. First, I will explain my amendment, then I will answer the possible objection to it which the gentleman from Tennessee raises.

The object of my amendment is to put the law in exactly the same situation it was prior to 1942. We talked yesterday about two decisions which the United States Supreme Court rendered in late 1941 and early 1942.

The effect of those decisions was to hold that in cases brought under this particular act the doctrine of forum non

conveniens was not applicable. That means, therefore, that if the racketeer brings his case down in Florida and the case properly belongs in Chicago the court could not send it back to Chicago. The doctrine of forum non conveniens is applicable to all of the other lawsuits tried in the country, but, for reasons not pertinent to be discussed here, the Supreme Court said that the doctrine is not applicable under this particular act. So my proposed solution, as contained in this amendment, is to provide that instead of bringing cases under this particular act, to which the doctrine is not applicable, I propose to bring them under the general venue statutes to which the doctrine is applicable. It will have the effect then of reinstating the doctrine of forum non conveniens insofar as these lawsuits are concerned in the same way that all lawsuits are affected.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. MACKINNON. And that would put it under a statute, the construction of which is already settled.

Mr. DEVITT. That is a good contribution, and I am glad to have it from the gentleman. That leads me to answer the question proposed by the gentleman from Tennessee [Mr. KEFAUVER]. He interposes this objection to my proposed amendment. He says, "Is not that going to result in the necessity of trying two lawsuits? Let us say that the racketeer does bring his lawsuit in Florida. Is it not then necessary for the railroad to first go into court and prove that the lawsuit does not belong in Florida and then go back to Chicago and try the lawsuit? Is that not two lawsuits instead of one?"

The answer is "No." This doctrine of forum non conveniens is applicable to all lawsuits. Does it result in two lawsuits in every case tried in the United States? I am sure it does not.

The advantage of bringing these cases under the general venue statute is that we thereby inherit all of the judicial decisions which have been handed down under the general-venue statute. So I am satisfied that we will not be molested with the two-suit business.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. WALTER. The complete answer to the question of whether or not the enactment of this amendment would result in two lawsuits is that the question of the convenience of the court is raised preliminarily and no trial is necessary in order to raise that question.

Mr. DEVITT. You mean that it is an informal proceeding?

Mr. WALTER. Yes.

Mr. DEVITT. So they are not really two cases. I thank the gentleman for that observation.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. CARROLL. I am sure the gentleman would want a very clear expression of legislative intent with reference to his amendment. Your amendment, if adopted by the Congress, would have for its purpose giving those to whom, let us say, the suit is burdensome the right to be heard where the trial is brought and where the action is instituted. But, you see, we are running afoul of another doctrine. This is a very legal argument—a technical, legal argument. We are running afoul of another doctrine.

With respect to this idea of oppressive lawsuits, here is what the railroads have done: When a man was injured in Ohio and brought suit in Illinois, they have not raised this doctrine that you have been speaking of in Illinois, but have raised that equitable doctrine in Ohio.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. WILSON of Indiana. The gentleman made the statement that the bar association did not endorse this bill. I have a letter from the president of the Indiana Bar Association stating that the association had unanimously endorsed this bill.

Mr. DEVITT. As amended?

Mr. WILSON of Indiana. This bill.

Mr. DEVITT. This particular bill, as amended?

Mr. WILSON of Indiana. H. R. 1639.

Mr. DEVITT. I was a member of the subcommittee. This bill is an entirely different bill from the bill upon which we held hearings. This bill covers not only 2,000,000 railroad employees but it covers everybody who has an action in tort against a railroad.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. SHORT. The sauce that is good for the goose is good for the gander. If it is going to apply to the railroad employee, why should it not apply to everybody? Are they in a second category or different from someone else?

Mr. DEVITT. Presumably, according to the sponsors of this bill.

Mr. SHORT. I have three sisters married to railroad men. My brother married the daughter of a railroad conductor; but we are all human beings.

Mr. DEVITT. I hope then that the gentleman supports my amendment.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. DEVITT] has again expired.

Mr. SPRINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment which has been proposed by the distinguished gentleman from Minnesota, a member of the Judiciary Committee, would have but one effect: It would practically destroy this legislation. As a matter of fact, the gentleman has raised the question with respect to bar associations, and as to whether or not they have approved this particular type legislation. The bar associations have sent in their resolutions with respect to the venue of actions of this kind, and their resolutions applied to this particular bill and to this particular character of legislation. So I think, perhaps, from that statement and from the letters I have received since those resolutions came in, that they were in complete uniformity with respect to their approval of this measure with respect to the venue of actions. These communications were received after the present measure had been amended.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Missouri.

Mr. SHORT. I just want to get this clear. How many State bar associations have endorsed this bill?

Mr. SPRINGER. There were 38 State bar associations, there were 27 of the large city bar associations, and there were 106 of the local county bar associations.

Mr. SHORT. Has the American Bar Association taken any stand?

Mr. SPRINGER. Yes. The American Bar Association has taken a positive position in favor of the legislation.

Mr. DEVITT. Would the gentleman read the endorsement of the American Bar Association or the endorsement of the Minnesota Bar Association?

Mr. SPRINGER. Well, now, I understand the position of the Minnesota Bar Association, and I understand the Chicago Bar Association generally. I do not have those resolutions with me. They are on file in the Judiciary Committee. In other words, the bar associations have approved this character of legislation. They approved it for the benefit of these poor fellows who are injured, people who are injured on railroad trains; railroad employees, passengers, the fellows who are injured at a crossing accident, and the fellow who is injured along the tracks in any manner. This last bill merely expands it so that it covers all who are injured by a railroad common carrier. May I say at this particular point the matter which is now presented before the House is a question of what is right for this poor, unfortunate fellow who has been injured. We found so many of these cases in which large recoveries were had, and when they paid this injured person, after paying those who would go out and collect these cases and take them in to these so-called expert lawyers, pay the doctors, pay everyone connected with the case, the fellow who was actually hurt received very little compensation out of it. That is the fellow we are trying to help by this legislation.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield at that point?

Mr. SPRINGER. I am glad to yield.

Mr. JENNINGS. The gentleman from Indiana has been a judge as well as a practicing lawyer. I call his attention to the apparent effort, in my opinion, to submarine this whole measure, because it is crystal clear, the meaning and the purpose of this proposed amendment is unmistakable:

Under this act—

And I am reading the amendment—

an action may be brought in a district court of the United States in accordance with the provisions of the general venue statute (U. S. Code, 1940 ed., title 28, sec. 112, as amended), applicable to other civil suits except that such

action must be brought in the Federal district court where the plaintiff resides or where the interstate common carrier by railroad operates trains.

Mr. DEVITT. Read all of the amendment.

That last provision means, if it means anything, that he can sue the carrier wherever it may be found.

Mr. SPRINGER. There is no question or doubt about that.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe that for the purposes of the record it ought to be very clear what is intended by the amendment submitted by the gentleman from Minnesota for the purpose of aiding the court in attempting to interpret the amendment; that the court may have some idea of what the Congress intended and what the gentleman from Minnesota had in mind in the event the amendment is accepted and this bill passes.

We have been discussing the doctrine of forum non conveniens. I think the purpose the gentleman has in mind can be shown by an illustration. For example, let us suppose that an employee injured in Ohio brings his suit in Illinois. The gentleman's amendment means that only in Illinois can the defendant raise the doctrine which has been announced here.

I say to the gentleman from Minnesota that we may be running afoul of another legal doctrine, the doctrine of restraint of oppressive foreign suits. Heretofore the railroads have gone into the local courts, using again the illustration of a man injured in Ohio who brings his suit in Illinois, they have gone into Ohio to stop him, to get the State or Federal Courts of that jurisdiction to restrain the plaintiff from going into Illinois. That has been a common practice of railroad lawyers and railroad defendants.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman.

Mr. FEIGHAN. The illustration the gentleman has cited is in line with the Miles and Kepner cases, namely, that the doctrine of forum non conveniens should not be used to deprive the plaintiff of a right.

Mr. CARROLL. The gentleman is exactly right and that is why I wondered if the gentleman from Minnesota recognized that there is a fundamental difference. The doctrine of restraint of oppressive foreign suits was what the Supreme Court was ruling upon and not the doctrine of forum non conveniens.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from California.

Mr. ENGLE of California. I would like to ask the gentleman if he knows whether or not the Supreme Court has passed upon whether the doctrine of forum non conveniens applies in this type of case? Has the Court ever passed upon that question?

Mr. CARROLL. It has not passed upon that doctrine as applied to the Federal Employers Liability Act.

Mr. ENGLE of California. What is going to be the effect of the language of the amendment offered by the gentleman from Minnesota? As I understand his argument it is his intention to restore the law as it existed prior to the Kepner case in 1942; but I am wondering if the gentleman is proceeding on the assumption that the Kepner case does something which it did not do, to wit, deal with the doctrine of forum non conveniens? In other words, he may be opening up these lawsuits to injunctive action such as was the case before, where they brought an injunction in the State of the residence of the plaintiff in order to stop him from suing in another State.

Mr. CARROLL. I am entirely in agreement with the gentleman from California. I think there has been a confusion of different legal principles. The Supreme Court decision has not dealt with the doctrine about which the gentleman speaks and refers to in his amendment but with the equitable doctrine that has really subjected the railroad employees to double suits.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Minnesota.

Mr. DEVITT. I agree with the gentleman that there is a technical distinction between these two principles. You will probably recall that one of the dissenting judges in one of those cases referred to it as the doctrine of forum non conveniens, although it was the doctrine of oppressive lawsuits.

Mr. CARROLL. That was the dissenting opinion of Justice Jackson and was mere dictum.

Mr. DEVITT. Yes. The objective of my amendment is to return the law to the same status it was prior to these two decisions. Whether you refer to it as the doctrine of forum non conveniens or the doctrine of oppressive lawsuits, it is a technical matter, it makes no difference whether you call it one or the other. What we want to do is to get at the racketeer.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DEVITT. Mr. Chairman, may I say to the gentleman it is rather a technical matter whether we call this the doctrine of forum non conveniens or call it the doctrine of oppressive lawsuits.

Mr. CARROLL. The point the gentleman really makes is he does not want to subject the railroad employees to double suits. He wants to apply this doctrine where the suit is brought so the railroad cannot push the employee around from one court to another.

Mr. DEVITT. That is right. I want to restore the law to the same status it had prior to these two Supreme Court decisions. It will be recalled from the testimony in the record that we did not have this racketeering prior to 1942 or 1943. If the gentleman will examine the record of the hearings, page 138, he will see there the testimony of Mr. Gay, a very estimable lawyer of the United States, also president of the Virginia Bar Association. He was the one, testifying for the railroads, not for the railroad brotherhoods, he is authority for the statement that this racket started in wholesale fashion after the two Supreme Court decisions referred to; so the simplest solution to me seems to be, let us return the law to the status it had prior to that time.

Mr. CARROLL. The gentleman wants to go back to where we were before 1942. The gentleman is not applying the doctrine that he seeks to establish here. He is applying the old doctrine of restraint of oppressive suits, because that is what the railroads have used, going into local jurisdictions, State courts and Federal courts, and restraining the plaintiff from going into any other jurisdiction. The gentleman does not want to do that?

Mr. DEVITT. The intent and purpose of my amendment is to return the law to the status it occupied prior to the Supreme Court decision, label the equity proceeding as you will.

Mr. ENGLE of California. May I ask the gentleman a question, either the gentleman from Colorado or the gentleman from Minnesota. If the amendment is adopted will it authorize the railroad companies to bring suits for injunction in the plantiff's own State to enjoin an action brought in another State?

Mr. CARROLL. I would like to answer that question and the gentleman from Minnesota can give me his opinion on it. I think the issue is very important. There has been no clarification by the Supreme Court. Nobody knows what the effect will be, and my judgment is that if this amendment is accepted today, they will resort to the old practice of going into Federal and State jurisdictions to restrain the plaintiff from exercising the rights that are now accorded him under existing law.

As I view the general situation—I believe that H. R. 1602 almost—not quite, but almost takes the railroad employee back to the condition that existed prior to 1910. The truth is this, as touched upon by the gentleman from Alabama, the very able lawyer, Mr. HOBBS. Notwithstanding all of this talk about the concern for the employee, I suspect that the real purpose back of this legislation is to save the railroads hundreds of thousands of dollars. I think that is a logical conclusion. They want to narrow the venue to local areas and, of course, to keep down the amount of money that is paid out to the injured railroad employee or to the widow and family in case of death.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. I want to say that 90 percent of these cases are settled by compromise. Now, I do not want to take the position of defending ambulance-chasing lawyers. I have been informed that the railroad brotherhoods themselves led the fight in Chicago to disbar an attorney who was guilty of this practice. I do not know whether that was in the record. That is the information that I have received. Experience teaches us that there are a few men in every profession, in every industry, in every walk of life who violate the law and who violate their oath of office. We establish, as best we can, laws and rules of conduct to curb and regulate the illegal and unethical practices of these few individuals. That we should attempt to curb certain unethical practices by limiting the venue and the jurisdiction in which a plaintiff may bring his cause of action is utterly absurd.

As I have indicated before, this is purely an economic fight between the railroads and the railroad employees. The railroads, by this bill, seek to limit the battleground heretofore accorded the employee. If they are successful they will save themselves hundreds of thousands of dollars in the settlement of damage claims. At whose expense will the saving be made? Obviously the railroad employee or, in case of his death, his widow and family. Every lawyer worth his salt knows that the amount of damages awarded in a given case is dependent upon the economic background of each individual juror and the general custom of the community. Therefore, while this Congress should strongly condemn certain unethical practices, it should leave the plaintiff and defendant where it finds them, contesting in that forum which is provided under the general law of the land.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last two words.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Indiana.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. FEIGHAN. I object, Mr. Chairman.

Mr. SPRINGER. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Minnesota and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. HOBBS. Mr. Chairman, I rise to set some things in order. I see from the remarks of the gentleman from Colorado [Mr. CARROLL] that he does not know what he is talking about when he accuses me of being a biased partisan of the railroads.

Mr. MACKINNON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MACKINNON. How long is the gentleman from Alabama recognized for?

The CHAIRMAN. The gentleman is recognized for 5 minutes, and his time is not included in the 20 minutes fixed by the Committee.

Mr. HOBBS. I just want to say to the distinguished gentleman that I love him and honor him. There is not a man in this House whose integrity I would impeach. I do not believe he intended adverse intimation when he made that crack about me.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly, sir, I am glad to yield.

Mr. CARROLL. I assure the gentleman it was furthest from my mind. I was commending the gentleman upon his clear presentation. Not for one minute did I imply in any way that the gentleman was supporting the railroad position.

Mr. HOBBS. I thank the gentleman.

I wish to say, just to make my background clear, that I never had a case for a railroad in my life, because they had better lawyers, no doubt. When I came to the bar with a hundred members I could not get corporate employment, and I never was offered a case. I have always been on the other side. Railroads and other corporate defendants have educated my boys and girls, they have fed me and my family by paying judgments rendered against them in favor of my clients. I have made every cent I ever made on the other side of the fence. I have, from time to time, represented every labor union in Alabama. I am still doing business at that stand, and I am still pleading with you not to hurt those men that I sweated blood for during the 15 years, more or less, that I tried to practice law.

I do not want to impeach any man, but I want to say if anybody in this House thinks that the gentleman from New York [Mr. CELLER] is overweeningly interested in protecting States' rights, I would appreciate it if he would allow me to eat my hat and buy him a new one. He talks about Alabama's venue statute. There is no use talking about that any more than there is in talking about any other dead horse. We never get any one of these cases in Alabama.

Talk about beginning in 1942. I never will forget when before I came to Congress one of my clients came to me and said, "Judge, there was a man down here from Chicago who has just hired me the best lawyer in the world, but he cannot make me believe that he is as good as you and I want you to go up to Chicago and help us try that case." I said, "I would not do that. It would cost you money for my expenses and railroad fare, to say nothing about my fee. You can get it all by leaving your case in the hands of one good lawyer." He said, "That is what he say. He say he guarantee to get me twice as much as any man in Alabama can get me, but I wants you." I said, "Well, if you insist on employing me, I will do my best to see that you get justice." He said, "Oh, oh; that is the last thing I want. If I cannot get no more than justice out of this thing, I had rather try it at home."

I had another experience when I went on the bench down there. A man came to see me with the deacon's board of the Baptist Church, colored. They told me they wanted to hire me in a certain case that one of their members was bringing. I told them I appreciated their offering me the employment but that I was now on the bench, and probably that case would come before me. He said, "That's exactly what we want. That's the main reason we wants to hire you."

Those two true stories illustrate the infamy of this proposition. You are told that you are going to get justice if you go to Chicago. If so, then that is wrong to the defendant, because he can get justice at home, and he can get it more assuredly than in the realm of strangers.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I regret that any bitterness has developed in this debate and that it has been thought necessary by some speakers to say harsh words about the railroads or about the employees or members of the brotherhoods.

Certainly, no one is more anxious for employees who are injured to get every dollar that they deserve than I am. On the other hand, as a member of the bar, I feel there is certainly a duty on the part of the lawyers and on Members of Congress to see that a decent canon of ethics is maintained in the legal profession. As a matter of fact, this controversy really should never have developed. I think the brotherhood in setting up this legal-aid bureau had the best of motives in trying to see that the injured employees and their families were advised of their legal rights. Many employees need to be advised of their legal rights. But the difficulty seems to have been that in some places the thing has gotten out of hand. I have talked with a number of railroad men about this. Some places they operate in a commendable way and advise the employees of their rights, and that is as far as they go. Then, if the services of a lawyer are needed there is no effort made to place the case in the hands of a particular lawyer.

This is a commendable service. But the evidence is that some of these legal-aid lawyers use their position to solicit cases and have developed rackets which must be condemned. Years ago when I was in the active practice I had two unpleasant experiences with lawyers or their agents out of St. Louis who used questionable tactics to procure cases. It seems that this practice has not ceased. Reports from bar associations in Tennessee are that solicitations and violation of the canon of ethics are continuing.

I told some of the brotherhood men many months ago that if they would just have a legal-aid bureau without allowing influence to be used to place the case with particular lawyers that this bill would never be presented. I suggested they should require that the employees make their own selection of attorneys after they had been advised of their legal rights by the legal bureau.

If this were done there would be no demand for this bill. They should have realized that where bar associations all over the United States start complaining about these practices and where it is condemned by the bar associations that it is time to stop, look, and listen. I do not want to place any limitation on where a person can bring a suit if he makes the selection on his own judgment. I do, however, resent some of the practices I know have been taking place, and I feel that some step must be taken to cure the evil.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MACKINNON].

Mr. MACKINNON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MACKINNON. Mr. Chairman, did the committee ask for additional time on this amendment?

The CHAIRMAN. The time has been fixed according to the usual custom.

The gentleman is recognized for 3 minutes.

Mr. MACKINNON. Mr. Chairman, I would like to take a moment, not because he needs it, but to tell the gentleman from Minnesota [Mr. DEVITT] that he does not need to take any time to defend himself, either here or at home. His record as a judge in my State and as Assistant Attorney General is outstanding. I think it also qualifies the opinion that he holds with respect to this particular amendment which I favor. If you will turn to page 9105 and read the statement made yesterday by the distinguished lawyer from Minnesota, you will see set forth very concisely why this amendment should be adopted at this particular time. Otherwise, what is going to be done here is that the railroads are going to separate the client from the lawyer. That, I think, is the way the bill will work. There has been some talk about the ability of lawyers in the smaller towns. Their ability is unquestioned. But what is also needed in these cases are strong lawyers who can stand up to the best legal talent in America. Attorneys that sue railroads not only have to be good lawyers but they have to be able to hold their breath and they must have a client who is able to hold his breath for a long time, because where substantial sums of money are involved the cases are carried to the courts of last resort, and years go by before litigants receive their money. Both lawyers and litigants have to be strong to obtain justice in such cases.

I think it is very obvious that one of the reasons that the number of these lawsuits come in the larger areas is that the courts are in session the year around. They get speedier justice. What could be any nicer for the railroads than to require that these cases be tried in a smaller town where court meets only once or twice a year? You see the pressure that such delay would exert upon claimants in need of money. Such tactics force many injured persons to settle for much less than they are honestly entitled to.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MACKINNON] has expired.

The gentleman from Ohio [Mr. FEIGHAN] is recognized for 3 minutes.

Mr. FEIGHAN. Mr. Chairman, I am opposed to this amendment. The sponsor of this amendment pleads that it is necessary to bring back to the Federal courts their power to exercise the doctrine of forum non conveniens in Federal Employers' Liability Act cases. In order to do that, the sponsor, by this amendment, would nullify the decisions in the Miles and Kepner cases. He seems to believe that those cases hold that the Federal courts cannot exercise the doctrine of forum non conveniens in Employer Liability Act cases. If I thought that this proposed amendment were necessary in order to enable a Federal court in an Employers' Liability Act case to apply the doctrine of forum non conveniens, I would favor this amendment, but I do not believe that the amendment is necessary. I think the Federal courts have that power; at least, it has not been determined by the courts that they do not have that power. As a matter of fact, it is only recently, in the case of Gulf Oil Corp. against Gilbert, decided by the United States Supreme Court, March 10, 1947, that the Supreme Court has had occasion to decide whether Federal courts have the power to apply the doctrine of forum non conveniens in any type of case.

The most that can be said for Mr. DEVITT's position is that the Supreme Court has not as yet settled the question whether the doctrine of forum non conveniens may be applied by Federal courts in Employers Liability Act cases. I do not believe that Congress should invalidate a law that has been on the statute books for more than 37 years in order to solve a problem that may not exist. I believe we should follow a policy of caution and watchful waiting. Congress should not take any action along the lines of this amendment until it has been settled by the courts that the doctrine of forum non conveniens is not applicable in Employers' Liability Act cases in our Federal courts.

The sponsor of this amendment seems to believe that the Kepner and Miles cases hold that a Federal court cannot apply the doctrine of forum non conveniens.

It is my opinion that the gentleman from Minnesota [Mr. DEVITT] misinterprets the decision in both cases. In my opinion neither of them concerns the doctrine of forum non conveniens.

These cases merely hold that a State court cannot enjoin a citizen resident of its State from bringing an action under the Federal Employers' Liability Act in a State court of another State or in a Federal district court in another State. The doctrine stated in those cases is the well-known equitable doctrine of restraining oppressive foreign suits; it is a doctrine entirely different from the doctrine of forum non conveniens. The doctrine of forum non conveniens is applied only by the court in which the suit involving the merits of the action under the Federal Employers' Liability Act is before the court. The Miles and Kepner cases did not involve a suit on the merits arising under the Federal Employers' Liability Act. Those cases involved simply an action brought by the defendant railroad to enjoin the plaintiff railroad employee from bringing his suit on the merits in another State.

What happened in the Miles and Kepner cases, defendant railroad brought injunction suits in the resident State of plaintiff to enjoin his prosecution of suit in another State. In one case the employee's suit had been filed in another State in the Federal court and in the other case it had been filed in the State court. This doctrine enunciated in the Miles and Kepner cases was the equitable doctrine of restraint—just that the home State court held it was not equitable for it to enjoin the resident plaintiff from pursuing his suit in a foreign court, on the ground that the defendant was being harassed.

The doctrine of forum non conveniens is applicable with reference to employer liability acts cases when they are in a State court. The United States Supreme Court so decided in the case of *Douglas* v. *New Haven Railroad* (279 U. S. 377). The only question which has not been decided by the court is whether or not the doctrine of forum non conveniens is applicable to a suit under the Federal Employers' Liability Act which was brought in a Federal court.

In my opinion, every railroad employee should be vigorously opposed to this amendment. If Mr. Devitt is correct in his contention, and I am not sure that he is, this amendment would nullify the effect of the Miles and Kepner cases. Those cases should not be nullified; they are sound. It would be an undue burden on the injured railroad employee if, having elected the forum most convenient to him, the railroad could, as so aptly stated by Mr. Justice Jackson in the Miles case, "force him to try one lawsuit at home to find out whether he would be allowed to try his principal lawsuit elsewhere."

If the passage of this amendment would cause these Supreme Court decisions to be nullified—and mind you, we cannot know whether that is so until the question has been litigated in all our courts up to the Supreme Court, which will leave the administration of this amendment in confusion and uncertainty for years—if the sponsor of this amendment is right, then this Congress will be subjecting every injured railroad employee in this country from this day forward to the mercy of the railroads, for he will hesitate long before undertaking the burden of litigating two lawsuits. He will by force of economic circumstances feel compelled to take the pittance that will be offered to him by the railroad in settlement of his case.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHA RMAN. The time having been fixed by the Committee, the Chair cannot entertain the request.

The gentleman from Illinois [Mr. OWENS] is recognized for 3 minutes.

Mr. OWENS. Mr. Chairman, I take this time to try to clarify a few misunderstandings that occurred because of the remarks of the gentleman from Tennessee, the distinguished chairman of the subcommittee. I believe I can speak about the matter because I come from Chicago, which has been mentioned frequently during the course of the remarks, and because I assisted for a number of years in the writing of the Federal rules, to which reference has been made; in fact, at the time I came here I was chairman of the committee on civil practice of the Chicago Bar Association, which assisted in writing the Illinois law to which reference has been made.

I regret very much that the name of any attorney was mentioned during the course of these remarks, because there is nothing in the record to substantiate the statements made by the chairman of the subcommittee. The men who came from Chicago and testified were careful to say "certain attorneys." The fact is those men are now the subject of disbarment proceedings and probably may be disbarred, but until that happens their names should not be mentioned because we always believe in the American rule that a man is innocent until he is proved guilty.

Because these few men have followed the practice of bringing these actions in one city is no reason why the general right should be abolished. I have represented many railroad men, and I do not mean railroad brotherhood unions. Anyone who reads the RECORD of a week ago Wednesday will see that I inserted an article critical of the brotherhood in certain of their actions; but I have represented the individual railroad men. I have helped them with respect to the work of their separate locals. I know that they object to this legislation. They have good reasons for it. Take the case where a member of the family, a son, working on the railroad, is killed in some State, say Colorado, and the father, mother, or whoever has the right to bring the action lives in a different section of the country. They would be unable to bring the action because they are limited to the State where the injury occurred, or where the deceased lived at the time of the occurrence. There are other points just as strong that time does not permit me to bring out.

Let me say in conclusion that I believe the amendment offered by the gentleman from Minnesota would help considerably. If it is not adopted I believe the bill ought to be recommitted to the committee with instructions to write a bill which will be a compromise between the present bill and the Devitt amendment. As the bill now stands its language is not clear. Furthermore, it favors railroads to the detriment of the employees, and it constitutes an interference with the rights of the several States.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from California [Mr. NIXON] is recognized for 3 minutes.

Mr. NIXON. Mr. Chairman, I think it is unfortunate that this debate at times has degenerated into charges and countercharges as to who is responsible for this legislation. The suggestion has been made that the proponents of this legislation are simply the mouthpieces of the railroad lobby. It has also been suggested that those who opposed the legislation were working for the railroad brotherhoods. It is our responsibility under these circumstances to consider this problem strictly upon the facts and they, briefly stated, are these: Normally any corporation can be sued in its principal place of business. That is the situation at the present time with the railroads. The Judiciary Committee found during the course of its hearings that in the case of injured railroad employees various runners, unscrupulous lawyers, and others have solicited these cases and taken them to certain large cities for trial. They have also indulged in practices which have not been in the interest of their clients, or of the defendant railroads.

Something had to be done about that evil. The committee proposed a judicial solution of the problem. It recommended through this bill that we limit the venue in such cases by not allowing a railroad to be sued in its principal place of business except where that was also the place where the plaintiff resided or the accident occurred.

In considering this proposed solution, Mr. Chairman, we must remember two things. First, this approach to controlling such racketeering has not been tried before and we do not know that it will be effective. Unquestionably, the racketeers will make every effort to get around this legislation and will continue to some extent with the practices they are following at the present time. Second, there is substantial objection to the proposed solution on the ground that we are singling out a particular group of plaintiffs and saying to them "You cannot sue the railroads at their principal place of business, except under very special circumstances."

Now, is there any other possible solution less drastic in its effect than the present bill? In my opinion, considering all the facts, the solution offered by the gentleman from Minnesota in his amendment, which has been prepared very carefully, is one we should adopt. It is directed toward controlling the racketeering practices, it does not prejudice the rights of any class of plaintiffs, and it is a reasonable compromise which the House should adopt.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I am impressed with the sincerity of the gentleman who just addressed you. I am entirely in accord with his statement that this amendment, offered by the gentleman from Minnesota, has been prepared with great care. Somebody who was smart, in my opinion, prepared it. It is the composite judgment of the men who are the head and brains of this racket. I do not impugn the gentleman's sincerity who proposed it. I think he has just been misled.

Let us look at this proposed amendment. Here is his proposal. Under this proposed amendment an action may be brought in a district court of the United States in accordance with the provisions of the general venue statutes of the United States Code of 1940. If you stop there that would have put it right back where it was under the act of 1908. It would compel the plaintiff or the representatives of the estate of the deceased in death cases to go to the county or the Federal district where the railroad had its home office. But here is the trick—this shrewd subterfuge: The jurisdiction of the courts of the United States under this chapter shall become concurrent with that of the courts of the several States.

That means, if it means anything, that any suit brought in a United States district court, under this proposed amendment can be brought under the Federal Employers' Liability Act in any State in the Union, and its author says that would reinstate and make applicable the doctrine of forum non convenens. No, it would not, for this reason: This amendment, if adopted, is a privilege, a right, granted by the Congress in a proposed act, in a hard-fought battle between the proponents of the bill brought in here by the committee and those who favor this amendment. Now, here is what the Supreme Court said about the power of Congress to fix venue and the inability of the court to change the venue when the court has fixed it:

> A privilege of venue granted by the legislative body which created this right of action cannot be frustrated for reason of convenience or expense.

This is the language of Mr. Justice Jackson, of the Supreme Court of the United States.

The able lawyer who drafted this shrewd amendment did it with the object in view of enabling a suit to be brought and prosecuted and maintained to final judgment in any State of the Union. Then my good friend from Minnesota says that when the plaintiff brought his suit in a State distant from his home that the railroad company could, if it so desired, interpose the defense of forum non conveniens. The railroad could not do it. So that if you are in favor of eradicating this racket you should vote against this amendment.

In that connection I wish to say that while I have tried damage suits for more than 40 years, I never represented a railroad company in my life except a little jerk-water road that hauled logs out of the woods and lumber to the main line, and I have a brother who is now an employee of an interstate railroad. I want to stop this racket.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Minnesota.

Mr. DEVITT. May I say to the gentleman that this amendment was drafted by me and that it is opposed by the railroad brotherhoods.

Mr. JENNINGS. Well, I think they are kidding you, because if they are smart they are for this amendment.

Mr. DEVITT. They are against it.

Mr. CHADWICK. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Pennsylvania.

Mr. CHADWICK. Does the gentleman remember that in the committee I drafted an amendment directed to exactly the same point of view?

Mr. JENNINGS. I remember my good friend drafting an amendment and we voted it down. But I say to you again if you want to continue the racket and give these racketeers carte blanche authority to go into any State of the Union and bring these lawsuits, vote for the Devitt amendment. If you wish to kill the racket, let us vote it down.

The CHAIRMAN. The time of the gentleman from Tennessee has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. DEVITT].

The question was taken; and on a division (demanded by Mr. DEVITT) there were—ayes 41, noes, 57.

Mr. DEVITT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DEVITT and Mr. JENNINGS.

The Committee again divided; and the tellers reported that there were—ayes 61, noes 106.

So the amendment was rejected.

Mr. BEALL. Mr. Chairman, I move to strike out the last word.

The bill H. R. 1639, now before the House for consideration, is said by its sponsors to be aimed at the correction of violations of professional ethics on the part of a few members of the bar in handling cases under the Federal Employers' Liability Act. I have read the bill. But I cannot find that there is any provision in the bill which would bring about the disbarment of a single unethical lawyer; nor is there any provision in the bill which would exclude such lawyers from practice in Federal Employers' Liability Act cases.

The most that can be said for the bill is that it may make it more inconvenient for such lawyers, and thus add to the expenses claimants would have to bear. If this bill becomes law the poor railroad employee may well be burdened with the expense of hiring two lawyers—the legal specialist to travel to the scene of the accident or residence of the claimant to try the case and a local attorney familiar with the local practice to assist in the trying of the case. If these racketeering lawyers are as bad as the proponents of this bill say they are they certainly will not be discouraged from seeking the business and the large speculative fees merely because they have to try the case away from the jurisdiction in which their offices are located.

It should be obvious that the more appropriate means of obtaining the objective of this bill lies in the use of the customary machinery for professional discipline. That disbarment machinery is not only more appropriate; it can also be more effective. The hearings show that lawyers have in fact already been disbarred for unethical practices in the handling of Federal Employers' Liability Act cases. It is up to our bar associations to be vigilant in protecting litigants from racketeering attorneys. It should not be the policy of Congress to participate in any attempt to determine the proper distribution of the law business throughout the country. It should not be our interest to use our legislative power as a means of gaining more law business for local lawyers in outlying communities, at the very dear price of discriminating, as this bill so clearly does, against the rights of such large groups of litigants as would be adversely affected by this bill. Particularly is this true when to do so must result in such widespread interference with the judicial business of the States in matters which are purely State matters.

I fear that the Members of this House have not fully grasped the significance and far-reaching effects of this bill. Does the membership realize to what extent this bill would interfere with the sovereign rights of the States to regulate their own judicial business? This bill, my friends, would attempt to tell the States in which of their courts suits can be brought by railroad passengers, users of the highways, and others than railroad employees who may sustain injuries by the operation of railroads, notwithstanding the fact that such suits have their roots not in any Federal statute subject to our legislative jurisdiction, but in the common law of the States.

For the Federal Government to prescribe the courts of a State in which suit may be brought is an encroachment upon subject matter that should be left exclusively to determination by State law. If this bill were enacted it would immediately disrupt the venue legislation of each of the States. For this bill provides that suits for personal injuries brought against railroads in State courts can only be brought in the county in which the action arose or in which the claimant resides. Therefore, actions for personal injury brought by employees of industries other than the railroad industry, such, for instance, as employees of the motor transportation industry, and suits brought against railroads by others than personal injury claimants, as well as all other actions cognizable in the State courts, would continue to be governed by the policy which the States have formulated in their State statutes for the distribution of judicial business in their courts, but that policy would be completely abrogated so far as personal injury suits against railroads are concerned. Such an attempt to regulate the venue in State courts may well be an invasion of the sovereign powers of the States that could not be sustained in the courts.

The Clerk read as follows:

SEC. 2. Section 51 of the Judicial Code, as amended (title 28, U. S. C., sec. 112), is amended by adding at the end thereof a new paragraph as follows:

"A civil suit for damages for wrongful death or personal injuries against any interstate common carrier by railroad may be brought only in a district court of the United States or in a State court of competent jurisdiction, in the district or county (parish), respectively, in which the cause of action arose, or where the person suffering death or injury resided at the time it arose: *Provided*, That if the defendant cannot be served with process issuing out of any of the courts afore-mentioned, then, and only then, the action may be brought in a district court of the United States, or in a State court of competent jurisdiction, at any place where the defendant shall be doing business at the time of the institution of said action."

Mr. OWENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS: On page 3, line 4, after "or" strike out "where the person suffering death or injury resided" and insert "in the domicile of the plaintiff in interest."

Mr. OWENS. Mr. Chairman, when I spoke a few moments ago I mentioned that there were a few points wrong with the bill that I thought should be corrected. That is the reason I have offered this amendment. At this point, on page 3, the bill reads: "where the person suffering death or injury resided at the time it arose." A person may have several different places of residence. For that reason, conflict could easily arise as to where his residence might be at the time of his injury or death. The gentleman from Arkansas [Mr. CRAVENS] yesterday mentioned to me that the committee meant domicile in the use of that word. When you mean a certain thing and can make the bill understandable, the best thing to do is to use the proper word. Therefore, in place of the word "resided," I am using the word "domiciled." A man can have only one domicile, and that means the place where he actually has his home at the time of injury or death.

The other point is this. It says where the person suffering death or injury resided at the time it arose. It says "death," and frequently in these railroad injury cases the employee actually is killed. That means that the action is brought by the next of kin. Often, it is a son who is killed, and the mother or father living in a different State or the brother or sister or whoever it might happen to be, brings the action. Therefore, I use the words "plaintiff in interest," because if a man actually lives, he brings the cause of action himself in his own domicile, but if he dies the action is brought by the next of kin, who might be the mother, the father, the sister, the brother, or other relative. It is only right and just that they should be permitted to bring the action in their domicile and not in the domicile of the one who was killed. It is merely a clarifying amendment and I believe the point needs no further argument.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this bill H. R. 1639 which the committee reported to the House was carefully drawn to stop the solicitation of and transportation of lawsuits to distant States. This amendment will make it possible to continue that practice. The bill as reported by the committee says that the suit shall be brought in the district or county, respectively, in which the cause of action arose or where the person suffering death or injury resided at the time of the accident.

That makes it impossible for these fellows from Chicago, Minneapolis, St. Paul, St. Louis, Los Angeles, and Oakland in California, and New York to

go to the person who is injured and say, "You have a good lawsuit. We will give you $500 to start with. We will move you to St. Louis or one of these other big cities where the racket is carried on and put you up in a hotel and take care of you until your case is tried." That is exactly what they do. They have hotel rooms leased and residences containing 20 rooms in which they lodge their victims. They say, "We will maintain you there until your lawsuit is tried, and then we will take the money we have thus spent for you out of the proceeds of the lawsuit." That is exactly what this amendment would enable them to do. For that reason, it ought to be voted down.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. OWENS. When you used the word "reside," did you mean "domicile"?

Mr. JENNINGS. I mean just exactly what I said. I said where a man lived at the time he was hurt or in the place where he was injured or killed. Your amendment would mean that after the employee has been hurt somebody could buy his lawsuit, transport him across the continent, maintain him, and bring the case in a foreign forum. The amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. OWENS].

The question was taken; and on a division (demanded by Mr. OWENS) there were—ayes 20, noes 58.

So the amendment was rejected.

Mr. CASE of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of New Jersey: On page 3, line 3, strike out the words "county, parish" and insert the word "State."

Mr. CASE of New Jersey. Mr. Chairman, this amendment is a very simple one. Instead of requiring that suits be brought in the district or parish where the accident occurred, or where the person resides, it provides it may be brought anywhere in the State. It seems to me that the bill as reported is too restrictive. All of us, I think, recognize the evil that has grown up. The gentleman from Minnesota [Mr. DEVITT] attempted to attack it in one way, which I thought sound. A majority of the committee disagreed. I offer this as an alternative method of attack, which I think will be effective.

Under our concept, the lawyers of the State are governed by the courts of that State, and by the State bar associations, especially in those States where we have an integrated bar, in which the discipline of the members of the bar is under the supervision of the courts and there is a very effective way of remedying rackets in the practice of the law and in the trial of lawsuits. That movement is spreading and should be encouraged.

I think we should give the State bar association and the State courts adequate power to deal with this racket, as we will if we limit State court suits to the State of the residence of the plaintiff or the State where the accident occurs.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. FEIGHAN. I take it that the acceptance of your amendment would resolve any doubts as to the constitutional question of interference with the venue jurisdiction of the States—interference with the judicial business of the States.

Mr. CASE of New Jersey. I think it would have that effect.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. COMBS. May I ask the gentleman would his amendment leave the State free to determine by its own venue statutes where within that State the suit would be filed, or should your amendment go a little further and say in accordance with the venue statutes of the State?

Mr. CASE of New Jersey. I think the amendment as it is presented will have the effect the gentleman desires. However, I would have no objection to a further amendment to it, but I do not think it is necessary.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. JENNINGS. This is an act of Congress. Congress extends this right of action under the Federal Employers' Liability Act, but under your amendment you will have a State-wide racket instead of a Nation-wide racket. Why not let the local people handle these affairs?

Mr. CASE of New Jersey. It seems to me this is a matter where the States can and should control it themselves. I do not think we should unduly restrict plaintiffs in this sort of action.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. CASE] has expired.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the best men in this House is CLIFF CASE, a sound lawyer, an honest and lovable gentleman. His proposal is much better than what we now have, a Nation-wide racket. This would limit it to a State. But it is not fair to stop there. Not to minimize a racket but to extirpate it is the purpose of this bill.

There are no Knoxville suits filed in Tennessee now, but pass this amendment and they would take them all to Memphis, 600 miles from Knoxville where the railroad center at the east end is. The claimants in Illinois all would go to Chicago, not just 92 percent to three lawyers, but pass this amendment and they would get the other 8 percent in addition. The same would be true of St. Paul and Minneapolis. It just means that in these five centers in which this iniquity now flourishes it would continue to flourish but only insofar as the State lines went.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always glad to yield to the distinguished gentleman from Texas.

Mr. COMBS. If I understand what the gentleman means it would reduce the racket from a Nation-wide scale to the limits of a State. I am wondering if under the proposed amendment that result would not depend on the jurisdictional statutes of the State; to use the gentleman's illustration, whether or not under the amendment the question of whether a suit could be carried from Knoxville to Memphis, is not within the control of the Legislature of Tennessee which could amend its own venue statutes to prevent that sort of thing? I just want to raise that question.

Mr. HOBBS. I am just as cordially in favor of States' rights as a man can be. I am just as cordially in favor of local self-government as a man can be, having sat at the feet of Judge Hatton Sumners ever since I have been here; but I am saying I doubt if Congress has any right to intrude and dictate to a State what statute of venue it should enact. On the other hand I do not believe any State has any jurisdiction to dictate to the Congress what the Congress shall write in a Federal venue statute regulating a federally granted right of action.

Mr. COMBS. In other words, what the gentleman is saying is that under the proposed amendment the State venue statutes would apply to suits filed in any county of the State.

Mr. HOBBS. That is right, and they make their selection. It would simply limit and narrow the confines of their racket.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I shall be so happy to yield to the distinguished gentleman from Ohio.

Mr. FEIGHAN. We are in the substitute bill telling the people of every State that they can sue only in a particular parish or county. If this amendment were passed, we would be giving them only the same rights to sue a railroad as they are given to sue any other corporation.

Mr. HOBBS. That is right. We have the perfect right to do it because we are talking about a right that we created. We can establish the venue, and I am perfectly sure that the gentleman would not say that this was not within the constitutional power of Congress, since we have unlimited power to regulate interstate commerce.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I shall be so happy to yield to the distinguished gentleman from New York.

Mr. CELLER. Is it exactly correct to say we, the Congress, created that right?

Mr. HOBBS. I do not mean that we do it except through law we write, and I think that is perfectly accurate.

Mr. CELLER. Does it not come from the common law?

Mr. HOBBS. No, sir.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CASE].

The question was taken; and on a division (demanded by Mr. CASE of New Jersey) there were—ayes 51, noes 49.

Mr. SPRINGER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SPRINGER and Mr. CASE of New Jersey.

The Committee again divided; and the tellers reported that there were—ayes 76, noes 76.

So the amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 3, line 5, after "arose", strike out the colon and the remainder of the line, and all of lines 6, 7, 8, 9, 10, and 11, and insert "or where the railroad maintains its principal place of business."

Mr. MACKINNON. Mr. Chairman, the amendment now presented to the committee would add the right to sue a railroad corporation at its principal place of business. I submit that any legislation upon this subject that denies that fundamental right is not worth the paper it is written on. Every other corporation in America can be sued at its principal place of business, and I submit that that right ought to exist with respect to railroad corporations.

I can support this legislation with this amendment. I cannot support it without it. I cannot favor any proposition that would lay down an entirely different rule for a railroad corporation with respect to being sued at its principal place of business. I submit that not one single sound argument has been presented in all this discussion to deny a person that one right that every litigant now has against every other corporation in America.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do this for the purpose of showing just what the effect of this proposed amendment is. Under the provisions of the bill as reported by the committee, if the plaintiff cannot get service on the defendant he has sued in the county or district where he the plaintiff, resided at the time of the injury or where the accident occurred, then he can sue the defendant anywhere where he can get service on him. This amendment offered by the gentleman from Minnesota would require the plaintiff to go to the few home offices of the railroads. Say there are 12 great transcontinental or interstate railroads, for illustration, and each of them has a home office on the west coast or on the east coast, this would require the plaintiff to go across the continent to the home office of the defendant he has sued and this would establish another market place for the disposition of solicited, purchased, and transported lawsuits. I am amazed that the gentleman would offer that kind of an amendment. It should be defeated.

Mr. MACKINNON. Mr. Chairman, the gentleman from Tennessee has almost completely misstated the effect of my proposed amendment. In truth, my proposed amendment would merely add the principal place of the corporation's business as an additional forum to the place of the accident and to the residence of the plaintiff. It would provide three places where the suit might be brought instead of two, and I submit the principal place of the corporation's business is the most proper forum for the trial of these cases.

Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

Mr. FOGARTY. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances, shall not be affected thereby.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in the United States district courts or in State courts under such act, pursuant to House Resolution 270, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CELLER. Mr. Speaker, I offer a motion to recommit. I am opposed to the bill.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

Mr. CELLER moves to recommit the bill H. R. 1639 to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CELLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 133, noes 109.

Mr. CELLER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 188, answered "present" 1, not voting, 38, as follows:

[Roll No. 114]

YEAS—203

Albert	Gamble	Merrow
Allen, Calif.	Gary	Meyer
Allen, Ill.	Gathings	Michener
Allen, La.	Gavin	Miller, Conn.
Almond	Gillette	Miller, Md.
Anderson, Calif.	Gillie	Miller, Nebr.
Andrews, Ala.	Goff	Mills
Andrews, N. Y.	Goodwin	Mitchell
Arends	Gore	Monroney
Bakewell	Gossett	Morris
Barden	Graham	Muhlenberg
Barrett	Grant, Ala.	Mundt
Battle	Grant, Ind.	Murray, Tenn.
Bell	Gregory	Pace
Boggs, Del.	Gross	Passman
Bolton	Gwinn, N. Y.	Peden
Bonner	Hall,	Phillips, Tenn.
Boykin	Leonard W.	Ploeser
Bradley	Halleck	Plumley
Brown, Ga.	Hardy	Poage
Brown, Ohio	Harless, Ariz.	Potts
Bryson	Harness, Ind.	Preston
Buck	Harris	Price, Fla.
Buffett	Harrison	Priest
Bulwinkle	Hartley	Rains
Burleson	Hedrick	Ramey
Busbey	Hess	Rayburn
Byrnes, Wis.	Hill	Reed, N. Y.
Camp	Hinshaw	Rees
Carson	Hobbs	Rich
Case, S. Dak.	Hoffman	Richards
Chapman	Hope	Riehlman
Chelf	Horan	Rizley
Chenoweth	Howell	Robertson
Church	Jarman	Rockwell
Clark	Jenison	Rogers, Fla.
Clevenger	Jenkins, Ohio	Rohrbough
Coffin	Jennings	Ross
Combs	Johnson, Ill.	Schwabe, Okla.
Cooley	Johnson, Ind.	Scrivner
Cooper	Johnson, Okla.	Short
Cotton	Jones, Ala.	Simpson, Pa.
Courtney	Jones, N. C.	Smith, Kans.
Cox	Jonkman	Smith, Va.
Cravens	Kearns	Smith, Wis.
Crow	Keefe	Springer
Curtis	Kefauver	Stanley
Dague	Kerr	Stefan
Davis, Ga.	Kilburn	Stevenson
Davis, Tenn.	Kilday	Stigler
Davis, Wis.	Kunkel	Stockman
Dirksen	Lanham	Sundstrom
Dolliver	Larcade	Taber
Domengeaux	Latham	Teague
Dorn	LeFevre	Thomas, N. J.
Doughton	Love	Thomason
Drewry	Lucas	Tibbott
Durham	Lyle	Towe
Eaton	McConnell	Vorys
Elliott	McCowen	Wadsworth
Ellis	McDonough	Welchel
Elston	McDowell	West
Evins	McGregor	Wheeler
Fellows	McMillan, S. C.	Whittington
Fisher	McMillen, Ill.	Wilson, Ind.
Fletcher	Maloney	Wilson, Tex.
Folger	Manasco	Wood
Gallagher	Meade, Md.	Woodruff

NAYS—188

Abernethy	Burke	Dingell
Andersen,	Butler	Dondero
H. Carl	Byrne, N. Y.	Donohue
Angell	Canfield	Douglas
Arnold	Cannon	Eberharter
Auchincloss	Carroll	Ellsworth
Banta	Case, N. J.	Elsaesser
Bates, Ky.	Celler	Engel, Mich.
Bates, Mass.	Chiperfield	Engle, Calif.
Beall	Clason	Fallon
Beckworth	Cole, N. Y.	Feighan
Bender	Colmer	Fenton
Bennett, Mo.	Corbett	Fernandez
Bishop	Crawford	Flannagan
Blackney	Crosser	Fogarty
Blatnik	Cunningham	Foote
Bloom	Dawson, Ill.	Forand
Bramblett	Dawson, Utah	Fulton
Brehm	Deane	Gearhart
Brooks	Delaney	Gordon
Brophy	Devitt	Gorski
Buchanan	D'Ewart	Granger

Griffiths	McMahon	Sabath
Hagen	Mack	Sadlak
Hale	MacKinnon	Sadowski
Hand	Madden	St. George
Hart	Mahon	Sanborn
Havenner	Mansfield	Sarbacher
Heffernan	Marcantonio	Sasscer
Hendricks	Martin, Iowa	Schwabe, Mo.
Herter	Mason	Scoblick
Heselton	Mathews	Scott,
Hoeven	Meade, Ky.	Hugh D., Jr.
Holmes	Miller, Calif.	Seely-Brown
Huber	Morgan	Shafer
Hull	Morrison	Sikes
Jackson, Calif.	Morton	Simpson, Ill.
Jackson, Wash.	Murray, Wis.	Smathers
Javits	Nixon	Smith, Maine
Jenkins, Pa.	Nodar	Somers
Jensen	Norblad	Spence
Johnson, Calif.	Norrell	Stratton
Jones, Wash.	Norton	Talle
Judd	O'Brien	Taylor
Karsten, Mo.	O'Hara	Thomas, Tex.
Kean	O'Konski	Tollefson
Kearney	Owens	Trimble
Kennedy	Patterson	Twyman
Keogh	Peterson	Vail
Kersten, Wis.	Pfeifer	Van Zandt
King	Philbin	Vursell
Klein	Pickett	Walter
Knutson	Poulson	Welch
Landis	Price, Ill.	Whitten
Lane	Rabin	Wigglesworth
LeCompte	Rankin	Williams
Lemke	Rayfiel	Winstead
Lesinski	Redden	Wolcott
Lewis	Reed, Ill.	Wolverton
Lodge	Reeves	Worley
Lusk	Robsion	Youngblood
Lynch	Rogers, Mass.	Zimmerman
McCormack	Rooney	
McGarvey	Russell	

ANSWERED "PRESENT"—1

Keating

NOT VOTING—38

Andresen, August H.	Gwynne, Iowa	Murdock
	Hall, Edwin Arthur	O'Toole
Bennett, Mich.	Hays	Patman
Bland	Hébert	Phillips, Calif.
Boggs, La.	Holifield	Powell
Buckley	Johnson, Tex.	Riley
Chadwick	Jones, Ohio	Rivers
Clements	Kee	Scott, Hardie
Clippinger	Kelley	Sheppard
Cole, Kans.	Kirwan	Smith, Ohio
Cole, Mo.	Lea	Snyder
Coudert	Ludlow	Vinson
Fuller	Macy	
Gifford		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Kelley against.
Mr. Snyder for, with Mr. Sheppard against.
Mr. Hébert for, with Mr. Kirwan against.
Mr. Macy for, with Mr. Powell against.
Mr. Riley for, with Mr. Holifield against.

General pairs until further notice:

Mr. Jones of Ohio with Mr. Boggs of Louisiana.
Mr. Chadwick with Mr. Rivers.
Mr. Gifford with Mr. Murdock.
Mr. Cole of Missouri with Mr. Hays.
Mr. Gwynne of Iowa with Mr. Bland.
Mr. Bennett of Michigan with Mr. Kee.
Mr. Coudert with Mr. Patman.
Mr. Clippinger with Mr. Ludlow.
Mr. Smith of Ohio with Mr. Buckley.
Mr. Hardie Scott with Mr. Johnson of Texas.
Mr. Edwin Arthur Hall with Mr. Lea.
Mr. Phillips of California with Mr. Clements.

Mr. NODAR, Mr. MCGARVEY, and Mr. SANBORN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide the venue in actions brought in the United States district courts or in State courts against interstate common carriers by railroad for damages for wrongful death or personal injuries."

A motion to reconsider was laid on the table.

DEFICIENCY APPROPRIATION BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent that when the deficiency bill is reported it may be in order to take it up forthwith, whenever possible; that all points of order may be considered as waived; that general debate shall continue for not to exceed 3 hours, one-half the time to be controlled by the gentleman from Missouri [Mr. CANNON], and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. CANNON. Mr. Speaker, reserving the right to object, this is the bill carrying funds for the Greek and Turkish loan, and for foreign relief?

Mr. TABER. Yes, it is.

Mr. CANNON. The items in the bill which would be subject to points of order are necessary for the adequate administration of the appropriation?

Mr. TABER. That is correct.

Mr. CANNON. We have no objection on this side, Mr. Speaker, to any action to expedite consideration of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS

The SPEAKER. Pursuant to the provisions of title 4, Public Law 101, Eightieth Congress, the Chair appoints as members of the Joint Committee on Labor-Management Relations the following Members on the part of the House: Mr. HARTLEY, Mr. LANDIS, Mr. HOFFMAN, Mr. MCCOWEN, Mr. LESINSKI, Mr. BARDEN, and Mr. KELLEY.

NATIONAL AVIATION COUNCIL

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3587, an act to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, with Senate amendments, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Mr. WOLVERTON, Mr. HINSHAW, Mr. HOWELL, Mr. BULWINKLE, and Mr. PRIEST.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Agriculture Department appropriations may have until midnight tonight to file a conference report on the bill H. R. 3601.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. CANNON. Mr. Speaker, reserving the right to object, will the gentleman tell us when it is expected to call up this conference report?

Mr. DIRKSEN. The first thing tomorrow morning. It is my understanding that the House will meet at 10 o'clock tomorrow.

Mr. CANNON. The conference report will be the first order of business on Friday morning?

Mr. DIRKSEN. So I am presently advised. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDING ACT MAKING APPROPRIATIONS TO PROVIDE FOR THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 1448, an act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902, with a Senate amendment, and concur in the Senate amendment, which is simply a clarifying amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 10, after "dwellings", insert "nor, for a rooming house offering accommodations for no more than four roomers."

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. MCCORMACK. Mr. Speaker, reserving the right to object, and I shall not object, I wanted to ask the gentleman from Illinois in connection with the Department of Agriculture Appropriation bill conference report if he can advise the House what specific matters are still in disagreement and will come up on specific questions tomorrow.

Mr. DIRKSEN. I am not sure that the chairman of the committee is empowered with authority to make such a statement.

Mr. MCCORMACK. Very well, I withdraw it. I appreciate the gentleman's position. I would not want to ask the gentleman any question that he feels, under the circumstances he could not, without consulting others, answer.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3864, an act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 3, line 6, strike out "be considered to have been erroneously collected" and insert "be subject to adjustment against subsequent contributions by him."

Page 3, lines 11 and 12, strike out "or a refund."

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO VARIOUS COMMITTEES TO SIT DURING SESSIONS OF HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Home Rule of the District of Columbia may sit during sessions of the House tomorrow morning.

The SPEAKER. During general debate?

Mr. DIRKSEN. I so modify my request.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Also, that on Saturday morning a special committee of the Committee on the District of Columbia may sit during sessions of the House.

The SPEAKER. During general debate?

Mr. DIRKSEN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit during general debate during sessions of the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit tomorrow during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. LUCAS, Mr. FISHER, and Mr. BURLESON asked and were given permission to extend their remarks in the Appendix of the RECORD on the subject of the President's flood-control program.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a table from the Tariff Commission.

Mr. GWINN of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein two letters on military training.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SHORT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

ADJUDICATION OF CERTAIN CLAIMS RESULTING FROM EVACUATION OF CERTAIN PERSONS OF JAPANESE ANCESTRY UNDER MILITARY ORDERS

Mr. BROWN of Ohio, from the Committee on Rules, reported the following privileged resolution (H. Res. 305) providing for the consideration of the bill (H. R. 3999) to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders (Rept. No. 970), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3999) to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

NATIONAL SCIENCE FOUNDATION ACT OF 1947

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, with a House amendment thereto and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOLVERTON, HINSHAW, HOWELL, PRIEST, and HARRIS.

TERMINATING CERTAIN EMERGENCY AND WAR POWERS

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 288 providing for the consideration of the joint resolution (S. J. Res. 123) to terminate certain emergency and war powers.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 123) to terminate certain emergency and war powers, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, House Resolution 208 makes in order the consideration for 1 hour of Senate Joint Resolution 123, which is a joint resolution to terminate certain emergency and war powers. This seems to be an agreed measure. My understanding is there is no controversy on the matter whatsoever and probably could be passed by the House by unanimous consent. However, a rule has been granted. I do not intend to take any further time to discuss the matter because I believe we will save a great deal of time by simply reporting the resolution.

Mr. SABATH. Mr. Speaker, as has been stated, this resolution repeals and terminates certain emergency and war powers which were needed during wartime. I think the time has arrived whereby these laws are no longer necessary. I have no opposition to the rule nor to the bill and I have no further requests for time on this side.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MICHENER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 123 to terminate certain emergency and war powers.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 123, with Mr. HERTER in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. MICHENER. Mr. Chairman, the committee reported this bill unanimously. The work on the bill was done chiefly by the gentleman from Indiana [Mr. SPRINGER] and his subcommittee. It is a very technical bill, and nothing will be gained by formally reading it at any stage of the proceedings. The bill contains many legal citations and references. His committee has checked

and rechecked all the citations of statutes which are repealed. Every one of these emergency laws are pronounced by the departments executing them to be needed no longer. Remember, these are statutes and not powers granted by the First and Second War Powers Acts. This bill deals with needless laws which are no longer necessary. No one is opposing this bill.

I yield to the gentleman from Indiana [Mr. SPRINGER] to make such explanation as he desires to make.

Mr. SPRINGER. Mr. Chairman, I will make a brief explanation of this measure to the House. Those who were here last year will recall that we passed H. R. 7147, which was a measure to repeal quite a number of war statutes which were passed for the purpose of implementing the war. Since that time quite a number of additional statutes have become outmoded and obsolete and unnecessary; so when this bill came over from the Senate we started working on it in Subcommittee No. 4 of the Committee on the Judiciary, and we have spent in all, I think, about 5 weeks working on it. The gentleman from Arkansas [Mr. CRAVENS] spent quite a lot of time on this measure, and he has done a splendid service in this respect, and we have finally worked out, with the Attorney General and three of his assistants, in conjunction with the heads of the various departments of our Government a measure, which is represented by Senate Joint Resolution 123, that is practically complete so far as we can now determine.

I hope each Member of the House will get a copy of the report on this bill which consists of some 40 printed pages. It contains cross references to the lines and pages of the bill and shows just exactly what particular law is affected by each particular item of repeal contained in the measure.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. In looking over the joint resolution, I fail to find where section 300 (a), which gives the Chief Executive power to freeze appropriations passed by Congress, has been annulled. I am wondering if the gentleman feels that the section giving him that executive power has not been outmoded now and is no longer necessary since the war is over.

Mr. SPRINGER. May I say that I am rather in complete accord with what the gentleman has said. I think perhaps that policy has been outmoded, but that provision of law is not contained in this particular measure.

May I say this, that there are a number of these statutes which must be repealed after we finish with this repeal measure, and those that are omitted from this particular measure will be included in the measure that will follow it.

May I say to the membership that when we began working on this list we found that there were some 960 special statutes that were enacted for the purpose of implementing the war. Quite a number of them were repealed in the repealer last year, and some of them were taken out when we amended the Second War Powers Act. Some of them were eliminated or their usefulness was entirely eliminated when the hostilities were terminated, and more recently, when the Second War Powers Act was again amended, and this repeal measure will take care of something like 193 special statutes which are still in force and which are unnecessary.

If there are any other questions, I will be glad to answer them at this time. However, by reason of the importance and highly technical nature of this measure, but few are qualified to speak upon it. We have examined a very large number of statutes in arriving at our decision on this measure and it is the considered judgment of the office of the Attorney General and the departments of Government, as well as the members of Subcommittee No. 4 of the Committee on the Judiciary, that this measure meets the present demand on this issue. It is my hope that this measure will be promptly and unanimously passed by the House.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, Senate Joint Resolution 123 has for its purpose the repeal of many wartime statutes. This is all to the good and I compliment the committee for bringing in a bill which terminates certain war powers of the Chief Executive and the agencies of Government.

During the war it was necessary to delegate a great deal of authority to the Chief Executive. Now that the war has been over nearly 2 years, it would certainly seem time to put an end to specific war-emergency statutes. I understand the committee has worked closely with the Attorney General's office and that the bill now presented terminates the obsolete, outmoded, and unneeded statutes that were in effect during the period of the war.

The chairman of the committee will remember that shortly after the fighting finished I introduced legislation which came before the Judiciary Committee which would not only declare the war officially ended but would terminate many of these wartime powers. In examining this particular piece of legislation I fail to find where the committee has nullified the power of the Chief Executive to freeze and make inoperative appropriation bills as passed by this Congress. I have a resolution before the Committee on Public Works, which would accomplish the purpose I have in mind and reads as follows:

Resolution to provide that Federal public works projects and programs shall be carried out to the full extent authorized by law

Resolved, etc., That, notwithstanding any moratorium or curtailment policy heretofore put into effect at the direction of the President, it shall be the duty of all officers, departments, and agencies of the Government to proceed, to the full extent authorized by law and the limit of present appropriations, with all Federal public works projects and programs coming under their jurisdiction.

My colleagues will remember that the day after the Congress adjourned in 1946 the Chief Executive saw fit to freeze certain funds designated for public works. This included funds for flood control, airports, irrigation projects, and many other worthy undertakings which previously had had his approval. The facts will show that when the bill for public works was sent to him, which included flood control and irrigation, he signed it in the presence of a score of Members of Congress and handed each of them a pen and remarked, "This is a great stride forward." Gentlemen, this stride was stopped in its tracks the day Congress adjourned because the Chief Executive saw fit to freeze these appropriations. Today we find that Congress and even the President feverishly working and asking for more appropriations for flood control and soil conservation. Is it possible that he might freeze this appropriation after Congress adjourns?

If he can freeze and nullify appropriations for flood control and irrigation he can do the same thing to other appropriations. It seems to me that this power, which I believe he claims under section 300 (a) of the Second War Powers Act, is entirely too much authority for the Chief Executive to have in times of peace. I am disappointed that the committee did not see fit to relieve the Chief Executive of the authority he apparently still retains to nullify any part or all of an appropriation bill. I would ask the chairman of the committee what his understanding might be relative to continuing this power of the President. Does he still have the power or has it been repealed?

Mr. SPRINGER. As the gentleman knows, Senate Joint Resolution 123 came from the Senate. They have evidently given no consideration to that matter. At the same time, they had been working with the Attorney General and with the deputies in that office for quite a long period of time when the bill finally came to us. When we received it we began working with those same gentlemen. We continued this work over a period of some 3 or 4 weeks, analyzing the particular statutes. May I say to the distinguished gentleman from Nebraska that in that examination we examined something over 1,000 statutes in order to determine which statutes should be repealed, which should be kept in part, and which should be kept in full for a short period of time. No doubt the gentleman will receive the relief he desires in a short time.

Mr. MILLER of Nebraska. I appreciate the chairman's explanations and the work the committee did do on wiping out some of the unnecessary delegated war powers in this bill. I am hopeful that a further examination will indicate that the authority that I have cited may also be discontinued if still in effect.

The CHAIRMAN. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the following statutory provisions are hereby repealed:

Act of June 10, 1942 (56 Stat. 351);

Section 207, title II, act of September 21, 1944 (58 Stat. 736);

Act of March 5, 1940 (54 Stat. 45), as amended;

Section 609, act of July 1, 1944 (58 Stat. 714, ch. 373);

Act of October 1, 1942 (56 Stat. 763, ch. 573);

Sections 2, 3, and 4, act of July 8, 1942 (56 Stat. 649);

Act of April 16, 1943 (57 Stat. 65), as amended;

Act of September 29, 1942 (56 Stat. 760);

Section 61 (b) of the National Defense Act of June 3, 1916, as added by the act of June 26, 1944 (58 Stat. 359, ch. 279);

Section 21 of the act of February 16, 1914 (38 Stat. 289);

Act of January 15, 1942 (56 Stat. 5, ch. 3);

Act of June 3, 1941 (55 Stat. 238, ch. 162), as amended;

The provision in the act of June 11, 1940, making appropriations for the Navy Department for the fiscal year 1941, under the heading "Bureau of Supplies and Accounts, Pay, Subsistence, and Transportation of Naval Personnel," prohibiting the payment of active-duty pay and allowances to retired officers except during the war or national emergency (54 Stat. 265, 275);

The provision in the act of February 7, 1942 (56 Stat. 63), under the heading "Marine Corps—Pay of officers, active list," relating to the availability of funds for the payment of active-duty pay to retired officers;

Section 2 of the act of February 15, 1879 (20 Stat. 295);

Act of May 29, 1945 (59 Stat. 226, ch. 137);

The provisions under the headings "Bureau of Engineering" and "Bureau of Construction and Repair," in the act of June 11, 1940 (54 Stat. 293), authorizing the Secretary of the Navy to exceed the statutory limit on repair and alterations to vessels commissioned or converted to meet the existing emergency;

Act of November 29, 1940 (54 Stat. 1219, ch. 923), as extended by the act of May 15, 1945 (59 Stat. 168, ch. 127);

The proviso of the act of February 7, 1942 (56 Stat. 63), that no officer of the Navy or Marine Corps who has been or hereafter may be adjudged fitted shall be involuntarily retired prior to 6 months subsequent to the termination of the existing national emergency;

Act of December 2, 1944 (58 Stat. 793);

Act of February 21, 1942 (56 Stat. 97, ch. 107);

Act of April 9, 1943 (57 Stat. 61, ch. 40);

The proviso of the act of June 26, 1940 (54 Stat. 599), under the heading "Council of National Defense," that until such time as the President shall declare the present emergency at an end the head of any department or independent establishment of the Government, notwithstanding the provisions of existing law, may employ, with the approval of the President, any person of outstanding experience and ability at a compensation of $1 per annum;

The provision of the act of July 2, 1942 (56 Stat. 548), as amended, which permits the Secretary of the Interior, or any official to whom he may delegate such authority, to appoint, without regard to the Classification Act of 1923, as amended, skilled and unskilled laborers, mechanics, and other persons engaged in a recognized trade or craft, including foremen of such groups;

Act of December 22, 1942 (56 Stat. 1070, ch. 801);

The provisions under the heading "Department of Agriculture, Surplus Marketing Administration," and "Department of the Interior, Government in the Territories," contained in the act of December 23, 1941 (55 Stat. 855, 856–857);

Section 8 of the act of June 9, 1943 (57 Stat. 126);

Section 301 of the act of September 9, 1940 (54 Stat. 884), as amended;

The provision in the First Deficiency Appropriation Act of 1942, under the heading "Selective Service System," relating to the presentation of quarterly reports to the Postmaster General (56 Stat. 101);

Act of July 9, 1943 (57 Stat. 390, ch. 209);

Section 5 of the act of June 28, 1944 (58 Stat. 394);

Section 2883 (c) of the Internal Revenue Code, added by the act of January 24, 1942 (56 Stat. 17);

Section 2883 (d) and (e) of the Internal Revenue Code, added by the act of March 27, 1942 (56 Stat. 187);

Act of December 20, 1944 (58 Stat. 817, ch. 609);

The provision in the Interior Department Appropriation Act, 1945, under the heading "Water conservation and utilization projects," relating to the use of the services or labor of prisoners of war, enemy aliens, and American-born Japanese (58 Stat. 463, 491);

Section 6 (b) of the act of March 11, 1941 (55 Stat. 33), as amended;

Act of December 17, 1941 (55 Stat. 808, ch. 588) as amended;

Section 606 (h) of the Communications Act of 1934 added by the act of December 29, 1942 (56 Stat. 1095);

Act of April 29, 1942 (56 Stat. 265, ch. 266);

Act of May 14, 1940 (54 Stat. 216, ch. 201), as amended;

Act of June 11, 1940 (54 Stat. 306, ch. 327), as amended;

Act of July 29, 1940 (54 Stat. 689, ch. 447), as amended;

Act of October 10, 1940 (54 Stat. 1092, ch. 838), as amended;

Act of May 2, 1941 (55 Stat. 148), as amended;

Act of June 14, 1941 (55 Stat. 591, ch. 297), as amended;

Section 3 (i) of the act of March 24, 1943 (57 Stat. 45, 51);

The proviso of subsection (h) of section 511 of the Merchant Marine Act, 1936, added by the act of June 17, 1943 (57 Stat. 158);

Section 1 of the act of April 24, 1944 (58 Stat. 216), except that any suspension of the statute of limitations heretofore provided for in an agreement entered into under the authority of such section shall continue in effect for the period provided in such agreement, but in no case longer than 2 years after the date of the approval of this resolution;

Act of April 11, 1942 (56 Stat. 217);

Section 3 of the act of July 11, 1941 (55 Stat. 585);

Act of November 23, 1942 (56 Stat. 1020), as amended;

Act of October 29, 1942 (56 Stat. 1012);

Section 303 of the act of December 18, 1941 (55 Stat. 840);

Section 12 of the act of June 11, 1942 (56 Stat. 357), except that outstanding certificates issued thereunder shall continue in effect for a period of 6 months from the date of the approval of this joint resolution unless sooner revoked;

Act of July 12, 1943 (57 Stat. 520);

Act of June 5, 1942 (56 Stat. 323, ch. 346);

Act of January 2, 1942 (55 Stat. 881, ch. 646);

Act of December 24, 1942 (56 Stat. 1080, ch. 812);

Act of July 8, 1943 (57 Stat. 390, ch. 200);

The provisions of the act of November 19, 1941 (55 Stat. 765), as amended, relating to the availability for expenditure of funds appropriated pursuant to said act, as amended.

SEC. 2. Notwithstanding the termination date or termination period heretofore provided therefor by law, the following statutory provisions are repealed effective upon the date hereinafter specified, or upon the expiration of the period hereinafter specified, and shall remain in full force and effect until such date or until the expiration of such period. Such statutory provisions are herewith amended accordingly:

a. Repeal effective July 1, 1948:

Act of July 8, 1941 (55 Stat. 579, ch. 278), and the act of June 22, 1943 (57 Stat. 161, ch. 137);

Section 2 of the act of November 17, 1941 (55 Stat. 764);

Act of March 13, 1942 (56 Stat. 171);

Act of June 27, 1942 (56 Stat. 461, ch. 455);

Act of July 1, 1943 (57 Stat. 371), and the act of May 14, 1942 (56 Stat. 278), as amended;

Act of September 22, 1941 (55 Stat. 728, ch. 414), as amended;

The provision in the Second Supplemental National Defense Appropriation Act, 1943, under the heading "Federal Works Agency, Public Buildings Administration," relating to the authority of the Commissioner of Public Buildings to designate employees as special policemen (56 Stat. 990, 1000);

Act of July 29, 1941 (55 Stat. 606, ch. 326),

b. Repeal effective 6 months after the date of this joint resolution:

Act of January 27, 1942 (56 Stat. 19, ch. 21, as amended);

Act of December 17, 1942 (56 Stat. 1056);

Section 610 (c) of the act of July 1, 1944 (58 Stat. 682, 714);

Act of October 10, 1942 (56 Stat. 780, ch. 588);

Act of June 28, 1944 (58 Stat. 463, ch. 297);

Act of July 9, 1943 (57 Stat. 391, ch. 213); as amended.

c. Repeal effective 1 year after the date of this joint resolution.

Section 1 of the act of July 20, 1942 (56 Stat. 662);

Section 605 (c) of the act of July 1, 1944 (58 Stat. 682, 713).

SEC. 3. In the interpretation of the following statutory provisions, the date when this joint resolution becomes effective shall be deemed to be the date of the termination of any state of war heretofore declared by the Congress and of the national emergencies proclaimed by the President on September 8, 1939, and on May 27, 1941;

Act of July 1, 1941 (55 Stat. 498), as amended;

Act of February 28, 1945 (59 Stat. 9, ch. 15);

Section 86 of the act of June 3, 1916 (39 Stat. 204);

Act of July 2, 1917 (40 Stat. 241), as amended;

Section 16 of the act of June 10, 1920 (41 Stat. 1072);

Act of February 26, 1925 (43 Stat. 984, ch. 340);

Act of April 12, 1926 (44 Stat. 241);

Act of May 29, 1926 (44 Stat. 677, ch. 424);

Section 20 of the act of May 18, 1933 (48 Stat. 68);

The provision of the act of May 15, 1936 (49 Stat. 1292), which authorizes the United States to control and operate the Little Rock Municipal Airport without rental or other charge in time of national emergency;

Act of May 27, 1939 (49 Stat. 1387);

Provisions authorizing the assumption of possession and control of the areas specified in the following statutes or parts of statutes: Section 3 of the act of June 21, 1938 (52 Stat. 834); act of June 20, 1936 (49 Stat. 1557, ch. 636); act of August 19, 1937 (50 Stat. 696, ch. 697); section 4 of the act of February 28, 1933 (47 Stat. 1368);

Section 5 (m) of the act of May 18, 1933 (48 Stat. 62);

Act of December 26, 1941 (55 Stat. 863, ch. 633);

Act of January 26, 1942 (56 Stat. 19);

Section 120 of the act of June 3, 1946 (39 Stat. 213, 214);

Provision of Naval Appropriation Act for the fiscal year 1917 (act of Aug. 29, 1916, 39 Stat. 602), under the heading "Lighthouse Service," authorizing the President to transfer vessels, equipment, stations, and personnel of the Lighthouse Service (now Coast

Guard under Reorganization Plan No. II) to the jurisdiction of the Navy or War Department;

Section 16 of the act of May 22, 1917 (40 Stat. 87);

Provision of chapter XVIII of the act of July 9, 1918 (40 Stat. 892), as amended by the act of November 21, 1941 (55 Stat. 781, ch. 499), extending the time for examination of accounts of Army disbursing officers;

Section 69 of the National Defense Act of June 3, 1916, as amended by section 7 of the act of June 15, 1933 (48 Stat. 156);

The provision authorizing the extension of enlistments in the Regular Army or the Enlisted Reserve Corps, in force at the outbreak of war or entered into during its continuation, for 6 months after its termination, contained in the act of March 15, 1940 (54 Stat. 53, ch. 61);

Act of May 14, 1940 (54 Stat. 213);

Section 2 of the act of December 13, 1941 (55 Stat. 799, ch. 571);

Chapter II, articles 2 (d), 48, 58, 59, 74, 75, 76, 77, 78, 79, 104, and 119 of the act of June 4, 1920 (41 Stat. 759, ch. 227);

Paragraph 3 of section 127a as added to the act of June 3, 1916 (39 Stat. 166), by section 51 of the act of June 4, 1920 (41 Stat. 759, ch. 227);

Revised Statutes, 1166;

The fourth proviso of section 18 of the act of February 2, 1901 (31 Stat. 748, ch. 192);

Provision of the act of July 9, 1918 (40 Stat. 861), making appropriations for the Army for the fiscal year 1919, under the heading "Barracks and quarters," authorizing the Secretary of War to rent or lease buildings in the District of Columbia necessary for military purposes;

Section 111 of the act of June 3, 1916 (39 Stat. 211), as amended;

Section 363 of title III of the act of July 1, 1944 (58 Stat. 682, ch. 373);

Act of December 26, 1941 (55 Stat. 862, ch. 629), as amended by the act of December 23, 1944 (ch. 720, 58 Stat. 923);

Act of February 20, 1942 (56 Stat. 94);

Provision of Naval Appropriation Act for the fiscal year 1917 (act of Aug. 29, 1916, 39 Stat. 581), under heading "Officers for engineering duty only," authorizing the Secretary of the Navy to recall to active duty enlisted men on furlough without pay to complete the enlistment period;

Act of August 18, 1941 (55 Stat. 629);

Section 2 of the act of December 13, 1941 (55 Stat. 799, ch. 570);

Revised Statutes, 1420, as amended by section 2 of the act of January 20, 1944 (58 Stat. 4, ch. 2);

Provision of the act of August 29, 1916 (39 Stat. 614), which authorizes Marine Corps training camps for the instruction of citizens to be in existence for a period longer than 6 weeks in each fiscal year in time of actual or threatened war;

Revised Statutes, 1624, article 4, paragraphs 6, 7, 12–20, and article 5;

Act of March 22, 1943 (57 Stat. 41);

Revised Statutes, 1462–1464;

Provision of the Naval Appropriation Act for the fiscal year ending June 30, 1917 (act of Aug. 29, 1916, 39 Stat. 591), under the heading "Fleet Naval Reserve," authorizing the Secretary of the Navy to call retired enlisted men into active service;

Provisions contained in the act of July 1, 1918 (40 Stat. 717), as amended (14 U. S. C. 164, 165), which authorize commissioned or warrant officers on the retired list to be ordered to active duty and to be temporarily advanced on the retired list, so far as such provisions pertain to personnel of the Coast Guard;

Act of April 8, 1946 (Public Law 337, 79th Cong.);

Section 4 (c) of the act of August 10, 1946 (Public Law 720, 79th Cong.);

Revised Statutes, 1436;

First proviso of section 18 of the act of May 22, 1917 (40 Stat. 84, 89);

Act of October 6, 1917 (40 Stat. 393, ch. 93), as amended;

Section 11 (c) of the act of June 23, 1938 (52 Stat. 948);

Section 10 of the act of June 14, 1940 (54 Stat. 394);

Section 18 of the act of August 2, 1946 (Public Law 604, 79th Cong.);

Provisions of the act of March 4, 1917 (39 Stat. 1192–1193); the act of May 13, 1942 (56 Stat. 277, ch. 304); sections 3 and 4 of the act of July 9, 1942 (56 Stat. 656); the act of June 17, 1943 (57 Stat. 156, ch. 128); the act of June 26, 1943 (57 Stat. 209); and the act of May 31, 1944 (58 Stat. 265, ch. 218), which authorize the President or the Secretary of the Navy to acquire, through construction or conversion, ships, landing craft, and other vessels;

Section 10 of the act of May 14, 1930 (46 Stat. 329, 332);

Act of May 29, 1930 (46 Stat. 479, ch. 350);

Section 7 of the act of April 26, 1898 (30 Stat. 365);

Act of March 7, 1942 (56 Stat. 143–148, ch. 166), as amended;

Sections 3 and 12 of the act of February 21, 1946 (Public Law 305, 79th Cong.);

Section 1 of the act of July 20, 1942 (56 Stat. 662, ch. 508), as amended;

Act of December 17, 1942 (56 Stat. 1056, ch. 763);

Act of March 17, 1916 (39 Stat. 36, ch. 46);

Act of April 11, 1898 (30 Stat. 737);

Act of March 3, 1925 (43 Stat. 1109, 1110);

Section 1 of the act of July 2, 1940 (54 Stat. 724, ch. 516);

Section 4 of the act of July 7, 1943 (57 Stat. 388);

Act of May 18, 1946 (Public Law 385, 79th Cong.);

Section 2 of the act of August 8, 1946 (Public Law 697, 79th Cong.);

Section 4 (b) of the act of July 2, 1940 (54 Stat. 712, 714);

Act of December 17, 1942 (56 Stat. 1052);

Section 3 of the act of June 27, 1944 (58 Stat. 387, ch. 287);

Act of December 23, 1944 (58 Stat. 926, ch. 726);

Act of March 7, 1942 (56 Stat. 143, ch. 166), as amended;

Section 1 of the act of December 7, 1945 (59 Stat. 603, 604);

Act of December 10, 1942 (56 Stat. 1045);

Act of December 26, 1941 (55 Stat. 858), as amended, except that the Commissioners of the District of Columbia may continue to exercise the authority under sections 7 and 9 of such act, as amended, until not later than June 30, 1948, and the provisions of sections 11 and 12 of such act, as amended, shall continue to apply to cases in which the authority under sections 7 and 9 is exercised;

Proviso of section 303 (c) of the act of October 14, 1944, as added by the act of February 18, 1946 (Public Law 301, 79th Cong.);

Sections 119 and 156 of the act of October 21, 1942 (56 Stat. 814, 852–856);

Section 500 (a) of the act of July 22, 1944 (58 Stat. 291, ch. 268), as amended;

Section 201 of the act of August 10, 1946 (Public Law 719, 79th Cong.);

Act of July 31, 1945 (59 Stat. 511, ch. 338);

Section 6 of the act of February 4, 1887 (24 Stat. 379), as amended;

Provision of the act of August 29, 1916 (39 Stat. 619, 645), which empowers the President in time of war to take control of transportation systems;

Subsection (15) of section 402 of the act of February 28, 1920 (41 Stat. 477 (15));

Section 420 of the act of May 16, 1942 (56 Stat. 298);

Act of July 30, 1941 (55 Stat. 610);

Section 606 of the act of June 19, 1934 (48 Stat. 1104), as amended;

Section 4 of the act of July 15, 1918 (40 Stat. 901), as amended;

Sections 302 (h) and 712 (d) of the act of June 29, 1936 (49 Stat. 1993 and 2010);

Sections 1 (d) and 3 (a) of the act of August 7, 1939 (53 Stat. 1254 and 1255);

Section 2 of the act of October 22, 1914 (38 Stat. 765, ch. 334); act of May 10, 1943 (57 Stat. 82);

Section 1 (b) and subsections 2 (a), 2 (b), and 2 (c) of the act of August 8, 1946 (Public Law 660, 79th Cong.);

Section 1 of the act of January 28, 1915 (38 Stat. 800–801);

Provision of Naval Appropriation Act for the fiscal year 1917 (act of August 29, 1916, 39 Stat. 600), under heading "Coast Guard," subjecting personnel of the Coast Guard operating as part of the Navy to the laws governing the Navy;

Section 1 of the title II of the act of June 15, 1917 (40 Stat. 220);

Provision of Naval Appropriation Act for the fiscal year 1917 (act of August 29, 1916, 39 Stat. 601), under heading "Coast Guard," authorizing the Secretary of the Navy to man any Coast Guard station or maintain any house of refuge as a Coast Guard station;

Title II of the act of February 19, 1941 (55 Stat. 11), as amended;

Act of December 16, 1941 (55 Stat. 807, ch. 586);

Provisions appearing under the heading "Limitations upon prosecution," relating to crimes committed 2 years before arraignment, except for desertion committed in time of war, of the act of June 4, 1920 (41 Stat. 794);

Act of July 1, 1944 (58 Stat. 677, ch. 368);

Section 1 of the act of October 9, 1940 (54 Stat. 1061, ch. 788);

Section 2 of the act of June 19, 1912 (37 Stat. 138);

Provision of Naval Appropriation Act for the year 1918 (act of Mar. 4, 1917, 39 Stat. 1192), authorizing the President to suspend provisions of the 8-hour law to contracts with the United States;

Section 6 of the act of March 3, 1931, as added by the act of August 30, 1935 (49 Stat. 1013, ch. 825);

Provision of Naval Appropriation Act for the fiscal year 1917 (act of Aug. 29, 1916, 39 Stat. 558), under heading "Pay, miscellaneous," for the admission for treatment of interned persons and prisoners of war, under the jurisdiction of the Navy Department, to the Government Hospital for the Insane;

Section 604 of the act of July 1, 1944 (58 Stat. 712, ch. 373);

Section 400 (b) of the act of June 22, 1944 (58 Stat. 288), as amended;

Act of July 11, 1946 (Public Law 499, 79th Cong.);

Act of July 9, 1942 (56 Stat. 654);

Act of June 19, 1936 (49 Stat. 1535).

SEC. 4. The first sentence of section 3805 of the Internal Revenue Code, as added by section 507 (a) of the act of October 21, 1942 (56 Stat. 798, 963), is hereby amended to read as follows:

"In the case of any taxable year beginning after December 31, 1940, no Federal income-tax return of, or payment of any Federal income tax by, any corporation organized under the China Trade Act, 1922 (42 Stat. 849, U. S. C., title 15, ch. 4), shall become due until January 1, 1948."

SEC. 5. Nothing herein contained shall be held to exempt from prosecution or to relieve from punishment any offense heretofore committed in violation of any act.

Mr. MICHENER (interrupting the reading of the joint resolution). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the committee amendments as follows:

Page 4, line 11, add an "s" to the word "heading."

Page 4, line 14, strike "855."

Page 4, strike line 16.

Page 5, strike lines 1 to 5, inclusive.

Page 5, between lines 12 and 13, add in paragraph form the following:

"Section 19 of the act of February 26, 1944 (58 Stat. 104);

"The provision of section 8 (b) of the act of July 30, 1941 (55 Stat. 611), as amended, conferring certain authority upon the President."

Page 6, line 2, change "June" to "July."

Page 6, strike lines 6, 7, and 8.

Page 6, line 14, strike "the approval of this resolution" and substitute therefor "enactment of this joint resolution."

Page 6, line 25, strike "the approval" and substitute therefor "enactment."

Page 7, strike lines 22 and 23.

Page 8, line 10, insert "enactment of" after the word "of."

Page 8, strike lines 14 and 23.

Page 8, line 21, insert "enactment of" after the word "of."

Page 9, line 7, strike the parenthesis after "amended" and insert a parenthesis between the number "498" and the comma following the number.

Page 9, line 20, strike "1939" and substitute therefor "1936."

Page 10, line 16, insert "Provision of" before the word "Section"; change the capital letter "S" in "Section" to the small letter "s"; insert between the close parenthesis and the semicolon "authorizing the President to transfer vessels, equipment, stations, and personnel of the Coast and Geodetic Survey to the jurisdiction of the War or Navy Departments."

Page 15, strike lines 11 and 12.

Page 15, line 24, strike "1944" and substitute therefor "1940."

Page 16, strike lines 1 and 2.

Page 16, line 3, add an "s" to the word "Section" to make it plural; insert "and 507" after "500 (a)"; strike "July" and substitute therefor "June."

Page 16, between lines 6 and 7, insert a new line reading:

"Section 700 (a) of the act of June 22, 1944 (58 Stat. 295)."

Page 16, strike lines 8 to 15, inclusive.

Page 16, strike lines 21 to 24, inclusive, and substitute therefor:

"Sections 302 (h), 712 (d), and 902 (a) of the act of June 29, 1936 (49 Stat. 1993, 2010, and 2015), as amended."

Page 17, line 2, after the first semicolon insert "Section 4 of the."

Page 17, line 7, between the parenthesis and the semicolon insert ", as amended."

Page 18, between lines 20 and 21, insert a new line reading:

"Act of March 24, 1943 (57 Stat. 43, ch. 22), as amended."

Page 18, line 22, between "amended" and the semicolon insert ", except paragraph 12 of such section."

Page 19, line 1, change the period to a semicolon and add a new line between lines 1 and 2 reading:

"Act of December 19, 1941 (55 Stat. 844), as amended."

Page 19, strike lines 2 to 10, inclusive, and substitute therefor the following:

"SEC. 4. For the purposes of article IV of the act of October 17, 1940 (54 Stat. 1183-1186), as amended, the present war shall be deemed to have terminated within the meaning of section 604 (54 Stat. 1191) of the said act, as of the effective date of this joint resolution."

Mr. MICHENER (interrupting the reading of the amendments). Mr. Chairman, this is a very technical bill, and the amendments are technical ones. I ask unanimous consent that the committee amendments be considered as read and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. SPRINGER. Mr. Chairman, I offer an additional committee amendment, which is at the Clerk's desk. I shall offer several additional amendments which are not in the bill as reported.

The Clerk read as follows:

Committee amendment offered by Mr. SPRINGER: Page 8, line 10, insert between the word "amended" and the semicolon the following: ": *Provided, however,* That so long as the Secretary of War deems it necessary in the interest of national defense, each man who has completed a course of medical instruction at Government expense in a university, college, or other similar institution of learning, pursuant to the provisions of the act of February 6, 1942 (56 Stat. 50, ch. 40), as amended, shall not be relieved from active duty until the completion of 2 years of active service as a commissioned officer, exclusive of any periods during which he served as an interne."

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer another committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SPRINGER: Page 7, line 17, before the period at the end of line 17 insert the following: ", except that such funds shall remain available for the completion of access road projects which are now under construction."

Page 7, line 16, strike the word "expenditure" and substitute therefor the word "obligation."

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer another committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SPRINGER: Page 10, strike lines 24 and 25, and page 11, strike lines 1, 2, and 3, substituting therefor the following:

"Section 16 of the act of May 22, 1917 (40 Stat. 87)."

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer another committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SPRINGER: Page 20, strike out lines 11, 12, and 13 (all of section 5).

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer another committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SPRINGER: Page 10, strike out lines 11 and 12.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (S. J. Res. 123) pursuant to House Resolution 288, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. R. 2239

Mr. SHAFER. Mr. Speaker, on behalf of my colleague the gentleman from Michigan [Mr. HOFFMAN], I ask unanimous consent to file a supplemental report on the bill H. R. 2239. Since filing the original report No. 734, we find that it does not comply with the Ramseyer rule.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PACIFIC MARINE FISHERIES COMMISSION

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3598, an act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries—marine, shell, and anadromous—of the Pacific coast and creating the Pacific Marine Fisheries Commission, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out all after "Washington" over to and including "expedient", in line 11, page 2.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. JACKSON of Washington. Mr. Speaker, reserving the right to object, will the gentleman explain the effect of the amendment?

Mr. WEICHEL. I yield to the gentleman from California [Mr. ALLEN] to explain the amendment.

Mr. ALLEN of California. Mr. Speaker, the amendment strikes out a proviso that was inserted subsequent to the ratification of the act by the various State legislatures. The practice which the proviso sets forth is intended to be followed; but if the proviso is not stricken, it may be that the legislation will be delayed in its operation until the State legislatures can reconvene.

It is agreeable, therefore, to strike that provision.

Mr. JACKSON of Washington. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. WEICHEL]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL MINERAL RESOURCES DIVISION, DEPARTMENT OF THE INTERIOR

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 268.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1602) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Lands now printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, as you know, the Subcommittee on Foot and Mouth Disease of the Committee on Agriculture made a trip to Mexico to make an investigation of the foot-and-mouth-disease situation in that country. We have made that investigation and now wish to make a report to the House this afternoon.

What I want to do is to give you the recommendations, observations, and conclusions of the committee. I may preface the report by saying that it has been arranged first to give a narration of our activities; second, to set forth our observations and conclusions. The observations have been separated into affirmative observations and negative observations, the affirmative being encouraging and the negative indicative of difficulties to be overcome.

The committee was impressed with the high degree of cooperation between the Mexican and the American officials engaged in the fight against this aftosa disease, as the Mexicans call this disease. Operations appear to be conducted throughout in the most genial and cooperative manner. The morale of those engaged in the field operations appears to be very high. Even in the face of what seemed to this committee to be some very formidable difficulties, the Mexican Government appears to be giving this campaign its complete support.

The committee believes that the American people should recognize and understand the high degree of courage it takes for the Mexican Government to support this program. For centuries the ox has been and remains today almost the universal draft animal in Mexico. The farmer's oxen are almost as dear to him as the members of his family. They are in addition his only means of support. It takes political courage of a high degree to tell farmers, most of them too little educated to understand the broad implications of this situation, that their oxen must be slaughtered and buried in this campaign.

(The report referred to follows:)

FOOT AND MOUTH DISEASE IN MEXICO

A REPORT WITH RECOMMENDATIONS

The committee left Washington by chartered Army plane on the morning of Saturday, June 28, 1947. The party consisted of the following: Representative George W. Gillie, chairman of the Foot and Mouth Disease Subcommittee of the House Committee on Agriculture; Senator Edward J. Thye, a member of the Foot and Mouth Disease Subcommittee of the Senate Committee on Agriculture and Forestry; Representatives Ernest K. Bramblett and Eugene Worley of the House Committee on Agriculture; Representative H. Carl Andersen of the House Appropriations Committee; Representatives A. L. Miller and Antonio M. Fernandez of the House Committee on Public Lands; John J. Heimburger, a member of the professional staff of the House Committee on Agriculture; and Z. W. Johnson of the office of the House Sergeant at Arms.

The committee flew first to Amarillo, Tex., where it met Sunday morning with a large group of cattlemen from northern Texas and nearby States. These included Judge Joe Montague, secretary of the Southern Western Cattlemen's Association; Chansler Weymouth, president of the association; Jay Taylor, a former president of the association; and other representative ranchers from that area.

On Sunday the committee flew to Kingsville, Tex., where a meeting was held that night with cattlemen from the border area of the State. These included Robert J. Kleberg, Jr., president and manager of the King Ranch; Richard M. Kleberg, Jr.; Claude McCann, manager of the McFaddin Ranch and a member of the Texas Sanitary Commission; Ewing Halsell, owner of ranches in both Mexico and the United States; and other ranchers from that area.

The committee arrived in Mexico City Monday afternoon and went immediately to the headquarters of the Joint United States-Mexican Commission for the Eradication of Foot and Mouth Disease for a conference with directors and members of the headquarters staff. Later in the afternoon the committee conferred with the Minister of Agriculture of Mexico, and that evening met with the Permanent Committee of the Mexican Congress.

The group left the hotel by automobile at 7 a. m. Tuesday morning for a tour of the outlying infected area. The group included, in addition to the members of the committee, the following: Dr. M. S. Shahan, American Co-Director of the Joint Commission; Don Stoops, Agricultural Attache of the American Embassy and a member of the Commission; Dr. Leroy Noyes, Assistant Director of the Joint Commission; Lic. Oscar Flores, Under Secretary of Agriculture of Mexico and Mexican Co-Director of the Joint Commission; Dr. Fernando Camargo, chief of the Livestock Scientific Investigation Commission of Mexico; Col. Jose M. Clave, Mexican Army; Pancho Scanlon, Administrative Officer of the Joint Commission; Charles Bernhart, Director of Information; Senator Jose Gomez Esparza, member of the Permanent Committee of the Mexican Congress.

The committee stopped on its way out of Mexico City at the building on the grounds of the Mexico Agricultural College which has been turned over to the Commission for warehouses and shop purposes. Here the group inspected equipment and supplies arriving for use in the campaign, observed the shops which are being set up for repair of automobiles or equipment, and was outfitted with rubber boots, raincoats, gloves, and hats for use in the infected area. These garments are worn over other clothes so that they may be disinfected when leaving an infected zone.

Leaving Mexico City, the party drove northward more than 100 miles into the State of Hidalgo and turned westward at Zimapan, which is within a few miles of the northern limits of the infection. Traveling westward into the State of Queretaro, the party met an army group near San Juan del Rio with the information that burial operations were to start the next day on a herd of cattle in the vicinity and that digging equipment was then on its way in. The party drove off the main road about 5 miles to observe this herd. On the way in it passed a heavy drag-line shovel being taken in on a huge semitrailer. The herd was found being rounded up near a small lake. Inspection by veterinarians in the party disclosed that the disease had been present in the herd for several weeks. Here the party got its first glimpse of the quarantine established around infected herds by the Mexican Army. In addition to sentries maintaining a quarantine line immediately around the herd, the party found two other road blocks and disinfecting stations on the road leading from the main highway to the lake where the herd was being assembled.

Proceeding westward, the party was informed at the city of Queretaro, where a stop was made for lunch, that a new outbreak had been reported the day before about 15 miles up in the mountains from that city. The party determined to observe the manner in which this outbreak was being handled and set off on the road leading to the spot. The road was so difficult, although weather conditions were not unfavorable, that it took almost 6 hours to make the trip of approximately 15 miles and return. The infected animals were found to be oxen belonging to a small farmer in the area. Although diagnosis had been made definitely only the day before, Mexican soldiers were already on quarantine duty at the spot, another squad was proceeding to the area for the establishment of a quarantine station, and a temporary bridge was being built across a small stream, in which cars of the party became stuck and had to be pushed, in order to provide access for automobiles. In spite of these early evidences of activity, however, it was estimated that it would be at least 2 weeks before the infected and exposed animals could be disposed of, because the equipment and personnel were busy elsewhere.

The following day, driving southward from Celaya in the State of Quanajuato, the party passed through a valley about 55 miles long and 35 miles wide in which it was stated that all the susceptible animals—cattle, hogs, sheep, and goats—had been removed. Farming in this area was being done with mules which had been imported to replace the traditional oxen as draft animals. At Salvatierra the party witnessed the distribution of mules, harness, and plows. These are provided to farmers as replacements for their slaughtered oxen.

Under the system of distribution now in operation, the farmer is paid in cash for oxen which are destroyed in the campaign. He is later permitted to buy a team of mules, harness, and a single-shovel steel plow for the exact amount of cash he received for his yoke of oxen. At the time he receives the plow he must turn in his old wooden plow.

South of Salvatierra the committee observed burial operations in progress. Approximately 500 cattle, mostly oxen, were being killed and buried in two huge trenches dug with a bulldozer. Animals were driven to the point by their owners, usually accompanied by the entire family, and were appraised and buried on the spot. Ordinarily owners are paid in cash for their animals at the time they are appraised, but on this particular occasion the Mexican paymaster had not yet put in an appearance and the burial operations were being considerably slowed by the reluctance of most owners to part with their animals before they had been paid.

On Thursday the committee drove westward almost to the western extreme of the State of Michoacan where, near the town of Sahuayo, considerable difficulty in appraising heards of dairy cows has been encountered. The committee looked at a herd of grade Holstein cows on which negotiations over the amount of indemnity were then in progress. It was stated that the owner wanted an indemnity which would average $110 per cow. Commission appraisers said that they had killed and buried a herd the day before very similar to the ones the committee saw and that the indemnity paid for that herd was as follows: Twenty-eight cows at approximately $110 each, 13 at $100 each, 31 at $90 each, and 5 at $60 each.

Returning to Mexico City late Thursday night, the committee continued its activities on Friday, July 4, conferring with officials of the Mexican Government and holding further conferences at the Commission headquarters. On Saturday the committee held its final conference at the Commission headquarters, conferred again with Mexican Minister of Agriculture, and visited the Mexican Congress.

The committee left Mexico City for Washington by airplane at 7 a. m., Sunday, July 6.

Observations and conclusions

By the time the committee set out on its inspection tour it had, by reason of its conferences at Amarillo and Kingsville, Tex., and in Mexico City, a fairly accurate idea of what to look for in the field. Since the factual data observed were so extensive and varied, it seems to the committee that its observations can best be reported in the form of conclusions or opinions arrived at by the individual members as they saw what was actually being done and tried to fit what they saw into the pattern of the job ahead.

For purposes of clarity in reporting, the conclusions or opinions reached by members of the committee have been arbitrarily divided into those that are affirmative or encouraging, and those that may be regarded as negative or indicative of difficulties to be overcome.

Affirmative observations

1. Cooperation: The committee was impressed with the high degree of cooperation between the Mexican and the American officials engaged in this fight against "aftosa," as the Mexicans call foot-and-mouth disease. Operations appeared to be conducted throughout on a most congenial and cooperative basis.

2. Morale: The morale of those engaged in the field operations appeared to be very high—even in the face of what seemed to the committee to be some very formidable difficulties.

3. Support: The Mexican Government appears to be giving the campaign its complete support. The committee believes that the American people should recognize and understand the high degree of courage it takes for the Mexican Government to support this program. For centuries the ox has been, and remains today, almost the universal draft animal in Mexico. A farmer's oxen are almost as dear to him as members of his family. They are, in addition, his only means of support. It takes political courage of a high degree to tell farmers, most of them too little educated to understand the broad implications of the situation, that their oxen must be slaughtered and buried in this campaign, even though they may have no sign of disease. It must be remembered, too, that in Mexico, as in the United States, there is always an opposition political party, ready to make political capital out of any mistakes of the administration—and that as regards the aftosa campaign this party has not been silent.

In spite of these considerations, the committee believes that the Mexican Government is sincerely and effectively behind the campaign to eradicate aftosa and that the committee will continue to have its fullest support.

4. Acceptance: Since the first of the year, the Mexican Government has been waging a strong campaign of education. At first the eradication program was opposed by the great majority of farmers. At the present time, it was estimated by the Minister of Agriculture, at least 90 percent of the rural population has been won over to support this program.

This trend is being accelerated as mules, harness, and plows are being made available to farmers as replacements for their oxen. There was considerable indication that Mexican farmers are already sold on the advantages of mules over oxen as draft animals and that there is a growing willingness on their part, if not an actual desire, to exchange their plodding oxen for the more agile mules.

5. Quarantine: The committee did not see the major military quarantine line that has been thrown across the country from Tampico, on the Gulf, westward and southward to the state of Colima, on the Pacific Coast. It was informed, however, by numerous observers, including ranchers from northern Mexico, that this quarantine line is pretty effective. The committee was favorably impressed with the many quarantine lines which it found within the infected zone.

As soon as an outbreak is reported, a quarantine enforced by the Mexican Army is placed around the infected herd or area. This quarantine is as small as possible to contain the actual exposed and infected cattle.

Where there are several outbreaks in an area, or where a whole area within the infected zone is regarded as infected, a quarantine is placed around such area in an effort to prevent the spread into uninfected areas within the large infected zone.

Wherever a road crosses a quarantine line there is a disinfection station, where any person or vehicles passing from the infected areas are disinfected. Vehicles are driven through tanks in which disinfecting liquid covers the tires. The occupants walk through troughs in which the liquid is held in saturated sawdust. Trucks passing through quarantine lines are sprayed inside and out.

On its 850-mile auto trip, the committee estimated that it passed through about 75 such road blocks and disinfection stations. The quarantine is entirely the responsibility of the Mexican Army and it was reported that more than 15,000 soldiers are being used for this purpose. The committee was, on the whole, favorably impressed with the quarantine and disinfection precautions.

6. Personnel: New personnel has recently been added to the headquarters staff in Mexico City and is being added in the field. This appears to have increased considerably the efficiency and capacity of the headquarters and to be improving the operations in the field. Much additional personnel is needed for the field operations.

7. Equipment: American equipment and supplies did not arrive in Mexico in volume until June. It is apparently being utilized as well as possible with the available manpower, and progress since its arrival is about all that could be expected. Following is a list of the major equipment on hand at the time of the committee's visit:

Track-type gasoline power shovels	10
Bulldozers	16
Jeeps	100
Weapon carriers	100
Tank trucks	5
Power spray units (for disinfecting)	68
Semitrailers	18
Cargo trucks	35
250-gallon tank trailers (for water)	22

8. Extent of infection: The strategy of the campaign is to concentrate the fight along the northern perimeter of the infection, block its northward progress, and drive it back southward and eastward until it has been eradicated. According to the best available evidence there has been no northward spread of the disease in the past few weeks. About 6 weeks ago, it was reported, there were some few outbreaks back "over the heads" of the forces fighting the disease on the northern perimeter. It was stated, however, that these were promptly eradicated and that since that time there have been no new outbreaks reported north of the control area. The northern extent of the disease is still well south of the Tampico-Colima quarantine line.

9. Intensity of infection: In spite of the fact that the disease has now been present in Mexico for more than 6 months, there are still many counties (municipios) within the so-called infected zone in which there is no known disease. The following table shows the States and the number of municipios within each State in which the disease is known to exist:

Number of infected municipios within each State

State	Number of municipios	Infected municipios
Aguascalientes	7	4
Chiapas	109	2
Federal District	12	12
Guanajuato	45	11
Guerrero	71	6
Hidalgo	80	43
Jalisco	119	2
Mexico	119	40
Michoacan	102	14
Morelos	32	25
Oaxaca	28	2
Puebla	217	41
Queretero	11	2
San Luis Potosi	58	2
Tlaxcala	39	28
Vera Cruz	198	109
Zacatecas	52	1
Total	1,269	344

It is worth noting that all but four of these States (Aguascalientes, Chiapas, San Luis Potosi, and Zacatecas) lie entirely within the quarantine zone. The fact that so many municipios within these infected States are still considered to be free of the disease gives rise to the hope that if control measures are adequate in scope and applied with sufficient speed, large numbers of cattle in the quarantine zone will not have to be destroyed and buried.

It is contemplated that all cattle which may possibly have been exposed to the disease will be liquidated, but if the active disease can be prevented from spreading into the present clean areas within the infected

zone, many of these cattle can be consumed in Mexico City with a resultant saving in indemnities and burial expense.

Negative observations

1. Lack of personnel: In the opinion of the committee, operations should be just about doubled in speed and scope. More appraisers, paymasters, veterinarians, equipment operators, and inspectors are needed at once if the campaign is to get ahead and stay ahead of the disease, instead of following along behind the disease and trying to catch up.

The following table shows the number of professional workers now engaged in the campaign and the number which the Joint Commission believes it should have to do the job. In general, the estimates of the Commission as to personnel required coincide with the observations of the committee:

	Present number	Needed
Veterinarians	61	150
Paymasters	28	60
Appraisers	22	60
Lay inspectors	22	70

2. Lack of equipment: There is now an insufficient quantity of American equipment on the job. In the opinion of the committee there is just about half as much as there should be. The mechanical task of digging trenches and burying more than a million cattle is a tremendous undertaking, particularly when the rock composition of the soil and the inaccessability of many herds is considered. Much more mechanical equipment is needed for the job.

3. Topography: The mountainous terrain and the lack of improved roads are a serious handicap to operation. In some places cattle must be driven into valleys for burial because rocky soil prevents digging of trenches in the hills. In most places, as soon as the major highways are left behind, roads are little more than burro trails. This is a serious impediment to movement of heavy digging equipment.

4. Human nature: It is not in the nature of most Mexican farmers to be hurried. The eradication campaign is a job which requires, first of all, speed. It is extremely difficult, however, to impress many farmers and other country workers with the need for haste, and efforts to high-pressure them into action are likely to arouse resentment. This is a factor which cannot be avoided and which can be overcome only with the fullest cooperation from Mexican officials and the greatest of understanding and tact on the part of American workers.

5. Delay: The committee observed delays in operation which were, to its way of thinking, inexcusable An example was the burial operation it observed near Salvatierra. Here two huge trenches had been dug, the owners of some 500 cattle had driven their animals to the site shortly after dawn, the Mexican and American appraisers were on the job, but the Mexican paymaster had failed to appear. The accepted practice is to pay owners in cash before their animals are killed, but when the committee left the scene some time after noon people and cattle were still milling about the open pits, relatively few animals had been killed, and work was progressing at a snail's pace, because the paymaster had not yet arrived.

Other delays are perhaps more excusable but may still be very damaging to the program. The infection in the herd near San Juan del Rio was said to be several weeks old, and the cattle were still above ground. It would be 2 or 3 weeks, the committee was told, before the new outbreak inspected near Queretero could be destroyed, although the active disease was at that time confined to two or three animals.

Equally serious is the time that has elapsed between the killing of a farmer's oxen and the delivery of his mules. Many farmers told the committee they had waited 2 or 3 months for their mules. Meanwhile their farms had gone unplanted or untended. Such conditions are certain to create ill will and may be disastrous to the individual farmer

It may be that, on the whole, the delay and lost motion is no greater than might reasonably be expected in a new organization trying to go into operation on so vast a scale while still in its formative stages. Nevertheless, the committee is strongly of the opinion that this situation must be improved speedily if the job is to be done.

6. Inefficiency: Closely related to the delay just noted is the inefficiency which still prevails in some phases of the operation. An example of this also was observed at the burial operation witnessed near Salvatierra. Here animals were being killed with 22-caliber pistols, which were entirely inadequate for the job. Larger guns had been ordered, it was stated, but were not yet available. There were reports also of inefficient operation of power shovels and other equipment. The need for a tightening-up of operations and the elimination of situations such as this is obvious.

7. The size of the undertaking: The very size of the undertaking is one of the major problems. The infection is scattered throughout some 30,000 square miles of territory ranging all the way from dense coastal jungles to 15,000-foot mountains. There are an estimated 2,500,000 cattle in this area—all of which, together with the sheep, goats, hogs, and deer, will have to be slaughtered unless the disease can be virtually stopped in its tracks. The handling of the men and machines required to do this job over this vast territory is a tremendous and expensive undertaking.

The staggering size of the undertaking is clearly delineated in the cold statistics on the number of animals disposed of and the number remaining: At the end of June approximately 168,000 cattle had been killed and buried while an additional 26,000 from the infected zone had been disposed of by slaughter and consumption in Mexico City. The estimated number of hogs, sheep, and goats destroyed was about three times the number of cattle killed. In contrast to the accomplishment thus far, following are the Joint Commission's estimates of the number of animals remaining in the various zones:

	Cattle	Hogs	Goats	Sheep
Zone 1 (highly infected)	1,282,770	745,666	448,086	731,373
Other quarantined areas	3,186,091	1,154,192	1,303,619	1,235,909
North of quarantine	6,021,324	2,528,720	4,988,765	2,270,420
South of quarantine	923,998	660,244	60,775	205,441

The cost of eradication will depend to a large extent on the speed with which the campaign is carried on. Virtually all the animals in zone 1 must be eradicated. Destruction must be carried out in the other quarantined areas to whatever extent is necessary to eradicate the outbreaks that occur. The average indemnity thus far paid for cattle is $49 per head. The total cost to the United States at the end of June was about $62 per head of cattle destroyed.

8. Northern Mexico: One of the most urgent problems is that of finding an outlet for uninfected cattle in northern Mexico. It is estimated that there may be as many as 9,000,000 cattle in that part of Mexico lying north of the quarantine line and that more than 600,000 of these must be sold or liquidated this year to prevent overstocking of ranges, the possible starvation of the whole cattle population, and almost certain bankruptcy of many ranchers. The normal market for these cattle is northward into the United States and southward into Mexico City. Both of these markets have been cut off by the quarantine imposed because of foot-and-mouth disease An outbreak of the disease in the northern States of Mexico would render futile all the efforts which have been and are now being made to stamp it out in the area around Mexico City Nevertheless, such an outbreak is a very real danger unless an immediate market is found for many of these cattle

Conclusions

Following are the conclusions reached by the committee members as a result of their observations in Mexico:

1. Operations must be speeded up. The eradication program is still lagging behind the disease, trying to catch up, instead of being ahead of the disease pushing it back. In the committee's opinion, operations should be at least doubled in scope and intensity.

2. Funds should be made available immediately to enable the campaign to be pursued at the highest speed and intensity with which it can be operated. The faster the campaign can be pushed, the less it will cost in the long run.

3. There should be created the office of executive director of the campaign to be filled by a man approved by the Governments of both the United States and Mexico, who has the ability to direct a campaign of this magnitude in all its ramifications and to bring about the speed, coordination, and efficiency which are absolutely essential to the success of this program. The committee specifically commends the work of the present codirectors of the campaign and does not wish this suggestion to be implied as any criticism of their activities or abilities. It believes, on the contrary, that they are performing a tremendously difficult task with remarkable ability. In justice to them, the committee believes that someone of outstanding executive ability and experience should be designated by them and their Governments to carry out the policies that they decide upon, so that the codirectors will be free to devote their time and energies to the policy phases of the program and be relieved of the executive duty.

4. It is the considered opinion of the committee that the campaign should be carried on on its present basis south of the Tampico-Colima military quarantine line. Without undertaking to commit either the joint commission or the Government of the United States to such a policy, it respectfully suggest that if foot-and-mouth disease spreads into northern Mexico it may very possibly be necessary to abandon completely efforts to control the disease at this time in Mexico and to withdraw our own forces to the American side of the border in an effort to keep the disease out of this country. Certainly, it will be impossible to continue the present program on the present scale if the disease does spread into northern Mexico.

5. The Department of Agriculture should immediately assign the best man available to the job of getting existing packing plants in northern Mexico into operation and assisting the operators of those plants in finding export markets for their meat. It is recommended also that the Department encourage foreign countries now buying meat in the United States to transfer part of their purchases to Mexico by announcing that there will be, beginning at once, reductions in the export allocations of meat from the United States proportionate to the quantity which the Department believes can be supplied from northern Mexico.

6. Regardless of salvage operations or other expedients, the committee is convinced that the only way the campaign against foot-and-

mouth disease can be waged successfuly is to kill and bury all infected or exposed animals as rapidly as it is physically possible to do so.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Wyoming.

Mr. BARRETT. I want to commend the gentleman for his fine presentation and for the splendid service his committee has rendered in the matter. I should like to ask the gentleman this question: Did he find any evidence of hoof-and-mouth disease spreading among the wild game down in Mexico?

Mr. GILLIE. We were not in that section. That is up in the mountainous sections of the country and we did not get to that section. We were anxious to see that part of it but we were not able to do it in the 4 days we were out in the field.

Mr. BARRETT. I have heard that such is the fact and I was anxious to know.

Mr. GILLIE. Oh, yes; deer and other wild animals spread the disease just as rapidly and just as thoroughly as the domestic animals, in fact a deer covers more territory than a domestic animal.

Mr. BARRETT. It seems to me that if we do not proceed with this program in an orderly manner that instead of spending millions, or even hundreds of millions of dollars in Mexico, we will find it necessary to spend billions of dollars in this country if that disease crosses the border. I would like to know if the gentleman's committee has recommended that our border be fenced to insure that infected cattle will not cross into this country?

Mr. GILLIE. We talked about that too. The thing we are interested in for the immediate present is to get at this disease as quick as we can. I may say that if we do not eradicate it down there quickly, we are going to have that disease in this country and it will then take billions of dollars to eradicate it here. The thing I like about the program down there is that they are going at it as fast as they can but I would like to see it accelerated, more men and material sent down there, and more money spent in order to get the job done quicker.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Arizona.

Mr. MURDOCK. I, too, want to congratulate the gentleman on the good work already done. The gentleman has just emphasized that this protective program needs to be carried forward with energy. Did the gentleman see evidence of the disease approaching our border across the neutral zone? How close is it to us?

Mr. GILLIE. We found that the disease now is within 275 miles of the United States. Now, that is close enough; we do not want it any closer. If it ever gets within 50 miles of the United States border, just as sure as we are sitting here, that disease will be in the United States. You cannot stop it.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from New Mexico, one of the members of the committee on this trip with us and who made a fine interpreter for us.

Mr. FERNANDEZ. I thank the gentleman. With reference to the question asked by the gentleman from Wyoming [Mr. BARRETT], the fence is fine and ought to be built, but no fence is going to stop the deer from coming over, and if the northern part of Mexico is infected, the deer are going to get over the fence regardless of how long or how high it is.

Mr. BARRETT. Mr. Speaker, if the gentleman will yield further, it seems to me that we should take every precaution possible to prevent the spread of foot-and-mouth disease into our country and for that reason, I think the fence is both necessary and advisable, but I want it distinctly understood that at the same time I strongly urge that the present program be carried out in a thorough and aggressive manner and I also believe we should carry on some research in South America or overseas on the best method to fight this scourge.

Mr. GILLIE. You know, they have already appropriated money for that fence and they are waiting for the time to get the material. We must be vitally interested in this thing. I tell you folks I have gone through one of these campaigns in 1914 and it is a terrible thing to have where livestock exists and especially in this country where the finest livestock in the world exists. We want to help Mexico all we can to get that job done because we certainly do not want it in this country.

Mr. BROWN of Ohio. Mr. Speaker, I will later yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 268 makes in order the consideration of H. R. 1602, introduced by the gentleman from Illinois [Mr. ALLEN], under an open rule, with 2 hours of general debate. This is a bill to establish within the Department of the Interior a National Mineral Resources Division, and for other purposes. The other purposes are, very frankly, to continue certain payments to obtain the production of a few scarce and strategic metals from marginal mines. It has been determined that this legislation is absolutely necessary in order to carry on the production of these scarce metals until a strategic stock pile can be built up in this country for national defense and to meet the needs of our reconversion program.

The gentleman from Illinois [Mr. ALLEN], who is the chairman of the Committee on Rules and the author of this bill, being modest and reticent, did not desire to present this rule, making in order his own bill, but I do call upon him to take time and explain the measure in more detail to the House. So I yield to the gentleman from Illinois [Mr. ALLEN] such time as he may desire on this measure.

Mr. ALLEN of Illinois. Mr. Speaker, the pending bill, H. R. 1602, as amended, continues the premium price plan for copper, lead and zinc for a 2-year period at a cost of not more than $35,000,000 a year.

This plan has been in operation since 1942. From 1942 to 1945 it was authorized by Executive order under the War Powers Act because there was a shortage of these strategic materials. In 1945 it was continued by Congress because there was a shortage of these strategic materials.

Today it is necessary to continue it for two more years because there still is a shortage of these strategic materials—and the shortage is becoming more grave because hundreds of mines have closed since the termination of the plan on June 30—others are now operating at a loss—awaiting the enactment of this law by Congress. Without question, they will also close if we fail to act.

We cannot afford to have this happen because, first, with all the mines operating, they are unable to supply our domestic needs.

Without the enactment of this plan, industry and the consumers will be denied their needs and our industrial economy will be slowed. Secondly, we have no military stock pile, and the Stock Pile Board is prohibited by law from purchasing for stock-pile purposes during the period of industrial shortages.

There is no chance of building stock piles from foreign sources. In the present critical condition of the world, we must look to our defenses in every possible way. While we send billions of dollars to foreign countries, with the definite reason—for the defense of the United States—we must also perfect ourselves. This we cannot do if we have insufficient strategic materials.

Considerable of the moneys we send to foreign lands are used by those countries for opening, operating, developing and producing strategic materials. Can we afford to deny ourselves the same?

I want to stress that above everything else. Here in the United States we have been sending billions of dollars to foreign countries, and those foreign countries are using many millions of dollars to open and operate their own mines. So I say that we are merely asking in this bill for our own miners what we are making available to other countries; that is, the opening, development, and operation of mines producing strategic materials.

It will be asked why during this period of comparatively high metal prices our marginal mines cannot continue to operate. The answer is very simple. Grades of ore have been declining and labor and other costs have steadily been rising. There are a few larger mines that have a better grade of ore as well as huge deposits. Naturally, they can operate without premium payments. But eventually the deposits of the larger mines will be completely depleted. Therefore, it is necessary to continue exploration and development. This bill will do exactly that.

I am also gravely concerned with the effect of shortages on our building program in this country, especially homes for veterans. These metals play a very important part in all construction, which is so vital economically. The livelihood of hundreds of thousands of people depends upon these materials. We must

never forget that once these mines are closed for any period of time they become filled with water and are very difficult to reopen.

Mr. Speaker, the Committee on Public Lands held extensive hearings on this bill and reported it out unanimously.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. BUCK. Is it true that copper, lead, and zinc are still controlled by price regulation?

Mr. ALLEN of Illinois. No; I do not believe that is true.

Mr. BUCK. There is no limit on the price?

Mr. ALLEN of Illinois. Not to my knowledge.

Mr. BUCK. If there is a shortage, why should not the price of these commodities go up and thus afford the stimulation to production this bill seeks to provide?

Mr. ALLEN of Illinois. As I mentioned, the price of these metals is very high. The large mines have large ore beds and, under present prices, can operate without the payment of premium prices. However, eventually the large ore beds of these mines will be depleted, and then there will not be any lead, zinc, or copper. This is to give others the right of exploration and development of mines.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BROWN of Ohio. If these marginal mines are closed down at this time, of course, it will be impossible to open them up a year from now in case we need these strategic materials then worse than we need them today, and we do need them badly today.

Mr. ALLEN of Illinois. I would say to the gentleman from New York [Mr. BUCK] that undoubtedly he has voted to send money to foreign countries, and those countries themselves are using millions of dollars for the development of various mines. If we think it is so important for us to send money to them to develop their mines, I think we should take care of our own people here in that respect.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. Is that true? Did the gentleman vote to send money abroad?

Mr. BUCK. That is true.

Mr. ALLEN of Illinois. Do you know that they are using many millions of dollars we are sending them for the same purposes that this bill has, which is to develop the mines?

Mr. BUCK. I rose to question the gentleman. He was saying that we must stock-pile these materials. Why is it not a good thing in building up these stock piles to take these minerals from the foreign countries, thereby preserving our own resources and giving them dollars in return for these minerals?

Mr. ALLEN of Illinois. That would be all right, but I believe the present condition is such that there is a great shortage of lead, zinc, and copper over there, which is needed for building and reconstruction. Consequently, the billions of dollars that we are sending over there are being used by them to develop mines.

Mr. SHAFER. Is it not true that we cannot get the materials from them, that they will not sell them to us?

Mr. ALLEN of Illinois. That is true.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PLUMLEY. I would like to suggest that here is an opportunity for the House to do something for the individual operator.

Mr. ALLEN of Illinois. That is definitely true.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. HAND. Is not the gentleman a little bit alarmed at the tendency nowadays to require us to pay everybody for producing anything out of the Treasury of the United States? In rapid succession over the last couple of weeks we have had a subsidy bill on sugar and then a subsidy bill on wool. Now it is metals. It seems to me these operations somehow ought to be able to be carried on by the people engaged in that business and that we ought to sometime put a stop to subsidies.

Mr. ALLEN of Illinois. I thank the gentleman. In regard to that, my opinion is that this can be strictly decided as a national defense issue. I reiterate that when we send money to foreign countries to develop their mines and give them money for defense purposes, at least we should do the same thing for our own protection.

Mr. HAND. I remind the gentleman that I did not do that.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, we of Texas always have been very interested in flood control; it has long been the feeling of many of us that the flood-control problems of the Texas area are as pronounced and urgent in many respects as are the flood-control problems of any section of the Nation. Therefore, it is difficult for us to understand why no emphasis was given our problems in the message sent to the House yesterday.

An embracive flood-control program for the entire Nation, I feel, should be adopted and carried out. Money spent to prevent the types of disastrous floods which many sections of our Nation have experienced recently would be money well spent. Any program which is adopted, in my opinion, should take into consideration the Texas flood-control problems, and early effort to prevent the disastrous floods which occur in our area should be taken.

MINERALS

Mr. SABATH. Mr. Speaker, originally I was opposed to this legislation. I felt that it would be extremely expensive and that it would cost millions of dollars, and the people of the country would not be benefited to that extent. But after listening to the persuasive arguments advanced by some of my colleagues from that great committee who come from the Western States, I have been moved to change my mind, and I wish to compliment those gentlemen for their presentation. I wish especially to pay my respects to the gentleman from Nevada [Mr. RUSSELL], the gentleman from Colorado [Mr. CARROLL], the gentleman from California [Mr. ENGLE], the gentleman from Arizona [Mr. MURDOCK], the gentleman from New Mexico [Mr. FERNANDEZ], and the gentleman from Oklahoma [Mr. PEDEN], who showed by their convincing arguments here on the floor their deep interest in and knowledge of the subject, and their enthusiasm for the development of their region.

ENDING OPA RAISED PRICES

I have been impressed, too, Mr. Speaker, by the able reasoning of my chairman of the Committee on Rules, the gentleman from Illinois [Mr. ALLEN] who preceded me. Before the Rules Committee, as here on the floor, he gave an excellent exposition of the meaning of this legislation in terms of the best interests of our country.

The gentleman from Pennsylvania [Mr. RICH] has charged that this will increase the cost of materials to the American people. No, Mr. Speaker, if anything this will lower costs. What has increased costs and continues to do so has been the votes of the gentleman and other Republicans to end price control.

Yes. It will cost for the first 2 years $70,000,000, but in view of the tremendously high price we are obliged to pay other countries for lead, copper, and zinc, I think the $70,000,000 we will spend in 2 years will be more than saved in the amount we must pay for these materials.

UNITED STATES HAS SHORTAGES

The price of copper, zinc, and lead has increased from 200 to 300 percent because there is a terrific shortage in the United States. The foreign countries having control of many of these strategic materials have been taking advantage of that fact. I am not in favor of letting them continue to charge us these tremendous prices for the material which we so sadly need, not only for many industries that are short, but also for the purpose, as was so ably explained by my colleague, to construct homes so sadly needed for our exservicemen, and for private families who are seeking a roof over their heads.

So I have listened to the evidence and the reasons given, and I came to the conclusion that I should withdraw by objection to the bill, in view of the additional reasons given me by parties representing the various States out West where people depend largely on mining, which in many instances they were obliged to abandon because they could not continue to operate their small mines. I feel that the rule should be adopted and favorable consideration given to this meritorious legislation as I see it now.

I reserve the remainder of my time, Mr. Speaker, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I note that a great many people are for this legislation, but for the life of me I cannot understand why the Republican Party wants to continue all this New Deal legislation that was started in the last 10 or 12 years. It seems to me it is about time we woke up and saw where we are headed for, socialism and communism.

Let me show you what this bill does if you adopt this rule.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RICH. When I get more time. I do not yield now. I want to show you that the OPA put a price of 13 cents on copper, 6½ cents on lead, and 6½ cents on zinc. Now, what do you do in this bill? You put a ceiling price of 28 cents on copper, 18 cents on lead, and 18 cents on zinc, and subsidize these prices.

To think of increasing the value of these minerals to the unprecedented extent proposed in this resolution, raising them to such unheard of prices just does not make sense. You are going to have to spend from eighty to one hundred and fifty million dollars a year out of the Treasury of the United States in order to make up the difference you will have to pay in subsidies.

Let me tell you that the lead industry of this country does not want this legislation. The ones who mine the greatest amount of copper, the ones who mine lead, the ones who mine zinc do not need this legislation, and certainly it is not necessary for national defense needs at this time to have such legislation as this passed.

Let me read you a letter from the Lead Industry Association about the bill, H. R. 2455, which is similar to H. R. 1602. They state that it is going to cost $35,000,000 or more a year as subsidy. Here is what they say:

Our industry, representing 85 percent of the lead production in the United States is against it and I believe that the opposition of the Department of the Interior contained in the following extract from the testimony of Under Secretary Chapman summarizes the issues beautifully.

Here is what Secretary Chapman said:

The Department is convinced that such legislation would not only defeat the purposes announced by the proponents but would ultimately lead to the complete regimentation of the domestic mining industry.

If the Members of this House want to regiment the mining industry of this country, pass this legislation. I am against it and would not support legislation like this for it is not American. The American people never did it this way before the New Deal.

Let me continue further with what Secretary Chapman said:

It is the Department's firm belief that in order to maintain a strong and vigorous mining industry, the industry should be freed of governmental rules and regulations to the greatest extent possible.

Think of that coming from the Under Secretary of the Interior at a time like this.

Legislation of this type will result in industry becoming completely ensnarled in virtually impossible administrative procedure, the dangers of which become progressively greater as a more normal relationship between mineral production and requirements is established.

Mr. ENGLE of California. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. ENGLE of California. Does the gentleman realize that the bill H. R. 2455 is not the bill before the committee?

Mr. RICH. It is the same kind of a bill as H. R. 1602. It has been changed a little but it is the same kind of legislation contained in that bill.

Mr. ENGLE of California. It still provides for a subsidy, does it not?

Mr. RICH. Certainly it is a subsidy all the way through. If it provided for a subsidy that was somewhat in line with the OPA price that would be one thing, but this more than doubles the OPA price. Who ever heard of 28 cents a pound for copper, 18 cents a pound for lead, and 18 cents a pound for zinc? There never were such high prices in history guaranteed by Uncle Sam.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield for a question?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. The gentleman talks a great deal about these subsidies. Knowing the gentleman as I know him I will ask him if he has not always supported a high tariff, for instance, on woolen cloth? How would the gentleman feel if a subsidy were to be placed on wool?

Mr. RICH. I am against a subsidy on wool. I do not want the gentleman to bring the wool bill in here because I am just as much against that as I am against this bill and I want the Members of Congress to vote against it. That is the thing for them to do. These subsidies on all materials and articles are New Deal philosophy and I was against it before 1947 and I am against it now.

America never had such philosophy as this before 1933. I hope they will get rid of it now and never adopt such a plan again.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BUCK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BUCK. This is an important rule. I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. One hundred and thirty-three Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]

Anderson, Calif.	Byrne, N. Y.	Dawson, Utah
Bell	Case, N. J.	Fellows
Bender	Celler	Fuller
Bennett, Mich.	Chapman	Gifford
Bland	Clements	Gross
Bloom	Clippinger	Gwynne, Iowa
Boggs, La.	Cole, Mo.	Hall,
Brooks	Cole, N. Y.	Edwin Arthur
Buckley	Cox	Harris
Bulwinkle	Dawson, Ill.	Hart
Hartley	Kirwan	Priest
Hays	Ludlow	Rayfiel
Hébert	Lusk	Richards
Hinshaw	Lyle	Riley
Jenkins, Pa.	Macy	Scoblick
Johnson, Tex.	Manasco	Seely-Brown
Jones, Ohio	Norton	Smith, Ohio
Kee	O'Toole	Smith, Va.
Kefauver	Patman	Snyder
Kelley	Powell	Vinson
Kersten, Wis.	Preston	

The SPEAKER. On this roll call, 368 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Illinois [Mr. HOWELL] for a consent request.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—PERMISSION TO FILE REPORTS

Mr. HOWELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file reports on the bills (H. R. 3509) to authorize the construction of a class IV airport for the city of Fairbanks, Alaska, and a public highway or bridge from the city of Fairbanks to the location of the airport, and (H. R. 7510) to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from New York [Mr. ANDREWS] to submit a consent request.

REREFERENCE OF BILL

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States, and that the bill be rereferred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INTERSTATE AND FOREIGN COMMERCE COMMITTEE—PERMISSION TO FILE REPORT

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file reports on the bills (S. 682) to regulate the interstate transportation of black bass and other game fish, and for other purposes, and (H. R. 3924) to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CRAWFORD].

NATIONAL MINERALS RESOURCES DIVISION, DEPARTMENT OF THE INTERIOR

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 152, noes 27.

So the resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. WELCH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1602) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1602, with Mr. HOWELL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. WELCH] is recognized for 1 hour and the gentleman from California [Mr. ENGLE] for 1 hour.

Mr. WELCH. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. WELCH. Mr. Chairman, H. R. 1602, which is a bill to stimulate exploration, development, and production from domestic mines of copper, lead, and zinc, highly strategic minerals needed for national defense purposes, is one of several bills dealing with this same subject which were referred to the Committee on Public Lands.

The committee held extensive hearings and reported H. R. 2455 favorably to the House. While H. R. 2455 should be speedily enacted, it is much broader in its terms, longer in its period of operation, and covers additional strategic materials. As legislation is urgently required to continue in effect the premium-price plan which expired on June 30 last, H. R. 1602 has also been favorably reported by the committee as a matter of expediency and with the view of insuring some legislation during the present session of Congress.

In effect, this bill extends the premium-price plan on copper, lead, and zinc for a period of 2 years from June 30, 1947, and authorizes the Reconstruction Finance Corporation to administer the premium payments on these urgently required strategic minerals. It authorizes payments not to exceed $35,000,000 in each of the 2 years of its life. This is a reduction in the authorization of premium payments from $80,000,000 in any one year as provided in H. R. 2455.

After careful study of this matter by the committee, many members of which have been closely related to this whole problem for many years, the committee was of the unanimous opinion that "encouragement and exploration programs especially is desirable and those programs already in force should be expanded and extended." The committee therefore recommended the speedy enactment of this bill.

Mr. ENGLE of California. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there has been enough emphasis by people high in our Government in regard to the critical shortage in this country of strategic minerals and metals so that it should not be necessary for us to speak at very great length on that subject. The Secretary of the Interior from time to time has referred to this Nation as a have-not Nation in mineral resources. The President of the United States time and again has alluded to the fact that we are short on strategic minerals and metals. The fact which is not generally understood in regard to minerals and metals is that it is the mining of minerals and metals which create more minerals and metals.

There are those in the United States who say that the way to conserve our mineral resources is to shut down the mines, put a lock and key on the mines, and leave our so-called diminishing mineral resources in the earth. The answer to those people is that that is the quickest way to lose all that we have left.

As a matter of fact in the tri-State area, and this is one of the reasons for the importance of this bill, at the present time we have a great number of marginal mines in operation. If we do not continue their operation through such a program as this and it is necessary for those mines to close down, it means we lose all of the marginal resources in lead and zinc which we now have there—not for a little while, but forevermore. Once those mines have closed up, once they have caved in, it is going to be absolutely impossible and beyond all reasonable cost to go in and reopen them and get out the mineral resources.

Unless we continue this program, the premium-price program which we had during the war, subsidizing our mining industry, we are facing in this country the same question with reference to our mining industry which we faced with the wool industry. It is just a question whether or not this Congress wants to have a domestic mining industry. If you do not want to have it, the thing to do is to vote against this bill, to vote against the continuation of a premium-price program, and the domestic mining industry, as we have known it, will die out by itself, in the same manner as we expect that unless a bill is passed for the wool people, the wool industry of this country will come to an end.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman mean to say that if this bill does not pass that the mining industry of this country will disappear?

Mr. ENGLE of California. I would say that a substantial part of it will go out of existence; yes.

Mr. RICH. Certainly, those few mines that are more expensive, or too expensive to operate, they might go out, but you will have 80 to 90 percent of the mining industry that will stay in.

Mr. ENGLE of California. I do not think that is correct. I think we will lose more than that; in fact, I think we will lose a major proportion of our mining industry. In addition to that, we will not continue the exploration mining which is necessary to produce new mines and to bring into existence new industry in the mining field. That is one of the things which everybody, the Secretary of the Interior, the President of the United States, and the Bureau of Mines, and all those people interested in mining in this country concede is necessary.

Mr. RICH. Does the gentleman mean to say that new mines will not be established unless you guarantee 28 cents a pound for copper, 18 cents a pound for lead, and 18 cents a pound for zinc, 300 percent over what it was 10 or 15 years ago?

Mr. ENGLE of California. The gentleman is very much in error about how this program operates and I would like to explain that to the Committee because he has brought it up. Twenty-eight cents is the ceiling which can be paid. Any time that a marginal mine can get along on the price which is current in the market, it does not receive the premium. For instance, copper at the present time, or a short time ago, was bringing 21 cents a pound. Any miner who can operate his mine at 21 cents or under does not get the benefit of the premium-price program. If it costs more than that and up to 28 cents he does get the benefit of the premium-price program up to that limit. That has this effect, I would like to say to the gentleman from Pennsylvania, that as shortages increase and as the price goes up, there is a tendency for these marginal mines to come off of the premium-price program.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Arizona.

Mr. MURDOCK. Will the gentleman explain that the bill before us is not the bill that the gentleman from Pennsylvania was complaining about a moment ago? This does not set up a new department of government.

Mr. ENGLE of California. That is correct. The gentleman from Pennsylvania a few minutes ago made a speech against, I believe, H. R. 2455, which was an entirely different measure. H. R. 2455 was a general measure which had as its objective setting up a general and much larger program of some $80,000,000 a year for the entire mining industry and covered a great number of strategic and critical materials and metals. It covered all of those strategic and critical materials and metals which are included under the Stock Piling Act. I want to say that I favor that bill. I am sorry we could not get it through, but because of certain complications we thought it wise to let it go at this time and proceed only with a continuation, a temporary continuation for 2 years, on a limited basis, of the premium-price program which we

have had for the three principal strategic materials, copper, lead, and zinc, for the whole duration of the war.

Mr. RICH. Mr. Chairman, will the gentleman yield further?

Mr. ENGLE of California. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman mean to tell me that the Secretary of the Interior is in support of this bill that you have brought up here this afternoon?

Mr. ENGLE of California. As far as I know, he is; yes, sir.

Mr. RICH. Well, he is not. He is not in favor of it. There is nobody on that side can get a letter from him saying that he is in favor of the legislation.

Mr. ENGLE of California. I will say this to the gentleman from Pennsylvania, the Assistant Secretary of the Interior, Mr. Chapman, came up and testified in favor of H. R. 2455, which would have put the program under his Department. He said he would go along and administer the bill. When we had to substitute this stop-gap measure, which is a continuation of the premium-price program, we did not have a chance to get an expression from the Secretary of the Interior, but it is not particularly his business, anyway, because this program is in the Department of Commerce and not in the Department of the Interior.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Michigan, a distinguished member of our committee.

Mr. CRAWFORD. May I say to my friend from Pennsylvania [Mr. RICH] that I can thoroughly appreciate and understand his general approach to this proposition. This bill first came in as a $100,000,000-a-year proposition. It was amended to $80,000,000 a year. A little later the proposition was submitted in the form here presented, which provides for $35,000,000 a year for a 2-year period, and it covers certain specific basic materials.

I had some wrestling with this proposition, but let any man in this House or any man in this country go out today and try to buy materials consisting primarily of copper, lead, or zinc. Go into the marketplace and try to find those strategic materials for the use of the people of this country today. Consider your Stock Piling Act, consider the obligations which this country has assumed and is assuming all the way across the face of the earth, and then go out alone with yourself and God Almighty and figure out whether or not you want at this particular moment to close the marginal mines of this country and permit them to become flooded, and pass up the recovery of those ores for the time being in this hour of the responsibilities of the United States. That is what you have to decide upon here today. As far as I am concerned, I am going to support the $35,000,000 measure.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ENGLE of California. Mr. Chairman, I yield myself 10 additional minutes.

I thank the gentleman from Michigan very much. In connection with the figures he has given, I should like to read from page 17 of the hearings the testimony of Mr. Church, who is a consulting mining engineer of some repute. I shall not read all his qualifications because they are too long. This is what he says, and I think his facts are indisputable:

> There is no nation on earth that can furnish these staggering tonnages of metal out of its own soil.

He was referring to our consumption.

> So we have a report of the total supply available during the 5 years, 1941 to 1945, inclusive, about 44 percent of our copper, 36 percent of our zinc, and 46 percent of our lead, had its origin outside the United States. Of those imports, nearly all of the copper, about a third of the zinc, and about 40 percent of the lead, had to come from overseas.

He goes on to say that we were fortunate in the allies we had because we could get the material from them. He gives some figures here in regard to how many of our domestic mines during the war were on the premium-price program, and had to be on it in order to keep in production. Let me give you these figures. He says:

> In October 1946 there were 887 mines receiving premium assistance under the premium-price plan, and only 24 mines not receiving assistance. Those 24 numbered among them the large low-cost producers. And the number of mines is not a measure of the proportion of production receiving assistance. That month only 24 percent of the total copper production was receiving premium assistance, about 88 percent of the zinc and about 64 percent of the lead.

So I say that these mines are going to close unless they get assistance; it is perfectly obvious from these figures that they cannot possibly continue. I am informed that since the premium-price program expired, and it expired on June 30 of this year, some 500 mines have closed down and some 6,000 men are out of work.

Some of the mines—not all of them, if you please, but some of them—are just hanging on, operating by the skin of their teeth, keeping in operation and keeping their crews intact and keeping the mines open and unwatered in the hope that this legislation will get through Congress so that they can keep on operating.

This program, involving as it does only $35,000,000 a year for a period of 2 years, is little enough.

I yield to the gentleman from Utah.

Mr. GRANGER. As I understand this legislation, it is a continuation in part of legislation that we have heretofore had. Is that not true?

Mr. ENGLE of California. That is correct.

Mr. GRANGER. It was the thought that it was going to be the policy of Congress to pursue this sort of program. The gentleman, of course, understands that to be true. It was not only considered to be in the interest of the mining industry but in the interest of national security. I think that was adopted as the general policy when this legislation was passed a year ago. Is that not true?

Mr. ENGLE of California. That is correct. May I add to the gentleman's remarks that we will be extremely foolish as a nation if we permit ourselves ever again to be in the position that we were during the last war. We cannot afford to be subject in either peacetime or wartime to the uncertainty of importations from foreign countries which may be necessary.

Mr. GRANGER. I know the gentleman comes from the heart of the mining industry and knows the mining business. If a mine is closed, what happens to it? If you cease to work a mine, what happens?

Mr. ENGLE of California. If a mine closes and you cease to work it, the mine waters up, the timbers break down, and it is not possible without going to great expense to reopen that mine and start operations again. As a matter of fact, in the tri-State area today, consisting of Missouri, Kansas, and Oklahoma, if we do not continue this premium-price program, we are going to irrevocably lose our national resources there, which should be protected and saved for this nation. It just does not make good sense to let our natural resources go to waste in that way. We should get that material out of the ground while we can.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. RICH. If you are trying to protect the industries of this country and the mines, why do you not put a tariff on these products so that they can protect themselves instead of letting copper and other materials come in from foreign countries? If you think we need it so much, why do you not put a tariff on it? We are going to get the copper here. We are going to get it from all the foreign countries, and if you let it come in without a tariff, we will always be paying a subsidy on it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. CRAWFORD. The copper situation is so critical that only a few weeks ago, as I recall, the House voted to remove the 4 percent import tax on copper. It is not a question of keeping copper and lead and zinc out of this country. It is a question of where in the world we are going to get the copper, lead, and zinc that we have already committed ourselves to deliver in the form of manufactured goods. And any man, any businessman especially, who goes out and sells himself short on his own basic materials is operating up the wrong stream.

Mr. RICH. Mr. Chairman, will the gentleman yield to me so that I can answer that?

Mr. ENGLE of California. I suggest that the gentleman get time if he wants to engage in debate, but I will be glad to yield to him for a question.

Mr. RICH. Anybody who is against this bill cannot get any time. You cannot get any time.

Mr. ENGLE of California. I will say to the gentleman from Pennsylvania that if he cannot get time to address the Committee on his side I will be glad to give him time from my side.

Mr. RICH. I would like to have 10 minutes.

Mr. ENGLE of California. I will yield the gentleman 5 minutes as soon as I conclude.

Mr. RICH. I thank you, sir.

Mr. ENGLE of California. In further answer to the statement of the gentleman from Pennsylvania, may I say that you cannot get the copper and you cannot get the lead and you cannot get the zinc from foreign countries, no matter what you do. They do not have enough. As to tariff protection which would be high enough, we simply cannot hope to get it. We have to be practical and we know it is not possible. In addition, it would cost the consumers much more for these materials. We believe the mining industry must have help and that this is the most practical and economical way to do it.

Mr. CARROLL. Is it not true that in our committee we have had a number of hearings by the Army and the Navy Munitions Board, and this Congress has appropriated some $300,000,000 to stock pile critical materials and they do not know where to go to get it, and we are now trying to expand our domestic economy in mining so that they can get materials for stock piling. Has that not been advanced before our committee?

Mr. ENGLE of California. That is correct. This program, and, in fact, the bigger program which was envisioned by the gentleman from Nevada [Mr. RUSSELL], but which we did not bring out at this time for practical reasons, dovetail into the program of stock piling strategic and critical materials, which has been approved by this Congress time after time.

Mr. CARROLL. I think the Members of this body ought to know that the stock pile we had heretofore has been given out to industry, and we do not have sufficient stock piling for our own national defense. One of the means of implementing that very program is this legislation.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. MITCHELL. Do we have any assurance that these minerals will be stock piled, rather than converted and shipped out of the country, provided we pass this bill?

Mr. CARROLL. Will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. CARROLL. I understand the testimony in the hearings—we were critical of men who head the Army and Navy Munitions Board because we thought they were not fully using domestic production in this country, and we wanted them to do this very thing: to go out and encourage mining so as to keep these mines open. The gentleman has mentioned a very important point. You cannot leave these mines alone. They cannot be abandoned. If they are, they will water up. They will break down.

Now, to answer the question whether it will go out of the country, I do not think they will go out as minerals. It is possible they will go out in manufactured products, but point 1 is this: We need for our own economy more metal. Point 2: We need to stock pile for national defense. This is one of the ways to do it, keeping these high-cost mines, these marginal mines, functioning in this critical period.

The CHAIRMAN. The time of the gentleman from California [Mr. ENGLE] has again expired.

Mr. ENGLE of California. Mr. Chairman, I yield myself five additional minutes.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. PLOESER. While I am in support of the continuance of these mines in operation, I do not think that a false impression should be left that this bill has anything whatever to do with stock piling. It is not true. This does not compel the Army and Navy Munitions Board to stock pile anything. This merely provides a subsidy which permits these metals to come into the market, with all other metals. According to the present rate of consumption, the probabilities are it would be used for normal commercial channels.

Mr. ENGLE of California. I think that is correct, but I think the gentleman will also concede that it will supplant the general program, because the Army and Navy Munitions Board says that now they cannot get the things necessary to stock pile. We are in such short supply that we cannot take care of the essential needs of our industry, much less piling up anything to protect us against a future emergency. So the sooner, by encouraging our own domestic industry, we meet the essential needs of our own market, the quicker we will have a better chance to proceed in the field of stock piling. Otherwise, we will never get a stock pile.

Mr. PLOESER. If the gentleman will yield further, I think it should be explained that even the production that might be expected as a result of this bill will still not meet the consumer demand in America at the present time and it will still not put the Army and Navy Munitions Board in any position to buy stock pile, unless they run the price up in the market, and they are not expected to do that. So you might expect that even with the passage of this bill the Army and Navy Munitions Board will follow their seemingly preferred practice of buying foreign and not domestic. This bill alone will not supply a sufficient amount to supply the domestic market.

Mr. ENGLE of California. I thank the gentleman for his contribution.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. BUCK. My understanding is that the peg price during the war was 11.87. Will the gentleman tell me what the peg price amounted to, plus subsidy, during the war?

Mr. ENGLE of California. The peg price of copper?

Mr. BUCK. What did that amount to, plus the subsidy? How much per pound was the subsidy on copper?

Mr. ENGLE of California. It would depend. The top price as I recall was 12 or 13 cents. Is that correct? I ask the gentleman from Nevada.

Mr. RUSSELL. That is correct.

Mr. ENGLE of California. The premium, or subsidy, varied. In other words, if a mine could operate at 15 cents a pound it would get a 3-cent subsidy

Mr. BUCK. Was there no maximum subsidy?

Mr. ENGLE of California. The maximum brought it to 28 cents, just the same thing as is provided in this bill. But we must bear in mind that the market price of copper has gone to 21½ cents, so the actual differential between the market and the ceiling which is provided in this bill is now only 6½ cents, whereas during the war it was the difference between 13 and 28 cents. That is true also in a lesser degree in the case of lead and zinc.

I now yield to the gentleman from Nevada [Mr. RUSSELL] a member of the committee.

Mr. RUSSELL. Will not the gentleman from California agree that the greatest support this Nation can have and probably one of the greatest stock piles is the active production of these mines from now on, which would close down unless the premium price is offered?

Mr. ENGLE of California. The gentleman from Nevada has made a very splendid point and that is that the biggest stock pile we can have in this country is a backlog of producing mines.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. RAINS. If copper, lead, and zinc are so short what is the need for having a support price?

Mr. ENGLE of California. Because cost has just simply gone so far ahead of price that they have not been able to produce these materials, copper, lead, and zinc at the market price.

Mr. RAINS. This would be a premium-production program instead of a subsidy, would it not?

Mr. ENGLE of California. That is correct; it could be so designated.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ENGLE of California. Mr. Chairman, I yield myself four additional minutes.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. DURHAM. I appreciate the gentleman's statement. He has made a very fine statement on the bill but I think it would be well to inform the Committee as to what percentage these marginal mines have earned under the subsidy program up to the present time? I am sure he has that information. Their earnings were about 1.5 percent.

Mr. ENGLE of California. I am very glad to have that statement and appreciate it.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. MANSFIELD. Is it not true that if this program is not continued these small marginal-producing mines will be forced to close down; and if they close down their timbers will cave in, their ground will cave in, they will become

filled with water? They will not be able to open up again except at tremendous cost.

One of the real reasons I am in favor of this particular kind of program is not only to help the small marginal producer but also, and this is very important, to carry on the necessary development work which we need to find more ore, which we need to stock pile for military strategic purposes, and which we can use industrially in this country.

Mr. ENGLE of California. That is correct. The gentleman from Montana has made a very good point. As I said earlier in this presentation, the thing people do not understand is that mining produces ore and produces more mining, and whenever you close a mine down you not only stop production of ore but also retard development.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. CRAWFORD. It is a fact, is it not, that this Government did take from its stock piles, this reserve it had created of copper and released that copper to the trade so that the demands of our people could be met to that extent?

Mr. ENGLE of California. I understand that to be the fact. Also the Army and Navy Munitions Board has stayed out of the market because they did not want to crowd domestic consumption.

Mr. CRAWFORD. Let us get this flow sheet straight in our minds. The defense arms of the Government surrendered its stock pile to the civilian population. Why? Because of the shortage of goods, so that employment could go ahead, so that production could go ahead. We have got to think straight on this thing. If the defense arm of our Government will do that because there is a shortage of basic materials in the market, do you think that same defense arm of the Government will not go into the market and absorb the material away from the consuming trade?

Mr. ENGLE of California. No.

Mr. CRAWFORD. So the gentleman's argument is a double proposition. If you can keep in the market your home production and have imports brought in, a sufficient supply to meet the civilian demand, and permit the defense arm of the Government to accumulate a stock pile, that is the objective we want to work to.

Mr. ENGLE of California. Yes.

Mr. CRAWFORD. That is why we took the excise tax off, so imports could come in. We have a shortage of these supplies as evidenced by the fact that if you go out and try to buy an electric motor, a 3-horsepower electric motor, you cannot do it. You will see what you are up against. That is, up until the last few weeks. You have a shortage of the production of motors on account of lack of copper. You have a shortage of batteries because of the absence of lead, and so on down the line. This is to keep your production coming, both home and in imports from abroad, so as to build up your current demand, hoping that some day you can restock your stock pile.

Mr. ENGLE of California. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ENGLE of California. Mr. Chairman, I yield myself five additional minutes.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from New York.

Mr. COUDERT. Is there anything in the committee hearings to indicate the position of the Army and Navy in this matter? That question may have been asked by someone else, but I do not remember it.

Mr. ENGLE of California. I am not so sure if it is in the printed hearings which we have here, but during the course of hearings in connection with this and other matters we have testimony from representatives of the Army and Navy Munitions Board and they feel this legislation would be helpful to them and helpful to their program as a supplement to it.

Mr. COUDERT. I take it that the Army and Navy, neither one of them, asked for the enactment of this bill?

Mr. ENGLE of California. I did not understand that. The gentleman will have to repeat the question.

Mr. COUDERT. I gather from what the gentleman said that the Army and Navy did not appear before the committee and ask that a bill of this character be enacted?

Mr. ENGLE of California. They did not, as far as I know.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Irrespective of whether the Army and Navy asked for the passage of this bill, is it only natural to assume that they do not want a great shortage of copper, lead, and zinc in the event of war?

Mr. ENGLE of California. I think it is perfectly obvious they would not want a great shortage of copper, lead, zinc, or any other strategic material.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from North Carolina.

Mr. DURHAM. It is not necessary for the Army and Navy to appear before the committee and ask for this legislation because at the present time they have Public Law 590 which provides them a stock pile. They can purchase, buy, and transfer through the Reconstruction Finance Corporation. This is helpful because it produces more lead, zinc, and copper. Naturally, they are going to have to go into the market, either in this country or offshore, and purchase it. None of it can be purchased and today there is not a pound of it in the stock pile.

Mr. ENGLE of California. Mr. Chairman, may I say in conclusion that it appears to me this is the minimum legislation which we should adopt for the protection of our own country, in order to prevent our being made dependent upon a foreign source for these materials, not only now but in the event of a great national emergency. It is the very minimum we sould do. In the intervening 2 years this Congress should undertake a study of an over-all mineral-resource program which will safeguard the national resources of this country over a long period of time, not merely for a stopgap period of time. I hope this bill receives your favorable consideration.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, at the start of the war or shortly thereafter this Government went to the small mining groups throughout this Nation and asked their support to produce as much minerals as they could. It is true that they operated under a premium-price plan because the price of metals was frozen, yet at the same time those mines went out and produced great quantities of copper, lead, and zinc to aid this Nation during the time of war. Those mines skimmed the cream of the mineral resources that they had underground, and the urgent need for metals and the premium that was paid did not give them the opportunity to go in and develop and explore new ores to replace the ores that were taken out to aid this country in a great emergency. Even at that time the mines of this country were unable to produce enough ore to carry this Nation on. As has been pointed out, 44 percent of the copper, 46 percent of the lead, and 36 percent of the zinc had to be brought in from other countries to meet this country's war needs.

We are now faced with the condition that confronts one-third of the mining industry of the United States. I would like to quote from the figures of C. O. Mittendorf, director of the premium-price plan, who has stated that of the 488 lead-zinc mines reporting to the Bureau of Mines in January, 469, or 96 percent, required subsidy payments on the March output, and from there on, and unless at this time some plan is continued to give aid to those mines throughout this Nation, 52 percent of the lead mines, 73 percent of the zinc mines, and 5.4 percent of the copper mines of the Nation will shut down.

This bill deals with what we term marginal ore. It is ore that is in the ground that does not quite come up to the market price and which needs, as some term, a subsidy. We are dealing, when we speak of subsidy, not in the same terms as when we speak of agricultural products, because agricultural products can be reraised but minerals are irreplaceable. Once we take minerals out of the ground they cannot be replaced. Passing this bill forms a new source of wealth for this Nation.

I would like to point out here that for every dollar's worth of minerals produced in the United States, it creates $5 of over-all wealth from the time it is mined until it is fabricated. We are not dealing in subsidies of the type of replaceable items, but we are dealing in metals, in new mineral wealth that is irreplaceable.

Reference was made to H. R. 2455 which I introduced earlier in the session, and to the hearings on that bill. There is a big difference between H. R. 2455 and H. R. 1602 as introduced by

the gentleman from Illinois [Mr. ALLEN] and amended. H. R. 2455 would set up a new Mineral Resources Division, while the bill offered by the gentleman from Illinois [Mr. ALLEN], H. R. 1602, is a direct continuation of the premium-price plan for 2 years.

Mr. Chairman, I would also like to point out that under the past operation of the premium-price plan that some $2,000,000,000 worth of redeemable minerals were mined at but the cost of a few millions of dollars, minerals which would have been left in the ground untouched, and those $2,000,000,000 in minerals contributed largely to our winning of the war, and also added that much more to the mineral wealth of our Nation.

The question of stock piling has come up repeatedly during the debate on this bill, and it has been inferred that the stock piles in this Nation of copper, lead, and zinc are practically nil. We must remember that under the Stock Piling Act the Army-Navy Munitions Board can only purchase domestic copper, lead, and zinc if and when there is a surplus of those three strategic and critical minerals over and above the needs of industry. We all know that industry today is faced with a shortage of the three metals; as a matter of fact, the RFC has had to sell all of its lead, practically all its copper, and a large portion of its zinc to alleviate shortages of those metals in industry.

Let me point out that it has been estimated that for the ensuing year industry will use 1,500,000,000 tons of copper, 760,000 tons of lead, and 795,000 tons of zinc, and yet under normal production of those three strategic and critical metals this Nation produces 851,000 tons of copper a year, 371,000 tons of lead, and 644,000 tons of zinc. These figures are based on a 6-year-period average.

If then we curtail a third of the mining of this Nation now by not utilizing our marginal ores, which this bill makes possible, this Nation will face an even greater shortage of the three metals—and just where can we be assured of adequate supplies for industry, let alone stock piling? If an emergency should arise, such as the last war, we, and I mean this Nation, would be in a far more critical situation relative to mineral supplies than it was at the outbreak of the war in 1941, and you will recall shortly thereafter then it was even necessary to call upon the marginal mines to supply a large percentage of our mineral needs.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield to me to make a statement?

Mr. RUSSELL. I yield.

Mr. PLUMLEY. In answer to the gentleman from New York, who inquired as to whether the Army or the Navy appeared before this committee relative to stock piling, I spent half an hour last Sunday evening listening to rehash of many things that I have known for 7 years coming out of the mouths of the Assistant Secretaries of War and Navy insisting that we have a stock piling of essential minerals and metals.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. ENGLE of California. Mr. Chairman, I would like at this time to yield 5 minutes to my distinguished friend from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, certainly we do not have enough lumber, we do not have enough coal, we do not have enough wheat, we do not have enough corn, we do not have enough of many foodstuffs, and we may not have enough minerals. We may be short of many things in this country after the great war we have gone through, but that does not mean that we have to stock these things up immediately in order to prepare for some eventuality. If we did, we would all be for anything we could do to get the materials we need. But it is just the great demand we have upon industry now that causes a shortage of most of these materials. Let us get a little common sense into this thing once and just see what we are doing here.

As I stated a while ago, the OPA price that was set on copper was 13 cents a pound. The OPA price on lead was 6½ cents. The OPA price on zinc was 6½ to 7 cents. What are you doing in this bill? You put the price of copper from 13 cents to 28 cents, an increase of 15 cents a pound over OPA prices. You talk here about trying to hold down prices. Do you mean it? Do you want to hold down prices, when you increase the price of copper over 100 percent over the OPA price?

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. RICH. No, I will not yield, I have not the time. I thank the gentleman from California on my right for giving it to me.

Then we have lead, 18 cents a pound now, when the OPA price was 6½ cents. That is an 11½-cent increase in price over the OPA price. You find the same thing applies to zinc.

If there is any common sense in that, then I do not know what it is, in increasing prices so high. If the Members are going to foster this kind of legislation, you ought to turn back and turn back mighty quick, because you are headed in the wrong direction, you are only headed for socialism and communism in this country. I do not want to belong to any party that is headed in that direction, but I am going to stay in the Republican party and I am going to fight you to the end to stop legislation like this. I want you to know that, because I am too much of an American to get off the track as you fellows are doing in such legislation at a time like this.

The members of the Lead Industries Association produced 230,000 tons in 1946. That was 70 percent of the total mine production in this country, reported by the United States Bureau of Mines. In addition, the Lead Industries Association include 42 lead-consuming companies, both large and small, in its membership. They are against this bill.

I have letters from mining associations opposing this measure. I have already pointed out that the Lead Industries Association, which represents the biggest percentage of the lead miners, opposes it. I am informed that the Mining Association of Montana in 1946 passed resolutions opposing any extension of the premium price plan. The Northwest Mining Association passed a similar resolution in December of 1946. I also understand that there was so much difference of opinion among the Utah Mining Association that they submitted to their Senators and Congressmen another proposal, greatly different from this bill, which has been introduced by Senator WATKINS in the Senate.

A survey made by the Engineering and Mining Journal recently, the results of which were reported to the American Zinc Institute on April 29, 1947, by Evan Just, editor, states that—

> According to this survey, all classifications in the zinc industry—low cost or high cost—large or small, western or eastern, miner or smelter, simple or integrated—are divided over the question of direct subsidies to producers as a permanent policy.

The report also stated:

> Most of the industry is clearly protection-minded, and many subsidy advocates would prefer tariff if they thought enough could be obtained.

I could go on here and give you the names of many more people who are against this legislation. Above all things, let us stop these subsidies. Here are six reasons why subsidies should be stopped:

First. Under the Stock Piling Act, cannot the Government, if it wants to, pay what is necessary to get metal for stock piling and thus contract with marginal producers for stock-piling purposes wherever it thought that ore might be lost if mines shut down?

Second. Is not this bill apt to lead to permanent subsidies, to nationalization of mining in this country, and to the virtual loss of control of their business for even those who seek help from the bill?

Third. Why is this bill limited to metals and minerals specified and why does it not include such essential things as coal, oil, and iron ore?

Fourth. Will not this bill increase the current shortages of some of the metals and minerals covered by keeping labor occupied in inefficient mines when those mines which are efficient could really produce more of these metals but are short of labor?

Fifth. Will not it, also exaggerate shortages by encouraging the mining of low-grade ore?

Sixth. Why should we consider paying subsidies to mines at a time when metal prices are at or near record heights?

Be wise, stop subsidies; get back to law of supply and demand to regulate prices. Do it quickly before we wreck our financial structure.

Mr. WELCH. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, we all want to cut the cost of Government to the bone. We want to reduce taxes. We want to balance the budget and get our Nation back on an even keel. Normally, I think most of us are opposed to subsidies or even premium payments if that is a more pleasant and less injurious phrase.

However, this bill now before us for consideration deals with critical and strategic materials, of which we have

such an acute shortage today. Twice in our generation we have fought two world wars; and in order to achieve victory, we pumped many of our oil wells dry and we dug the lead and zinc out of the earth and the copper out of our mines in Montana, Utah, and Arizona, and even our iron ore on Mesabi Range in Minnesota is not what it once was. This, naturally, should give us all great concern.

I happen, of course, to represent the 15 counties in Southwest Missouri. My good friend and colleague the gentleman from Oklahoma [Mr. SCHWABE] represents the northeastern section of that State, as my friend Mr. MEYER represents southeastern Kansas.

That tri-state area of Missouri, Kansas, and Oklahoma, produces 40 percent of the Nation's output of lead and zinc. We have $30,000,000 invested in mining machinery and equipment. We made an enormous contribution to the winning of this war. But this is not a local matter. The people in New York, Michigan, Wisconsin, Illinois, and the people in practically every western State are vitally interested in the mining of lead, zinc, and copper.

The Government already has invested millions of dollars. The Federal Government has invested millions of dollars to help open these marginal mines to increase the output. If these mines are not continued in operation they will cave in and fill with water, and we will suffer total loss of these precious metals. The whole Nation is affected. Every man here who drives an automobile has to buy a battery, and my brother who is in the business cannot buy batteries today because of the lack of lead.

Every farmer who buys a pail or a tub has to pay a high price because of the shortage of zinc. Whenever any person in this country paints his house he pays a high price because of the scarcity of lead.

As a member of the Committee on Armed Services, I am going to be a little critical of our Army and Navy Munitions Board. Over a year ago the able gentleman from North Carolina [Mr. DURHAM], who knows more about stock-piling than any other Member of the House, got a bill through our committee and through the Congress appropriating more than $300,000,000 in order to build a stock pile; and, gentlemen, the admirals and generals tell you today that we have nothing. We are worse off at this hour than we were at the time of Pearl Harbor. On December 7, 1941, we had 500,000 tons of rubber. Today we have only 180,000 tons.

I hate to admit it on this floor, but it is high time to serve notice on the Army and Navy Munitions Board that they had better get busy and get some stock piles of lead, zinc, and copper, which are so essential not only in peace, but particularly in time of war.

Every farmer, every family who lives in the rural areas of BOB RICH's district, needs copper wire. The Rural Electrification Administration is unable to build lines because they do not have the supply of copper. The gentleman from Pennsylvania said that we do not have enough corn and wheat and we do not have enough of this and that. The truth of the matter is we have a surplus of wheat. That is an exportable commodity, but we still subsidize it. The Federal Government spent $80,000,000 last year to support the price of potatoes and then we go out and destroy thousands of tons of potatoes. I want to say to the Members of this House that lead and zinc and copper are in an entirely different category. We do not have a surplus of these critical and strategic materials, which all of us use in our daily life, and which the Nation cannot get along without during a time of war. Instead of having a surplus we have an acute shortage, and unless we continue the operation of these mines, not only in Missouri, Kansas, and Oklahoma but in Illinois and Wisconsin and practically every other Western State, we might wake up and find ourselves in a dire predicament, much worse than we were on December 7, 1941.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Utah.

Mr. GRANGER. Does not the gentleman think we are forgetting the great revolution that has been made in our farming, and in our civilization generally, that we cannot even estimate how much of these materials we will use? I venture the prediction that never again will we produce enough of those things to satisfy our peace needs, let alone war needs.

Mr. SHORT. I think the gentleman is correct.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Colorado.

Mr. HILL. It has been my observation that the Army can find plenty of time and plenty of money and plenty of energy to go about this country promoting a plan to jam down this Congress universal peacetime military training. Is it not 10 times more important that they spend their time and energy getting strategic materials lined up so that if we should be attacked we would have sufficient lead, copper, and zinc to provide for our military needs?

Mr. SHORT. I agree with the gentleman 100 percent.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. SHORT] has expired.

Mr. WELCH. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SHORT. Now, do you know what is happening down in the tri-State area, represented by Mr. SCHWABE, Mr. MEYER, and myself? Since the 30th of June, since the 1st day of this month, I will tell you what has happened. For the past few years we have been producing 6,000 tons of zinc concentrates every week. The week ending July 12 we produced 974 tons, or less than one-sixth.

Normally, we produce over a thousand tons of lead concentrates, weekly, in that tri-State area. In the week ending June 12 we produced only 121 tons. The truth of the matter is that thousands of miners have been thrown out of employment, and they have to go on the relief rolls.

I want to quote to you from the Joplin News-Herald of July 2, 1947, which states:

A long line formed at the Miami office—

That is in Oklahoma—

the Miami office of the United States Employment Service this morning as miners, thrown out of jobs by closing of mines and mills of more than 40 tri-State companies, sought jobless pay. Many miners also appeared today at the Joplin Employment Service office making applications for unemployment pay.

I want to say to you gentlemen, if these mines are forced to close and these thousands of miners are thrown out of work, it will cost this Government almost as much in unemployment compensation or relief as it would take to continue the operation of these mines and get the necessary metals.

This bill should be passed unanimously. I cannot understand why my good friends BOB RICH and BUCK are against it.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. SHORT] has again expired.

Mr. ENGLE of California. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, for 10 years and more I have been striving to stock pile strategic materials, minerals, and metals for our national security and protection.

This bill goes a long way toward doing that very thing. How well do I remember the long, hard fight we had, and only partial success we had, to get domestic production for the defense program before the war, for the fighting of the war through its duration and now for adequate national defense in this critical postwar period.

In May 1937, as the House Military Affairs records will show, I begged for American production of these vitally necessary things from our domestic mines, and also later when the Faddis bill was before the House, I urged the buy American principle and asked that its provisions concerning getting these things abroad be changed from mandatory to permissive. I thought then and have always thought that we should get that which we could not produce at home and must have for our security where it could be obtained, and concurrently we should produce as much as possible from our own sources. I asked then and ask now, Why place ourselves at the mercy of a possible enemy, or of an enemy as recently?

During World War II we needed bauxite and attempted to get a part of our supply from a country in South America. I am told that less than 10 percent of our ships carrying that material across only a limited portion of the sea were able to escape wartime dangers and deliver their cargo. We never could have had such volume of airplane production if we had depended altogther upon foreign bauxite. This indicates the danger of such shortsightedness.

Mining production is of such a nature that it cannot be turned on or off easily as water in a pipe. For adequate safety in war, and to a certain extent in peace,

our Nation must not only have a natural supply of these vitally needed things and know that we have them in the ground, but we must also have a continuing production not dependent upon foreign sources. The purpose of this bill is to put and keep America in that position.

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I wish to preface my remarks by stating that I own stock in St. Joseph Lead and in Anaconda and in Kennecott.

Mr. Chairman, this bill would extend for two more long years a wartime emergency measure adopted first back in 1942. It would pay subsidies to certain producers of copper, lead, and zinc, metals which are at or near all-time peak prices.

When the premium-price plan operated during the war, these metals were covered by ceiling prices much lower than prices are today. Copper during most of the war was pegged at 11.87 cents per pound, lead at 6.5 cents per pound, and zinc at 8.25 cents per pound. Now the comparable prices are 21.5 cents, 15 cents, and 10.5 cents per pound, respectively. That means an 81 percent increase for copper, 131 percent increase for lead, and 30 percent increase for zinc.

Who can justify the use of $35,000,000 a year for two more years, or $70,000,000 altogether, of the taxpayers' money to pay subsidies under such market conditions?

During the war with price ceilings in existence, such subsidies may have been justified. Now, in a free market in peacetime, they are neither needed nor desirable. Subsidies tend to promote inefficiency in mining. Why be efficent when the Government foots the bill? Subsidies tend, under today's conditions, to reduce production, not only by discouraging efficiency, but by encouraging the mining of lower grade ores, resulting in lower output per man-day. This at a time when the mining industry is some 20 percent short of its full labor supply.

And if it is argued that this bill is in the interests of national defense, I would like to ask what provision in it assures that any subsidized production will be used for national defense? Nothing. No, instead the taxpayer subsidizes not only a few miners but the consumers of these metals, because all the metal produced under it is sold through the usual market channels and not to the Army and Navy.

I would like to point out that many of the low-cost, efficient producers also have some high-cost properties which they can work and receive subsidies for under this plan. Several large mining companies of which I know, now showing large profits exclusive of subsidies, would receive several hundred thousand dollars a year in subsidies under this bill. Is that the way to use taxpayers' money when we are trying to reduce taxes, Government debts and the costs of Government?

It will be argued that if some high-cost mines are not paid subsidies, they will shut down, never again or only at great expense to be reopened, and that their ore reserves will thus be permanently lost. I maintain that the history of mining is one of closing and reopening many mines as market conditions change. Most of the mines that have been getting subsidies have closed and reopened more than once and were certainly not operating during the depression years of the thirties. Is it not better to keep those reserves in the ground for emergencies than to mine them under uneconomic conditions? One mine has just reopened under today's conditions without subsidies after 56 years of idleness.

I cite that in answer to a statement by one of the gentlemen here this afternoon that a mine closed down for a few years can never reopen again because the timbers rot, and so forth. This mine was 56 years idle and has just reopened in order to get in on the high prices that are prevailing today in the metal market.

But above all, the principle behind this bill is, in peacetime, un-American and contrary to the free enterprise system which has made our mining industry the greatest in the world. When if not now will we ever get away from the alien principle of subsidies? Are we to extend this temporary expedient for 2 more years? We have had it for 5 years. Even a year ago we extended it only 1 year to allow a transition from a wartime to a peacetime economy. Then we still had ceiling prices. Now we have a free market, ceilings have been gone for many months and prices have risen, the war has been over for nearly 2 years. Another 2 year extension of subsidies and we will virtually have a permanent subsidy plan. It is time to end these subsidies now.

Mr. Chairman, in conclusion, I feel that the people of this country spoke in no uncertain terms with regard to subsidies. They wanted an end to subsidies. Yet we are going to continue them year after year. If subsidies are to end the time to end them is now.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Missouri.

Mr. SHORT. When you have your tonsils extracted you want the doctor to do a clean job. You do not want any stubs left in there. If you cut too deep you get to the jugular vein. I want subsidies ended at the first possible moment. But the mining industry is a sick industry. A sick man does not get out of bed and run a foot race. He has to go through a period of convalescence. We should extend this for another year.

Mr. BUCK. That reminds me of the fact that sometimes it makes a difference whose ox is gored.

Mr. SHORT. It certainly does.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, it is said by my good friend from Pennsylvania that he is a Republican teaching Republican doctrines. I assume that if he carried his argument to its ultimate conclusion he would really preach the Republican doctrine and urge the imposition of a tariff sufficiently high to enable these high-cost producers of ore to operate at a profit. It does not seem to me that is a very sound argument to present in opposition to this bill.

I have great admiration and respect for my good friend from New York, but he betrayed one weakness in his argument that is rather significant. He said that he is a stockholder in certain mines. I know perhaps that that is true. He further stated that there were some of the low-cost producers, big producers, that had mines which cost a lot of money to operate and they would get back into business and operate those mines if this program were continued. That, it seems to me, is an argument for this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I do not yield at this time. The gentleman has spoken at length on this bill and I have had no opportunity to speak until this minute.

It seems to me that what this bill is designed to do is to recognize the fact that there are ore bodies in this country, and mines in this country which it is uneconomic to operate unless the producers operating those mines can do so at a reasonable profit. Now, I happen to know that down in the southwestern part of my State there are a lot of zinc mines and a lot of them will have to close up, if they are not already closed, unless this bill passes, and despite what the gentleman said about the one that after being closed down 56 years has now reopened, the experience in that area is that once one of these shallow mines closes down and fills with water, it is through, and you are not going to have the benefit of that low grade ore and you are not going to have it in a time of crisis.

Now, what we are up against is simply this: Copper does not go away after you once smelt it and get the ore out. Neither does lead or zinc. It is not like the Army and Navy Munitions Board buying copra or coconut oil. The fact is that there is a tremendous shortage of these three things, not only for consumer use, but we do not have anything set aside as a stock pile in this very dark and dangerous hour that is facing the Nation. I think the argument that my good friend from New York has just made would be a pretty sound argument were we not facing the world situation that is confrcnting us today. I want to tell you, my friends, that I am influenced by that situation more than anything else to see to it that we do not lose a single pound of any of these critical materials.

Now, you say there is no assurance that any of this copper or this lead or this zinc will be used for Army and Navy purposes. Well, if there is no assurance, then we have lost a lot of time passing the law that we passed, because that Board has the money and is in the position to go out and requisition and buy this material and stock pile it for Army and Navy munition material, and I know that they are in a position to do that and intend to do it.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. BUCK. I want to ask the gentleman if he thinks that copper, lead, and zinc would disappear if you permit it to remain in the ground.

Mr. KEEFE. I do not think it would disappear if you permit it to remain in the ground, but I want to say to the gentleman this, that you are not going to recover it; that is the point. These little mines that are dug down there in the southwestern part of Wisconsin, once they fill up with water and the timber rots and the thing caves in, you are not going to have that tonnage, and they are there now and they are operating. While I have not a single one of these mines in my district, I think that we will be making a very, very short-sighted approach to this matter if we attempt to take the argument of my friend, the gentleman from Pennsylvania. Wait until you hear some of the arguments tomorrow when this deficiency bill comes in and you will get a little bit of a picture of the world situation, and I think you will be happy that the bill does pass. That is all I have to say.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. ENGLE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I appreciate very much having this time from both sides of the aisle because what I say here I hope is not considered partisan in any sense of the word. I have had considerable experience in matters of strategic and critical materials in my service on the Committee on Military Affairs. The first conference committee I served on in the House was 8 years ago last spring, Public Law 117 of the Seventy-sixth Congress. During the discussion of that matter before the conference committee we received a report from the Army and Navy Munitions Board giving their decision on January 7, 1939, that copper, lead, and zinc were classified as essential materials, but neither strategic nor critical. By the time last year came along we were working on Public 520, on which the gentleman from North Carolina [Mr. DURHAM] did such an outstanding job. We found that they had moved those articles up into the critical and strategic classification.

What happened between those two periods of time that brought about that change in classification? I remember the most dramatic session the Committee on Military Affairs had in all of my experience in those secret sessions with Gen. Leonard Ayres, the economist from Cleveland, when they told us we had our backs to the wall. I remember the situation regarding copper in particular. We had struggled through 2 years of the war to discover a way to make large shells without copper-shell casings. That relieved us of the need of one-third of our requirements of copper. They also went ahead and later developed a method to make shell casings for the small-caliber ammunition without the need for copper. That relieved us of an additional one-third of our needs for copper for ammunition making. I then asked Gen. Leonard Ayres, "I suppose that with the reduction of two-thirds of our need for copper we are now sitting on the world and safe as to our need for copper for wartime." To my amazement General Ayres reported to me in answer to that query that we were still in a desperate situation; we did not have enough ammunition and we were at the mercy of our later ability to get ammunition to our troops abroad. I do not need to tell you now how desperate that need was at the time of Pearl Harbor, but I am talking now about 2 years after Pearl Harbor. That is how the Army and Navy Munitions Board finally learned a lesson and moved copper, zinc, and lead from the essential class into the strategic and critical class. Those were dramatic times. You cannot send bare-fisted men out to fight wars without ammunition.

I have a wholesome regard for the situation as far as national defense is concerned. There is not a mine in my district. I am acquainted with this subject by working for years on Public, 117, passed in 1939, and on the Faddis investigating committee following that, in 1941, when we had to investigate why they had not stock-piled materials with the approach of Pearl Harbor.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Does this bill provide 1 pound of copper for stock piling?

Mr. MARTIN of Iowa. No, that is not this bill. This bill is to make our domestic supply more adequate, out of which we can hope to fulfill some part of our stock-pile program.

Mr. SIMPSON of Pennsylvania. Is not a part of our domestic supply that copper which remains in the ground?

Mr. MARTIN of Iowa. Yes. That copper was available to the Indians, too, back in the days of the Indian wars. Maybe one reason the Indians lost that war is that they had not developed it.

Mr. SIMPSON of Pennsylvania. If we supply our needs from overseas shipments, do we not have the copper from out of the country plus what we reserve in the ground here?

Mr. MARTIN of Iowa. Absolutely, but try to get it, try to get enough. I do not want us to be dependent upon a foreign supply. I was instrumental in taking out of Public, 520, paragraph 10, after the State Department put it in there, to make foreign materials tariff free. I was instrumental in putting in Public, 117 of the Seventy-sixth Congress the "buy American" clause. I want to develop American supplies, where we have control. That is a part of our national defense. I will not be swerved by any textbooks they have up at West Point. I read one the other day. They said a powerful lobby brought about that "buy American" clause. I am the man they are supposed to have lobbied. I will tell the world one thing. Not one mineral man lobbied me one iota. I was talking in straight-from-the-shoulder terms on national defense and the development of our domestic supply so that we can control the supply when we get into an armed conflict, and it did not take any powerful lobby to bowl me over. I want some day to take the Army and Navy officials to task for that asinine statement in their textbook which they are now using at West Point which contains that damnable lie because I am the man that the so-called powerful lobby was supposed to have lobbied. And I know what I am talking about.

I yield to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. The gentleman also knows that if we have more copper, lead, and zinc, the only way to get it is to mine it.

Mr. MARTIN of Iowa. Absolutely.

Mr. SHORT. And you have to have a going, thriving industry in order to carry out exploration and new discoveries.

Mr. MARTIN of Iowa. Absolutely. I agree with the gentleman. The gentleman knows what he is talking about because he has served on that committee for many, many years.

I yield to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Is it not a fact that we have a stock pile of copper, lead, and zinc at the present time which the Government is holding and which many industries are desirous to have and are trying to get the Government to give these metals to the industries?

Mr. MARTIN of Iowa. When we wrote Public Law 520 we had originally provided in it $1,800,000,000 for a stock pile. We took that out. We took that out and brought it to the House and made it an open authorization, hoping that we would get a fraction of that amount. Do you know how much we have today?

Mr. RICH. No; I am asking for information.

Mr. MARTIN of Iowa. We have practically nothing. It is time for us to organize another Faddis committee to investigate the Army and Navy Munitions Board. I know what they are doing. We put in Public Law 520 one clause which I regret very much is in it, and I know that the gentleman from North Carolina [Mr. DURHAM] has the same regret. I want to tell you how they are getting away with this business of sending all of our strategic and critical materials to private industry. Section 3 of Public Law 520 has a provision in it that these acquisitions of strategic and critical materials for our stock piles shall be made so far as is practicable from supplies of materials in excess of current industrial demands.

They have gone off the deep end and turned the whole thing loose to private industry. They have forgotten all about the essential need for stock piles which we hoped that they would get.

I served on the Faddis committee. I know what happened when we started that investigation back in 1941. We got in their hair pretty badly. Then, the Truman committee took over. Faddis left Congress and went into the war. As a Republican I was on the minority at that time and the administration could not take exception to my position in the matter. There is a great deal of history in back of this thing.

Mr. RICH. Would you do this? Would you find out what the stock pile

is at the present time of copper, lead, and zinc, and insert it in the RECORD?

Mr. MARTIN of Iowa. I would be very delighted to call upon the Army and Navy Munitions Board to reveal all that they can reveal without violating secrecy. If you want to go over to the Committee on Armed Services, I think you may find there some statistics that are available to you as a Member of Congress which will shock you and which you would not dare turn loose on the public because it might be revealing some secrets which should not be revealed. Now you know where you can get the information. I do not want to take the responsibility for putting it in the RECORD here. You know where you can get the information on the strategic and critical materials.

Mr. RICH. I understand. I would not want you to reveal any secrets.

Mr. MARTIN of Iowa. No, and I am not going to do it either.

Mr. RICH. No, I would not want anybody to do that.

Mr. MARTIN of Iowa. You can go to that source and get your answer.

Mr. RICH. I was in hopes that we could find out definitely just what we have.

Mr. MARTIN of Iowa. You can find out very definitely just what you do not have if you go and consult that report there in the Committee on Armed Services.

I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Did I understand you to say that the Army accused you of lobbying?

Mr. MARTIN of Iowa. Oh, my goodness, they did not name me. I said I was the fellow who put the "Buy American" clause in there and the textbook at West Point states that it was placed there because of the work of a powerful lobby.

Mrs. ROGERS of Massachusetts. It is amazing that the Army today should make such a statement when in the past month they have had the most powerful lobby that I have ever heard of in all my time in Congress and since I have been in Washington, since 1913. They have the most powerful lobby on the merger bill. They have tried to prevent the Navy from testifying.

Mr. MARTIN of Iowa. I think they may revise their textbook now that they know that I have read it.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ENGLE of California. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, this is a very important piece of legislation for the protection of our country. I urge speedy passage of it.

Mr. WELCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. ROCKWELL].

Mr. ROCKWELL. Mr. Chairman, I desire to endorse and support the Allen bill, H. R. 1602. It provides a practical method of keeping alive a going mining industry and encourages the prospecting, exploration, and development of new strategic and critical mineral reserves by private industry.

My district is one of the most highly mineralized areas in the United States, and yet its development has been curtailed and held back largely because of high-cost conditions which prevail in the high mountains of the State of Colorado.

Ores and concentrates are shipped great distances to metal markets and en route are handled by comparatively distant smelters and treatment plants. It is approximately 400 miles from Silverton, Colo., to Leadville, the location of the only smelter within the State. When the value or market price of metal advances, railroad rates advance proportionately—based on a graduating scale. The same is true of smelter rates. Therefore, in many instances, the producers receive less for the metal content of their ore with high prices and high-cost conditions than they do when prices of metals are lower and costs are less.

Recent surveys conducted by State agencies show that costs of mining and treating ores advance more rapidly than the prices of metals and, therefore, the miners find themselves caught between two economic laws which force shutdowns unless they receive premiums such as those provided under the premium price plan, by which a government, in need of metals, gives assistance to the little miners. Lead-zinc production statistics for the years 1939 and 1944 show that, while there were 1,455 mines producing less than 500 tons of these metals per year in 1939, this number had fallen off to 804 in 1944. These mines produced only an average of 77 tons each in 1944, or 5.48 percent of the total production for that year. But these mines are the ones in which I am primarily interested because these little mines are the ones which produce the big mines of the future.

The only way you can develop ore reserves is to dig for ore, and if our Government encourages the little miners of our Nation by providing incentives for them to find new ore bodies, then I can assure you that in my district and hundreds of other mining districts throughout the United States new ore reserves will be found which will be needed to protect our country in times of emergency, and provide the metals we need so badly to maintain our peacetime economy.

There are more than 40,000 mining claims in my State alone. These claims were patented after $500 worth of preliminary work had been done on each claim where minerals were found in quantities which justified reasonable miners in concluding that profitable mining operations could there be conducted. Not more than 5 percent of these claims are now in actual production. In fact, in the area in which these properties are located less than 10 percent have been completely geologized. These mining areas can be utilized for little else than mining, although their scenic beauties are well known. Much prospecting and exploration work has been done, but the miners await proper incentives by their government, which will enable them to develop new ore bodies and produce more metals.

A study of the premium-price plan and its effect upon the economy of our section has recently been conducted by the Colorado State Mineral Resources Board. While the study has not been completed, it nevertheless shows that practically all producers answering the questionnaires sent out by the Board needed the premium-price plan, or some similar plan, to continue mining operations. If these mines close down, it will result in the closing of our smelter, for without the mineral products of these hundreds of small properties, it will not be feasible for the smelter to operate.

The advantage of the premium-price plan over any other plan which has been devised seems to me to be the fact that the money paid for metals in the form of premiums, is paid to the producers—the fellows who spend years of their lives seeking out, searching for, prospecting, exploring, and developing new ore bodies, and eventually bringing in new mines. Who is more entitled to encouragement from the Government of the United States than these prospectors, explorers, and developers of new mines? Some may have the idea that new mines are developed by major mining companies with large capital reserves, but this for the most part has not been true of recent years. Mining engineers are constantly on the lookout for new properties. They are naturally making reports on their findings. Sometimes they recommend development projects; other times they turn down likely prospects. Many final decisions as to development projects are made in New York offices of major companies; but the prospectors, the explorers, and the developers must make their own decisions and their decisions will be largely based on our action here today.

Some think that the payment of premiums for newly mined ore will result in socialization of the mining industry. To this let me reply that there is a greater threat of the socialization of our mines by the closing down of large mining areas, such as those in the Tri-State district and in my own district, and in numerous other districts throughout the West, than there is from the continuation of the payment of subsidies. Let it be clearly understood by the Congress that in the event we fail in our duty to reenact this legislation, these mines, these marginal mines, these high-cost producers, will be shut down. What will be the attitude of the people in these districts, these miners, these storekeepers, the farmers, these ranchers, and others who depend upon the mines for their livelihood? Are these people going to stand idly by and see their districts turn into ghost towns? No; it is my judgment that they will immediately urge that, if private enterprise cannot operate these mines, then the Government should, and I predict there will be a strong plea to the Government of the United States to operate these mines. Those of us who come from areas in which this problem is uppermost in our minds know full well that it is not our policy to throw people out of work, especially in occupations where the wage scales are high, where working conditions are good, and where the climate is healthy and living standards above the average. This is not a plan to socialize the mining industry; this is a good sound

American program to encourage the domestic miners to go forth and produce new wealth so that our country may use it in the event of an emergency, and if no emergency should arise, to help maintain a high standard of living within our borders which, in final analysis, is mainly based upon our ability to produce new wealth from our farms and from our mines.

This is a serious matter and demands our immediate action in the passage of the legislation which is designated H. R. 1602.

Mr. WELCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I rise in support of the pending measure, H. R. 1602. To quote from a recent speech of the Secretary of the Interior:

> Mineral resources are the basis of any nation's industrial production. Without expanding industrial production, the high standard of living found in the United States could not exist.

It is the opinion of sound economists that our national wealth is based principally upon the raw materials we take from the ground and what we grow on the land. Regardless of what we pay for it, every pound of metal or mineral we take from our own deposits puts new wealth into circulation. New material which we may have possessed in the static form of reserves did not, before it was mined, have the quality of circulating from the mine to the factory, from the factory in the form of manufactured goods to the jobber, wholesaler, retailer, and to the ultimate consumer. In completing this cycle pay rolls are created, the velocity of turn-over of money increases, and capital wealth is built up.

When we have to purchase raw materials abroad part of this cycle is incomplete, not so many jobs are created, and some of our wealth leaves the country, never to return. I realize, Mr. Chairman, there are some things it is expedient for us to purchase abroad. Some because we do not and never may produce similar things here, and some because we at times do not produce enough to keep our industrial machine in high gear during the peak of our business cycles. Certain of the strategic and critical materials we require for stock piling must, at least in part, be purchased abroad if we are to build our national defense stock piles within a reasonable time. I do say, however, that every pound of raw material we can produce in the United States benefits our economy to a greater degree than a pound bought elsewhere and which probably was produced with cheap labor in an economy with a much lower standard of living than ours.

We have in the past realized that in order to maintain our domestic industry, the difference in living standards here and abroad must be balanced by tariffs. At present it seems to be fashionable to decry the tariff principle, to lower our tariff barriers, and, in some cases, to eliminate them. Mr. Chairman, I shall not here argue the pros and cons of protective tariffs. I am saying that costs in domestic mines have risen in the past few years to such heights that tariffs on metals and minerals have had little or no effect in protecting our strategic and critical mineral and metal producers. Ask the manganese producers, the mercury producers, tungsten producers, and others whether or not the present tariffs are sufficient protection. In answer they will point to closed-down mines and mills and show you the figures on imports and the foreign prices which permit selling here over the small tariff barriers, in many instances, at less than our cost of production.

We have passed a bill suspending the excise tax on copper. There is discussion of suspending or lowering the tariffs on other metals and minerals. Just now, as our industrial capacity to consume raw materials is so immense, it happens in the case of a few raw materials that almost no amount of imports will wreck the markets. There also are world shortages of some of these things which at present prevent dumping at low prices here. That is not true of others. There is little chance that lowering or removing the tariffs will permit us to purchase items which are in world short supply a great deal cheaper. We will just pay the difference to foreign producers instead of to the United States Treasury.

You will ask what this has to do with the pending bill. A great deal. Mr. Chairman, if we are going to encourage a flood of imports, there may and will come a time when our market will not stand the strain and the prices will fall below our cost of production. Then, more and more of our mines will become marginal and will have to shut down, with loss of invaluable and unrecoverable ore reserves. The tri-State mining area contains more than 50,000,000 tons of marginal reserves of zinc and lead. At the present time 46 mills concentrate ores from 135 mines. Over 6,000 persons are occupied in these mines and mills, and according to certain surveys showing that some 14 people are directly or indirectly supported by each worker in a mine, mill, or smelter: mining provides the livelihood for over 80,000 men, women, and children in this area alone. We cannot allow these mines to shut down either from the present or future standpoints.

In 1940 lead was priced on the average at about 5.2 cents per pound and zinc at about 6.3 cents per pound. During the war labor and material costs, together with declining ore grades made it difficult for some mines to operate at three times this price for lead and more than twice this zinc price. The costs in some mines went even higher. The situation is no better now. It is unlikely, and from the viewpoint of a high standard of living, perhaps desirable, that wages should not fall. Yet these metals are more cheaply produced abroad, and when the backlog of industrial demand is filled it may be expected our prices will be forced back by imports of metal to the point where our marginal zinc and lead mines will be forced to close.

There is a way of preventing this disaster, and that plan is embodied in the pending bill, H. R. 1602, which is intended to stabilize the prices which our mines receive for those strategic and critical metals and minerals which the Army and Navy Munitions Board deems to be necessary for the public defense, in such a way that the price of these materials will not be increased for industrial use and yet we will be able to utilize to the fullest our marginal ores and fill our stock piles to a considerable extent with domestically-produced materials during the periods of slack industrial demand. Such a plan seems to me to be an imperative part of our economic system.

The United States must have a real mineral policy and a realistic natural resources conservation program. I feel Mr. Chairman, this is embodied in the pending bill, and I urge the Members to vote "yea" on this measure.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. BUCK. Mr. Chairman, will the gentlemen yield for a question before he starts his remarks?

Mr. PLUMLEY. Yes; I yield.

Mr. BUCK. Would the gentleman be in favor of this subsidy if a surplus in copper, lead, and zinc developed during the next year?

Mr. PLUMLEY. I doubt it somewhat. I am opposed to subsidies as a general principle, but in the State of Vermont, strange as it may seem, due to the war necessities, we developed up there one of the largest of small copper mines in this country which, when properly developed, may be a competitor of Anaconda and Kennicot and some of the other larger mines. Therefore, because of the sacrifice made by the men in private industry, who put their millions back of the Government to produce copper for the use of the Government, I am for this bill.

Mr. Chairman, any doubt I may have entertained, if any, with respect to my vote on this matter was resolved in favor of the bill by the statements made by the late chairman of the Rules Committee, who favors the bill. I am satisfied that H. R. 1602 should be enacted. My particular interest in this measure stems from the fact, as I have said, that in Vermont, strangely enough, there is a full-scale copper mining operation. It is one of the few such operations located in States along the eastern seaboard, and during the war made a splendid contribution toward filling the need for domestically mined copper, a critical material then in short supply.

This Vermont copper mining operation, Mr. Chairman, is one that has been built up by private capital and individual enterprise. It was brought back into full-scale operation largely at the insistence of those in government who knew the critical need for this strategic and essential material during the war. Over a period of years the operation was expanded out of private funds, but at the insistent urging of responsible Government officials.

At the moment, new shafts are being sunk; exploration for new deposits is under way; new equipment is on order; and within the next 2 years this particular mining operation will become a permanent addition to the successful mining operations in this country.

The continuation of the premium-price plan for 2 years will permit this development work to proceed; these explorations to be continued, and this mine to become an established producer, both in peace and war.

The private-capital expenditures made during wartime to make of it a large producer are indicative of the good faith of those who are responsible for its operation.

I know that domestic copper production would be a must were we to be embroiled in war. In these unpredictable days it would be folly to allow our copper mines to be closed down or to fall into disuse. As is apparent to all, once a mine is closed down, becomes filled with water, is allowed to decay, only superhuman effort, together with a long period of work and the expenditure of tremendous funds, can bring it back to production to serve the Nation. Let us not allow that to happen, particularly at this time.

In this bill, H. R. 1602, there is furnished the means of providing for national security, the exploitation of ore bodies at moderate cost, the maintenance of a geographically dispersed industry with men trained in metal-mining operations, as well as the assurance of adequate supplies of strategic metals from domestic sources.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield for an observation?

Mr. PLUMLEY. I yield.

Mr. CASE of South Dakota. I would just like to say that I heard the statement made by the gentleman from New York [Mr. BUCK]. Although I happen to be supporting this bill and the gentleman from New York is opposed to it, I think his introductory statement as to some stocks that he might hold was made because he wanted to be perfectly frank.

Mr. PLUMLEY. Absolutely; he is an honest man.

Mr. CASE of South Dakota. I think that the intimation that this bill might in some way benefit the companies in which he might have some stock interest, because of building up some marginal mines——

Mr. PLUMLEY. You do not charge me with having any interest in the marginal mines?

Mr. CASE of South Dakota. No. But I think the gentleman's statement was made in good faith. It was made to show that he was not taking a position based on self-interest.

Mr. PLUMLEY. Oh, I agree with the gentleman absolutely.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield.

Mr. RAYBURN. Is the gentleman from Vermont generally in favor of subsidies?

Mr. PLUMLEY. No. And I have a very definite reason why I was interested in this particular one.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. WELCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point on the subject, and to include a brief published report of the House Small Business Committee which deals expressly with this subject, the purpose being that the Members, after this afternoon, may be able to read this before they again debate the bill.

The CHAIRMAN. The gentleman will have permission to extend his remarks at this point in the RECORD, but permission to include the report of the Small Business Committee will have to be obtained in the House.

Mr. PLOESER. Mr. Chairman, the report referred to is as follows:

INTERIM REPORT ON INVESTIGATION OF DOMESTIC SHORTAGES OF CRITICAL NONFERROUS METALS

INTRODUCTION

On June 2, 1947, Subcomittee No. 3, under the chairmanship of Representative WILLIAM S. HILL, Republican, of Colorado, went to Denver, Colo., where represenatives of the mining industry were heard in a preliminary conference.

Attending this conference were representatives of the mining industry from Colorado, New Mexico, Arizona, Missouri, Oklahoma, Kansas, Wyoming, South Dakota, Utah, and California. Accompanying Mr. HILL from Washington were Representative HENRY M. JACKSON, of Washington, a member of the subcommittee, and M. W. Rowell, executive director of the Small Business Committee.

The spokesmen for the mining industry brought to the attention of the committee the critical situation now facing the United States and the mining industry. Men who have spent all their lives in mining pointed out that unless the Government takes prompt action the Nation will be in jeopardy, both from the point of view of national defense and the long-range welfare of the national economy. Unless the marginal miner is encouraged to prospect for new ore bodies and to develop those ore bodies when discovered, the critical shortage in industrial metals will continuously become more acute and this Nation may eventually become a "have not" nation so far as known ore bodies are concerned.

These spokesmen for the mining industry urged that Congres promptly enact the so-called Russell bill (H. R. 2455) into law in order to assure that existing mines will continue operation and that newly discovered ore bodies will be explored and developed. Other factors combining to threaten the life of the domestic mining industry, especially the marginal mines, are the rising domestic cost of mining, exhaustion of ore bodies during the war effort, delayed development programs, and an inadequate tariff structure.

In preparing this report the staff not only took into consideration the facts developed at the Denver conference but also the testimony taken by the National Resources Economic Subcommittee of the Committee on Public Lands, in the United States Senate, in its investigation of national resources. The findings and recommendations in this report represent the unanimous opinion of Subcommittee No. 3 and have been approved by the full committee.

1. Analysis of the facts reveals that the fundamental issues are whether the mining industry should be encouraged to prospect, explore, and develop mineral deposits; whether marginal mines should be left to close down; and whether the mining industry should be induced to remove marginal ore, in a balanced operation, along with profitable ore.

From this committee's preliminary investigation, it would appear that the fundamental issues are as follows:

(a) Should the Government offer incentives to the mining industry to stimulate it in prospecting, exploring, and developing new ore bodies?

(b) Should mine operators be left in a position which forces them to close down completely marginal mines, liquidate mechanical equipment necessary for operation of these mines, and disperse technical staffs and skilled manpower?

(c) Should the Government assist mine operators either to continue marginal mines in operation or to maintain them in stand-by conditions?

(d) Should the mining industry be induced to remove marginal ore from the shell along with profitable ore in the core of mineral deposits in order to assure a healthy mining industry from the operational point of view?

(e) Should the mining industry be induced to remove marginal ore along with profitable ore in order to stimulate the exploration and development of unknown ore bodies in existing mines?

2. Depending upon determination of these issues, assistance may be extended to the mining industry in several ways, including protective tariffs, premium-price payments, direct contracts either for the production of marginal mines or to maintain these mines in stand-by condition, and appropriate tax exemptions and deductions.

Both the necessity for assistance and the type and extent of assistance depends entirely upon determination of the fundamental issues outlined in the section next preceding.

(a) If it is decided that the mining industry should be induced to take out low-grade marginal ore along with higher-grade profitable ore, it should be recognized that the problem is of an enduring nature, and consideration should be given either to adopting protective tariffs high enough to maintain the price at a profitable level for this high-cost operation or to subsidizing marginal producers by adopting premium-price payments as a long-range program.

(b) If it is decided that the mining industr should not be induced to remove marginal along with profitable ore, it should be recognized that many marginal mines will close down, liquidating their mechanical equipment, technical staffs, and skilled workers, and consideration should be given to extending the premium price payment plan temporarily or to making direct contracts either for the production of these mines or to maintain them in stand-by condition.

(c) Whether or not it is decided to induce the mining industry to remove marginal ore along with profitable ore, consideration should be given to encouraging the mining industry to prospect, explore, and develop new ore bodies by adopting tax incentives in the form of appropriate tax deductions and exemptions and by directing the Army-Navy Munitions Board to obtain strategic and critical minerals and metals for stockpiling purposes by direct contract with marginal mines.

3. As a general rule, subsidies are economically unsound and should not be used except under extraordinary circumstances.

Subsidies disrupt free competition and normal economic relationships by suspending application of the laws of supply and demand. Uneconomic marginal producers are kept in production by payments from the public purse.

Under normal competitive conditions where the supply is adequate to meet the demand, the economic effect would be to force the uneconomic producer out of business on the basis of survival of the fittest. Subsidies therefore have the effect of supporting the marginal fringe at the expense of the general public.

Furthermore, when the supply is inadequate, the price normally would increase. Subsidies tend to keep prices down by increasing production, but higher taxes are

substituted for the price increases normally to be expected, and consequent increases in the cost of living are concealed from the general public. It is elementary that increased expenditures by way of subsidies must be paid for by way of increased taxes, which necessarily come out of the pockets of the consuming public.

During the war, the Government granted subsidies on an ever-increasing scale to numerous industries. While this was contrary to normal economic principles, the need for maximum production to meet the urgencies of war overshadowed these principles. Price controls accompanied the subsidies, and the joint effect was to keep the marginal producer in operation without increasing the prices. Under normal competitive conditions, prices would have spiraled, the marginal producer would have shown a profit, and the efficient producer would have reaped a windfall, since demand was insatiable and increased with the supply. Direct subsidies were given to the marginal producer, and price controls were placed upon the subsidized industry in order to obtain maximum production and at the same time cut down the over-all cost of war by stabilizing the general price level and eliminating windfalls to low-cost producers.

To secure maximum production of metals badly needed in the war effort without unduly increasing prices of these materials, the premium-price plan was established, under which maximum production could be secured without disturbing the over-all national economic program. This program has been in successful operation since February 1, 1942, for copper, lead, and zinc. It was continued until 1945, when the Congress established it by law for the fiscal year ending June 30, 1946. With slight modifications, the Congress extended the plan to June 30, 1947, when it expires. The plan as administered was quite flexible and operated satisfactorily in connection with free market prices when ceilings were removed, and it is now so operating. During the war, these subsidies effected substantial savings for the Government; maximum production was obtained without increasing the price of metals.

4. Unless the Government takes preventive measures, the great majority of marginal mines will shut down.

Wartime economic conditions presently continue in the mining industry. Domestic demand substantially exceeds domestic production. Costs as well as prices are at the highest level in the history of the domestic mining industry.

Mines were depleted of their high-grade ore long before World War II. For many years the practice was to tunnel directly into the core of the vein instead of removing the low-grade ore along with the high-grade ore. By taking out the high-grade ore and leaving the low-grade ore, costs were lowered and metal production increased. Under the premium payment plan, the residue is now being worked, but it is a comparatively high-cost operation.

Since 1942 marginal producers of high-cost copper, lead, and zinc have been operating under the premium payment plan; and, even with the help of premium payments, some companies have lost money. The industry is becoming apprehensive as the June 30 dead line approaches, since mining programs are planned and projected months in advance.

From a cost study of marginal mines prepared by Jesse L. Maury in May 1947, it appears that 270 mines producing 30 percent of the domestic mine production of lead, zinc, and copper cannot continue in operation on the basis of present costs and prices which may reasonably be expected to prevail for those metals; that is, 22 percent of lead-zinc production and 6 percent of copper production cannot be sustained at present prices, and declines of 3 cents a pound from present prices will eliminate a further 7 percent of lead-zinc production and 23 percent of copper production.

The testimony indicates that, in the event of the discontinuation of premium payments on June 30, many of these mines will be forced to shut down and many will be forced to curtail operations substantially by selection of high-grade ores only. Furthermore, many smelters depend upon ores and concentrates from these mines in order to continue operations; and, in the event this tonnage is lost, these smelters also face closing down. Mines presently operating without subsidies will, in many instances, also be closed, for they will be confronted with the problem of finding other smelters as a market for their products.

In the face of these conditions, the mining industry now must cope with an increase in wage costs after July 1, 1947, this on top of the fact that the industry absorbed a 20 percent increase in freight rates on January 1, 1947. Many mines are located in isolated areas and must transport ore to distant custom mills or smelters, thence to additional mills or refineries, and, finally, to fabricating plants along the eastern seaboard. Added up, these transportation charges are a tremendous burden on the industry, frequently wiping out all profits to the producers, so much so that a plan is seriously being considered to erect modern fabricating plants in the West closer to the source of the raw materials.

It would seem that either direct subsidies or subsidies by way of tariff are necessary to assure continued operation of these marginal mines. If tariffs are used, the price will increase correspondingly and low-cost producers will realize higher profits. If direct subsidies are given to the marginal mines, continued operation at maximum production will be assured, with no increase in price or in the profit margins of the low-cost producers.

Protective tariffs are not a solution, since domestic mines can produce only about three-quarters of the Nation's needs. The tariff on copper was recently lowered in order to induce importation of copper ore. The low tariff, combined with direct subsidies to marginal mines, will tend to balance supply with demand and permit stock piling at reasonable prices.

If the mining industry is not protected by way of direct subsidies to marginal mines or indirect subsidies in the form of protective tariffs, the Nation will become largely dependent upon foreign sources of supply, since many marginal mines will go out of business and their production will be supplanted by imports.

5. Continued operation of the marginal mines is vital to national defense.

Accelerated prospecting and exploring, together with continued development and operation of existing mines, is insurance against the loss of foreign sources of supply in wartime. Even though foreign sources were willing to continue supplying this country with ore, it would still be difficult because of the submarine menace. Witness the high mortality rate of even our coastwise tankers during the early days of the war, to say nothing of the dangers faced by trans-Atlantic slow-moving freighters.

No adequate provision is made in the Stockpile Act of 1946 for stimulating exploration, development, and production of domestic strategic and critical minerals and metals. Stock piles of strategic and critical minerals have been so depleted that the national safety requires an immediate incentive plan for the continuation of marginal operations and the exploration of new mineral reserves.

As an example, it appears that a world-wide shortage of lead may continue for some time. The testimony shows that during the last 5 years lead production has steadily declined throughout the world, due, to a large extent, to the emphasis on zinc production at the expense of lead, its joint product. Immediately following the war, pent-up peacetime demand for lead resulted in an all-time high for peacetime consumption in the United States of 925,000 tons in 1946. This is comparable to domestic mine production in that year of 332,000 tons and a secondary production of some 340,000 tons.

Spokesmen of the mining industry emphasized the seriousness of the situation by pointing out that five out of six Colorado companies each doing up ot $1,000,000 worth of business annually would have to cease operations had they not been aided by the Government premium payment plan.

Unless aid is forthcoming from the Government, many of these marginal mines will close. The insurance which they provide against a wartime loss of foreign sources may be gone forever. When a mine is abandoned, the machinery is removed and sold. Abandoned mines fill with water. As the timbering rots out, cave-ins fill such mines with debris.

If the Nation ever again becomes involved in a war, it will be too late—too late to pump out the water, clear the cave-ins, retimber the mines, and reinstall necessary machinery. In time of war, mechanical equipment is scarce. Furthermore, 3 years may be required to rehabilitate such a mine and get it back into operation. Finally, rehabilitation costs would increase the fixed charges per ton to such an extent that the mine could not be reopened at the present level of subsidies. These costs could only be retired by way of higher prices or higher subsidies.

Metals are the backbone of our industrial economy. Without this basic raw material, war industries would shut down. To rely upon foreign sources of supply is to invite catastrophe.

6. Continued operation of marginal mines is vital to the welfare of the National economy.

Preliminary investigation shows that the Nation is facing a critical shortage of industrial metals due to depletion of known ore bodies in existing mines and that steps must be taken to encourage prospecting, exploration, and development of new ore bodies.

The over-all requirements of the Nation's economy with respect to lead, copper, and zinc have been estimated by various authorities to be considerably more than our domestic productive capacity. Of this requirement presently operating mines could probably not meet over three-fourths of the Nation's needs. At best, more than one-fourth would have to be imported. It has also been brought out in testimony before the United States Senate National Resources Economic Subcommittee, of the Committee on Public Lands, that there is a general upsurge in demands for metals throughout the world and that the United States should not deprive other countries of metals badly needed by those countries for reconstruction of war-torn areas. Combined, these factors clearly demonstrate the national need for encouraging the domestic mining industry and supplying the manufacturing areas of the Nation with badly needed materials for fabricating the numerous items of industry which are in short supply.

Witness the shortages of automobile batteries, lead cable, white paint, all of which are produced from the products of lead mines, and galvanized sheeting, culverts, and other items needed in farm building and highway construction. Castings, brass and copper products, are also in short supply, as testified to in the hearings, which resulted in the elimination of the copper tariff of 4 cents a pound. All these emphasize the importance of keeping the mining industry active at a time when the Nation's stock piles of metals are being rapidly depleted and purchasing has not been renewed as yet under the new stock-piling legislation.

7. Accelerated prospecting, exploring, and developing of ore bodies is essential to the national defense and the economy.

Much emphasis has been placed upon the depletion of our mineral wealth, but insufficient publicity has been given to the fact that this depletion relates only to known deposits. Vast ore bodies may remain undiscovered. Only by prospecting for new ore bodies and thoroughly exploring, developing, and exploiting known bodies will these unknown deposits, if any, be revealed. Discovery of new ore bodies has fallen far behind the depletion of existing mines.

It seems that there are four general types of prospecting, exploration, and development.

(a) The Bureau of Mines and National Geological Survey explore unknown areas involving long geological chances and high cost which private industry is not willing to undertake. For example, the Government explored potash fields in the Southwest which have made us presently independent where we formerly had none. This potash was discovered at great depth, and the exploration costs ran into millions of dollars. Private industry could not undertake the risk, since it was a long chance and involved a large amount of money. After the Government explored the field, it then leased out the mining rights to private operators, who are presently producing potash in great volume.

(b) The large private mining companies with capital as high as $100,000,000 can undertake the development and exploration of those areas where the probabilities are great that ore bodies will be discovered. For example, in one western mining area, a fault was discovered which indicated that ore had been thrown over into a district adjacent to one previously mined. Private operators drilled and discovered ore at 2,400 feet, which is now being developed. Shafts have been sunk to a depth of 1,600 feet, and it is expected that the ore will be reached in 3 months.

Another example is a case where two mining areas were producing 50 miles apart, and there was a strong presumption that ore could be discovered between these two areas. By drilling between these two fields, an ore body, covered by volcanic lava, was discovered 1,400 feet beneath the surface. Presently the areas which have been drilled have only shown ore containing about eight-tenths of 1 percent copper. Since this is about at the marginal point, it is a question now whether this area will be developed.

(c) Exploration and development of existing mines and areas adjacent to existing mines frequently reveal new ore bodies. This type of exploration and development depends upon continued operation of the mine and taking out low-grade marginal ore along with high-grade ore. One of the main reasons why the mining industry is now in difficulty is the fact that for 10 years before the war very little of this type of exploration and development had been done.

(d) The small independent prospectors and developers frequently discover new mines in remote areas. Consequently, the transportation cost is very high, and they sometimes cannot maintain operations without assistance. Even though the ore is very high grade, transportation costs may be prohibitive. Sometimes the ore even has to be taken out over mountain trails. Furthermore, initial operations may involve low-grade ore which, upon exploration and development, will reveal a rich vein.

8. In order to avoid a widespread shutdown in the mining industry, it is recommended that Congress enact the Hill bill (H. R. 3942) extending premium-price payments with respect to copper, lead, and zinc for 1 year as a bridge-the-gap measure pending more thorough study.

In our opinion, subsidies should not be adopted permanently at this time. As stated in an earlier section, we consider subsidies undesirable generally and believe that they should be used only under extraordinary circumstances.

However, in view of the exceptional circumstances previously outlined and pending a thorough investigation of the entire industry, we recommend that the present premium-price-payment plan be extended for a period of 1 year—until June 30, 1948, by enacting the Hill bill (H. R. 3942).

From the long-range view, preliminary investigation indicates that a large part of the troubles with which small independent miners are presently beset may be caused by sliding-scale provisions imposed upon them in their contracts with the smelting interests, and we wish to investigate this matter more thoroughly. These smelting interests own mines which account for 80 percent of the total copper production, 55 percent of the total lead production, and possibly 30 percent of the total zinc production. Ownership of such a large proportion of the more profitable mines places the smelters in a position to squeeze the small independent miners. The sliding-scale provision gives the smelter a larger cut percentagewise as the price of metal increases.

Continuation of premium-price payments temporarily for 1 year will encourage prospecting, exploring, and developing of new ore bodies, as well as assure continued maximum production from existing mines. For the most part, surface outcroppings are gone and the Nation is now dependent upon subsurface prospecting. In a very real sense, operation of these marginal mines involves an element of prospecting since rich ore bodies are sometimes discovered as the mine reaches farther into the subsurface.

Furthermore, small, independent miners will be encouraged to prospect for new ore bodies and to operate small, low-grade ore deposits which may develop into excellent mines. In opening up a new mine or developing an existing low-grade deposit, they know that the Government is, to a certain extent, underwriting the risk. Without this encouragement, they might be reluctant to continue pouring their money and labor into economically risky ventures.

It is generally accepted that new ore bodies are usually discovered and explored by small, independent miners. The large, integrated mining and smelting companies are reluctant to take chances. Financial considerations induce them to take a more conservative attitude, and they favor exploitation of their large known ore deposits.

Continuation of premium-price payments will induce both large and small mine operators to keep their marginal mines in operation, assure the maximum production which is presently needed, and keep technical staffs and skilled manpower together. Large as well as small operators may, in the course of operating these marginal mines, uncover unknown mineral deposits. In addition small, independent operators will be encouraged to prospect, explore, and develop ore bodies which the large operators would ignore.

This Nation has become strong in large part because it has had vast mineral resources, and our industrial strength will diminish with our natural resources. To maintain our industrial strength, we must discover and develop new ore bodies. To depend upon foreign sources of supply puts us at the mercy of the foreign producer.

Protective tariffs are no solution, since our domestic supply cannot meet the domestic demand and low-cost producers would be subsidized as well as marginal producers. Neither would stand-by contracts solve the problem, since exploration and development of marginal mines would cease and the technical staffs and skilled workers, necessary for their operation, would be dispersed.

In conclusion, it should be noted that the Hill bill (H. R. 3942) extending the premium-price plan for 1 year, as recommended above, is not to be confused with the so-called Russell bill (H. R. 2455), which would establish a premium-price-payment-plan, more or less permanently on a 5-year basis.

9. It is recommended that the Strategic and Critical Materials Stock Piling Act be amended by enacting the Ploeser bill (H. R. 3947) authorizing the Secretary of War and the Secretary of the Navy to direct the Secretary of the Treasury to negotiate fixed-price contracts for the purchase of all or any part of the production of these marginal mines.

Although contracts of this nature are an indirect subsidy, we believe they provide a necessary and desirable supplement to stock piling. In our opinion, maintenance of reliable and adequate sources of domestic supply is more necessary to national defense than stock piles of strategic and critical materials. As indicated previously, our stock piles of copper, lead, and zinc are sadly depleted, and dependence upon foreign sources of supply is extremely dangerous.

For these reasons, we believe that the Army and Navy should create their stock piles by acquiring the production of marginal mines. Thus, by keeping these mines in operation, they will assure their availability in time of war and prevent liquidation of necessary equipment and dispersal of technical staffs and skilled labor. Furthermore, such a program will keep the War, Navy, and Treasury Departments out of domestic open-market buying and prevent their bidding up the price.

The Ploeser bill (H. R. 3947) would authorize negotiation of fixed-price contracts at prices in excess of the going market price, without regard to section 3709 of the Revised Statutes, but for a period not in excess of 1 year. In negotiating the fixed price, the Secretary of the Treasury would seek to arrive at an amount which would provide the mine operator with a reasonable profit, considering the unit cost per ton of ore, including operating, overhead, fixed charges, and all other costs. The contract would include a provision for adjustment of the fixed price in the event the profit actually realized upon performance exceeded, by a specified amount, the estimated cost upon which the negotiated contract is based. The Secretary of War and the Secretary of the Navy would have authority to establish limitations as to price and grade of ore in order to assure that public funds would not be wasted, but they would also have the power to make exceptions in particular cases where the geological possibilities of the ore body justified.

It should be noted that such a program would encourage the exploration and development of ore bodies in marginal mines as well as assure continued operation of such mines; but that it is deficient as an over-all solution, in that it would not induce exploration and development in profitable mines not under contract, since the operators would not mine marginal ore and, for this reason, would have less chance of finding new ore bodies.

10. It is recommended that the Federal tax laws be examined for tax incentives by way of appropriate deductions and exemptions for losses incurred in prospecting, exploring, and developing marginal ore bodies.

From the testimony it appears that the tax laws may involve inequities to the mining industry, and particularly to small independent miners. In our opinion, these allegations should be thoroughly investigated.

Furthermore, prospecting, exploring, and developing unquestionably could be stimulated to some degree by providing adequate tax incentives in the form of appropriate tax deductions and exemptions. It is our opinion that this matter should be given thorough study, since this industry is one of the keystones to our industrial strength.

Mr. WELCH. Mr. Chairman, I have no further requests for time.

Mr. ENGLE of California. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, under the rule, the Clerk will read the committee amendment as an original bill.

The Clerk read as follows:

Be it resolved, etc., That it is the policy of the Congress that every effort be made to stimulate the exploration, development, mining, and production of certain metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States by providing for the development and conservation of those materials in order to decrease and prevent, wherever possible, a dangerous and costly dependence of the United States upon foreign nations for supplies of such materials.

Mr. WELCH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOWELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1602) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes, had come to no resolution thereon.

CONSENT REQUEST

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SHORT. Mr. Speaker, I object.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—PERMISSION TO FILE REPORT

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill (H. R. 4169) to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING VETERANS' ADMINISTRATION TO ACQUIRE SITE FOR VETERANS FACILITY AT CLARKSBURG, W. VA.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent for the imediate consideration of H. R. 3739, to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know what this legislation does.

Mrs. ROGERS of Massachusetts. It authorizes the Veterans' Administration to acquire certain land at Clarksburg, W. Va., for a hospital. I may say to the gentleman from Pennsylvania that if he is anxious to save money he can do so by passing this legislation, for the Veterans' Administration claims it will save over $60,000.

Mr. RICH. Has the Veterans' Administration selected this site? Do they want it?

Mrs. ROGERS of Massachusetts. Yes, they have asked for it and are extremely anxious to get it. It would be satisfactory to them and everyone concerned if the authorization should pass and pass promptly. Time is of the essence.

Mr. PHILLIPS of California. Mr. Speaker, reserving the right to object, is this the site regarding which the Committee on Independent Offices has already received some information? Is this matter entirely in addition to the requests made before the committee or is this a site which fits into the requests already made?

Mrs. ROGERS of Massachusetts. It fits into the requests already made. I am sure the gentleman would approve it if he read the statement that I have.

Mr. PHILLIPS of California. Has the gentlewoman spoken to the gentleman from Massachusetts [Mr. WIGGLESWORTH] about it?

Mrs. ROGERS of Massachusetts. No; but he will not object to it, I know. I may say to the gentleman that in passing this legislation the Veterans' Administration and the Government will save $60,000. It is necessary to pass it at once.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed (1) to acquire as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., the tract of land in Harrison County, W. Va., situated between the West Fork River and the line of the Clarksburg & Western Electric Railway and known as the Maxwell estate; (2) to lease to the city of Clarksburg, W. Va., at a nominal consideration, so much of the westerly portion of such tract as is not presently needed for the purposes of such facility, upon condition that such portion be maintained by the city of Clarksburg as a public park until such time as it may be needed for the purposes of such facility, and upon such further terms and conditions as may be agreed upon by the Administrator and such city; (3) to grant to the State of West Virginia a right-of-way across such tract of land for a public highway connecting United States Highway No. 19 with the highway known as the Clarksburg-Mount Clare Road; and (4) to enter into an agreement with the State Road Commission of the State of West Virginia to bear not to exceed 35 percent of the costs of construction of such public highway and any necessary bridges thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PLOESER asked and was given permission to include as a part of the remarks he made in the Committee of the Whole in connection with debate on H. R. 1602 certain material.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Saturday Evening Post.

Mr. COLMER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Marian B. Folsom before the Joint Committee on Economic Report.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a table from the Department of Agriculture.

OFFICE OF COORDINATOR OF RECORDING FACILITIES

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JOHNSON of Indiana. Mr. Speaker, I notice that Chairman BRIDGES, of the Senate Appropriations Committee, yesterday sought to clear up any possible misunderstanding concerning an item added in conference to the legislative appropriation bill, establishing the Office of Coordinator of Recording Facilities. Some of the radio people seem to fear that the action of Congress assuming official jurisdiction over the transcription service might be stepping on their toes. I simply wish to repeat what Senator BRIDGES said; namely, that our sole purpose was to improve the operation of this service which so many Members have found invaluable. It is not intended, and the language of the bill cannot be so construed, that this action should in any way interfere with any aspect of the present or future radio or television news coverage at the Capitol.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

Mr. SHORT. Mr. Speaker, it is my understanding that the mining bill we have been discussing this afternoon will come up the first thing next Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous special order of the House, the gentlewoman from Massachusetts is recognized for 3 hours.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, there has been an enormous interest in the passage of veterans' legislation. If I understand correctly, the administration of the House and the administration of the Senate are both inclined to have the Congress adjourn on Saturday of next week. As the Speaker knows, in order to secure the passage of legislation we should act at once. There is always the possibility as the Members of the House very well know, of a Presidential veto of bills that we pass; so every minute almost counts in the passage of legislation.

We have reported a number of bills out of our committee and those bills are pending in the Rules Committee, Mr. Speaker, but to date we have not been able to secure a rule for their consideration. Of course, that is not altogether necessary. Those bills could come up by unanimous consent, they could come up under suspension of the rules.

Mr. Speaker, we have reported bills unanimously out of our committee that have the unanimous approval of all the veterans' organizations.

Bills that have passed our committee that have the approval of the entire membership of the House, and Members have said to me, "As chairman of the Committee on Veterans' Affairs, when will the leadership allow bills to be brought up for action on the floor?" We have more bills, Mr. Speaker, that will be passed out of the committee very shortly. We have a bill introduced by the gentleman from Iowa, JUDGE CUNNINGHAM, and very ably defended before our committee by the gentleman from Wisconsin [Mr. MURRAY] that will be passed by our committee. The farmers will be interested in having their veterans given a low rate of interest on their farm loans.

Mr. CASE of South Dakota. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am very glad to see the interest the House is showing in this legislation. I know they have it. Everyone is interested in the affairs of the veterans.

Mr. CASE of South Dakota. I was much interested in the list of bills which the chairman of the Committee on World War Veterans' Legislation placed in the RECORD on July 15. Two of the bills in particular are bills which I have heard a great deal of, the Meade bill, H. R. 3888, and the Ramey bill, 3308, both of which deal with subsistence allowance for veterans attending school under the Servicemen's Readjustment Act. Can the gentlewoman tell me substantially the difference between the two bills? The Meade bill, as I understand it, contains an increase in allowance for dependents and the Ramey bill, according to the statement would increase the minimum subsistence allowance of disabled veterans who are attending school.

Mrs. ROGERS of Massachusetts. That is for the disabled who are taking vocational training under Public, 16. It only takes in those men who are disabled 30 percent and over. To the gentlemen who are interested in economy, as everybody is, and not at the expense of the disabled veteran, that bill would only cost $5,000,000, I will say to the gentleman.

Mr. CASE of South Dakota. The Ramey bill deals only with the disabled veteran who is receiving compensation for service-connected disabilities, while the Meade bill deals with all veterans attending school under the Servicemen's Readjustment Act who have dependents. Is that it?

Mrs. ROGERS of Massachusetts. That is correct. The Meade bill only increases the amount paid to married men or married men with dependents, however.

Mr. CASE of South Dakota. Has application been made to the Committee on Rules for a rule on the Meade bill?

Mrs. ROGERS of Massachusetts. Yes. I have asked the Chairman of the Committee on Rules to grant hearings for rules on all the bills, that World War Veterans' Committee has passed, and there were resolutions to that effect placed in the hopper. I have asked the leadership many times for action on these measures.

Mr. CASE of South Dakota. I would say that I think in general the people expect us to do something about this problem of subsistence allowance, particularly for those veterans who have had dependents added to their problem at the present time. There is general interest in that, and I express the hope that consideration will be given to that before the Congress adjourns.

Mrs. ROGERS of Massachusetts. I will say to the gentleman that very many Members I know ran for Congress on those measures, on the lifting of the ceiling and on the subsistence allowance. There are in our committee some 16 veterans of this war, men who have suffered as a result of this war and who know what war means, and I will say to the House that no committee has ever had finer members than has our committee, and these new veterans are very forward-looking and have fine records. We have a number of splendid World War I veterans in our committee. Many of the Members of Congress told me that they ran for Congress on the platform of increasing subsistence allowance for those in schools, and on the lifting of the ceilings for those on job training. Last year the administration then in power railroaded through the Committee on Veterans' Affairs a House bill that placed ceilings on on-the-job training and limited those ceilings to $175 a month to the single men and $200 a month for the married men.

Many of those men have had to give up their on-the-job training. May I point out that the subsistence allowance—the Government contribution—carried in the on-the-job-training bill is not increased at all. It is just as it was before—$65 for a single man and $90 for a married man or a married man with dependents. It is simply that the ceiling is raised on the total amount the veteran can earn. I find many Members do not realize there was no ceiling last year and the year before for the men taking on-the-job training, and that that right or benefit, whatever you call it, was taken away and the ceiling put on. I see a man every single day who tells me he does not know how long he can keep on with the $200-a-month ceiling on his job. It is something Congress took away unwittingly from the veterans. It was railroaded through in the closing hours of the last session. I think if there were a better understanding that the bill would be enacted at once. The distinguished ranking Republican member of the Committee on Veterans Affairs, the gentleman from New York, General KEARNEY, has filed a discharge petition. I signed the petition. I do not like to sign petitions, but I feel that we have a contract with the veterans, and when we cut them in that way we break our contract. I am hopeful that will come up. I believe enough signatures could be secured on that petition to bring it out to the House.

The other body has a bill with a ceiling not quite so high as that in the House. It has a bill for increasing subsistence allowances for the veterans. It has a bill that I understand has been reported out of the committee and is before the Senate similar to the bill introduced by the gentleman from Ohio [Mr. RAMEY]. I understand they expect to get action on those bills.

I believe it is the duty of the House to pass first legislation for the veterans. That has been the history of our veterans' legislation. I am very sorry to state that in some instances the Senate has had to put veterans' legislation as a rider on a deficiency appropriation bill in order to secure the passage of that legislation.

Mr. McDONOUGH. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. McDONOUGH. I am very much interested in the work the gentlewoman is doing as chairman of the committee.

Mrs. ROGERS of Massachusetts. It is the committee that is doing it.

Mr. McDONOUGH. I know, but they have to be stimulated into action.

Mrs. ROGERS of Massachusetts. They do not need any stimulation; however, I sincerely thank the gentleman.

Mr. McDONOUGH. The question that arises in my mind is, since this is, I think, a matter of interest to most Members of the House, and the Senate as well, I imagine, why should not this bill come on the floor and why should we not get action? Where is the bottleneck? We have no difficulty in getting rules on bills providing for the spending of millions of dollars for foreign relief. The Voice of America bill came through without much difficulty, and that even without an appropriation stated in the bill. An unlimited sum could be spent the way it was passed. In other words, we seem to be giving much more attention to international affairs than to domestic affairs. Some of those international affairs are very vital and necessary and I do not mean to say they are not, but I certainly believe the domestic situation is vital, especially the problems of the veterans who are attending school. I am speaking somewhat from experience, having had five of my

own sons in this last war, three of whom are now attending school. I do not mean to say they are up against the problem of the lifting of the ceiling as are the boys about whom the gentlewoman is talking, but there are thousands and thousands of other young men all over the country, and women also, who are attending school and in job training that need a lifting of the ceiling for the benefit of the domestic economy of the Nation as well as the comfort and convenience that they are entitled to as a result of their service in the last war.

Mrs. ROGERS of Massachusetts. I will say that is why I asked for time in which to have a sort of forum on veterans' legislation. Does not the gentleman feel there is also misunderstanding among the Members of the House? They do not realize that in no event would the Government give more than $65 to the single men and $90 a month to the married men.

Mr. McDONOUGH. That is right.

Mrs. ROGERS of Massachusetts. I think there is much misunderstanding as to the cost of the bill.

Mr. McDONOUGH. When we look at the situation so far as whom it affects we see that it is affecting our own veterans and the money that they are going to get is certainly going to be put into circulation quickly. It is not money that is going to be put away because they are not saving any money on the allowances they are now getting. Many are suffering as a result of not getting enough money and many of them are inconvenienced in the pursuit of their studies and have to take extra jobs in order to carry on for their families. It is a problem, I think, which should receive the attention of the entire Congress before we recess.

Mrs. ROGERS of Massachusetts. I think both of these bills would bring in revenue to the Government. Certainly, an on-the-job training bill would result in money coming into the Government in all kinds of taxes. So while they say it will cost a certain amount of money, much of that money will come back to the Government in the form of taxes.

I think the gentleman would be very interested in having me read to him a statement that was made by Colonel Rusk, the rehabilitation medical surgeon expert and editor of the New York Times, regarding the paraplegic cases and spinal-cord cases. He wrote to Dr. Como, who is one of the rehabilitation men of the Veterans' Administration, and he said:

For the past year, the Medical Rehabilitation Service and the Neurological Service of the Veterans' Administration hospital at Minneapolis, Minn., have been concentrating their efforts on long-term chronic neurological patients of World War I.

Many of these patients had been flat on their backs for as long as 10 years, never having been out of bed. All of them needed constant care and medical attention. At the end of approximately a year, by means of concentrated rehabilitation procedures, the following results had been accomplished:

Out of the 130 chronic neurological patients who were in the neurological ward of the Veterans' Administration hospital at Minneapolis, Minn., 25 have been completely rehabilitated and are capable of taking care of themselves. They are out of the hospital and are supporting themselves. Forty have progressed sufficiently to warrant discharge and are doing some productive work for 2 or 3 hours a day. Thirty more are up and about, enthusiastically working on their rehabilitation with a good look-out. Twenty-five more have demonstrated their ability to care for themselves and this is as far as they should attempt to go in their rehabilitation. Only 10 of the 130 have been unable to leave their beds and will be unable to progress any further in their rehabilitation.

Aside from the humane aspect of getting these long-term veteran patients out of hospitals and back to their homes as self-supporting citizens, there is a tremendous saving to the Government by releasing them from hospitalization. These World War I veterans have a life expectancy of at least 6 years. In 6 years at an average patient-day cost of $10 a day for hospital care for the 25 patients who have now left the hospital and are self-supporting will mean a saving to the Government of over half a million dollars.

So the rehabilitation work that is being done for the men and the amount of money being spent in order to get them rehabiliated is not very much and tremendously worth while. The Veterans' Administration is approving certain types of house for the paraplegic cases. I say this to the gentleman from California because he has many of them in his district. That would be an initial cost but in the end it will mean a great saving to the Government. It will mean that these men can be self-supporting and go out in the world again. The Veterans' Administration's work in rehabilitation is one of the finest things that has ever been done. General Bradley and General Hawley deserve great credit for doing it, and it must be encouraged and continued.

Mr. McDONOUGH. Will the gentlewoman yield further?

Mrs. ROGERS of Massachusetts. I yield.

Mr. McDONOUGH. There is another matter that I think should be given some thought in connection with this increase in the ceiling for educational benefits. Although $65 a month for a single man and $90 a month for a married man at the time they entered the school was, on the surface and in the minds of many, sufficient to carry them, the cost of living has increased to the extent that in fact the food that some of the colleges were serving has been cut to the point where it is hardly enough to sustain them. We have not considered that. We should. We have not met the situation as the cost of food has advanced. These boys, thinking that $65 and $90 was going to carry them along, find that the cost of living has advanced beyond that until $65 I would estimate today is worth hardly $50, and $90 is hardly worth more than $75.

Mrs. ROGERS of Massachusetts. That is correct. It will be a very good investment.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the able chairman of the Subcommittee on Education and Training, who has held many hearings.

Mr. RAMEY. The special Committee on Education and Training invited students from colleges all over the United States, and in the break-down the average additional cost from what it was in 1943 was 19.2 for the student. That is the testimony of practically all colleges, on the break-down.

I might say further, in answer to the gentleman's question, that the gentleman from Kentucky [Mr. MEADE] also has made an investigation. And that is practically what he found, as I understand it. They have poor boy colleges as well as rich men colleges in his State. Did not the gentleman's figures bear out that fact, that that is about what the increase was?

Mr. MEADE of Kentucky. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield. The gentleman made a very fine survey before his bill was introduced, and a very scientific survey. The committee has had very full and complete hearings on the legislation. It is not hasty, ill-considered legislation.

Mr. MEADE of Kentucky. I made a 10-day, 16-school survey to see exactly how these veterans who were in school were getting along under the GI bill of rights. I found that in all the cafeterias on the 1st of the month the average amount spent per meal was what you would consider adequate diet. Each day until the last of the month the amount spent per person per meal gradually went down to the point where in the last week no one could say it was an adequate diet.

I remember well when the GI bill of rights was passed, because I was in the South Pacific. I was concerned about these young men who had gone in at the ages of 18 and 19. During the 3 or 4 or 5 or 6 years they had been in the service they had gone from adolescence to maturity. They had not completed their education. In talking to them I knew they were anxious to come back and get married and get jobs and get to earning their own way. They had been earning their own way in the service. When the GI bill of rights was passed, it originally contained figures of $50 for a single man and $75 for a married man. I was glad to see that. I talked to every boy in my own particular department, pointing out the great advantage and for him to start now making plans to take advantage of this legislation. I was glad to see that later increased from $65 to $75 because of the recognized increase in the cost of living. Now there has been even a greater increase in the cost of living. The bill that I introduced in the committee, which was passed out unanimously, provides for some increase to married veterans and veterans who have children. It is necessary legislation in order to keep the contract that was made at the time these veterans were serving their country.

Mrs. ROGERS of Massachusetts. Does not the gentleman find this has been an excellent investment, one of the finest things Congress has ever done, giving the veterans a chance to study, to go to college? And they stand well up in the first quarter of their classes. General Eisenhower says it has been a wonderfully fine, constructive piece of work that has been done by the veterans

themselves and also by the Veterans' Administration.

Mr. MEADE of Kentucky. I may say that every instructor, every school official I interviewed made the statement that the GI bill of rights has been the greatest boon to higher education in this country of anything that has ever been done. They predict that even after the GI bill of rights—and it is a temporary measure—ultimately expends itself, that even after it has completely expended itself, never again will the enrollment in the colleges and universities in this country be less than it is today.

Mrs. ROGERS of Massachusetts. And is it not true that it is almost impossible for a person to secure any sort of job in the Government or elsewhere unless he has a college education?

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RAMEY. And every college dean that appeared testified in substance as will be borne out by the gentlewoman from New Mexico [Mrs. LUSK] and the gentleman from Kentucky [Mr. MEADE], that the veteran was a better student than the nonveteran, and that the married veteran even exceeded the single veteran in scholastic accomplishments.

Mrs. LUSK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mrs. LUSK. Mr. Speaker, I would like to add to what the gentlewoman has said regarding the importance of this consideration the fact that veterans did not ask for help through the GI bill of rights when they were coming home. The Congress, out of the goodness of its heart, passed the GI bill of rights, which I think is one of the finest pieces of legislation we have ever had. It will have far-reaching effects upon the country even beyond the benefits they are getting now.

Many of these boys had gone away without adequate education. They had never before had an opportunity to do the things in school that they might have wanted to do when they returned and found they did have this opportunity. But with the increased cost of living they have found that they have had to spend most of their savings to meet their added living costs. Now, beyond question, they need greater subsistence payments. It is true that the Government did not perhaps plan to finance their entire educational expense, but to pay the basic expense. But it is also true that costs have risen, have more than doubled since the time the GI bill was planned and passed. I believe we have a contract with these men that the Government should fulfill. As I said before, they are using up their savings in financing their living in addition to what they receive as subsistence. If we do not do that we are going to leave them a rather disillusioned group of young people.

I discussed this matter rather at length earlier in the week in an extension of remarks in the RECORD, and I would like to have the people interested in the matter read that extension to get my point of view, because I think that after having talked with a number of these young people that I have expressed rather clearly the things they feel and the things they expect of the Government. I will not take any more of the gentlewoman's time, but I would like for the Members to read the extension.

Mrs. ROGERS of Massachusetts. On what date was the extension made?

Mrs. LUSK. I think it was Monday or Tuesday; I am not certain.

Mrs. ROGERS of Massachusetts. If the gentlewoman will put that in the RECORD, it will be helpful. She has brought fine experience on this type of work to the committee.

Mr. WOLVERTON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I have been very much impressed with the statements by the speakers who have just preceded me with reference to the question of student assistance. Needless to say, I am in accord with what has been said. I also wish to take this opportunity to express to the chairman of our Veterans' Committee and the membership of that committee my appreciation for the very helpful, sympathetic interest they have taken during this session of Congress with respect to veterans' matters. I wish to also emphasize at this time my interest in the question of what can be done to increase the amount of benefits paid to the dependents of deceased veterans. The statements that have been made with reference to the increased cost of living bear down very heavily upon the dependents of deceased veterans. I am particularly interested in that subject.

I am also interested as to what, if any, program has been adopted with respect to arrested cases of tuberculosis. We are all familiar with the difficulties which arise to those who are in the arrested case category. They cannot go out into the world and work as others do. It seems to me there is a continuing obligation there to see that these arrested cases are properly taken care of during the period when the cure is being carried on. If the gentlewoman from Massachusetts, chairman of the Veterans' Committee, could give me any information on these two matters, I will be very grateful.

Mrs. ROGERS of Massachusetts. I shall be very delighted to and I am going to ask the gentleman from New Jersey, Judge MATHEWS, the chairman of the Subcommittee on Pensions and Compensation to give the gentleman that information because he has held exhaustive hearings on those subjects. Can the gentleman explain that to the gentleman from New Jersey?

Mr. MATHEWS. In answer to the gentleman from New Jersey, may I say preliminarily this: The gentlewoman from Massachusetts has spoken very ably about the program which the committee has inaugurated with respect to veterans' benefits; also we know that this House passed the cash payment for Terminal Leave Bonds Act. All that takes care of veterans generally. In 4 or 5 years this on-the-job training program and the educational program in the colleges under the GI bill of rights, the terminal leave and all similar things which pertain to veterans generally, may be settled. In about 5 years, I presume, most of it will be out of the way. But always we have with us that class of veteran who is nearest and dearest to my heart, the disabled and their dependents, those who were left bereaved by reason of the fact that their husbands, their sons, their fathers have died in the service of their country. So I am very glad to tell the gentleman from New Jersey, as chairman of the Subcommittee on Compensation and Pensions, that subcommittee has had referred to it between 80 and 90 bills. After culling over those bills and studying them we divided what we thought were the most important bills to consider into six separate groups. Hearings have been held on all those six groups.

The first group of those bills had to do with an extension of the rights under the act passed last year, which was a rider on an appropriation bill from the Senate, for automobiles for amputees. The purpose of the bill reported by the committee, after hearing and consolidation of bills, was to eliminate, if possible, as many of the discrepancies and discriminations as we could, which were created by the act of last year, and a clean bill was introduced by me which included the blind and paralyzed veterans. That bill has been reported out by the committee.

Mrs. ROGERS of Massachusetts. I had a letter from a man today who is blind and has given both legs for us. He cannot get an automobile, because he cannot drive it himself. Under Judge MATHEWS' bill he would be given transportation. He is perfectly healthy. So that man can work if he can be given transportation.

Mr. MATHEWS. The second group of these bills has to do with the very question that the gentleman has just raised, the tuberculosis cases. Of course, tuberculosis is a different kind of an ailment than a man gets in battle, when he is shot. It is something which even as yet physicians do not know all about. We do know that if a man has a case of tuberculosis it may be arrested, as they call it—they do not say it is cured. I have never found a physician yet who said a man was cured of tuberculosis. If it is arrested, then that man has a condition under which they let him go out and say that he is capable of working, and he can work. But if he works too hard physically or is under too great a nervous strain, it is always likely that he may break down again. For that reason, after these extensive hearings on the bills of that group—I do not think I am divulging any secret in saying that tomorrow the subcommittee will report to the main committee with a recommendation to report out favorably a bill which will allow every arrested tuberculosis case to be rated at 100 percent for 2 years, and thereafter at 50 percent for 5 years, and thereafter the worst cases, that is, the more advanced cases—advanced before they were arrested—will be given a rating of 40 percent for the rest of their lives and the minimum and moderate cases a rating of 30 percent for the rest of their lives.

The purpose of that is this: If in the 2 years which follow the man's condition

of arrest of tuberculosis he feels that he has got to go out and work hard to make a sufficient amount to live on, he is very likely to break down and be taken into the hospital and be a 100 percent case and perhaps die, whereas if he has a reasonable rating or 100 percent rating for 2 years, that will give him a chance not to have to work so hard and further build up his strength and resistance to the disease so that he will not have the same chance of breaking down that he had before. Then after that period he is further strengthened, and even though he can then go on working in better shape than he did before, that same possibility always remains, in cases of stress and strain, and we feel that he should be allowed a 50 percent rating for the next 5 years so that he may be taken care of under those conditions. And since the medical testimony shows he is only "arrested" and not cured, he obviously has a permanent disability, even though it may be latent. So, finally, so that he may have something on which he can rely the rest of his life, so that he will not at any time be put in the position where he will have to strain to earn every cent of his living, we feel he should be given a 40 percent rating for the rest of his life in the advanced cases and 30 percent rating in the other cases.

Mrs. ROGERS of Massachusetts. That is not on the calendar yet.

Mr. MATHEWS. I am not disclosing any secrets when I tell the gentleman that the subcommittee has acted upon the bill and will report it favorably to the full committee tomorrow.

Mr. WOLVERTON. It is gratifying, indeed, to find that the committee has given careful consideration to this class of cases that are entitled to our sympathetic consideration.

Mr. MATHEWS. Another group of these bills which we considered were what we call income-limitation bills, that is, the dependents of veterans who died of a nonservice-connected disability, because there is no limitation on the income of dependents of veterans who have a service-connected disability. That was fixed years ago at $1,000 for one person and $2,500 for more than the one. The cost of living has gone up so much that we have had extensive hearings on these bills which provided varying rates and contained varying provisions, on the subject of the increase of this income limitation, with the result that there will be another bill reported by the subcommittee which will increase those income limitations to a reasonable extent. Then it is entirely up to the committee and this House as to what will be done with that bill. The consensus after the complete study was that a fair amount today would be $1,800 and $3,000, with certain limitations and restrictions.

Mr. WOLVERTON. I am pleased, indeed, to have that report from the chairman of the subcommittee. As some of you may realize, I have known him for many years. I know his interest and activity in behalf of veterans. He has been the New Jersey State commander of the American Legion and has always been aggressive in promoting the welfare of veterans and their dependents. I realize that his heart as well as his head is in the consideration of these subjects. It is very gratifying and encouraging to hear what he has reported and that action may be soon taken to bring these matters to the attention of the House.

Mrs. ROGERS of Massachusetts. May I say to the gentleman that the entire committee knows that the gentleman has worked tirelessly on the bills before his committee. I think 250 or 260 bills were introduced before our committee. It takes a great deal of time to study them. The gentleman and other chairmen of subcommittees have been very exhaustive in the research they have made on this legislation. I know the gentleman has spent virtually his life in helping the veterans. When he does it he does it not just with his heart but with his head. His bills are thoroughly well prepared. He knows all about them.

May I say to the gentleman from New Jersey that the gentleman from Ohio [Mr. RAMEY] has before his subcommittee several bills which ask for education for the widows of combat veterans, service-connected veterans, and the education of their children. I may not be correct in this, but I think there has been a little delay in a decision on that because they were waiting for reports from the Veterans' Administration. It has also been suggested that the different groups of widows get together and state exactly what they want, that they all agree on what would be most helpful to them.

Mr. WOLVERTON. I thank the gentlewoman for the opportunity she has given me to express my interest in these matters. I congratulate her and the other members of the committee on the fine job that is being done by the Committee on Veterans' Affairs.

Mrs. ROGERS of Massachusetts. It is a wonderful committee. I thank the gentleman.

Mr. MATHEWS. May I say to the gentleman from New Jersey that we also held hearings on bills to increase slightly the compensation for what are known as gold-star mothers, that is, the widows, and their children, of men who died of actual service-connected disabilities. My acquaintance with the gentleman from Camden, although he is not a veteran, convinces me that I do not know of a better friend of the veteran than he. I have watched his career since long before I even thought of being in this body. He has always, continuously, been a friend of the veteran.

Mrs. ROGERS of Massachusetts. I know that is absolutely true. I have known the gentleman from New Jersey for a good many years in the Congress. I know that is true of him. The fact that he and other Members are now staying at this extremely late hour to discuss veterans' legislation is proof of their great interest.

Mr. KEEFE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have listened with great interest up to date this afternoon, and at a very late hour, as she has indicated, to the discussion that has developed with reference to the pending veterans' legislation. Some criticism has arisen in certain quarters because of the failure of the Congress to enact veterans' legislation more promptly at this session of the Congress. I think the committee of which the gentlewoman from Massachusetts is the distinguished chairman has been doing and is doing a very remarkable job in giving careful, proper, and due consideration to the hundreds of bills that have been screened through the various subcommittees of that committee.

I know that the chairman of the subcommittee like Judge RAMEY and my good friend, FRANK MATHEWS, and others who are making a wholehearted attempt to try to develop good legislation in the interest of the veterans will finally succeed and their efforts will bear fruit when this legislation comes to the floor and receives the approval of the Congress.

I have a great interest at this time in this matter of expediting, if I can, the increase in the amount of allowances in the GI bill to these young men, unmarried and married, who are endeavoring to complete their education. The time is limited. We cannot delay that legislation unduly. We cannot go back.

Mrs. ROGERS of Massachusetts. That is so very, very true.

Mr. KEEFE. The time is passing and these people are suffering.

My attention was directed to this very forcibly by the attitude of the State Department when they brought to the Congress, first, their student-aid program. I assume it would not have been brought here had there not been careful consideration given to the cost of living at universities. The amount that was suggested in that bill for the student exchange program was so far out of line with what we are now doing for our own students that it made the GI program look ridiculous.

Then, may I say to my good friend, the gentlewoman from Massachusetts, that we recently in connection with the Turkish-Greek proposal, as part of the Greek program, proposed to bring a great number of students from Greece entirely apart from the student exchange program. There, I found upon examination that the total cost per student would be approximately $4,200 a year.

Mrs. ROGERS of Massachusetts. And $10 a day under the State Department plan.

Mr. KEEFE. Yes. It seems to me that the Congress can expedite consideration to final passage of the legislation that is designed to give some increases in the amount for these young people.

I want to make one other statement if I might.

Mrs. ROGERS of Massachusetts. I hope the gentleman will.

Mr. KEEFE. I think it is very interesting in connection with this whole program. I believe that the educational program under the GI bill is going to demonstrate not only to the people of this country but to the people of the world that it has been the greatest experience of government in the field of education ever known. The experience

that we are now undergoing in spending about $1,800,000,000 of the public's money in the cause of supplementing educational opportunities in this country is going ultimately to be a very potent argument against the ideas of those who say that if the Federal Government ever gives aid to the cause of education it must at the same time so supervise that education as to control it.

We are now making a contribution of about $1,800,000,000 to the cause of education in this country for the present fiscal year. I have not found one single complaint any place in the country where it is contended that the War Department or the Veterans' Administration or the Government, or anyone else is attempting, by reason of that contribution in the payment of tuition fees or the payment for textbooks and laboratory fees and so on, to direct the curricula or the hiring of teachers or do anything that would implant the foot of the Federal Government into the cause of education. I believe that is a point that has not been discussed to any extent that I am aware of on the floor of the House. But it is an impression that I have gained. That is going to be tremendously important when we are called upon ultimately to do something in the cause of implementing the academic and elementary educational institutions of this country.

Mrs. ROGERS of Massachusetts. Is it not also true that it is very valuable to have these veterans in the colleges, because the veterans will not permit any communistic ideas to be disseminated?

Mr. KEEFE. I took the time to go down to the University of Wisconsin and I talked with the president and the dean, where they expect to have some 2,600 students. I think they have approximately that number at the present time. It is an amazing growth. It was contended by many people that they were going there to loaf on the job and squander this pitiful allowance which they are given to live on. But I got the records from him and it is a tremendously beautiful thing to see that these veterans who are there, standing right up in the higher brackets all the way through. The married ones are a little higher, perhaps, than the single ones, showing their earnestness and their desire to obtain an education. They are not squandering this money, as was predicted. I think that is a great thing that has been done by this Congress.

Mr. McDONOUGH. Will the gentleman yield?

Mr. KEEFE. Yes.

Mr. McDONOUGH. What is the gentleman's opinion of the value to the future of this Nation in comparison to educating 180 Greeks or giving proper and adequate support to our own veterans for an education?

Mr. KEEFE. Of course, I think the asking of that question answers itself. However, no one can prophesy just what might be the result, in view of the very disturbed and difficult situation that confronts the world today and the things we are trying to do. The education of 180 Greeks, if they could be properly indoctrinated with the American concept of life and the American concept of doing business, and they would have an opportunity to go back and spread the doctrine of Americanism in Greece, might be a valuable contribution, but I do not think we can afford to do that at $4,200 a year and expect our own veterans to do it on the basis of 90 bucks a month.

Mr. McDONOUGH. Does that not emphasize the necessity of educating our own veterans and giving them adequate pay to educate them?

Mr. KEEFE. In other words, you say what is good for the Greek ought to be good for the American?

Mr. McDONOUGH. Yes.

Mr. KEEFE. I agree with the gentleman.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Ohio.

Mr. RAMEY. I want to thank the gentleman from Wisconsin [Mr. KEEFE] for his reference to the veterans not loafing on the job. The report break-down to the Subcommittee on Education and Training in most of the colleges throughout the country shows that only about three-tenths of 1 percent have in any way loafed on the job or in any way used this training in a way to dissipate their time.

Mr. McDONOUGH. Is that three-tenths of 1 percent?

Mr. RAMEY. That is three-tenths of 1 percent only, throughout all the colleges of the country as far as we were able to break down from testimony. It represents most of the colleges of the country.

Mr. WILLIAMS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I listened with a great deal of interest to the remarks made by the distinguished gentleman from Wisconsin [Mr. KEEFE], particularly with reference to veterans education. I want to say I am in hearty accord with them. I also want to take this opportunity to compliment the gentlewoman and her committee for doing their job, at least, in bringing out good veterans' legislation this year. It is my understanding that her committee has reported out a bill to give automobiles to amputees, which, of course, should it come to this floor would probably pass without a single dissenting vote. They have also reported a bill from that committee which will raise the subsistence for these veterans in school, which also would pass this House probably without a dissenting vote. It is my understanding that they also have reported out another bill—and all of this is needed legislation and good legislation—to raise the ceiling for veterans under the on-the-job training program.

So certainly the gentlewoman and her committee have done their part in this thing and I want to congratulate them. I am wondering, however, why none of this legislation has ever come to the floor of this House; and I am wondering why it has never gotten past the Rules Committee.

I should like for the gentlewoman to tell me if the majority leadership in this House is attempting to economize and to cut the cost of government at the expense of the disabled veterans, our veterans in schools, our amputee veterans, and the veterans of World War I; and not only to cut the cost of government, but also to foot this Knutson "soak the poor" tax proposition?

Mr. MEADE of Kentucky. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Kentucky, then I will answer the gentleman from Mississippi.

Mr. MEADE of Kentucky. I wish to take this opportunity to point out to the gentleman from Mississippi that, while the Veterans Affairs Committee has a majority of Republicans in its membership, yet so far as I have been able to observe, the opposition to veterans' legislation is strictly on a nonpartisan basis. We do have silent opponents in both the Democratic Party and the Republican. It is not a party matter at all.

Mr. WILLIAMS. I would like for the gentleman to tell me who is holding them up.

Mrs. ROGERS of Massachusetts. I think perhaps I can give the gentleman a partial answer, but not entirely because I cannot read the minds of the leadership of either party in the House. I have asked the minority leader to allow certain legislation to come up under suspension or by unanimous consent. As the gentleman knows, I have to clear all bills with the Speaker and with the majority and minority leaders before I can for my committee ask to bring up bills. I am still waiting for a reply from both the majority and minority leaders on certain bills. The Speaker has promised me that he would recognize the chairman of the Veterans' Committee to bring up certain bills.

Unfortunately, I may say that the history of veterans' legislation for a great many years has been that it is brought up in the closing weeks or closing days of the Congress. I deplore it very much and deplore it particularly this year, when so many of our veterans have come through an extremely long war, the longest war the United States has ever fought—I regret extremely that it should be so this year, and particularly in the case of the disabled veterans.

It has been a war of nerves and strategy to get out veterans' legislation.

I may say to the gentleman again that I have been promised that certain bills will come up for action on the floor. Certainly I know the members of my committee are working night and day to get the leadership on both sides to allow the legislation to come up. Once it reaches the floor of the House it will go through without opposition.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. McCORMACK. I am very much interested in what the gentlewoman from Massachusetts has had to say. I am sure she remembers that during the closing days of the last session I worked closely with her.

Mrs. ROGERS of Massachusetts. Yes; and I thank the gentleman from

Massachusetts over and over again for his cooperation. It was unfailing and extremely valuable.

Mr. McCORMACK. I was wondering—I did not intend to get into this discussion, except I was wondering what bills the gentlewoman took up with the minority leader this year? That is the only aspect into which I wish to inquire. I wonder if the gentlewoman would tell me what bills she has taken up with both the majority and minority leaders.

Mrs. ROGERS of Massachusetts. In view of the fact the minority leader is not here he might not like to have me state the bills. If he were here I would gladly state them.

Mr. McCORMACK. So far as I am concerned I do not know of a bill that has come out of the gentlewoman's committee but what I think the committee—and it is not partisan, I agree with her that the committee approaches it from a nonpartisan angle—I do not know of any bill that has come out of her committee that I could not wholeheartedly support. Yes; I will go even further; I would support a bill to give automobiles to the blind veterans. We cannot extend too much consideration to those who have given their all or who are going through life with an arm or a leg or two arms and two legs amputated. One young man I met with two legs and an arm amputated. There are others who go through life with their sight taken away from them. The gentlewoman has always fought hard for the veterans and as chairman of the committee has reported out certain legislation that if taken up by the House, I agree with the gentleman from Mississippi, would pass unanimously.

Mrs. ROGERS of Massachusetts. The minority leader did not say he would oppose the legislation. He was opposed to having it come up under suspension or by unanimous consent. I talked with both the majority and minority leaders today, and the Speaker, regarding the bill introduced by the gentleman from Connecticut [Mr. PATTERSON], and I understand it has the green light. Perhaps I should not announce that, as they will wish to announce it, but that is one bill we got the green light on today.

Mr. McCORMACK. And the gentlewoman hopes to get some more green lights?

Mrs. ROGERS of Massachusetts. Yes. I am glad the gentleman brought up the blind. There is a man in Lawrence, Mass., who is blind and has given one hand also for his country. Another boy in California is blind with both hands gone. If that man can get transportation, he can get a fine job. That is true of these men. If you could see these blind boys, if they could get cars, could be transported, they can get their families to drive them, they can get jobs. With the crowded transportation in streetcars, the whole problem of transportation today is very different from what it was some years ago.

Mr. PHILBIN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Is it not true that there is pending before the Rules Committee a bill which would provide cars for additional classes of amputees, also to the blind?

Mrs. ROGERS of Massachusetts. Yes, that is true, the bill offered by the gentleman from New Jersey. It is a better bill than was passed by the House last year. I would like to remind the House at this point that the blind are always classed with amputees for purposes of rating. That one group always goes together. To leave it out is very marked. Their need is extremely great. Then there are the paraplegic cases and the arm amputees.

Mr. PHILBIN. I have had occasion before, and I take this occasion, to commend the gentlewoman from Massachusetts for her interest and activity in all these veteran matters. I know that she is performing her full duty in this regard. I know that she has made very unusual efforts not only to work out the details of these measures—and there are many of them—but also to have these measures reported from her committee and presented to the Rules Committee. I am at a complete loss to understand why important, vital legislation of the character that has been discussed here by the gentlewoman and other Members of the House on this occasion, after having been reported from her committee, has now been delayed and blocked in the Rules Committee or in some other place in the Congress. I think that the country, the veterans, and the Members of the Congress have had enough lip service about these matters, and we are now asking and demanding action on this vital veterans' rehabilitation program.

Mrs. ROGERS of Massachusetts. The gentleman is absolutely correct. During the war it was the veterans first. Now that the war is over it seems the veterans are last.

Mr. PHILBIN. In line with the questions propounded by the distinguished gentleman from Mississippi [Mr. WILLIAMS] and Mr. McCORMACK, our esteemed former majority leader, may I ask the gentlewoman where does the blame and responsibility lie for the obstruction of this vitally and urgently needed legislation, and how, if at all, are Members of this House in a position to facilitate and expedite consideration of these measures by the House before adjournment?

Mrs. ROGERS of Massachusetts. May I say to the gentleman I think by constantly talking about it, and I also think that the public and the press, the radio, newspapers and the magazines could be extremely helpful. During the war and then after the war the press and the radio were always talking about what could be done for the veterans. I am told that reporters here in the Congress send the news of the veterans and veterans' legislation to their newspapers and those stories are not carried. Now, I ask you why? I think if the press would carry more news, it would be enormously helpful. People are busy, People are forgetting. They do not want to forget the veteran, but they are forgetting. The public should not be careless about their veterans. And it is the first duty of Congress to care for them.

Mr. PHILBIN. Has the gentlewoman, or some member of her committee, already appeared before the Committee on Rules in these matters?

Mrs. ROGERS of Massachusetts. Yes. We have not been allowed appearance on all bills, but we have appeared a number of times before the Rules Committee.

Mr. PHILBIN. Have you been accorded hearings?

Mrs. ROGERS of Massachusetts. We have some. Of course, some insurance bills have passed the House. I think another insurance bill is likely to pass.

Mr. PHILBIN. Does the gentlewoman have any assurance from the Members of the Committee on Rules, the chairman or its members, that she will be given an opportunity to be heard?

Mrs. ROGERS of Massachussets. Not yet, but I have been told by the Speaker that the committee would secure the passage of some legislation.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Ohio.

Mr. RAMEY. I am rising for the purpose of answering questions propounded by two of the Members. First, I want to answer this gentleman's question. I think there are a great many members of the committee here, and that the committee is indeed nonpartisan. I want to direct your attention to the fact that the only bill that has passed through the House from our committee, to my knowledge, by unanimous consent, has been the Wheeler bill, and its passage was by my recommendation and work on the floor, when someone wanted to stop it. Mr. WHEELER is a Democrat from Georgia, a veteran, and a good man. He is the only man that had a bill passed, with the exception of the Spanish-American War bill; I mean, by unanimous consent. The Spanish War bill was a record vote.

Mrs. ROGERS of Massachusetts. Some insurance measures passed by unanimous consent.

Mr. RAMEY. That is correct. However the Wheeler bill—like the Kearney bill—the Meade bill—the Ramey bill—and so forth are major bills. His cleared with our blessing. Republicans on the committee thought of the veteran—not a party.

Mr. TALLE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Iowa.

Mr. TALLE. It is a genuine delight to me to commend the gentlewoman from Massachusetts for her unswerving devotion to all matters having to do with veterans' affairs. I want to say that in my contacts with the Committee on Veterans' Affairs I have received the very finest cooperation. Is it possible for the gentlewoman at this time to say when the House will act on my resolution, House Concurrent Resolution 54?

Mrs. ROGERS of Massachusetts. I was told today that the gentleman's resolution which states that it is the judgment of the House that the Schick Hospital

at Clinton, Iowa, should be used for domiciliary purposes, under suspension, would come up. I was told today that I would be recognized under suspension of the rules to bring it up, but because the other bill took so long I was not recognized to bring the bill up for discussion and passage. I am told very definitely that that is one of the "must" pieces of legislation.

Mr. TALLE. I am very glad to have that information. There is another thing I want to mention, if I may. Reference was made a moment ago to the $90 given per month to married veterans in college. Now, this month in one large school I know about they did not get $90; they got $81. They were docked $9 for some reason that I consider invalid. Getting their checks at least 2 weeks' late, and in addition being docked $9, is a real hardship. The only explanation I have at hand is that 3 days elapsed between the closing of one semester and the beginning of another. But those 3 days were a week end, and our veterans need the full amount the law allows, as intended by Congress. I wonder if any explanation can be given that is satisfactory as to the dockage of the $9 for the month of June?

Mrs. ROGERS of Massachusetts. That is an outrageous thing, I will say to the gentleman.

Mr. TALLE. I thank the gentlewoman.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The observation I was going to make is that knowing the gentlewoman from Massachusetts as I do, as a very able and determined legislator, that I think she has been very original in getting this 3 hours to call to the attention of the membership of the House, and those who are not here will have it called to their attention, and to the people of the country, that she is going to conduct an intensive campaign between now and the end of Congress to see that legislation that she and her committee thinks ought to pass is considered; is that correct?

Mrs. ROGERS of Massachusetts. That is correct. The members of the committee are very determined, and they will not permit any obstacle to stand in their way.

Mr. McCORMACK. All I can say as one who occupied the position of leadership here for 6 years is that I did not have to have any such engagements carried on to have me cooperate, because we used to do a lot of conspiring ourselves. Am I right?

Mrs. ROGERS of Massachusetts. That is absolutely correct. As I said before, the gentleman was invaluable.

Mr. McCORMACK. All I can suggest to my friends in the leadership position on the other side is that they had better pay heed to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have been assured that veterans' bill will be taken up for action, but it is very late just as it was last year and other years.

Mr. WHEELER. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Georgia.

Mr. WHEELER. I should like to thank my distinguished friend, the gentleman from Ohio [Mr. RAMEY] for the reference he has just made. At the same time, if I can do so without breaking any of the rules, I should like to enlist the aid of those of you who are present and those who may read the RECORD tomorrow in using your good offices, if you have any influence, and I am sure you have, in some other body to expedite the passage in that body of the bill to which the gentleman from Ohio [Mr. RAMEY] referred.

Perhaps you do not remember the main features of that bill. Some people consider it incidental. The reason for that bill being introduced, the bill known as H. R. 2181, is that in August of last year the Veterans' Administration, at the instigation of some individual down there who seems to think of education only in terms of what you learn inside four walls, in terms of the little red schoolhouse, if you please, caused the issuance of an administrative order known as Administrative Order No. 8. That order stated, in effect, that those veterans in this country, 30,000 of whom are presently enrolled in this program, who were taking vocational extension training under the GI bill of rights would have their subsistence prorated according to the actual number of hours spent in a classroom.

To set up a hypothetical case, two veterans, we will say, are brothers. One of them wants to learn to be a mechanic or a machinist. The other wants to learn to become a farmer. The one who wants to learn to become a machinist or mechanic takes the industrial training. He can get the training under the GI bill of rights and not go to school a single hour, not take academic classroom work a single hour, and draw his full subsistence. But along comes the Veterans' Administration and says to the other brother that because he is trying to learn to become a farmer—and there are a lot of people in this country who are interested in farming—his subsistence would be only one-fourth of $65 or one-fourth of $90 each month, depending on whether he is single or married.

At the instigation of certain people here on the Hill General Bradley rescinded that order pending action by this Congress. H. R. 2181 is that action. The Members of the House were kind enough to allow it to pass by unanimous consent. In the Veterans' Administration, the same person, who is very close to the head of the administration, gave the implication in the report on that bill that the bill H. R. 2181 would cost $49,000,000 beyond the budget estimate.

That is an erroneous conclusion. The $49,000,000 is the difference between what the program would cost if we were to allow it to go according to administrative order No. 8 of last August and what it is now costing. The program is now being run as it should be run. H. R. 2181 does not cost a single extra penny but merely stabilizes and standardizes that program. It gives the boys who are trying to learn agriculture some assurance that their program will have stability.

I would like to again enlist your aid in helping me to secure passage of that bill in another body. It has been indicated, in the course of an attempt to ascertain during the last few days the reasons for this bill being held up in another body, that certain people have been given the impression that this bill was an attempt to coerce veterans taking vocational extension work into voting one way or the other in next year's campaign. That is the most erroneous and outrageous thing I have ever heard of. There is nothing in the bill that would have anything to do with that. The bill does one thing and one thing only. It sets up certain standards, a certain number of hours on the average for the country as a whole. It says to the Veterans' Administrator that if the program in a certain State or any State meets those standards and is approved by the State agency that full subsistence will be paid.

I would like to close my few remarks by saying that the chairman of our committee has done a great work. We have been literally deluged with bills of every kind and description. Some bills have been reported out. Some of the bills that have been referred to the committee I have opposed. I opposed a bill which proposed to raise subsistence allowances from $65 and $90 to $100 and $125 for people who are engaged in on-the-job training simply because I felt that any additional subsistence with the present ceilings in effect would only be an additional subsidy for the employers.

We have had our little differences of opinion, but I want to say we have a great chairman of our committee. She is doing a good job. I have no criticism of her. I have nothing except words of praise for the way that my distinguished friend the gentlewoman from Massachusetts [Mrs. ROGERS] has conducted that committee. She has been fair almost to a fault.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. I would like to say that no one has ever had a nicer committee with which to work. The members have been very considerate, very helpful. They have expressed their opinions as they ought to express their opinions. That is why we are sent to Congress. That is how we work in a democracy. Certainly, it has made my task much easier in view of their helpfulness and cooperation whenever they could.

Mr. Speaker, I yield to the gentleman from Tennessee [Mr. PHILLIPS], who is the chairman of the Subcommittee on Insurance. I would like to say he is doing a very fine piece of work in looking into the insurance situation and making certain recommendations along that line. I think it is agreed all over the country that the insurance department of the Veterans' Administration is the one that needs the most help. It is the department which is farthest behind in its work. It is the department that is causing the most distress to veterans because it is behind in its work.

Mr. PHILLIPS of Tennessee. Mr. Speaker, I appreciate very much the fine

statements of the Chairman of our Committee on Veterans' Affairs.

I would like to say that you have been very fair. Your devotion to the cause of the veterans has been indeed outstanding.

I would like to make this remark, that in my opinion the problems facing the veterans, as far as the Veterans' Affairs Committee is concerned, have been approached in a strictly bipartisan manner, and every member of the committee has attempted at all times to serve the interests and welfare of the veterans of this country.

I would like to make this observation, that in my opinion we can be able to bring about some improvements in the insurance program for the veterans of other wars as well as World War II. I would like to pass along for the consideration of my colleagues and distinguished members of the committee on both sides of the aisle the following consideration.

Is it not just about time that the Congress make an appraisal of the assets of this country and look into the question of our public debt and finances? We may look into the question of previous commitments and the wholesale wasting of the finances of America and pouring it into governments of foreign countries so as to impoverish America. Because of this wholesale waste of money in this country in previous days and recently in other countries of the earth we now find ourselves in the position of not being able to give our veterans in America what they really are entitled to. We should not forget the veterans who so nobly fought for this Republic.

While visiting some ports recently, I saw that building material is continuing to be shipped to different ports of the world, when veterans in America would be glad to swap their foxholes and their beds on the bloody beaches of the world for a home or a place to live, or for a shelter. The housing problem is the most critical problem facing the returned veteran. It is my opinion that one of the great faults today is that this Government, in utter disregard of the rights and the needs of the people of this country, including both civilians and returned veterans, is shipping needed building material abroad.

I would like to say that I do think the program for the veteran is not finished. I think there is something to be done for them, and some needed legislation. We must move forward with the program for the veterans of all wars as well as their orphans and widows. I am of the opinion that the Veterans' Affairs Committee has considered some very fine legislation that should be enacted into law, and as early as we can do it I am in favor of reporting out some of this legislation and getting it to the floor of the House and permitting the Members to vote upon it, in the interest of our country and in the interest of our veterans. We must look to the future with the determined purpose to aid and assist the returned veteran to reestablish himself under normal living conditions.

Mrs. ROGERS of Massachusetts. In addition to the legislation that has already been reported out. The gentleman from Massachusetts [Mr. DONOHUE] is going to speak on a bill which he introduced, which would provide loans to veterans for housing. The gentleman from Wisconsin will speak on the lower rate of insurance. I see the gentleman from Missouri [Mr. BAKEWELL], who is chairman of the Subcommittee on Finance and Administration. His committee is making a very thorough survey of the Veterans' Administration, with a view to bringing down costs and trying to get better results for the veterans.

Mr. BAKEWELL. Mr. Speaker, I wish to compliment the gentlewoman from Massachusetts on what she is doing. She referred to low-cost housing. I consider that to be our No. 1 domestic problem in America today, and I think it is definitely the most critical problem facing America today.

During and immediately after the termination of World War II, the attitude of our citizenry and of our Congress was that the men and women who fought that war were entitled to the eternal gratitude of all Americans, and that this gratitude would take concrete form to compensate them in part for the sacrifices which they had made. I wonder if we have redeemed in full that debt.

Most of those who were in the armed services were forced to give up their homes and their families were broken up. In many instances, their wives and children had to live with parents or with their in-laws. This was necessary because of the reduced compensation which the men in the armed forces received, and because of the absence from home of the family provider.

Many of the service personnel who were single and living with parents have since been married, and now require a home of their own. We all know that no home is big enough for two families.

All of these veterans have been put at a disadvantage to those who remained at home and retained their own homes. Those remaining at home who were tenants were able to hold onto their dwellings and were protected by rent control. Those who owned their own homes and retained them had the advantage of keeping houses which were built when labor costs and building-material costs were only a fraction of what they are today.

There are millions of veterans with families who today are living with parents and in-laws, or in crowded, inadequate accommodations.

Mr. Speaker, I believe that something must be done—and done promptly—for these veterans if we are to keep faith with them. It is our No. 1 domestic problem and it is critical. Many of the veterans are beginning to believe that the heroes of yesterday are the forgotten men of today.

There are pending before this Congress bills such as the Taft-Ellender-Wagner bill and others which provide for low-cost housing for persons in the low-income group. Experience has shown that such housing construction is unattractive as an investment for private capital, and that Government must assist if the move to provide these groups with adequate housing is to be given impetus.

There are those who might contend that such governmental assistance follows a socialistic pattern, but it is my honest conviction that the seeds of socialism and other alien "isms" find much more fertility in the shacks, huts, and hovels where many of our people are forced to exist today than in an intelligent plan of governmental assistance. In my opinion, it is democracy in action for governmental assistance to implement the failure of private enterprise.

I do not contend that the situation today is due entirely to failure of private enterprise, but it is the inevitable result of a long-term economic condition. For approximately 10 years prior to the war we were suffering in a depression, during which time the construction of homes was insufficient to supply our normal requirements. During the war years there was virtually no home construction. As a result, there is a tremendous backlog and an excessive demand that obviously cannot be met with "business as usual."

Some construction is going on today, but where are any homes being built within the reach of the low-income pocketbook?

It is virtually impossible to find any newly constructed residences for sale at less than $14,000, and of what help is this to the veterans with $40-a-week take-home pay? There is presently pending before our Committee on Veterans' Affairs a bill providing for governmental assistance in the way of financial guaranty to private enterprise for the construction of multiple-dwelling units for 200,000 veterans. Some such plan is a step in the right direction, but a mere drop in the bucket. We must not think in terms of thousands of homeless veterans, but in terms of millions of unaccommodated Americans.

When we were at war and needed ships, planes, tanks, and guns we got them and won the war. And we can get homes and win domestic peace for a large segment of our population if we forthwith meet the problem and take some action.

The veterans do not consider themselves as a privileged group. They only ask for the opportunity to find a decent place in which to live and in which to raise a family. They seek only an equality of opportunity to find a home. They seek only to be put on the same footing with those whose home life was not interrupted by the war.

Mr. Speaker, I am disappointed that this Congress has not thus far enacted some type of housing legislation. I fully realize the enormity of the situation, and the complexity of the pending legislation, but because of this and because the time for adjournment is drawing near, may I suggest that I think it advisable for the Congress to establish a special committee to study the entire problem as well as all pending legislation on housing. This committee might well consider the problems of financing construction, availability of materials, and all other pertinent phases of building, with a view to making specific recommendations to Congress when it reconvenes.

Mrs. ROGERS of Massachusetts. I think the gentleman will agree with me

that if the veterans are to receive homes we must pass legislation.

Mr. KENNEDY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. In view of the remarks of my friend from Missouri, his favorable remarks about the Wagner-Ellender-Taft bill, I am wondering if he has signed the discharge petition at the desk? There are 50 signatures on it but no Republican signatures. In view of his favorable remarks about this bill and recognizing the great housing shortage I hope he will sign it.

Mr. BAKEWELL. I may say to the gentleman that I am in favor of the Wagner-Ellender-Taft bill and its objectives; however, I do not like to indulge in futile gestures by signing a discharge petition at this late date. If I am not mistaken there has been only one instance during the last 60 years when legislation has been enacted through the discharge petition method. So while the gentleman and I concur in the legislation I do not like to engage in futile, idle gestures. I like to follow the orderly processes.

Mr. KENNEDY. We have followed orderly processes for 2 years and we have no decent housing bill. Perhaps the discharge petition is a futile gesture and perhaps any hope as far as housing is concerned is futile, we have little hope of getting housing legislation out of the Banking and Currency Committee. I was wondering if there is any hope of getting housing legislation out of the Veterans Committee?

Mrs. ROGERS of Massachusetts. I think there is hope, and very good hope of doing it. I think the gentleman from Massachusetts [Mr. DONOHUE] will speak on that. He has introduced a housing bill which shows his fine foresight. We are asking the Housing Authority and the Veterans' Administration for suggestions. There were very fine hearings on his bill. I expect his bill will be reported out and it will pass the Congress.

Mr. KENNEDY. I know the gentlewoman from Massachusetts feels that way about it.

Mr. JONES of North Carolina. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, may I insert in the RECORD at this point my commendation for the able and devoted leadership that has been furnished the Veterans' Affairs Committee by Mrs. EDITH NOURSE ROGERS, our chairman. She has been unselfish and most devoted in her service to the veterans' cause as has characterized her entire service in the United States Congress and at the same time has shown great tact in handling the affairs of this important committee and conducting its hearings. Her courtesies have been extended not only to the members of the committee, but to those appearing before the committee from time to time, especially representatives of the great veterans' organizations. The result, as I see it, has been that the committee is, as it should be, strictly free of any partisanship action. All members of the committee are working toward the same end, namely, to serve the veterans in every way possible. The veterans have made great sacrifices for the Nation and deserve this type of committee service.

In spite of the splendid leadership of our chairman, Mrs. EDITH NOURSE ROGERS, and the work of the members of the Veterans' Affairs Committee, of which I am proud to have been selected a member, only five bills and one House Joint Resolution reported by the committee have been enacted into law during the present session.

The first of these bills, H. R. 1353, now Public Law No. 5, repealed the time limit for the reinstatement of national service life insurance and permitted World War II veterans to reinstate their insurance without the necessity of physical examination.

The second bill, H. R. 1327, now Public Law No. 34, provides a renewal for a fifth 5-year period of Government life insurance under the 5-year period of Government life insurance under the 5-year level-premium term for World War I veterans.

The third bill, H. R. 1844, now Public Law No. 83, permits the Administrator of Veterans' Affairs to grant easements on land belonging to the United States which are under his supervision and control.

The fourth, House Joint Resolution No. 196, now Public Law No. 91, authorizes the Administrator of Veterans' Affairs to continue the offices of his department in the Republic of the Philippines.

The fifth bill, H. R. 3060, now Public Law No. 91, extends for 1 year the authority now given to the Administrator of Veterans' Affairs to enter into leases not exceeding 5 years.

The sixth bill, H. R. 2368, now Public Law No. 115, increases the appropriation for the revolving fund from $1,500,000 to $3,000,000 for the purpose of making loans by the Veterans' Administration—not to exceed $100—to service-connected disabled veterans of World War II who are undertaking vocational training.

Two bills have been reported by the committee and passed by the House of Representatives. First, H. R. 3961 was passed by the House of Representatives unanimously on June 30. This bill provides for a 20-percent increase in the pensions now received by the Spanish-American War veterans and their dependents and the Civil War veterans and their dependents.

The second bill was H. R. 2181. This was passed by the House of Representatives on May 12 and provides for all veterans who are receiving institutional or farm training.

In addition to the bills and one House joint resolution I have enumerated, the Veterans' Affairs Committee has reported 7 bills and 1 House concurrent resolution, none of which have been considered by the House of Representatives.

The first of these is H. R. 246, reported unanimously by the committee on February 26, 1947, which would increase the ceilings of wages for veterans undergoing on-the-job training as follows: veterans without dependents, $250 per month; veteran with one dependent, $325 per month; veteran with two or more dependents, $350 per month. No decision has been reached by the Committee on Rules before which our chairman, Mrs. ROGERS and some of the members of the committee, including myself, appeared urging the granting of a special rule for consideration of this bill by the House of Representatives.

The second bill is H. R. 3838, which increases the subsistence allowance of veterans as follows: veterans without dependents, $65 per month; veterans with one dependent, $105 per month plus $20 for the first child and $15 for each additional child.

The third, H. R. 3308, would increase the minimum subsistence allowances payable to service-connected disabled veterans who are attending school.

The fourth, H. R. 4007, provides for automobiles for service-connected disabled veterans who sustained the loss of or loss of use of a foot or hand or who are blind.

The fifth, H. R. 3889, would establish a presumption of service connection for chronic and tropical diseases.

The sixth, H. R. 4155, would grant to veterans of the Indian Wars and their dependents the same increase in pensions—20 percent—that was authorized by H. R. 3961 for Civil War and Spanish-American War veterans and their dependents.

The seventh, H. R. 3625, would provide that members of the Communist Party should be ineligible for veterans and their dependents and exacts penalties for infraction of the law.

House Concurrent Resolution No. 54 provides for the use of Schick General Hospital at Clinton, Iowa, by the Veterans' Administration.

General Bradley has appeared before the Veterans' Affairs Committee many times and has given complete cooperation to the work of the committee. I consider him a very able Administrator of the Veterans' Administration and think he is handling a very large job splendidly.

The committee has considered the important matter of hospital construction and the hospital program and is keeping in close contact with the Veterans' Administration in this program. I might add that General Hawley has been just as cooperative in these plans as General Bradley.

Yesterday, the committee passed a bill which is rather interesting and historical and is a very wise bill to pass. The bill recommends that a hospital for colored people be built in Virginia to be known as the Booker T. Washington Hospital as a memorial to him and asked for an appropriation of $5,000,000 for the construction of the hospital. The hospital would provide for 350 to 400 patients.

The Veterans' Affairs Committee has met regularly and worked diligently under the leadership of Mrs. ROGERS on their special assignments and I am glad to report that the committee, in my opinion, has had a most successful administration through the Eightieth Congress.

Perusal of the bills considered and reported by the Veterans' Affairs Commit-

tee will reveal that none of these bills enacted into law by the United States Congress provide any direct monetary benefits to veterans or veterans' dependents, while many of those reported by the committee and not yet acted upon by the House of Representatives do make provision for direct monetary benefits.

When the veterans entered the military service, they were promised that they would be given every care when they returned and that if they did not return their dependents would be taken care of. In view of all that our veterans have offered to do, even to making the supreme sacrifice, it would seem to me that the least that could be done would be to enact into law legislation making provision for what they or their dependents need. It is difficult for me to understand why the Republican leadership refuses to favorably consider the pleas for rules making possible House of Representatives consideration of the much-needed legislation so carefully considered and reported by the Veterans' Affairs Committee, and I sincerely trust that before the first session of the Eightieth Congress adjourns, which the Republican leadership indicates will be July 26, that they will appreciate the importance of the legislation reported by the Veterans' Affairs Committee and consider it and pass it so that deserving veterans and veterans' dependents may receive what was promised the men and women when they put on the uniform of our country and went to war to protect it.

Mrs. ROGERS of Massachusetts. That proves they are first in peace as well as in war.

Mr. DONOHUE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to my able neighbor and Congressman, the distinguished gentleman from Massachusetts, my own State.

Mr. DONOHUE. Mr. Speaker, there has not been a day since January 3 that I have not consciously felt the great honor that is mine, an honor that comes to so few in this country, to be a Member of this great body, but a rarer distinction, in my opinion, is to have been selected to serve on the Committee on Veterans' Affairs under the leadership of one of the most personable, one of the most charming, and one of the most able women that I have ever known, the gentlewoman from Massachusetts [Mrs. ROGERS]; likewise to have had the opportunity not only to meet, but to serve with the other members of this committee who have so zealously and so conscientiously approached the many problems that have come before us in our capacity as members of the Committee on Veterans' Affairs.

I am also proud to state that there has not been any bill presented to the committee that I have not supported and voted for. I voted for and supported these bills because I felt that they had considerable merit and that they were benefiting a group that needed so sorely help and assistance from the greatest Nation in the world and what is, in my opinion, the most grateful Nation in the world for which they so bravely fought.

If I were to employ an advocate to plead for the passage of my bill, I would select the gentleman from Missouri [Mr. BAKEWELL], who so ably presented the major problem that is confronting our country today, the housing problem. We all recognize that the family unit is the cornerstone of society. How can a family unit be preserved without a home? There is today a need of millions of homes for the people of our country. But, confining myself at the moment to the veterans' groups whom we are called upon to serve, might I say that of the 13,000,000 men and women that were called to the colors in the last war approximately 50 percent of them are now married. Most of them have either one, two, or three children. The question naturally follows, Have they homes for those children and for their wives? According to statistics that have been compiled by the Department of Commerce, approximately 40 percent of these married veterans are living with their in-laws or other relatives. Many of them have their children placed in other homes and in institutions, because the room they are occupying is not conducive to the health and the welfare of their children.

Is that a way for this great Nation to show its gratitude to those men and women who left good homes to fight to preserve the homes of those they left behind? Is it asking too much? Is it not asking but the minimum that they now be provided with homes, after enduring the hardships of this past long war? I say it is not. As the gentleman from Missouri [Mr. BAKEWELL] so well said, it is the paramount, it is the first, it is the greatest domestic problem that is confronting our country today.

We who happen to be of the legal profession appreciate more than anyone else, probably, the increase in child delinquency, the increase in the number of divorces, the breaking up of the family unit, all of which can be directly traced to the lack of housing facilities.

In my bill, H. R. 3565, I think there is at least a reasonably sound solution to this problem as it applies to the veteran. Today there are billions of dollars of idle capital, private and public capital, waiting for sources of investment from which it may be insured a reasonable return. Is it going into homes? No. All over the country we see racetracks and other commercial establishments being built. Why? Because that money is being channeled into those sources because a minimum risk is entailed. It is not being directed into home building because of the high cost of building materials and the high cost of labor. Therefore, they will not risk that capital.

If we can subsidize all of the ravished countries of Europe, if we can afford to give billions and billions to UNRRA and by way of foreign loans, something we will never get back, I say it is not unreasonable to ask that the GI bill of rights be amended in such a way as to enable private enterprise to go into the home-building field. That is what will result from my bill. It will bring about the construction of rental units, because under present prices and with the income of the average veteran being $37 a week, as it is up in New England, he cannot go out and buy a home at a price of $12,000 or $14,000.

Under the provisions of my bill the Government will make a loan of one-half the value of the dwelling unit. No dwelling unit can be constructed unless it has four-family living units in it. As a result of such construction and with the financial set-up as planned under my bill, any veteran can occupy or rent one of these homes at a charge of between $37 and $42 a month. A five-room dwelling unit will cost a little more. Private capital will be encouraged, in that they will go ahead and construct the homes and will be protected in their investment. They will have the first mortgage on the structure, and it would be paid off before the Government would draw anything by way of interest return or any return on its capital. The first loan would be amortized over a period of 33 years, and then the Government would amortize its second mortgage over the second 33 years. In that way alone can we show that we are concerned about the veteran and his housing problem, and at the same time notwithstanding the fact that the Government is advancing this money, it is reasonably sure, if not absolutely certain, of getting its loan back, something that we cannot and do not expect from the many subsidies that we are extending today to the Maritime Service, to the air lines, to the railroads, to the farm groups, and to everyone else.

Let us recognize this urgent problem and do something to solve it.

H. R. 3565, in my opinion, offers this solution. It is a veterans' rental-housing bill. It should be enacted into law, as it is sound fiscally and practically, for the following reasons:

1. VETERANS NEED RENTAL HOMES

The need for this Congress to fulfill the solemn promise to provide veterans with decent and reasonable rental homes is too patent to require argument. The failure of the Congresses which have been in session since the veterans came home from war is too obvious to need elaboration. For those who need to own a home, the Servicemen's Readjustment Act of 1944 provides some assistance. The value of that aid, however, has decreased as the cost of homes has increased with the inflation of prices of construction materials and labor. But for the vast majority the need is for a decent home to be occupied at rentals which "do not impose hardship upon the veteran tenant, having due regard for their actual average incomes"—section 556. Not to provide such rental homes would be to ignore the most tragic need of the majority of veterans. It would also tend to induce many veterans to undertake the purchase of a home using the $4,000 gift subsidy which Congress has provided when the veteran was not ready to purchase a home or when the inflated price of purchase actually makes the purchase uneconomic at this time. The majority of veterans are not yet ready to acquire their permanent home by purchase.

This bill, however, provides that applicants for subsidy loans shall satisfy the Administrator of Veterans' Affairs of the need for the rental homes for veterans proposed to be constructed—section 552.

If in a given county the need does not exist, any unused allotment for that county may be reallocated by the Administrator to any county where it is needed—section 554. For anyone who would argue that there is no need for such rental homes, the bill provides a full answer. The need must be established for each proposed construction or no subsidy loan can be authorized—section 552.

2. LOCAL PUBLIC- AND PRIVATE-ENTERPRISE AGENCIES ARE AIDED IN ACCOMPLISHING A PUBLIC PURPOSE

The virtue of this bill is that it makes the maximum use of local public agencies, who are authorized to share some of the responsibility for financing rental homes for veterans, and the fullest utilization of private-enterprise agencies in financing rental homes for veterans. The resulting partnership between local public- or private-enterprise agencies and the Federal Government will reduce by more than one-half the outlay of Federal tax funds in accomplishing the construction under this bill than would be required under legislative proposal to have the Government itself build and own the rental homes for veterans. This is not a public-housing bill. It is a bill to enable local public- and private-enterprise agencies to finance and build rental homes for veterans at rentals which the veteran can pay. The Government's subsidy loan is secured by a mortgage which is reasonably adequate security to insure ultimate full repayment. The bill therefore accomplishes a public purpose, which the Government is honorbound to accomplish, with the minimum use of Federal funds and with minimum outright ultimate grant of funds. The experience of the Home Owners' Loan Corporation and the insurance of home-mortgage loans by the Federal Housing Administration clearly indicates that the Government may not be called upon to write off any losses as outright grants to accomplish this worthy public duty to its veterans.

Merely by deferring the collection of interest and repayments on subsidy loans, the Government aids local public- and private-enterprise agencies in providing reasonable rental homes for veterans. By thus enlisting private enterprise to join in a partnership with the Federal Government in this undertaking, the bill tends to make sure that sound and economical financing and construction will be accomplished. The waste and inefficiency of the Greenbelt adventures in the construction of housing cannot occur when private enterprise takes a stake alongside the Federal Government in financing, building, and operating rental homes for veterans.

3. AUTHORIZED NUMBER OF RENTAL HOMES

The bill would authorize a maximum of 200,000 dwelling units of from 4 to 6 rooms per dwelling unit. At most this would aid in building, when and where the need was established, 1,200,000 rooms, if all dwelling units consisted of 6 rooms, of which 3 would be bedrooms. If each dwelling unit had the minimum of 4 rooms, of which 2 would be bedrooms, 800,000 rooms would be provided. If the dwelling units averaged 5 rooms each, 1,000,000 rooms would be provided. Such authorized dwelling units would provide reasonable rental homes for 200,000 veterans' families.

4. COMPARATIVE SUBSIDY COSTS FOR VETERAN HOMES

The maximum outlay of subsidy loans by the Veterans' Administration under this bill would be 1,200,000, if each rental home had 6 rooms; 1,000,000 if they averaged 5 rooms each, or 800,000 if they had 4 rooms each. Thus the subsidy loans to provide 200,000 veteran rental home would be between 800,000 and 1,200,000. All of these funds would be secured and repayable with reasonable interest. It is reasonable to hope that all of the subsidy loans would be repaid. No one would suggest that none would be repaid. Few would predict that these rental housing projects would not earn with reasonable rental income a very high percentage of interest and repayment charges, especially when this bill provides that such projects need to carry but half of the interest and repayment charges at one time. This method of deferring one-half of the fixed charges to be earned out of operations is the traditionally successful method of refinancing enterprises which cannot earn currently all of the fixed charges. The use of this method of financing rental homes permits reasonable rental charges instead of rents which impose hardship upon the veteran tenants. The very deferment of the Government's subsidy loans until the primary financing is retired enhances the probability of the full repayment of such loans out of the earnings of the rental projects.

If 200,000 veteran families acquire homes by purchase under the existing subsidy provisions and obtain grants-in-aid of such purchases of an average of only $2,000 per home purchased, the outright cost to the Government is four hundred million to which grant must be added 1 year's interest at 4 percent, or $16,000,000. Each veteran may obtain a maximum of $4,000 grant, plus 1 year's interest, or a total outright grant of $832,000,000 to enable 200,000 veterans to purchase a home. Such outlays for the purchase of homes by veterans are gifts—not loans. For such aid to veterans, there is no possibility of any repayment to the Government when the guaranty is used. By comparison, this bill offers the maximum assistance for only nominal ultimate outlay of tax funds.

So long as Congress provides only the home-purchase subsidy to veterans and does not provide for rental homes for veterans, many veterans will continue to buy overpriced houses and overextend their income ability to pay off the balance of the mortgage. Thus many veterans who purchase homes at present prices will lose their homes through foreclosure, thus losing the gift which the Government made to them and their own money paid for interest and mortgage repayments. The availability of rental homes for veterans at reasonable rentals will tend to decrease the losses of homes purchased in the present market by veterans.

5. FEATURES WHICH TEND TO REDUCE THE VOLUME OF FEDERAL SUBSIDY LOANS FOR RENTAL HOMES FOR VETERANS

(a) The maximum subsidy loan is $1,000 per room. When the cost is less than $2,000 a room, which has previously been and should again be normally the case, the subsidy loan will be less than $1,000 per room, that is, only one-half of the cost per room, whichever is smaller. As construction costs return to normal levels, this bill reduces the volume of subsidy loans.

(b) The highest interest the primary financing can draw is 4 percent. Three percent money is undoubtedly available for much of the primary financing under this bill.

(c) The paid-in-capital fund of not less than 5 percent of the approved project cost may be increased by public or private enterprise agencies for the purpose of increasing the total dividend earnings, which are limited to 4 percent per annum on paid-in capital. The larger the capital investment, the smaller the subsidy loan will be. Banks, insurance companies, savings banks, cooperative banks, Federal savings and loan and building and loan institutions are finding it increasingly difficult to employ their funds in home mortgage loans at currently inflated prices for homes. These institutions control many billion dollars of unemployed funds available for the primary financing of projects authorized by this bill. Many institutions would be authorized to invest in the capital funds of such incorporated projects even though dividends are limited to 4 percent per annum until the subsidy loan is repaid and satisfied—section 553.

(d) The bill provides that the primary financing must be amortized at the rate of at least 3 percent per annum which would repay the first mortgage at least in 33⅓ years. Thereafter, the subsidy loan would be amortized on the same basis as the primary obligation was repaid. On that 3 percent per annum basis there may remain unpaid some portion of the subsidy loan for as long as 66⅔ years. But the bill authorizes the Veterans' Administration to require larger amortization if reasonable rentals will justify more rapid repayment. Private enterprise agencies would favor the most rapid amortization which reasonable rents will justify. This attitude results from the desire to free dividends from the 4 percent per annum limitation as early as possible by retirement of the subsidy loan.

(e) The bill requires that 60 percent of annual net profits—after taxes and annual amortization of the primary obligation—be held in reserves which both protect against contingent losses and provides for additional retirement of the subsidy loans—section 553.

(f) At any time after 10 years, should the emergency need for any rental homes projects for veterans no longer exist (as determined by the Veterans' Administration), the project owner (whether a local public or a private enterprise agency) can pay off the subsidy loan in full provided interest on it is also paid at 2½ percent per annum. This would enable a private enterprise agency to refinance

the project and thus free it completely—after its emergency public purpose has been fulfilled—from rent control, dividend limitation, and supervision and inspection by the Administrator as to its operations and management.

There are reasonable probabilities that the Government will be repaid in full with 2½ percent per annum accrued interest in some projects financed by private enterprise agencies, under this provision.

Each of these provisions emphasize the utilization of the proper private-profit motives of private enterprise in connection with these projects which will tend to insure efficient and economical management of these rental homes projects. The operation of these factors, as has been demonstrated in husing projects financed by private enterprise under FHA housing mortgage insurance, tend to reduce the expense of administration by Government to make sure of efficient operation. The profit motive in management tends to insure efficient operation—section 556.

The bill allows for rent schedules sufficiently high to produce excess income—60 percent of which is to be held in reserve for contingencies and for repayment of the subsidy loan—provided such rents do not impose hardship upon the veteran tenants of the project, having due regard for their actual average incomes—section 556. Both local public and private enterprise agencies will tend to press for higher rent schedules whenever wage and salary levels are increased so as to hasten the day when the project will earn the full repayment of the subsidy loans by the Federal Government and be returned completely to local or private management, ownership, and control.

These features of the bill tend to enhance the security value of the Government's subsidy loans and to reduce the ultimate noncollectible loans.

6. THE PATTERN OF GOVERNMENTAL SUBSIDIES IN AID OF RETURN TO NORMAL PRIVATE ENTERPRISE

This bill presents a pattern of cooperative partnership between the Federal Government and private enterprise, which might well be used in many situations requiring temporary subsidy aid. It is an apt method of aiding recovery while minimizing ultimate drains upon the Public Treasury. In lieu of the Government's entry into private business in emergency periods, it stimulates local public and private enterprise agencies to contribute a maximum amount safely during the emergency and to carry the entire project once the emergency is passed. Foreign rehabilitation lending might well adapt the principles which this bill employs to meet the emergency in decent homes for veterans.

7. ALTERNATIVES FOR VETERAN HOUSING

Three lines of action can be taken:

First. Do nothing more. Leave the pledge to veterans unfulfilled. This is unthinkable.

Second. The Government can enter upon the direct financing, building, managing, and operating of publicly owned housing for veterans. Great Britain's present self-styled Socialist government proposes this method, when they can publicly finance the projects. This is the Federal public-housing method to which there is still much public opposition even when the people are told there is no other way.

Third. The Government can stimulate local public- and private-enterprise agencies to maximum cooperation by lending its financial aid in such a manner that maximum local and private financing will be undertaken while maximum probability of ultimate—although delayed by agreement—repayment of the Federal Government is assured.

This is the method of this bill. It is closest to the traditional American private-enterprise way of getting things done. When the Government needs to finance for emergency requirements it is not compelled either to abandon local and private ownership and management by entering upon public or Government ownership or to give the money away free gratis. This bill shows that it can subsidize without Government ownership and without outright gift. There is a middle way of sound financing aid with reasonable security of repayment. Even though the detailed provisions may be modified or improved, the basic plan of the bill represents the sound and traditional American approach—the maintenance of local and private initiative.

In conclusion, although the bill provides for the administration and supervision under the Veterans' Bureau, I personally believe the Veterans' Administrator should designate the capably experienced staff of the National Housing Agency to perform this most important function. As speed is essential to providing these rental units, this suggested change may be very desirous. I feel sure the author of this bill will not object to any technical changes provided such changes are for the benefit of veterans securing rentals as quickly as possible.

Mrs. ROGERS of Massachusetts. I am delighted that the gentleman has introduced the bill. I am sure the other members of the committee agree with me the bill will be reported out.

Mr. TWYMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. TWYMAN. I think the RECORD at this point should show the interest taken by the Members of the Congress in the subject of veterans' legislation. I think it is a high tribute to the gentlewoman from Massachusetts, chairman of the Committee on Veterans' Affairs, and unless it is mentioned here and put into the RECORD I do not believe the readers of the CONGRESSIONAL RECORD will realize how well this meeting has been attended. Of course, the CONGRESSIONAL RECORD will show that this has been something of a forum. However, it is long past the dinner hour, and we still have Members of Congress here from practically every State in the Union. I think it is a tribute to the gentlewoman from Massachusetts, and the RECORD should indicate the wide interest that is being shown and what she is doing. I wish to congratulate her.

Mrs. ROGERS of Massachusetts. The gentleman is very kind, but in reality it is just the interest that the Members of the House have in the veterans. They have long wanted to have a chance to express themselves, but they have been given no opportunity to do so. I know they appreciate very much the fact that the Members have given up engagements in order to stay and take part in this forum.

Mr. TWYMAN. Does not the gentlewoman recall many times that when a Member has been granted a special order he has stood in the well of the House practically alone, but here you have been addressing the House for 3 hours and you have had a splendid attendance.

Mrs. ROGERS of Massachusetts. A large part of the 3 hours has been consumed. There is a fine audience and many Members have participated in the debate.

Mr. MURRAY of Wisconsin. I did not expect to enter into this discussion. I have enjoyed the debate and the comments. However, I would like to say to the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] that we should, in fairness, keep the record straight. I can only speak of one particular case. When the gentleman from Iowa [Mr. CUNNINGHAM] introduced his bill I gave one to the distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN], one day in the cloakroom, and I asked him to read it over and to advise what he thought of it. Within a few days I saw him again and he said he thought it was a very desirable piece of legislation. Although that same bill has been around here 2 or 3 years, the gentleman from Massachusetts [Mr. MARTIN], happens to be the only man who has given it the green light, and I think that should appear in the RECORD. I sincerely hope that the distinguished lady and her committee will pass the bill, because 5,000,000 people left the rural areas during the war. There are thousands of vacant houses in the country today, but they are in the wrong places. They are on the farms. I am sure we can relieve some of the housing shortage in the cities if the Cunningham bill is passed, because many of them can be provided with a place where they can get fresh air and live out in the country.

Mrs. ROGERS of Massachusetts. And also people will leave industry and go to the farms and that will make jobs for others in industry. Is that correct?

Mr. MURRAY of Wisconsin. I presume that would be the result. But in fairness I do want to say—and I have no reason to be speaking for the leadership any more than anyone—but during the first terms here legislation appears to be very slow in accomplishment. But the longer one is here the more one sees how necessary it is to grind these things out and grind them fine. I trust the distinguished lady from Massachusetts will try to solve this problem. There are many angles connected with it. We will have an opportunity to vote on it tomorrow. We are going to have a

chance to vote $20,000,000 on the Bankhead-Jones Act. Twenty million dollars will not buy a farm per county in the whole United States. We are subsidizing housing now to the tune of $1,000,000,000 in low-income groups under legislation that was passed several years ago. The total subsidy is over $1,000,000,000. There is no reason I can see, from the record of the past, why we should not make it possible for one of these young men who wanted to secure a place in the country, to make his living that way, to have it. Why do I say that? Because $20,000,000 is not one farm per county. I have 22 veterans in Langlade County, and I have their names and addresses, who want to acquire farms. You say, "Well, they should not buy them. The price is too high." And a hundred other reasons. But they are not going to buy them if the price is too high. Those people in the country know their business.

Now, that has been the history of all loans that have been made to farmers. During the depression years $400,000,000 was loaned under the Regional Agricultural Credit Corporation. The last time I checked there was about a million dollars left to collect. The rural people and the veteran rural youth will repay this Government every cent.

These boys who want to acquire a little piece of America are entitled to it, and they have not been obtaining it. The testimony before your committee yesterday showed that loans have been made to business, and to others, but so far as rural veterans are concerned a comparatively small number of farms had been acquired under the GI bill of rights.

Mrs. ROGERS of Massachusetts. The gentleman has made a tireless fight for loans for farms.

Mr. MURRAY of Wisconsin. I do not want to interpose my own personal opinion in the situation. I know they are entitled to the consideration that the rest of the people of this country have been obtaining. The veteran today, who has seen people for years around him get a farm under these conditions, cannot figure out why it is, now that the war is over, there is not any money with which he can get a farm. He feels that perhaps he ought to have a little piece of America as well as the people who have been obtaining it for years under the same conditions.

Mr. JONES of North Carolina. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. JONES of North Carolina. As far as I am concerned, as a member of the Veterans' Affairs Committee, I am in favor of the Cunningham bill. I was very much impressed by the argument which the gentleman from Wisconsin [Mr. MURRAY] has made for it. I think it is a very fine bill and I hope we will approve it and I hope Congress will pass it.

Mr. MURRAY of Wisconsin. I thank the gentleman and I say to my distinguished friend from Massachusetts that I have no personal objection to putting this under the Bankhead-Jones Act. However there are legislative problems involved. I wish our colleague the Honorable BROOKS HAYS, who formerly worked for the Farm Home Administration was not in Europe, I wish he were here today, because he has worked on this and he understands it from A to Z and I am sure he could give us much support.

Mrs. ROGERS of Massachusetts. May I suggest to the gentleman that he ask unanimous consent that his statement made before the Veterans' Committee be inserted in the RECORD?

Mr. MURRAY of Wisconsin. I would be glad to do that but I do not have the statement.

Mrs. ROGERS of Massachusetts. We can take it from the records of the Veterans' Affairs Committee.

Mr. Speaker, I ask unanimous consent that that be done.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mrs. ROGERS of Massachusetts. I may say to the gentleman that I am very sure the committee will report out some legislation very similar to what he is asking for. As he knows we were considering that bill and a bill introduced by the gentleman from New York [Mr. KEARNEY], but the gentleman from New York agreed that most of the provisions of his bill were taken care of last year, and are already in the law and are operating very successfully in the GI bill of rights.

Mr. MURRAY of Wisconsin. What discourages me is that sufficient funds cannot be secured for these farm loans. How in the world can we expect to go out and make any impression so far as securing farms for World War veterans with funds that will not provide one farm per county?

Mr. MEADE of Kentucky. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. WHEELER. I want to emphasize a statement I made in the presence of the gentleman from Wisconsin yesterday, that in my city if a veteran wants to buy a home within the city limits he can get financial assistance under the GI bill, and from private lending agencies. I know many, many cases where veterans have been able to finance homes within the city limits, but just let him apply for a loan on a home a hundred yards past the city limits and he is flatly refused. I deplore that situation. I think the Cunningham bill goes a long ways toward correcting it.

Mr. MATHEWS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MATHEWS. In view of certain questions which have been asked the gentlewoman from Massachusetts, I would like to get the RECORD straight.

They were asked of the chairman of the Veterans' Affairs Committee, who in her entire conduct of that committee has been absolutely nonpartisan. The members of her committee have been absolutely nonpartisan. We regret that a partisan note should at any time be injected into the consideration of veterans' legislation. I did not very much relish the questions that were put to the gentlewoman under those circumstances. I think, therefore, without any tinge of partisanship, these facts should be gotten on the RECORD: Two of the bills already reported out by the Veterans' Affairs Committee and one bill reported out by another committee, which has passed this House—all three were designed to remedy conditions which were brought about by actions of the last Congress, which was not under the control of party that now has a majority. First of all, the amputee bill, which has been spoken of here, the bill which I introduced and which has been reported out by the committee, was designed to remedy discriminations and discrepancies which were created by the legislation passed last year.

Secondly, the Kearney bill to raise the ceilings on allowances on on-the-job training is only here and was only reported out because of what took place last year in the Seventy-ninth Congress and to correct a condition which was brought about then.

Lastly, the terminal leave pay bill, which was passed by this House, was brought about solely because last year when the bill was before this Congress the President of the United States made it perfectly plain that he would veto the bill unless it carried solely a bond provision. Even the members of his own party who were in favor of that bill and wanted not only the bill itself but wanted cash payments were forced, along with the rest of us, to vote for the bill as it was, with only bonds, or it would have been vetoed. And do not forget that the President said some time ago that the veterans' program had been completed. I simply want to get the record straight so that when those questions are asked those things might be remembered.

Mr. WILLIAMS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I assume that the gentleman from New Jersey [Mr. MATHEWS] is speaking of the remarks I made a few minutes ago about the Republican leadership's not allowing this legislation to come to the floor. I reassert those remarks.

Mr. MATHEWS. I spoke of the questions involved and I want to pay my respects to the gentleman from Mississippi as a distinguished veteran who has made an incalculable sacrifice for his country.

Mr. WILLIAMS. You have a majority which can pass any piece of legislation it wants to bring out. At least it can bring that legislation to the floor. Now, I certainly have nothing to gain by bringing partisanship into anything because, thank God, there are nothing but Democrats in the State of Mississippi.

Mr. MATHEWS. Not on the record. You have not anything to gain by bringing it in on the record.

Mr. WILLIAMS. The reason I mentioned partisanship is because the Congress is nearing the end of its term and none of the bills have yet come to the floor of the House, and in an attempt to build a fire under whoever is holding this legislation up, I injected the little partisan issue into this thing. Frankly, I hope it may do some good. I think we

are all working toward the same end—trying to convince the majority leadership that it should let this legislation come to the floor, and regardless of where in the long run the blame will fall, I hope it will do some good, whether it means building a fire under my party or building a fire under your party. I hope that this legislation will be brought to the floor so that the blame for pigeonholing it will not have to fall on anybody.

Mrs. ROGERS of Massachusetts. I do not like to inject politics, but day after day for a number of years I have worked to secure passage of certain legislation. It almost always came up for passage just as Congress was about to adjourn. That is true of the GI bill of rights. I think we are all together in trying to get the legislation passed. That is why I am taking this time, because I agree with the gentleman and I think the gentleman from New Jersey agrees with us. We are all in accord. I will remind the gentleman that President Truman stated that legislation was not needed this year.

Mr. WILLIAMS. I am sorry that the gentlewoman finds it necessary to have to do things like this in order to get her legislation, which has been passed by her committee, out to the floor.

Mrs. ROGERS of Massachusetts. We do it for the veterans. It is our job. It is our committee work.

Mr. MATHEWS. I am glad the gentleman from Mississippi admitted it was a partisan note. I do not think either of our great parties has or claims a monopoly of interest in the veteran. And I want the gentleman to remember that the session is not over.

Mrs. ROGERS of Massachusetts. That is why we are having the meeting tonight.

Mr. WILLIAMS. If the bills reach the floor at this session I will be glad to eat my words. At least I will feel that our objective has been attained, and the veteran has received a fair deal.

Mr. MEADE of Kentucky. I desire to support the statement of the gentleman from Wisconsin [Mr. MURRAY] in regard to the Cunningham bill for the reason it is shown by the records in the Veterans' Administration that the farm veteran has not had adequate aid in the purchase of a farm home. The records of the Veterans' Administration show that whereas there have been guaranteed loans for the purchase of city property to the extent of seven-hundred-and-ninety-thousand-odd, at the same time only 32,000 farm loans have been approved. The Cunningham bill would relieve that situation. I am heartily in favor of the Cunningham bill.

Mrs. ROGERS of Massachusetts. I think the entire committee is in favor of the Cunningham bill with some modification perhaps, also the Donohue bill for rentals.

I would like to take this opportunity to thank the personnel of the House for staying this evening. They have stayed without anything to eat these long hours. They have stayed just as they did during the war, realizing that the veterans come first in peace as they did in war. They have been very fine about it, as have the Members.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RAMEY. I am grateful for having had the opportunity to serve as chairman of the Subcommittee on Education, Training, and Rehabilitation of the Committee on Veterans' Affairs of the House of Representatives.

The numerous hearings which have been had are well known. While hearings were had almost daily, the toil of the committee was in the hundreds and hundreds of interviews. Those interviews, as well as hearings, were had on H. R. 161, H. R. 870, H. R. 1617, and H. R. 2176, bills to increase subsistence allowance rates for education or training under the Servicemen's Readjustment Act, reported out under H. R. 246.

Testimony and hearings were had on H. R. 2170, H. R. 2181, and H. R. 2317, reported out under H. R. 2181; and H. R. 2409, which was reported out under H. R. 3308.

Every college in the United States of America was notified—by notified, I mean the student body as well as the faculty and president—and all given the opportunity to testify. Hundreds of students either wrote or testified, and student bodies of almost every college took polls of their students and sent in their reports. One member of the committee, Mr. MEADE of Kentucky, went to each college in his State and interviewed the five top ranking students as well as the five lowest ranking, and met with faculties and held convocations of all veterans in the schools. One bit of information was found which should indeed be made public, and that is that the veteran was a better student than the nonveteran, the married veteran was a better student than the unmarried veteran, and the married veteran who had children was still better.

Each veteran attending college is there with a purpose. They are not there just to attend school. There have been statements made that veterans were misusing the allowances which our gracious Government has made through its Congress to allow each and every veteran to secure an education. The implication has been that some veterans were attending school merely to have a good time at Government expense. That was totally disproved.

Several deans who testified stated that they had loan funds offered to veterans without interest but very few wanted to borrow. One dean from a college in New York stated that they had $200,000 in a loan fund and that less than $2,000 had been loaned even though they had encouraged veterans to make loans.

True, some letters were received which were emotional, but less than 1 percent were so. The conclusion of the committee was that subsistence allowances should be increased. The conclusion was a well-balanced and unbiased one made after ascertaining the exact facts. On the other hand, veterans of World War I directed the attention of the committee to the fact that the Congress in their time had failed to recognize the veteran as has been done by the Seventy-eighth, Seventy-ninth, and Eightieth Congresses. Attention of the committee was directed to the fact that $9,000,000,000 is being spent now to assist veterans, which is more than the entire cost of Government in 1933. But the committee concluded that nothing is too good for the veteran.

One singular fact is that the self-helped colleges which have always allowed poor boys and girls of the country to work their way, made no requests of the committee even though they were asked to be present or mail in their requests. I refer to such colleges as Berea College, Berea, Ky.; Lincoln Memorial University at Cumberland Gap, Tenn., and Park College, Parkville, Mo. Some colleges wherein only the wealthy children could attend, made requests that the subsistence allowances be increased.

The question is this: Are we going to carry out the intent of the original veterans' legislation and provide adequate allowances or will we be led astray by selfish groups and political pressures? We should not delay the veterans' needs. They have taken us at our word in the past. They have been forced by their veteran experiences to face the facts of life. They are not interested in excuses. Our young men and women are the greatest resource of our Nation today. Their lives and fortunes are the guideposts to the future of this country. They are the best investment in the world. If we cannot pass these veterans' measures out with gratitude, let's at least pass them out of consideration for the magnificent return which an investment in these young lives will bring to this Nation's future.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following bills have been enacted into law:

H. R. 1353, which was passed by both Houses of Congress, and was approved on February 21, 1947, is now Public Law No. 5. This law repealed the time limit for reinstatement of national service life insurance and permitted World War II veterans to reinstate their insurance without the necessity of a physical examination.

H. R. 1327, passed by both Houses and approved on April 15, 1947, is now Public Law No. 34. This law provides for a renewal for a fifth 5-year period of Government life insurance under the 5-year level-premium-term plan for World War I veterans. Had this law not been enacted, approximately 30,000 World War I veterans would have been obliged to drop their Government insurance.

H. R. 1844, passed by both Houses and approved on May 21, 1947, is now Public Law No. 83. This law permits the Administrator of Veterans' Affairs to grant easements of lands belonging to the United States which are under his supervision and control. It will obviate the necessity of introducing a special bill every time such an easement is required.

House Joint Resoluton 196, passed by both Houses—in the Senate as Senate Joint Resolution 115—was approved on June 14, 1947, and is now Public Law No. 91. This authorizes the Administrator of Veterans' Affairs to continue the offices of his department in the Republic of the Philippines. Under existing laws, the right to so function would have ceased

at the end of the fiscal year of 1946–47. The new law extends operations for 1 year.

H. R. 3060, passed by both Houses—S. 1135 passed in the Senate—was approved on June 14, 1947, and is now Public Law No. 94. This law extends for 1 year the authority now given to the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years

H. R. 2368, passed by both Houses, was approved on June 26, 1947, and is now Public Law No. 115. This law increases the appropriation for revolving fund from $1,500,000 to $3,000,000 for the purpose of making loans by the Veterans' Administration—not to exceed $100—to service-connected disabled veterans of World War II who are undertaking vocational training. The fund of $1,500,000 was insufficient for the prevailing load, and many disabled veterans were unable to borrow from the fund.

The Committee on Veterans' Affairs have reported the following bills to the House:

H. R. 246 was reported from committee, unanimously, on February 26, 1947, under Report No. 77. The Committee on Rules has been requested to grant a special rule for its consideration and a hearing upon that request was held on May 22. No decision has been reached to date. A discharge petition is upon the Speaker's desk, but sufficient names have not been obtained. This bill would increase the ceiling of wages for those veterans undergoing on-the-job training, as follows: Veterans without dependents, $250 per month; veterans with one dependent, $325 per month; veterans with two or more dependents, $350 per month.

H. R. 3888 was reported from committee on June 20, 1947, under Report No. 620. This measure applies distinctly to those veterans attending school under the Servicemen's Readjustment act, and increases the subsistence allowances as follows: Veteran without dependents, $65 per month—same as at present—veteran with one dependent, $105 per month, plus $20 for the first child and $15 additional for each additional child.

House Concurrent Resolution 54 was reported from committee on July 2, Report No. 714, and is now upon the Consent Calendar of the House. This resolution provides for the use of Schick General Hospital at Clinton, Iowa, by the Veterans' Administration. This hospital has been abandoned by the War Department, and its use is recommended as a domiciliary home for veterans of that area. Rules Committee reported a rule for consideration on July 3, 1947.

H. R. 3308 was reported from committee on May 21, 1947, Report No. 396, and has been on the Consent Calendar since that time, having been passed over without prejudice three times. It would increase the minimum subsistence allowance payable to service-connected disabled veterans who are attending school.

H. R. 3961 was reported from Committee on Veterans' Affairs an June 25, 1947, Report No. 690, and passed the House unanimously on June 30; in the Senate, this bill has been reported favorably and is now upon the calendar awaiting consideration. It provides for a 20-percent increase in the pensions now received by Spanish-American War veterans and their dependents, as well as Civil War veterans and their dependents.

H. R. 2181 was reported from committee on April 30, 1947, under report No. 327. It passed the House on May 12. This bill provides for veterans who are receiving institutional or farm training.

H. R. 4007 was reported from committee on June 2, 1947, under report No. 780. This bill supersedes H. R. 3583, which is for a similar purpose. It provides for automobiles for service-connected disabled veterans who sustained the loss, or loss of use of a foot or a hand, or who are blind. The Rules Committee was requested to permit a special rule but has taken no action upon a hearing held upon this request.

H. R. 3889 was reported from committee on July 8, 1947, under report No. 808, and is now upon the Consent Calendar. This measure would establish a presumption of service-connection for chronic and tropical diseases. It would fill a need caused by extensive service by veterans of World War II in tropical countries.

H. R. 4055 was reported from committee on July 11, 1947, and is now upon the Consent Calendar of the House. This bill would grant to veterans of the Indian wars and to their dependents the same increase in pension—20 percent—that was given to Civil War and Spanish-American War veterans by H. R. 3961, which was passed by the House unanimously.

H. R. 3623 was reported from committee on July 2, 1947, and is now upon the Consent Calendar of the House. It provides that members of the Communist Party shall be ineligible for veterans' benefits and exacts penalties for infraction of the law.

Other bills will be ready for action within a day or so, including a bill for paraplegic and other cases by the gentleman from Illinois [Mr. VAIL], a bill by the gentleman from New Jersey, Judge MATHEWS, for the benefit of widows, and a bill for tubercular patients by the gentleman from Pennsylvania, Captain SARBACHER.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. GWINN of New York (at the request of Mr. BAKEWELL) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. TEAGUE (at the request of Mrs. ROGERS of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JUDD (at the request of Mr. TALLE) was given permission to extend his remarks in the RECORD in two instances, and to include in each an editorial.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a series of articles appearing in Kiplinger magazine, July 1947, entitled "Changing Times in the South." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $337.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore (Mr. POULSON). Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 84. An act for the relief of Mrs. Clinton R. Sharp; to the Committee on the Judiciary.

S. 99. An act for the relief of John T. Hollandsworth, Jr.; to the Committee on the Judiciary.

S. 167. An act for the relief of Mrs. Yoneko Nakazawa; to the Committee on the Judiciary.

S. 185. An act for the relief of Thomas Abadia; to the Committee on the Judiciary.

S. 191. An act for the relief of Julian Uriarte; to the Committee on the Judiciary.

S. 316. An act for the relief of Mary Sungduk Charr; to the Committee on the Judiciary.

S. 339. An act for the relief of Lucy Jefferson Weil; to the Committee on the Judiciary.

S. 418. An act to provide for water pollution control activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes; to the Committee on Public Works.

S. 457. An act for the relief of Anna Kong Mei; to the Committee on the Judiciary.

S. 474. An act for the relief of Samuel E. Belk; to the Committee on Armed Services.

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors; to the Committee on Armed Services.

S. 794. An act to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C.; to the Committee on Public Lands.

S. 929. An act to amend section 2 of the act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes, approved March 3, 1883 (22 Stat. 564); to the Committee on Armed Services.

S. 1132. An act to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended; to the Committee on Merchant Marine and Fisheries.

S. 1487. An act to remove restrictions upon loans by Federal agencies to finance the construction of certain public works; to the Committee on Public Works.

S. 1512. An act to improve accounting within the Federal Security Agency, to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 1576. An act to amend section 3121 of the Internal Revenue Code; to the Committee on Ways and Means.

S. 1579. An act for the relief of Damian Gandiaga; to the Committee on the Judiciary.

S. J. Res. 70. Joint resolution authorizing the President to issue posthumously to the late Col. William Mitchell a commission as a major general, United States Army, and for other purposes; to the Committee on Armed Services.

S. J. Res. 84. Joint resolution to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Memorial, and for other purposes; to the Committee on Public Lands.

S. J. Res. 94. Joint resolution to establish the Fort Sumter National Monument in the

State of South Carolina; to the Committee on Public Lands.

S. J. Res. 130. Joint resolution relating to safety in bituminous-coal and lignite mines of the United States; to the Committee on Education and Labor.

S. J. Res. 134. Joint resolution providing for the proper observance of the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America; to the Committee on the Judiciary.

S. J. Res. 148. Joint resolution to authorize the temporary continuation of regulation of consumer credit; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 555. An act for the relief of Edna Rita Saffron Fidone;

H. R. 566. An act for the relief of Choctawhatchee Electric Cooperative, Inc.;

H. R. 649. An act for the relief of Antonio Belaustengui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 1015. An act for the relief of Fred Pittelli;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1176. An act for the relief of Mrs. Elizabeth Kempton Bailey;

H. R. 1393. An act for the relief of Donna L. I. Carlisle;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1502. An act for the relief of Herman Trahn;

H. R. 1888. An act to incorporate the AMVETS, American Veterans of World War II;

H. R. 2167. An act to authorize the inclusion within the Angostura unit of the Missouri Basin project of certain lands owned by the United States;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 2314. An act to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates;

H. R. 2573. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis;

H. R. 3053. An act to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, T. H.;

H. R. 3056. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes;

H. R. 3149. An act to amend the act approved December 28, 1945 (Public Law 271, 79th Cong.), entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces";

H. R. 3170. An act for the relief of R. W. Wood;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3252. An act to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes, an easement in certain lands within the Navy housing project at Long Beach, Calif.;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof;

H. R. 3744. An act to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia;

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; and

H. R. 4011. An act to amend section 1602 of the Federal Unemployment Tax Act.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 16, 1947, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948.

ADJOURNMENT

Mr. BAKEWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 56 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, July 18, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

946. A letter from the Chairman, National Mediation Board, transmitting quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board, for the quarter beginning October 1, 1947; to the Committee on Post Office and Civil Service.

947. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing fund of the United States Maritime Commission (H. Doc. No. 405); to the Committee on Appropriations and ordered to be printed.

948. A communication from the President of the United States, transmitting five supplemental estimates of appropriation in the total amount of $250,000,000 proposed for the fiscal year 1948 for the Department of Agriculture, the Department of the Interior, and the War Department (H. Doc. No. 406); to the Committee on Appropriations and ordered to be printed.

949. A letter from the Secretary of State, transmitting a draft of a proposed bill to authorize the Secretary of State to perform certain consular-type functions within the United States, its Territories and possessions; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KNUTSON: Committee on Ways and Means. House Joint Resolution 238. Joint resolution to amend paragraph 1772 of the Tariff Act of 1930; without amendment (Rept. No. 968). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEAN: Committee on Ways and Means. H. R. 3613. A bill to amend sections 1802 (a), 1802 (b), and 3481 (a) of the Intern... Revenue Code; with an amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 305. Resolution providing for the consideration of H. R. 3999, a bill to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders; without amendment (Rept. No. 970). Referred to the House Calendar.

Mr. TOWE: Committee on Armed Services. H. R. 3227. A bill to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes; without amendment (Rept. No. 971). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 4018. A bill authorizing the transfer of certain real property for wildlife or other purposes; with amendments (Rept. No. 972). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEONARD W. HALL: Committee on Interstate and Foreign Commerce. H. R. 4043. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; with an amendment (Rept. No. 973). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 4068. A bill to authorize the Federal Works Administrator to construct a building for the General Accounting Office on square 518 in the District of Columbia, and for other purposes; with an amendment (Rept. No. 974). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 4044. A bill to amend the Trading With the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases; with an amendment (Rept. No. 976). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOWE: Committee on Armed Services. H. R. 4143. A bill to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes; without amendment (Rept. No. 977). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 4229. A bill to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States; without amendment (Rept. No. 978). Referred to the Committee of the Whole House on the State of the Union.

Mr. JUDD: Committee on Foreign Affairs. House Joint Resolution 161. Joint resolution providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor; with amendments (Rept. No. 979). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURKE: Committee on Merchant Marine and Fisheries. S. 616. An act to authorize the creation of a game refuge in the Francis Marion National Forest in the State of South Carolina; without amendment (Rept. No. 980). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. S. 1180. An act to authorize the issuance of a special series of commemorative stamps in honor of Gold Star Mothers; without amendment (Rept. No. 985). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOLLIVER: Committee on Interstate and Foreign Commerce. S. 682. An act to regulate the interstate transportation of black bass and other game fish, and for other purposes; with an amendment (Rept. No. 986). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on Interstate and Foreign Commerce. H. R. 4169. A bill to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers; with amendments (Rept. No. 987). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. H. R. 3510. A bill to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska; without amendment (Rept. No. 988). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. H. R. 3509. A bill to authorize the construction of a class IV airport for the city of Fairbanks, Alaska, and a public highway or bridge from the city of Fairbanks to the location of the airport; with an amendment (Rept. No. 989). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REEVES: Committee on the Judiciary. H. R. 625. A bill for the relief of (1) William R. Dohnt, administrator of all and singular, the goods, chattels, and credits which were of Margaret E. Dohnt, deceased; (2) Joseph A. Hauser, individually and as guardian of Florance Hauser, an infant of the age of 19 years; (3) Richard Adams, Sr., individually and as guardian of Richard Adams, Jr., an infant of the age of 16 years; (4) William P. Novotny, Sr., individually and as guardian of William Joseph Novotny, Jr., an infant of the age of 18 years; (5) William P. Novotny, Sr., individually and as guardian of Bernadette Novotny, an infant of the age of 20 years; (6) Grace Swiadek, individually and as guardian of Stanley Swiadek, an infant of the age of 18 years; and (7) Joseph F. Krotz, Sr., individually and as guardian of Joseph F. Krotz, Jr., an infant of the age of 18 years; with amendments (Rept. No. 962). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1131. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker; with an amendment (Rept. No. 963). Referred to the Committee on the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1155. A bill for the relief of the estate of W. H. Rodgers, deceased; with an amendment (Rept. No. 964). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1645. A bill for the relief of Mrs. Leona McMinn Winkler; with an amendment (Rept. No. 965). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2891. A bill for the relief of Mattie A. Horner; with an amendment (Rept. No. 966). Refered to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 3754. A bill for the relief of Oscar and Anna Carlblom; without amendment (Rept. No. 967). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 706. An act for the relief of William D. McCormick; with an amendment (Rept. No. 981). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 648. A bill for the relief of Mrs. Elfreida Sakowsky Passant, alias Elfreida Sakowsky, alias Elfreida Pogue; without amendment (Rept. No. 982). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1916. A bill for the relief of Filiberto A. Bonaventura; without amendment (Rept. No. 983). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary H. R. 3243. A bill for the relief of Roman Toporow; without amendment (Rept. No. 984). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Armed Services was discharged from the consideration of the bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States, and the same was referred to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 4247. A bill to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; to the Committee on Armed Services.

By Mr. BRYSON:

H. R. 4248. A bill to increase the normal tax and surtax exemptions of a single person to $1,000 and of a married person to $2,000; to the Committee on Ways and Means.

H. R. 4249. A bill amending the Reconstruction Finance Corporation Act in order to authorize the purchase by the Reconstruction Finance Corporation of loans which are guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. JENKINS of Ohio:

H. R. 4250. A bill to provide for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice; to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

H. R. 4251. A bill to exempt certain contracts from the applicability of the cost limitation fixed by the United States Housing Act of 1937, as amended; to the Committee on Banking and Currency.

By Mr. KLEIN:

H. R. 4252. A bill to authorize the use of the Army chapel on Governors Island, N. Y., and the land on which such chapel is situated, by the Mission of Our Lady of the Rosary for church services for certain military personnel; to the Committee on Armed Services.

By Mr. ANDREWS of New York:

H. R. 4253. A bill to provide for the construction, rehabilitation, conversion, and maintenance of buildings, structures, utilities, and other facilities, including the acquisition of land, for the National Guard, Organized Reserve Corps, other Reserve components of the Army of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. BRAMBLETT:

H. R. 4254. A bill providing for the disposition of farm-labor camps to public or semipublic agencies or nonprofit associations of farmers; to the Committee on Agriculture.

By Mr. HARTLEY:

H. R. 4255. A bill to establish a United States Commission for the Promotion of Physical Fitness and making an appropriation for such Commission; to the Committee on Education and Labor.

By Mr. LEONARD W. HALL:

H. R. 4256. A bill to allow a deduction, for income-tax purposes, of premiums paid on national service life insurance and United States Government life insurance; to the Committee on Ways and Means.

By Mr. KNUTSON:

H. R. 4257. A bill to provide an extension of time for claiming credit or refund with respect to war losses; to the Committee on Ways and Means.

By Mr. MARCANTONIO:

H. R. 4258. A bill to amend the Railroad Retirement Acts and subchapter 9 of the Internal Revenue Code, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York:

H. R. 4259. A bill to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. LANDIS:

H. J. Res. 244. Joint resolution establishing a code for health and safety in bituminous coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; to the Committee on Education and Labor.

By Mr. MUHLENBERG:

H. Con. Res. 75. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. BENDER:

H. Con. Res. 76. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. BOGGS of Delaware:

H. Con. Res. 77. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. BROPHY:

H. Con. Res. 78. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. COFFIN:

H. Con. Res. 79. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. CROW:

H. Con. Res. 80. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Con. Res. 81. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. EDWIN ARTHUR HALL:

H. Con. Res. 82. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. FOOTE:

H. Con. Res. 83. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. GWINN of New York:
H. Con. Res. 84. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. HERTER:
H. Con. Res. 85. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. JACKSON of California:
H. Con. Res. 86. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. JAVITS:
H. Con. Res. 87. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. JUDD:
H. Con. Res. 88. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. KEATING:
H. Con. Res. 89. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. LODGE:
H. Con. Res. 90. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. MACKINNON:
H. Con. Res. 91. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. MEADE of Kentucky:
H. Con. Res. 92. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. MITCHELL:
H. Con. Res. 93. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. MORTON:
H. Con. Res. 94. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. RIEHLMAN:
H. Con. Res. 95. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mrs. ST. GEORGE:
H. Con. Res. 96. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. SEELY-BROWN:
H. Con. Res. 97. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mrs. SMITH of Maine:
H. Con. Res. 98. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. STRATTON:
H. Con. Res. 99. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. TOLLEFSON:
H. Con. Res. 100. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. TWYMAN:
H. Con. Res. 101. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. WOODRUFF:
H. Con. Res. 102. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. YOUNGBLOOD:
H. Con. Res. 103. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.
By Mr. WOLCOTT:
H. Con. Res. 104. Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing; to the Committee on Rules.
By Mr. ANDREWS of New York:
H. Res. 303. Resolution to provide funds for the expenses of investigations and studies authorized by House Resolution 141; to the Committee on House Administration.
H. Res. 304. Resolution to authorize the reprinting of certain hearings held on universal military training in the Seventy-ninth Congress; to the Committee on House Administration.
By Mr. FELLOWS:
H. Res. 306. Resolution to make an investigation of the immigration system; to the Committee on Rules.
By Mrs. ROGERS of Massachusetts:
H. Res. 307. Resolution providing for the consideration of H. R. 246; to the Committee on Rules.
H. Res. 308. Resolution providing for the consideration of H. R. 4007; to the Committee on Rules.
H. Res. 309. Resolution providing for the consideration of H. R. 3814; to the Committee on Rules.
H. Res. 310. Resolution providing for the consideration of H. R. 3739; to the Committee on Rules.
H. Res. 311. Resolution providing for the consideration of H. R. 4055; to the Committee on Rules.
H. Res. 312. Resolution providing for the consideration of H. R. 3888; to the Committee on Rules.
H. Res. 313. Resolution providing for the consideration of H. R. 3623; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:
H. R. 4260. A bill to correct possible inequity in the case of a certain application for letters patent of William R. Blair; to the Committee on the Judiciary.
By Mr. BARTLETT:
H. R. 4261. A bill to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska; to the Committee on the Judiciary.
By Mr. CUNNINGHAM:
H. R. 4262. A bill to provide for the admission of Lawrence M. Lew to the United States as a nonquota immigrant; to the Committee on the Judiciary.
By Mr. KEEFE:
H. R. 4263. A bill for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel; to the Committee on the Judiciary.
H. R. 4264. A bill for the relief of the bondholders of the Bankers Joint Stock Land Bank, of Milwaukee, Wis.; to the Committee on the Judiciary.
By Mr. LODGE:
H. R. 4265. A bill for the relief of Danyel Sages; to the Committee on the Judiciary.
By Mr. MARTIN of Massachusetts:
H. R. 4266. A bill for the relief of Virginia Nunes; to the Committee on the Judiciary.
By Mr. SMATHERS:
H. R. 4267. A bill for the relief of John K. Murphy; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

751. By the SPEAKER: Petition of Henry J. Foley, petitioning consideration of his resolution with reference to a plan for the rehabilitation of Europe; to the Committee on Foreign Affairs.

752. By Mr. PLUMLEY: Resolution of the Kiwanis Club of Burlington, Vt., in favor of a true substance of the Stratton bill, H. R. 2910, or a like measure designed to accomplish the same results; to the Committee on the Judiciary.

SENATE

FRIDAY, JULY 18, 1947

(Legislative day of Wednesday, July 16, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

Lord, in the face of the problems that beset our Nation and our world, may we be willing to pray, "Lord, take our minds, and think through them; Lord, take our lips, and speak through them; Lord, take our hearts, and set them on fire with a passion to do the right."

For Jesus' sake. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 17, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 18, 1947, the President had approved and signed the following acts:

S. 558. An act for the relief of the alien Michael Soldo;

S. 564. An act to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability of the President and Vice President;

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; and

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 123) to terminate certain emergency and war powers, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'HARA, Mr. MCMAHON, Mr. ALLEN of California, Mr. HARRIS, and Mr. ABERNETHY were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills,

in which it requested the concurrence of the Senate:

H. R. 1639. An act to provide the venue in actions brought in United States district courts or in State courts against interstate common carriers by railroads for damages for wrongful death or personal injuries; and

H. R. 3739. An act to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes.

PROGRAM FOR SENATE SESSIONS

Mr. WHERRY. Mr. President, I desire to announce for the benefit of Members of the Senate it is the present intention that there be no session tonight and no session tomorrow night, if it meets with the approval of the Senate. Furthermore, it is the intention, if it meets with the approval of the Senate, to put in a full day's work today, to recess until tomorrow at 11 o'clock, and to run until 7 o'clock Saturday evening. Beginning with Monday, because there have been so many requests from Senators on both sides of the aisle to take up legislation, it is the present intention, if it meets with the approval of Members of the Senate, to hold a night session each night next week. It is also the intention, if it meets with the approval of Members of the Senate, to adjourn, as scheduled, on Saturday night of next week.

APPOINTMENT OF COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

Mr. LODGE. Mr. President, I take great pleasure in announcing to the Senate that yesterday the President of the United States made the four appointments that were required of him under the provisions of Public Law 162, an act of which I was the sponsor in the Senate, and which sets up a Commission on the Organization of the Executive Branch of the Government.

The President appointed Secretary of the Navy James Forrestal, Civil Service Commissioner Arthur S. Flemming, Mr. George H. Mead, and former Under Secretary of State Dean C. Acheson. In the Senate, the President pro tempore appointed the Senator from Vermont, Mr. Aiken; the Senator from Arkansas, Mr. McClellan; Hon. Joseph P. Kennedy, former Ambassador to Great Britain; and Prof. James K. Pollock, of the University of Michigan. In the House, the Speaker appointed Representative Brown, of Ohio; Representative Manasco, of Alabama; Hon. Herbert Hoover; and Mr. James H. Rowe.

Inasmuch as the bill passed the Senate unanimously and so many Senators took part in its passage and share in the results that were achieved, I thought it worth while to make this announcement, because I feel that the Senate will agree with me that the Commission is an exceptionally high-powered one. It comprises a group of very able, very experienced, and very high-minded men, and we can expect substantial good to come from their appointment.

Mr. President, I salute the Commission, and I pledge them my cooperation.

I ask unanimous consent that as a part of my remarks there be printed in the RECORD, because of the importance of the subject, an article entitled "Miracle: A Nonpartisan Federal Project," by Arthur Krock, from the New York Times of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIRACLE: A NONPARTISAN FEDERAL PROJECT

(By Arthur Krock)

WASHINGTON, July 17.—The 4 men whom President Truman today appointed to the Commission of 12 which is to survey the processes of the Federal Government, with a view to improving them and at the same time making them less costly, are of the same high caliber as the 8 previously named by Senator VANDENBERG and Speaker MARTIN. There is no more political or partisan animation in the appointments than in the resolution sponsored by Senator LODGE and Representative BROWN of Ohio by which the Commission was created. And every one of the 12 has a special qualification for the work in view.

Since very great public benefit can come from the Commission's report, its birth in an atmosphere wholly free from politics of any kind is a circumstance of real importance. And the emancipation from politics is made complete by the Lodge-Brown provision that this report is not to be made until January 1949, thus removing the survey entirely from the influences of next year's Presidential campaign. It will be under no pressure to do or not do anything lest this might reflect on the administrative record of some principal in the campaign.

A Federal project of this magnitude, set on an absolutely nonpartisan base and conducted by citizens chosen in the same spirit, is rare enough almost to merit the adjective "unique."

What Senator LODGE and Representative BROWN have in mind is the development by this Commission of a plan of government in which duplications, overlappings, and incompetent personnel (that cannot be shaken off the pay rolls in any other way) will be eliminated, and appropriations made for specified functions will be spent for designated purposes only. Mr. LODGE has described the Commission as an instrument to substitute "surgery for the meat ax" in curing the major faults of government, a meat ax being what any incoming congressional majority finds itself obliged to use under the prevailing system.

SIZE OF THE GROUP

The resolution provided that two Senators and two Representatives shall be members of the Commission, and for good reason. Senators AIKEN and MCCLELLAN and Representatives BROWN and MANASCO are the chairmen and ranking members of the Senate and House committees which must put through Congress the legislation proposed by the Commission, and this makes essential their membership upon it. They will be invaluable also as a liaison with Congress as the work proceeds. Since most of their time is occupied with duties at the Capitol, eight men will actually constitute the day-by-day Commission which, while larger than experience in such work prescribes, can be made operable when broken into groups of one or two each, as doubtless will happen.

All eight have unusual qualifications for the task. Mr. VANDENBERG's choices outside Congress were an academic student of government, Professor Pollock, of the University of Michigan, and a very practical Federal administrator, Joseph P. Kennedy. Mr. Kennedy organized the Security and Exchange and the Maritime Commissions as their first chairman, was Ambassador to Great Britain and has had a wide and successful experience in business and finance.

For his noncongressional members, Speaker MARTIN chose former President Hoover, who is intimately familiar with public administration of all kinds and degrees, including those of other countries, and also has been an eminent executive in business; and James Rowe, formerly of President Roosevelt's White House staff. In that capacity Mr. Rowe saw the huge Federal machine from several angles, and every time he was given a job to do he discovered its weaknesses.

THE PRESIDENTIAL FOUR

President Truman's appointees match the others in their equipment for the Commission. No administrator who has come to Washington in recent years has made a closer or more intelligent study of government than Secretary Forrestal. Civil Service Commissioner Flemming is recruiting officer of the Federal personnel, a system full of faults which he knows as well as any man. Dean Acheson, in addition to having served in high policy-making groups, has investigated the work of Federal commissions in particular, an area ripe for coordination and reform. George Mead, in volunteer public service of many kinds, perhaps knows more about the inner Federal mechanism than any industrialist in this country.

These are the eight who will make the survey and prepare the new Government plan, assuming that their acceptances were assured in advance of their appointments. They offer the first real hope that the huge, wasteful, sprawling, colliding, inefficient structure known as the Federal system can be engineered on a modern blueprint, saving the taxpayers hundreds of millions a year and vastly improving the service it was constructed to render.

Of all the members of the Cabinet, if the Commission was to include one, Mr. Forrestal was the natural choice of the President because of his preoccupation throughout his Washington career with the problems the group will attempt to solve. If he becomes Secretary of Defense, when the War and Navy Departments are unified—the high hope of the departments themselves, and many in Congress and outside it—he may have to be replaced on the Commission. But even in a brief service, or through a deputy thereafter, his contribution will be great.

The PRESIDENT pro tempore. In order that the record may be complete, the Chair may state that the author of the act to which the Senator from Massachusetts has been referring is the junior Senator from Massachusetts himself, without whose incorrigible tenacity and devotion the objective sought never would have been reached.

Mr. LODGE. I thank the President pro tempore very much, indeed.

Mr. AIKEN subsequently said: Mr. President, in reference to the remarks by the junior Senator from Massachusetts [Mr. LODGE] a few moments ago regarding a committee study on reorganization of the executive branch of the Government, I should like to say that the bill is undoubtedly the most important piece of legislation reported by the Committee on Expenditures in the Executive Departments this year, and undoubtedly one of the most important measures adopted by the Congress. I want to give the junior Senator from Massachusetts full credit for looking after the bill from the time he introduced it until the time it was passed by the Congress and signed by the President. I only wish that I could look after bills I introduce as assiduously as the Senator looked after that one. I want to give him full credit for what he has done.

I will add that at the time it was being considered by the committee, I had no idea the President of the Senate would appoint me as a member of the committee. Nevertheless, I feel highly honored that he did.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. DONNELL. Mr. President, I ask unanimous consent that the certain subcommittee of the Committee on Labor and Public Welfare which is considering Senate bill 984 may meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, the order is made.

TERMINATION OF CERTAIN EMERGENCY AND WAR POWERS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 123) to terminate certain emergency and war powers, which were, on page 4, line 11, to strike out "heading" and insert "headings"; on page 4, line 14, to strike out "855"; on page 4, strike out line 16; on page 5, strike out lines 1 to 5, inclusive; on page 5, after line 12, insert:

Section 19 of the act of February 26, 1944 (58 Stat. 104);

The provision of section 8 (b) of the act of July 30, 1941 (55 Stat. 611), as amended, conferring certain authority upon the President.

On page 6, line 2, to strike out "June" and insert "July"; on page 6, strike out lines 6 to 8, inclusive; on page 6, line 14, strike out "the approval of this resolution" and insert "enactment of this joint resolution"; on page 6, line 25, to strike out "the approval" and insert "enactment"; on page 7, line 8, to strike out "expenditure" and insert "obligation"; on page 7, line 9, after "amended", insert a comma and "except that such funds shall remain available for the completion of access road projects which are now under construction"; on page 7, strike out lines 22 and 23; on page 8, line 2, after "amended", insert a colon and *"Provided, however,* That so long as the Secretary of War deems it necessary in the interest of national defense, each man who completed a course of medical instruction at Government expense in a university, college or other similar institution of learning, pursuant to the provisions of the act of February 6, 1942 (56 Stat. 50, ch. 40), as amended, shall not be relieved from active duty until the completion of 2 years of active service as a commissioned officer, exclusive of any periods during which he served as an interne"; on page 8, line 10, after "of", insert "enactment of"; on page 8, strike out line 14; on page 8, line 21, after "of", insert "enactment of"; on page 8, strike out line 23; on page 9, line 20, strike out "1939" and insert "1936"; on page 10, strike out lines 3 and 4; on page 15, strike out lines 11 and 12; on page 15, line 24, strike out "1944" and insert "1940"; on page 16, strike out lines 1 and 2; on page 16, line 3, strike out "Section" and insert "Sections"; on page 16, line 3 after "(a)", insert "and 507"; on page 16, line 3, strike out "July" and insert "June"; on page 16, after line 6, insert:

Section 700 (a) of the act of June 22, 1944 (58 Stat. 295).

On page 16, strike out lines 8 to 15, inclusive; on page 16, strike out lines 21 to 24, inclusive and insert:

Sections 302 (h), 712 (d) and 902 (a) of the act of June 29, 1936 (49 Stat. 1993, 2010, and 2015), as amended.

On page 17, line 2, after "334);", insert "section 4 of the"; on page 17, line 7, after "801)", insert a comma and "as amended"; on page 18, after line 20, insert:

Act of March 24, 1943 (57 Stat. 43, ch. 22), as amended.

On page 18, line 22, after "amended", insert a comma and "except paragraph 12 of such section"; on page 19, line 1, strike out "1535)." and insert "1535);"; on page 19, after line 1, insert:

Act of December 19, 1941 (55 Stat. 844), as amended.

On page 19, strike out lines 2 to 10, inclusive, and insert:

SEC. 4. For the purposes of article IV of the act of October 17, 1940 (54 Stat. 1183–1186), as amended, the present war shall be deemed to have terminated within the meaning of section 604 (54 Stat. 1191) of the said act, as of the effective date of this joint resolution.

On page 19, strike out lines 11 to 13, inclusive.

Mr. WILEY. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

Mr. McCARRAN. Mr. President, I inquire as to what changes, if any were brought about.

Mr. WILEY. The experts of the committee have reported to me that the amendments are corrections, mostly in relation to the designation of dates of statutes and minor matters, and do not vitally affect the joint resolution.

Mr. McCARRAN. What Senator was the chairman of the subcommittee which had charge of the joint resolution?

Mr. WILEY. I was. As the Senator will remember, the joint resolution relates to the termination of the emergency war powers. It was drawn in conjunction with the State Department. In order that Senators may understand the action of the House, I may make a statement in regard to the amendments.

The House made 36 amendments, 5 of which were floor amendments. Of these amendments, 21 were corrective or perfective, involving no change in substance. Six of the amendments consisted of deletions from Senate Joint Resolution 123 of citations to revenue measures which are under study by appropriate committees of the Congress.

These deletions were made at the request of the House Ways and Means Committee. Four of the amendments consisted of affixing termination dates for veterans' measures in accordance with the recommendations of the Veterans' Administration, in order that there may be a uniform pattern of termination of certain veterans' legislation. The Senate has already passed a bill of similar provisions during this session. The remaining amendments are as follows:

First. Extension of the life of an act which supports certain international fur-seal agreements, pending the execution of new agreements.

Second. Termination of the authority of the President to relieve certain pipeline operators from duties or liabilities under the Interstate Commerce Act. This amendment is in accord with the recommendations of the Federal Power Commission.

Third. Excepting from the termination of a certain statute, the authority of the Army to retain on active duty persons whose medical education was at Government expense.

Fourth. Excepting from the termination of the statute authorizing obligation of funds for building deefnse roads, expenditure of funds for projects presently being completed.

Fifth. Excepting from the termination provisions of the bill the authority of the Tennessee Valley Authority to export its products—chiefly nitrogenous fertilizer.

This exception is deemed justified in order that domestic producers may be permitted under the export control program to channel a fair share of their production to the domestic demand and thereby build up their domestic market.

The Senator from Rhode Island [Mr. McGRATH] is cognizant of the action, and approves the motion I have made.

Mr. McCARRAN. One item mentioned by the Senator related to those receiving medical education. What changes were made in regard to that? I suppose that referred to the ASTP training course for students.

Mr. WILEY. My understanding was that we excepted from the termination of the statute the authority of the Army to retain on active duty persons whose medical education was at Government expense. It will be remembered that these students are being educated at Government expense, and if the statute were entirely terminated the Government would not have the right to utilize the ability and services of some who have been in training 6 months or a year. The exception was made by the House, and I think we can well afford to agree with their conclusion.

Mr. McCARRAN. I wonder if the joint resolution provides for the length of time those students must serve.

Mr. WILEY. No; it retains the provision of the old law, and makes an exception in the provision for the termination of the statute which we had put into the joint resolution.

Mr. McCARRAN. I understand that.

Mr. WILEY. The old law remains in force.

Mr. McCARRAN. Under that law, what length of time will they be required to serve? Can the Senator give me any information as to that?

Mr. WILEY. The joint resolution continues the war in effect for that purpose, and the old statute provided that they should serve for the duration of the war and 6 months thereafter.

Mr. McCARRAN. Then it continues the war in duration for that purpose interminably?

Mr. WILEY. Until Congress by concurrent resolution terminates the war, or the President terminates the war under his Presidential power.

Mr. McGRATH. Mr. President, I might add to what the Senator from Wisconsin has said that all the amendments made by the House have been checked by the Department of Justice and by the particular departments involved, and they have approved each and every one of them.

Mr. WILEY. That is correct, and I thank the Senator from Rhode Island for his statement.

The PRESIDENT pro tempore. The Senate, without objection, has concurred in the amendments of the House.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

ESTIMATE OF APPROPRIATION, DAMAGE CLAIMS (S. Doc. No. 78)

A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Department of the Interior to pay claims for damages to or losses of privately owned property, in the sum of $159.94, which have been considered and adjusted under the provisions of law, and which requires an appropriation for their payment (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

ESTIMATES OF APPROPRIATION, CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. Doc. No. 79)

A communication from the President of the United States, transmitting, pursuant to law, estimates of appropriation amounting to $4,013,198.36, to cover claims allowed by the General Accounting Office and for the services of the several departments and independent offices (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION, CLAIMS FOR DEATH OR PERSONAL INJURY TO RESIDENTS OF GUAM (S. Doc. No. 87)

A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Navy Department to pay claims for death or personal injury to residents of Guam, in the amount of $526,257.82, which have been considered and adjusted under the provisions of law, and which require an appropriation for payment (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENT RENDERED AGAINST GOVERNMENT BY DISTRICT COURT FOR WESTERN DISTRICT OF ARKANSAS (S. Doc. No. 80)

A communication from the President of the United States, transmitting, pursuant to law, record of a judgment rendered against the Government by the United States District Court for the Western District of Arkansas, submitted by the Department of Justice through the Treasury Department, and which requires an appropriation of $3,022.24, together with an indefinite appropriation to pay interest (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION RELATING TO JUDGMENT RENDERED BY COURT OF CLAIMS (S. Doc. No. 81)

A communication from the President of the United States, transmitting a proposed provision relating to a judgment rendered against the Government by the Court of Claims which provides that payment be made from funds of the Reconstruction Finance Corporation (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION, DAMAGE CLAIMS SUBMITTED BY NAVY DEPARTMENT (S. Doc. No. 82)

A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Navy Department to pay claims for damage to or loss or destruction of property or personal injury or death, in the sum of $4,076, which have been considered and adjusted under the provisions of law, and which require an appropriation for payment (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

ESTIMATE OF APPROPRIATION, WAR DEPARTMENT (S. Doc. No. 83)

A communication from the President of the United States, transmitting, pursuant to law an estimate of appropriation under the War Department for payment of certain claims allowed by the General Accounting Office, amounting to $2,377.20 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

RECORD OF JUDGMENT AGAINST GOVERNMENT BY DISTRICT COURT FOR WESTERN DISTRICT OF VIRGINIA (S. Doc. No. 84)

A communication from the President of the United States, transmitting, pursuant to law, a record of judgment rendered against the Government by the United States District Court for the Western District of Virginia in a special case submitted by the Department of Justice through the Treasury Department, and which requires an appropriation of $475.34 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SCHEDULE OF JUDGMENTS RENDERED BY COURT OF CLAIMS (S. Doc. No. 85)

A communication from the President of the United States, transmitting, pursuant to law, a schedule of judgments rendered by the Court of Claims which has been submitted by the Treasury Department and requires an appropriation for payment, amounting to $277,356.70 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION, JUDGMENTS AGAINST GOVERNMENT BY DISTRICT COURTS (S. Doc. No. 86)

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for payment of judgments rendered against the Government by United States district courts amounting to $83,418.31, together with an indefinite appropriation to pay interest (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

GENERAL SUPPLY FUND OF BUREAU OF FEDERAL SUPPLY

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation for the more economical operation of the General Supply Fund of the Bureau of Federal Supply, Department of the Treasury, and for other purposes (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 125 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on the Judiciary.

PERSONNEL REQUIREMENTS

A letter from the Chairman of the National Mediation Board, transmitting, pursuant to law, an estimate of personnel requirements for that Board and the National Railroad Adjustment Board, for the quarter beginning October 1, 1947 (with accompanying papers); to the Committee on Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AIKEN, from the Committee on Labor and Public Welfare:

S. 48. A bill to provide for the demonstration of public-library service in areas without such service or with inadequate library facilities; without amendment (Rept. No. 580).

By Mr. TAFT, from the Committee on Labor and Public Welfare:

S. 1369. A bill to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes; with amendments (Rept. No. 583).

By Mr. FLANDERS, from the Committee on Civil Service:

S. 1188. A bill to provide that consideration shall be given, in establishing retention preference regulations, to employees permanently injured in line of duty, and to permit exemption of such employees from the regulations; with amendments (Rept. No. 584).

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 1026. A bill to amend section 101 (b) of the Department of Agriculture Organic Act of 1944; without amendment (Rept. No. 579).

By Mr. BRICKER, from the Committee on Banking and Currency:

S. Con. Res. 19. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods, with an amendment (Rept. No. 585); and under the rule, the concurrent resolution was referred to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committee on Banking and Currency:

S. 1543. A bill to amend the Reconstruction Finance Corporation Act, as amended; with an amendment (Rept. No. 610).

By Mr. DWORSHAK, from the Committee on Appropriations:

H. R. 4106. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 586).

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 3830. A bill to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes; with amendments (Rept. No. 609).

By Mr. HILL, from the Committee on Armed Services:

S. 1215. A bill to authorize conversions of certain naval vessels; without amendment (Rept. No. 604).

By Mr. KILGORE, from the Committee on Armed Services:

S. 1116. A bill to provide a limitation on the construction of family quarters for the Army, and for other purposes; with amendments (Rept. No. 605).

By Mr. WILSON, from the Committee on Armed Services:

S. 1581. A bill to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes; without amendment (Rept. No. 606).

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 3127. A bill to provide for the loan or gift of obsolete ordnance to State homes for former members of the armed forces; with an amendment (Rept. No. 607).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

S. 1574. A bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations; without amendment (Rept. No. 611).

By Mr. WILEY, from the Committee on the Judiciary:

S. 192. A bill for the relief of Juan Llona; without amendment (Rept. No. 589);

S. 521. A bill to permit the naturalization of Sang Hun Shim; with an amendment (Rept. No. 597);

S. 795. A bill for the relief of G. R. Below; with an amendment (Rept. No. 590);

S. 892. A bill for the payment of claims of the Fidelity Trust Co., of Baltimore, Md., and others, covered by findings of fact made by the United States Court of Claims, dated June 5, 1944, and contained in Senate Document Numbered 229, Seventy-eighth Congress, second session; with amendments (Rept. No. 591);

S. 970. A bill for the relief of Mr. and Mrs. Harold T. Prosser; with an amendment (Rept. No. 592);

S. 1181. A bill for the relief of Robert F. Parks; without amendment (Rept. No. 593);

S. 1463. A bill to amend section 12 of the Immigration Act of 1917; with an amendment (Rept. No. 596);

H. R. 341. A bill for the relief of the estate of Reuben Malkin; without amendment (Rept. No. 598);

H. R. 348. A bill for the relief of Dr. Alma Richards and Mrs. Mary Block; without amendment (Rept. No. 612);

H. R. 629. A bill for the relief of A. E. McCartney and O. A. Foster; P. W. Woodyard and J. R. Mahon; B. E. Truitt, T. L. Truitt, and W. B. Lacey; G. W. Cox, J. M. Cox, and F. T. Cox; W. W. Cox and Dr. J. W. Cox; Robert Cathcart and Claude Cathcart; with amendments (Rept. No. 599);

H. R. 821. A bill for the relief of Charles W. Taylor, Jr.; without amendment (Rept. No. 594);

H. R. 893. A bill for the relief of Myron R. Leard; without amendment (Rept. No. 613);

H. R. 1091. A bill for the relief of Mrs. Georgia Lanser; without amendment (Rept. No. 600);

H. R. 1497. A bill for the relief of the estate of George W. Coombs; without amendment (Rept. No. 614);

H. R. 1535. A bill for the relief of the legal guardian of Ralph Stanfield, a minor; without amendment (Rept. No. 615);

H. R. 2389. A bill for the relief of Harriet Townsend Bottomley; with an amendment (Rept. No. 601);

H. R. 2390. A bill for the relief of Elmer A. Norris; without amendment (Rept. No. 602);

H. R. 2434. A bill for the relief of Ruth A. Hairston; without amendment (Rept. No. 603);

H. R. 2607. A bill for the relief of the legal guardian of George Wesley Hobbs, a minor; without amendment (Rept. No. 595); and

H. R. 2693. A bill for the relief of Public Utility District No. 1, of Cowlitz County, Wash.; without amendment (Rept. No. 616).

INVESTIGATION OF AIR SAFETY—INTERIM REPORT

Mr. BREWSTER. Mr. President, I want it to appear as a matter of record that an interim report from the Interstate and Foreign Commerce Committee of the Senate on the matter of air safety, dealing in particular with the recent accident at LaGuardia Field, is being filed and will be printed in due course.

Mr. BREWSTER subsequently said: Mr. President, from the Committee on Interstate and Foreign Commerce, I ask unanimous consent to submit an interim report relating to an investigation of air safety, dealing in particular with the recent accident at LaGuardia Field; and I submit a report (No. 587) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

VETERANS' LEGISLATION—REPORTS OF A COMMITTEE

Mr. MORSE. Mr. President, on behalf of the Committee on Labor and Public Welfare, I ask unanimous consent to submit two favorable reports on bills. The first favorable report is on House bill 2181, relating to institutional on-farm training for veterans, which is a bill seeking to extend the full benefit of the on-the-job-training program to veterans on farms, including those operating their own farms, but in accordance with a State-approved training program, and I submit a report (No. 582) thereon. The second is a favorable report on Senate bill 1236, to increase the minimum allowance payable for rehabilitation in service-connected cases, a bill which seeks to increase the rates to veterans participating in the rehabilitation program, involving those veterans who have suffered a service disability, and I submit a report (No. 581) thereon.

I wish to say that the second bill which we are reporting favorably, Mr. President, is again one of those bills which is the result of what we think is a fair and reasonable compromise of rather wide differences, not only within the committee but between the Senate bill and the House bill.

We have increased the minimum rates for a veteran without a dependent from $105 to $115; for a veteran with one dependent from $115 to $125; for a veteran with wife and one child from $125 to $140; for a veteran with wife and two children from $132 to $147, and for a veteran with a wife and two children and a dependent parent, from $147 to $162.

The total cost of the bill, Mr. President, will be approximately $30,000,000, contrasted with $48,000,000 as proposed in a House bill, and it is, of course, a much less sum, I may say to the Senate, than would have been the case had we adopted the recommendations made by some of our colleagues.

In view of the fact, Mr. President, that this is a bill which deals with disabled veterans who are suffering service disabilities, and in view of the fact that our increases are in round figures, 15 percent in order to take care of the change in cost of living, I say in regard to it, as I have in regard to my other veterans' bills pending before the Senate, that I do not think we want to, nor should we want to, nor can we justify adjourning the present session of Congress without passing this proposed veterans' legislation.

The PRESIDENT pro tempore. Without objection, the reports will be received, and the bills will be placed on the calendar.

INDUCEMENTS TO PHYSICIANS, SURGEONS, AND DENTISTS TO MAKE CAREER OF MILITARY SERVICE—REPORT OF A COMMITTEE

Mr. MORSE. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill to provide additional inducements to physicians, surgeons, and dentists to make a career of the United States military, naval, and public-health services, and for other purposes, and I submit a report (No. 608) thereon. I request that a statement by me explaining the purpose of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar; and without objection, the statement presented by the Senator from Oregon will be printed in the RECORD.

There being no objection, the bill (S. 1661) to provide additional inducements to physicians, surgeons, and dentists to make a career of the United States military, naval, and public health services, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

The statement presented by Mr. MORSE was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

Mr. MORSE. The armed services and the Public Health Service are currently experiencing great difficulty in securing and retaining an adequate number of physicians, surgeons, and dentists. This bill proposes to alleviate the shortage by offering as an inducement a salary increase of $100 per month to all active medical and dental officers of the Regular Establishments and to all non-Regulars, who are now on duty on a volunteer status, or who voluntarily come on active duty during the 5-year period following the effective date of this section. It also provides authority to appoint qualified dentists and doctors of medicine in the Army and Navy in grades up to that of colonel in the Army and captain in the Navy.

EXPLANATION OF THE PROVISIONS OF THE BILL

The bill has two essential features. Title I provides that commissioned medical and dental officers of the Army, Navy, and Public Health Service shall be given extra pay at a rate of $100 per month in addition to their base and longevity pay. There is a proviso that not more than $36,000 may be paid to any one officer under this authority. The increase applies to all grades uniformly, and affects all active Regular officers and all non-Regulars now on voluntary active duty, or who come on voluntary active duty during the 5-year period following the enactment of this title. No differentiation is made between Regulars, Reserve, or National Guard officers. The title becomes effective on the first day of the first calendar month following its enactment, and is permanent law with no wartime suspension clause.

Title II permits the President, by and with the advice and consent of the Senate, to make original appointments to permanent commissioned grades not above that of colonel in the Medical and Dental Corps of the Army, and captain in the Medical and Dental Corps of the Navy. This authority is subject to existing limitations governing Army and Navy strength, so it does not involve any increase over totals otherwise established. The appointments may be made only from qualified dentists and doctors of medicine having such qualifications as the Secretary of War and the Secretary of the Navy may prescribe. The title is not made applicable to the Public Health Service, which already had adequate authority in this regard.

HISTORY OF THE BILL

This bill extracts the most urgent provisions of several similar bills which were referred to the committee for consideration.

Title I of the bill favorably reported by the House committee is retained unchanged excepting that the eligibility period is extended from 2 years to 5 years. The committee substituted for title II of the House bill a completely different title. The House proposal to provide a 25-percent increase to physicians and surgeons who can qualify as specialists is a long-term project rather than an urgent procurement measure. Since the basic problem here is one of immediate procurement of medical officers, the committee recomend as title II the appointive authority as outlined earlier in this discussion. The committee feels that the other measures recommended by the departments are not urgent, and can be considered to better advantage at a later session. This matter is discussed in detail in the committee report.

I can assure you that the shortage of doctors and dentists in the armed services and the Public Health Service is acute. It is so serious that unless prompt action is taken to make the career of the uniformed doctor more attractive, 2 years from today will find us facing a shortage of over 50 percent in their ranks.

The cause of this shortage is due to the fact that private practice is far more attractive financially than is a career in the uniformed services. This unfavorable financial pattern is made still more adverse when it is considered that the medical student must not only pay more for his education, but since his education takes 5 years longer, he loses the income that the average college graduate is making during that same 5-year period. Actually, therefore, the $36,000 additional salary paid the medical officer under the provisions of this bill serves mainly to compensate him for the additional cost of his education and for the 5 years of lost earning power which resulted from his longer period of academic training.

The Secretary of the Navy and the Secretary of War and their principal advisers appeared before the committee and testified in detail. The problem is an urgent one and it is one which will persist for some years to come. This bill is considered the minimum action that can be safely taken at this time.

REPORTS BY COMPTROLLER GENERAL ON AUDITS OF GOVERNMENT CORPORATIONS

Mr. AIKEN. Mr. President, last year the Congress authorized and directed the Comptroller General to make an audit of all Government corporations and agencies which had not been in the habit of being audited or held to account by anybody representing the Congress. The Comptroller General, of course, had a Herculean task on his hands. He is still far from completing the work of auditing Government corporations, but he has sent many reports to this body. As those reports have been received, they have been referred by the President pro tempore to the Committee on Expenditures in the Executive Departments. The reports contain the findings of the Comptroller General as to the financial condition of the Government corporations and other agencies of the Government, and on many of them he has also made recommendations for improving their work, and particularly their accounting methods.

These reports have been referred to the Committee on Expenditures in the Executive Departments. They have been rather long. One of them, I believe, on the RFC, contained about 200 pages in summary alone. Others have been shorter, but all of them have been too long for most of the Senators and most of the members of the Committee on Expenditures in the Executive Departments, itself, to study. Therefore, they have been referred to the staff of the Committee on Expenditures in the Executive Departments. The staff has studied the reports, analyzed them, studied the Comptroller General's recommendations, and then written down the staff's own findings and recommendations, if any, and submitted them to the committee members.

It has been much easier to read a staff report of three or four pages than it has been to read a Comptroller General's report of perhaps three or four hundred pages. It occurred to the committee members that the staff reports on the Government corporations might be of interest and of use to all Members of the Senate, and therefore I was authorized yesterday by the members of the committee to submit the staff reports on the Comptroller's audits of the Government corporations, to the Senate. I have some of them here this morning. One, the final report on the late but not lamented United States Spruce Production Corporation, will serve as a horrible example of what happens when a corporation is authorized by the Congress but never terminated, until 25 years afterwards. Then there is a report on the Tennessee Valley Authority; one on the Export-Import Bank of Washington; one, on the Home Owners' Loan Corporation, which is in process of liquidation; one on the Defense Homes Corporation; one on the Federal Prison Industries, Inc.; and one on the Tennessee Valley Associated Cooperatives, Inc. There are some other reports on Government corporations, which show such gross negligence and such gross ineptitude and carelessness in the handling of their accounts that it appears to the committee that before we submit reports on them the parties who are held responsible should be given a chance to defend themselves, if they have any defense. Therefore, hearings will have to be held on them. But I ask that the staff reports which I have mentioned be printed in the RECORD. I am sorry to submit them all in 1 day, but they have been accumulating on my desk. It is my own fault that they have not been presented one by one as they have appeared, but I think they will be of interest to Members of the Senate. Most of the reports are either good, or, we might say, not bad—that is, they show the accounts of most all the corporations as having recently been well handled; some of them having been exceptionally well handled.

Mr. BUTLER. Mr President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. I should like to add that the splendid reports and the work that is being done by the committee headed by the Senator from Vermont is the result of a bill passed by the Congress and signed in December 1945, and the result of an investigation which was made following a resolution introduced by the Senator from Nebraska in January 1944, calling for investigation of Government corporations. It was referred to the Byrd committee, which made a report, published as a Senate document, listing 44 Government corporations and recommending legislation, which is the result of the report, and on which the Senator from Vermont reports at this time.

I am highly pleased with the report the Senator is making and with the progress the Government departments, especially the Comptroller General, is making in connection with the policy which was adopted by the Congress at that time. Following the first report from the Byrd committee listing 44 Government corporations, when legislation was introduced and hearings were held before the Banking and Currency Committee of the Senate there were finally listed 101 Government corporations. I hope, when a little more time has been consumed in getting such reports as the Senator is filing this morning, it will be found possible to reduce considerably the number of Government corporations.

Mr. AIKEN. I thank the Senator from Nebraska. I should like to say, and I should have said it before, that these audits are being made by the Comptroller General in accordance with the terms of the so-called Byrd-Butler bill passed by Congress at the last session.

I reiterate that the task has been so huge that the audits are as yet nowhere nearly brought up to date. We are receiving more of them all the time, and as new ones come in they are being studied and reports being made on them. As I said, we have one or two on hand now which are so bad that we do not think we should make the final reports until those who apparently are responsible for the miserable conditions of these corporations have a chance to defend themselves.

I might add that for the last 6 months we have heard criticisms of the Commodity Credit Corporation and its methods of doing business. The Comptroller General's office has been preparing a report on this agency. We expect the report will be finished within the next, let us say, 6 weeks. We cannot be exact about that. We have not made any investigation at all of the methods of the Commidity Credit Corporation, because of the imminence of the Comptroller General's report, but as soon as the Comptroller General's report is received it is the purpose of the Committee on Expenditures in the Executive Departments to make an examination of it, and undoubtedly to hold open hearings and make a full investigation to determine

whether or not the charges which have been made against the corporation are fully justified. It is impossible to start any investigation of that kind so long as the Comptroller General's report has not been received, and, as I said, we expect that report will be received by us within the next 5 to 6 weeks.

The PRESIDENT pro tempore. Without objection, the request made by the Senator from Vermont will be granted.

There being no objection, the staff reports were ordered to be printed in the RECORD, as follows:

JULY 8, 1947.

TENNESSEE VALLEY ASSOCIATED COOPERATIVES, INC. (AUDIT BY CORPORATION AUDITS DIVISION, GENERAL ACCOUNTING OFFICE, FOR THE FISCAL YEAR ENDING JUNE 30, 1946)

GAO RECOMMENDATIONS

The report of the Comptroller General reflects the fact that the activities of Tennessee Valley Associated Cooperatives, Inc., have been on the decline. Possibly for that reason, comments and general information in the report regarding the many cooperative enterprises sponsored and financed by TVAC are based on information obtained at second-hand without individual and independent audit by the General Accounting Office. This fact, however, is not considered material for the reason that the sum of money involved in the entire financial structure of TVAC would not have warranted an exhaustive audit, either of the prior years' affairs of TVAC or the detailed affairs of the many allied associations.

It is reported that the records of TVAC and the associated cooperatives have been poorly maintained but that, insofar as the fiscal year 1946 is concerned, no activities were found to have been undertaken without authority of law.

The only recommendation made by the Comptroller General is that TVAC be liquidated. It is reported that the Corporation is actually dormant at the present time and that the Administrator of the Corporation has advised that there are insufficient funds to continue operation of these cooperative enterprises that are losing money.

REPORT ON STAFF WORK ON AUDIT

Analysis by the staff of the Comptroller General's report has been suplemented by a special report on the Corporation from Mr. Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority; study of existing and pending legislative material related to the Corporation; the narrative appearing in the Budget of the United States Government for the fiscal year 1948, as related to the Corporation, and discussion with a representative of the Office of the Comptroller General.

RECOMMENDATIONS TO COMMITTEE

In the light of available information, the staff concurs in the recommendation of the Comptroller General that TVAC be liquidated and, in furtherance thereof, makes the follow recommendations:

1. That, by letter from the chairman of this committee to the chairman of the Senate Committee on Appropriations, that committee be urged to retain the language as to liquidation of TVAC now in the Government Corporations Appropriation Act, 1948 (H. R. 3756), as passed by the House of Representatives.

In H. R. 3756 the House of Representatives has authorized for TVAC an expenditure for administrative expenses for liquidation only and has directed that such liquidation shall proceed at the earliest practicable date under the direction and supervision of the Secretary of the Treasury.

2. That, if the Senate does retain the same, or substantially the same, language as is included in H. R. 3756 as to liquidation of TVAC, the Secretary of the Treasury be requested, by letter from the chairman of this committee, to prosecute such liquidation without delay in a timely and orderly manner.

GENERAL COMMENTS

Although the liquidation of the Tennessee Valley Associated Cooperatives, Inc., now seems to be virtually assured, the staff considers it appropriate to bring to the attention of the committee certain facts regarding that Corporation.

Beyond the generally acknowledged fact that no legislative authority existed for its establishment, the actual founding of TVAC and the intentions of its incorporators are nebulous in the extreme. As nearly as can be ascertained, it appears that TVAC was incorporated on January 25, 1934, under the laws of the State of Tennessee, for the sole purpose of receiving and administering a $300,000 grant from the Federal Emergency Relief Administration. The incorporators were the three directors of the Tennessee Valley Authority, but it is alleged by TVA that the three directors were acting as private individuals, not as officers or employees of the Government. One of the distinguishing features of the Corporation is that its stock was issued to the United States (and is now in the possession of the Treasury Department), which thereby acquired a proprietary interest in the Corporation and is now in the position of holding rights to whatever assets the Corporation possesses. An FERA grant normally represented a total loss to the Federal Government, and such was the intention of the Congress in authorizing such grants, but in this particular case the Government is now in a fair position to make a substantial recovery on the investment made for it by the three directors of the Tennessee Valley Authority. As of June 30, 1946, the Government's equity is shown in the Comptroller General's report to have been approximately $107,000, but it is possible that recoveries ultimately may exceed that amount.

Considerable doubt has existed and still exists as to whether Tennessee Valley Associated Cooperatives, Inc., is a bona fide Government corporation. In a statement recently submitted by the Tennessee Valley Authority to the Senate Committee on Public Works, it is set out that the capitalization of $300,000 was an outright grant from FERA to TVAC. It is alleged in that statement that the $300,000 capitalization was not given to TVAC in exchange for the stock, but that the incorporators of TVAC voluntarily chose to issue stock in the name of the Government so as to establish definitely that none of the funds of the Corporation would inure to the benefit of private individuals or stockholders. So far as the staff has been able to determine, TVAC was never recognized officially or unofficially as an instrumentality of the Federal Government until passage in 1945 of the Government Corporation Control Act, in which it is included in the enumeration of wholly owned Government corporations appearing in section 101, title 1. The staff finds that doubt as to the exact status of TVAC has been so pronounced that the Bureau of the Budget drafted legislation which would have disclaimed Government interest in TVAC and submitted that legislation to the Secretary of the Treasury and to the Comptroller General for their opinions. It appears that both the Secretary of the Treasury and the Comptroller General refused to concur on the grounds that, rightly or wrongly, the Government actually holds the stock of the corporation, the corporation has been designated in the Government Corporation Control Act as a Federal instrumentality, and that it would be folly to renounce interest in assets which seem to have a definite recoverable value. The position of the Government has been strengthened by the fact that Mr. John E. Barr, who has been administering the affairs of TVAC since December 1937, has cooperated with the Bureau of the Budget in constructing a budgetary statement for the Congress, as required by the Government Corporation Control Act, and his action in so doing would imply an acknowledgment on his part that TVAC is a Government instrumentality. In any event, the staff is of the opinion that the Government should proceed on the assumption that it does own Tennessee Valley Associated Cooperatives, Inc., and every effort should be made to liquidate the assets of the Corporation as favorably and as rapidly as can be done.

Opinion has long been divided as to the desirability of the use of the corporate structure within the Federal Government. A strong argument for the corporate structure is advanced by those proponents who claim that a corporation enjoys freedom of administration which is impossible to an ordinary unincorporated agency of the Government. It has seemed always to be implicit in such an argument that the use of the corporate form in some way liberates an agency from the jurisdiction to which it would otherwise be subject, such as direct control by the Congress, audit by the General Accounting Office, and control of funds by the Treasury Department. The Government Corporation Control Act has already brought all Government wholly owned and mixed-ownership corporations within the audit control of the General Accounting Office and has brought all Government wholly owned corporations within the active annual budgetary control of the Congress. The House of Representatives has included in H. R. 3756, referred to above, language which would amend the Government Corporation Control Act by bringing a selected group of mixed-ownership Government corporations also within the budgetary control of the Congress, and it is hoped that the Senate will concur in the amendment. If such is done, it would seem that the chief argument of the proponents of the corporate structure in the Government would be largely invalidated.

Opponents of the use of the corporate structure within the Federal Government take the undeniably sound position that the Congress can, if it wishes, authorize an unincorporated agency to do anything that an incorporated agency can do. Opponents claim, also, that there is a decided tendency on the part of officials of incorporated agencies to consider themselves practically independent of the Congress, the General Accounting Office, and all other forms of Government control, and to proceed in whatever manner they themselves consider to be proper or desirable. That charge has been made many times against Government corporations, and the staff feels that there is considerable justification therefor. The history of Tennessee Valley Associated Cooperatives, Inc., would seem to render support to the case against Government corporations. Here is an instance where the directors of an existing Government corporation, the Tennessee Valley Authority, established, without any authority whatsoever, an entirely new corporate entity to receive a grant of $300,000 from the Federal Emergency Relief Administration, and to dispose of that grant in such manner as they considered desirable. The independence of action exercised by the incorporators of TVAC was such that today, as has been stated above, there is substantial doubt as to whether TVAC is or is not an instrumentality of the Federal Government.

While the sum of money involved in TVAC is relatively insignificant, the case serves well to emphasize the general objections to Government corporations.

T. A. SAPPINGTON,
Staff Member.

Approved:

E. B. VAN HORN,
Staff Director.

JULY 14, 1917.

THE FEDERAL PRISON INDUSTRIES, INC. (AUDIT BY CORPORATION AUDITS DIVISION, GENERAL ACCOUNTING OFFICE, FOR THE PERIOD ENDING JUNE 30, 1946)

GAO RECOMMENDATIONS

The report of the Comptroller General indicated that the accounts and records of the Federal Prison Industries, Inc., are well devised and maintained in accordance with good accounting following by commercial enterprise.

The General Accounting Office had no specific recommendations regarding changes in the basic law under which the Federal Prison Industries, Inc., operates, or major changes in accounting, auditing, or financial administration. However, the Comptroller General did take exception to the following:

1. The legality of vocational training of inmates in Federal penal and correctional institutions; securing employment of such inmates on release and charging the cost thereof against the profits realized in the course of the corporation's authorized operations.

2. Advances from the corporation's operating funds to prison industries for improving orchards, construction of dams, additions to power plants, and other capital improvements.

3. The audit report indicated that the corporation had $11,000,000 in cash in excess of its requirements, and it recommended that this amount be paid into the Treasury of the United States.

4. A spot check of the physical inventories indicated that it is advisable to take a physical inventory of machinery and equipment at Danbury, Conn., and construction stores at Terre Haute, Ind., to insure accuracy of inventory accounts, both from a quantity and monetary standpoint.

5. That invoices be rendered with proper notices as each shipment is made rather than defer billing until final shipment of an order.

COMMENTS ON GAO RECOMMENDATIONS

The following information is submitted as an explanation and clarification of the items to which the General Accounting Office took exception:

1. The Federal Prison Industries, Inc., and the Department of Justice have administratively construed the basic statutes (46 Stat. 391; 18 U. S. C. 744a–h), as supplemented by the act of June 23, 1934, (48 Stat. 1211; 18 U. S. C. 744–1), and Executive Order 6917, dated December 11, 1934, to cover the services questioned by the General Accounting Office. The Agency has operated under these laws during the past 8 years and has described the program in its budget and included it in its annual report to Congress. Inasmuch as Congress has commended the Federal Prison Industries, Inc., on its management and financial operation, it would appear that there is really no justification for changing the basic law at this time, except to avoid future exceptions by the General Accounting Office.

2. The advances referred to in the audit report were not the usual type of advances commonly used in commercial or governmental practice. There was no transfer of funds but merely an agreement whereby the corporation furnished supplies, materials, and services in exchange for supplies, materials and services rendered, or to be rendered, by the Bureau of Prisons. This arrangement facilitated alteration and improvement of fixed assets without delay and at the same time resulted in considerable savings to the United States Government.

3. The Federal Prison Industries, Inc., has deposited $9,688,000 into the Treasury of the United States during the past 2 years. Inasmuch as the Corporation usually procures supplies such as steel and cotton in large quantities on an annual basis to take advantage of reduced prices and that considerable cash is required to pay for this material, it is believed that the recommendations made by the General Accounting Office would impair the cash position of the corporation.

4. This comment apparently was directed at the method of keeping inventory records. The Comptroller General took exception to the fiscal control of materials and stores and the possibility that in a few instances the physical inventory did not balance with the accounting records. This is a minor accounting deficiency which it is believed will not be accurate if verified in detail.

5. The comment relating to billing of material shipped to consignees does not appear to be of a serious nature. This is merely an accounting detail that investigation has shown is not true except possibly in one or two isolated instances.

ACTION BY THE FEDERAL PRISON INDUSTRIES, INC., SINCE AUDIT

1. Since the General Accounting Office has filed its report for the period ending June 30, 1946, the Department of Justice has carefully reviewed the basic legislation under which the corporation operates to determine the validity of training inmates in Federal penal and correctional institutions, and charging the cost thereof against profits earned by the corporation. The Attorney General is of the opinion that the basic law covers both the training program and charging the cost of such training against the profits of the corporation. He has further stated that no change in the Institution is necessary unless Congress decides that the program should be carried on in a different way. If Congress so decides, a proposed bill has been drafted and is attached for further consideration.

2. No action has been taken by the Federal Prison Industries, Inc., on the advances referred to by the Comptroller General's report because these transactions were not considered to be advances inasmuch as no exchange of funds were involved.

3. On February 5, 1947, the corporation deposited $4,913,293 into the Treasury of the United States. This amount, together with the $4,774,707 deposited prior to the fiscal year 1946, made a total of $9,688,000 deposited to date. The Board of Directors of the Federal Prison Industries are expected to meet in the next 60 days at which time further consideration will be given to the deposit of approximately $600,000 into the Treasury.

4. A physical inventory of machinery and equipment at the Federal correctional institution, Danbury, Conn., has been taken. The corporation has investigated the handling of stores at the United States penitentiary, Terre Haute, Ind., and has advised that the stores shipped to this institution are all retained in a storage room that is within the confines of the prison. Materials are issued when required in the shops for manufacturing or repair and physical inventories are made from time to time to assure sufficient supply to meet future requirements. A monthly report is prepared and submitted to Washington and frequent spot-checks are made to make sure that the quantity of stores on hand agrees with the amount reported. Inasmuch as these stores are not available to the public, it is believed that the controls maintained by the prison are sufficient to guard against loss or pilferage.

5. The corporation has investigated the method of billing various Government departments and other institutions. It was determined that the billing is made when shipments are made and that no delay in billing actually occurs as was reported by the General Accounting Office.

REPORT ON STAFF WORK ON AUDIT

On receipts of the Comptroller General's audit report, the staff took the following actions:

1. Made a careful review of the report and all comments and suggestions of the General Accounting Office.

2. Studied the basic law establishing the Federal Prison Industries, Inc., examined the supplements thereto and Executive Order 6917.

3. Reviewed the House Appropriations Committee reports on the Government corporation appropriation bill for 1947, House Report No. 2269 and House Report No. 544.

4. A letter was prepared and sent to the Attorney General requesting his opinion on the legality of the training program together with the method used in financing it.

5. A meeting and conference was held with Mr. A. H. Conner, Associate Commissioner of Prison Industries, at which time all of the comments and exceptions taken by the General Accounting Office were discussed in detail.

RECOMMENDATIONS TO COMMITTEE

As a result of work done by the staff, and after careful consideration of the opinion rendered by the Attorney General, it is believed that the following action should be taken:

1. It is recommended that the enabling statute under which the Federal Prison Industries, Inc., operates be amended as stated in the attached bill. This will settle the legal question raised by the General Accounting Office. Unless this or a similar bill is enacted, the General Accounting Office will raise the same question in the future.

GLENN K. SHRIVER,
Staff Member.

Approved:

E. B. VAN HORN,
Staff Director.

A bill to authorize the expenditure of income from Federal Prison Industries, Inc., for training of Federal prisoners

Be it enacted, etc., That the provisions of the act of May 27, 1930 (46 Stat. 391; 18 U. S. C. 744 a–h) relating to the training and schooling of prisoners in trades and occupations shall be construed as applying to all inmates of Federal penal and correctional institutions qualified for such training and schooling without regard to their industrial or other assignments. The prison industries fund established by section 4 of the act of June 23, 1934 (48 Stat. 1211; 18 U. S. C. 744–L), may be employed in paying the expense of such training and schooling.

JULY 12, 1947.

AUDIT BY COMPTROLLER GENERAL OF DEFENSE HOMES CORPORATION FOR THE FISCAL YEARS ENDED JUNE 30, 1945 AND 1946

GAO RECOMMENDATIONS

None.

FINANCIAL CONDITION

The financial condition of the Corporation seems to be good.

On page 29 of the Audit, the Director of the Corporation Audits Division says:

"In our opinion, with the exception stated hereinbefore with respect to the valuation of inventories of commodities, supplies, and materials held for use, the accompanying balance sheets and the related statements of income and earned surplus present fairly the financial condition of Defense Homes Corporation at June 30, 1945 and 1946, and the results of its operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

"Insofar as we observed during the course of our audit, the management of the housing projects, particularly those of larger size, was efficient. The exceptions (other than the lack of internal control noted previously herein) were relatively minor, and, insofar as we are qualified to make observations as to managerial matters, it is our opinion that,

in general, the Corporation has been operated in a manner to reflect credit on the management."

The balance sheet of the Corporation as of June 30, 1946, shows assets of $61,691,217, against which are listed liabilities totaling only $654,755. As of the date given, the earned surplus of the Corporation was $2,687,589. It is a great pleasure to review an audit report that shows a Federal corporation to be in a surplus position.

The Corporation employs only 22 persons and its administrative expenses for fiscal 1946 totaled $97,172. This is a small charge for operations conducted on a large scale, and is indicative of good management.

The audit report states that the Corporation will probably dispose of its properties by June 30, 1947, and its final liquidation should follow shortly thereafter.

RECOMMENDATIONS TO COMMITTEE

That this report be included in the list of those which will be reported favorably to the Senate.

E. B. VAN HORN,
Staff Director.

JULY 8, 1947.

AUDIT REPORT ON THE HOME OWNERS' LOAN CORPORATION (FISCAL YEAR ENDING JUNE 30, 1946)

GAO RECOMMENDATIONS

1. Reestablishment of a Board of Directors instead of a single Administrator.

2. Payment of accumulated dividends on Corporation's investment in Federal Savings and Loan Insurance Corporation, and capital-stock investment transferred to the Treasury.

3. Revocation of power of Corporation to make additional investments in Federal savings and loan associations or similar institutions.

4. Transfer of HOLC Building to Federal Works Agency.

5. Restriction of borrowing power, with increased interest rate paid to the United States Treasury to conform to average interest rate on public debt.

6. Improvements in accounting procedures.

COMMENTS ON GAO RECOMMENDATIONS

1. The statement by the Director of the Corporation Audits Division of the General Accounting Office concludes that "in view of the fact that the Corporation's activities are in an advanced stage of liquidation under competent executive management, and because there are almost no new problems at the policy-making level, it is not recommended now that a Board of Directors should be recreated." This conclusion speaks for itself, and disposes of this recommendation without further comment.

It might be pointed out in this connection that the President's Reorganization Plan No. 3 and other legislation introduced in the Eightieth Congress, would have the effect of restoring Board control over the HOLC.

2. No objection is raised to the payment of accrued accumulated dividends on investments in the Federal Savings and Loan Insurance Corporation, amounting to approximately $34,000,000 as of June 30, 1947, but the HOLC recommends deferment or payments spread over a period of years.

A further question is raised as to whether the Treasury should be required to subsidize the Federal Savings and Loan Insurance Corporation, and whether plans should not be devised whereby the beneficiaries (the insured institutions) should not subscribe to this stock, as in the Federal Reserve and FDIC, under such terms as may be prescribed by Congress, and permit the application of the $100,000,000 capitalization to the reduction of the public debt.

This entire matter is also included in legislative proposals introduced by Senators TOBEY and BRICKER, which is now pending before the Senate Committee on Banking and Currency.

3. Repurchase by both Federal and State chartered associations of the investments made by the HOLC have been greater than called for under the law and the balance outstanding has been materially reduced. This matter was given careful consideration at the President's conference in New York on May 12 and 13, 1947, and as a result suggestions were made to the associations which are now not in need of funds that they voluntarily retire the balance of investments ahead of schedule. The HOLC, on June 17, 1947, addressed a letter to each of the bank presidents advising them that while the associations may not be compelled to retire these investments in excess of the schedule of repayment provided under the act, they should give consideration to voluntarily retiring these investments ahead of schedule.

In view of this action, and the fact that only $12,263,450 of the original shares investment of $223,856,710 was still outstanding as of March 31, 1947, no further action appears necessary at the present time.

4. The HOLC contends that to carry out the recommendations made by the GAO to transfer the Corporation's building to the Federal Works Agency on a basis of net depreciated cost of the property as of the date of transfer would be unfair to the Corporation. The building was purchased on a very advantageous basis in 1934, and the value has materially increased since that date. The HOLC states that there is no logical reason for the transfer of title to the FWA and argues that there should be a central building in Washington where agencies dealing with home loans and housing should be located, in the public interest. They further stated that the present lease on the New York office of HOLC will expire within the next year, and it may be necessary to move this office back to Washington.

The Public Buildings Administration has no precedent for such transfer, but indicated that the PBA could utilize the space provided in the HOLC building to better advantage than HOLC is at present.

5. The recommendation that the interest rate be increased on HOLC loans from the Treasury is vigorously opposed by the HOLC, on the ground that they can procure short-term loans on bonds issued under authority granted to them by Congress at a rate of less than the 1 percent now paid to the Treasury. It is contended that to increase the rate to 1½ percent, or more, as suggested by GAO, would be discriminatory and is not justified by the facts.

Data have been submitted to the committee to show what short-term loans have been procured by HOLC outside of the Treasury at rates as low as one-quarter of 1 percent on short-term Government loans, and that under the present arrangement the Treasury actually earns the interest on these loans, which would otherwise accrue as an interest obligation to the Government.

Indications are that the present arrangement is distinctly advantageous to the Treasury as well as to HOLC, based on information and interest tables and detailed exhibits submitted by HOLC relative to interest rates on previous bond issues.

6. The minor recommendations made relative to accounting procedures have been duly noted and are now being effected by the HOLC.

ACTION BY THE HOLC AGENCY SINCE AUDIT

As indicated by the above, no action is contemplated by the Home Owners' Loan Corporation, except changes in accounting methods and adherence to procedures of a minor nature suggested by the GAO.

REPORT ON STAFF WORK ON AUDIT

Extensive interviews were held with John H. Fahey, Federal Home Loan Bank Commissioner, and with William F. Penniman, Assistant Commissioner and Budget Director of the Federal Home Loan Bank Administration, and contact was made with T. Coleman Andrews and Howard W. Bordner, Assistant Director, Corporation Audits Division, General Accounting Office, who prepared the HOLC audit. There is a wide difference of viewpoints regarding recommendations 2, 3, 4, and 5, and it would appear to the staff that these recommendations made by the GAO are not within the scope of an audit report as they relate to nonfiscal policies approved by Congress and should not concern the General Accounting Office.

Contact was also made with Mr. John L. Nagle, Deputy Commissioner for Real Estate Management, PBA, regarding the proposed transfer of HOLC building to the FWA, who made no specific recommendations regarding the disposition of the HOLC building.

RECOMMENDATIONS TO COMMITTEE

In view of the merits of the arguments advanced by the HOLC in response to the recommendations and conclusions of the General Accounting Office, and their adherence to authority granted by Congress, it is recommended that no further action is required on the part of this committee in the way of legislation or direct action.

An outline of a factual report covering the scope of HOLC activities and details regarding the recommendations contained in the audit report has been drafted for submission to the Senate and the appropriate committees considering legislation dealing with this subject, should the committee determine the completion of such report to be desirable.

AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 1945

Except for liquidation progress attained in the intervening period, this report parallels the above.

WALTER L. REYNOLDS,
Staff Member.

JUNE 20, 1947.

EXPORT-IMPORT BANK OF WASHINGTON (AUDITS BY CORPORATION AUDITS DIVISION, GENERAL ACCOUNTING OFFICE, FOR THE FISCAL YEARS ENDING JUNE 30, 1945, AND JUNE 30, 1946)

GAO RECOMMENDATIONS

The reports of the Comptroller General for the fiscal years 1945 and 1946 were submitted simultaneously to the committee. The report for the fiscal year 1945 may be classified as simply a factual report of the condition of the bank at that time. It is necessary that this memorandum deal only with the report for the fiscal year 1946, although the reports for both years have been carefully studied and form the basis for our conclusions.

In general, the Comptroller General has found the condition of the Export-Import Bank of Washington to be good, and has reported the accounts and records, and the system of internal control to be satisfactory and well maintained. He has, however, made certain specific legislative recommendations, which are enumerated in detail herewith:

1. The Congress should consider an addition to the act requiring the board of directors to establish interest rates to be charged on loans that, in their own judgment, will at least cover the interest cost of funds to the United States Treasury, the operating expenses of the bank, and a risk factor which over-all will provide for all losses on loans that may be expected to materialize, taking into consideration all the factors influencing the decisions to grant credits as authorized by law at the time such credits are granted. This policy would complement the policy that the Board should consider the "reasonable assurance of repayment" in making loans. Such a requirement is an example of a basic form of legislative control that should be utilized wherever possible to provide for an activity's being self-sustaining. It is understood to be the belief of the bank's board of directors that they are observing such a

policy and this recommendation is in no-wise a criticism, but it is believed more appropriate for the Congress, as the over-all board of directors, to prescribe such a basic policy rather than to leave this matter to the discretion of the board of directors of a Government corporation.

2. Consideration should be given also to a legislative requirement for the bank to pay interest annually on all capital funds advanced by the United States Treasury (including amounts now designated as capital, as well as borrowings) at the interest cost to the Treasury for such funds. As indicated in paragraph 2 on page 1, and in the absence of enactment as proposed, borrowings now are made by agreement at an interest rate below the Treasury's interest cost, and no dividends are being paid on capital.

It is the bank's policy to charge an interest rate on loans adequate to include this cost, and it is only reasonable that such costs shall be reflected in the bank's expenses to the end that net income and surplus shall be a measure of the results of the management's decisions as to the risk factor to be included in the interest rates charged. If interest costs are not paid in full, the bank in effect will receive a subsidy equal to the reduction thereof, which amount will be available for absorbing losses on loans, thus obscuring the result of the decisions as to interest rates.

3. Consistent with the foregoing, it is recommended that the bank be required to pay a dividend on capital from income for the fiscal year 1946 equal to the computed interest cost to the Treasury for the year on capital.

4. If the interest distinction between capital and borrowings is eliminated, as recommended, it is suggested the law eliminate the authorized practice of borrowing from the Treasury, and term all advances from the Treasury "capital." There is no other reason for separating capital into two forms.

It is suggested also that the practice of capital financing through borrowings or capital subscriptions from the Treasury upon the basis of authorization by act of Congress, without formal appropriation of the funds by the Congress, is highly objectionable for the reason, among others, that the Appropriation Committees of the Congress are by-passed and that they are not required to consider and approve such expenditures of public funds. It is recommended that such expenditures be made only after authorization by appropriation acts.

It might be provided also that the bank may return to the Treasury from time to time any excess portion of its capital investment which may not be required in reduction of capital without changing the authorized maximum capital of $3,500,000,000, thus treating the authorized advances as through a revolving fund, such as authorized for the Federal land banks and other corporations supervised by the Farm Credit Administration.

5. It is strongly suggested that any new legislation more clearly set out the policies, define the limits, and (if foreign government loans are to be continued) adopt a ceiling on the extent of such aid which Congress wishes to authorize in the case of any one foreign country.

COMMENTS ON GAO RECOMMENDATIONS

The legislative recommendations listed above are believed to be fully self-explanatory and require no clarifying comments by the staff.

REPORT ON STAFF WORK ON AUDIT

Since receipt of the two reports discussed in this memorandum, the staff has taken the following action:

1. The reports and legislation now pending before the Congress in regard to the Export-Import Bank, together with related hearings, and existing basic legislation of the bank have been thoroughly studied and analyzed.

2. Findings and recommendations of the Comptroller General have been discussed verbally with officials of the Corporation Audits Division of the General Accounting Office.

3. Personal discussions have been had with appropriate representatives of the staff of the bank.

RECOMMENDATIONS TO COMMITTEE

As a result of the staff work which has been done, it is possible to make definite recommendations with respect to each of the recommendations of the Comptroller General. The views of the staff are as follows, each numbered to coincide with the numbering of the Comptroller General's recommendations, above:

1. The Board of Directors of the Export-Import Bank considers that it is now operating in accordance with the policy propounded in the Comptroller General's first recommendation. This is acknowledged in the audit report, which observes that the recommendation is not a criticism, but is made in the belief that the policy, as to interest rates, should be legislated by the Congress rather than left to the discretion of the directors of the bank.

The quotation, "reasonable assurance of repayment," appearing in the Comptroller General's first recommendation is taken from section 2 (b) of the Export-Import Bank Act of 1945, as amended, which sets forth the general policy of the Congress as to loans to be made by the bank. In the consideration of the financial welfare of a Government corporation it is important that proper weight be given to the fact that any enterprise of the Federal Government is, to a degree, philanthropic. That is, corporate legislation generally recognizes the possibility of nonrecoverable Government investment, and, while the Congress expresses the policy that management should exercise prudence and discretion in an effort to secure a return on the public funds, or at least to keep losses at a minimum, it is undoubtedly true that the public welfare, as served by the corporation, has been given precedence over the factor of profit.

The staff of this committee feels strongly that every income-producing enterprise of the Federal Government which is capitalized by or, synonymously, which borrows from the Treasury of the United States should pay to the Treasury the cost which the Treasury incurs by way of interest on the public debt for similar-term borrowings. We recommend that general legislation be enacted to accomplish this purpose, but such legislation should be qualified by vesting in the Secretary of the Treasury the authority to reduce or defer such interest payments whenever he finds that the state of the finances of the borrowing enterprise will not permit the discharge of the interest obligation.

In the case of the Export-Import Bank, it was the obvious intent of the Congress that loans made by the bank would be for the purpose of assisting in the foreign trade of the United States. This objective unquestionably is infinitely broader than the objective of insuring that the Export-Import Bank be self-sustaining, and the staff does not concur in the Comptroller General's first recommendation for the reason that, if adopted, it would impose a severe handicap on negotiating latitude now enjoyed by the Board of Directors.

2. This recommendation of the Comptroller General is closely related to his first recommendation, and the staff's comments with regard to the first recommendation should be considered in connection with this proposal. It need only be said here that the audit report would require payment by the bank of interest on that portion of its capital which is so designated, in addition to interest on that part of its capital which is designated "borrowings."

3. The third recommendation of the Comptroller General would require that the bank make a retroactive payment in the amount of $3,800,000 as a dividend for the fiscal year 1946. The staff does not concur in this recommendation for the reason that the bank would be required to borrow from the Treasury the amount of the dividend in order to make the payment (see our comments on the third paragraph of recommendation 4 hereinafter).

4. The first paragraph of the Comptroller General's fourth recommendation proposes that the distinction between "capital" and "borrowings" of the bank be eliminated. The primary purpose of this appears to be to insure that all capitalization of the bank be the subject of interest payments to the Treasury. By the passage of Public Law 89 of this present Congress, section 2 (a) of the Export-Import Bank Act of 1945 has been amended so as to provide, in part, that after reasonable provision for possible losses, the net earnings of the bank shall be used for the payment of dividends on capital stock. Thus, the latest legislation passed with respect to the Export-Import Bank retains the distinction between "capital" and "borrowings." Furthermore, Public Law 89 amends section 6 of the Export-Import Bank Act of 1945 by providing that the obligations issued by the bank for purchase by the Secretary of the Treasury for the purpose of providing so-called borrowings, shall bear interest at a rate determined by the Secretary of the Treasury after taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the bank. The staff is of the opinion that, in view of the present practice of the Export-Import Bank as to repayment of its capitalization, whether formal capital or borrowings, as discussed with respect to paragraph 3 of this recommendation 4, that nothing would be gained by eliminating the distinction between "capital" and "borrowings."

The second paragraph of the Comptroller General's fourth recommendation suggests that the present practice of capital financing of the bank is being done without approval of the Congress. The staff does not concur in this expression of opinion by the Comptroller, and believes that the budgeting requirements of the Government Corporation Control Act amply cover the situation.

The third paragraph of the Comptroller General's fourth recommendation suggests that the bank return to the Treasury, from time to time, any portion of its capital which may not be currently required and, in making this suggestion, the audit report uses a figure of $3,500,000,000 as the bank's capital, thus eliminating, for this suggestion, the distinction between formal capital and "borrowings." Through discussions with representatives of the bank, as verified with the Treasury Department, the staff has determined that the bank has heretofore followed and is presently following a consistent practice of paying into the Treasury all sums which it may acquire through earnings or repayment of principal by borrowers from the bank over and above a working balance of approximately $100,000. This procedure is very unusual and is extremely meritorious, and the bank is to be commended for the adoption thereof. The result of the practice is that the bank is never in possession of idle capital and is, in effect, in the constant process of repaying its borrowings to the Treasury. The staff can only assume that this circumstance was either overlooked by the auditors of the General Accounting Office or was not properly appraised. The staff feels that no legislative action is required in this relation.

5. As to the Comptroller General's fifth recommendation, the staff considers that the enabling legislation of the Export-Import Bank already clearly states the policies which are to govern the making of loans. The Comptroller General suggests that any new legislation should also "define the lim-

its" of loans. The staff does not grasp the significance of this recommendation and, in the absence of further clarification by the Comptroller General, is unable to make comment thereon.

This fifth recommendation suggests also that, in the case of loans to foreign countries, a ceiling be placed on individual loans. Here again the staff is of the view that the basic legislation of the bank already expresses the intent of the Congress as to the purpose for which loans are to be made and the factors which should be taken into consideration in their making. In view of the broad objective of providing assistance in promoting the foreign trade of this country, the staff seriously doubts the advisability of placing an arbitrary maximum on the amount which could be loaned to any one country, it being understood, of course, that the bank cannot exceed, with respect to its aggregate loans, the total of its formal capitalization plus its authorized borrowings. This total is now $3,500,000,000.

GENERAL COMMENTS

The staff wishes to comment briefly on the relationship between the Export-Import Bank of Washington and the National Advisory Council on International Monetary and Financial Problems, referred to repeatedly in the audit report.

The Comptroller General appears to have arrived at the conclusion that the autonomy of the Board of Directors of the bank is limited by subordination to the National Advisory Council in the matter of determination of interest rates. The audit report also brings out the point that applications for loans frequently are examined by the technical staff of the National Advisory Council.

The staff inquired closely into this relationship and has been informed by representatives of the bank that the Council exercises no supervisory power whatsoever over the bank's operations, but that, in view of the fact that the Council was established pursuant to the Bretton Woods monetary agreement, the Board of Directors of the bank follows the Council's recommendations insofar as the Board considers those recommendations sound and reflective of the best interests of the United States and international financial affairs.

T. A. SAPPINGTON,
Staff Member.

Approved:

E. B. VAN HORN,
Staff Director.

JUNE 19, 1947.

TENNESSEE VALLEY AUTHORITY (AUDIT BY CORPORATION AUDITS DIVISION, GENERAL ACCOUNTING OFFICE, FOR THE FISCAL YEAR ENDING JUNE 30, 1945)

GAO RECOMMENDATIONS

In general, the findings of the Comptroller General are favorable. It is reported that internal controls and all accounting and auditing practices and procedures are well conceived and properly administered, and that the use by management of the accounting function compares favorably with private enterprise.

The Comptroller General has made certain legislative recommendations which are proposed to be enacted in the place of the present section 26 of the Tennessee Valley Authority Act of 1933, as amended. Section 26 is regarded by the management of TVA as the keystone of the success which the Authority has had in developing the resources of the Tennessee Valley, and the section is, in fact, a portion of the Authority's enabling legislation which controls the disposition of its operating revenues. The Comptroller General's recommendations are as follows:

1. That the over-all capital requirements of the Authority as it is now constituted be determined and formalized.

2. That future capital needs of the Authority from the United States Treasury be financed by appropriating funds for subscriptions to capital by the Treasury.

3. That the Authority have the power to borrow only temporarily from the United States Treasury within limits established by the Congress at current interest costs, and that it not have authority to borrow either temporarily or on a long-term basis from any other source.

4. That the Authority determine and show separately on its books that portion of its capital derived from appropriated funds and invested in power facilities or otherwise used in the power activity.

5. That a definite plan for the repayment of the appropriated funds invested or otherwise used in the power activity and the payment of interest on this capital at a definite rate be provided by law.

6. That the net income from power operations, after deduction of all costs of these operations, be carried to an earned surplus account.

7. That the practice of making direct appropriations for the construction of dams, reservoirs, and other power facilities not taken care of under sections 12 and 26, and for machinery, equipment, and other commercial facilities, be discontinued.

8. That the act be amended to permit the Authority to use temporarily any of its unappropriated funds, and, if necessary, its borrowing power to finance extensions of its existing commercial facilities that the Authority's Board of Directors deem necessary to proper discharge of the Authority's commercial obligations and responsibilities.

9. That separate appropriations be made for the operating expenses of the Authority's navigation, flood control, and other essentially or entirely non-income-producing developmental programs.

10. That the Authority be permitted to combine in one depository account all of its funds from whatever source derived, in the same manner as corporations generally, governmental as well as private.

11. That the act of November 21, 1941, 55 Stat. 775, containing the requirement that the Authority render accounts to the General Accounting Office under the Budget and Accounting Act, 1921, be repealed.

COMMENTS ON GAO RECOMMENDATIONS

The following supplementary remarks, numbered to coincide with the numbers of the above recommendations, are designed to provide clarification thereof:

1. At the present time the Tennessee Valley Authority has no formally fixed capital. It has derived its funds, variously, from the issuance of obligations to the Treasury Department and to the Reconstruction Finance Corporation, from direct appropriations by the Congress, and from operating revenues. This recommendation proposes that the Congress make a determination of what the dollar amount of capitalization of TVA should be and provide for such capitalization by law.

2. This recommendation proposes that the Authority's capital needs be provided through one channel only, that is, by authorization from the Congress for the Treasury Department to subscribe to obligations of the Authority. Direct appropriations to the Authority and purchasing of its obligations by other than the Treasury Department would be discontinued.

3. This recommendation simply proposes that TVA be authorized by the Congress to borrow on a short-term basis from the Treasury Department for the purpose of conducting authorized business when the funds otherwise available are inadequate.

4. This recommendation is primarily one related to accounting. It is made for the reason that the Authority's basic law contemplates self-liquidation, and accounting segregation of the funds invested in power is essential to a determination of when self-liquidation has occurred.

5. This recommendation looks to legislative formulation of a plan providing for repayment to the Government of the Government's investment in the power activity, and for the payment by the Authority of a stipulated rate of interest on the Government's investment in power. At present, under section 26 of the TVA Act, the Authority is required to repay to the Government only such sum as it considers to be in excess of its requirements.

6. This recommendation also falls in the field of accountancy and is self-explanatory.

7. The net result of this recommendation is to make for consistency with recommendation 2, discussed above. It would do away with all direct appropriations to the Authority, leaving only one method of financing its capital needs, namely, subscriptions by the Treasury to obligations issued by the Authority.

8. The result of this recommendation would be to permit the Tennessee Valley Authority to use any of its otherwise free funds, together with those obtained under the proposed borrowing power (see recommendation 3, discussed above) to finance the discharge of its responsibilities. The report of the Comptroller General makes it clear that the recommendation is intended to make these funds available only for the implementation of actions previously authorized by the Congress.

9. This recommendation also is self-explanatory, and would insure separate and distinct accounting for those activities of TVA which are not productive of income.

10. This recommendation falls strictly in the field of bookkeeping and accounting, and relates to certain technicalities requiring segregation of funds in an agency's cash accounting.

11. This recommendation would repeal an amendment of November 21, 1941, to the original TVA Act. That amendment served to place the Authority in a position similar to other Government agencies as regards submission of accounts current to the General Accounting Office. The report of the Comptroller General points out that the auditing to be done under the Government Corporation Control Act makes unnecessary the reporting now done under the act of November 21, 1941.

REPORT ON STAFF WORK ON AUDIT

Since referral of the Comptroller General's report to this committee, the staff has taken the following action:

1. The report and all related matter, including the Authority's own report for the fiscal year 1946, transcriptions of congressional hearings as far back as those held in conjunction with the original TVA Act of 1933, other Federal power laws, reports on activities of the Bonneville project, etc., have been thoroughly studied and analyzed.

2. A series of meetings have been held with top officials of the Corporation Audits Division of the General Accounting Office.

3. A conference was arranged and held in the committee hearing room, at which were present representatives of the General Accounting Office, representatives of the Tennessee Valley Authority, and the staff. The Authority was represented by Mr. Gordon R. Clapp, chairman of the board, who was accompanied by the general manager, the solicitor, the manager of power, and another representative of the power department, and the comptroller.

RECOMMENDATIONS TO COMMITTEE

As a result of the staff work which has been done with respect to the affairs of the Tennessee Valley Authority, it is possible to make the following recommendations, which are consecutively numbered to correspond to the recommendations of the General Accounting Office, as listed above:

1. There is a point beyond which the parallel comparison of a Government corporation with a private corporation is fruitless. The

staff fails to grasp the significance of the recommendation that the Authority's capital requirements be determined and formalized. It would seem that the capital of any Government instrumentality is whatever amount is currently authorized by the Congress, and control of a Government corporation is in nowise affected by the circumstance that its capital is formalized or not formalized. Hence, in the light of information available, it is not believed necessary that any action be taken as to this recommendation.

2. So long as the Tennessee Valley Authority retains its corporate structure, the staff supports fully the recommendation that the Authority be financed exclusively by congressional authorization for the Treasury Department to purchase obligations issued by the Authority. This is a sound procedure and will serve to eliminate the confusion resulting from a multiple means of financing, discussed elsewhere in this memorandum. The recommendation should be adpoted.

3. The Tennessee Valley Authority is conducting its affairs efficiently without borrowing authority, as would be granted if the third recommendation were adopted. Unless the Congress imposes upon the TVA a formula for repayment of the Government's investment in power, and for interest thereon, so drastic as to deplete seriously the Authority's available funds, the staff does not consider it necessary to grant any borrowing authority whatsoever.

4. This recommendation is basically an accounting recommendation, and would require that the Authority's investment in power be separated from all other applied funds. The staff supports this recommendation and believes it should be adopted.

5. The House of Representatives, in passing the Government Corporations Appropriation Act, 1943, has established a formula for the repayment by TVA of the Government's investment in power. On the basis of the staff's studies of TVA, the formula appears to be reasonable and, if finally enacted into law, will take care of the part of recommendation 5 that deals with the repayment of the Government's power investment.

However, recommendation 5 has a second part relating to payment by the Authority of interest at a definite rate on the entire Government investment in power. This is not covered by the appropriation bill referred to and already passed by the House of Representatives. The recommendation is a sound one and has the full support of the staff. It is a recommendation made with respect to other Government corporations which have borrowed money from the Federal Treasury, and arises from the fact that it has been and continues to be a common practice for a Government corporation to borrow from the Treasury at a rate of interest below the cost of the money to the Treasury, or at no interest whatsoever. The staff has given a great amount of consideration to this particular problem and is of the opinon that all Government income-producing enterprises which borrow from the Treasury should be required to pay to the Treasury interest at a rate not less than the current rate on the public debt for similar-term borrowings. However, provision should be made for reduction in the interest rate or deferment of an interest payment where the Secretary of the Treasury finds that the borrowing enterprise is financially unable to discharge the obligation. The staff is continuing to work on this very important matter and will report subsequently thereon.

In connection with the TVA, it should be pointed out here that out of the total Government investment in power facilities of the Authority amounting to upwards of $350,000,000, the Treasury receives interest on only about $56,000,000. It can be readily seen that, while a corporation is assisted in showing a profit by the circumstance that it is not required to pay interest on all of its borrowings, the Treasury Department does not enjoy such immunity and the actual result, insofar as the Government as a whole is concerned, is not profitable.

6. This also is an accounting recommendation and is for the sole purpose of insuring that there be segregated in an equity account the accumulated net income of the power activities. This recommendation would facilitate the entire matter of self-liquidation.

7. This recommendation is closely related to the second recommendation and would eliminate all methods of financing the Authority's needs, except the device of authorizing the Treasury Department to subscribe to obligations issued by the TVA. Section 12, referred to in the recommendation, originally authorized TVA to issue certain bonds for the raising of funds for the acquisition of transmission lines, but it is the understanding of the staff that all such authority is now revoked. Section 26, also referred to in this recommendation, is that provision which authorizes the TVA to use its revenues for the conduct of its business.

This recommendation, which would eliminate direct appropriations to the Authority, should be adopted.

8. Under section 26 of the Tennessee Valley Authority Act of 1933, as amended, the Board of Directors of the Authority considers that it already has congressional sanction to use any of its otherwise available funds, including revenues, for the extension of existing commercial facilities. This eighth recommendation of the Comptroller General is made on the presupposition that it would be adopted by the Congress as a part of the entire set of recommendations, which would greatly restrict the latitude which the Authority now considers itself to possess, and hence it would be necessary to provide as in recommendation 8.

The staff is not convinced that TVA needs any borrowing power (see staff recommendation as to Comptroller General's third recommendation, above). However, if the Congress should restrict the wide discretionary power now exercised by TVA under section 26 of the basic act and should extend to the Authority the privilege of borrowing from the United States Treasury, then this eighth recommendation should be adopted. If the Congress should restrict the latitude of the Authority with respect to section 26 but not grant borrowing power, then the Authority should be permitted to use its otherwise available funds for the extension of existing commercial facilities.

It is recognized that the expression "extension of existing commercial facilities" is susceptible of more than one interpretation and may well give rise to argument and misunderstanding. As an illustration of the staff's interpretation of the term, understood to be that of the General Accounting Office, also, an extension of an existing commercial facility would be an addition to a power-transmission line or the installation of additional generating equipment in a powerhouse or the erection of an additional electric substation. The Authority should be permitted to do those things on its own initiative, with subsequent report thereof in the next annual budget statement to the Congress.

The Authority would not and should not be permitted to construct, without prior budgetary approval or appropriation by the Congress, any facilities of major importance such as new dams, new transmission lines, other than minor additions to existing lines, or new power plants of substantial capacity. The Government Corporation Control Act is intended to cover this situation and, in the opinion of the staff, may reasonably be relied upon to do so.

9. The staff also supports the Comptroller General's ninth recommendation, which would insure the segregation of funds as between income-producing and non-income-producing activities. It would also insure that the Authority spends no more on non-income-producing activities than specifically determined by the Congress.

10. The tenth recommendation of the Comptroller General relates to accounting and is designed to facilitate and simplify the cash accounting of the Authority. For the average Federal agency, cash accounting is detailed and complicated, and this recommendation in the audit report would eliminate the necessity for segregating cash, on the grounds that detailed cost and expense accounting would afford all necessary control.

It is the understanding of the staff that the General Accounting Office is giving consideration to similar simplification of cash accounting throughout the Federal Government, and, as such simplification has the support of the staff, it is believed that this recommendation should be adopted.

11. By an act of November 21, 1941, the original TVA Act of 1933 was amended to provide that the Authority should return financial accounts to the General Accounting Office. This recommendation would do away with that requirement for the reason that the audit of the Authority's affairs under the Government Corporation Control Act would be sufficient. The staff concurs.

MISCELLANEOUS

In addition to the foregoing staff recommendations on the legislative proposals of the Comptroller General, we wish to comment briefly on one other recommendation brought out in the report.

At the present time, the Bureau of Employees' Compensation of the Federal Security Agency receives appropriations to pay the cost of all employees' compensation claims for the entire Federal Government. While not included in the 11 special legislative recommendations discussed above, the Comptroller General expresses the belief that TVA should be required to pay its own compensation claims. In considering this matter, it is important to realize that the rates at which TVA sells its power are formulated in the light of its operating costs and, to the extent that those costs are mitigated by the absorption elsewhere of costs incident to TVA operation, the rates are lower than would otherwise be the case. Thus, it would seem apparent that the accounts of TVA must reflect each and every item which is proper for entry as a cost.

However, the staff does not, at this time, recommend that TVA pay its own compensation claims because to do so would be to single out the Authority from all other Government agencies insofar as compensation is concerned. It is recommended that the Congress give some thought to the advisability of general legislation which would require every income-producing Federal enterprise to reimburse the Government, or particularly the funds of the Bureau of Employees' Compensation, for whatever sums that Bureau may pay on behalf of such agencies.

GENERAL COMMENTS

The goal of the recommendations contained in the report of the Comptroller General, and which are discussed in this memorandum, is the accomplishment of these three objectives:

(a) The establishment of more complete control by the Congress of the affairs of the Tennessee Valley Authority;

(b) Repayment to the Treasury of the entire Government investment in power facilities; and

(c) Reimbursement to the Treasury, in the form of interest, of the cost of the Government's investment in TVA power facilities.

To accomplish these objectives, the Comptroller General desires the repeal of section 26 of the Tennessee Valley Authority Act of 1933, as amended, and the substitution of his 11 major proposals. The position of the staff is that certain of the Comptroller General's recommendations are meritorious, but that others seem to add nothing construc-

tive to the enabling legislation of the Authority. The staff is impressed with the excellence of the management of TVA, as acknowledged in the Comptroller General's report and as substantiated by personal discussions with representatives of the Authority. There is no doubt that the Tennessee Valley Authority has done a magnificent job, and the staff would advise strongly against any legislation which might lead to its undoing. We believe that the interests of the Government will be more fully protected by adoption of those measures which we have recommended elsewhere in this memorandum.

The conference with representatives of the Authority established that the Board of Directors of TVA places such a broad interpretation on section 26 of the act as to consider that it would be permissible for the Authority to construct, without specific approval of the Congress, such major capital facilities as single-purpose dams for the manufacture of electricity, and generating plants in connection therewith. The management of the Authority maintains, however, that even though it believes it has the power to undertake such construction, it has not done so and would not do so without the approval of the Congress. The staff is of the opinion that annual corporation budgets required by the Government Corporation Control Act will insure to the Congress the opportunity to decide in advance whether it is desired that the Authority proceed with its contemplated programs of all kinds. For that reason we consider that the interest of the public is amply protected, insofar as the Tennessee Valley Authority is concerned, and we urgently recommend that nothing be done which would unduly hamper the activity of a prosperous enterprise which is now functioning efficiently for the accomplishment of the purposes for which it was established.

T. A. SAPPINGTON,
Staff Member.

Approved:

E. B. VAN HORN,
Staff Director.

AUDIT REPORT OF UNITED STATES SPRUCE PRODUCTION CORPORATION—REPORT OF A COMMITTEE

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit a report on the audit by the Comptroller General of the United States Spruce Production Corporation, and I submit a report (No. 583) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY (by request):

S. 1654. A bill for the relief of John E. Peterson and Guy F. Allen; to the Committee on the Judiciary.

By Mr. McGRATH (for himself and Mr. GREEN):

S. 1655. A bill to provide for the naturalization of persons legally in the United States; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 1656. A bill for the relief of Anna Steibel Younger; to the Committee on the Judiciary.

By Mr. UMSTEAD:

S. 1657. A bill to enable veterans who are civil-service employees to take advantage of the Servicemen's Readjustment Act of 1944; to the Committee on Labor and Public Welfare.

By Mr. WILLIAMS:

S. 1658. A bill for the relief of Bertha M. Rogers; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1659. A bill to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and disbursing officers; to the Committee on Armed Services.

By Mr. MYERS:

S. 1660. A bill for the relief of Constantinos George Georgiades; to the Committee on the Judiciary.

(Mr. MORSE, from the Committee on Armed Services, reported an original bill (S. 1661) to provide additional inducements to physicians, surgeons, and dentists to make a career of the United States military, naval, and public health services, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. WATKINS:

S. 1662. A bill for the relief of Gordon E. Kenning; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. 1663. A bill to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress; to the Committee on Civil Service.

By Mr. SALTONSTALL:

S. 1664. A bill to provide for payment to certain retired Naval and Marine Corps Reserve officers of a lump sum equal to their active-duty pay and allowances for the period during which such officers remained in an inactive status without pay; to the Committee on Armed Services.

By Mr. PEPPER:

S. 1665. A bill increasing the fees of witnesses in United States courts; and

S. 1666. A bill to entitle employees of the government of the District of Columbia, who were physically disabled in the Armed Forces during World War II, to the title, grade, and salary held by them at the time of their entry into the service; to the Committee on the District of Columbia.

(Mr. LANGER introduced the following bills which were referred to the Committee on the Judiciary, and appear under a separate heading:

S. 1667. A bill for the relief of Armand Pullai; and

S. 1668. A bill for the relief of H. K. Stade.)

By Mr. CAPPER (by request):

S. J. Res. 150. Joint resolution proposing an amendment to the preamble of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MORSE:

S. J. Res. 151. Joint resolution to provide in the Federal budget a segregation of capital, developmental, and recoverable expenditures and a 6-year program for such expenditures; to the Committee on Expenditures in the Executive Departments.

ARMAND PULLAI AND H. K. STADE

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference two bills for the relief, respectively, of Armand Pullai and H. K. Stade.

In connection with the bills, I call the attention of the Senate to the first amendment to the Constitution, which provides that—

> Congress shall make no law * * * abridging * * * the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

The PRESIDENT pro tempore. Without objection, the bills will be received and appropriately referred.

There being no objection, the bills were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 1667. A bill for the relief of Armand Pullai; and

S. 1668. A bill for the relief of H. K. Stade.

THE SUGAR BILL OF 1948—AMENDMENT

Mr. CHAVEZ submitted an amendment intended to be proposed by him to the bill (S. 1584) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; which was referred to the Committee on Finance and ordered to be printed.

SUPPLIES AND SERVICES BY WAR AND NAVY DEPARTMENTS—AMENDMENTS

Mr. AIKEN submitted amendments intended to be proposed by him to the bill (H. R. 1366) to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF RULE RELATING TO COMMITTEE SERVICE—AMENDMENT

Mr. LODGE submitted an amendment intended to be proposed by him to the resolution (S. Res. 149) prohibiting chairmen of certain committees from serving as members of other committees; which was referred to the Committee on Rules and Administration and ordered to be printed.

CONTINUATION OF SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS ENTERPRISES

Mr. WHERRY (for himself, Mr. CAPPER, Mr. CAPEHART, Mr. WILSON, Mr. MARTIN, Mr. CAIN, Mr. IVES, Mr. ECTON, and Mr. MURRAY) submitted the following resolution (S. Res. 153), which was referred to the Committee on Rules and Administration:

Resolved, That the authority conferred by Senate Resolution 20, Eightieth Congress, agreed to January 24, 1947 (creating a special committee to study the problems of American small business enterprises), is hereby continued until the 31st day of October 1948. Such committee is hereby authorized to expend from the contingent fund of the Senate $50,000 in addition to the amounts heretofore authorized for the same purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 1639. An act to provide the venue in actions brought in United States district courts or in State courts against interstate common carriers by railroad for damages for wrongful death or personal injuries; to the Committee on the Judiciary.

H. R. 3739. An act to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes; ordered to be placed on the calendar.

RELIEF PAYMENTS FOR AMERICAN CITIZENS CAPTURED BY ENEMY FORCES

Mr. O'CONOR. Mr. President, one of the most appealing and meritorious measures now pending in the Congress is Senate bill 1261, authorizing a grant of relief payments to American citizens captured by the armed forces of the enemy during World War II.

The just and sound basis for this legislation cannot be disputed. Under its provisions the assets of the enemy, now in the custody of our Nation, are to be used for reasonable payments on account of the death, injury, and losses of American citizens in the occupied zones.

I have asked urgent and prompt consideration by the Congress of this emergency legislation and I now request unanimous consent to have inserted in the body of the CONGRESSIONAL RECORD a statement I have issued on this subject matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HERBERT R. O'CONOR, OF MARYLAND, RE S. 1261

In all the problems that have been presented to the Congress as an aftermath of World War II, I know of none that is more deserving of favorable consideration than that dealt within S. 1261, to provide emergency relief for American citizens captured on American sovereign territory by the armed forces of Japan.

The sufferings endured by these loyal American citizens, men and women and children, during their internment, the impairment of their health, the loss of property, all cry aloud for redress.

Particularly in the case of the 600 or more internees who died of torture and starvation, is recompense due their loved ones from the cruel enemy whose delight it was to inflict every horror and indignity upon them simply because they were Americans.

It is not to be forgotten that these American citizens were allowed to remain in the danger zone to further American interests. Their presence not only did much to sustain the morale of our allies in the war but contributed vastly to the final success of our armed forces over the Japanese.

Particularly because of the freedom enjoyed by our people here at home from such horrors and sufferings is it vital that the Congress give immediate and adequate attention to the claims of these valiant people and that action be taken promptly so that our obligations in this important connection can be discharged.

ADDRESS BY SENATOR BREWSTER AT SEVENTEENTH CONGRESS, GENERAL SOCIETY OF MAYFLOWER DESCENDANTS

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address delivered by him at the Seventeenth Congress of the General Society of Mayflower Descendants, Plymouth, Mass., September 10, 1946, which appears in the Appendix.]

IMMIGRATION—LETTER BY MERWIN K. HART

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a letter headed "What about immigration?" written by Merwin K. Hart, president, National Economic Council, Inc., and published in the Economic Council Letter of July 15, 1947, which appears in the Appendix.]

COORDINATION OF AGRICULTURAL CONSERVATION AGENCIES—STATEMENT BY EDWARD A. O'NEAL

[Mr. STEWART asked and obtained leave to have printed in the RECORD a statement regarding coordination of agricultural conservation agencies and programs, by Edward A. O'Neal, president of the American Farm Bureau Federation, which appears in the Appendix.]

LEGISLATIVE PROGRAM OF CONGRESS—ADDRESS BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address entitled "Legislative Program of Congress," delivered by him on July 12, 1947, which appears in the Appendix.]

LECTURE BY MR. ANTOINE GAZDA

[Mr. GREEN asked and obtained leave to have printed in the RECORD a lecture delivered by Mr. Antoine Gazda before the American Society of Civil Engineers and the Rhode Island Society of Professional Engineers, on April 23, 1947, which appears in the Appendix.]

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUD IN MISSOURI—MOTION TO DISCHARGE

The PRESIDENT pro tempore. Permit the Chair to state the parliamentary situation. The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150, to discharge the Committee on the Judiciary from further consideration of Senate Resolution 116 to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

Mr. CAPPER. Mr. President, I am supporting the motion made by the Senator from Nebraska [Mr. WHERRY] that the Senate consider the resolution submitted by the Senator from Missouri [Mr. KEM] for an investigation into the relationship between the Department of Justice and the Pendergast political machine in Kansas City, Mo.

I express the hope that the Senate will remain in continuous session, if that becomes necessary, until this matter is disposed of.

I want to say that free and clean elections, so far as I am concerned, are not a matter of political partisanship or political expediency. During my years of service in the Senate I have supported, I believe, every proposal for investigation into election frauds, or improper election practices, in connection with the election of Members of Congress, that has come before the Senate. I backed the action which led to the resignation of Senator Newberry, of Michigan. I voted for the investigations into the elections of Senator Vare, of Pennsylvania, and Senator Smith, of Illinois. All these were Republicans. I see no reason why the Senate should be barred from trying to clean up a pretty sorry mess at Kansas City, merely because some persons high in public life might be involved. I do not want to take part in a filibuster against an action I desire to see taken, so I shall not consume more of the time of the Senate. Again I express the hope that the Senate will remain in session until this matter is disposed of right.

NATIONAL AVIATION COUNCIL—MOTION TO RECONSIDER

Mr. JOHNSON of Colorado. Mr. President, I desire to enter a privileged motion, and I should like to have the attention of the junior Senator from Maine [Mr. BREWSTER], if I may.

The PRESIDING OFFICER (Mr. CAIN in the chair). The attention of the junior Senator from Maine is requested by the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, since I have the attention of the Senator from Maine I desire to say that on July 16 House bill 3587, the National Aviation Council bill, was passed by the Senate with a substitute amendment, and a conference was asked with the House of Representatives. On July 17 the House disagreed to the Senate amendment and agreed to conference. The papers are in the possession of the conferees at the present moment.

I desire to enter a motion to reconsider the vote by which the Senate, on July 16, passed the bill, and move that the conferees on the part of the Senate be discharged from the further consideration of the bill. I realize that the motion is not eligible for debate or consideration at the present moment, but in support of it I ask unanimous consent to have printed in the RECORD an excerpt from Hinds' Precedents of the House of Representatives, beginning on page 784. It contains a ruling by the Speaker of the House, Mr. Charles F. Crisp, of Georgia.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

6526. While a conference is in progress the House which asks it may alone discharge the conferees, and having possession of the papers, may act on the amendments in disagreement.

In the House the discharge of conferees from the subject committed to them is effected by an order reported from the Committee on Rules and agreed to by the House.

Form of special order for discharging managers of a conference and disposing of amendments in dispute.

On August 13, 1894, Mr. Thomas C. Catchings, of Mississippi, from the Committee on Rules, submitted this resolution:

"*Resolved*, That after the adoption of this resolution it shall be in order in the House to move that the order heretofore made requesting a conference with the Senate on the disagreeing votes of the two Houses on H. R. 4864 (the tariff bill) be rescinded; that the conferees heretofore appointed on the part of the House be discharged from further duty in that behalf, and that the House recede from its disagreement to the Senate amendments to said bill in gross and agree to the same. That after 2 hours' debate on said motion (which shall be indivisible) the vote shall be taken without delay or other motion; general leave to print is hereby granted for 10 days."

Mr. Thomas B. Reed, of Maine, made the point of order that the resolution was not in order, for the reason that it provided for action by the House upon a bill and amendments thereto which were not before the House; that the bill (H. R. 4864) should

properly be in the custody of the Senate, and in a parliamentary sense was in the possession of the Senate; and that it was therefore beyond the power of the House to act upon the amendments to it.

After debate the Speaker overruled the point of order, holding as follows:

"In order to fully understand the exact question presented by the gentleman from Maine it is necessary, first, to look at the exact condition of this bill, and second, to the exact proposition that has been recommended in the report which has been read.

"The House passed a bill. It went to the Senate. The Senate amended that bill and requested a conference. The House acceded to the request for a conference. The conference was held and a report of disagreement reported to the respective Houses. The House received the report and asked a conference and transmitted the papers to the Senate.

"When it reached the Senate that body did something more than agree to the request for a conference. It was then in the power of the Senate to have receded from its disagreement in toto, and the bill would have become law; but the Senate did not do that. They insisted upon their amendments and returned the bill to the House. Now, of course, under the parliamentary law, where a bill is theoretically, it ought to be practically and physically. The gentleman from Maine cites a case where the point is made upon a report presented in the House that the Senate had acceded to the request for a conference and it was not in order to present the report in the House until the Senate had acted. That seems to be the scope and effect of Jefferson's Manual. But the rule which is now before the House proposes to change the rule in Jefferson's Manual so far as this proceeding is concerned. So that the question arises, not whether under Jefferson's Manual this course may be pursued, but whether if the House chooses to change that rule its act is legal, binding, and valid.

"There is no question that the House has a right to change or abrogate or alter any rule in Jefferson's Manual so far as it applies to its proceedings, but the question to consider now is as to the validity of the act, conceding that the rule authorizes the act to be done. So that the precedent cited by the gentleman, where the Speaker under that rule refused to receive the report, does not cover this question.

"Now, as to the effect this rule would have if adopted, I have found but one precedent, and that was in the Forty-second Congress at the second session. I have the history of that bill—Senate bill 508. It passed the Senate on May 16, 1872.

"On May 31 a message was received from the House stating that the House had passed with amendment the bill of the Senate 508. On June 1 the Senate disagreed to the amendment of the House to said bill, asked a conference on the disagreeing votes of the two Houses thereon, and appointed conferees. On June 4 a message was received from the House stating that the House had insisted upon its amendment to Senate bill 508 and had agreed to the conference. On June 10, 1872, on motion of Mr. Harlan, one of the conferees on the part of the Senate, the committee of conference on said bill was discharged from its further consideration, and the Senate receded from its disagreement to the amendment of the House and agreed to the same; and the House Journal shows that on June 10, 1872, when this action was taken in the Senate on motion of one of the conferees, and during the existence of the conference committee, the bill was in the House. Now, that case is on all fours with this. In that case the Senate passed the bill; in this case the House passed it. In that case the Senate disagreed to the House amendment and asked for a conference, and the House acceded to the request for a conference. Under the rule laid down in Jefferson's Manual, if an agreement to report had been made, it must first have been made in the House. But there was no agreement. The conferees in that case, as in this case, had failed to reach an agreement, and in the Senate, on motion of Mr. Harlan, one of the conferees, the conferees were discharged and the Senate receded and the bill became a law.

"Now, the object of all conferences between the two Houses is to get the minds of the Houses together to pass the bill. The Senate conferees are insisting upon the Senate amendments. The House conferees are insisting upon the rejection of those amendments. That conference committee is now in existence, and it has been held in the case just indicated that, pending that condition of affairs, the House which has rejected the amendment may recede from that action and permit the bill to become a law."

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Maine.

Mr. BREWSTER. Mr. President, the motion of the Senator from Colorado is somewhat unusual. I shall not say that it is unprecedented. Are there any precedents in the Senate dealing with such a situation?

The PRESIDING OFFICER. As the Chair understands, the rules permit the Senator from Colorado to enter his motion as a privileged matter, but it is not, as the Chair understands, subject to debate or discussion at this time.

Mr. BREWSTER. Did the Chair state that there are rules and precedents in the Senate governing the question?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BREWSTER. May I ask also in what status that leaves the matter?

The PRESIDING OFFICER. The Senator from Colorado apparently has made his motion under rule XIII of the Senate, the first paragraph of which reads as follows:

> When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day or either on the next 2 days of actual session thereafter, move a reconsideration.

It is the understanding of the Chair that the motion made by the Senator from Colorado comes properly within the terms of this rule.

Mr. BREWSTER. May I ask what is the provision regarding the day?

The PRESIDING OFFICER. It provides as follows:

> on the same day or on either of the next 2 days of actual session thereafter.

This, the Chair has been informed, is the second day.

Mr. BREWSTER. And that is not affected by the fact that the bill has gone to the House, has been acted on, and has gone to conference in accordance with the request of the Senate?

The PRESIDING OFFICER. So far as the Chair knows, the Senator from Colorado has just read the only precedent under which this action is permitted. So far as the Chair knows, the precedent is proper.

Mr. BREWSTER. But that was a precedent in the House of Representatives, as I understand.

The PRESIDING OFFICER. The Chair is informed that it was a precedent having its origin in the House of Representatives.

Mr. BREWSTER. May I inquire where the motion will leave the Senate conferees?

The PRESIDING OFFICER. The Chair has been informed that on the basis of precedent the entering of the motion by the Senator from Colorado would hold up further consideration of the matter by the conferees.

Mr. BREWSTER. I should like to inquire whether or not a motion to lay on the table the motion of the Senator from Colorado would now be in order?

The PRESIDING OFFICER. The Chair has been informed that such a motion would not be in order at this time, for the reason that there is a question pending before the Senate. When the question pending before the Senate has been determined it would thereafter at any time be proper for the Senator from Maine or any other Senator to make a motion to lay on the table the motion entered by the Senator from Colorado.

May the Chair inquire whether or not that satisfies the inquiry made by the Senator from Maine?

Mr. BREWSTER. It does.

CONTROL OF FLOODS—MISSOURI VALLEY AUTHORITY

Mr. MURRAY. Mr. President, during the past several weeks, as the disastrous floods were sweeping down the Missouri-Mississippi Rivers and their tributaries, I have been bringing to the attention of the Members of the Senate the facts of this great catastrophe. I have done so in the hope that the stark reality of this national disaster would so impress the Congress that appropriate action would be taken during this session.

At the beginning of this session of the Congress I introduced Senate bill 1156, a bill to establish a program of unified river basin development which will not merely control floods, but prevent them. Despite all our efforts, no move has been made by the majority leadership in this Congress to schedule hearings on this important measure. This bill, proposing to set up a river development authority patterned on the TVA and endorsed unequivocally by President Truman as a necessary measure, languishes in the Public Works Committee, and probably will remain there without action at least until the next session of Congress.

Meanwhile, we do not intend to remain silent on this important matter. We who sponsor the creation of an MVA intend to hold field hearings on the measure in the Missouri Valley area this fall, taking testimony on the ground of the people most concerned. My cosponsors and I will go out to the Midwest during the recess and in our own right as Senators will call upon the citizens and get their views at first hand. We intend to present that testimony for the record when the new session convenes.

In this connection, I have introduced a bill to provide for the relief and rehabilitation of the flood victims. This bill, Senate bill 1603, makes available Government loans at low interest rates. It is an urgent measure and should be passed at this session to provide relief for flood victims in order to get their farms in order and their businesses started again.

In the Valley Authority Conference now going on in the Interior Department Auditorium, much evidence is being assembled to prove the necessity for early action to provide a program for the control and development of our river basins. An important address giving a bird's-eye view of the floods in the valley was presented at the conference by Donald Grant, a reporter from the St. Louis Post-Dispatch. This address delivered by Mr. Grant is a very interesting and graphic description of the flood conditions in that valley. In the course of his statement he says:

To report the fact of the flood I was assigned to fly the flooded areas, then to land to be able to see first-hand what happens to the lives and property of men and women and children when nature goes on a rampage, uncontrolled by man. The first aerial survey was made in the Post-Dispatch plane June 28. On June 30 a smaller plane was used for a closer look at some of the broken levees, flooded farms and city industrial property, and to see from the vantage point of a few hundred feet the frantic and futile efforts of men to stem the great onrush of water with sandbags—like trying to stop a Panzer division with bows and arrows.

The address goes on to describe very vividly the serious flood conditions in that area. I ask unanimous consent to have this valuable summary of the Missouri-Mississippi River region flood conditions printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Back in May 1944 the St. Louis Post-Dispatch declared in an editorial that "The floods of this spring are final and convincing proof that we have got to accept the river's challenge now." That was in 1944. This is 1947.

The challenge is still there, greater than ever. Obviously everyone here today is interested in accepting that challenge, or you would not be here. The question which you will discuss is how best to accept the challenge of the river.

This is not in any sense a partisan question. When the Mississippi River or the Missouri River is out of its banks it does not flow around the land of Republican farmers on low ground nor inundate the homes of Democrats on high ground.

A flood is an objective fact. For a number of years the Post-Dispatch watched with interest the contrast between the orderly development of the Tennessee Valley and the haphazard flooding of the Missouri Valley. By 1944 that newspaper, along with many of you, decided, "The time has come to recognize that the Missouri River is one big river presenting one big problem," and began an all-out campaign to enlist the support of everyone who would read, in the service of a great idea. * * * the Missouri River idea.

That idea is more appealing than ever, today, as a result of the recent and painful experience shared by thousands of families in the Midwest, families living along the Mississippi or Missouri Rivers or their tributaries. Whatever our opinions on flood control, on preserving the fertility of the land against erosion, of providing a source of cheap electrical power for the people and maintaining a system of inland waterways transportation—these opinions today cannot ignore the enormous fact of the recent floods.

To report the fact of the flood I was assigned to fly the flooded area, then to land to be able to see first-hand what happens to the lives and property of men and women and children when nature goes on a rampage, uncontrolled by man. The first aerial survey was made in the Post-Dispatch plane, June 28. On June 30 a smaller plane was used for a closer look at some of the broken levees, flooded farms and city industrial property, and to see from the vantage point of a few hundred feet the frantic and futile efforts of men to stem the great onrush of water with sandbags—like trying to stop a Panzer division with bows and arrows.

On the first trip we followed the Missouri, the Mississippi, and the Des Moines Rivers for a total of about 600 miles. Let me try to tell you as simply and as clearly as I can what we saw.

We started at St. Louis and followed the course of the Missouri River upstream as far as Boonville, Mo. It was just west of Boonville, at Arrow Rock, that Brig. Gen. Lewis A. Pick, Army division engineer, stood June 29 and, looking 25 miles every way, said later: "I could see nothing but water; in some places it was 25 miles wide. I never felt so ineffectual in my life * * *."

From Boonville the Post-Dispatch plane flew north to Ottumwa, Iowa, where 8,000 persons had been left homeless by the floods. Then we flew down the Des Moines River to the Mississippi, and back down the Mississippi to St. Louis.

St. Louis, as we began our trip, appeared from the air to be in more flood danger than in fact it was. To the north of the city, where the Missouri joins the Mississippi, were large areas of floodwater. Land between the two rivers forms a sort of peninsula there. Most of this—normally farmland dotted with towns, with railroads running through—was one great lake.

Railroads were under water. Roads and highways were under water. Where did the Mississippi and the Missouri River channels lie? It was difficult to tell, from the air. By following our aerial maps we could see where the rivers should have been contained. But there was little difference, on the site, between the channel and the surrounding area, except that where the rivers had overflowed their banks were to be seen houses, sheds, barns, and telephone poles emerging from the water.

South of the Missouri River channel, toward the city of St. Louis itself, is an area called Columbia Bottoms, where St. Louis hopes to build a new airport some day. This site, now, was one great expanse of water. Nearby is a lake where St. Louis residents sometimes go for a week end, now only a part of the surrounding muddy floodwater.

Industrial areas on the north edge of the city were flooded. The downtown area was wetted on its edge by the Mississippi, now high over the riverfront area once famous among rivermen in the steamboating days. Later, I was to see this St. Louis area flood at closer range, in a smaller plane that could all but hover in the air above it.

Now, however, we sped on westward, following the Missouri River toward its source. On the map the river channel was less than a mile wide for most of this stretch. On the ground, however, it was a different story.

There, below us, the Missouri was 8 to 10 miles wide—and in spots—as General Pick observed—much wider still. Strangely, it appeared to widen as we traveled upstream. This was because the crest of the flood had not, at that time, reached as far as St. Louis. Floodwaters were still rising.

Most of the water outside the banks of the Missouri that we saw below us was a muddy brown in color, as was the water within the channel itself. This was the "Big Muddy" grown bigger—and muddier—with flood. And the freight of mud it carried was rich topsoil—millions of dollars worth of topsoil.

You could see the contrast when, occasionally, we came across areas of lowlands protected from the flood, but not dry because water had seeped up through the ground. This seepage water, filtered by the earth, was a clear blue, reflecting the sky above.

Highways sloped down to the water—and became submarine paths. Bridges were still in place, but they led to nowhere but to more water.

All along the way we could see bits and pieces of levees, still dry on top, but honored more in the breach than in the successful containment of the flood. Boats could navigate over levees in many places. Even the barges we could see along the Mississippi River, later in our trip, were in some cases moving outside the main channel; there was plenty of water beneath their bottoms.

On the north side of the Missouri River we saw the tracks of the Missouri-Kansas-Texas railroad, under water for mile after mile; reappearing above the surface only to sink again beneath the flood. On the south bank ran some tracks belonging to the Missouri-Pacific Railroad. These tracks, too, were flooded in places.

Circling low over Jefferson City, where the capitol of Missouri is located, we saw that all highways to the north were flooded. The Jefferson City airport was a lake. Floods seemed high here—but they were higher still near Boonville. To see the waters covering farms and highways and railroads, to think of the damage to bridges, embankments, buildings—and to the soil—was a depressing experience.

And it was an experience that was repeated, with variations, all up and down the Des Moines River, and again on the Mississippi River. From time to time we passed the magnificent locks and dams that have been built as aids to navigation. How puny they looked, there below. Water flowed over and around these structures, which stood isolated in the flood. They were like so many toothpicks, floating in a bathtub.

Perhaps, however, this entire aerial tour of the floodlands may best be summed up in a single scene. A little more than two weeks ago Army engineers, assisted by volunteers, were attempting to build up a levee near St. Louis, around an area on the Illinois side of the Mississippi River called Chouteau Island, although it is in reality part of the mainland, rather than an island. Day and night they worked to save the levee, to keep the flood waters away from the doors of the people living near Granite City, Ill.

The morning of June 30 the exhausted levee workers saw the waters rising higher and higher—faster than they could pile on the sandbags. The water we had seen previously, rushing down the Missouri and the Des Moines Rivers, had entered the Mississippi; this was the result. Finally, that morning, the Chouteau Island levee broke. We took a small, light plane and flew slowly over the area to see the result, at a low altitude.

The break in the levee had started as two trickles, rapidly widening. Then the two streams consolidated into one, and the water rushed through, scouring a path 100 yards wide, through which an angry avalanche of muddy Mississippi roared and swirled. On either side of the break men still worked, or stood, disheartened. Even then, they were in danger from new breaks in the levee, which might cut them off.

Behind the levee break was an Army truck, Circling above, we watched the water come through the levee, fan out, deepen. The Army truck stood in this flood, the water

mounting over the running boards, into the cab, finally swirling above the vehicle, submerged.

Engineers and coast guardsmen, in their boats, were busy rescuing families in the newly-flooded area. We saw the families waiting on their porches, as the water mounted higher and higher around them. What few, pitiful goods they could gather together were there on the porches beside them.

How many times this scene has repeated itself in these last few weeks, all through the flooded Missouri Valley. It is easy to say that recurring floods are the natural curse of people living along a river—but it isn't easy to say it to the people who live there. Just now those people are trying to salvage what they can from the worst flood in the last 103 years.

If you ask what caused this flood the answer is simple—rain. The experts undoubtedly will explain this flood in great detail, but the fact of rainfall in a great deluge, over a wide area of the Midwest is the central fact in the cause of the flood.

If you are standing in the rain yourself the business of getting wet is no mystery. A flood in the great Mississippi-Missouri River system, however, is somewhat more complicated. It builds up, literally, a drop at a time. April, May, and June were rainy months, unusually rainy months. It rained day after day in northern Missouri, Iowa, northern Illinois, eastern Kansas, eastern Nebraska and to some extent in South Dakota.

Forest lands and prairie grasslands hold the moisture. Roots hold the soil. Cut-off lands and plowed-up lands hold less, allow more water to run off. Furrows and ditches become a million tiny streams. The rain comes down a drop at a time; it runs off in rivulets.

Little streams swell and rush their load into the tributary rivers. The Solomon, the Republican, and the Little Blue; the Platt, the Loup, the Elkhorn, and the Little Sioux; the Nishnabotna and the Osage, the Kansas River and the Grand and the Chariton all emptied their rainfall run-off, and the topsoil that came with it, into the broad Missouri. Into the Mississippi flowed the Wapsipinicon, Cedar, Iowa, Des Moines, and Salt; the Wisconsin, Rock, and Illinois. A rainstorm here was added to a rainstorm there, and when the waters flowed together there was a great flood.

It struck Des Moines, Iowa. Acre after acre of the city itself was inundated. Industrial property was damaged. Thousands were homeless.

On down the Des Moines River the water flowed, ever swelling with new rains, drained into the river from tributary streams. Soon it had swept through the homes of a fourth of the city of Ottumwa; 8,000 persons were homeless. At least five were dead, swept downstream by the raging current.

This was on one river; on other rivers the story was nearly the same. Then the mighty, flooded Mississippi joined the flooded Missouri above St. Louis, and the deluge poured on down to the Gulf—carrying with it the best, the richest soil of the richest agricultural region in the world.

In Missouri, for instance, the flood washed over a total of 1,409,000 acres of farmland. In Iowa it is estimated that a least a part of the topsoil from 25 percent of the farmland was carried away. R. H. Musser, regional conservator at Milwaukee for the United States Soil Conservation Service, estimated on July 5 that the flood already had caused $500,000,000 damage and had washed away enough soil to cover 325,000 acres to a 6-inch depth.

Here is Mr. Musser's roll call of damage in just one flood in this area: Soil loss—$283,000,000. Crop loss—$188,606,000. Urban damage—$17,415,000. Damage to highways and railroads—$9,490,000.

As in any disaster, the damage and the loss can be matched by the heroism of men and women rising to the occasion. The Red Cross has spent something over $4,000,000 in flood relief, and their work is far from done. At last accounting, some 34,812 persons were out of their homes because of the floods, and 4,190 homes had been damaged, in addition to 47 utterly destroyed. Besides this loss, 263 business or factory buildings were demolished and 7,261 damaged.

Flood refugees, living in schoolhouses and churches or any place that can be found for them, are a common sight in the valley area. The Coast Guard has done a grand job in getting the people out of the flood; that the loss of life has been small has been a tribute to the efficiency of that organization. About 800 men have participated in this work, equipped with 18 large steamboats, 80 inboard motorboats and 500 manpowered boats. Rescue work is a big operation.

Helping the refugees has been everyone's job. At Ottumwa, for instance, I saw shelf upon shelf of home-canned goods, contributed by housewives in better circumstances to the families caught by the floodwater on low ground. People there brought in whatever they had, and gave it freely. Mayor Schaefer, of Ottumwa, already is planning to use this spirit of neighborliness to solve some community problems that were there before the flood—such as housing.

Whenever there has been the slightest hope that a levee can be made to hold, and the floodwaters kept out, people have worked with a will to save their own homes—and other people's homes. The story of Dupo, Ill., for instance, will be remembered for a long time along the Mississippi.

Dupo is a community just below St. Louis, protected by a levee which long threatened to wash away. July 1, United States Army engineers ordered the town evacuated, declaring Dupo was doomed. Some residents left. Many, however, instead of obeying this order, set to work piling sandbags on the levee. The engineers gave up but the people kept working.

Some 500 out of a population of 2,600 were at work day and night building up that crumbling levee in front of Dupo. Doctors, lawyers, clerks, ministers, and laborers worked side by side. As the story of Dupo spread through the newspapers in other parts of the country men started drifting in from far and wide.

Maybe they liked the spirit of the Dupo levee worker who said, "We ain't beat till we give up." The "outsiders" wanted to help. One was a Yale freshman on vacation. Another was a University of Chicago student. They just came, waded in and went to work.

And they saved the town. Dupo wasn't doomed, it was saved by the determination of men and women in Dupo—and elsewhere all over the country. The levee held, and the floodwaters stayed out.

That spirit, the spirit of the people of the Midwest, worked at Dupo, Ill. The issue there was a short-range issue between the people and the flood.

The same issue is yet to be decided in the long range—the people versus the flood. Among people like the men at Dupo—and at Ottumwa, Des Moines, and Boonville—the Missouri Valley idea is taking hold. Something has got to be done. They know that. They know from bitter, personal experience in the floods that are receding, but have not taken with them the visual evidence of damage—smashed homes and factories, silt and dirt in the parlors of the Midwest.

It is to these people, and to their neighbors all over the Nation that the Post-Dispatch editorial was addressed the other day, an editorial pointing to the foolish waste and loss of flood and erosion in the Missouri Valley, and to the example in scientific river management furnished by the Tennessee Valley Authority. That editorial ended with a question: "How long will it take America to learn a lesson that all can see in the Tennessee Valley? What are we waiting for?"

Mr. MURRAY. I also wish to call attention to some other very important articles appearing in the press, telling what is happening to our country in the flood areas. I hold in my hand an article entitled "The Land Is Our Sustenance; Erosion Has Damaged More Than Half of Our Farm Land and Threatens World's Food Supply." This article is by Mr. Hugh H. Bennett, Chief of the Soil Conservation Service of the United States Department of Agriculture. In the article Mr. Bennett says:

Conservation of what remains of the world's still shrinking acreage of food-producing land is one of the most pressing problems facing our own and other nations today.

Yet land waste through accelerated soil erosion is as old as civilization itself. It extends just as far as man has spread over the world with his herds and plows. Accelerated erosion means speeded-up or man-made erosion, as contrasted to the slow process of geologic erosion which, across the ages, has shaped the earth's surface.

We have reached a point where the loss of productive land anywhere on the globe affects the people and the nations of every other part of the globe; for every acre which goes out of production means, to some degree, that the pressure is increased on the remaining good acres. Soil conservation is the only known way to protect the productive land of the world.

Today there is left in the world, as well as I have been able to estimate it, only about 4,000,000,000 acres of immediately arable land. That land must feed more than 2,000,000,000 people, whose numbers are increasing at the rate of about 20,000,000 a year. The great bulk of our food comes from this land, as well as all of our wood, leather, wool, cotton, and various other vegetable fibers and oils. Nutritionists tell us it takes about 2½ acres of reasonably productive land, on the average, to provide each person with a minimum adequate diet. Some countries have less than that much now—some less than one acre per capita. Whole nations and civilizations in the past have perished because they misused their land.

I ask unanimous consent to have this very important article, discussing the loss of our soil and the danger it holds to the Nation and to the world, printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of July 16, 1947]

THE LAND IS OUR SUSTENANCE—EROSION HAS DAMAGED MORE THAN HALF OF OUR FARM LAND AND THREATENS WORLD'S FOOD SUPPLY

(By Hugh H. Bennett, Chief, Soil Conservation Service, USDA)

Conservation of what remains of the world's still shrinking acreage of food-producing land is one of the most pressing problems facing our own and other nations today.

Yet land waste through accelerated soil erosion is as old as civilization itself. It extends just as far as man has spread over the world with his herds and plows. Accelerated erosion means speeded-up or man-made erosion, as contrasted to the slow process of geologic erosion which, across the ages, has shaped the earth's surface.

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UNITED STATES APPROACHES DANGER LINE

The United States is better off with respect to the amount of good land we have, because we had so much to start with and have been using it only a comparatively short time as the life of a nation goes. Even so, we have none too much left and have no reason to be complacent about our land security. Although there once were those who thought our supply of productive land was inexhaustible, we now know better. We know that we ourselves have come all too close to the danger line in using up our irreplaceable soil resource.

More than half of our farm land has been damaged by erosion—millions of acres of it ruined for further practical cultivation and other millions of acres almost as seriously affected. Soil-conservation surveys indicate that we have left only about 450,000,000 acres of good cropland in this country, and all but about 100,000,000 acres of this is subject to erosion. Moreover, some 80,000,000 acres of the 450,000,000 still needs clearing, drainage, irrigation, or other improvements to make it productive. Meanwhile, erosion likewise has been taking its soil from a vast acreage of our range and pasture lands.

Worse, we still are losing in the United States the equivalent of about 500,000 acres every year through soil erosion. That is despite the great progress we have made in our national soil conservation thinking and action within less than 20 years. This removal of fertile topsoil from our fields and pastures has been costing us more than $1,000,000,000 a year. That is the estimated toll in such items as direct cost to farmers, contribution to the Nation's food bill, siltation of reservoirs and harbors, damage to highways and railways, and other charges. It does not include such other drains on the Nation as the development of rural slums, narrowed tax base, and reduced income and purchasing power.

Examples of how this price of soil erosion is paid by landowners, the public, and Government are found in every agricultural area of the country. To pick one at random close at hand: During the past century, the Federal Government has spent more than $112,000,000 in the Chesapeake Bay for dredging and channel maintenance, and much dredging remains to be done. The material that has to be dredged at such great cost to keep trade channels open and business flowing once was productive soil back on the watersheds of Maryland, Virginia, and Pennsylvania. Erosion and resultant siltation likewise have contributed largely to the decline in Chesapeake Bay's oyster production from 13,000,000 bushels in 1880 to only about 3,000,000 bushels a year now.

SILT MAKES GHOST TOWNS

Various settlements in Maryland became ghost towns when ships no longer could reach their wharves. Joppa Town, Blandensburg, Port Tobacco—these and others fell victims to erosion-produced sediment that filled their navigation channels.

Our hope for the future security of the land which is our sustenance depends on our safeguarding it with the permanent, acre-by-acre conservation treatment and use which today is spreading so steadily over the country and also is being adopted by a number of other countries which are sending their agricultural technicians to the United States to study our methods of soil conservation.

Actually, we are today in a race. The sides are already drawn. On the one side, we are faced with a steadily increasing population. Year after year, even during the war, the number of people on earth has grown larger. No one can say with authority where, or when, the growth will level off. On the other side, we can see our remaining area of productive land shrinking steadily before the onslaught of erosion.

These are the forces we must deal with. Regardless of what can or should be done about the matter of population, we can and must do something about erosion. No nation—or the world, for that matter—has too much fertile land. Neither the world nor any nation can afford to lose any more productive land. Too many nations have much too little now. In relation to world population, our total world ability to produce food has already arrived precariously close to the danger line. In some countries the danger line was crossed long before World War II.

There is no more land to waste.

Mr. MURRAY. Mr. President, I also have some other news articles telling about the flood conditions in this area, which I ask to have printed in the RECORD at this point as a part of my remarks. One is from the St. Louis Post-Dispatch of July 9, 1947, containing a very vivid description of the floods and the destruction which they are bringing to that very important area of our country. Another is from the St. Louis Post-Dispatch of July 10, 1947. It is entitled "Fifty-eight Percent of Mississippi Basin Badly Eroded or Ruined." I ask unanimous consent to have these articles printed in the RECORD at this point as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of July 9, 1947]

1,409,000 ACRES IN STATE FLOODED BY TWO BIG RIVERS—MISSOURI ALONE COVERED 700,000 AT PEAK, DOING TOTAL ESTIMATED DAMAGE THIS YEAR OF $78,000,000

A total of 1,409,000 acres in Missouri have been flooded by the Mississippi and Missouri Rivers, K. G. Harman, soil conservationist, said today at Columbia.

A detailed survey of the flood damage in the State will be made by eight Government experts at the request of authorities in Washington, who have found flood-damage figures vary greatly, Harman said.

A recent survey made by the United States Soil Conservation Service placed total damage to the State by both the Mississippi and Missouri at $161,761,000 and estimated $114,000,000 of this amount was due to soil loss, $39,000,000 to crop damage, and the remainder to damage to buildings and equipment.

John A. Short, water engineer for the State resources and development department at Jefferson City, said today the Missouri River floodwaters alone covered approximately 700,000 acres of bottom land at their peak and floods of its tributaries in some areas completely destroyed crops.

Army engineers, he added, have estimated damage caused by the Missouri in this State since the beginning of the year at $78,000,000. This figure includes ravages of the Missouri flood in April.

Short, who with R. E. Duffy, chief engineer for the public-service commission, will represent Gov. Phil M. Donnelly at a Senate subcommittee flood-control hearing in Washington tomorrow, said he would submit a recommendation that sufficient Government funds be provided to enable the Army Corps of Engineers and State officials to speed up flood-control work in Missouri.

"So far," he said, "the Soil Conservation Service and the engineers have not had sufficient funds to carry on very fast."

The Missouri River flood has covered nearly three-fourths of the State's 924,000-acre flood plain, Short said. From the mouth of the Grand River Basin, which empties into the Missouri at the junction of Saline, Carroll, and Charlton Counties, about 85 miles east of Kansas City, to the Missouri's confluence with the Mississippi, practically all of the lowland was flooded. Crops in the Grand River Basin, he added, were a complete loss.

"I am not going to tell the committee how much to appropriate," he said, "but, if appropriations are going to be made for flood control, some of them should be used for levees in this State."

One project which needs speeding up, he said, is the study of the Osage River Basin being jointly made by State officials, engineers, and the Soil Conservation Service. A second study of the Osage Basin was started after Governor Donnelly objected to Pick-Sloan plans for the disputed Osceola Reservoir in southwestern Missouri. Short said he considered the survey important as a precedent for State and Federal cooperation on similar projects.

SHOVELING OUT THE SILT

Residents of lowland areas shoveled the silt out of their homes today as the Mississippi, Missouri, and Meramec Rivers each fell 1.3 feet in the past 24 hours.

The Weather Bureau gage indicated the Mississippi at St. Louis had dropped to the 36.1-foot mark and Meteorologist Harry F. Walgren predicted it would be back at its 30-foot flood stage at the levee by Monday. The Missouri at St. Charles fell to the 30.3-foot mark, 5.3 feet above flood stage, and the Meramec, which floods at 14 feet at Valley Park, dropped to the 12.7-foot level at that point.

HEALTH OFFICIAL'S WARNING

As the rivers receded, Dr. Joseph F. Bredeck, health commissioner, warned that all inundated homes and business establishments must be properly cleaned before occupants return or make further use of them. Mud and silt, he said, should be removed and final traces flushed out with clean water.

Any foodstuffs reached by water should be destroyed unless they are in hermetically sealed bottles or cans. While linens and clothing can be used again, if thoroughly laundered, mattresses and furniture which have become water-soaked can only be recovered by air drying.

Dr. Bredeck recommended that as much light and sunshine as possible be allowed to enter rooms after they have been cleaned and that windows be left open for an extended period to hasten drying.

The Coast Guard, which has drawn equipment from all parts of the country into this area for rescue and evacuation operations ordered three units to their home stations today. A mobile radio station was sent back to New Orleans and aircraft from Traverse

City, Mich., and San Diego, Calif., were returned to those bases.

DUPO RESIDENTS RETURN ORDERED

Two hundred and fifty Scott Field troops who had been fighting the flood in the Chester, Ill., area returned to the field today and another 160 troops were expected to leave the Chester area for Scott Field tomorrow.

At Dupo, 6 miles south of East St. Louis, Mayor Delmar E. Valine issued a statement declaring the fight to save that town from inundation had been won and urging all residents who moved out when protecting dikes gave way a week ago to return to their homes.

The mayor extended his thanks to the Government agencies, private organizations, and volunteers who had helped in the fight to save the town and suggested Dupo voters write their Congressmen insisting on adequate appropriations for control projects to guard against future floods.

The Automobile Club of Missouri said the Lewis and Clark Bridges over which United States Highway 67 is routed from Alton, will be opened at 7 a. m. tomorrow. State Route 25 between Jackson and Chaffee in southeastern Missouri was opened today.

HORNER SAYS PLANNED COLUMBIA AIRPORT LEVEES ARE HIGH ENOUGH

Waters of the Mississippi and Missouri Rivers during the flood now subsiding would have failed by 12 feet to top levees planned for the Columbia Bottoms Airport, W. W. Horner reported yesterday. Horner's statement was in reply to a request by Clifford W. Gaylord, vice chairman of the municipal airport commission, that plans for the airport be restudied to determine whether there was need for modification in view of recurring floods.

Horner said there was no need to modify plans in any way. He knew of no records, he said, which showed that levees of modern constructions have failed to hold waters during floods in recent years.

The Columbia Bottoms site is at the confluence of the Missouri and Mississippi Rivers. It has been covered by flood waters during high stages of the rivers several times in recent years.

[From the St. Louis Post-Dispatch of July 10, 1947]

FIFTY-EIGHT PERCENT OF MISSISSIPPI BASIN BADLY ERODED OR RUINED—COUNTRY LETTING 500,000 ACRES IN 20-STATE AREA WASTE AWAY FROM RAINS, FLOODS EACH YEAR, UNITED STATES OFFICIAL SAYS

WASHINGTON, July 10.—More than half of the land in the entire 20-State Mississippi Valley has been seriously eroded over the years by rain waters and floods, Hugh H. Bennett, Chief of the Soil Conservation Service of the Department of Agriculture, estimated today in an interview with the Post-Dispatch.

Stressing the need for adequate soil-conservation measures to turn the dangerous tide of relentless erosion. Bennett said careful surveys have indicated that 42 percent of the huge Mississippi Valley area, or 334,000,000 acres of arable land, has been seriously eroded, and that 16 percent, embracing 130,000,000 acres, has been severely eroded. The total thus is 58 percent.

Of the latter 130,000,000 acres, about half, or 65,000,000 have been utterly ruined for future cultivation, he said.

He pointed out that the recent Midwest floods washed away soil sufficient to cover 325,000 acres to a 6-inch depth, estimated in money value at $283,000,000, but quickly added: "You really can't place an estimate on the loss of rich topsoil in such floods. How can anyone put a monetary value on the soil which gives of food, clothing, and other essentials of our very existence?"

The Soil Conservation Service, he went on, has requested $44,000,000 for its Nation-wide conservation program in the new fiscal year. The House Appropriations Committee cut this to $38,000,000, and the measure is now pending in the Senate.

The agency can continue to make effective progress with this budget, he said, but it would be far more economical in the long run to accelarate the pace of erosion prevention, since the country is still allowing land to go to ruin at the alarming rate of 500,000 acres a year.

To do an adequate, ideal job, $40,000,000 should be spent for the Mississippi Valley States alone this fiscal year, he said. He pointed out that this is an area of 875,000,000 acres, which includes the Missouri River Valley, and takes in these States: Kentucky, Tennessee, Mississippi, Illinois, Missouri, Iowa, Indiana, Ohio, Wisconsin, Minnesota, Kansas, Nebraska, Montana, North and South Dakota, Wyoming, Arkansas, Louisiana, Oklahoma, and Colorado.

20-YEAR CONSERVATION PLAN

Discussing a comprehensive 20-year plan for Nation-wide soil conservation which he recently outlined at a congressional hearing, Bennett declared: "Basic conservation work could be applied to all of the land by 1970. From then on the total remaining job would become primarily one of maintaining the work already laid out, which would be easier and a great deal cheaper.

"It is recognized," he continued, "that planning ahead is good business. In the case of this country's irreplaceable productive lands, there is reason for serious consideration now, ahead of time, of a schedule covering the years ahead which would lead the Nation to the permanent protection of its productive lands before they have suffered irreparable damage.

"Assuming, for example, that by July 1, 1950, the proper staff could be assembled and trained, and equipment purchased, the stage would be set for a tremendous conservation effort from 1950 to 1970. This is entirely possible. And in the meantime much could be accomplished, not only in the preparation and training of technicians for the finish fight on erosion, but in real conservation progress on the land.

"We've made some rough estimates of the costs involved in carrying out a 20-year schedule of soil conservation, designed to complete the basic work of safeguarding our productive lands. The over-all cost, which is a tentative estimate, would be $1,400,000,000, apportioned as follows: $350,000,000 for the 5-year period 1950–55, $400,000,000 in the next 5 years, $375,000,000 the following 5 years, and $275,000,000 in the final period of 5 years."

It is not sufficiently realized, Bennett asserted, that erosion can he as deadly as the atomic bomb.

"Productive land is the only natural resource under human control without which people cannot prosper or even live," he said. "Nearly all of our organic resources—all of our forests, all the grass on our ranges, all wildlife on the land—have their origin and growth in the soil. We are completely dependent on our good land for all the food we eat except sea food. We also are dependent on it for most of our clothing; for all of our wood supplies, paper, wool, cotton, leather, and other necessities.

"What most of us have failed to see or understand for so long is that every rain falling on unprotected ground washes vast quantities of irreplaceable soil down slope into the rivers, canals, reservoirs, and harbors of the world, and finally into the oceans. Every strong wind sweeping across bare, dry soil, level or sloping, carries away huge additional quantities of soil.

"Left behind, in the wake of this destructive process, is exposed, unproductive subsoil, wastes of gullies, useless sand dunes, and sometimes nothing but rock, bared by erosion. We cannot get adequate food or clothing from such depleted resources.

"This undoubtedly is the last chance we shall have to save ourselves. And this final chance is to make up our minds now to go ahead as rapidly as possible with a truly effective program of soil and water conservation—the type of program that will give permanent stability and permanent productivity to what is left of our good land."

COOPERATION WITH FARMERS

The Soil Conservation Service is doing the best job it can with its limited funds and personnel, Bennett continued. In the Mississippi Valley, for example, there are 1,126 soil-conservation districts covering 491,000,000 acres and 2,500,000 farms, and the number of such farm-organized districts, which obtain technical assistance from the Federal agency in soil conservation, is steadily increasing.

Bennett explained that the so-called soil-conservation districts are local units of Government operating under State laws. They are established and operated by farmers in the community to protect farm and ranch lands from erosion, to conserve rainfall, and to improve productivity.

Each district, through its elected supervisors, furnishes varying amount of aid to the individual member-farmers, Bennett said. The work of each farmer on his own land fits into a district-wide plan of conservation. The Soil Conservation Service supplies each district with trained technicians who work where and when the district supervisors direct. The service also drafts conservation plans for each farm in the district, before helping to apply them to the land.

Such conservation plans include terracing of the land and contour cultivation to prevent the run-off of rain water; strip cropping, in which the crops are alternated in horizontal strips to block the rivulets; tree planting; windbreak plants; and numerous other methods.

Asked if river-valley authorities such as the Tennessee Valley Authority or the proposed Missouri Valley Authority would provide adequate safeguards against soil erosion, Bennett replied that he understands TVA farmers have made progress in soil-conservation measures, but he declined to commit himself further on the subject. His field, he said, is soil conservation and not public-power developments.

Mr. MURRAY. Mr. President, the destructive floods on the Mississippi and the Missouri Rivers and their tributaries have aroused the people of the country to the seriousness of this great American problem.

These flood stories we have been reading in the press carry the sickening repetition of our past experiences in flood disasters, with their tragic accounts of human suffering, destruction of property, and dislocation of the agricultural, business, and industrial life of that vast central area.

The Army engineers report that in Missouri, Nebraska, Iowa, and Illinois about 4,000,000 acres of land have been flooded. It is estimated that crops and other property have sustained damages amounting to at least $250,000,000. This does not include damage to levees and pumping districts. Nor does it include the cost of soil erosion, which is estimated at $283,000,000.

In addition to these costs must be added the loss of wages of workers in

factories, the dislocation of railroad and highway transportation and freight shipments to such points as Des Moines, Ottumwa, Omaha, Denver, Minneapolis, St. Paul, Chicago, St. Louis and Kansas City. Damage to soil basic industry properties, transportation services, and industrial operations can be conservatively estimated at more than $500,000,000.

If such reports came to us from war-ravaged Europe, Congress would spring into action and undertake to provide a program of aid to the stricken area to meet the calamity. But such disasters have come again and again in the Missouri-Mississippi Basin without greatly disturbing the Congress of the United States and its committees. The Congress, satiated with propaganda and influenced by the power utility interests, has failed to provide any sound solution of the problem. So news of these new flood disasters appears to be accepted in the Congress as just another regrettable chapter in the long history of flood tragedies in that rapidly deteriorating region—a region which, through sound, integrated flood control and river development planning, could become a great, rich inland empire, secure from such recurring disasters.

The course of the Congress seems to be mainly directed to the protection of the interests of the electric-power monopoly, rather than the protection of the interests of the people and the preservation of the irreplaceable soil resources of the region.

A sound solution of this problem of controlling floods, conserving the soil, reclaiming the lands, and developing the resources of the Mississippi-Missouri area has through the years been successfully blocked through the pressure and control exercised by the power monopoly in the Congress of the United States. The Congress has been repeatedly warned through messages and public statements by both President Roosevelt and President Truman regarding the serious responsibility resting on it in regard to this serious problem. Time and again, Congress has been told of the need for a single, coordinated program of flood control and river development in order to meet the problems involved. Scores of books, magazine articles, and thousands of news articles have been written urging action. But Congress has continued to reject such a program because it involves multiple-purpose dams, the development of low-cost power, and direct distribution of power to the public.

In previous sessions of the Congress, I sponsored legislation providing for the creation of an agency to be known as the Missouri Valley Authority, to accomplish the task of controlling floods and developing the water and other resources of the Missouri River Valley. That proposed legislation was based on the successful operation of the TVA and the application of that experience to the Missouri Valley. It was made the basis of extensive hearings and prolonged studies.

Those hearings developed the fact that for half a century the people of the Missouri Valley have witnessed the futile efforts of the Corps of United States Engineers to control the devastating floods along the Missouri, the Ohio, the Mississippi, and other great rivers. From the end of the War Between the States until 1927, the Corps of Engineers raised levees ever higher and higher along the lower Mississippi to control the constantly increasing floods, destruction, and devastation in that area. During all this period, the Army engineers had continued without variation the outmoded process of downstream control. They failed to pay heed to the fact that floods do not originate in the main stems of our rivers, but originate higher up, in the tributaries, a fact that is amply demonstrated in the recent floods. Consequently, they failed to see that the best means of meeting the problems of flood control is through a single, integrated program, directed at all of the problems involved—flood control, irrigation, reclamation, erosion control, drainage, navigation, resource development, and hydroelectric power development.

It has also been established through those hearings that, notwithstanding the fact that hundreds of millions of dollars had been expended in efforts to find a solution to these problems, they had grown steadily worse. The reason for this situation is that the problems of the Missouri Valley were being attacked by several independent agencies of the Government, working independently and oftentimes at cross-purposes with each other. It was developed that the Army engineers had complete control of all problems in the Missouri River area dealing with flood control and navigation. They had no jurisdiction over the problems of the river in its upper stretches where the interest was centered in reclamation, irrigation, power development, soil-erosion control, protection of forests, and development of natural resources—all of which were under the direction of other agencies of the Federal Government, particularly the Bureau of Reclamation, the Federal Power Commission, the Bureau of Mines, the Department of Agriculture, the Department of Interior, the Fish and Wildlife Service of the Department of Commerce, and other agencies.

The conflicts which grew up between the Government agencies having to do with reclamation, power development, land utilization, soil-erosion control, and forest conservation on the one hand, and the programs of flood control and navigation directed by the Army engineers on the other hand, finally developed into major disputes which became so serious that they interfered with the plans and programs set up, and prevented any effective solution of the problems as a whole.

The failure of the piecemeal methods followed by these conflicting agencies became so well recognized that the Governors of the Missouri Valley States joined in recommending to the President that he should call on the Congress to set up a single, over-all plan to deal with the entire river and its problems. Following this appeal, the President of the United States sent a message to the Congress on September 21, 1944, and in it he recommended that a Missouri Valley Authority patterned on the TVA be set up in the Missouri Valley to take over all the problems of the Missouri River and the development of the resources of that area.

Immediately upon the filing of my original bill for the establishment of an MVA, a desperate effort was made by those opposed to such a program to bring these conflicting agencies together on some sort of a hurried compromise that might forestall any possible action of Congress in support of an MVA plan.

The power lobby has been active in blocking public power development since the administrations of President Theodore Roosevelt, and numerous lobby investigations since that time have exposed its existence and corrupt manipulations. The private power utilities have always interfered in this river-control program to prevent multiple-purpose dams and the development of low-cost electric power. Twenty years ago the representatives of the Power Trust opposed the Norris Muscle Shoals bills, and in the late twenties a congressional probe revealed that the private utilities were looting consumers and investors and propagandizing everybody, from United States Senators down to children in the grade schools. The Power Trust fiercely opposed the creation of the TVA; but the persistence and courage of Senator Norris, the vision of President Roosevelt, and the economic effects of the great depression combined to overcome that resistance, thus making the TVA a reality.

Today, representatives of the same private utility interests, heavily financed, are back in Washington actively lobbying against all regional development proposals along the lines of TVA. It was only last year that the lobby forced reductions in appropriations for a Central Valley project in California, the Colorado-Big Thompson project in Colorado, and for the southwestern power development. The curtailment in the expansion of generating capacity brought about by these and other reductions is one of the important factors that has caused power authorities to forecast a power shortage in the winter of 1947–48 of sufficient magnitude to threaten industry shut-downs.

The activities of the power lobby in Washington have been expanded in this session of Congress to such a point that, if the objectives could be achieved, the program for the development and transmission of cheap hydroelectric energy might be set back at least 50 years. The lobby seeks to accomplish the general objective of throttling the whole program of Government generation of power by whittling away at the appropriations of the many projects. Their campaign is also aimed at the authority of the Federal Power Commission to ascertain the facts and to determine the needs for hydroelectric power of the Nation's expanding industries. The lobby also seeks to make it impossible to distribute public power through publicly owned transmission systems by cutting appropriations for distribution projects. Another attack is being made through the Thomas and Dondero bills, seeking the elimina-

tion of public distribution of power by the direct means of providing for the sale of publicly generated power at the bus bar or point of generation. Finally, in the program that has won almost universal approval in the past few years, that of rural electrification, the power lobby is trying to restrict the program by whittling the appropriations and curtailing the powers of the Rural Electrification Administration.

The efforts to forestall a unified integrated program for the development of the Missouri River, as recommended by President Roosevelt, finally resulted in a hasty and ill-conceived plan purporting to unite the activities of the Army engineers and the Bureau of Reclamation, the two chief agencies involved. That plan has been the subject of considerable debate and criticism. It was called by some a "shot-gun wedding" of these conflicting agencies—a wedding under which there was only a pretense that they had buried their differences. Time has shown that these conflicts still continue and that the so-called unified program is a failure. In short, it was apparently designed to prevent the establishment of a single unified authority to take over the entire problem, as my bill, providing for an authority patterned after the TVA, proposes.

In the 2 years since that joint arrangement between the Bureau of Reclamation and the Army engineers has been in operation, it has been completely demonstrated that the plan is unworkable. In the first place, the program of the Army engineers was not a well-laid-out, thoroughly-engineered program of any sort. It has been referred to as a mere prospectus, and the report which presented it was called an interim report, meaning that it was not a complete and final program.

Likewise, the Bureau of Reclamation was wholly unprepared to share in the impromptu arrangement with the Army engineers and presented in the joint arrangement its part in the merest outline.

Only in recent months has the Bureau of Reclamation come forward with a more complete and detailed plan, and this plan conflicts with the original proposal, and is not sufficiently correlated with the over-all program to be considered an authentic basis for development.

In view of the utter failure and general repudiation of the present piecemeal method of treating the problems of the Missouri River Valley, it has become more apparent than ever that a single integrated authority, without further delay, should be provided if we are honestly and intelligently to meet the problems of that vast area. At this session I introduced in the Senate a new bill, S. 1156, to establish a Missouri Valley Authority for the unified development of the Missouri River Basin. This bill is constructed upon the experience gained from the extensive hearings, numerous discussions and events which have transpired in the 10 Missouri Valley States since I introduced the original Missouri Valley Authority bill in 1944.

No intelligent person can fail to recognize the effects of these destructive floods in the great Midwest agricultural area. The President in his message of Thursday to the Congress clearly recognizes that an integrated plan of over-all control and regional development of the Missouri-Mississippi is essential to meet the flood problem of that area. Several sentences in the President's message appear significant.

The President said in his message:

> It would not be feasible to build levees high enough and floodways wide enough to pass such a flood safely to the Gulf.

Further he said:

> Farther up on the headwater tributaries of each major basin, and throughout their watersheds, soil-conservation measures are needed to retard the flow and run-off and reduce the loss of topsoil which is impoverishing our farm lands and clogging our reservoirs and river channels.

Mr. President, that is what we have been contending for several years. The President puts it in plain, clear language. He proceeds in his message to say:

> Corollary to the control of floods is the harnessing of floodwaters for productive uses which will return to the Government a large share of the initial investment. Fortunately the means available to us for control of floods in many cases furnish the opportunity for use of water for irrigation, navigation, and development of hydroelectric power. Multiple-use reservoirs produce these and other benefits, including the improvement of municipal and industrial water supplies, new recreational areas and opportunities, the preservation of fish and wildlife, and the abatement of pollution.

The President's message continues to make a plain case for a Missouri Valley Authority.

The conclusion is inevitable that an MVA is required to do this job. Engineers are not studying the President's message of Thursday to the Congress on the Missouri-Mississippi floods.

No doubt we could prevent floods in the vast Missouri-Mississippi region by following the Army engineers' plan of dams and dykes, if we are willing to spend the billions of dollars and take the costly years required to carry out such a flood program. But in the end the plan would never be fully effective, for this outmoded method of preventing floods cannot prevent the run-off of precious topsoil from farms whose rain waters drain off into the rivers. Nor will it reconcile the different interests of those seeking navigation channels, irrigation, wildlife conservation, forest development, erosion control, fertilizer manufacture, industrial expansion, and recreational activities. For most of these important features of unified river basin development are neglected by the single-flood-control approach.

A single-purposed flood-control program is self-defeating for still other reasons. For only an integrated program which conserves and directs the use and flow of water from the time it hits the ground as rain until it flows on down the main river channels will prevent the silting of dams that lessen and may ultimately destroy the flood-prevention capacities of these dams. We can have flood prevention of a sort from this outmoded flood-control plan of dams and dikes, but we will not thereby accomplish the revitalizing of the vast area in the plains States; we will not succeed in holding our population and attracting more people; we will not industrialize the area, and we will not develop a sound agricultural pattern which assures the future food needs of the Nation. It is clear that such an outmoded partial plan for flood control is too costly a price to pay for a doubtful result. The people of the country must rise up and demand that we do the thing right this time by enacting valley authorities which will accomplish the multiple purposes required in the shortest length of time and at the least cost required. This vast territory of the Missouri Valley, by the slow, costly, and oftentimes wasteful processes of piecemeal attack has been steadily declining in agriculture, in industry, and in population.

The census of agriculture for 1945 offers positive proof of the accuracy of my statements. There are 430 counties in the 10 States drained by the Missouri and its tributaries. Let me high light the census statistics for these counties for the period from 1930 to 1945.

The number of farms declined more than a tenth, or 12.25 percent during the last 15 years. When 1 out of every 10 farms disappeared, acreage in the remaining farms increased almost a sixth, or 15.7 percent. But despite the prosperous conditions of the country in 1929, and the especially favorable conditions prevailing when crops were harvested and sold in 1944, the crop land actually harvested had declined 7 percent.

In a blighted area, people abandon farms, acreage is absorbed by adjacent farmers, where much of it is allowed to retrogress, only to be made to produce health-giving food crops again after costly expenditure of time, energy, and money.

Cold statistics of the Census Bureau do not reveal the heart-rending story of the struggle and loss of nearly 80,000 farm families who gave up farming. But they do show that the money value of farm lands and buildings dropped more than a fourth from 1930 to 1945. Those who owned farms in the Missouri Basin counties suffered a money-value loss of more than two and a third billions of dollars during the last 15 years.

The one factor of difference between the two great valleys of the Tennessee and the Missouri during the past 15 years, which shows up so favorably for the former, is the establishment of the TVA and the successful launching of a unified, Federal-aided but locally administered program of resources development.

It would be blind stupidity, an exhibition of incompetency contrary to the aggressive pioneering spirit of the American people, if we did not profit by the successful experience in the Tennessee Valley to solve the increasingly aggravated problems of the Missouri River Basin.

But important as agriculture is to the people of the Missouri Basin States, in this day and age it must go hand in hand with industrial development. The agricultural West has all too long been a dependent agricultural colony of the industrial East. When measures are taken of private-production income and

income per capita, the Missouri Basin States, potentially among the richest in the Nation, are actually found to be among the poorest. Lack of profitable industries complementing a vigorous and profitably sustained agriculture account for these deplorable conditions.

Experience has shown the way to step up industrial development rapidly, under democratic auspices, and within the framework of a free competitive enterprise system, for the benefit of all the people. That way is the establishment of an MVA, modeled after the TVA, and calculated to bring about the same successful industria' achievements in the Missouri Valley.

What do the facts in the Missouri Valley show? The Government census of manufacturers shows that in all of the vast area of the 10 Missouri Valley States there were only 20,177 manufacturing establishments operating in 1929, employing 528,000 wage earners. By 1939, when a very substantial degree of economic recovery had been achieved nationally, the number of factories still running had fallen to 17,140 and employment had dropped a fifth, to 418,000 workers.

The great problem of the United States today is the huge concentration of industry in certain favored sections, which in many instances has produced serious economic and social problems. We need a more balanced economy in the sparsely settled States of the West. Population trends for more than 30 years have been away from the Missouri Valley area, where there has been stagnation of business and industry, while other sections of the country have been rapidly advancing.

In the last analysis, the loss of population in the Missouri Valley is due to lack of opportunities for its citizens. A large proportion of the youth who are educated and grow to manhood there are compelled to move to other sections of the country in search of opportunities for a livelihood. Yet, with proper development, the natural resources of the valley would provide the basis for a very considerable industrial expansion, thus putting an end to the steady loss of population in many sections of the region.

Mr. F. O. Melby, president of the University of Montana, a few years ago pointed out that following the First World War only a slight proportion of our boys returned to Montana, because there was nothing to which they could return. Annually, thousands of young people who are educated in Montana and other valley States seek opportunities in life in other sections of the country.

The people of the Missouri Valley have come to realize that industrial development, which gives us a richer and more diversified economy and a higher standard of living, is only possible to the extent that we increase our electrical energy resources. That has been the key to the rapid industrial expansion of the Tennessee area. Lack of abundant low-cost electricity is the principal reason for the continued industrial stagnation of the Missouri River States. In all that vast region of the Missouri, the installed capacity in 1943 was only 4,362,000 kilowatts. Most of this is owned by the private utility companies. Yet the great natural sites for tremendous expansion and development of cheap hydroelectric energy are owned by the Government, and can only be developed by the Government. It is not strange, then, that the Missouri Basin States shared very little in the industrial expansion of the war years, when it is noted that only 8 percent more kilowatts were generated than before the war.

Contrast this with the TVA area where installed capacity was 4,455,000 kilowatts in 1940. Set to go ahead, with a unified plan or organization and control and the initial plans for orderly expansion already available, the installed capacity to generate low-cost hydroelectric power was increased almost 30 percent by 1943. Industrial demands were so great that in these 3 years electricity generated increased 59 percent. And while the critics and maligners of the TVA effort predicted black gloom as soon as war production demands should stop, today the TVA is unable to provide any substantial quantities of additional new power to the many hundreds of factories engaged in peacetime production in the Tennessee area.

For a century and a half we in the United States have been trying to cope with the problem of controlling our rivers and developing the agricultural and other resources of our river basins. But never until the passage of the Tennessee Valley Authority Act, almost 14 years ago, did we approach the problem in the way nature herself intended, by looking upon a great river as a single and indivisible whole.

There is no evidence to support the belief that an effective program of comprehensive river basin development in the Mississippi River Valley can ever be successfully prosecuted under the so-called joint operation of the conflicting agencies—the Bureau of Reclamation and the Army engineers. To continue this ineffective and costly system in such a vast development would be a violation of the obligation of the Congress to the American people.

The unified development of the great Missouri River basin, under the bill which I introduced in the Senate in April, patterned on the TVA, calls for a careful study and understanding of the many problems of the area, and a willingness to work them out together through an organization set up by the people and responsible to them, but possessed of sufficient delegated authority to work efficiently along strictly business lines with a minimum of red tape and political interference. The Authority would be set up by the Congress and Congress at all times would retain final authority over it. As former President Roosevelt pointed out in his message of September 21, 1944, it must be under the constant surveillance of the Congress and its plans and programs must have approval in order to obtain appropriations to continue its work. It has its seat of administration not in far-distant Washington, but in the region of the Missouri where it is immediately responsible to the people served by it. Here is an instrument of democracy, the modern way people organize and delegate certain necessary powers to a creation of their own, the Authority, to get a big job done efficiently and democratically.

I introduced the MVA bill in April and the bill was referred to the Public Works Committee. I have made several efforts to get hearings scheduled. All these efforts have been in vain. Despite the unprecedented floods of the past few weeks, the bill remains securely locked in the Committee on Public Works.

In view of the lack of interest by the Public Works Committee in the program, I now propose an action program which I hope will jar loose my bill for a Missouri Valley Authority. I believe that field hearings on the site of soil losses and industrial dislocations in the area of the recent disasters must be held to give the people affected by these tragedies an opportunity to state their views on the necessity of preventing future floods by developing an integrated river-basin development program. I propose to hold these hearings myself if I am unable to move the Public Works Committee into action. These hearings will, I am sure, serve the very useful purpose of acquainting the farmers and businessmen of the Missouri Basin with the full possibilities of an integrated regional development.

Since I introduced the MVA bill in April we have found widespread approval of it throughout the Nation. We are witnessing an almost unanimous support given to the program set forth in the bill by the press of the Nation. During the last few weeks, the New York Times, the Washington Post, the Washington News, and the Philadelphia Bulletin in able editorials have added their support to the movement. From the very beginning of the program, we have had the powerful support of newspapers in the Missouri Valley area and adjoining States. I think a poll of the independent press would prove that the great majority of American newspapers are supporting the program because they realize its significance to the welfare of the Nation. The support of the big newspapers can mean only one thing. The public is becoming educated to the soundness and the great possibilities of the regional development idea. That trend is certain to continue. It is my hope that the Congress through adequate hearings will provide the acceleration necessary to bring a strong regional development program into being, with the certain ultimate result of establishing valley development authorities in many areas of our country.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. SPARKMAN. I have followed the Senator's address with a great deal of interest, and naturally have been particularly interested in the numerous references to the Tennessee Valley Authority and its effectiveness to control floods and water conditions generally in the Tennessee Valley. I was rather impressed a few days ago by some figures I saw in, I believe it was, the St. Louis Post-Dispatch, calling attention to the fact that whereas the total cost of the Tennessee Valley Authority was approxi-

mately $782,000,000, the recent flood on the Missouri River had resulted in damage probably in excess of that total cost of the TVA.

Mr. MURRAY. That is absolutely true. Previous floods on the Missouri have been almost as disastrous as the recent floods. Floods on that river have been occurring for many, many years. The program which has been followed in an effort to control the floods on the Missouri has been absolutely useless. It has accomplished nothing. In fact, the program will make future floods more disastrous than the floods which have heretofore occurred on that river, because the program is resulting in jacking up the river with levees and narrowing the channel so that it is impossible, as the President said in his message the other day, for the channel to carry the flood streams down to the Gulf. Therefore, we are faced with the danger of more disastrous floods in the future than we have had in the past.

Mr. SPARKMAN. Simply accentuating the condition rather than lessening the damage.

Mr. MURRAY. Yes. Notwithstanding the fact that the late President Roosevelt and President Truman recommended the program which we are proposing in the Congress, it is opposed only for the purpose of protecting the so-called interests of the private power utilities. They are fearful that this program would bring about a lowering of the power rates in the valley areas, and they are opposed to it solely for that reason. I should like to have the Senator explain what the situation was in the Tennessee Valley. There the power interests opposed the Tennessee Valley Authority, but after it was finally put into operation, my understanding is that the power interests themselves were greatly benefited by the program.

Mr. SPARKMAN. When the Tennessee Valley Authority started its power program the private power companies operating in that area contended that it would mean bankruptcy for them, and that widows and orphans and others who owned their stocks and bonds would lose everything they had. At that time the stock of the Alabama Power Co. was selling at about 50 or 60 cents on the dollar. Yet by the time the power program got well under way there and had been worked out a division of territory and the power company had sold certain portions of its property in north Alabama, we saw that stock go rapidly to 100 cents on the dollar. We have seen the private utilities make greater sales and greater profits at lower rates than they ever had before. Today in the Tennessee Valley area there is a much greater per capita consumption of electric power than is true over the United States generally. There has been a great increase not only in the Tennessee Valley but in States and areas contiguous to the Valley. I believe I am safe in saying that the private utilities in that area have made better profits and a better showing since that time than have private utilities anywhere else in the United States. They have done it with rates which have been greatly lowered until they are almost in line with the TVA rates.

Mr. MURRAY. That is absolutely clear. I am sure that the same conditions will follow in the Missouri Valley area.

Mr. SPARKMAN. We have heard a great deal of discussion about the yardstick of the TVA. I invite the Senator's attention to this subject because we are discussing the question of power. In his book called TVA—Democracy on the March, Mr. Lilienthal discusses the question of yardsticks as related to power. He brings out the very significant point that the yardstick does not necessarily mean a standard that can be laid down as to what the charge for power ought to be everywhere. It depends upon the varying conditions and circumstances in the different areas. The true yardstick is that by increasing the consumption of power it becomes possible to lower rates. That is the real yardstick which ought to be advocated throughout the country.

Mr. MURRAY. That is exactly the situation with which we are confronted in the Western States. Take the State of Montana, for example. Montana is the third largest State in the Union, exceeded in size only by Texas and California. It is one of the richest States in the Union in point of possession of great natural resources, but it is a huge State and the population is scattered. Power rates there are naturally higher than they are in more concentrated communities. If cheap electric power could be developed in Montana industries which would be appropriate and natural for us in our State could be established. For example, there is a shortage of newsprint in this country. If a pulp plant could be established at a dam site which has been selected in Montana, where it is now proposed to build a power project, it would make an important contribution to the solution of that problem.

Moreover, other small processing plants could be developed in Montana which would be of great benefit to our State and to its citizens. They would bring in population. At the present time we have only 500,000 people in the third largest State in the Union. We need more population. We need more people and more taxable property in order to be able to provide a sound State government. It is expensive to give service to the people of a State when they are so scattered. Some places in Montana which I have visited are 80 miles from a railroad station. The other sections of the country are becoming overcrowded. Their population is increasing rapidly. The large industrial sections of the East are already overcrowded. Where are those people to be located? We must spread out and develop the undeveloped sections of our country in order to provide for the increasing population. That will benefit the industrial interests of the East. It will provide a market for them. They will profit, as will the power interests in the immediate locality, which will prosper as a result of the increased population and lowering of the cost of power production and distribution.

Mr. SPARKMAN. I am sure that the Senator from Montana is familiar with the recent pronouncement from the Federal Power Commission. I saw another estimate, published in the New York Journal of Commerce or the Wall Street Journal—I do not remember which—calling attention to the prospect that in the next several years the United States will be confronted with a great power shortage generally all over the country. In other words, we need to develop all the power resources we possibly can in order to take care of our expanding industry and expanding productivity, which we must have if we are to maintain a level keel economically.

Mr. MURRAY. The Senator has made a very important contribution to this discussion. Of course it was impossible for me to think of every idea which would be important to consider in connection with the discussion of this problem. I realize that what the Senator has presented today is of great importance to the Congress to understand and I am grateful for his contribution. The program which we are proposing as the able Senator has pointed out will injure no one. It will benefit the area involved, and also benefit the entire Nation.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. MURRAY. I yield.

Mr. SPARKMAN. I think the Senator from Montana has made a very fine presentation of this question, which is of importance to all of us. I should like to make one further comment with reference to the problem which is probably most pressing upon us at the present time, particularly with reference to the Missouri River. I refer to the flood-control problem. I know that the Senator from Montana has followed, as all of us have, with a great deal of interest the message which the President sent to Congress a couple of days ago relating to a comprehensive water-control program for the central part of the country. I believe the senior Senator from Louisiana [Mr. OVERTON] made some remarks upon that subject. I was impressed with the fact that in the course of his remarks he named various rivers and streams upon which there had been deadly and costly floods in recent months. The thing that was noticeable to me was that the Tennessee River was not included. I grew up on the Tennessee River. I have known it all my life. I have seen it flooded many times. I have seen thousands of acres of corn flooded. I have seen the river run almost red with the soil which was washed down in it. But we do not see that condition any more. Those waters are controlled. The water is blue and clear, because we have a flood-control system which has worked, and we believe that it will continue to work.

Mr. MURRAY. The application of that system to other parts of the country is of the greatest importance, because the loss of the topsoil is one of the most serious losses we can suffer.

In the course of my remarks I submitted an article which discusses the loss of soil and points out the fact that the agricultural areas of the world are shrinking, while population continues to grow. So very shortly we shall meet a situation in which there will not be sufficient land in the world to produce the food which the world needs. It seems to me we should not allow one dollar's

worth of soil to be washed away down our river systems. But at the present time we are losing it by millions of tons every year. Mr. President, I surrender the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House having proceeded to reconsider the bill (H. R. 3950) entitled "An act to reduce individual income tax payments," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was—

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9801) to amend section 2 of the Act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WELCH, Mr. D'EWART, and Mr. FERNANDEZ were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. The junior Senator from Oregon would like to ask the opinion of the Chair as to whether there is a filibuster in the Senate.

The PRESIDENT pro tempore. In the opinion of the Chair, the question asked by the Senator from Oregon is not a parliamentary one.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety-three Senators having answered to their names, a quorum is present.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS—VETO

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 18, 1947.

The House of Representatives having proceeded to reconsider the bill (H. R. 3950) entitled "An act to reduce individual income tax payments," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was—

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The PRESIDENT pro tempore. The Chair hands down the veto message of the President of the United States, dated July 18, 1947, which the clerk will read.

(For the President's message, see today's proceedings of the House of Representatives on p. 9303.)

The Senate proceeded to reconsider the bill (H. R. 3950) to reduce individual income-tax payments.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. MILLIKIN. Mr. President, we have been in possession of this veto message for only a few minutes. However, I desire to make a few brief comments on it.

The House of Representatives has just overridden the President's veto by a vote of 299 to 108. In this message the President repeats the theme of his prior veto message on House bill 1, namely, that—

Maintaining the integrity of this debt is one of the primary obligations of the Government.

Mr. President, let us see what the President's scheme is for maintaining the integrity of the debt. The fiscal year 1947, wound up with a surplus of about $800,000,000. At that rate of maintaining the integrity of the debt, it would take probably 300 years to pay it off. Under the President's 1948 budget, he proposes to have a surplus of $1,300,000,000, which I assume would be available at least in part for application on the debt; and if it were all applied then at that rate of debt retirement to protect the integrity of the debt, it would take about 200 years to get rid of it.

From the President's first veto message on H. R. 1, the predecessor of the bill before us, we get a better conception of just what is meant by the President in protecting the integrity of the debt. I quote from that message:

A time of high employment and high prices, wages, and profits, such as the present—

"A time of high employment and high prices, wages, and profits, such as the present"—

calls for a surplus in Government revenue over expenditures and the application of all or much of this surplus to the reduction of the public debt. Continuing public confidence in Government finance depends upon such a policy.

Please mark these words well:

If the Government does not reduce the public debt during the most active and inflationary periods, there is little prospect of material reduction at any time, and the country would, as a result, be in a poorer condition to extend supports to the economy should a subsequent deflationary period develop.

Let us examine the significance of that philosophy for maintaining the integrity of the debt.

The President of the United States went to the people of the Nation and urged them to buy the securities of the Government. The people were assured that they would have a good investment, that it was the best of all investments. The people paid 90-cent dollars, 80-cent dollars, and 70-cent dollars for their bonds. The President of the United States is now advocating that we concentrate our surpluses during inflationary eras for payment of the debt with inflated dollars, at the present time with 50-cent dollars. That, my colleagues, is the President's conception of maintaining the integrity of the public debt. Other countries have tried the same thing, and the results have not been happy.

The President states:

Our responsibilities for international rehabilitation have an important bearing on our efforts to secure lasting peace.

Of course, that is true, but, my fellow Senators, can we honestly say to ourselves that we can build up an appropriate public support for that kind of a program, for the relief of the rest of the world, unless we give some relief to our own people?

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. MILLIKIN. Gladly.

Mr. O'MAHONEY. To what proportion of our people does the Senator propose, in the bill before us, to give relief? I point out to the Senator that there are 681,000 persons in the income-tax bracket of $20,000 a year and over, and there are more than 26,000,000 below $2,000. All the benefits of the bill are to be gathered by those above $10,000, and all the burden by those below $2,000.

Mr. MILLIKIN. What is the Senator's question? Does the Senator deplore that we have that smaller number of income-tax payers who carry so much of our income-tax burden? Does he suggest that we take the taxes off the lower brackets and add them to those above? Does he suggest that we add to the excise-tax burdens? What is the Senator's suggestion? The Senator shows a proper sympathy for those in the lower-tax brackets, but the President's attitude in two veto messages is to give them no relief.

Mr. O'MAHONEY. The Senator asks me a question, do I deplore the fact that there are 681,000 citizens who are receiving incomes in execss of $10,000 a year?

Mr. MILLIKIN. We should thank God for that.

Mr. O'MAHONEY. If the Senator wants an answer, I shall give it to him.

I do not deplore that fact, but I do deplore the fact that under the tax bill which the Senator has brought upon this floor it will be difficult, if not impossible, for those who are in the lower brackets to attain the upper bracket status, for which he is so solicitous.

Mr. MILLIKIN. I reply to the Senator that under the President's theory those in the lower brackets get no relief at all. Twice he has denied them relief. On two occasions we have offered them a reduction of one-third in their taxes, and twice the President gives them nothing except sympathy.

Mr. TAFT. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Ohio.

Mr. TAFT. Is it not true that the bill gives a 30-percent cut to 26,000,000 taxpayers, a 20-percent cut to about 24,000,000 more taxpayers, and a 10-percent cut to the 681,0000 group to which the Senator from Wyoming refers?

Mr. MILLIKIN. I shall be glad to put the exact figures in the RECORD again.

There are 47,723,103 income taxpayers with net incomes of $5,000 and less. These represent 96.1 percent of all the income taxpayers. They pay taxes, under the present law, the law maintained by the present administration, of $9,999,000,000. They pay 56.3 percent of all the income taxes.

Under the reductions which have been offered, $2,572,000,000 of the $4,800,000,000 would go to those taxpayers. The larger part of the proposed tax reduction would go to those from whom the Senator from Wyoming has sympathy, but who get nothing under the President's twice repeated veto.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. The point of this whole discussion turns upon a fact ably set forth last Saturday by the junior Senator from Florida [Mr. HOLLAND], when he compared the tax bill which the Senator from Colorado has brought upon the floor of the Senate with the tax bill of 1935.

For generations it has been the conviction of the Congress that the public interest would be served by granting substantial exemptions from the incidence of income taxes to those persons who are in the lower-income brackets. When we became involved in the war, and it became necessary to utilize all the economic resources, as well as the flesh-and-blood resources, of the people of the United States to win the war, the Congress did away with those exemptions by substantial reductions. The majority of the Congress has been asked over and over again to make any reduction of taxes they saw fit by way of restoring exemptions to the persons who are in the lower-income brackets.

The fact which no person who studies the economic situation can deny is that there are so many million people, as the Senator has just recited, in the lower-income brackets that their purchasing power provides the market for most of the business of the United States. But when the Senator from Wyoming and those who have stood with him on this tax bill have asked for a restoration of at least a portion of the exemptions granted to those in the lower scale the answer has been always in the negative. The result has been that the Senator from Colorado has brought upon this floor, and has twice had passed, a bill which provides relief in dollars for those who are at the top of the income-tax scale, and in pennies for those who are at the bottom.

The Senator proposes a reduction of some $4,000,000,000 in the payment of income taxes to the Government of the United States. If that reduction is broadly to be made for the benefit of all the people, it ought to be made in a very substantially larger proportion for those who are in the lower brackets, so that they may meet the conditions which are being created by the policies of the majority.

Mr. MILLIKIN. Mr. President, the result to which the distinguished Senator refers is that we have tried twice to give the people in the lower income tax brackets 30 percent relief from their tax burden, and the President has twice denied them any relief at all. That is the end result.

Mr. GEORGE. Mr. President, may I ask the Senator a question?

Mr. MILLIKIN. I yield.

Mr. GEORGE. Has the President of the United States or his Secretary of the Treasury submitted any proposal to the Finance Committee for the relief of people in the lower income tax brackets?

Mr. MILLIKIN. I will say to the distinguished Senator that we have received no cooperation whatever from the Treasury Department in the reduction of taxes, and there has been no suggestion of the kind referred to.

Mr. GEORGE. No schedule of increased exemptions or other relief for the lower income taxpayers has been presented to the committee?

Mr. MILLIKIN. There has been no schedule; there has been no program; there has been no hint. Let me say one more thing. It has been frequently emphasized in this Chamber, "Why do we not give greater exemptions to those in the lower brackets?" Perhaps the answer is this: In 1935, the year which was mentioned by the distinguished senior Senator from Wyoming, there were 4,000,000 income-tax returns. Today there are forty-nine and a half million. Please mark this: In 1935 the total revenue receipts were $3,299,000,000, whereas in this fiscal year they will be $41,000,000,000 plus. Where does that revenue come from? Where could it come from? It necessarily has to come in part from the lower income-tax brackets. Therefore, it is sheer ignorance, or it is sheer demagoguery, to talk about relieving those in the lower brackets from the payment of all income taxes. It cannot be done so long as we wish to keep a national government whose expenditures aggregate $37,500,000,000 a year. Why do we not tell the people in the lower brackets that if they want further exemptions, the cost of government must be decreased, that there is no way in God's world to obtain the revenues necessary to maintain a high-cost government without retaining on the tax rolls a vast number of the American people.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAYLOR. The Senator from Colorado said that it was a poor way to maintain the integrity of the debt by paying it off in 50-cent pieces. Are we to understand that the Senator would have us wait until a period of depression, when goods are cheap and dollars are expensive, when it will take several bushels of wheat to pay a dollar of the debt? Would he have us wait until that time, and then tax the people to pay the debt?

Mr. MILLIKIN. I think the obvious answer to the Senator is that a sound fiscal plan to protect the integrity of the debt, referred to by the President, is a plan which has a uniform system of debt retirement, so that over the years the shifting values of the dollar may be averaged. I will ask the Senator, does he say we should pay the debt with inflated dollars?

Mr. TAYLOR. I say the time to pay the debt is when we have the money with which to pay it, regardless of the value of the dollars.

Mr. MILLIKIN. I will agree 50 percent with the Senator. I say that we should have a uniform method of reduction that runs over the years. I say we should apply a part of our surplus to at least a minimum debt reduction every year, and, whenever we can, we should have tax reduction.

Mr. TAYLOR. May I ask the Senator who, in his opinion, is to blame for the low value of the dollar at the present time? Who scuttled the OPA? Who butchered rent control?

Mr. MILLIKIN. Oh, I do not intend to inject an OPA debate into this discussion. But whenever there is a shortage of goods operating against the enormous amount of currency and credit which we have in circulation, there is the price result about which the Senator is talking. It cannot be talked down. It cannot be overcome by making speeches. It cannot be legislated down. I suggest there is but one answer, and that is to increase production. Increase in production is not a matter for the Government. Production cannot be increased by putting bayonets at the backs of workers, nor by putting bayonets at the back of management. Workers and management must agree and work out plans for increasing production. We could legislate proclamations for more production until hell freezes over and production could not be increased thereby one iota.

The President fears the income-tax reduction of $1,500,000,000 for the fiscal year might project us into disastrous inflation. Of course, inflation depends on the cost of goods in relation to the supply of money. It apparently has not dawned upon the mind of the occupant of the White House that the greatest element entering into the cost of goods today is the cost of the Federal Government. The cost of the Federal Government plus the cost of local government is taking from 30 to 35 percent of the

income of the people. If it is desired to reduce inflation, to reduce high cost of goods, then we should reduce that greatest element of all which holds up the cost of those goods.

The President regards the bill as unfair. He says:

> I stated that a good tax-reducton bill should give a greater proportion of relief to low-income groups.

How much did he tell us to give them? What hope does he offer to them? When will he propose any? There is complete silence as to that. The President criticizes reducing the little fellow's tax burden 30 percent, but he offers nothing whatever as an alternative.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator.

Mr. TAYLOR. The Senator from Colorado read that part of the President's message in which he said at the appropriate time he would ask for the proper kind of tax reduction, did he not?

Mr. MILLIKIN. I say to the Senator that people cannot eat on an expression that has to do with the proper time. The proper time to reduce taxes is when the surplus of the Treasury will permit of it. When that is done, the take-home pay of the worker and of everyone else is increased.

Mr. TAYLOR. May I say the people are eating a good deal better today than they did in 1928.

Mr. MILLIKIN. They could eat still better if they were given a greater take-home pay. Great strikes are called to gain for the worker increased wages that amount to less in income enhancement than the tax-reduction bill would provide. It is a strange thing to me that many friends of labor are oblivious to that simple fact.

Mr. TAYLOR. I should like to say to the Senator that if there should be tax reduction, most of it going to the big fellows, what assurance have we that they would reduce prices? Profits are at the highest level in history. Every time wages were raised, profits were increased at least in an amount equal to, and generally two or three times, the amount added to the consumer's bill by wage increases. I think the corporations would keep this windfall as a part of their profits.

Mr. MILLIKIN. I shall now come to this big fellow-little fellow argument. The President said that the income-tax-reduction bill is not fair. I quote from his message:

> The failure of H. R. 3950 to follow this equitable principle is strikingly demonstrated by the following examples.
>
> The bill would remove 21 percent of this wartime tax burden for a married couple with an income of $2,500.

Here he is talking about the wartime tax burdens on the theory that the wartime tax burdens could be wiped out and that we could still maintain the Government. Let me repeat: Before we had these wartime tax burdens, in 1939, we were collecting $5,000,000,000 of revenue. How can a Government with an expenditure under the President's budget of $37,500,000,000 be expected to operate on $5,000,000,000 of revenue unless one is an advocate of perpetual deficits—I suppose on the theory of, "Why pay any attention to that, we owe the money to ourselves?"

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAYLOR. I may call attention to the fact that in 1939 the national income was some $87,000,000,000, and at the present time it is nearly $200,000,000,000. There is where the difference comes in.

Mr. MILLIKIN. I am not so sure that that proves anything, I will say to the Senator, because after all the taxpayer has to pay his dollar with the dollar that is in existence, and if the value of it were doubled, the results would still give atrocious support to the theory of the President that in some halcyon day to come we could go back to our prewar revenue status and our prewar revenue exemptions. It is a pity that someone does not tell the workers who are being misled by this type of demagogic argument just what is involved here. In 1939 we had total revenues of $5,000,000,000 plus, and in 1939 we had 7,000,000 taxpayers, whereas today we have 49,500,000 taxpayers and, I repeat, a $37,500,000,000 Presidential budget.

The President goes on to say:

> The bill would remove 64 percent of this wartime tax burden for a couple with an income of $100,000.
>
> The bill would remove 85 percent of this wartime tax burden for a couple with an income of $1,000,000.

We had that same kind of argument in connection with the first veto message, and we have had a great deal of it in connection with the present veto message. Let us take a look at it. Under the present law a married person with two dependents, with net income before personal exemption of $2,500, pays $95 income tax.

A married person with two dependents, with net income before personal exemptions of $50,000, pays $24,111 in taxes.

A married person with two dependents, with net income before personal exemption of $500,000, pays $406,600 in taxes.

When the citizens of the United States, rich or poor, go into a store to buy a can of beans or a package of cigarettes, every citizen pays the same price. But we have long recognized, and justly so, that income taxes should be based on ability to pay. Let us see whether we have a fair or an unfair system. Let us see whether we are putting an oppressive burden on the back of the poor man, or whether we are putting an oppressive burden on the backs of our other income-tax payers.

Now we are talking about the tax burden on the dollar that is received by the $2,500 man, the $50,000 man, and the $500,000 man. Let us see what the take-home pay is out of every dollar, what is the tribute to the tax collector. Let us see whether we have a fair system or one which oppresses the poor.

According to tax statistics I have given the Senate per dollar of income of the types mentioned, the taxpayer with the $50,000 income pays 12 times as much tax per dollar of income as the taxpayer with a $2,500 income. Is that oppressive on the little fellow? Is that not a fair reflection of ability to pay?

The dollar of income of the taxpayer with a $500,000 income pays 21 times as much taxes as that of the taxpayer with a $2,500 income. Does that oppress the little fellow? Is that an unfair progression? Is that an unfair burden? I submit it is not.

In this bill we are trying to lighten the burden of our people in the lowest-income brackets by the greatest percentage of reduction of all. They receive a 30-percent reduction. Those in the middle brackets receive a 20-percent reduction. Those in the highest brackets receive a 10½-percent reduction; and when the results of the bill before us are considered, the proportions which I have mentioned to the Senate do not remain the same. They are weighted in favor of those in the lower brackets.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HAWKES. The Senator realizes, of course, that one of the greatest men this country ever produced uttered a very simple statement which is known throughout the world, namely, that the power to tax is the power to destroy. Those words were uttered by John Marshall, the first Chief Justice of the United States.

I should like to say to the Senator from Colorado that the history of the world and of all the nations that have gone to the junk-pile will disclose that wherever they have undertaken to destroy their industrial leaders and to kill the incentive that keeps industry and production moving under a system which has built up a high standard of living such as we have in this country, the result has been to work great injury on the people. When on those in the upper brackets such a load of taxation is imposed as to kill all incentive to do work and produce, factors which have made America great, and when at the same time there exists expensive, extravagant, and wasteful Government, those in the upper brackets cease their activities and the load of taxation must fall on the taxpayers in the middle and the lower brackets.

If the Senator will bear with me one moment longer, let me say that then, when the load of government expense falls on those in the middle brackets it ultimately destroys them. That is the history of unjust taxation. When those in the middle brackets are destroyed, the load of taxation is still there; but the ingenuity of man has ceased to work because incentive has been crushed; and when the entire load of taxation falls upon those in the lower brackets, with nothing else but the lower brackets to maintain it, humanity becomes restless, and when it becomes restless, the road is open to the strong iron hands of dictators such as those we have recently spent more than $250,000,000,000 to try to destroy.

Mr. MILLIKIN. Mr. President, I appreciate the Senator's contribution.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. In a moment. Great Britain today is a perfect example of what happens to a country which starts

out on the free-enterprise system and which embarked upon a deliberate course of bankrupting the people in the middle income tax brackets and the higher income tax brackets. Great Britain has done the very thing which was proposed here by opponents of the bill. For political purposes it has granted heavy exemptions to the lower brackets. It has destroyed and confiscated the property of the middle and upper brackets. Great Britain's investing class has been destroyed and British industry decays for lack of capital. That is the precise course which we are asked to adopt here.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. Does the Senator agree with the statement just made by the Senator from New Jersey [Mr. HAWKES]?

Mr. MILLIKIN. Which particular part?

Mr. O'MAHONEY. The total statement. The Senator from Colorado thanked the Senator from New Jersey for his contribution. I am desirous of knowing whether the Senator from Colorado bases his argument upon the expression of opinion which has just been made by the Senator from New Jersey.

Mr. MILLIKIN. I deeply appreciate the contribution of the distinguished Senator from New Jersey. I am not going to have a debate on his contribution or the contribution of the distinguished Senator from Wyoming, or any other contribution except that of the President of the United States in his veto message.

Mr. O'MAHONEY. Does the Senator then decline to say whether or not he agrees with the opinion and the philosophy expressed by the Senator from New Jersey?

Mr. MILLIKIN. I stated that I appreciated the contribution; and I appreciate the contribution of the distinguished senior Senator from Wyoming. What further contribution will the distinguished senior Senator from Wyoming give us?

Mr. O'MAHONEY. In response to the inquiry, I invite the attention of the distinguished Senator from New Jersey to the fact that he is placed in the same category by the distinguished chairman of the Finance Committee as is the Senator from Wyoming. His opinions are disregarded to the same extent as those which I have just attempted to express.

May I ask another question?

Mr. MILLIKIN. The Senator will allow me to thank him for the fine contribution he has just made, will he not?

Mr. O'MAHONEY. I am delighted.

A moment ago, in response to a question propounded by the Senator from Idaho [Mr. TAYLOR], the Senator from Colorado adverted to the fact that in 1939 or thereabouts there were, I think he said, approximately 7,000,000 taxpayers.

Mr. MILLIKIN. In 1939 there were 7,633,000 income-tax returns.

Mr. O'MAHONEY. The Senator also pointed out that the entire receipts of the Government in 1939 were approximately $5,000,000,000.

Mr. MILLIKIN. By way of internal revenue receipts. There was also a deficit receipt, as I recall it, of approximately $5,000,000,000——

Mr. O'MAHONEY. But by way of internal revenue and profits taxes——

Mr. MILLIKIN. By way of borrowed money.

Mr. O'MAHONEY. What were the returns to the Federal Government in the way of income and profits taxes in 1939?

Mr. MILLIKIN. In 1939 the total internal-revenue receipts were $5,181,000,000. The total number of income-tax returns was 7,633,000.

Mr. O'MAHONEY. Will the Senator state to the Senate what the interest upon the national debt was last year?

Mr. MILLIKIN. I should say it was in the neighborhood of $5,000,000,000.

Mr. O'MAHONEY. So the interest upon the national debt last year was practically equal to the total receipts of the Federal Government by way of internal revenue in 1939.

Mr. MILLIKIN. That raises one of the parts of the entire problem—where are we going to get the money to pay the cost of government?

Mr. O'MAHONEY. Precisely.

Mr. MILLIKIN. The Senator has now emphasized another $5,000,000,000 which must be met with revenue which must be obtained from the taxpayers.

Mr. O'MAHONEY. Exactly; the $5,000,000,000 which must be paid in interest upon the national debt must come out of the pockets of the taxpayers of the United States.

Mr. MILLIKIN. Unless we begin to make more loans and pay interest with the proceeds.

Mr. O'MAHONEY. That is true. I point out to the Senator from Colorado that the Appropriations Committee of this body is now in session in half a dozen different compartments, endeavoring to reach a decision with respect to the appropriations which are to be made by this session of Congress; and that to date there is not the slightest possibility that the decision of the Appropriations Committee will bring about a reduction in the cost of government comparable in any respect to the prediction which was made by the Republican leadership in January of this year. Does the Senator agree?

Mr. MILLIKIN. I suggest to the distinguished Senator that he put that line of argument on ice and forget it, because there has not been one bit of cooperation from the President of the United States or from this administration in our effort to reduce expenditures. I do not see how anyone who has not participated in the effort to reduce expenditures has a right to sneer at what he calls the failure of that effort.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. I shall use the language which is customary in this body. Reserving the right to object to the conclusion which the Senator has just stated, I point out to him the fact that the Congress is the holder of the purse-strings.

Mr. MILLIKIN. That is known to everyone but the President of the United States. He does not agree with you.

Mr. O'MAHONEY. I beg the Senator's pardon. The Senator is entirely mistaken. I point out to the Senator from Colorado that in January, 6 months ago, the Senator from Colorado voted for a resolution passed by this body, promising the people of the United States a reduction of $4,500,000,000 below the President's budget. I point out to the Senator from Colorado that on the 9th of July, when he, on behalf of his committee, filed a report upon the tax bill, he predicted that the reduction below the President's budget would not exceed $2,662,000,000.

I say, Mr. President, if the Senator will permit me, that with the Republican majority in both the Senate and the House utterly failing to establish a legislative budget, as provided by law, they have utterly sacrificed every right and opportunity to criticise the budget of the President. They cannot condemn the President of the United States. They cannot criticize his budget, when the leaders of the majority have failed to bring in a legislative budget.

Mr. MILLIKIN. I shall place in the RECORD exactly what I said on the occasion referred to by the distinguished Senator:

> The reduction in expenditures, as distinguished from appropriations, will be substantially larger.

That is, larger than $2,662,000,000.

> In the President's budget it was indicated that 1948 appropriations would be about 86 percent of expenditures in that fiscal year. This percentage relationship means that a reduction of $2,700,000,000—

That is what the Senator referred to—

> in appropriations is the equivalent of a cut of $3,100,000,000 in expenditures.

For this purpose I accept the formula of the President.

> Recognizing that there may be certain increases in appropriations and also reductions, by way of rescissions, cutbacks, eliminations, or transfers of expenditure items from one year to another, it seems reasonable to estimate expenditure reduction of not less than $3,000,000,000, reducing total expenditures from the budget estimate of $37,500,000,000 to approximately $34,500,000,000.

The Senator's point is that because he is dissatisfied with reductions which have been made, we should abdicate in favor of those who do not want to make any reductions.

Mr. O'MAHONEY. I point out to the Senator that the language which he has just quoted—his own language—promises the taxpayers of the United States a total reduction in expenditures, to use his own words, of 3.1 billion.

Mr. MILLIKIN. That is correct.

Mr. O'MAHONEY. That, of course, is $1,400,000,000 below the cut of the President's budget which the Senator from Colorado himself proposed. I wish to add, however, that included in this $3,100,000,000 there are, for example, $800,000,000 of tax refunds which Senator's majority has conveniently proposed, pretending that that is a reduction below the President's budget. It is

merely the postponement of an obligation which is more than a contractual obligation. It is an obligation placed upon the Government of the United States under the law.

Let me say also that the Senator has not included in any of his estimates the contractual authorities which are included in so many appropriation bills.

Mr. MILLIKIN. The distinguished Senator, being a member of the Appropriations Committee, knows very well indeed that the reason there is a distinction between the amount of expenditure reduction and the amount of appropriations is the control of the tempo of expenditures. That is exactly why the President uses the formula in his own budget. As the Senator knows, there is nothing at all unusual in casting an expenditure budget to make allowance for the tempo of expenditures. It is in every budget. It is in the President's budget. It always has been and it always will be, because some expenditures are continuing in nature. They run over a period of 2 or 3 or 4 years.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. The Senator is talking about the cost of Government and the terrible burden which it puts upon the people. Nobody can deny that, least of all I. But does the Senator not agree that when the legislative budget was under consideration in the Congress in January of last year he was one of those who said that it would be impossible to make the $6,000,000,000 reduction which the House resolution pledged, because it would cut the appropriations for national defense?

Mr. MILLIKIN. The junior Senator from Colorado did not say it would be impossible. The junior Senator from Colorado took his own view of national defense problems, reclamation problems, and other problems, and thought that $4,500,000,000 was a more attainable goal than was $6,000,000,000.

Mr. O'MAHONEY. Does the Senator not acknowledge, then, that neither the goal which he thought 6 months ago was attainable, namely, $4,500,000,000, nor the goal which the Republican majority in the House promised, of $6,000,000,000, has been attained or is in any likelihood of being attained by this Congress?

Mr. MILLIKIN. I do not acknowledge it, I do not say there is an absence of likelihood that it will be attained, and I do not regard it as relevant to this discussion. So far as I am concerned, the Senator's diversions are always interesting, but I should like to be allowed to keep to my knitting.

Mr. O'MAHONEY. If the Senator will permit me to make this one remark, that the Senator from Colorado himself, in submitting his report to the Senate on July 9, said that the reduction below the President's estimate would be $2,662,000,000. Therefore I say the record amply proves that in the opinion of the Senator from Colorado it is utterly impossible to make a reduction of either $6,000,000,000 as predicted 6 months ago by the House, or of $4,500,000,000 as predicted 6 months ago by the Senator from Colorado.

Mr. KNOWLAND. Mr President, will the Senator yield?

Mr. MILLIKIN. Wait a minute, until I put into the RECORD the facts.

Let me put in the RECORD how the figure of $2,700,000,000 is arrived at:

Three appropriation bills have been signed by the President—

That was as of July 9—

and involve reductions in appropriations for the fiscal year 1948 of $1,136,000,000. Six bills are pending in the Senate or in conference involving reductions in appropriations by the House for the fiscal year 1948 of $1,526,000,000.

Mr. O'MAHONEY. Mr. President, if I may interrupt——

Mr. MILLIKIN. Wait a moment, please.

The PRESIDENT pro tempore. The Senator from Colorado declines to yield.

Mr. MILLIKIN. The appropriations reductions on this basis—and there was no other basis possible at that time—would be $2,662,000,000. This would translate under the formula already discussed into an expenditure reduction of about $3,100,000,000.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from California, and then I shall yield to the Senator from Wyoming.

Mr. KNOWLAND. I wish to ask my able colleague from Colorado, since the question of accuracy of fiscal figures has been mentioned, if the estimates made by the majority on this side of the aisle are not as great as or greater than the estimates of the President of the United States as to what the balance would be in the Federal Treasury at the end of the last fiscal year?

Mr. MILLIKIN. I thank the Senator for his question. Let me illustrate how the President of the United States arrived at his budgetary figures. In the Senate Committee on Finance we were trying to find out how the administration arrived at its estimate of $168,000,000,000 of individual income payments for the fiscal year 1948. We were trying to get the Treasury to revise its estimates in accord with the facts which were then before us. The Treasury would not revise them. This is the way they got at $168,000,000,000 of individual income payments for the fiscal year 1948. This is Treasury testimony:

The income level in June, 1948, was assumed to reach an annual rate of $169,000,000,000—

Note this, please—

rising gradually through the fiscal year.

If there is any Senator who knows how to start with national individual income payments of $168,000,000,000 at the beginning of the fiscal year 1948 and raise them gradually to $169,000,000,000 at the end of the fiscal year 1948, that information should be at once communicated to Professor Einstein, who doubtless would hang his head in shame at never having realized there was such a system of mathematics.

The President says:

It should be designed also—

He is referring to a revision of our tax structure—

to assure a balanced budget, adequate debt retirement—

And mark this, please—

and an adequate reserve for meeting our international commitments and carrying out our foreign policy.

Let us take a look at what the President considers an adequate reserve for those purposes. The reserve in the President's budget for fiscal 1948, for contingencies, is $25,000,000.

Mr. President, there is one angle of this question which should not go unnoted. The President of the United States has vetoed two revenue bills and threatened in advance to veto this one. The right of the Congress to control the revenue bills of this Nation is the heart-power of our system of government.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. PEPPER. Able constitutional lawyer that the distinguished Senator from Colorado is, I am sure he does not suggest that the fact that the veto of the President, which is also made in the exercise of constitutional prerogatives, requires an affirmative vote of two-thirds of the Congress instead of a simple majority vote, for this bill to become law in no way takes away from the Congress its prerogative guaranteed by the Constitution to be the body to initiate taxes?

Mr. MILLIKIN. Mr. President, there is no constitutional provision which would forbid a President of the United States to make a very foolish and arbitrary exercise of his power.

To answer the Senator specifically, of course, the President has the right to veto a revenue bill. It is a question of policy. There have been Presidents of the United States who have had a decent respect for the right of Congress to control the revenues of this country.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. PEPPER. I am sure the Senator from Colorado did not intend by the use of the word "decent" to suggest that it was indecent for the President of the United States in what he regards as the sound public interest to exercise his constitutional authority.

Mr. MILLIKIN. Oh, the Senator should know I am dealing in understatement. When I use the word "decent" it is the mildest word that I can possibly pick out of the 400,000 words in the dictionary. [Laughter.]

Mr. PEPPER. Mr. President, will the Senator allow me to thank God for blessing the countrymen of this Nation that we are so fortunate as to have a President who will stand up against the kind of wrong that is being perpetrated by the majority of the present Congress on the people of the Nation.

Mr. MILLIKIN. Mr. President, it would be better if the distinguished Sen-

ator would address his prayers to God in private.

Mr. PEPPER. I mentioned God in connection with the country because I knew He was not associated with this tax bill.

Mr. MILLIKIN. Mr. President, I started to say that there have been Presidents who have respected the heart power of Congress to control the revenues. The present occupant of the White House has not only shown contempt and disrespect for that heart power, but in his eagerness he daggered it in advance. There have been many Presidents who have felt that the veto should be confined to clearly unconstitutional measures, to measures that encroach upon the executive department or the judicial department or to measures which were clearly mistaken. That is not the case here, because the President's own fiscal policies, under facts which I have brought to the attention of the Senate, rest on demonstrable vagaries and fatuities.

Mr. President, the House of Representatives restored its own prerogatives, or at least its own regard for them, by overriding this veto by a vote of 299 to 108.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Just a moment, please.

Mr. President, there has been one other occasion when a President of the United States vetoed a revenue bill. The Congress in hot and righteous anger flung that veto back into the teeth of that President. Combined with that veto was personal reflection on the character of the Members of Congress. The defense of the Senators against that personal reflection will go down in history as one of the finest things that was ever done in Congress.

But, my colleagues, it will be a sad day when we have the spirit to stand up and repel personal insult, but do not have the spirit to repel insult to and contempt of the Constitution of the United States.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I gladly yield.

Mr. O'MAHONEY. The Senator has based his present argument upon the Constitution of the United States. I have in my hand the Manual of the Senate, which contains the Constitution. I cite section 8 of article I, because of the argument the Senator has made, and which has appeared among those who are advocating this tax reduction, that for some reason, which is beyond my capacity to understand, within the Constitution, it is contended——

Mr. MILLIKIN. Mr. President, do I understand that the Senator is going to vote to sustain the President's veto?

Mr. O'MAHONEY. Oh, yes; I shall vote to sustain it.

Mr. MILLIKIN. I thank the Senator.

Mr. O'MAHONEY. It is impossible for me, I say, to understand the constitutional argument that the President of the United States does not have the right to veto a tax bill.

Mr. MILLIKIN. I did not say he does not have the right. I said a President has a right to make a fool of himself if he wishes. I admitted that he has the constitutional right to veto a revenue bill.

Mr. O'MAHONEY. Mr. President, the people of the country may have a different opinion from that of the Senator with respect to who is making a fool of himself.

I am calling to the attention of the Senator the fact that section 8 of article I, which is the section which gives Congress this power, provides that—

> The Congress shall have power to lay and collect taxes, duties, imposts and excises—

And so forth. Duties and imposts include tariffs—

> To borrow money * * * to regulate commerce * * * to establish a uniform rule of naturalization—

And all the other provisions, including the establishment of post offices and post roads.

I find nothing in that section which makes a different class of revenue bills. The President is given authority to veto a bill which establishes a post road. He is given authority to veto a bill which undertakes to regulate commerce. He is given the power to veto any bill which the Congress may pass.

Why, then, do the Senator and those who are joining with him in this effort to shift the burden of the cost of this Government from the 681,000 persons in the upper income brackets to the millions in the lower brackets, contend that there is any constitutional prohibition against a veto of a tax bill?

Mr. MILLIKIN. Mr. President, I did not contend that the President does not have the right to veto this bill. I attack the policy of it.

Mr. O'MAHONEY. Then the Senator simply does not like the veto?

Mr. MILLIKIN. Just a minute, please. I attack the policy of it because the history of this Nation and the history of nations which preceded it shows that if a government of the people is to be maintained, the people must retain control over the purse strings.

That was the strongest of all considerations in the minds of the men who made the Constitution; and the constitutional provisions relative to the power of Congress, which the Senator has read, reflect that, because it is the first power among those granted to Congress.

Mr. O'MAHONEY. Mr. President, if the Senator will permit me to say so, I say that the bill which he brings in and which he asks the Congress to pass over the President's veto is not a people's tax bill.

Mr. MILLIKIN. I simply repeat that the Senator's notion of a people's tax bill is action which does not give them any relief at all.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HAWKES. I should like to ask two or three simple questions:

Is it a fact that Great Britain has reduced the taxes of its citizens?

Mr. MILLIKIN. It reduced taxes in the lower income brackets. It increased excise taxes.

Mr. HAWKES. But it decreased the taxes of its citizens; did it not?

Mr. MILLIKIN. Yes.

Mr. HAWKES. Is it a fact that Canada has decreased taxes since the war?

Mr. MILLIKIN. Canada has decreased taxes within the last month or two; in fact, Canada decreased taxes while we were holding hearings on House bill 1. Canada decreased them by roughly the same percentages of reduction that our own bill provides, and for almost the same reasons.

Mr. HAWKES. I wished to ask the Senator that very question, and now he has answered it.

Does the Senator remember that Great Britain came to us—we shall not discuss whether properly or not—and borrowed a very substantial amount of money?

Mr. MILLIKIN. I remember that.

Mr. HAWKES. I hope Great Britain will remember it, and I hope she will be successful enough to repay it.

Mr. MILLIKIN. I join in that hope.

Mr. HAWKES. Does the Senator hear any rumblings that Great Britain is apt to return and ask us for more money, to go with all that we have already given her?

Mr. MILLIKIN. Oh, there are many rumblings of that kind. One can hardly distinguish them from the summer thunder.

Mr. HAWKES. Very well.

Now I wish to ask one more question which seems to me to be very pertinent: Regardless of all the discussion on the other side, who would like to destroy the man who has helped to make this country great? I do not find in the ranks of labor any resentment toward the man who has been a successful industrial leader, if he has had a decent heart, a decent mind, and a decent purpose. I do not find this demagoguery among the laboring people of the United States, and I think I know them pretty well.

I wish to ask the Senator, Does he think the people of the United States will take it well and digest it well to have their Government say to them that it will not reduce their taxes, when taxes are being reduced by the very countries to whom we are rendering assistance, and to whom we will have to render further assistance?

Mr. MILLIKIN. I do not know what the answer may be of those who do not pay taxes, but I am quite confident that the 49,500,000 who pay income taxes would like the reductions provided in the bill.

Mr. HAWKES. The Senator's answer is perfectly satisfactory to me, and I thank him for yielding.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. BARKLEY. Mr. President, I dislike to burden the Senate with any remarks with reference to the veto message and the bill which it involves, but some observations and allegations and

insinuations have been indulged in by my good friend and colleague on the committee, the Senator from Colorado [Mr. MILLIKIN], which I cannot in good conscience permit to go unnoticed.

I think that in determining our attitude on the veto we cannot overlook the fiscal situation which confronts the Government in relation to its postwar obligations. Those obligations may be unfortunate. They are not obligations which we would have wished to assume if we could have had our way about it here and throughout the world. But they are obligations which we cannot escape, in our own interest as a nation, domestically and economically, and in the interest of our own Nation as the acknowledged leader among the nations of the world whether we desired that leadership or whether it was forced upon us by a sequence of events over which we had no control.

When I was a young boy I used to hear the course of the United States described as directed by manifest destiny. Following the Spanish-American War, when we came into possession of Cuba, Puerto Rico, and the Philippines, and were described for the first time in our history as a world power by those who were then in control of our Government and are now in control of our branch of it, "world power" and "manifest destiny" were almost interchangeable terms, a half century ago, as a result of the Spanish-American War.

In order that we might impress upon mankind our willingness and our ability to accept manifest destiny as controlling our actions, the President of the United States, Theodore Roosevelt, sent the American Navy around the world, in order to impress the rest of the world with the fact that we were now a world power and were guided by manifest destiny.

Mr. President, during the last 50 years our Nation has expanded beyond the imagination of all those who then were alive, in this or any other country. Our power has increased, our wealth has increased, our prestige has increased. Twice within that half century we have been unwillingly drawn into a great world conflict, and in those struggles we expended a total of nearly $400,000,000,000 and sacrificed untold blood and precious lives, in order that some semblance of democracy, of liberty, of self-government and self-determination might be brought to the nations of the world.

We have emerged, we hope, from World War No. II. The adjustments which all men hoped for and prayed for during that war and upon its conclusion have not been facilitated as rapidly as mankind had a right to expect. We are two years beyond the termination of hostilities; our armies have been brought back and demobilized; yet there is no peace in the world.

We came out of the war with a public debt of $278,000,000,000, which has been reduced to about $258,000,000,000, which means that we have reduced it by about $20,000,000,000 since the termination of hostilities. We do not yet see the end; even in our own country we do not see it; even in our own Congress we do not see it.

The Senator from Colorado castigated the President of the United States and all the executive departments on the ground that they had not cooperated with the Congress of the United States in trying to reduce expenditures and save the money of the American people. I wish to call the attention of the Congress and of the country to the fact that the agencies of the Government, and the heads of the departments, all under the control of the President of the United States, in submitting their estimates to the budget, reduced them $20,000,000,000 below the expenditures of the last fiscal year. When those estimates had been submitted to the budget, having gone through a sifting and screening process, and when they had reached the President himself, they amounted to approximately $42,000,000,000 for the fiscal year 1948. The President of the United States, Harry S. Truman, himself, reduced those estimates by another $5,000,000,000 before they were sent to the Congress. So it is both untrue and unfair to say that the executive departments have not cooperated in the effort to reduce expenditures and to save the American taxpayers billions of dollars.

Mr. President, we are all familiar with what happened at the beginning of this session of Congress. We had enacted the Reorganization Act last year, for which most of us voted, and all of us, I think, voted for the provision that, following the Presidential budget, Congress should establish a budget of its own, setting out the estimated revenues of the Government and the estimated expenditures of the Government.

When the President submitted his message providing for a thirty-seven and a half billion dollar budget, which involved a $25,000,000,000 reduction from last year's expenditures, the House of Representatives was not satisfied with that, and they proposed to reduce it by $6,000,000,000 more. The matter came to the Senate, and after much debate we agreed on a four and a half billion dollar reduction. House and Senate Members of the joint committee were called together once, and after a very brief session, in which it was obvious that there was no medium point of agreement between the four and a half billion and the $6,000,000,000, even among the majority members of the joint committee of the House and Senate, which controls deliberations, the conference broke up in chaos and disorder, and it has not been reassembled since. We were in good faith. I supported the Senator from Colorado [Mr. MILLIKIN] in his effort to reduce the expenditures $4,500,000,000. I supported the Senator from California [Mr. KNOWLAND] in his effort to earmark $2,600,000,000 of whatever we might save, for debt reduction. So that the Senator from Colorado cannot say that he has not had cooperation on his side of the aisle, as well as among the executive departments, to bring about a bona fide reduction in the expenditures of our Government.

We are now beyond the middle of July. We have witnessed for the first time since I have been a Member of the Congress the arrival of the new fiscal year, July 1, without a single appropriation bill on the statute books, so as to determine what our expenditures in any one department would be during the ensuing 12 months.

I have tried to have analyzed the appropriations to this time. The best analysis I have been able to make is subject to certain variations, because of one or two bills that have gone through the Senate, and perhaps one or two other bills, since this analysis was made. But, to this time, with variations of a few dollars that may be required, the total gross reduction from the $37,500,000,000 estimated by the President amounts to about $2,300,000,000.

Let us see how that corresponds to the real facts. Included in the $2,300,000,000 is $800,000,000 for tax refunds, which we cannot avoid. It is not a bona fide reduction in the expenditures of our Government, and it is unfair to tell the American taxpayer, who has paid into the Treasury more than he should have paid, which he is entitled to have refunded, "You must wait until next year," in order that we may make a showing of reduction in our expenditures, at the expense of the American taxpayer. If we want to be honest about it, $800,000,000 must be deducted from the $2,300,000,000 saved up to this time, in the appropriations that have already been enacted.

There has been saved approximately $200,000,000 in the appropriation for the Navy Department. At the time of this analysis, appropriations for agriculture had been reduced by about $300,000,000. Mr. President, let us see where this leads us. When we take $800,000,000, in tax refunds which must be made, from $2,300,000,000, there is left $1,500,000,000 that we have saved up to this time, in appropriations below the President's budget, and that we have come far enough to enable us to see. Four hundred million dollars for aid to Greece and Turkey came in, following the submission of the President's budget. When the President submitted his budget in January there was no foresight that could have predicted we would be called upon to supply $400,000,000 to Greece and Turkey, in order that they might be able to maintain their independence, that they might fight off the invasion and the infiltration of an alien ideology which we ourselves are called upon to fight even in our own country and on our own doorstep. When we take the $400,000,000 from the $1,500,000,000, we have remaining only $1,100,000,000 of saving below the President's budget, to this time.

In addition to that, there is another item, not included in the President's budget, $150,000,000, an increased appropriation for the stock piling of strategic and critical materials. We deduct that from the $1,100,000,000. We have another appropriation that was not included in the President's budget, of $63,500,000, to combat the foot-and-mouth disease, which has developed only in recent months, since the President submitted his budget. We have an increased

appropriation for veterans of $35,500,000, and we have an appropriation for the execution of the program to check on the loyalty of Federal employees, which was not included in the President's budget, of $25,000,000; so that we have a total of unexpected appropriations, unbudgeted, unaccounted for when the President submitted his budget of $674,000,000, which we must deduct from the $1,500,000,000, which reduces our net saving, to this time, to somewhere between $800,000 and $900,000, instead of $4,500,000,000, and instead of the $6,000,000,000 provided for in the House budgetary resolution.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Illinois.

Mr. LUCAS. I call the attention of the Senate to the further fact that the Commodity Credit Corporation's notes to the Treasury Department, which the President's budget contemplated would be canceled in the fiscal year 1948, were directed by the Appropriations Committee to be canceled in fiscal 1947. By this maneuver it was hoped to make expenditures in 1948 look smaller by some $830,000,000. In other words, the point I make is that the Republican majority in Congress used the years conveniently.

Mr. BARKLEY. I appreciate the suggestion of the Senator, and I find it difficult to express my opinion of that financial juggling. I wonder what the American taxpayer, who has already paid not only what he owed the Government, but more, and who is entitled to $800,000,000 in refunds, will think of this unconscionable effort on the part of Congress to add up a political surplus at the expense of men and women who have overpaid their taxes into the Treasury of the United States.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield further.

Mr. LUCAS. I wonder what the Committee to Investigate the National Defense Program would do to a contractor who juggled his figures in order to keep from paying a tax of some kind, or in order to fool a committee of that kind, in the same manner the Republican majority are juggling their figures in connection with the budget, in order to fool the American people.

Mr. BARKLEY. Of course, it would be a matter of speculation as to what the Committee to Investigate the National Defense Program would do under such circumstances as that, but I have no doubt they would castigate and pillory any corporation or any individual who had juggled his figures in order to bring about the same kind of phony result we are bringing about here by charging $800,000,000 to a surplus, when as a matter of fact it is an expenditure.

Mr. O'MAHONEY. Mr. President——

Mr. BARKLEY. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator has deducted from the alleged savings of $1,500,000,000 below the President's budget, contained in the first three appropriation bills, the additional unbudgeted appropriations which are being made. If in addition thereto he considers the $800,000,000, which is merely a postponement of an obligation, it leaves a saving of only some $300,000,000. But I want to point out to the Senator that a survey of all the expenditures which have thus far been provided for makes it clear that if there is a total reduction of $1,000,000,000 below the President's budget it will be a very great stroke of fortune for those on the other side of the aisle who have been contending that the President's budget could be reduced anywhere from three and a half billion dollars to $6,000,000,000. The fact of the matter is that the tax bill was based upon guessing as to what the reduction would be, and we are faced with the choice this afternoon as to whether or not we shall cut the revenue of the Government of the United States by $4,000,000,000 at a time when no one on this floor can tell the American people what the expenditures for the present year will be, except that they can tell them that they will not be below the President's budget.

Mr. BARKLEY. Mr. President, I appreciate that contribution by the Senator from Wyoming, which is a real contribution.

I want to call attention to another thing. The figures show that, based upon the present status of appropriation bills there is no assurance that there can be a reduction of as much as $1,000,000,000 in the appropriations for the fiscal year 1948. When we stop to consider that since the President sent his budget message to Congress in January the present session of Congress has appropriated $4,000,000,000 for deficiencies, and if we may even take half of that sum as a possibility for deficiency bills at the convening of the next session of Congress dealing with expenditures authorized by the present Congress but not made we will find that there will be a deficit of $1,000,000,000 at the end of the fiscal year rather than the $800,000,000 or $900,000,000 surplus to which I referred a moment ago.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LUCAS. I want to point out the absurdity of the argument made by the opposition that the President and the agencies under him in the executive branch of the Government have refused to cooperate with them in their attempt to reduce the budget. The majority have the vote, the majority have the power, and whether or not there is any rhyme or reason to any kind of an appropriation, if they want to reduce the appropriation 25 percent or 50 percent or 75 percent they have the vote and they have the power to do it, notwithstanding the fact that they say no cooperation has been given to them by the executive branch of the Government—which I deny.

Mr. BARKLEY. I appreciate the Senator's remarks. Of course, the majority have their responsibility.

I wish to call attention to another thing, Mr. President, which I do not think we can lose sight of. The budget of the American Government has not been in balance for 17 years. I am not going to discuss the politics of that situation. So far as I am concerned, there is no politics in it. Our budget became unbalanced in the middle of the Hoover administration, and it remained unbalanced all during the Roosevelt administration. Men may get some political consolation out of charging this, or that, or the other to some political party, but I am not concerned about that. For 17 years the budget of the American Government was unbalanced. There was a good deal of complaint about it. There was a good deal of criticism because we could not balance the budget, but we did not. Now, for the first time in 17 years, at the end of a fiscal year, we find a surplus in our Treasury of receipts beyond expenditures amounting to $754,000,000. How much is that $754,000,000? It is only about one-fifth of the amount involved in the proposed tax reduction. It is proposed now, upon the heels of a surplus of $754,000,000, to reduce the income of the Government by $4,000,000,000—five times as much as the surplus which we have in the Treasury as of July 1.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BALDWIN. Could the Senator say for the RECORD now what the estimated receipts of the Government will be so that we may have in this part of the RECORD a statement of what the difference is between the President's budget and the estimated receipts?

Mr. BARKLEY. The estimated receipts, based upon the report on the tax bill filed by the chairman of the Committee on Ways and Means the other day was approximately $40,400,000,000 or $40,500,000,000.

Mr. BALDWIN. I have seen figures as high as $41,500,000,000.

Mr. BARKLEY. There is a difference in the estimates between the calculations of the Treasury Department and its experts and the experts of the staff of the joint committee. But the figures used by Representative KNUTSON in the filing of his report were $40,500,000,000.

Mr. BALDWIN. A spread of about $4,000,000,000?

Mr. BARKLEY. Approximately $4,000,000,000 between the budget and the estimated income for next year.

Mr. President, in all sincerity, I ask intelligent men—men of experience and of business—is it wise, upon the attainment of our first balanced budget in 17 years, to reduce our income five times as much as the surplus which we have recorded for the first time in 17 years?

Mr. BALDWIN. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. BALDWIN. Would we not be entitled to consider that the excess of the revenues over the expenditures as recommended in the President's budget, would warrant some tax decrease?

Mr. BARKLEY. Personally, I do not agree to that. Deficiency bills will come to Congress next January—and all Senators might as well be ready for them, for they will be here, because they always come in—and if we do not escape a

deficit, even without a tax reduction, in view of prospective deficiency bills which Congress will undoubtedly enact, in my judgment, we will not have sufficient money to pay a respectable sum on the public debt and reduce taxes by any sum whatever.

Mr. BALDWIN. Will the Senator yield for one further question?

Mr. BARKLEY. Yes.

Mr. BALDWIN. When the Senator speaks of prospective deficiency bills, does he refer to the excess of expenditures by the Government departments over the congressional allowances? In other words, the amount by which the Federal agencies and administrative agencies exceed the allowances the Congress gives them?

Mr. BARKLEY. No. Of course, no department is authorized by law—on the contrary, it is prohibited—from expending more money than Congress appropriates for it. But authorizations are made in all sessions of Congress—and there have been in this Congress—and we meet at the beginning of every session with divers and sundry deficiency bills introduced to make up for the expenditure of money authorized by Congress but not appropriated in the previous session. I am talking about the deficiency bills which will undoubtedly appear here in order to carry out authorizations which Congress is making from day to day and from bill to bill. So, Mr. President, based upon the probable expenditures as the result of appropriations in this Congress, based upon the most conservative estimate of income for the next fiscal year, when the bills are all added up—regular bills and deficiency bills—we will not be able to save sufficient money out of the revenues to justify a tax-reduction bill, and we may be fortunate if we come out at the end of the fiscal year without an actual deficit in the Treasury of the United States.

Now, Mr. President, there is another thing to which I wish to call attention. Last year we repealed the excess-profits tax, because it was a war tax, and it was felt at the time that it would be an incentive to business if we could repeal the excess-profits tax, in order that that amount of money might be utilized by business for purposes of investment to increase production and maintain a prosperous economy in the United States. When that bill was under consideration we made a reduction in income taxes of 5 percent all the way across the board. I myself offered that amendment in the Committee on Finance, and it was adopted.

In the Committee on Finance there was a very strong feeling in behalf of reducing or repealing many of the nuisance taxes which had been levied against the American people as a result of the war—taxes of as much as 20 to 25 percent. Every time one bought a ticket to go anywhere on a train, bus, or airplane, he had to pay a tax. Every time one went to a motion picture theater for entertainment he had to pay a tax. Every time a woman bought a coat with a little fur on it, she had to pay a tax on it. Every time one bought an electric light bulb in order to bring light into his home, he had to pay a tax of from 20 to 25 percent on it. Every telephone bill, whether for long-distance or local service, included a tax. Every telegram called for the payment of a tax. There was a strong feeling in the Committee on Finance last year that the next time we reduced taxes we ought to repeal a substantial number of the annoying nuisance taxes, which in many cases are more burdensome than the amount of income tax involved in this tax reduction bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. In the Finance Committee last year was not the Senator the author of the amendment to reduce the income tax of every citizen—low-income and high-income alike—by 5 percent? Was not that the Barkley amendment? Was not that the same principle as is proposed in this bill? That amendment represented a flat 5-percent decrease.

Mr. BARKLEY. If the Senator had been listening to me he would have heard me say that within 2 minutes after I offered the amendment it was agreed to.

Mr. TAFT. Exactly.

Mr. BARKLEY. At the same time, we all discussed the advisability, the desirability, and the justice of getting rid of some of the annoying, burdensome nuisance taxes. In that committee the Senator from Ohio agreed that the next time we considered a tax-reduction bill we ought to get rid of some of the nuisance taxes.

Mr. TAFT. The Senator voted in January to continue all those nuisance taxes, did he not?

Mr. BARKLEY. I voted to continue them because I felt that the postwar requirements demanded that we keep them on the statute books; and that is what I am going to do today. There is no inconsistency in my policy.

Mr. TAFT. If a 5-percent reduction across the board was just last year, why is not this bill much more equitable in allowing a 30-percent reduction to more than half of all the taxpayers, 20 percent to the next group, and 10 percent to the next?

Mr. BARKLEY. Because as the tax bill came over from the House of Representatives it contained only the repeal of the excess-profits tax, and I felt that individual taxpayers ought to have some recognition, even though it be limited to 5 percent. I so stated when I offered the amendment, and it was agreed to.

Mr. TAFT. The Senator hardly answers the question which I asked. If that proposal was just, if it was just to reduce income taxes by 5 percent across the board, why is not the pending proposal still more just?

Mr. BARKLEY. Because the situation is entirely different. It involves an entirely different schedule, and accomplishes a different result.

Mr. HOLLAND and Mr. BALDWIN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Florida.

Mr. HOLLAND. Mr. President, I ask the distinguished Senator from Kentucky if he does not recall that in the tax-reduction bill which he has mentioned, a democratically sponsored measure in the last Congress, several million taxpayers at the lowest level were taken off the roll and given complete relief through the repeal of the so-called Victory tax.

Mr. BARKLEY. Yes. We took 12,000,000 taxpayers off the rolls, in the same measure that repealed outright the excess-profits tax and reduced everyone's tax by 5 percent. We took 12,000,000 taxpayers off the tax rolls altogether.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Kentucky if it is not true that at the time the administration proposed the repeal of the excess-profits tax the public debt was approximately $11,000,000,000 greater than it is today, and whether or not at that time we were facing an anticipated deficiency of approximately $20,000,000,000?

Mr. BARKLEY. I do not know the exact figures. The debt was larger than it is now, but I ask the Senator from California if he raised his voice at that time against repeal of the excess-profits taxes and other taxes because of the circumstances which he has just mentioned. Was the Senator a Member of the Senate at that time?

Mr. KNOWLAND. Yes.

Mr. BARKLEY. The Senator voted for that bill, did he not?

Mr. KNOWLAND. Yes.

Mr. BARKLEY. At that time he made no complaint of the nature of the complaint which he now makes.

Mr. President, I mention the excise taxes because if this bill becomes law, if it is passed over the veto of the President, reducing the Government income by more than $4,000,000,000, there is not a foreseeable time when any of the burdensome excise taxes, which represent sales taxes upon the necessaries of life to the American people, can either be repealed or substantially reduced. Therefore, from the standpoint of our domestic economy, from the standpoint of our own Treasury, and from the standpoint of the American people, we are not justified in reducing the revenues of our Government by $4,000,000,000.

The Senator from Colorado asked how the American people feel with respect to the proposed tax reduction. I have no way of knowing how every American feels about it. I have no Gallup poll by which I can test public sentiment. But there is something that I do know. There are 70,000,000 American citizens who hold the bonds of their Government, who under the stress of war bought out of their earnings the bonds of the Government of the United States. Seventy million American individuals now own $50,000,000,000 of war savings bonds which they bought in order to finance the defense of their own country. In addition, the banks hold $90,000,000,000 of war bonds, and insurance com-

panies hold many billions of dollars worth of war bonds.

Mr. President, we cannot tell what tomorrow may bring forth. In a very able and constructive speech delivered at Harvard University a few weeks ago Secretary Marshall laid out what has come to be known as the Marshall plan. He suggested that we could not continue to contribute piecemeal to the recovery of Europe. The Greek and Turkish situation was projected upon us almost overnight, and we had to deal with it separately. We had to deal with it piecemeal, in a sense, in order that we might help those struggling little republics, kingdoms, limited monarchies, or whatever we see fit to call them, to maintain their own independence, to drive back outside influences, to preserve their own integrity as governments against tremendous odds.

We all recognize—and the Secretary of State recognized it sooner than any of the rest of us—that we cannot continue to deal with Europe in a piecemeal way. There ought to be some coordination. Probably there ought to be greater effort on the part of the European nations to do for themselves. So Secretary Marshall suggested in his speech at Harvard that the nations of Europe get together and find out what they need, and how much they can do for themselves. Then we and they will be in a better position to know what they require and what we can do.

As a result, three foreign ministers met in Paris—the foreign ministers of Great Britain, France, and Russia. They consulted for a week or so, and according to schedule, Russia refused to cooperate. Mr. Molotov sabotaged that meeting of the three foreign ministers. He packed up his bags, went home, and announced that he would have nothing to do with it. Notwithstanding that, Mr. Bevin and Mr. Bidault issued an invitation to 22 nations to meet, including Russia and all of her satellite powers. Sixteen of those nations are now meeting in Paris. Six nations have declined the invitation—one of them under pressure, after she had accepted the invitation to meet in Paris to try to work out plans for all of Europe, not a part of it, drawing a line down the middle of Europe and saying, "All on the east of this line is barred and limited, and all on the west is considered." This invitation went to all the nations of Europe, and 16 of them are now meeting in Paris and making great progress. I hope they will have greater success than anyone anticipated. The door is still open for those who refuse to enter, and I hope and pray that those nations will also enter so that there may be united coordination in Europe to ascertain their condition, to ascertain and make an assessment of their needs, so that their people may have confidence in their own statesmanship in addition to that which they may draw to them from the rest of the world. But, Mr. President, we do not know what the outlook will be. Conditions are tense. Explosions are liable to take place at any time which might involve not only all of Europe but all the rest of mankind.

I ask the Senate to consider, without regard to politics, without regard to elections, without regard to who may be the candidates next year or any other year—I ask the Senate to consider the result if that situation should blow up in Europe, due to tensions, oppositions, and antagonisms, and we should be called upon again to appeal to our people to invest their money in the obligations of their Government. I ask the Senate to consider if, through this measure, by taking chances on the future, we destroy or injure the credit of our country, how many of our people will respond again to the request for the purchase of our bonds in a situation of that sort.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment. This is not a fantastic idea. If we destroy the credit of our country, if next year or year after next we have another deficit in the Treasury and have to borrow more money or raise taxes again, how many of the 70,000,000 who now hold bonds will cash them in the market place? How many of the banks and insurance companies will say, "If the Government of the United States is not willing to maintain its credit, why should we continue to hold its obligations?" If that should take place on a widespread scale the American people would lose faith in their own Government and be unwilling to hold its bonds until they mature 10 or 12 years from the date of their issue. I ask the Senate whether that very fact might not precipitate us into a depression which might be disastrous, and even more so if in the midst of it we should be required again to appeal to our people to invest their money in the obligations of their Government to meet some new situation which we cannot escape or avoid.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Does the Senator not think that the present budget will be more than provided for by the current taxes? Does the Senator think that the Marshall plan will call for more than $4,000,000,000?

Mr. BARKLEY. I should certainly hope not; I should hope that it would not be half that amount.

Mr. TAFT. The Marshall plan, in substance, so far as it is a plan at all, is rather a provision to go on extending aid at the present rate. I cannot see that it in any way contemplates a larger budget expenditure in any year than that which we are now providing for the present year, which is approximately $4,000,000,000.

Mr. BARKLEY. We have committed ourselves to loans to Great Britain, to France, to Poland, to Greece, and to Turkey. We have not committed ourselves beyond that. Whatever comes out of the Marshall plan, whether it be $1,000,000,000, $2,000,000,000, or $4,000,000,000—and we cannot now estimate what it will be—we shall have to meet our obligations. I would hope it will be nothing, but we are bound to assume that it will be some amount.

Mr. TAFT. I suggest to the Senator that the expenditures would not substantially increase, if at all, over the expenditures in the fiscal year 1948, and we would merely extend to 1949 and 1950 the expenditures at approximately the rate which we are now operating. I have not seen any estimate which proposes that we increase the annual expenditures of the Government out of the American taxpayers' pockets to a greater figure than $4,000,000,000 a year.

Mr. BARKLEY. Whatever comes out of the Marshall plan will be beyond any commitments we have now. I do not think anyone can deny that.

Mr. TAFT. That is true; but I was going to suggest that it is not for the fiscal year 1948. The British are already provided for during the whole year.

Mr. BARKLEY. I do not want to be guilty of temporization in connection with the situation in 1948, because we may, in 1949, have to borrow more money or raise taxes. I would rather keep taxes as they are in the hope that some day we might be able to reduce them for good, rather than to reduce them now and have to increase them again and do some more deficit financing.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. Is it the Senator's idea that if we do not reduce taxes in 1948 we may be able to reduce them in 1949?

Mr. BARKLEY. That was not my idea. The Senator is always producing great ideas. The Senator interprets my statement incorrectly.

Mr. President, I should like to read a letter which was put into the RECORD yesterday by the Senator from New Mexico [Mr. HATCH]. To me it is a revelation of how an American taxpayer feels with reference to the condition of the country at this time. It is a short letter, from Clovis, N. Mex., and it reads as follows:

> After considering the various angles of the income-tax cut bill, I believe it would be better to leave the income tax as it is for a while.
>
> My reasons—first: Those of us who are in the lower income groups (I receive $2,900 per year) are accustomed to getting along without the extra money the lowering of the income tax might give us.
>
> Two: With Russia having laid her cards down as she apparently has, the United States is in a fine position to help our friends abroad to get back upon their respective feet.
>
> I would be very glad to keep on paying my $18 per month into the Federal Treasury if it would help England, France, our part of Germany, Greece, etc., to obtain a higher standard of living.
>
> To my way of thinking, this would go further in preventing another war than any other plan yet devised. If through our efforts we can bring happiness and prosperity to the war-torn countries who will let us help them, it will show Russia and her sphere of influence how wrong they are.

Mr. President, we spent over $30,000,000,000 in World War I. We spent $350,000,000,000 in World War II. We know that war grows out of discontent, hunger, helplessness, and despair. We know that the ideologies which are alien to ours feed on chaos, on discontent, on hunger, on despair. Wherever those conditions exist, such foreign ideologies move in, and those who are sponsoring them across the sea

are now conniving at the spread of despair, hunger, and want, in order that they may move in. If they do move in and take possession of all Europe and of a large part of Asia, can we have any doubt that in the long run we shall be required to expend infinitely more money to defend our country, our democracy, our civilization, than is involved in whatever we may contribute to Europe or Asia to bring about economic readjustment and economic rehabilitation that may result in peace—not in our day, but peace in all the years that are to come?

Mr. President, for considerations of our own domestic economy, of our obligations to mankind as well as to ourselves—and they cannot be separated—I shall vote to sustain the veto of the President of the United States upon this tax bill.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. I merely want to thank the Senator for reading the letter which he has just read and to say that in my own opinion and judgment there is more sense, more intelligent understanding of the fiscal affairs of the United States and of world conditions in that short letter from a humble constituent of mine than there has been in all the argument that has been advanced for reduction of taxes at this time.

Mr. BARKLEY. I agree with the Senator, and I thank him.

Mr. President, there is just one thing which I have overlooked: The President has been criticized for vetoing a tax bill, on the ground that Congress holds the purse strings. The Constitution provides that all revenue bills shall originate in the House of Representatives. That is the only reference in the Constitution to giving either branch of Congress any priority with respect to taxes.

Never until now has anyone ever interpreted that provision to mean that the President of the United States does not have the moral as well as the constitutional right to veto a tax bill as well as any other bill if he thinks it is based upon unsound principles. It does not have to be unconstitutional; if the President thinks a bill is unwise or in any way impugns the integrity of our Government or its obligations, he not only has the constitutional right but he has the moral and legal and political right to veto the bill.

I do not wish to discuss this matter from the standpoint of politics; but I cannot lose sight of the implications which were made a day or two ago by the Chairman of the Ways and Means Committee in the House of Representatives, who chided and criticized the President for being honest enough not to lurk in the dark, not to wait behind a door, until this bill came to the White House, and then veto it. Instead, the President was honest enough with the American people to say that he would veto it if it came to him in the same form in which it was passed by the House of Representatives. I honor and congratulate the President for not being afraid to take the people of the country into his confidence.

The day before yesterday the chairman of the Ways and Means Committee of the House of Representatives announced to the newspapers that the veto of this tax bill would be a political issue in the campaign in 1948, and today on the floor of the House of Representatives the same chairman reiterated to the House of Representatives that this would be a political issue next year in the Presidential election. Mr. President, if that be so, so be it, so far as I am concerned. I know that it is popular to reduce taxes; but sometimes a man must have the courage not to be popular or not to seek popularity. I should like to have my own taxes reduced, and I dare say I need tax reduction more than any other Member of the Senate does. But I am not willing to have my taxes reduced because other taxes are reduced, in order that I may make some political hay in some contemplated contest in which I might engage in the future. If it be true that this tax bill or this veto is to be made an issue next year, I believe that the American people are sufficiently intelligent and courageous and honest to render an honest verdict upon that issue; and if upon that issue we are defeated, we shall have the consolation of knowing that we have preserved the integrity of our Government.

Mr. President, I have just been advised that the House of Representatives has accepted a Senate amendment to the Soil Conservation Act increasing the appropriation under that act from $150,000,000 to $278,000,000, which adds more than another $100,000,000 to the lack of reduction in the cost of Government in the United States for the fiscal year 1948.

Mr. LUCAS. Mr. President, I take it that the President of the United States did not have anything to do with the increase in the appropriation for soil conservation. I presume that the agencies of government that represent the executive branch of government in the Department of Agriculture had little or nothing to do with that $100,000,000 increase in the appropriation, about which we have heard so much today on the floor of the Senate.

A moment ago the able Senator from Kentucky was discussing the veto message of the President of the United States. I wish to pay my tribute to the President for having and exhibiting the courage which he did in vetoing the tax bill on two different occasions. In other words, had the President desired to make political capital for the 1948 campaign, I undertake to say that perhaps he would have signed the first tax bill, and then the tax issue would have been out of the way at this particular moment. It takes courage and vision and sagacity to do what the President has done upon two different occasions; and when Members of Congress seek to condemn and castigate the President for exercising his constitutional right of veto, it seems to me they forget exactly what the Constitution provides with respect to the three branches of Government and the checks and balances of which we have been reminded at various times.

I distinctly recall that back in the Republican administration days of 1924 to 1928 and 1928 to 1932, the distressed farmers of this Nation banded together and sought through their representatives in Congress to have placed upon the statute books of this country what was known as the McNary-Haugen bill. That McNary-Haugen bill was passed by an overwhelming vote in Congress upon two or three different occasions; on two occasions, it was vetoed by Republican Presidents; and as the result of those vetoes, we obtained no relief. Once while President Coolidge was in office, on another occasion President Hoover, as I recall, also vetoed the McNary-Haugen bill for the same reasons as those advanced by President Coolidge when he vetoed it.

Mr. President, I rose primarily to discuss briefly the philosophy which has been advanced today upon the floor of the Senate with respect to this bill. That philosophy, it seems to me, deserves some consideration and attention. I should like to discuss briefly the theory expounded by the able Senator from Colorado, namely, that we shall not be able to go through with a program for relief of Europe if we do not provide relief for the American taxpayers.

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I did not make the point that we cannot go ahead with relief for Europe if we do not reduce taxes. I make the point that the people themselves may not give the necessary support to such plans of the executive department unless there is a reduction of taxes.

Mr. President, if the Senator will permit, I should like to read into the RECORD just a short paragraph from the testimony of one of the witnesses who was before the Senate Finance Committee.

Mr. LUCAS. I shall be glad to have the Senator do so.

Mr. MILLIKIN. This excerpt is from the remarks of a small-town banker who appeared as a witness before the Senate Committee on Finance. He said:

> What we must plan now, therefore, is a pattern of life under which our people may live with the debt with some degree of cheerfulness and look forward to its eventual retirement with some degree of confidence. To tell a person that he must go on all his life still carrying these drastic war taxes is not conducive to cheerfulness and confidence.
>
> These taxes were imposed in a hurry when money had to be raised, and it was necessary to go after it where it could be found. What we want now is some readjustment, some revision, and what the people really are looking for to reestablish confidence is some recognition of that fact, and some squaring off for the long pull.

Mr. LUCAS. The Senator advised the Senator from Illinois that he did not make the statement I quoted, and if I misquoted him, of course I apologize; but I wish to say to the Senator and other Senators that the implication is there, even in what the Senator has just said. Direct quotations have been made, if I read the press correctly, by Members of the Congress, to the effect that the question of whether or not Europe will get any relief will depend primarily upon whether or not the taxpayers of America get any relief.

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Colorado.

Mr. MILLIKIN. It seems to me just to be an expression of ordinary human nature for the people of this country to say, "If we must carry these terrific burdens for foreign countries in the way of relief, we should also have some relief ourselves." The Senator can estimate, as well as I or anyone else can estimate, whether that is a normal, human reaction of the people of this country.

Mr. LUCAS. There cannot be any question that that is the natural reaction of the average individual. There cannot be any question about it. But what the Senator fails to tell the American people, and what those who are using this argument at the present time in order to get some tax relief fail to tell the people, is that in the opinion of at least some Senators, a long-range program for ameliorating conditions as they exist in Europe at the present time, helping to rehabilitate those nations devastated by war, who were our friends in war, and who are our friends now, means also helping defend the future safety and security of this country.

The individual who makes the statement that "You cannot give relief to Europe unless you give relief to the taxpayers of the United States" is looking only at the immediate problem, for a political reason or some other reason. I undertake to say that the individual who takes the broad view, and looks down the long road, believes such an argument utterly unsound. If I did not think that spending money in Europe at the present time was helping to secure the safety of my own people here in America, and helping perpetuate our form of government for the future of America, I would not stand here and assent to the spending of one dime to help Europe rehabilitate herself. But, sooner or later, the American people must reach one of two conclusions—and we must be united in this, it seems to me: We either have to help the countries in Europe or we must take the position that we will forget them entirely, and come back to this country and start building up our own defenses and the defense of this hemisphere for some future atomic war.

Mr. President, I am not one of those who are willing to take that chance now. I am still one who believes that, through the bipartisan combination now governing our conduct of foreign relations, we can ultimately work out the problem. I am satisfied that the Senator from Colorado believes the same. I do not believe that the able Senator from Colorado wants to leave the impression with the Senate and the country that he is one of those who believe definitely that we have to give tax relief here at home before we can spend any more money in Europe.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. This is not an appropriate occasion to announce a complete personal credo, but I do wish to say that I assume that someday, after the necessary sifting of the subject has been done in Europe, someone will come to the Congress with a definite plan, which will clearly show that Europe, under the complete exercise of every power of self-helpfulness, has not been able or will not be able to do certain things as to which she needs our help.

I hope that we will be in position to help in a practical and sensible way. I am suggesting to the distinguished Senator that it does not make any difference what he thinks or what I think with respect to a plan of that kind, which might be highly desirable, which he would support, which I would support, if it did not have the support of the people. I think the people might have the very natural reaction that, while our Government is being fair and helpful to foreign nations, it should also be helpful and fair to the people of the United States.

Mr. LUCAS. The Senator from Colorado always makes a very plausible statement and argument, but he did not quite answer my question, and it is perfectly all right that he does not. I am not going further to labor the question with the able Senator.

I know exactly how some Senators feel about the question we are discussing. I know how some Senators voted on the loan to Great Britain; I know how some Senators voted on Bretton Woods; I know how some Senators feel about the foreign policy of our administration. I know how they voted for crippling amendments on international measures solely on the ground that we had no business in Europe; and it is all right for Senators to do that, if that is their conviction, however mistaken.

Mr. BALDWIN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Connecticut.

Mr. BALDWIN. Am I to understand the position of the able Senator to be that he is perfectly willing to go back to the State of Illinois and tell the people of that State that they cannot have any tax reduction of any kind this year because all that we can collect from them and save over and above the cost of our own Government must be turned over in loans and grants to foreign governments for relief?

Mr. LUCAS. Oh, no; the Senator does not understand me at all, and apparently does not want to understand me. The able Senator from Ohio told the Senate on the floor of the Senate today that in truth and in fact no money will be appropriated for relief in Europe, to speak of, other than what we have already appropriated this year. That is the position he takes.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. I was stating my interpretation of the Marshall plan as I understand it. For instance, if the Marshall plan should provide money for England it would still mean no additional appropriation, because we have appropriated for England this year in the neighborhood of a billion and a half dollars, which is in the budget.

Mr. LUCAS. That is correct.

Mr. TAFT. France is being taken care of by the International Bank, and I question whether there would be any additional actual expenditure of more money than was appropriated in the budget—about $4,000,000,000—even if the Marshall plan were adopted. That was the only question I discussed. The Marshall plan looks toward activities in 1949 and 1950.

Mr. LUCAS. The able Senator makes an argument in behalf of my point. The able Senator from Ohio tells the Senate that in his opinion, so far as he knows, under the Marshall plan we will not have to appropriate any more money than we have already appropriated for the ensuing year, but that we may be compelled to do so in the years to come. He is talking about next year. I am talking about individuals who are saying, "I will not vote for sending any money to Europe at any time unless I get some tax reduction for my people." They are not in accord with the views of the Senator from Ohio.

Mr. PEPPER. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Florida.

Mr. PEPPER. Would it not be accurate to state that we will know more about the facts of the Marshall plan January 1 than we know now?

Mr. LUCAS. The Senator is correct, of course.

Mr. PEPPER. The tax reductions would not go into effect until January 1, anyway.

Mr. LUCAS. The Senator is correct.

Mr. PEPPER. And Congress is expected to meet again about the first of January.

Mr. LUCAS. Congress can do in 15 days after January 1, if it becomes necessary, what is being sought at the present time.

Mr. President, I wish to reiterate what I said before, that the individual who takes the position I have suggested is, in my opinion, advocating one of the most dangerous doctrines that can be advocated on the floor of the Senate, so far as foreign policy is concerned. It is the trend back toward where we were before Pearl Harbor. That is the trend. I repeat it is a dangerous trend, and it could well mean the destruction of the American system of free government.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. BALDWIN. Has not this Republican-controlled Congress granted the President of the United States everything he has asked for in the way of loans for foreign commitments?

Mr. LUCAS. I should say that that is probably true, with the help of Democratic Members.

Mr. BALDWIN. Is not that a fact?

Mr. LUCAS. That is a fact.

Mr. BALDWIN. Then, if that is so, where is the trend back to the days before Pearl Harbor? How can the Senator draw that conclusion from those facts?

Mr. LUCAS. The Senator may be speaking for himself, and, if so, he is correct. I believe his position on our

foreign policy is correct. He and I probably agree on the foreign policy of this country. But I think the Senator will agree with me as to the statement that has been made. The Senator from Colorado by implication says that there are those in the United States Senate and others who do not agree with our position on the foreign policy of America.

Mr. BALDWIN. Mr. President, may I indicate what I meant, by a very homely illustration? In the old days, back in Connecticut, they used to pluck the feathers out of the breast of the geese every fall, to make a feather bed. One of the fundamental practices was always to leave a few feathers, so the old goose and the old gander would be encouraged to grow more feathers. The American taxpayer, Mr. President, is exactly in that situation. That is what I am trying to make clear to my distinguished friend from Illinois.

Mr. LUCAS. The Senator may know more about geese than I do, and when he talks about the goose and gander and all those feathers, I do not exactly follow his thought. Possibly that is because I am merely a farm boy, and do not understand those farm expressions when used by one dwelling in a big city.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. PEPPER. Mr. President, after what has just been said by the Senator from Connecticut, I think the bill might be more nearly associated with something I think President Roosevelt once said about policies similar to those included in this bill—that certain groups wanted to pluck the feathers out of the eagle's tail in order to feather their already downy nests. [Laughter].

Mr. LUCAS. I thank the Senator for his contribution.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Pennsylvania.

Mr. MYERS. In connection with foreign policy, I am sure the Senator has not forgotten the fight we had when the House cut $50,000,000 from a bill for foreign relief, reducing it to $200,000,000. I am sure the Senator knows what a fight we had to continue the rehabilitation program, so we could send relief abroad, and to send American ideas abroad, and that that program has been carried on. I think it might be said that in many instances isolation and economy have walked hand in hand.

Mr. BALDWIN. Mr. President, may I ask the distinguished Senator where is the proposal in this bill that gives any relief? I gathered he thought that the bill provided for certain relief.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MYERS. I understood the Senator from Connecticut to propound the question, "Wherein has this Congress refused to give the President of the United States and the present administration what they asked for in the way of foreign policy?"

Mr. BALDWIN. No.

Mr. MYERS. That was my understanding of the question propounded by the Senator from Connecticut. I think that was the question.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. LUCAS. I have the floor. I yielded to the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Illinois has the floor.

Mr. MYERS. If I misunderstood the Senator, I apologize.

Mr. BALDWIN. The Senator from Pennsylvania misunderstood the question.

Mr. MYERS. I understood the Senator from Connecticut to propound a question to the Senator from Illinois, "Wherein has the President of the United States been refused by this Congress anything that he has asked for, to implement the foreign policy of the United States?"

Mr. BALDWIN. That was not the proposition I put to the Senator from Illinois at all.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Connecticut?

Mr. LUCAS. I yield.

Mr. BALDWIN. That was not the proposition I put, at all, Mr. President. We were talking about relief and our colloquy had reference to relief. I asked my distinguished friend from Illinois wherein this Congress, with a Republican majority, had failed to grant the funds requested by the President for relief. The other matter has to do with the implementation of foreign policy, so far as the administration of it is concerned. It has nothing to do with relief.

Mr. MYERS. If the Senator from Illinois will yield further, with regard to the question of relief it is my recollection that when the President asked for $250,000,000 for foreign relief, the House of Representatives cut that $50,000,000, reducing it to $200,000,000. Fortunately, after quite a battle, we were able to have most of the money restored. But I say that the House of Representatives, in its economy drive, refused at least once in this Congress to give the President the amount of money necessary for foreign relief, and I say that all through the appropriations, economy, to my mind, has often walked with isolationism. I think that still is the trend. I think it a dangerous trend. As the Senator from Kentucky so well and so ably and so eloquently said, we could easily wait until the 1st of January. Returns are not filed until March 15. We can easily wait until that time to see what our foreign commitments may be, but I fear that too many people are thinking about November 1948, and not a sufficient number of people are thinking about the next generation in America. In my judgment, this is a serious hour in the Congress of the United States, and I hope that we can give more attention to the tax-reduction bill, aside from politics, as to what effect it may have on our foreign policy and on our domestic policy, not only next year, but in the many years ahead.

Mr. LUCAS. I want to thank the Senator from Pennsylvania for his contribution. He is absolutely right, in my opinion. If I wanted to play politics with this tax bill, I would be for it. I would be for it if it were solely a political question. But, like the distinguished Senator from Pennsylvania, I am trying to look down the road to another generation to come. I do not want to see my Government continuing deficit financing another year, if we have to have funds to take care of certain desolated and devastated countries in Europe, who have been our friends in the past, and who must continue to have as friends in the future, if we expect democracy to survive on this side of the continent. That is my position with respect to this. Those who argue and try to convince Members of the Senate that they should vote for tax relief, if they expect to get any support for relief in other countries, are doing a disservice, in my humble opinion, to their own country. They are looking at it momentarily and for the immediate reaction it will have upon the people of America. They are not looking at it from the standpoint of a long-term policy—a policy that will affect your children and mine, after you and I have gone to our great reward. That is the position the Senator from Illinois is taking.

Mr. MYERS. Mr. President, will the Senator from Illinois yield further?

Mr. LUCAS. I yield.

Mr. MYERS. The Senator, of course, will remember that in the year 1940, when war clouds were gathering, when war had already overrun Europe, we were told it was bad politics to vote for a draft bill, when America was in great danger.

Mr. LUCAS. That is correct. The able Senator from Ohio said that there was no necessity to vote for a bill of that kind.

Mr. MYERS. When the President of the United States in the year 1940 advocated a draft bill, we were told it was bad politics. In the House of Representatives, I had no hesitancy in voting for that bill, because I knew it was in the best interests of the country. I can remember in 1941, a short time before Pearl Harbor, there was a bill to extend the draft. It finally passed the House by one vote. We were again told it was bad politics. We put aside politics, and we voted for what we thought was in the best interests of our country. Thank God, we voted for the draft in 1940, and it was extended in 1941. So I say with respect to the pending bill, we should put aside politics and do what is right, because undoubtedly everyone favors tax reduction. Senators have heard, time and time again, "Oh, a politician should vote for every appropriation, and vote against every tax bill." It may not be the popular thing to do at the moment, but I think in the long run, and, as the Senator has said, "down along the road," a vote against tax reduction at this time is a good vote, because not only is it the wrong kind of bill, but it is the wrong time for the wrong kind of bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my friend from Colorado.

Mr. MILLIKIN. I should like to offer a few brief observations. The distinguished Senator from Pennsylvania has said that economy marches hand in hand

with isolationism. I do not know whether it does or not. I do know that extravagance marches hand in hand with national disaster. I know that if we allow extravagance to bring us to national disaster, we cannot help ourselves, and we cannot help any foreign country.

Mr. LUCAS. I want to say that, of course, I agree with the Senator's theory respecting extravagance. The Senator knows, however, that his party now has the power in its hands to stop extravagance, if there is extravagance and waste in government. The Senator cannot make that kind of argument on the floor of the Senate and expect it to stand in view of the power his party has in both Houses of Congress. He well knows that the executive branch of the Government cannot obtain a dime of money to spend for any purpose unless the Republican-controlled Congress says that it shall have the money through a proper appropriation. So when the Senator makes that kind of argument, and he has made it two or three times here this afternoon, he does not make it on the basis of a sound premise, by reason of the power held by his party in the Congress at the present time.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MYERS. I must say that I am not clear to what the Senator from Colorado alluded in his statement. His party in Congress controls the purse strings of the Government. Does he mean to say that the appropriations the Congress is now making for the Army, the Navy, and the Air Corps are extravagant; that the appropriations now being allocated to the Veterans' Administration are extravagant; that the appropriations now being made to carry out the Government policies in agriculture and labor are extravagant? I do not know to just what the Senator alluded. Of course, extravagance in government may result in wrack and ruin. But we are speaking of the present moment. We are speaking of the appropriations now being made. I do not believe the Senator from Colorado means to infer that the appropriations now being made by the Congress of the United States are extravagant appropriations, or that we could have appropriated less money and still have continued the normal functions of government.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. The executive department of the Government spends the money which we appropriate. Under the present budget it would spend $37,500,000,000 in the fiscal year 1948. I am suggesting that unless there is reduction in expenditures there cannot be the surplus which the President would wish for the reduction of debts, and there cannot be the surplus which the President does not wish for the reduction of taxes.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MYERS. As a member of the Joint Committee on the Economic Report, I have been listening to witnesses for the past 3 weeks—leaders of industry, leaders of agriculture, leaders of labor—who have all made the general statement that we must reduce the expenditures of government. One witness said a reduction must be made to $30,000,000,000. But when we ask the witnesses where and how reduction in expenditures of government should be made they have no answer. They merely indicate reduction should be made. When we debated the legislative budget and expenditures, suggestions were made that the reduction be $6,000,000,000 in the one instance and $4,500,000,000 in the other. When on the floor we asked the question where, specifically, the reductions should be made, we were unable to secure any reply or answer from the majority.

I say, Mr. President, that, of course, we must do away with extravagance in government. Of course, we must cut expenditures. But those who are advocating it, and advocating reductions by $3,000,000,000 or $4,000,000,000, or $6,000,000,000, and some even by $10,000,000,000, when asked the question "Where?" have no answer to give us.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I suggest that those who are advocating substantial aid to foreign countries must give some aid toward the reduction of our domestic expenditures if we want to achieve a surplus out of which we are to make foreign expenditures. Many of those who are criticizing the effort to make expenditure reductions at home are advocating the most limitless expenditures in foreign countries. It seems to me that the horse cannot be ridden in two different directions at the same time. If we are going to make foreign expenditures we have either got to secure the money out of surplus or out of economy, or out of both.

I wish to add one more thought. The operation of those simple facts is illustrated by the fact that the surplus for debt reduction and tax reduction in the fiscal year 1947 was about $750,000,000, and the President estimates that the surplus for those purposes for the fiscal year 1948, will be $1,300,000,000. Under that sort of policy we cannot have other than negligble debt reduction, we cannot have tax reduction, and we will not have surplus for foreign expenditures.

I thank the Senator from Illinois for permitting the interruption.

Mr. LUCAS. I am glad to have yielded. I shall answer the Senator in a few moments respecting the point he just made.

Mr. President, the only reason I rose to discuss the veto message was my interest in the bipartisan foreign policy we have established in this country. That bipartisan foreign policy has been established by some of the most able and distinguished Republicans along with able and distinguished Democrats. I hear it stated in the corridors of the Capitol and I read in the press that there will be no relief money for Europe unless first some relief money is given at home. That, I say, Mr. President, is a dangerous doctrine, and one which starts in the direction of defeating the bipartisan foreign policy we have adhered to so successfully and so loyally in the last 3 or 4 years. It is the most constructive and magnificent policy I have witnessed since I have been a Member of the Congress of the United States.

Mr. MILLIKIN. Mr. President, will the Senator yield for a very brief observation?

Mr. LUCAS. I yield.

Mr. MILLIKIN. That bipartisan cooperation in foreign affairs is a two-way road. I wish we could have the same cooperation with respect to income taxes.

Mr. LUCAS. Oh, well, the Senator cannot say that at all.

Mr. MILLIKIN. The isolation of cooperation——

Mr. LUCAS. The Senator cannot discuss that at all.

Mr. MILLIKIN. One-way road cooperation might collapse if it is pursued too far, especially if it is pursued with contempt for the processes of Congress with respect to revenues.

Mr. LUCAS. The Senator is too well informed to make that statement. The able Senator who presides over the Senate said that politics respecting foreign policy stops at the water's edge, and he is correct in that statement.

Mr. MILLIKIN. Well, then, it is apparent that tax reduction stops at the edge of the Congress.

Mr. LUCAS, Oh, no. When it is intimated that the President has acted for political reasons, I would suggest that it would have been the smart thing for him to have signed the first tax bill.

Mr. MILLIKIN. That is what I say.

Mr. LUCAS. If he had wanted to play politics about it, it would have been the political thing for him to have signed the bill. That is the truth about the matter. But he exhibited a rare courage and tenacity in acting as he did respecting the first tax bill, and certainly in doing what he has just now done respecting the second tax bill.

Mr. MILLIKIN. Mr. President, I think it would have been both smart and politically wise for the President to have approved the first tax bill. It would be both smart and politically wise for him to approve the present one. I agree with the Senator on that.

Mr. LUCAS. When the Senator says it would have been politically wise for the President to have signed the bill he admits by that statement that there is a considerable amount of Republican politics in the bill.

Mr. MILLIKIN. Mr. President, I am frank to say that I would rather have the Republicans have credit for trying to reduce taxes than to have the obloquy of twice refusing such reduction.

Mr. LUCAS. The Senator can take any position he desires. I shall proceed with my brief statement. I had not expected to detain the Senate as long as I have.

On the theory I have been debating this afternoon I undertake to say that there are some people in this country who insist that western Europe is so far sunk in economic chaos that it cannot be revived. Those people apparently think that western Europe ought to file a petition in bankruptcy and invite the waters of the Atlantic Ocean to close

over it. I do not share that view. I hope for the sake of our own survival as a great Nation that every American will repudiate that view. There was a time not so long ago when we were confronted with a different aspect of the same problem. When the democratic governments of Europe were locked in a death struggle with the forces of fascism which threatened to overwhelm them, there were then, as there are now, many Americans who turned their hearts and minds away from the dreadful implications of that war; Americans who gave thanks that 3,000 miles of ocean separated us from the war. They hoped, and some of them believed, that we could remain forever aloof from Europe; that we could live in peace in our towns and villages, and cultivate our farms without getting embroiled in the affairs of Europe. When war was thrust on us, however, we accepted the challenge as a united people. The world was astonished at America's ability to turn out the goods and prepare fighting men in such short order. The isolationist grumbling against the policies of the Government stopped abruptly with the first bomb that dropped on Pearl Harbor.

Mr. President, the most important problem we have to face today is seeing to it that the war stays won, and that we shall continue to live in peace and prosperity in our great land, without the overhanging menace of another war. Dreadful as the last war was, the next one is too horrible to contemplate. In 5 years science has opened frontiers which might have been expected to be opened in 100 years. It is not too farfetched to expect that the cities of the world would be reduced to rubble and our farms to deserts. No one will win the next war. Yet we find once again in this country in some quarters a resurgence of isolationist feeling; a desire to avoid as much as possible becoming involved with Europe, hoping that Europe can solve its problems without American help. All sorts of arguments are being advanced against American aid abroad. We are told that we have reached the limit of our own ability to help; that we are ourselves bankrupt and do not know it; that this country is not a bottomless well, and that the well is beginning to run dry.

I can hear those who on the stump in the campaign next year will make that kind of a speech and say, "We tried to give relief to the American taxpayers, but the New Dealers insisted that this money go to foreigners across the sea, people whom you do not know and of whom you have never heard, to help them before they will help you here at home."

The truth of the matter is that unless we rehabilitate and resuscitate those countries in Europe and help them, eventually, as the Senator from Kentucky [Mr. BARKLEY] has well said, all of Europe and Asia may come under the domination of communistic influences. When that happens, I ask those who think we can live alone in isolation to look at the map and see how small the United States of America is.

Mr. President, we talk about spending four or five billion dollars a year in the rehabilitation of France and other nations. I do not know what the Marshall plan will ultimately resolve itself into, but I know that the Foreign Relations Committee of the United States Senate will see to it that a complete survey of all the resources of cooperating nations is made. That is exactly what we want to do. We want to know how far they can go in helping themselves. After that, the plan will be laid before this country and the Congress; and the Congress itself will make a determination as to how much money will be required to aid those countries.

Mr. President, we talk about four or five billion dollars a year for the next few years as though that would bankrupt our Nation. When VJ-day came we were fighting the war and spending the Nation's wealth at the rate of $300,000,000 a day, $9,000,000,000 a month, over $100,000,000,000 a year. Those are staggering figures, hard for the mind to comprehend. But we must understand what they mean in relation to the problem of the rehabilitation of the world. When victory in Europe came in 1945, the military experts predicted that it would take one or two more years to defeat Japan. In money terms, that meant an expenditure of one hundred billion or one hundred and fifty billion dollars more, and an increase in our national debt from $247,000,000,000 to three hundred and forty-seven billion or three hundred and ninety-seven billion dollars. Does anyone suppose for a minute that we would have hesitated to pour our treasure into the fight against Japan to bring her completely to her knees? Does anyone suppose we would not still be fighting the war if it had been necessary?

It was estimated that it would require from $100,000,000,000 to $150,000,000,000 more to win the war than it actually cost; and had it been necessary the Congress would have appropriated it. After VJ-day the President of the United States, upon his initiative and through the agencies of the Government and of the Congress, recaptured $59,000,000,000 of the amount which was appropriated and contracted for to produce instruments of war; and yet we talk about bankrupting this Government when it is proposed to spend four or five billion dollars a year for the next few years upon the devastated countries of the Old World. To me those figures are a complete answer with respect to spending a little money to resuscitate and save the countries of the Old World. There were those who were willing to spend $100,000,000,000 or $150,000,000,000 more to win a war to save democracy; but there are those who are not willing to spend $25,000,000,000 or $30,000,000,000 to try to bring about a successful and enduring peace.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield the floor.

Mr. KNOWLAND. Let me say to the able Senator from Illinois that I think the Congress and the country have not been unmindful of our obligation to help rehabilitate the war-torn world. There appeared in the newspapers of July 12 an Associated Press dispatch with a Washington date line of July 12, reading as follows:

FOREIGN LOANS AND GIFTS HIT TOTAL OF 20 BILLIONS—GOVERNMENT REPORTS ON POSTWAR RELIEF; OUTRIGHT GRANTS AMOUNT TO $7,215,000,000

WASHINGTON, July 12.—The United States has made grants and pledged loans totaling more than $20,000,000,000 for the relief and rehabilitation of foreign nations in the two postwar years.

At the request of the Associated Press, the International Economics Division of the Department of Commerce compiled a complete account of the loans and gifts.

Outright gifts to prostrate peoples in Europe, Asia, and Africa now amount to $7,215,000,000. Of this, individuals and institutions gave $1,500,000,000 worth in parcels and money.

The following table lists gifts and loans to foreign nations since the war ended.

Figures are in millions of dollars. In the first column is the amount to which we have committed ourselves; in the second is the sum actually disbursed:

GIFTS

	Total	Disbursed
Personal and institutional remittances	$1,500,000,000	$1,500,000,000
UNRRA	2,700,000,000	2,550,000,000
Post-UNRRA relief	350,000,000	----------
International Refugee Organization	75,000,000	----------
Philippine grants	620,000,000	45,000,000
Civilian supplies distributed by Army, Navy	1,200,000,000	1,200,000,000
Italian civilian supplies	135,000,000	135,000,000
Chinese postwar lend-lease	620,000,000	620,000,000
Aid to Latin America	15,000,000	15,000,000
Total gifts	7,215,000,000	6,065,000,000

LOANS

Export-Import Bank	$2,476,000,000	$1,594,000,000
International Monetary Fund	2,750,000,000	2,750,000,000
International Bank	635,000,000	635,000,000
British loan	3,750,000,000	2,050,000,000
"Pipe line" lend-lease	1,350,000,000	1,350,000,000
Surplus property sales credit	1,100,000,000	900,000,000
RFC loan to Philippines	75,000,000	60,000,000
Maritime Commission ship sales credit	165,000,000	165,000,000
Greek-Turkish loan	400,000,000	----------
Silver commodity loan	50,000,000	50,000,000
Congressional credit to China	120,000,000	120,000,000
Total loans	12,871,000,000	9,674,000,000
Total loans and gifts	20,086,000,000	15,739,000,000

In instances where loans have been partly repaid, only the amount still outstanding is given here.

Mr. LUCAS. I thank the Senator for reading those figures into the RECORD. They are worth while. However, I was not discussing that point; I was discussing a certain theory or proposition which has been floating around in the United States Senate, which I submit is fallacious and exceedingly dangerous from the standpoint of our own future safety and security.

Mr. FERGUSON. Mr. President, little do we realize how closely related is the power of the purse to the freedom of the people. Today the United States is almost the sole bulwark of freedom in a socialistic and totalitarian world. This tax-bill veto is a symbol of how far the power of the purse is slipping from the

hands of the people. It marks another milestone in the trend which is undermining the great tradition of the freedom on which this Nation was founded.

I have before me an editorial which, I think, shows the full meaning in history when a free people surrender the power of the purse, the power to tax, to the executive branch of government. I desire to read some excerpts from the editorial. It is printed in the May 28, 1947, issue of Human Events, a weekly publication. The title of the editorial is "If Freedom Fail," and its writer is a well-known and informed student of history, Edna Lonigan. I read the following from the editorial:

From the time the English beheaded a king who restored absolutism, and from the time when Locke and Montesquieu put their philosophy into words, the idea of freedom was in the ascendant. For three centuries it spread over a widening area in Europe, Asia, and even Africa. No one doubted the ultimate triumph of liberty over slavery.

The average American still does not realize the change that has come, in part because of his own political apathy. The ideal of freedom is no longer advancing. Throughout the twentieth century it has been in retreat. In most countries that retreat is now a rout.

Freedom cannot be preserved by wisecracks. Pious references to Jefferson or Lincoln are not enough. We must understand the principles on which our defenses rest.

A great many people have died for liberty, but the English learned how to live for it. They learned that their rulers would always do what the people wanted—if the rulers had to ask for money. The parliamentary system is at bottom a set of devices to insure that there shall be no taxation without representation. Only thus can the people, through Parliament, actually limit the power of the ruler.

When Parliament has control of money the sovereign cannot indulge his personal whims but must follow rules laid down for him by representatives of the citizens. That is government by law, insuring liberty simply because the power of money is separated from the police power, which the executive necessarily controls.

How strong is the American faith in limited government and individual enterprise? Let us disregard the New Deal, which was an improvised copy of the Continental Welfare State. Have the rest of us become indifferent to the central problem of freedom, the need to keep the two most terrible powers in history, the power of money, and the power of the police, from being combined in the same hands?

By a devious device the American Government today has its own money. The executive can print bonds and its Federal Reserve banks will exchange the bonds for paper or credit money. This is the same as the Government printing press, except that the people do not recognize it. Congress can approve these issues, but it cannot stop them.

Because it has usurped the power of the purse, the executive can now make its own laws, through boards and commissions. It has extended a protective arm over State and local governments. It has decisive power over labor, business, and farming. It is moving to take over education and medicine.

The President now attempts to overcome an overwhelming majority who desire relief from the war-tax burden.

Hear me, Senators. We are here facing another crucial test as to whether we can preserve freedom by retaining the power of the purse in the hands of the people's representatives in Congress. If we fail now, history shows that our freedom and our liberties will also have progressively surrendered.

I shall vote to override the President's veto of the tax bill.

Mr. HOLLAND. Mr. President, will the Senator from Michigan yield for a question?

Mr. FERGUSON. I shall be glad to yield for a question.

Mr. HOLLAND. I heard the compliments which the Senator read and also stated with reference to the parliamentary system. Are we to understand that the Senator prefers the parliamentary system to the American constitutional system?

Mr. FERGUSON. Mr. President, the parliamentary system is well known to include the congressional and constitutional system of the United States. I was reading from an editorial which used the words "parliamentary system" in referring to the liberties of the English people of the world.

Mr. President, we have inherited from that early parliamentary system some of the bulwarks which have been placed in our Constitution; and I say that it will be a sad day in the history of America and in the history of the world if it comes to the point where the people's Representatives in Congress surrender the purse strings to the Executive, in which the police power of the state must necessarily be lodged.

I think, Mr. President, that I should include the entire editorial in the RECORD, not only the portions which I read, but the entire editorial, in order that the Senate and the people may have the benefit of the portions which were not read.

There being no objection, the editorial in full was ordered to be printed in the RECORD, as follows:

[From Human Events]

IF FREEDOM FAIL

(By Edna Lonigan)

The so-called Truman doctrine became effective when the President on May 22 signed the bill to bolster Greece and Turkey against communism with American funds.

Undoubtedly this marks a turning point. But it does not herald a conflict between the United States and Russia, nor even between free enterprise and marxism. What this political loan portends is another campaign in the now defensive war of freedom against statism. This battleground is not in Athens or Moscow, but all around us here at home.

From the time when the English beheaded a king who restored absolutism, and from the time when Locke and Montesquieu put their philosophy into words, the idea of freedom was in the ascendant. For three centuries it spread over a widening area in Europe, Asia, and even Africa. No one doubted the ultimate triumph of liberty over slavery.

The average American still does not realize the change that has come, in part because of his own political apathy. The ideal of freedom is no longer advancing. Throughout the twentieth century it has been in retreat. In most countries that retreat is now a rout.

The high-water mark of liberty came in the First World War, when under the glow of Allied military success, and stimulated by President Wilson's winged words, limited governments rose on the ruins of three great empires.

But with high water came the turning of the great world tide. In October 1917, the Russian representative government was displaced by a new political force, which openly espoused the absolute state. Year after year, the influence of socialism gained. Countries which had been in the orbit of freedom moved psychologically, if not physically, to join the widening circle of absolute regimes. Each decade the dividing line between freedom and absolutism moved westward.

We thought each of these desertions was an accident, but it wasn't. It was comforting to think that wicked men, who could be overthrown, could personally delay the progress of liberty. But the dictators did not destroy freedom. Some change in the elan of mankind let the dictators enter in.

Today free peoples are not confronted by tinsel autocrats, with throne and scepter. What they face is a triumphant political challenge, which consigns our ideas of a stable constitution, a two-party system, minority rights, and the independent judiciary, to the dust heap.

II

What has Europe done to meet the new barbarian invasion? A few thoughtful books by Italians or Spaniards were almost the only warning that a mortal crisis was brewing. While Hitler, the political inventor, was transforming the state into a milling machine, many Americans were deriding him as a paperhanger, and laughing because his family name was Schickelgruber.

Freedom cannot be preserved by wisecracks. Pious references to Jefferson or Lincoln are not enough. We must understand the principles on which our defenses rest.

A great many people have died for liberty but the English learned how to live for it. They learned that their rulers would always do what the people wanted—if the rulers had to ask for money. The parliamentary system is at bottom a set of devices to insure that there shall be no taxation without representation. Only thus can the people, through Parliament, actually limit the power of the ruler.

When Parliament has control of money, the sovereign cannot indulge his personal whims, but must follow rules laid down for him by representatives of the citizens. That is government by law, insuring liberty simply because the power of money is separated from the police power, which the executive necessarily controls.

Even the Bill of Rights rests on this vital separation of powers. The courts may say that an accused man shall go free, but the judge does not unlock the door of the cell. If the ruler has no money of his own, he must obey the courts, or parliament will withhold his income. If the executive has the power of the purse he will ignore the courts. The primary concern of all modern dictators has been to gain the power over money. Then it was easy to abolish the rule of law.

There is one other vital element in English liberty. Because this lies outside the law and the political system it is often forgotten. When governments are limited, the people are free. They practice all the arts of enterprise, which in autocratic countries are monopolized by servants of the state. When state officials organize trade or colonization, they use taxation and the police power. When private citizens do it, they must rely on voluntary money and voluntary work.

The glory of the free system is neither parliamentary government nor free enterprise alone. Both of these are parts of a larger whole. That whole is voluntarism. Free actions are those in which men contribute their money and their labor freely, by choice and not under the compulsion of the state.

To their undying glory the English worked out this pattern. Now they no longer seem able to carry the burden. We alone can pick it up.

III

How strong is the American faith in limited government and individual enterprise?

Let us disregard the New Deal, which was an improvised copy of the Continental Welfare State. Have the rest of us become indifferent to the central problem of freedom, the need to keep the two most terrible powers in history, the power of money, and the power of police from being combined in the same hands?

By a devious device the American Government today has its own money. The executive can print bonds and its Federal Reserve banks will exchange the bonds for paper or credit money. This is the same as the government printing press, except that the people do not recognize it. Congress can approve these issues, but it cannot stop them.

Because it has usurped the power of the purse, the executive can now make its own laws, through boards and commissions. It has extended a protective arm over State and local governments. It has decisive power over labor, business, and farming. It is moving to take over education and medicine. President Truman can approve this trend, but cannot stop it.

Most Americans do not even see the magnitude of the change that has come. When President Roosevelt vetoed a tax law, violating the basic tradition of the supremacy of the House in money matters, there was a sudden outburst of anger from Congress, a spate of news stories, and then silence. So expertly was our indifference exposed that many people believed Roosevelt planned the test to see how far he could go.

Recently one of our greatest newspapers editorially denounced John L. Lewis for defying the Government, obviously meaning by government the executive power and not the law. To be logical that newspaper should have supported Hitler.

More significant than the growth of central power is the decline in citizen enterprise. Hospitals were once built in this country because devoted men and women collected small sums from their neighbors in behalf of the sick. Colleges were founded when the colonies were poorest, because men wanted them badly enough to give up something. Today we see the shameful spectacle of colleges begging the Federal Government to give them tax funds—and at the same time take over the direction of their teaching. Americans, heirs of the Revolutionary War, beseech the central Government to hand out lunches to their children.

IV

Our country, says Mazzini, is the fulcrum by which we move the world. Americans must have in their own minds the clearest vision of what freedom is. Where American money goes, voluntarism must go too.

If the Truman doctrine is to mean the spread of freedom, we must be sure that it means a growth of voluntary activities, not statism, in Greece and Turkey, and in the United States. If we establish a technical heirarchy in Greece and Turkey, under the control of our Government, we shall simultaneously be surrendering to the domination of a technical hierarchy at home. The Republic will give way to empire.

The Roosevelt administration channeled all aid from the American Government to foreign governments. Our historic way is from American citizens to foreign citizens. We cannot spread the principles of freedom by forcing foreign governments to force their subjects to use our money and then supervising its expenditure with a technical hierarchy. For our own sake, let us remember that governmental hierarchies are quickly changed into power groups.

The American people have been teaching voluntary association for generations. The Near East relief taught farming and freedom to thousands of Greeks. American colleges taught the Chinese about rural cooperative. All over the world we are respected for what we do as individuals, suspected for what we do as a state.

American free schools, colleges, corporations, labor unions and cooperatives can scatter the seeds of freedom once again, if we stop the waste of our substance at home, and let people spend their own money.

The American national symbol is Johnny Appleseed. We are again about to scatter our largesse all over the world. But we must plant something that blossoms and bears good fruit. We must not give away money and technical knowledge—which the state can use to enslave—without also teaching people the arts of voluntary organization, by which money and techniques are made subordinate to human needs. For whatever we give, for good or evil, will be returned to us in full measure.

"For what avail the plow or sail,
Or land or life, if freedom fail?"

Mr. BREWSTER. Mr. President, I shall not delay the Senate on the pending question by reiterating much of the discussion which has transpired, but I wish to call attention to the fact that in connection with the Budget system to which we are committed under the Reorganization act, the Presidential devotion to the balancing of the budget and to economy in Government has not been well served by the 70 messages which the President has sent to Congress since the budget was submitted, most of them requesting additional appropriations for Government expenditures, in a total amount of more than $4,000,000,000 in addition to the $37,000,000,000, and this is largely aside from the discussion of the foreign situation, but it does include the $400,000,000 for Greece and Turkey.

Mr. President, it seems to me unfortunate that the President, who has declared his purpose to be not only to try to balance the budget, but to economize, should have found it necessary in the 6 months which have elapsed to have paid tribute to the various pressure groups of one kind or another that have made such representation to the Presidential office, by having requested the Congress to provide such an additional amount of money, and at the same time, on the other hand, paying tribute to the principle of governmental economy. It seems to me that the Congress must bear its responsibility for originating both appropriations and tax measures, and must take a far more serious and responsible attitude toward the tremendous fiscal problems of the Government than has been evidenced by these all too frequent Presidential messages requesting additional funds for one project or another.

So it seems to me that the Congress may well take this seriously to heart, and should not consider that too much confidence should be placed in the Presidential program for balancing the budget or straightening out the Government's very tangled and unfortunate fiscal affairs.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. PEPPER. Mr. President, in, I believe, yesterday's mail I received, as I assume many other Senators did, a communication from Mr. David Lawrence. The communication is dated July 14. It purports to give some information relative to living costs on the part of the American people today, as related to the purchasing power of the people.

One paragraph of the information given by Mr. Lawrence reads as follows:

> The income squeeze that has developed over the years is shown strikingly in the accompanying pictogram.
>
> At $2,500 of net income—that is, income after deductions for taxpayers, but before personal exemptions and allowances for dependents—a man with wife and two children in 1939 had a full $2,500 of purchasing power. At that income level, he had no Federal income tax to pay. Today, allowing for a $95 tax on a 56.7-percent rise in cost of living, a $2,500 income is worth only $1,585.

Mr. President, I would say that, generally speaking, that would mean that a $2,000-a-year gross income for such a family is, in terms of 1939 purchasing power, a little more than $1,000. I use the figure $2,000, Mr. President, because in the last few days there has been an announcement by responsible sources that today the median line of the income of the families of the United States is at a point a little over $2,000 a year. That means, in substance, something which to me is very significant, namely, that half of the families of the United States have a gross annual income of a little more than $1,000 in terms of 1939 purchasing power. Yet at that time the American Medical Association had advised the country that people making less than $3,000 a year could not provide adequate medical care for themselves and for their families. The social agencies of the Nation, including the Department of Labor, had made studies of what a minimum family budget would have to be, and all those minima were in the vicinity of $2,000 a year.

So I think it is extremely important that if we are going to maintain the health and the stability and the welfare of the United States of America, we must provide for the health and the stability and the welfare of the people who constitute half the families of this Nation. The able chairman of the committee has told us only that 30 percent is given as a reduction to people in that class, but we know that in terms of dollars and cents it is an insignificant amount of money. We in the United States profess to give to the world the example of democracy; and yet if we discriminate against our own poor, in favor of our own rich, what kind of an example of democracy is that for us to give the world, to persuade men to follow us, if they propose to lift up the masses of their people in the lower-income levels.

So, as I said the other day, this bill discriminates against our people who need help most, and gives most help to those who need it least. We have raised the level of luxury to the American family before we have raised to a decent level of living the unfortunate people of America who are in the lower income classes. That is not the way to make a strong America. That is not a good example of democracy to give to the rest of the world. But, as I said the other day, the bill is unfair to the lower income groups of America. It is unwise, as a matter of fiscal policy, for us, at a

time when the future demands upon us are uncertain, to make a tax reduction that leaves us with less power to save the world than we would otherwise have.

It has already been stated here that the President has acted in a questionable manner by vetoing this bill. Of course, his constitutional authority is not questioned, because it cannot be questioned. But this bill is not a revenue bill. It is a tax-reduction bill. It is not a bill to raise revenue; it is a bill to lower the income of the Government of the United States. The President has not said to the Congress, "I presume to usurp your constitutional authority to initiate revenue legislation." Of course the President recognizes that the authority to levy taxes exists exclusively in the Congress of the United States. With all his power, he cannot levy a penny of taxes upon the American people, for that principle has been well established by the sacrifices of those who believed in democracy in our long and honorable past.

But the President says that this is no time to reduce taxes; it is no time to lower the tax rate, when our demands are yet unknown, when the future is dark and uncertain, when the earth itself trembles upon the very brink of possible disaster.

Mr. President, I venture to believe that posterity will be more likely to approve and commend the courage of the President than it will that of that part of the Congress which has differed with the President in this vital matter. I share strongly the beliefs that have been voiced about the effect that will be had upon those abroad who are looking to us, if this tax bill should become law, because they will know that we are putting too much emphasis on saving money for the home folks, for them to be able to look with great confidence at the likelihood of our generosity in helping people abroad.

But paradoxically—Mr. President, I say "paradoxically," because often we think that even what appears in the Bible is not true—paradoxically it is true in international commerce, as it is in religion, that the Nation that would save itself must appear to lose itself, to help the rest of the world, just as a person who would save his own soul must exhibit some concern for others.

Mr. President, America will lose this prosperity, agricultural prices will slump, bankruptcy will hit innumerable farms and businesses and the great American enterprise of today that has given us such unprecedented prosperity will slip into a toboggan slide downward if we lose these foreign markets which depend upon our help in sustaining them. Mr. President, such help is not extravagance; it is a necessary investment for agriculture and industry in America. We must help them so that we ourselves may survive.

So the President is not usurping the prerogatives of the Congress. He is merely putting up the danger signal, and is saying, "Gentlemen of the Congress, this is no time for tax reduction. Let us either apply the surplus to the national debt, when we can do so, or better, let us make an investment in American prosperity by building enduring markets abroad and at the same time stabilizing the institution of democracy"— an institution, Mr. President, for which in dollars and in blood we have already paid so dear a price.

Mr. WILEY. Mr. President, I have not had the privilege of being a member of the committee which considered the measure which is now before the Senate, and I intend to follow the judgment of those who spent months in investigating and in framing the bill. My purpose in rising at this time is merely to refer to an occasion when every Senator was thrilled by the magnificent oratory of the then majority leader, now the minority leader, the senior Senator from Kentucky [Mr. BARKLEY]. I wish to read from the RECORD of February 23, 1944. I quote the senior Senator from Kentucky:

> In his effort to belittle and discredit Congress throughout his veto message, the President says:
>
> "It is not a tax bill but a tax-relief bill, providing relief, not for the needy but for the greedy."

The Senator from Kentucky continued:

> That statement, Mr. President, is a calculated and deliberate assault upon the legislative integrity of every Member of Congress. Other Members of Congress may do as they please; but, as for me, I do not propose to take this unjustifiable assault lying down.

Then, Mr. President, after a most effective effort, in which we who had the privilege of listening were intensely interested, the distinguished Senator from Kentucky concluded his dynamic remarks with this language, which thrilled us all, and which, I think, is most appropriate for this occasion. I quote:

> Mr. President, let me say, in conclusion, that if the Congress of the United States has any self-respect yet left it will override the veto of the President and enact this tax bill into law, his objections to the contrary notwithstanding.

Mr. President, in my judgment, that language is very appropriate at this particular moment.

Mr. MALONE. Mr. President, the tax bill passed twice by the present Congress is the best effort possible at this time to pass on to the taxpayers of the Nation the results of the modest reductions in the costs of government the majority party have been able to bring about in their first year of responsibility. A 30-percent saving in the lower-income brackets, a 20-percent saving to the middle-income group, and 10-percent for the highest income groups, is a good start, and should have become effective on July 1 of this year. Certainly the taxpayers should now get this reduction which is equivalent to a raise in pay. The theory voiced many times by the minority party during the past 15 years of raising wages and siphoning off the raise in pay through high taxes to prevent inflation does not make sense to me.

We have been successful in stopping the increase in the national debt and the upward spiral of taxes for the first time in 15 years, and it is sincerely hoped that during the recess of the Congress the Finance Committee can and will work out completely a reorganized tax structure for additional relief and for additional encouragement for the investment of venture capital in business, and in the further development of the resources of our Nation.

Our ever-expanding economy is dependent upon venture capital. Venture capital is that which is risked in expansion or new enterprise with the expectation of monetary returns sufficient to pay for the use of the money and also a payment commensurate with the risk taken. If we, by excessive taxation, remove the incentive for venture capital to exert its expanding influence on our economy, we are killing the goose that lays the golden egg—we are throttling the very thing we are striving to nourish. We are delaying the return to a balanced economy; one balanced by the fluctuations of supply and demand, and one which is expanded by the constant flow of new venture capital to pay for the development of new methods, new devices, and new machines which have raised our per man-hour production above that of any other nation in the world.

We are justly proud of our productive capacity, but we must not let this pride blind us in realizing from whence it comes.

One essential cog in our free-enterprise system is venture capital.

This venture capital must come from capitalists, but, Mr. President, I suggest that almost every citizen of this great country is a capitalist to some degree. Their capital is represented by bank accounts, insurance, property ownership, war bonds, and ownership of shares of other bonds and stocks. This, Mr. President, is the real source of the largest part of our venture capital.

Within our large businesses and corporations the supply of capital is provided by the thousands upon thousands of small investors who have bought a few shares of stock—accepting a degree of risk comparable to the expected gain.

Mr. President, I say again, we must not continue the high rate of taxation now in effect or we will surely shut off at the source the flow of money necessary to continue our gradual economic expansion. We must provide for a tax cut.

I do not suggest such a tax cut without full realization of the economic necessity of also reducing the Federal debt, maintaining a strong foreign policy, providing for an adequate national defense, and for the necessary costs of government. The tax cut here proposed will in my opinion act as a stimulant—not a deterrent—to these objectives. The urgency of a tax cut at this time is predicated on the very nature of our free-enterprise system.

If I may draw a parallel, I would like to suggest that a man may give a pint of blood at intervals without harm, but the continual drawing off of his life-blood will lead to his destruction. Let us not here assembled allow the life-blood of our economy to be drained from our free-enterprise system by taxing to destruction the very source of our prosperity.

If we could determine the fatal fascination of foreign governments for our Government executives, some progress

will have been made. Their movements have all the earmarks of a world WPA. It is about time that we give our own people and their fiscal affairs some attention.

Mr. President, we are now forcing further inflation through the export of goods badly needed by our own people, and preaching that we are a "have not" Nation in the production of many raw materials in the mineral and fuel fields, and at the same time adopting tax and other policies which discourage the further development of those resources.

A good start has been made. This tax bill, if passed over the veto of the President and enacted into law, will mean a raise in pay for the average wage-earner, enabling him to buy a new suit of clothes and a few extra groceries, and in the higher brackets it will mean an additional amount for investment in business.

The proposed legislation is the first move towards fiscal common sense for more than a decade, and the bill should be enacted without delay.

Mr. President, I am wondering if the citizens of the European countries have more information than we have. George Rothwell Brown, for example, in his column the Political Parade, which appears in the New York Journal-American, had this to say in his dispatch from Paris dated July 17:

> Into a European conference straining at overtime speed toward the goal of immediate American economic aid fell with stunning force the intimation from Washington that congressional action on the Marshall plan was highly unlikely before next year.
>
> The news cast a shadow over the final sessions of the conference of ministers of the western continental states at the Quai d'Orsay.
>
> The unprecedented haste with which the Paris Conference had been assembled by Britain and France, and its organization had been completed, reflected the eagerness for prompt action in Washington.
>
> Hopes for rushing through a general scheme for the economic rehabilitation of western Europe, while public opinion in America was still in a formative and perhaps not hostile state, have been rudely dashed.
>
> The disappointment here over the intimation that President Truman, contrary to previous reports, might not call an extra session of the Congress in October, but let consideration of the European program go over to the regular session in January, is the measure of the enormous and dangerous height to which the great expectations of Europe had been raised, not so much by the Marshall speech at Harvard, as by the implications of vast financial benefits contained in the implementing addresses of Cohen, Acheson, and Harriman.

It has gotten to the point in the last few weeks when if one desires to get in touch with an executive in this country it is generally reported he is in Europe attending some conference. It seems to me this is a very appropriate time to pay some earnest attention to the business of our own American citizens.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, the yeas and nays will be called.

Mr. TYDINGS. Mr. President, the greatest question before the people and the Government of the United States is not the question of economy or tax reduction, great as are those two propositions. The greatest question before the country and before the world is the restoration of world peace, with the hope, the possibility, and the probability, that another war will not ensue. All other questions, though important in themselves, and not to be neglected by the Legislature of the Nation, are secondary to the question of world security and world peace. For what profits what we may do of a temporarily beneficial nature, through the best and the highest motives, if it is all swept away by the deluge of world chaos and another world war?

For 10 of the last 30 years the world has been engaged in destruction. Men have been destroying each other, the work of centuries, and the stability of government. I am sure that every Senator realizes profoundly that if we are to superimpose in the not far distant future another world struggle on the people of the earth, but few vestiges of democracy will be left.

I pause now to pay my meed of respect and appreciation to two Members of this body, the distinguished Presiding Officer the senior Senator from Michigan [Mr. VANDENBERG], and the former chairman of the Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], for trying, in the face of tremendous difficulty, in the face of almost insurmountable barriers, to create machinery which at least gave us the hope, if not the realization, that we might avert another great world struggle.

At the moment the structure of which these two gentlemen statesmen are the architects, good though it has been with the materials at hand, has not evolved into the edifice of peace for which we have all profoundly hoped. This is still a world in some quarters unwilling, rightly or wrongly, to cooperate to secure the main objective.

We are rapidly finding the world dividing into two camps one in the Russian orbit, the other in the orbit of the United States of America. Russia today is not confined behind the old Russian border that touched on Poland, Hungary, Rumania, Bulgaria, and Turkey. Russia has engulfed the three countries of Estonia, Latvia, and Lithuania, has taken a large part of noble and gallant little Finland, and has taken Hungary, Yugoslavia, Czechoslovakia, Bulgaria, Romania, and a portion of Austria into her boundaries. I do not mean to say that Russia will forever maintain these outer limits of what might be called the Russian Empire. Perhaps reason and patience, perhaps some event or circumstance will bring about the freedom and the complete liberation of the countries now within the Russian sphere; but I know that today each and every one of those nations is living under the fear and the direction of Moscow; and every Senator in this body is conscious that that is so.

Untoward events are happening in Greece at this very moment. But a few days ago a group of well-equipped men made a sortie into Greece, and for a while it looked as if a major battle might be fought on Grecian soil. It is no secret, rightly or wrongly, that Russia desires to have a warm-water outlet on the Mediterranean. She has tried many times, through negotiation or through other measures, to secure the Dardanelles from the Turks. There are, however, outside the Russian zone of influence a great many countries, democratic in their fundamental nature, which are still maintaining the standards of democracy, the liberties which are inherent in such a system of government, and which are hard-pressed because they are small in size, weak in their ability to resist in quantity, but proved to be strong in quality.

It is my belief that if at some conceivable future date the United States of America were to say it was not interested in the world at large, but only in this hemisphere, or in its own domestic concerns, the democracies of Europe would rapidly collapse, and in time they would turn to Russia, the strong government in that area, and become parts, either formally or informally of the great Russian empire.

I had a brief experience in World War I. We fought it to achieve what was represented by a number of high-sounding words whose objective failed to be attained. Nevertheless, when a new war occurred, I found the same old slogans, the same old sayings being uttered by every man in public life, local, State, or national—"Go forth and make the world safe for democracy!" It was said in World War I, it was said in World War II. And with all the patriotism that those perilous hours could evoke within us, we sent our young men forth on their grim missions, knowing many of them would not return; because we thought our own safety was in jeopardy, and because a system was sweeping over the world, totalitarian dictatorship, with its denial of freedom, and we feared that unless we resisted, we, too, might follow in the pathway of Norway, of Belgium, of Holland, of Czechoslovakia, of Austria, of Hungary, of France, and of other nations, as the German Empire under Hitler reached out to bring by conquest more and more countries within its orbit.

But I am again astounded, as I was after World War I, at the speed with which men and nations can so quickly forget the high sacrifices made in a cause when the hour of danger is over. To mention one little incident, only yesterday, or the day before, I sought to have the Senate consider a bill to give widowed mothers who had lost their only sons on the battlefield, their only means of support—widowed mothers who had given their only sons to their country—a preference of so many points in taking a civil-service examination, so that they might work for the Government, to which they had contributed more than anyone else who lives may contribute, to the perpetuation of our democratic institutions. The distinguished Senator from Minnesota [Mr. BALL] objected to that bill. He objected to giving widowed mothers, whose only sons had been shot down over Italy or elsewhere, the mere right to have 5 or 10 points on their civil-service examination, so that the National Government

could give them a measure of compensation for the great sacrifice they had made.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BALL. The Senator from Minnesota objected to wrecking the civil-service system, which is what the Senator's bill would do.

Mr. TYDINGS. If according a small preference to widows who have given their only sons to the god of battle in defense of the Stars and Stripes would wreck the civil-service system, then it ought to be wrecked. A government that would deny a mother, who is a widow and who has given her only son, some small degree of preference in working for the Government to which she has contributed, not a million nor a billion dollars, but infintely more, does not deserve the name of democracy, nor does it deserve words of appreciation.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LANGER. I want the RECORD to show that the Civil Service Committee by unanimous vote reported favorably the bill of the distinguished Senator from Maryland.

Mr. TYDINGS. Of course, it did. I mention it only to show in passing how quickly men forget those, and the families of those, who made the supreme sacrifice. We should never have spent one dollar to aid Greece or Turkey, unless we meant to stand by what we did by that action. Better to spend nothing, than to spend only sufficient to have it all wasted, and reap no benefit from such appropriation. I have watched the United Nations in its actions to try to bring about an understanding for world disarmament, including the atomic bomb, with proper inspection by the United Nations force, and with a sufficient force at the disposal of the United Nations to keep the peace, so that we would not have World War III. But I must say that as of this good hour, the seed planted to accomplish world peace has not even faintly begun to blossom, let alone to bear fruit. I myself have submitted in the Senate on two occasions resolutions asking the President to call the leaders of the great nations on earth together, to see whether there could not be an agreement, not for our disarmament, not for disarmament by example, as in 1922, but for world disarmament. I wanted to take away from nations the ability to make war, and to lodge the power to stop it, if that concept were adopted, in the United Nations, so that future generations in this age of atomic terror might go to sleep at night knowing that the policeman was on the beat well-equipped to keep the peace of the world.

It was not feasible, perhaps, for the President to take such action. Certainly such a measure never came out of the committee to the floor of the Senate where we could express our will about it. I still believe it is wise to secure a showdown on that matter. I should like to know the nation which stands in the way of world disarmament, because I would know that such a nation condemns itself to the future compassion of mankind, and blocks the hope of succeeding generations for a chance to live in world security.

All this, Mr. President, is but preliminary to adding that today we are not even approaching the pathway of world peace. Instead, two great forces different in their ideologies, in their geography, in their customs, in their assets and liabilities, are revolving each around the other. We can pull out of Europe. We can have nothing to do with the rest of the world, and we can cut taxes and cut taxes and cut taxes, because under the tax program we already have in effect, the Army and the Navy together consume nearly one-third of the entire expenditures of the Government for the fiscal year. If we add the cost of veterans thereto it appears that nearly one-half our total appropriation is for wars, past, present, and future.

Oh, we can cut taxes immediately. We can cut them drastically if we are willing to turn over this world to forces that everyone knows to exist, and condemn our former Allies and friends to a marriage with a system and a government when they would rather follow the system we have in this country for their own independent governments abroad.

I do not wish to quarrel or take issue with the able and distinguished Senator from Colorado in espousing the tax bill, nor do I wish to say that the rates are right or wrong, nor do I wish to say that we will not have a surplus in the Treasury if the bill is adopted. What I do want to say is that this is July 1947; we have got to look ahead to July 1948—a whole year; and I ask the Congress whether or not in the light of recent developments it desires on the one hand to cooperate, if the European nations say, "We will do this and that and the other," to help themselves, and that "If you will help us that much in addition, we can form a strong democratic system on the earth," or whether on the other hand we want to withdraw completely and let them go to pot.

I assume that that issue is coming to a head sometime between now and July 1, 1948. I assume that if it does come to a head each Senator will have to make his own decision as to whether the interests of his own country are ultimately best served by not having anything to do with Europe, on the one hand, or upon the other, taking the Marshall plan, as we hope it will evolve into a sound plan, an economic plan, and a plan that will strengthen the democracies of the world, and thereby our own, and promote commerce and good will on earth, and thereby promote our own prosperity.

If we are going to face that issue prior to July 1, 1948—and we very well may be called upon to face it—we cannot afford to have a Treasury which does not have some ammunition in it, because, Mr. President, dollars in this day of so-called peace are ammunition, they are bread and butter, they are tanks, they are airplanes, they are gasoline, they are meat, they are new bridges, they are new locomotives, they are new tracks, they are new seed, and they are new farming implements.

We have just appropriated a large sum of money to buy ammunition for the Army and Navy. I would rather not use that ammunition, because that is the more expensive kind to use in the long run. I would rather use the ammunition which would make expenditures in the future for real ammunition as small and as improbable as possible, and not so demanding.

Mr. President, I have no quarrel with the Senator from Colorado by reason of his bill. He is just as sincere as he can be that he has a good bill, and as a matter of fact the last time he offered it I supported it. I have been somewhat undecided, since I learned the President was going to veto it, as to whether I would vote to override his veto or whether I would vote to sustain it. There are many appealing arguments why we should have some tax reduction. But I am sorry that we did not have one kind of tax reduction that everyone in this Chamber and outside of it, for the most part, admits to be fair. I refer to the kind of tax bill under which all citizens would pay taxes on the same tax rates all over the United States of America, so that a taxpayer in one State, on the same income, would pay the same taxes that a taxpayer in another State, on the same income, would pay. Everyone said the rates now in effect were wrong; everyone said, "We are going to do something about it;" everyone said something ought to be done about it; but all the assurance we got was, "We are going to take it up next year."

There was something we could all agree on, and, as I recall, it would cost only $700,000,000 or $800,000,000. It is regrettable that that amendment was not put into the pending tax bill and the rate scale balanced so that the over-all reduction would have been no greater with it than it would have been without it.

I think we may, without being critical, take our good friends on the other side to task a little for postponing the correction of an obvious injustice that everyone acknowledges, for letting this cancer in the tax structure remain, and for permitting it to remain after the proposed tax reduction would have taken place.

Some days ago the Legislature of Pennsylvania, the State in which my good friend the junior Senator [Mr. MARTIN] lives, became weary of waiting on the Congress of the United States to put the taxpayers of Pennsylvania on the same plane as those in some 8 or 10 other States. So the Legislature of Pennsylvania adopted, for Federal income-tax purposes, the community-property-tax plan, and thereby, without Congress doing a single thing, mark you, they kept in the pockets of the people of Pennsylvania $81,000,000 a year which otherwise would have come to Washington. We here did not do a thing about it. Pennsylvania gave itself a tax reduction of $81,000,000 a year, and the Congress of the United States took no action. Just think of that. The people of Pennsylvania, through their legislature, reduced their share of the Federal tax burden $81,000,000 a year, while Congress was debating the tax bill. What do Senators think of that?

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall yield in a moment. In Maryland we are going to pay $21,000,000 more taxes than we should pay if we were on the same plane as the people of Pennsylvania.

I now yield to the Senator from Oregon.

Mr. CORDON. The distinguished Senator feels that his friends on this side of the aisle should be taken to task for that failure. I join him in regret that the amendment was not included. I should be interested in his views with reference to my friends on the other side of the aisle who for the past 14 years had the same opportunity and failed to do anything.

Mr. TYDINGS. They are equally to be condemned. The Senator from Oregon is exactly correct. Frankly, I myself did not realize until comparatively recent years that there was this great disparity. We were all occupied with the war. But when we were in the majority we were just as much to be blamed as is the Republican majority now to be blamed, except that now everyone knows about it. Now, we are out of the war. Now, we have a real chance to do it. The question has been put up to us twice, and we have not accorded equality of taxation under the law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. Two efforts have been made to equalize the situation since I have been a Member of the Senate. There were very violent battles over the effort to eliminate the advantage of community-property States. The Democratic administration was unable to put that proposal through. I think that would have been a much fairer method of dealing with the problem than to extend what I feel is an injustice in dealing with community property in the way in which it is dealt with in community-property States.

Moreover, I question very seriously whether the law which Pennsylvania has enacted will exempt the people of Pennsylvania from the Federal income tax in the manner in which the people of States which have always had a community-property law are exempted. Certainly it will not exempt them for a great many years. The process will be gradual. It is not possible to take away a man's income and give half of it to his wife by law. The law can be effective only over a long period of years, as applied to new marriages.

Mr. TYDINGS. I am very glad to know that the Democratic administration made two unsuccessful efforts to correct the situation. I ask the Republican majority when it is going to make one unsuccessful effort to correct it?

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield, but first let me get an answer to that question. When is the Republican majority going to make its first unsuccessful effort to correct the injustice? The Senator from Ohio, in a spirit of fairness, admits that it is an injustice. Now that the war is over, when will the Republican majority make the effort, if not in this bill?

Mr. RUSSELL rose.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield first to the Senator from Georgia, who first rose. Then I shall be glad to yield to the Senator from Indiana.

Mr. RUSSELL. I am sure that it has occurred to the Senator from Maryland that this is the first tax-reduction bill which has been before the Senate for a great many years. Therefore this is the appropriate time to end the most glaring inequities, when we are enacting a tax-reduction bill.

Mr. TYDINGS. I thank the Senator for his contribution.

I now yield to the Senator from Indiana.

Mr. CAPEHART. As I understand, the proposed amendment, at best, would affect only those in the higher income brackets. The Senator asked the question as to when we were going to make one unsuccessful effort to assist in remedying the situation. First, let me say that I am in favor of the proposed amendment and would vote for it if I had an opportunity to do so. However, let me ask this question: When are those on the other side of the aisle going to make their first effort, successful or unsuccessful, to reduce the taxes of 49,000,000 taxpayers in the United States, who in my opinion are more important than married couples who have large incomes?

Mr. TYDINGS. I made my first unsuccessful effort the other day when I voted for the tax bill sponsored by Republicans. Likewise I voted for the labor bill sponsored by Republicans. I am wondering when the spirit of cooperation will shuttle back and forth across the aisle, so that our effort, when it is made, will get the votes that we must have from the other side of the aisle.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. On the question of cooperation in the matter of tax legislation, I believe that any Senator who has been a member of the Committee on Finance during the past 6 years will testify that year after year when the Democrats were in the majority there was 100 percent cooperation from the Republicans in revising the Federal tax system. There was no partisan division in the Finance Committee. The Republicans were not able substantially to change the Democratic proposals of the administration. We cooperated to do the best job we could; and when those proposals came to the floor of the Senate they had the support of both Democrats and Republicans. I suggest to the Senator that when the majority is on the Republican side in the legislative body which has the supreme interest and the right of initiation of a tax bill, we have some right to expect the same cooperation from the administration, which is now in the minority in the Congress.

Mr. TYDINGS. I am glad to have the Senator's viewpoint. I believe that what he says is eminently so. I believe that in the main, aside from small differences during the past 6 years, Republicans on the committee worked with the Democrats when they were in control. But that was under the compulsion of war. When men find themselves in the face of a tremendous common peril, politics does not count for much. But once the danger is over, as I illustrated a moment ago, then the desire for the old political game reasserts itself. I do not wish to say that I have not my share of partisan faults. I am an organization man who takes a great many liberties with the organization at times. I have certainly been punished enough for being a little independent when I thought that some things were happening which were not altogether for the good of the country. I believe that all Senators on the other side of the aisle agree that the difference between the payment of the taxpayer from a community-property State and the payment of a taxpayer from a non-community-property State is unjust. The treatment is unequal and unfair.

The same proposition is agreed to on this side of the aisle. I think it is a crying shame and a reflection—and I use that word without meaning it in a bad sense—upon the technicians on the other side of the aisle in constructing this tax measure that they did not first of all remove a glaring inequity with respect to which we are all agreed, whether we be Democrats or Republicans.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. The accepted method of dealing with this question has always been by eliminating the exemption of citizens of the community-property States. Only within the past year or two has this new idea been brought forward. This is not a tax-reduction matter. It is a question involving a fundamental revision in the whole tax structure of the United States. No study of the question has been made in the House. The House is now studying it; and I think we can give the Senator the assurance that the question will be considered in the general tax revision bill now being prepared, which is aimed at the elimination of inequities, and not so much at the question of tax reduction.

When this question is taken up for consideration it will require an elaborate study of rates. Of course, the proposal discriminates against the single man, as compared with the married couple. It would require an adjustment of exemptions. Certainly that question should be studied. Various other adjustments are necessary. It is a complicated question which in my opinion it was not possible to deal with on the floor of the Senate. There were no hearings before either committee, and, so far as I know, no requests for hearings.

It seems to me perfectly clear that this proposal falls within the classification of fundamental revisions in the method of taxation. In that respect it is like the elimination of double taxation on corporations and their stockholders. It should be the subject of a complete study

and a complete revision, and not merely the subject of tax reduction. The Senator may be assured that the question will be dealt with in the tax revision bill now being prepared, and will be before the Senate in the first part of 1948.

Mr. TYDINGS. I am very glad to have the assurance of the able Senator from Ohio that that will be done. I entreat him, when it is done, that it be made retroactive—if it is done after January 1948—to January 1, 1948, so that payments under the new tax bill and under this bill, if the veto is overridden, will be effective at the same time.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment.

Mr. TAFT. I merely wish to complete my previous observation.

Mr. TYDINGS. I yield.

Mr. TAFT. I merely desire to suggest the tremendous complication involved in adjusting the withholding tables in the case of those who are married, as compared with those who are not. The question of how the income is to be divided, if it is earned income, is extremely complicated. That is especially true of the withholding tables. That is an additional reason why the accomplishment of this task is a long process.

Mr. TYDINGS. I do not question the sincerity or the capacity of the Senator from Ohio, but I do believe that before the first tax-reduction bill was sent to the President, who vetoed it, and when approximately 20 Senators joined in a bill in this session of Congress, there was ample opportunity to do it, if there had been on the other side of the aisle a real desire to do it. I regret that it was not done. I think a serious mistake was made, because I am satisfied, from talking to my colleagues on this side of the aisle, that there would have been 8 or 10 more votes for it than will now be the case, if that provision had been put into the bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MILLIKIN. I will say to the Senator that I have a communication from the chairman of the House Ways and Means Committee in which it is stated that if the situation will at all permit the community-property provision in the next revision bill will be made retroactive to the first of January.

Mr. TYDINGS. I am very much reassured. I am glad to see that we are getting around to correcting the most glaring injustice and inequality in the whole tax structure. In Maryland a man and wife making $15,000 a year pay a higher rate of tax than do similar persons living in community-property States. I think we ought to tax all our citizens exactly evenly. I am glad that we are beginning to realize that this reform should come first, in the interest of fairness all the way up and down the line, from the smallest income to the greatest.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield, but I should like to finish.

Mr. MAGNUSON. Mr. President, I come from a community-property State. I voted for the McClellan amendment. Since the beginning of the income-tax law, for 17 years under Republican administration and 14 years under Democratic administration, the community-property States have always said, "Leave us alone. We do not care what you do." It should be corrected.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CAPEHART. I dislike very much to think that we are going to deny tax relief to approximately 49,000,000 Americans because we have not included in this bill a community-property provision. I am aware that that is one of the reasons why the President may be sustained in his veto. The only other conclusion to which I have come is that for some reason there is in the minds of some Senators the idea of another emergency, that one of those typical emergencies with which the American people have been living for 15 or 16 years, may happen sometime next year. For 15 or 16 years everything that the administration has done, at least according to my observation, has been done on the basis of an emergency—something was going to happen. We voted $3,750,000,000 to loan to Britain. I heard some Senator say they voted for it because they were fearful that if they did not, England might go communistic. We voted Greece and Turkey $400,000,000. I am certain the Senator will agree with me that many Senators voted on the basis that if they did not, something terrible would happen. We are now told that we must deny the American people, 49,000,000 of them, tax relief——

Mr. TYDINGS. I hope the Senator will not make a speech in my time. I wanted to yield only for a question.

Mr. CAPEHART. I merely wanted to say that I cannot believe my own ears—and I am not directing these remarks at the able Senator from Maryland, of whom I am very fond—when I hear Senators say they cannot vote for this bill because it is unfair, because it gives some people more relief than it gives to others. I hope I shall never live to see the day when I would deny the poor people of America, those with small incomes, some relief because I felt that someone was getting more. I do not believe it is a legitimate excuse for vetoing a bill or for Senators voting against it.

Mr. TYDINGS. I am not making that argument.

Mr. CAPEHART. I know the Senator is not, and I did not direct my remarks to him.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. McCLELLAN. I want to express my appreciation to the Senator from Maryland for the observations he has made with respect to the community-property issue. I did my best to persuade Senators on both sides of the aisle to do that which everyone knew was right, and then to have a tax reduction as far as we could go. I appreciate the Senator's remarks.

Mr. MILLIKIN. Mr. President——

Mr. TYDINGS. Mr. President, I hope the Senator will not ask me to yield.

Mr. MILLIKIN. I want, if I may, to place one figure in the RECORD. The benefit to the citizens of the State of Maryland under such a provision as the one to which he has referred would be $21,590,000. The benefit to the citizens of the State of Maryland under the bill which is now the subject of debate because of the President's veto would be $140,850,000.

Mr. TYDINGS. I appreciate that. Of course, if we double the reduction it will be approximately $280,000,000; if we cut it in half it will be approximately $70,000,000; and if we wipe it all out the people of Maryland will be very happy. I make that suggestion to my good friend from Colorado.

SEVERAL SENATORS. Vote! Vote!

Mr. TYDINGS. Mr. President, I see in the Chamber, on the other side of the aisle, the distinguished Senator from Wisconsin [Mr. McCARTHY], who had a splendid record in the last war. I see in the Chamber the Senator from Massachusetts [Mr. LODGE], who likewise had a fine record—an especially fine record, because he resigned from the Senate to don the uniform of his country. I see the Senator from Connecticut [Mr. BALDWIN], the Senator from Washington [Mr. CAIN], and others whom I could mention, including my good friend from South Dakota, the chairman of the Committee on Armed Services [Mr. GURNEY], the Senator from Illinois [Mr. BROOKS]; and on this side of the aisle I could call the names of other Senators who wore the uniform of the United States in the last two wars.

Senators remember quite vividly those grim hours. They remember how, immediately after Pearl Harbor, we had to start from scratch to build up the fleet again, and only the tremendous threat of the danger that confronted us after the fleet was sent to the bottom gave us the inspiration, strength, and courage to do it. They remember the hours just before our men crossed the English Channel, when they landed on Omaha Beach, in Normandy, when it was touch-and-go for a while. They remember that for a while the lines were locked, until General Patton went through. Then when victory was in sight the counterattack came at the Battle of the Bulge and we wondered whether our supreme and gallant effort was to be of no avail. Germany had not attacked us; Italy had not attacked us; Japan had attacked us. Of course, there was a treaty between those three countries which provided that if either one should become involved in a war with this country all three of them would make war on us. But we went farther and met the enemy a great distance away. We left hundreds of thousands of the flower of American manhood on the battlefield and spent $350,000,000,000 of the irreplaceable wealth of the country. Because we stuck to it, because we were willing to die, and some of us did die, because no obstacle was too great either at home or abroad, in the main, at last

one day the end of the struggle in Europe came, and then we redoubled all our efforts until finally the Imperial Japanese Government surrendered.

For what did we fight? Why did we go to Germany and to Italy? We went there to smother the threat of flames which would sear and scorch the whole world. Have the flames been completely extinguished? Is all over? If so, let us bring our troops back from Germany, let us bring our troops back from Italy, let us bring our troops back from Austria, let us bring our fleet home, let us bring MacArthur home, let us stop trying to sustain the democracies—if all is over. Mr. President, I assume that all of us joined in saying, "This is never going to happen again," and I agree that we must not let it happen again. If the Marshall plan is wrong, let us scuttle it and find a substitute or a better plan; or if the Truman plan is wrong, let us scuttle it and devise a better plan. But until we get a better plan, we had better keep the fire department ready.

Mr. President, I tell you, I do not like the looks of things in this world, and I do not believe you do, either. I do not like the looks of what happened in Greece a few days ago. If the Greek people are unable to meet the onslaught, what are we going to do about it? We have committed ourselves to $250,000,000 for Greece. Are we going to say, "We gave you the $250,000,000, and that is all; we are sorry"; and then turn over another page in history; or are we going to back up that expenditure? If we are going to back it up, how can we do so if we do not have a tax dollar in the Treasury to support the original investment?

Mr. President, I can listen to and respect the expression of the point of view of a Member of the Senate who says that we made a mistake in going into Turkey and Greece; I can sit down with other men who say, "That was the only thing for us to do for our own ultimate welfare," and I can respect their point of view; but I cannot respect the point of view of one who would pour out $400,000,000 for a rather transparent purpose, on the one hand, and who would then scuttle and run and let the $400,000,000 go overboard as soon as the first little popgun goes off in the sky.

In Korea the situation is not too healthy. There is a kind of war—I do not know what kind it is—going on in China. There is much unrest in the Dutch East Indies. Britain is getting ready to let go of India. She has already let go of Burma formally. Many governments in Europe are either communistic or are close to communism, and I think almost anyone will say that they are likely to be completely communistic if they are without the rallying force of our Government. Perhaps we should let them go; perhaps our destiny will be better served if we say, "We cannot stop this thing. Let us let it take its course, and let us pull out of Europe, and come home and mind our own business." But, Mr. President, I cannot understand it if we say we are going to use some money for those purposes, and later we pull out and lose all that money we have invested there, and lose our influence in the orbit of Europe

Therefore, I shall vote to sustain the President's veto, not because the bill does not contain the community-property amendment, although that would be an inducement for overriding the veto, but partly because I saw what was exhibited about Europe yesterday, and partly because I think we should keep our guns behind the door with plenty of ammunition, because if all does not go as we hope it will, it will be only one infinitesimal part of the ultimate cost if we do not have tax reduction, as compared to what the cost will be if we create the impression that we are playing fast and loose with a policy which we say we have announced, but which we are ready to abandon and retreat from at the first opportunity.

Mr. President, I think we will best serve the Nation and its taxpayers and its system of government and the system of free enterprise by keeping the Government in such a position that it will be made plain we mean business, so far as we can exert our influence in this world to create a structure of peace, or at least to keep the peace. It is further my belief that if we retreat, those against whom we may have exerted any policy will follow us onward, and in the end we shall be confronted by a hostile world; and in the age of atomic warfare, we might have to pay a greater penalty for our retreat than otherwise would be the case.

Mr. President, at this hour I do not wish to debate whether the tax structure is a good one or a bad one. There are good arguments on both sides of that question. I do not wish to place my support of the President's veto on the mere ground of politics. I do not wish to place my support of the President on the ground that the community-property tax amendment was not placed in the bill, although I think it should have been. I wish to place my support of the President's veto on the single ground that for the protection, the prosperity, and the ultimate welfare of the people of this Nation, and with a due regard for the heroic sacrifices made by our dead in a recent war, for the moment I want the flag to fly from the flag-pole at as high a place as we can put it, so that all the world can see it.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Connally	Hawkes
Baldwin	Cooper	Hayden
Ball	Cordon	Hickenlooper
Barkley	Donnell	Hill
Brewster	Downey	Hoey
Bricker	Dworshak	Holland
Bridges	Eastland	Ives
Brooks	Ecton	Jenner
Buck	Ellender	Johnson, Colo.
Bushfield	Ferguson	Johnston, S. C.
Butler	Flanders	Kem
Byrd	Fulbright	Kilgore
Cain	George	Knowland
Capehart	Green	Langer
Capper	Gurney	Lodge
Chavez	Hatch	Lucas
McCarran	Myers	Taft
McCarthy	O'Conor	Taylor
McClellan	O'Daniel	Thomas, Okla.
McFarland	O'Mahoney	Thomas, Utah
McGrath	Overton	Thye
McKellar	Pepper	Tydings
McMahon	Reed	Umstead
Magnuson	Revercomb	Vandenberg
Malone	Robertson, Va.	Watkins
Martin	Robertson, Wyo	Wherry
Maybank	Russell	White
Millikin	Saltonstall	Wiley
Moore	Smith	Williams
Morse	Sparkman	Wilson
Murray	Stewart	Young

The PRESIDENT pro tempore. Ninety-three Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, will the Chair be good enough to state the question?

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, the question must be decided by a yea-and-nay vote, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting he would vote "yea."

Mr. LUCAS. I announce that the Senator from New York [Mr. WAGNER], who is necessarily absent, would vote "nay" if present.

The result was—yeas 57, nays 36, as follows:

YEAS—57

Baldwin	Flanders	O'Conor
Ball	George	O'Daniel
Brewster	Gurney	Reed
Bricker	Hawkes	Revercomb
Bridges	Hickenlooper	Robertson, Va.
Brooks	Hoey	Robertson, Wyo.
Buck	Ives	Saltonstall
Bushfield	Jenner	Smith
Butler	Johnson, Colo.	Stewart
Byrd	Kem	Taft
Cain	Knowland	Thye
Capehart	Lodge	Vandenberg
Capper	McCarran	Watkins
Cooper	McCarthy	Wherry
Cordon	McKellar	White
Donnell	Malone	Wiley
Dworshak	Martin	Williams
Ecton	Millikin	Wilson
Ferguson	Moore	Young

NAYS—36

Aiken	Holland	Murray
Barkley	Johnston, S. C.	Myers
Chavez	Kilgore	O'Mahoney
Connally	Langer	Overton
Downey	Lucas	Pepper
Eastland	McClellan	Russell
Ellender	McFarland	Sparkman
Fulbright	McGrath	Taylor
Green	McMahon	Thomas, Okla.
Hatch	Magnuson	Thomas, Utah
Hayden	Maybank	Tydings
Hill	Morse	Umstead

NOT VOTING—2

Tobey Wagner

The PRESIDENT pro tempore. On this vote the yeas are 57, the nays are 36. Two-thirds of the Senate not having voted in the affirmative, the bill is not passed.

NOTICE OF COMMITTEE MEETING

Mr. GURNEY. Mr. President, I wish to announce that the subcommittee considering appropriations for the civil functions bill will have a short meeting right away in the Appropriations Committee room, with the permission of the Senate, to decide when they will mark up the civil functions bill.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 18, 1947, the President had approved and signed the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R. 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State;

H. R. 1203. An act to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1448. An act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902;

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 1882. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2097. An act to declare the ownership of the timber of the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof;

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe;

H. R. 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, with exchange of funds or reimbursement;

H. R. 2331. An act to amend section 20a of the Interstate Commerce Act;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes;

H. R. 2746. An act to provide secretaries for circuit and district judges;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2885. An act authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light;

H. R. 2886. An act authorizing the sale, under supervision, of land of Richard Little Light;

H. R. 2956. An act to amend the Natural Gas Act approved June 21, 1938, as amended;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission;

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy; and

H. R. 3864. An act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. WHERRY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 4106, the District of Columbia appropriation bill for 1948.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

There being no objection, the Senate proceeded to consider the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BARKLEY. Mr. President, may I ask the Senator from Maine whether, after the conclusion of consideration of the District of Columbia appropriation bill, he proposes that the Senate shall recess?

Mr. WHITE. Mr. President, the intention is, at the conclusion of consideration of the appropriation bill, to move a recess until 11 o'clock a. m. tomorrow.

Mr. DWORSHAK obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. MAGNUSON. I have a matter which will take about 3 or 4 minutes. It is an emergency matter, with which the Senator is familiar. I ask unanimous consent to bring up for immediate consideration a motion to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 3767 and for immediate consideration thereof by the Senate. The bill relates to sockeye salmon. They have been upstream, now, five times, and they have been forced to turn back. I hope we will get them over the hump this time.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent——

Mr. MAGNUSON. To discharge the Committee on Interstate and Foreign Commerce.

The PRESIDENT pro tempore. That the pending business, which has been taken up while the unfinished business is suspended——

Mr. WHERRY. Mr. President——

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. WHERRY. Reserving the right to object, I should like to ask the distinguished Senator from Washington if he will wait until the appropriation bill is considered. I am satisfied it will be concluded within a few minutes.

Mr. MAGNUSON. Very well; I withdraw my request then, and I will wait.

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have placed in the RECORD at this point a short statement explaining the changes made in the District of Columbia appropriation bill in the Senate committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Amount of bill as passed House	$95,930,310.00
Amount of reduction by Senate (net)	982,806.00
Amount of bill as reported to Senate	94,947,504.00
Amount of regular and supplemental estimates for 1948	95,793,160.00
Amount of appropriations, 1947	85,702,347.16
The bill as reported to the Senate—	
Under the estimates for 1948	845,656.00
Exceeds the appropriations for 1947	9,245,156.84

Officials of the District have given assurances that anticipated revenues for 1948 will provide ample funds to take care of their budget.

Mr. DWORSHAK. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "General administration," on

page 3, line 21, after the word "investigations", to strike out "$222,000" and insert "$208,000."

The amendment was agreed to.

The next amendment was, on page 4, line 10, after the word "Columbia", to strike out "$224,000" and insert "$218,550."

The amendment was agreed to.

The next amendment was, under the heading "Fiscal service," on page 4, line 18, after the word "advertised", to strike out "$554,000" and insert "$574,000."

The amendment was agreed to.

The next amendment was, on page 5, line 5, after the numerals "967", to strike out "$291,900" and insert "$299,900."

The amendment was agreed to.

The next amendment was, on page 5, line 9, after "Auditor's office," to strike out "$392,850" and insert "$383,900."

The amendment was agreed to.

The next amendment was, under the heading "Regulatory agencies," on page 6, line 18, after the word "Parole", to strike out "$40,600" and insert "$56,600."

The amendment was agreed to.

The next amendment was, on page 7, line 3, after the word "vehicles", to strike out "$135,700" and insert "$134,000."

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "Control", to strike out "$107,000" and insert "$100,000."

The amendment was agreed to.

The next amendment was, on page 7, line 16, after the word "room", to strike out "$175,000" and insert "$196,000, of which $21,000 shall be available exclusively for the purchase of photostatic equipment."

The amendment was agreed to.

The next amendment was, on page 7, line 21, after the word "Commission", to strike out "$119,000" and insert "$130,800."

The amendment was agreed to.

The next amendment was, on page 8, line 10, after the word "Commission", to strike out "$29,500" and insert "$22,500."

The amendment was agreed to .

The next amendment was, under the heading "Public schools—Capital outlay," on page 11, line 5, after the word "School", to strike out "$620,600" and insert "$600,000."

The amendment was agreed to.

The next amendment was, on page 21, line 12, after the word "sites", to strike out "$880,000" and insert "$450,000."

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 31, line 6, after the word "inspectors", to strike out "$2,042,000" and insert "$2,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Corrections," on page 34, line 9, after the word "sentence", to strike out "$2,550,000" and insert "$2,500,000."

The amendment was agreed to.

The next amendment was, under the heading "Public welfare," on page 35, line 4, after the word "services", to strike out "$82,000" and insert "$120,994."

The amendment was agreed to.

The next amendment was, on page 38, line 17, after the word "committed", to strike out "$1,852,900" and insert "$1,845,600."

The amendment was agreed to.

The next amendment was, on page 39, line 7, after the word "law", to strike out "$6,000,000" and insert "$6,229,000."

The amendment was agreed to.

The next amendment was, on page 39, line 13, after the figures "$150,000", to strike out the colon and *"Provided,* That no part of these funds shall be expended for the care of children the income of whose parents, parent, or guardian exceeds $2,000 per annum."

The amendment was agreed to.

The next amendment was, under the heading "Public works," on page 45, line 16, after the word "Commissioners", to strike out "$5,285,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 51, line 20, after the word "refuse", to insert "(at a total cost not to exceed $1,160,000), an additional amount for construction of proposed refuse transfer station (at a total cost not to exceed $706,000)."

The amendment was agreed to.

The next amendment was, on page 52, line 17, after the figures "$5,400", to strike out "$1,154,000" and insert "$1,140,000."

The amendment was agreed to.

The next amendment was, on page 53, line 3, after the words "in all", to strike out "$3,931,000" and insert "$3,500,000."

The amendment was agreed to.

The next amendment was, under the heading "National Guard," on page 57, line 10, after the word "including", to strike out "compensation to the commanding general at the rate of $3,600 per annum"; and on page 58, line 5, after the word "range", to strike out "$68,600" and insert "$65,000."

The amendment was agreed to.

The next amendment was, under the heading "General provisions," on page 60, after line 7, to strike out:

SEC. 2. Vouchers in payment of obligations incurred pursuant to the appropriations contained in this act shall be prepared in the department, board, or office responsible for the incurring of the obligations and there certified as lawfully payable; thereafter the vouchers shall be audited before payment only by or under the jurisdiction of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the Disbursing Officer without countersignature.

The amendment was agreed to.

The next amendment was, on page 60, line 17, to change the section number from 3 to 2.

The amendment was agreed to.

The next amendment was, on page 61, line 5, to change the section number from 4 to 3.

The amendment was agreed to.

The next amendment was, on page 62, line 16, to change the section number from 5 to 4.

The amendment was agreed to.

The next amendment was, on page 62, line 22, to change the section number from 6 to 5.

The amendment was agreed to.

The next amendment was, on page 62, line 25, to change the section number from 7 to 6.

The amendment was agreed to.

The next amendment was, on page 63, line 7, to change the section number from 8 to 7.

The amendment was agreed to.

The next amendment was, on page 63, after line 12, to strike out:

SEC. 9. The Secretary of the Treasury is authorized to sell United States securities now held for and on account of the general fund of the District of Columbia in such amounts as may be certified by the Commissioners as necessary and credit the proceeds of such sale to said general fund.

The amendment was agreed to.

The next amendment was, on page 63, after line 17, to insert:

SEC. 8. The Commissioners are hereby authorized in their discretion to invest and reinvest at any time in United States Government securities, with the approval of the Secretary of the Treasury, any part of the general fund, highway fund, water fund, or trust funds, of the District of Columbia, not needed to meet current expenses during the fiscal year, to deposit the interest accruing from such investments to the credit of the fund from which the investment was made, and the Secretary of the Treasury is authorized to sell or exchange such securities for other Government securities, and deposit the proceeds to the credit of the appropriate fund.

The amendment was agreed to.

The next amendment was, on page 64, line 4, to change the section number from 10 to 9.

The amendment was agreed to.

The next amendment was, on page 64, line 11, to change the section number from 11 to 10.

The amendment was agreed to.

The next amendment was, on page 64, line 14, to change the section number from 12 to 11.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. Are there any further amendments to be offered? If not, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4106) was read the third time and passed.

Mr. DWORSHAK. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. DWORSHAK, Mr. BALL, Mr. YOUNG, Mr. O'MAHONEY, Mr. MCCARRAN, Mr. GREEN, and Mr. CAIN conferees on the part of the Senate.

SOCKEYE SALMON FISHERY OF THE FRASER RIVER

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, so that the Senate may proceed to the consideration of House bill 3767, to provide for the protection, preservation, and extension of the sockeye salmon fishery

of the Fraser River system, and for other purposes.

The PRESIDENT pro tempore. Without objection, the unfinished business is temporarily laid aside.

Mr. MAGNUSON. I now ask unanimous consent that the Senate Committee on Interstate and Foreign Commerce be discharged from the further consideration of House bill 3767.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request that the Committee on Interstate and Foreign Commerce be discharged from the further consideration of the bill? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, I now ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 3767) to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

Mr. TAFT. Mr. President, I wish to say a word on the bill. I will go along with the treaty, but I think the practice followed in setting up this international commission is not a good one. The treaty was entered into in 1930, so the bill merely carries out its terms. But we set up an international commission of four men who can make any law regarding the fishing of this particular salmon; they can limit it in any way. They make the law and the Congress of the United States has nothing to say about it. Any violation by any person of the law enacted by the Commission is a crime, and the one guilty of such crime may be sent to jail on the basis of a law made by this international commission. I think the practice ought to be revised. I have discovered a similar situation in connection with a proposed treaty relating to Lake Erie, and when that treaty comes before the Senate for consideration I shall object. But since the Commission was provided for by treaty, I shall not object to consideration of implementing legislation.

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Ohio if I understood him correctly to say that this delegation of power to make law was made in 1930?

Mr. TAFT. As I understand that is the date of the treaty?

Mr. MAGNUSON. That is the date.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill (H. R. 3767) was ordered to a third reading, read the third time, and passed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing a nomination, which nominations were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ARMY NOMINATIONS

Mr. GURNEY. Mr. President, about 1,900 routine nominations in the Regular Army were approved by the Armed Services Committee this morning. In order to obviate printing them on the Executive Calendar, I ask unanimous consent that, as in executive session, they be considered en bloc and approved.

Mr. CONNALLY. I object.

The PRESIDENT pro tempore. The Senator from Texas objects.

Mr. GURNEY. Mr. President, as in executive session, I report them for the Executive Calendar.

The PRESIDENT pro tempore. Without objection, they will be received for the calendar.

Mr. GURNEY, from the Committee on Armed Services, reported favorably the nomination of Maj. John Boyden Goodell, and sundry other officers for promotion in the Regular Army of the United States, which were ordered to be placed on the Executive Calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. TAFT, from the Committee on Labor and Public Welfare:

William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for a term of 5 years from August 29, 1947 (reappointment);

Lydia B. Edwards for appointment in the Regular Corps of the Public Health Service;

Walter E. Doyle and several other candidates for appointment in the Regular Corps of the Public Health Service;

Marion F. Graham and sundry other candidates for appointment in the Regular Corps of the Public Health Service;

Hiram J. Bush and Stanmore P. Marshall for promotion in the Regular Corps of the Public Health Service; and

Alexander A. Doerner and several other candidates for promotion in the Regular Corps of the Public Health Service.

By Mr. WILEY, from the Committee on the Judiciary:

Chester S. Dishong, of Florida, to be United States marshal for the southern district of Florida.

By Mr. LANGER, from the Committee on Civil Service:

Sundry postmasters.

By Mr. GURNEY, from the Committee on Armed Services:

Maj. John Boyden Goodell, and sundry other officers for promotion in the Regular Army of the United States.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

H. Freeman Matthews, of Maryland, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary to Sweden.

Executive D, Eightieth Congress, first session, a protocol concerning the International Office of Public Health signed at New York on July 22, 1946; without amendment (Ex. Rept. No. 9).

RECESS

Mr. WHERRY. Mr. President, I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Saturday, July 19, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 18 (legislative day of July 16), 1947:

WAR DEPARTMENT

Kenneth C. Royall, of North Carolina, to be Secretary of War.

UNITED STATES COURT OF CLAIMS

Hon. Evan Howell, of Illinois, to be judge of the United States Court of Claims, vice Hon. Marvin Jones, elevated.

NATIONAL LABOR RELATIONS BOARD

The following-named persons to be members of the National Labor Relations Board pursuant to Public Law 101, Eightieth Congress:

Abe Murdock, of Utah, to be a member of the National Labor Relations Board for a term of 5 years.

J. Copeland Gray, of New York, to be a member of the National Labor Relations Board for a term of 2 years.

Robert N. Denham, of Maryland, to be general counsel of the National Labor Relations Board for a term of 4 years.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 18 (legislative day of July 16), 1947:

COMMISSIONER OF EDUCATION FOR PUERTO RICO

Mariano Villaronga to be commissioner of education for Puerto Rico.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 18, 1947

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the Supreme Ruler of the universe, we rejoice in the revelation which Thou hast made of Thyself as a prayer-hearing and prayer-answering God.

We pray that we may be more conscious of our need of Thee, for Thou art the light of the hearts that know Thee, the life of the souls that love Thee, and the strength of the minds that seek Thee.

May we daily bear testimony to our oneness with Thy spirit by entering more sympathetically and helpfully into the experiences and problems of our fellow men.

Show us how we may release the hidden splendor of humanity, emancipating it from those sinister and debasing feelings and forces which are continually storming the citadel of man's soul.

Hear us for the sake of the Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without

amendment bills of the House of the following titles:

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against the laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R. 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State;

H. R. 1203. An act to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 1882. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2097. An act to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation and to authorize the sale thereof;

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe;

H. R. 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement;

H. R. 2331. An act to amend section 20a of the Interstate Commerce Act;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes;

H. R. 2746. An act to provide secretaries for circuit and district judges;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2885. An act authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light;

H. R. 2886. An act authorizing the sale, under supervision, of land of Richard Little Light;

H. R. 2956. An act to amend the Natural Gas Act approved June 21, 1938, as amended;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes; and

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 981. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens;

H. R. 2857. An act to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments;

H. R. 2938. An act to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior; and

H. R. 3173. An act relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 318. An act to authorize the coinage of 50-cent pieces to commemorate the patriotic services of Patrick Henry and to perpetuate his home as a historic shrine;

S. 323. An act authorizing the Comptroller General of the United States to allow credits to and relieve certain disbursing and certifying officers of the War and Navy Departments in the settlement of certain accounts;

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman;

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull;

S. 885. An act to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States;

S. 995. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf;

S. 1039. An act for the relief of Ada B. Foss;

S. 1077. An act to amend section 4450 of the Revised Statutes of the United States, as amended by the act of July 29, 1937, and for other purposes;

S. 1150. An act authorizing the issuance of a patent in fee to Mrs. Margert Pickett Yellowtail;

S. 1220. An act to transfer jurisdiction of certain lands comprising a portion of Acadia National Park, Maine, from the Department of the Interior to the Department of the Navy, and for other purposes;

S. 1324. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind;

S. 1368. An act to amend section 2455 of the Revised Statutes, as amended, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes;

S. 1497. An act to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916;

S. J. Res. 136. Joint resolution authorizing the President to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations; and

S. J. Res. 144. Joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3131. An act to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BUCK, Mr. BALL, and Mr. MCGRATH to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that Mr. CAPEHART and Mr. MCMAHON be appointed additional conferees on the part of the Senate on the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

GERMAN SPECIAL DEPOSIT ACCOUNT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4043) to change the order of priority for payment out of the German special deposit account, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 (b) of the Settlement of War Claims Act of 1928, as amended, is amended by striking out the word "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon followed by the word "and", and by adding the following new paragraph:

"(4) All money held in the Alien Property Trust Fund whose payment is restricted under the joint resolution entitled 'Joint resolution to amend the Settlement of War Claims Act of 1928, as amended,' approved June 27, 1934."

SEC. 2. Paragraphs (8), (9), and (10) of section 4 (c) of the Settlement of War Claims Act of 1928, as amended, are amended to read as follows:

"(8) To pay (A) the accrued interest payable under subsection (c) of section 2 (in respect of awards of the Mixed Claims Commission) and (B) after such interest has been

paid in full, the accrued interest payable under subsection (h) of section 3 (in respect of awards to German nationals);

"(9) To make such payments as are necessary (A) to repay the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the Trading With the Enemy Act, as amended (relating to the investment of 20 percent of German property temporarily withheld), (B) to pay amounts equal to the difference between the aggregate payments (in respect of claims of German nationals) authorized by subsections (g) and (h) of section 3 and the amounts previously paid in respect thereof, and (C) to pay amounts equal to the difference between the aggregate payments (in respect of awards of the Mixed Claims Commission) authorized by subsections (b) and (c) of section 2, and the amounts previously paid in respect thereof. If funds available are not sufficient to make the total payments authorized by this paragraph, the amount of payments made from time to time shall be apportioned among the payments authorized under clauses (A), (B), and (C) according to the aggregate amount remaining unpaid under each clause;

"(10) To pay accrued interest upon the participating certificates evidencing the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the Trading With the Enemy Act, as amended (relating to the investment of 20 percent of German property temporarily withheld);".

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 4 (b) of the settlement of War Claims Act of 1928, as amended, is amended by striking out the word "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon followed by the word 'and', and by adding the following new paragraph:

"'(4) All money held in the Alien Property Trust Fund whose payment is restricted under the joint resolution entitled "Joint resolution to amend the Settlement of War Claims Act of 1928, as amended," approved June 27, 1934, other than property with respect to which the restrictions imposed by such joint resolution have been removed by the President prior to the enactment of this paragraph. The Attorney General shall certify to the Secretary of the Treasury the amounts to be so deposited.'

"SEC. 2. Paragraph (13) of section 4 (c) of the Settlement of War Claims Act of 1928, as amended, is redesignated '(14)' and paragraphs (8), (9), (10), (11), and (12) are amended to read as follows:

"'(8) to pay (A) the accrued interest payable under subsection (c) of section (2) (in respect of awards of the Mixed Claims Commission) and (B) after such interest has been paid in full, to pay amounts equal to the difference between the aggregate payments (in respect of awards of the Mixed Claims Commission) authorized by subsections (b) and (c) of section 2 and the amounts previously paid in respect thereof: *Provided*, That, for the purpose only of subsection (c) of section 2, the amounts payable under subsection (b) of section 2 and remaining unpaid shall be deemed reduced by the amount of any payments of interest hereafter made under clause (A) hereof;

"'(9) To pay into the Treasury as miscellaneous receipts the amount of the awards of the Mixed Claims Commission to the United States on its own behalf on account of claims of the United States against Germany;

"'(10) To pay the accrued interest payable under subsection (h) of section 3 (in respect of awards to German nationals);

"'(11) To make such payments as are necessary (A) to repay the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the Trading With the Enemy Act, as amended (relating to the investment of 20 percent of German property temporarily withheld), (B) to pay amounts equal to the difference between the aggregate payments (in respect of claims of German nationals) authorized by subsections (g) and (h) of section 3 and the amounts previously paid in respect thereof. If funds available are not sufficient to make the total payments authorized by this paragraph, the amount of payments made from time to time shall be apportioned among the payments authorized under clauses (A) and (B), according to the aggregate amount remaining unpaid under each clause;

"'(12) To pay accrued interest upon the participating certificates evidencing the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the Trading With the Enemy Act, as amended (relating to the investment of 20 percent of German property temporarily withheld);

"'(13) To make such payments as are necessary to repay the amounts invested by the Alien Property Custodian under subsection (b) of section 25 of the Trading With the Enemy Act, as amended (relating to the investment of the unallocated interest fund); but the amount payable under this paragraph shall not exceed the aggregate amount allocated to the trusts described in subsection (c) of section 26 of such act; and.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, American nationals suffered damages to their persons and property at the hands of Germany during World War I. Subsequent to the war, treaties and agreements were initiated and consummated between the United States of America and Germany for the purpose of resuming friendly relations and to provide for the settlement of claims for damages to the nationals of the respective governments.

I have introduced H. R. 4043 to make secure the application of funds heretofore set aside by Congress for the express purpose of meeting the unpaid balance of awards made to American nationals for damages and loss suffered by them as a result of World War I.

The Congress passed a joint resolution July 2, 1921, declaring the war between the Imperial German Government and the United States at an end. But in section 2 it said:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof: or which were acquired by or are in possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal Allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

Then section 5 of said joint resolution of Congress provides further, as follows:

All property of the Imperial German Government, or its successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said governments respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents since July 31, 1914, loss, damages, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment whether the same be national or otherwise, in all matters affecting trade, navigation, commerce, and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government of German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

TREATY OF AUGUST 25, 1921

All of the rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same were confirmed and agreed to by the high contracting parties in a treaty signed August 25, 1921, as follows:

ARTICLE I

Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States.

* * * * * *

Germany in the Treaty of Versailles recognized its liability for two different classes of claims:

(a) so-called reparation claims—that is claims which come under Part VIII of the Treaty of Versailles. Generally speaking, these claims are for losses and damages suffered by the United States and its nationals as a consequence of injury to or destruction of life or property; and

(b) one class of these claims is for debts owing to American citizens, and so forth. The provisions of the Versailles treaty are incorporated in the Treaty of Berlin of August 25, 1921.

THE MIXED CLAIMS COMMISSION

I may add at this point that inasmuch as the United States was not a party to the Versailles treaty, it became necessary for the United States and Germany, after the ratification of the Treaty of Berlin, to establish a tribunal for the settlement of all classes of American claims.

Consequently an agreement between the United States of America and Germany was entered into August 10, 1922, as follows:

AGREEMENT CREATING MIXED CLAIMS COMMISSION

The United States of America and Germany, being desirous of determining the amount to be paid by Germany in satisfaction of Germany's financial obligations under the treaty concluded by the two Governments on August 25, 1921, which secures to the United States and its nationals rights specified under a resolution of the Congress of the United States of July 2, 1921, including rights under the Treaty of Versailles, have resolved to submit the questions for decision to a mixed commission and have appointed as their plenipotentiaries for the purpose of concluding the following agreement:

The President of the United States of America; Alanson B. Houghton, the Ambassador Extraordinary and Plenipotentiary of the United States of America to Germany, and the President of the German Empire; Dr. Wirth, Chancelor of the German Empire; who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

The Commission shall pass upon the following categories of claims which are more particularly defined in the treaty of August 25, 1921, and in the Treaty of Versailles:

1. Claims of American citizens, arising since July 31, 1914, in respect of damage to, or seizure of, their property, rights, and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914;

2. Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property, rights, and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war;

3. Debts owing to American citizens by the German Government or by German nationals.

ARTICLE II

Each government appoints one commissioner.

Umpire to be appointed.

ARTICLE III

Meet in Washington within 2 months after agreement comes into force.

ARTICLE IV

Keep accurate records.

ARTICLE V

Each government pay its own expenses.

ARTICLE VI

The two governments may designate agents and counsel who may present oral or written argument to the Commission.

Decision of the Commission and share of Umpire shall be accepted as final and binding upon the two governments.

ARTICLE VII

The present agreement shall come into force on date of its signature.

Done in Berlin August 10, 1922.

The Mixed Claims Commission entered 7,025 awards to American nationals on claims arising out of World War I. All except 451 of these awards have been paid in full.

The record shows that as of September 30, 1946, the amounts due on the remaining 451 awards totaled $103,611,413, of which 40 per cent represented principal and 60 percent interest. Additional interest on the unpaid principal has accrued since that date, thus there is due on the 451 awards made by the Mixed Claims Commission the sum of $103,611,413 and principal and interest as of September 30, 1946, together with accrued interest from that date.

Hon. DANIEL REED,
House Office Building,
Washington, D. C.:

MY DEAR CONGRESSMAN: Responding to your telephone request for information on the subject, it is the fact that all American award-holders under the Settlement of Claims Act of 1928 whose awards were $100,000 or less have been paid in full.

Sincerely yours,

JOSEPH J. O'CONNELL, Jr.

SETTLEMENT OF WAR CLAIMS ACT OF 1928, MARCH 10, 1928

In 1928 the Congress, upon recommendations of the Treasury Department, and against the protest of certain American claimants, passed the War Claims Act of 1928—Forty-five Statute 254—which, first, set up a war claims arbiter to determine the amounts to be paid to German nationals for their claims against the United States; second, provided for the return to German nationals of 80 percent of the property, which the United States then held for the protection of the American awards and claims; and third, set up a fund in the Treasury known as the German special deposit account out of which awards to German nationals by the war claims arbiter and awards to American nationals by the Mixed Claims Commission were to be paid.

The amounts deposited in the account up to September 30, 1945, aggregated $207,388,818.62 which included an appropriation by Congress in 1928 of $86,738,320.83 for the seizure and use by the United States during World War of ships, patents, and radio stations of German nationals.

The settlement of War Claims Act of 1928 set up 13 categories of payment to be made out of the German special deposit account. German nationals have thus far received from the United States out of the German special deposit account and from other sources $409,000,000 in their World War I claims.

American nationals have received only $162,806,199 on their awards against Germany. Thus Germany has received $246,193,901 more on her claims than have the Americans on their claims.

Thus the record shows that very substantial payments have already been made out of the account to German nationals, and under the priorities as now enumerated in the act, the next payment out of the account, had not the Harrison resolution of 1934—Forty-eighth Statute, page 1267—intervened would have been applied on awards to German nationals. The basis and justification for H. R. 4043 in giving priority of payment of the award made to American nationals over those of Germany from the special deposit account and other sources are set forth in the joint resolution of June 27, 1934, known as the Harrison resolution, which reads as follows:

Joint resolution to amend the Settlement of War Claims Act of 1928, as amended

Whereas the joint resolution of the Congress of the United States, approved July 2, 1921, provides in part as follows:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever * * * shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Goverment * * * shall have * * * made suitable provision for the satisfaction of all claims against said (Government) * * *, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government in its agents * * * since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German * * * American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise. * * *"

Whereas the treaty between the United States and Germany of August 25, 1921, incorporated said provision of such joint resolution and also provided in article I thereof as follows:

"Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States"; and

Whereas by the agreement of August 10, 1922, between Germany and the United States, a Mixed Claims Commission was established to adjudicate claims of American nationals against Germany arising out of the World War; and

Whereas under the terms of the debt-funding agreement between Germany and the United States dated June 23, 1930, Germany agreed to pay to the United States in satisfaction of Germany's obligations remaining on account of awards, including interest thereon, entered and, to be entered by the Mixed Claims Commission, United States and Germany, the sum of 40,800,000 reichmarks for the period September 1, 1929, to March

31, 1930, and the sum of 40,800,000 reichmarks per annum from April 1, 1930, to March 31, 1981; and

Whereas Germany is now in arrears in payments due under said debt-funding agreement between Germany and the United States, and has, accordingly, failed to make suitable provision for the satisfaction of said claims against Germany: Now, therefore, be it

Resolved, etc., That so long as Germany is in arrears in any payments of principal or interest, including interest at the rate of 5 percent per annum on principal installments not paid when due, under the debt funding agreement between Germany and the United States, dated June 23, 1930, with respect to Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, all payments, conveyances, transfers, or deliveries of money or property or the income, issues, profits, and/or avails, thereof authorized or directed to be made under the Trading With the Enemy Act, as amended, or the Settlement of War Claims Act of 1928, as amended, whether or not a judgment or decree has been entered with respect thereto, shall be postponed and the money or property, or the income, profits, and/or avails thereof reserved; *Provided, however*, That such of the funds as are from time to time available (without taking into consideration interest thereafter accruing) under the Settlement of War Claims Act of 1928, as amended, for the payment of principal and interest upon awards of said Mixed Claims Commission shall be applied where available to the principal and interest upon such awards in the same manner and to the same extent as though certain of the payments provided for in said act had not been postponed under this resolution: *Provided further*, That the President may, in his sole discretion, remove the restriction as to any of the cases or classes in relation to which payments, conveyances, transfers, or deliveries have been postponed under this resolution; *And provided further*, That the President is authorized to determine, for the purpose of this resolution, the period or periods in which Germany is in arrears in the payments hereinbefore described, and his determination thereof shall not be subject to judicial review.

I call attention to the fact that following the passage of the Settlement of War Claims Act of 1928, heretofore referred to and the release of the bulk of the property pledged for the American awards and claims, the United States concluded with Germany an agreement, heretofore referred to, known as the Debt Settlement Agreement of 1930—Forty-five Statute, page 500. The United States under this agreement accepted German Government bonds, to be paid in 103 installments over a period of years, as evidence of Germany's indebtedness to American award holders and claimants and agreed "to accept the full faith and credit of Germany as the only security and guaranty for the fulfillment of Germany's obligations."

Germany paid only 3 of the 103 installments required to be paid by the debt-settlement agreement of 1930, its last payment being the installment due March 31, 1931. By that time most of the 80 percent of the property which the United States in 1928 had held for payment of the American awards had already been released to Germany. In order to cut off still further depletion of the property and funds, Congress passed the joint resolution of June 27, 1934, known as the Harrison resolution, heretofore set forth, directing that all further payments under the Settlement of War Claims Act, insofar as it called for payments to German nationals, should be postponed. The enactment of H. R. 4043 will rearrange the priorities of awards and authorize their payments so that American nationals can have their awards paid in cash now on deposit in the German special account created in 1928. I am informed that the only cash in the German special deposit account at the present time is something between $200,000 and $250,000. Furthermore, during World War I the Alien Property Custodian seized $400,000,000 or more of former German property.

Under the Treaty of Berlin of August 25, 1921, as well as by other documents, this property was to be made available to the United States for the benefit of its nationals as security for their claims.

I wish to reiterate for sake of emphasis that the Knox-Porter resolution of July 2, 1921—Forty-second Statutes, at page 105—which was incorporated in the Treaty of Berlin—Forty-second Statutes, at page 1939—declared that the property of German nationals should be retained and no disposition made thereof except as specifically provided by law until the German Government should make suitable provision for the satisfaction of claims of American nationals against it.

I have pointed out that Germany has defaulted in her payments in violation of the Debt Settlement Agreement of 1930. I am informed that there is about $10,000,000 in the alien property trust fund in the United States Treasury, which is the remnant of the German property seized by the United States during World War I, and the return of which was blocked by the Harrison resolution of 1934, hereinbefore set forth.

The time has come when American nationals who have awards pending and unpaid should no longer be deprived of their adjudicated claims.

CONCLUSION

The original priorities of payment in the Settlement of War Claims Act of 1928, which H. R. 4043 would change, were based on the premise that Germany would continue to fulfill her obligations to make payments to the United States on the bonds given in substitution for the funds and property held by the United States to insure satisfaction of claims of American nationals arising out of the First World War. The Harrison resolution, which was adopted about 3 years after Germany's initial default on the bonds, bars the surrender to Germany of the remaining security in the hands of the United States. This remaining security, as heretofore stated, consists of the approximately $10,000,000 now held in the alien property trust fund in the United States Treasury and the $200,000 to $250,000 presently in the German special deposit account.

INTERNAL REVENUE CODE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 958) to amend section 2402 (a) of the Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2402 (a) of the Internal Revenue Code be amended by striking out therefrom the words "aromatic cachous."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE OIL CRISIS

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, in the interest of national defense, may I call to the attention of the State and Commerce Departments, and to the President, the newspaper headlines in the Times-Herald of yesterday saying, "Oil crisis cuts United States warships to half speed." "No reserve built up," Secretary of the Navy Forrestal asserts.

The story continues, Secretary Forrestal told a press conference:

> The air activities of the Army and Navy have been curtailed because of the lack of aviation gasoline. There has been a curtailment of ship movements in the Pacific because of oil shortage.

Mr. Speaker, during the first 3 months of 1947 this Nation exported 82,250 tons of tubular steel goods, much of it oil casing, which is in such short supply as to slow down production of oil in this country. I urge the administration, the State and Commerce Departments to stop or limit the exportation of petroleum and petroleum products and steel tubing which is needed for the production of oil in this country. We should stop at once the exportation of steel, tubular goods, and petroleum products to Communist Russia, all of which are needed for our own economy and for national defense.

The records disclose our exports during the year 1946, of steel tubing to Communist Russia, were 670 percent greater than in the years 1935 to 1939.

Mr. Speaker, the 82,250 tons of pipe shipped abroad during the first 3 months of this year would construct a 12-inch pipe line from the west Texas oil fields to the refining and marketing area in the Chicago district. That alone would solve all of the present existing and threatening shortages of gasoline and oil in the Middle West.

We should not export our petroleum products and tubular steel needed for greater production of oil, and for building oil tank cars and oil pipe lines to Communist Russia and other countries, which weakens our own economy and our national defense, and, at the same

time, strengthens the national economy and the war-making power of Russia.

Shall we repeat the mistake we made with Japan? We shipped everything to Japan she wanted with which she built up her war machine that was used against us with telling effect from the date of Pearl Harbor to the close of the war. Let us protect and make this Nation strong so that we may successfully meet any eventuality.

FLOOD CONTROL

Mr. MUHLENBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUHLENBERG. Mr. Speaker, continuing the discussion on the flood-control message of the President Wednesday about which I spoke to the House briefly yesterday, I note in today's papers that Benton Stong, who is the self-appointed head of a committee to push for organization of an authority—this time the Missouri Valley Authority—has criticized the President's message on flood control because it assigned engineering details to the Corps of Engineers of the Army. I am sure that in all sincerity he believes he is a better engineer than General Wheeler, the present Chief of Engineers, and could probably conceive a series of dams for holding back floods that would occupy no ground space whatsoever; that he believes he is a better planner than any of the many who collaborated on the present large plan for control and use of the Missouri-Ohio-Mississippi waters; and that he thinks more in terms of national interest than does our President. Everyone, in his conceit, is out of step and he alone knows the remedy.

Well, of course, in life's problems there are always men of that type, so I advise those to whom guidance is entrusted to bear with him gently in his desire to burst into print, for after all he means well.

As a matter of fact, the President has interjected into the discussion of this great problem of controlling and using the water resources of a watershed that drains one-third of the Nation, a somewhat new but very constructive note first advocated by my distinguished colleague, Representative ENGEL, when he recommended simultaneous interest in both large problems of flood control and small problems of land and water use. I agree thoroughly with the President and the gentleman from Michigan [Mr. ENGEL], when they say in effect that the single farmer who may have a 200-acre farm or a single group which collectively may have 50 farms of that size must also be considered and guarded.

There is no objection, but, on the other hand much merit in scattering a share of the blessings of public spending for control over local difficulties, if at the same time the over-all problem of land and water use is being solved by courageous long-range planning and construction. There will always be weeping and wailing and gnashing of teeth on the proposed location of a dam, for it is obviously always bottom land and thus rich for cultivation, but this must be discounted in the public interest; and there will always be detractors and men who say they could do it better. Preservation of our great resource of topsoil, which when washed away is lost forever, is too important to allow it to flow down the rivers unchecked because someone, sometime, may develop a better plan.

Let us proceed, backing the President's plan, authorizing moneys as can be intelligently spent this year, confident that this plan, though by no means either perfect or perfected, is at least intelligent, constructively conceived, and full of the possibilities of accomplishment of our desires—the preservation of as much of our land as possible and the wisest control and use of the water that falls upon it.

We do not want, or need, further committees or "authorities," to use the present popular word, further methods by which we give to others guardianship which is our own duty—but instead we will remain able and willing to exercise at all times, in our own right, our increasing responsibility over problems of the Nation's finances and welfare.

DISTRICT OF COLUMBIA EMERGENCY RENT CONTROL

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3131) to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. O'HARA, MCMAHON, ALLEN of California, HARRIS, and ABERNETHY.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to oil fuel consumption for electric power generation and replacement possibilities from hydroelectric power developments. It should be read by every Member of the House.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CUSTOMS UNION

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article appearing in the London Economist.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the dollar hunger of Europe and the Marshall plan give European peoples the greatest opportunity in centuries to junk their ancient prejudices and rivalries, their economic autarchy and compartmentalism and to develop a full customs union in the next few years, and on a definite timetable. The American taxpayer will see in the adoption of such a program by the western European nations now considering their situation in Paris, that the Marshall plan is good business as well as good politics. If these nations will now pledge themselves to a customs union as their part of the Marshall plan, and will throw into the balance, with energy and enthusiasm, all of western Europe's own resources, both human and material, we shall indeed see the dawn of a new day of world stability, and the beginning of democratic successes which will again make it clear that this is still "one world" and that the Soviets have retired into isolationism rather than organized another world. The idea of a western European customs union is developed in a brilliant article in the Economist, of London, one of the world's leading publications, issue of June 14, 1947, which has just reached me, entitled "Mr. Marshall's Challenge." It recognizes the basic truth that the American taxpayer does not want Europe's shopping list, but wants Europe's economic rehabilitation plan. It deserves the study of every Member.

The article follows:

MR. MARSHALL'S CHALLENGE

"The rehabilitation of the economic structure of Europe quite evidently will require a much longer time and greater effort than has been foreseen." With these words, the American Secretary of State, Mr. Marshall, opened what may well be a new phase in the relations of the United States with Europe and, indeed, with all the outside world. Hitherto, the belief that Europe and Asia were struggling back to more normal conditions and would shortly need no further direct assistance has underlain the policy of both Government and Congress in the United States. Mr. Marshall's speech at Harvard last week is the first official statement of a new approach, in which the likelihood of continuing need in the outside world is squarely faced. Moreover, the Secretary of State departed from previous policy in recognizing the fact that the misery of the countries of Europe is interconnected and that there can be no genuine recovery for one without the recovery of all. The visible destruction in Europe is "probably less serious than the dislocation of the entire fabric of European economy * * * the modern system of the division of labor is in danger of breaking down."

This general dislocation cannot be remedied without outside assistance, and the fact must be faced in America that the need for this assistance far outstrips Europe's capacity to pay.

"The truth of the matter is that Europe's requirements for the next 3 or 4 years of * * * essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help.

In his speech, Mr. Marshall, therefore, proposed on the one hand that the American people should realize and accept the "vast responsibility which history has clearly placed upon our country," and on the other, that the European nations should take the initiative in working out a plan or plans for reconstruction based not on the needs of single countries but on a coordinating policy for solving their problems in common.

"The initiative, I think, must come from Europe. The role of this country should consist of friendly aid * * * and of later

support. * * * The program should be a joint one, agreed to by a number of, if not all, European nations."

It is hardly necessary to underline the dramatic importance of this speech. Mr. Marshall may not command a secure congressional majority but he speaks with very great authority and has, moreover, received Presidential sanction for this policy. Mr. Truman, in his speech at Ottawa, pledged his country to the task of "restoring the world to health." It is, however, almost equally unnecessary to underline the scale of the obstacles such a program has to overcome before its vision can become practical politics. It is not enough that President Truman, Mr. Marshall, and the American Cabinet should be convinced of the rightness of the new approach. It is not enough that they should be supported by some of the leading newspapers and publicists in the United States. The real question is whether the people of the United States and their elected representatives in Congress can be persuaded to accept the need for foreign relief upon a sufficient scale. The administration has stated that the appropriations for Greece, Turkey, and American-occupied lands, together with the $350,000,000 voted for relief, exhaust the requests that will be put before the present session of Congress for Government expenditure overseas. And at the end of this month, the last powers—admittedly very weak powers—under which the President can secure priorities for procuring and transporting relief goods will presumably lapse.

Perhaps these difficulties should not be pressed too far. When, during this troubled session, the President has asked Congress for appropriations in support of his foreign policy, they have not, in spite of much noise and great delay, actually been refused. It is true that the circumstances in which the policy has been pursued are changing. The approach of election year is sapping the foundations of agreement between the parties on foreign policy. But the postwar economic recession seems to be approaching no less inexorably, and its effect is less easy to predict. The hint of a slump may, in the next few months, make Congressmen—especially Republican Congressmen—less anxious than they are today to finance grandiose plans of public expenditure, the immediate beneficiaries of which are foreign countries. The doctrine that deficit finance and public works are the answer to economic depression, is by no means universally accepted in America, and overseas public works can be expected to be less attractive than the domestic variety. On the other hand, it will not require much subtlety of logic to perceive the real effect of foreign needs on American prosperity. At the moment many commodity prices are being held in the markets of the United States at their present peaks simply by the pressure of foreign buying. This is particularly true of farm prices. If the flow of dollars is now to dry up, it is at least possible that the reaction of the farm bloc will be to support the continuance, even if by Government financing, of a large export program.

THE ISSUE IN CONGRESS

It is thus on the present showing of Congress difficult to determine with absolute certainty what the reaction to Mr. Marshall's suggestion might be. Some things, however, are certain. The first is that Europe's dollar holdings are becoming exhausted with such alarming speed that a plan for preventing further disintegration and collapse is not an academic desirability but an urgent need. In other words, Congress must either decide upon further aid in a special session this autumn or the economic, social, and political deterioration of a very grave character forecast by Mr. Marshall may quickly come to pass. But it is certain that no Congress, meeting on the eve of what will be virtually a year's electoral campaign for the Presidency, will consent to foreign aid on so vast a scale unless the issue has become, in the fullest sense of the word, bipartisan. It is certainly impossible that Republican leaders of the stature of Senator VANDENBERG should support Mr. Marshall's approach. Mr. Stassen, on the liberal wing of the party, has already given his own version of it. But any politician, Democrat or Republican, will have his ear very near to the ground this summer, and in the last analysis it will be the reaction of public opinion to Mr. Marshall's lead that will prove the test of whether his policy can be lifted out of the party arena in an election year.

This fact is, in a sense, Mr. Marshall's great opportunity. He, the administration, the State Department, the publicists who support him, have a few months in which to project into the American consciousness the need for organizing a vast transfusion of dollars for the anemic economy of the world and regain for it widespread and vigorous public support. And experience of American reactions in the past would suggest that on one condition only could that measure of approval be secured—if the policy were bold, sweeping, adventurous, and very big. In fact its chances of success would almost certainly increase in direct proportion to its size. A suggested allocation of $10,000,000,000 to $15,000,000,000 a year for world reconstruction would almost certainly prove more challenging to the imagination, and thus more likely to secure acceptance, than the meager $400,000,000 proposed for Turkey and Greece. If the new project is to be sold to American public opinion in time for a congressional session in the autumn, it is on this scale that Mr. Marshall and his lieutenants will have to make their plans.

Convincing the American public of the necessity of a vast new policy of foreign aid is only half the problem, perhaps the less difficult half. The American voter will not only want to know about Mr. Marshall's good intentions; he will also want to know on what the money drawn from his pocket is to be spent. But Mr. Marshall feels, very naturally, that the United States cannot begin imposing precise plans upon Europe as a condition of assistance. He has, therefore, challenged the nations of Europe to produce their own and to bring them together into a coordinated whole. In this way, not only will the point be met that the reconstruction of a single country depends largely on the restoration of its neighbors. There is also a chance that the scheme will be sufficiently grandiose to fire American imagination and convince the taxpayer that his money is to be well spent.

EUROPE'S NEEDS

Nevertheless, the practical development of Mr. Marshall's idea is far from easy. The first difficulty is that, in a sense, it bypasses Europe's most immediate needs. In the 3 months which must elapse before the harvests are brought in, there is hardly a country in Europe that is not faced with a food crisis. The need is particularly urgent in France and western Germany, and grows daily graver in Italy. And their food shortages are likely to be followed before long by a coal famine. If Europe is not to go into next winter in worse shape than it emerged from the last, its immediate need is for increased deliveries now of American grain and coal. Such a policy would entail making dollars immediately available to countries whose present allocations are all but exhausted; it would entail maintaining sufficient Federal powers to secure priority for food and coal for export and to see that sufficient transport was available to get the material to the ports. But Mr. Marshall's approach clearly does not refer to the next quarter of this year, and of its very nature it cannot be made applicable to an immediate crisis.

The reason for this is obvious. The moment there is question of elaborating joint long-term plans for reconstruction, the process must be exceedingly slow. For instance, it must first be decided within what general framework the discussions are to take place. One possibility would be to use the European Commission and the subsidiary coal, transport, and economic coordinating committees as the instruments of planning. The machinery would then cover all Europe and would have the asset of a year's work behind its deliberations. On the other hand, the actual experience of the European Commission's workings in the first weeks of its existence do not encourage great optimism. The great political advantage of the Economic Commission for Europe—that Russia is a member of it—is a great disadvantage for the rapid formulation of practical policies. The Russians would oppose any attempt to draw into the web of "American finance capitalism" the east European countries which are now to some extent linked with the Soviet 5-year plan. They would oppose even more fiercely any attempt on the part of the western European nations to go ahead without the east, since that would be the western bloc which has always been their major bogey. They would equally oppose any attempt to include Germany in any plans that were to be worked out—except, of course, as a source of reparations. It is probable that any economic integration of Europe along democratic lines, however innocently proposed, would be highly suspect to the Russians. A policy proposed by the authors of the Truman doctrine is damned from the start and would be obstructed by the Russians without limit.

PLANS FOR WESTERN EUROPE

It follows that the attempt must necessarily be confined, in the first place, to western Europe and the Mediterranean countries. This is regrettable, but it is inescapable. The restriction of scope removes some of the difficulties. There are between most of these countries similarities of economic and political systems, sympathy of outlook, and long-established ties of trade and friendship. Moreover, there is in western Europe the common link of economic interest in the industries of the Ruhr, where Anglo-American control is already established. But it does not by any means follow that it will be easy for the nations of western Europe to work out and present to Mr. Marshall that joint plan for which he has asked. The sheer technical difficulties of working out a scheme of economic integration, even in the presence of good will and the absence of political difficulties, have been amply illustrated in the last year or so by the preparations for the customs union of Belgium, the Netherlands, and Luxemburg. Throughout western Europe there are Communist Parties which can be relied upon to sabotage any plan that is put forward. There is the difficulty of deciding how the United Kingdom, with its responsibilities to the Dominions, fits into a European plan. And there is still a complete divergence of view between the British and the French about the best method of dealing with the Ruhr. All these difficulties can be surmounted—but hardly in 3 months.

Lastly there are the difficulties raised by the actual technical content of the proposed plans. Apart altogether from the difficulty of getting it drawn up, what sort of content would a coordinated plan for Europe have? What exactly is meant by a 5-year plan for western Europe? The obvious first stage in the approach would seem to be a joint assessment of need on the part of the European or west European nations together with a detailed statement of the resources available to them, and the contribution they could make themselves to solving their deficiencies, and the balance which they would need to receive from the New World. Such plans were the essence of the wartime work of the combined boards in Washington. The

organization of similar boards for Europe is certainly not an impossibility and the joint approach might incidentally prove invaluable if, after all, Europe were left without dollars to make shift with its own resources. But once again, the true factor in the American situation—the need to have a program ready and salable before a congressional session in the autumn—forbids one to pin too great hopes to the combined boards' approach. Not only is it very unlikely that their assessments would be made or agreed in time. It would also be very difficult to dramatize their work, however useful and practical it might be. There is no lift to the spirit in fat deficiencies and little spur to the imagination in what might come to look very much like Europe's shopping list. What the American taxpayer will very reasonably want is not only an explanation of how the bill that is presented to him is being made up but also a demonstration of what is to be done with the money and of the benefit that the world will derive from it. A financial account, however detailed, is not an economic plan. What is to come from the spending of the money? The buttressing of a number of national economies, which come together to present the request and parted company when it was granted? And if it is something more that the money is to buy, something that can be called a United States of Europe, how much reality is it proposed to put behind the name? And how do we get from here to there? These, also, are questions to which honest and authoritative answers can be given—but not in 3 months.

This, then, is the dilemma. If Mr. Marshall's initiative is to be accepted by the American people, it will have to be embodied in an ambitious and inspiring program within a matter of months. But if the European nations are to do anything more than simply add up their national deficits and present the total of one figure instead of a half-dozen, then they will need much more than 3 months for the purpose. It must be done quickly, but it cannot be done quickly. It must be big enough to take the breath away, but there is no time to construct even the simplest structure. And, for all the difficulties, it would be criminal to let such a wonderful opportunity slip.

It will be a real test of statesmanship to meet all these conditions. There is only one method of procedure that holds out much hope of success. This is that the Governments of western Europe should, within the next few months, solemnly pledge themselves to the principle of united action, and that they should set themselves a specific timetable for embodying it in practical measures. What does "united action" mean? If it is interpreted to mean pious resolutions with no real substance, then it is unlikely that the Americans will be impressed. If united action is sought it will be as well for all Europeans to recognize that the solemn resolutions must have tangible substance. They must promise something real—even if the performance has to be deferred. When the problem is looked at in this way, it ought to be apparent that there is only one thing that will meet the case. There is only one achievement big enough to be worth scores of billions of dollars, and that would be a full customs union of the main countries of western Europe.

A NEW UNITED STATES?

Can the nations of western Europe pledge themselves, in the next few months, to accept within 10 years anything so big, so desirable, and so difficult? That is the challenge that Mr. Marshall has thrown out. Nor is the matter one that can be tackled solely on the economic plane. It is a fashionable fallacy, but a fallacy nonetheless, that economic policy between the nations can outrun its political foundations. It cannot; and if there is to be a policy of economic sovereignty in western Europe, then there will also have to be some contributions of political sovereignty to a joint organ. It is something like a United States that must be envisaged, with political and economic organs, loose in its constitution, no doubt, but not bogus. Can the nations of western Europe bring themselves to say, and to say sincerely, that they will achieve it within 10 years?

The question must not be answered in a merely emotional way. It must be answered realistically, after some survey of the difficulties. The one thing that would be criminal would be to allow a negative answer to be given by default. To the giving of an answer the energies of the governments must now be given, and the initiative quite inevitably falls to London. The British Government have hitherto shamefully neglected their opportunities in this direction; they have never made a sufficiently determined survey of the possibilities of a western association. For a long time they were deterred from it by fear of offending Mr. Stalin, and more recently by fear of pleasing Mr. Churchill. They will now have to work overtime if they are not to incur the charge of missing one of history's great opportunities out of mere inability to seize it.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial from the Chicago Daily News on the subject, Tax-Reduction Bill As We See It—Not Enough Votes; and in the other instance an editorial from the Chicago Daily Tribune of July 18, under the heading "Training scientists or supporting bums."

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial entitled "Hope at Last."

Mr. WILSON of Texas asked and was given permission to extend his remarks in the RECORD and include an article by George Fielding Eliot in the New York Post.

SHORTAGE OF GASOLINE IN THE WHEAT AREA

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, many complaints are coming from the wheat-harvesting areas that there is a definite shortage of gasoline and oil to carry on the harvest. I quote from the Sidney (Nebr.) Telegraph, of July 15, as follows:

GAS SCARCITY LOOMS AS HARVEST THREAT

A new kind of shortage is threatening to interfere with western Nebraska wheat harvest this year. It is a scarcity of gasoline. Suppliers for this territory say it is entirely possible that many western Nebraska cities will see more empty bulk storage tanks before the 1947 harvest is finished. No one seems able or willing to place a finger on the cause of the shortage but everyone admits it exists.

The Standard Oil Co. of Indiana finds it necessary to ration supplies to its dealers. Rumor now has it that other major oil companies may take the same steps.

Reports from Kansas over the week end said hundreds of combines were idle because of a lack of fuel. The transport trucks are combing the area in the hopes of getting sufficient supplies to keep their combines and harvesters in operation.

Mr. Speaker, this is a serious condition. Perhaps it can be tied up very closely with the amount of oil and gas we are presently exporting not only to Russia but to other countries. I am calling this shortage to the attention of not only the Government agencies, but the large oil companies concerned and urge that they exert every effort to keep the necessary fuel in these areas where the harvest is now in full swing. If the harvest is delayed grain will be lost.

The SPEAKER. The time of the gentleman from Nebraska has expired.

INCOME TAXES

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, sometime today the Members of the House will likely vote on the veto of the tax-reduction bill. On Monday next the House will have an opportunity to vote on another tax bill, a bill which would impose a personal income tax never before collected by this Government; an income tax which will be collected from every GI in the Army, every bluejacket in the Navy, and every leatherneck in the Marines. It will also affect not only every enlisted man but every officer.

Mr. Speaker, this bill is coming up under suspension of the rules, and the question will be whether this House is going to impose a personal income tax on every GI, every bluejacket, and every leatherneck.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

TAX LEGISLATION

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, if, as anticipated and hoped, the President vetoes the tax bill today, I shall vote to sustain him. Although taxes are high, our obligations are great. While more of us are working and receiving high wages, we should and must pay our debts.

More than 60,000,000 workers are now employed at greater wages than ever before. The best way to save is to pay necessarily incurred obligations. By reducing public expenditures wherever possible and paying our debts, we can keep our budget in balance.

Let us hope that soon it will be possible for us to reduce taxes and to that end all of us should work. When we can afford to reduce taxes, then surely a more just and equitable plan of reduction may be adopted than that set out in the two bills which have recently passed the House. While all of us are burdened with taxes,

surely we are conscious of the unusual burden being borne by those in the lower income bracket. In my judgment a single person making $1,000 a year or less and a married person making $2,000 or less should not be required to pay Federal income taxes. Had the exemption in the pending bill been raised so as to exclude low-income workers from the payment of Federal taxes, many more of us would have voted for the bill.

By far the greater number of workers in my district receive $2,000 a year and less. I am satisfied that similar conditions obtain throughout the country. Let us set about, therefore, to economize in public expenditures, to continue the payment of taxes at present rates until such time as we can reduce levies, and then give greater thought to those of low income.

Mr. Speaker, when the tax bill was under consideration several weeks ago, I stated that my principal objection to the measure was that the exemption level had not been raised to afford tax relief to many thousands of our workers in industry and offices throughout the country who are having a difficult time making a living in the face of inflated costs. Because of that, and for other reasons, I shall vote to sustain the President's veto of this tax bill.

Yesterday I introduced an amendment to the Internal Revenue Code to raise the exemption level of a single person to $1,000 and of a married person to $2,000. The present exemptions are $500 for a single person and $1,000 for a married person.

I do not believe that a person without dependents and who is making only $1,000 per year should be required to pay 1 penny in Federal income taxes, nor that a married man making only $2,000 should be required to pay such taxes while living costs are at the present level. Persons in those income brackets need every penny they can scrape together to buy food and clothing and the other bare necessities of life.

Mr. Speaker, in 11 counties of the Piedmont section of South Carolina, including the counties of my own district—Spartanburg, Union, Greenville, and Laurens—there are approximately 80,000 persons employed in the cotton-textile industry.

According to reports of the Bureau of Labor Statistics, the average weekly income of the employees of the textile industry throughout the country was $38.53, as of last April. On the basis of a 50-week year that would amount to $1,926.50 per year for textile workers.

A large percentage of these textile employees have wives and other dependents. They cannot pay income taxes and live decently on the salaries they receive. They should be exempt from the payment of Federal income taxes. They experience difficulty in feeding and clothing and housing their families.

I use the textile workers as an example because they are my people. For 15 years I toiled in the cotton mills of South Carolina. The problems of the textile workers are my problems. And what is true of the textile employees of South Carolina is largely true of many workers in other industries throughout our Nation, as well as of thousands of white-collar workers, store clerks, operators of small businesses, and people in many other occupations.

It is said that since 1939 the cost of living has risen 56.7 percent. It is necessary that the man in the lower-income bracket get some relief in this period of inflationary prices. Apparently, the only ready source of relief is through a reduction or abolition of his income taxes. When the Congress again takes up the problem of taxation it is hoped that the hard-pressed man who earns his living by the sweat of his brow may receive far more consideration than was proposed in the tax program presented in this session.

Although my principal objection to the bill which the President has vetoed for the second time was its failure to give proper tax relief to the persons of low income, at the same time it is highly doubtful that taxes should be reduced at all at the present time. Today we hear rumblings of war in the Balkans. There is unrest and indecision at Lake Success; the Soviet Union appears to be trying to retard the economic recovery of Europe; there is terror and disorder in the Middle East; and there is a full-fledged civil war in China. In many ways the world is faced with more dangers than ever appeared before the outbreak of World War II. No one of us here can know what tomorrow will bring forth when the world picture is in such a muddled condition. Is it not possible that in the very near future we may be required to make enormous expenditures to enlarge and extend our military forces? This is not the time to adopt an over-all tax policy for next year. Should the international scene clear up within the coming months so that we may be reasonably assured of continued peace—and I pray God that will be the case—then next January will be the proper time to consider the reduction of taxes for next year. We all know that once taxes are reduced it is extremely difficult to raise them again. I look forward to the day when we can reduce our taxes for all time to come—when the fear of war will no longer hover over our Nation and the world.

We have not yet been able to reduce our expenditures to the point that an appreciable reduction can be made on our national debt if taxes are reduced next January. Therefore, while our national income is at an all-time high, we should apply as much as possible to our public debt. When the time arrives that we can reduce expenditures by reason of the reduction of our armed forces and the reduction of our aid to Europe's economic recovery, then we can safely reduce our taxes and at the same time apply a large sum to the retirement of the public debt. Today we have reached an all-time high in employment, with more than 60,000,000 Americans with steady incomes. If our Government is to remain solvent, it is imperative that we reduce the national debt while the money is available.

THE FEDERAL GOVERNMENT SHOULD NOT WASTE TIME ON PURELY STATE MATTERS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, with further reference to taxation, it seems to me to be a sad commentary upon the affairs of this Congress that we should take time and expend energy in giving consideration to matters which are entirely the business of the respective States and not of the Federal Government. I have reference to the poll-tax question which I understand is coming up soon.

Why spend time on such matters while today there are hundreds of boys walking the streets unable to hold a job because they have received a discharge less than honorable from the military or naval service, too many times administered by a kangaroo court-martial proceedings. They cannot hold a job with a corporation unless they are able to present an honorable discharge; yet we do nothing about it and spend our time on lesser and unimportant details that had better be left to the States. We are doing nothing to remedy this situation regarding military law. Our system of military law, so-called military justice, is a relic of the Prussian system which has been outmoded so long that it is a shame the National Congress does nothing about it. We must provide a reasonable and a just procedure of trial and revise the method of grading discharges.

EXTENSION OF REMARKS

Mr. D'EWART asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address.

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Bristol Courier entitled "More Truman Inflation."

THE POLL-TAX BILL AND FEPC

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I am reliably informed that an effort will be made on next Monday to take up under suspension of the rules the so-called poll-tax bill, which is nothing in the world but an attempt to harass a few of the Southern States that have used that money for educational purposes.

I have never seen such precipitation from campaign promises to legislative performance in my life.

It reminds me of Nero's fiddling while Rome burned.

Today at the other end of the Capitol they are holding hearings on an FEPC bill under which, if enacted into law,

Gerhart Eisler could force his way into any industry in America. If that bill passes, it will destroy business enterprises throughout the Nation just as surely and as effectively as did the old FEPC which was created under Executive order.

You have other bills here, such as the so-called antilynching bills, that does not even pretend to protect the rights of the innocent man.

These measures are inspired by crackpots who are trying to stir up race trouble all over the country.

The SPEAKER. The time of the gentleman from Mississippi has expired.

THE VETO AND EXTRAVAGANCE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it is interesting to hear the gentleman talk about the legislation that is coming up here to be passed. There is a lot of legislation that should never be allowed to come to the floor or reach the calendar. Oh, how much better the country would be. We are even told we are going to have a bill here pretty soon sent back with a veto—the tax bill. We have had veto, veto, veto, yet at the beginning of the session we were promised by the President that there was going to be cooperation between the White House and the Congress. I have failed to see it. Cooperation gone with the wind. In fact, we have not had any cooperation, but we have had lots of vetoes. There should be more talk about cutting down Government expenses instead of spending so much. The President is not interested in economy. If we would adopt that policy we could balance the budget and cut down these great governmental deficits which have been allowed to build up in the last 14 years. As we in the Congress make efforts to balance the budget we are met with a continuation of this ridiculous, asinine spending program that has been going on throughout the past 15 years which built up the $268,000,000,000 debt which our taxpayers must liquidate or we will wreck our financial stability, and if we do not maintain that then we will be of no good to ourselves as a nation and surely not to the world at large. Why, we will lose our form of government if we default on our bonds; we will wreck every bank in the country; we will wreck every insurance company and private individuals and business. Mr. President, start preaching economy; it is wise; it is prudent; it is imperative.

Be wise and economize.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Bell	Fellows	Ludlow
Bennett, Mich.	Fletcher	McCowen
Bland	Fuller	McDonough
Bloom	Gifford	Macy
Bradley	Gossett	Maloney
Carroll	Gwynne, Iowa	Mitchell
Celler	Hall,	Patman
Chapman	Edwin Arthur	Powell
Chelf	Hart	Reed, Ill.
Clements	Hartley	Riley
Cole, Mo.	Hays	Rivers
Cole, N. Y.	Hébert	Sheppard
Corbett	Jennings	Smith, Ohio
Courtney	Johnson, Tex.	Stanley
Cox	Kee	Stockman
Dawson, Ill.	Kelley	Thomason
Dingell	Keogh	Vinson
Domengeaux	Kirwan	

The SPEAKER. Three hundred and seventy-four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATION BILL, 1948

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 4269) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 990); which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. It is my understanding that all points of order are waived on this bill by previous unanimous consent.

Mr. TABER. Yes; and the consent request also permits us to take it up at any time. It is my intention to take it up and move to go into the Committee of the Whole immediately after disposition of the conference report and the tax-bill veto.

Mr. CANNON. And time for general debate has been agreed to?

Mr. TABER. That is correct.

Mr. CANNON. Three hours altogether, one and a half hours on a side.

Mr. TABER. The gentleman is correct.

GOVERNMENT CORPORATIONS SUPPLEMENTAL APPROPRIATION BILL, 1948

Mr. PLOESER, from the Committee on Appropriations, reported the bill (H. R. 4268) making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, Report No. 99, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that I may be allowed to call up the Government corporations supplemental appropriation bill, 1948, at any time and that all points of order be waived.

Mr. CANNON. Mr. Speaker, under the circumstances we have no objection to waiving points of order on this bill in order to expedite consideration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD and include an editorial and a resolution from the American Legion.

Mr. MACKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. LEA asked and was given permission to extend his remarks in the RECORD.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MORTON asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have permission to sit during the rest of the week while general debate is going on in the House.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

Mr. DIRKSEN. Mr. Speaker, I call up the conference report on the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, reserving the right to object, may I ask the chairman of the subcommittee a question. Copies of the conference report on this bill are not available. It is true the conference report is in the RECORD. I have read it in the RECORD. But there are a good many Members here no doubt who are waiting to get copies of the conference report and who feel they should have a right to study it because certain items are in disagreement.

Mr. DIRKSEN. Mr. Speaker, I may say that the conference report in its complete text appears on page 9369 of the daily RECORD of this morning and it is, therefore, available to the Members, even though there might have been some delay over at the Government Printing Office.

The chairman of the subcommittee has no control over the rush of business in the Government Printing Office, but the text appears in the daily RECORD of this morning on the page just mentioned.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, how can we read the RECORD with these sunrise sessions? We are called to attend committee meetings at 9:30 and then the House meets at 10 o'clock. We should know what is in the conference report.

Mr. DIRKSEN. I want to make one observation. The RECORD came out this morning before the conference report would have been available under any circumstances.

Mr. RANKIN. I understand, but we should be given more time. This is a very important piece of legislation. It affects the farmers of this country more than any other legislation that will be passed or has been passed by this Congress during the present session and I am going to insist that the Clerk read the full conference report. I think the Members ought to know what is in the conference report and they cannot know until the complete statement is read.

Mr. HALLECK. Mr. Speaker, will the gentleman withhold his objection?

Mr. RANKIN. Yes; I withhold it.

Mr. HALLECK. I would like to suggest to the gentleman from Mississippi that as I understand the matter the items in disagreement in the conference report, about which there undoubtedly will be a difference of opinion here today, are the very matters that were debated at great length when this matter was first before the House. So, it would seem to me that everyone would know fundamentally what the issues are, and that the thing that is here involved today is simply a restatement or redetermination of the attitude of the House of Representatives with respect to the conference action.

Mr. RANKIN. I dare say that not a dozen men in the House know what the Senate did or what is in the conference report.

Mr. HALLECK. I took a look at the newspaper this morning, and there I saw that the item for benefit payments was in controversy; that the item for the school-lunch program was in controversy; that the item for meat inspection was in controversy. Now, the gentleman from Mississippi, who is eminently fair, remembers quite well that those specific items were debated at great length when this measure was before us. The membership, generally, was here during those debates, and in my opinion know full well what the issues are that are involved. Now, I hope that the gentleman will bear with us in our effort to expedite the determination of these very important matters. Of course, the matter of agricultural appropriations is important. It is important to all of us. However, I can see no reason why we cannot proceed expeditiously with the consideration and determination of the measure before us.

Mr. RANKIN. I do not think it will take up very much time to read the conference report, and I insist on it.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3601) making appropriations for the Department of Agriculture, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 6, 16, 35, 37, 45, 48, and 53.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 9, 10, 21, 22, 26, 27, 28, 29, 30, 31, 32, 34, 44, 46, 47, 49, 52, 55, and 56, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment and at the end of the matter so restored insert ", except for the support of equitable transportation rates before Federal agencies concerned with such rates"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,125,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$145,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,143,400"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$503,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended as follows:

Page 18, line 18, of the engrossed copy of the bill, after the word "hereof," insert the following: "until June 30, 1949,".

Page 19, line 14, of the engrossed copy of the bill, after the word "transfer" and the period insert the following: "The Secretary shall report annually to the Appropriations Committees of the Senate and of the House of Representatives respecting the status and progress of agricultural research in Alaska and the advisability of resumption by the Territory of the operation of the experiment station under the land grant college acts."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$315,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,466,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$745,350"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment if the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,972,100"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter stricken out and proposed by said amendment insert ", to be available only for payment toward the purchase price of any lands acquired, including the cost of surveys in connection with such acquisition"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,300,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter stricken out and proposed by said amendment insert ": *Provided further*, That allocations of funds for the fiscal years 1947 and 1948 for works of improvement on individual watersheds shall be in the respective amounts set forth in the Department's Budget justifications to the House Appropriations Committee and shall not be decreased except as may be necessary by reason of a decrease in the estimates of availabl- prior year balances: *Provided further*, That not less than $500,000 of the funds hereby appropriated shall be allocated to the watersheds of the Upper Mississippi, Missouri, and Ohio Rivers and their tributaries"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$856,750"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$1,048,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$21,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$44,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 17, 18, 19, 42, 43, 50, 54, 57, and 59.

EVERETT M. DIRKSEN,
CHARLES A. PLUMLEY,
H. CARL ANDERSEN,
WALT HORAN,
JOHN PHILLIPS,
Managers on the Part of the House.

C. WAYLAND BROOKS,
CHAN GURNEY,
CLYDE M. REED,
HARLAN J. BUSHFIELD,
RICHARD B. RUSSELL,
CARL HAYDEN,
M. E. TYDINGS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

PENALTY MAIL

Amendment No. 1, penalty mail: Reported in disagreement.

RESEARCH AND MARKETING ("HOPE-FLANNAGAN") ACT

Amendment No. 2, payments to States, etc., for agricultural experiment stations: House appropriated $3,000,000; Senate, $2,500,000; House recedes.

Amendment No. 3, Alaska allotment under amendment No. 2: Strikes out the House language transferring such allotment to the appropriation, "Research on agricultural problems of Alaska." Senate recedes.

Amendment No. 4, for research on utilization and associated problems pursuant to section 10 (a) of the act: House appropriated $2,500,000; Senate, $3,000,000; House recedes.

Amendment No. 5, for distribution and marketing studies: The House appropriated $2,000,000; the Senate, $2,500,000; the Senate recedes.

Amendment No. 6 relates to a total. Senate recedes.

Amendment No. 7: Restores the House provision stricken out by the Senate "That no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof" and adds the following: "except for the support of equitable transportation rates before Federal agencies concerned with such rates."

OFFICE OF THE SOLICITOR

Amendment No. 8, for salaries and expenses: The House appropriated $2,025,000; the Senate, $2,225,000; the conferees have agreed to $2,125,000.

Amendment No. 9, relating to the limitation for personal services in the District of Columbia: The House provided $1,597,000; the Senate, $1,500,000; the House recedes.

OFFICE OF INFORMATION

Amendment No. 10: The House provided for the transfer to the appropriation for printing and binding from funds appropriated "for administering the provisions of the Agricultural Marketing Act of 1937 (7 U. S. C. 608c–608d), such sums as may be necessary for printing and binding in connection therewith." The Senate struck out the House provision and inserted "to carry into effect the terms of section 32 of the Act of August 24, 1935 (7 U. S. C. 612c), as amended, such sums as may be necessary for printing and binding in connection with the activities under section 32." The House recedes.

Amendment No. 11: The House authorized transfers of $95,300 from certain general appropriations to the appropriation for printing and binding. The Senate authorized $170,000. The conferees have agreed upon $145,000.

BUREAU OF AGRICULTURAL ECONOMICS

Amendment No. 12: Relates to limitation on expenditures for personal services in the District of Columbia: Adjusted to conform to action on amendment No. 13.

Amendment No. 13, economic investigations: The House appropriated $1,743,600; the Senate, $2,243,600; the conferees have agreed upon $2,000,000.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

Amendment No. 14, salaries and expenses: The House appropriated $428,000; the Senate, $578,000; the conferees have agreed upon $503,000.

RESEARCH ON AGRICULTURAL PROBLEMS OF ALASKA AND OFFICE OF EXPERIMENT STATIONS

Amendments Nos. 15 and 16: The House provided for an appropriation of $144,940 together with all Territorial funds available for the Territorial Agricultural Experiment Station for a research program under the exclusive supervision and control of the Secretary of Agriculture, requiring the University of Alaska to make available to the Secretary all of the lands, buildings, and equipment heretofore used by the university in connection with the experiment station. The House omitted from the appropriation for payments to the States and Territories in connection with the several land-grant college acts the amount set up in the Budget for Alaska, namely, $44,940, and included that sum in the total of $144,940 appropriated by the House for "Research on agricultural problems of Alaska." By amendment No. 15, the Senate struck out all of the House language and by amendment No. 16 inserted new language restoring the Alaska allotment of $44,940 to the appropriation for payments to States and Territories, and providing an appropriation of $100,000 for "Research on agricultural problems of Alaska" under the Secretary of Agriculture. The combined effect of Senate amendments Nos. 15 and 16 restored to the University of Alaska possession and control of the lands, buildings, and equipment belonging to the experiment station and all funds of said station, while authorizing the Department of Agriculture to use its appropriation of $100,000 for the acquisition of land and the construction or acquisition of necessary buildings and facilities.

The Senate recedes from its amendment No. 16 and agrees to the House provision, stricken out by Senate amendment No. 15, with an amendment providing that the same shall be effective until June 30, 1949, and that the Secretary shall report annually to the Appropriations Committees of the Senate and of the House of Representatives respecting the status and progress and agricultural research in Alaska and the advisability of resumption by the Territory of the operation of the experiment station under the land-grant college acts.

The conferees of both Houses wish to emphasize that the provision agreed to does not reflect any intention to depart from or modify the long established policy of providing for research through grants to the States and Territories under the Hatch, Adams, Purnell, and Bankhead-Jones Acts, or to initiate a policy of taking over the State experiment stations. The provision agreed to relating to Alaska is to be regarded as of a temporary nature, pending the correction of a serious administrative deficiency in the past conduct of the research at this station. It is the purpose of the conferees that control and operation of the station by the University shall be restored as soon as conditions warrant.

Research in Alaska by the Department of Agriculture, independent of or in cooperation with the university experiment station, as may be provided, will continue, of course, beyond June 30, 1949, to the extent Congress may deem it wise to make appropriations therefor.

BUREAU OF ANIMAL INDUSTRY

Amendment No. 17: Relates to a limitation on the amount which may be spent for personal services in the District of Columbia, which will be adjusted to conform to action taken on the amendments relating to the several work programs.

Amendments Nos. 18 and 19 relating to meat inspection: This item is in disagreement.

Amendment No. 20, Virus Serum Toxin Act: The House appropriated $290,000; the Senate, $340,000; the conferees have agreed upon $315,000.

BUREAU OF DAIRY INDUSTRY

Amendment No. 21, salaries and expenses: This amendment relates to the amount which may be spent for personal services in the District of Columbia. The House provided $500,000; the Senate, $540,912; the House recedes.

BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING

Amendment No. 22, forest diseases: The House appropriated $359,280; the Senate $379,280; the House recedes.

Amendment No. 23, soils, fertilizers, and irrigation: The House appropriated $1,391,000; the Senate $1,491,000; the conferees have agreed upon $1,466,000. The increase of $75,000 over the amount appropriated by the House is for the purpose of keeping open the six stations which would otherwise be closed under the House amount.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Amendment No. 24, relating to expenditures for personal services in the District of Columbia: The House provided $692,000; the Senate $758,688; the conferees have agreed upon $745,350.

Amendment No. 25, insect and plant disease control: The House provided $51,800 for dutch elm disease; the Senate provided $151,800; the conferees have agreed upon $101,800. The House provided $499,000 for pink boll worm control; the Senate provided $749,000; the conferees have agreed upon $724,000.

BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS

Amendments Nos. 26 and 27, salaries and expenses: The House appropriated $1,045,000; the Senate $800,000; the House recedes.

FOREST SERVICE

Amendment No. 28, personal services in the District of Columbia: The House provided $1,055,378; the Senate $1,083,378; the House recedes.

Amendment No. 29, National forest protection and management: The House appropriated $23,764,891; the Senate $24,014,891; the House recedes. In approving the full amount of the Senate increase the conferees of both Houses have agreed that the earmarking of $25,000 for Lake Tahoe recreation area contained in Senate Report No. 474 is

not ratified by this report. It is believed however that this expenditure may be made by the forest service in the discretion of that agency out of any funds available for an expenditure of this character in the event it elects so to do.

Amendment No. 30, forest products; the House appropriated $1,000,000; the Senate $1,250,000; the House recedes.

Amendment No. 31, forest resources investigations: The House appropriated $572,000; the Senate $822,000; the House recedes.

Amendments Nos. 32 and 33, acquistion of lands for national forests: The House appropriated $500,000; the Senate $750,000; the House recedes with the provision that the money is "to be available only for payment toward the purchase price of any lands acquired, including the cost of surveys in connection with such acquisitions."

FOREST ROADS AND TRAILS

Amendment No. 34, forest development roads and trails: The House appropriated $10,000,000; the Senate $11,000,000; the House recedes.

Amendment No. 35, forest highways: The House appropriated $5,300,000; the Senate, $8,300,000; the Senate recedes.

Amendment No. 36, relating to a total, has been appropriately adjusted.

Amendment No. 37, relating to expenditures for personal services in the District of Columbia: The House provided $100,000; the Senate, $109,530; the Senate recedes.

FLOOD CONTROL

Amendment No. 38, flood control: The House appropriated $500,000; the Senate $1,500,000; the conferees have agreed upon $1,000,000.

Amendment No. 39: Restores the House provision stricken out by the Senate "That allocations of funds for the fiscal years 1947 and 1948 for works of improvement on individual watersheds shall be in the respective amounts set forth in the Department's Budget justifications to the House Appropriations Committee and shall not be decreased except as may be necessary by reason of a decrease in the estimates of available prior year balances" and retains the provision inserted by the Senate amended to read "That not less than $500,000 of the funds hereby appropriated shall be allocated to the watersheds of the upper Mississippi, Missouri, and Ohio Rivers and their tributaries."

SOIL CONSERVATION SERVICE

Amendment No. 40, personal services in the District of Columbia: The House provided $838,500; the Senate $875,000; the conferees have agreed upon $856,750.

Amendment No. 41, soil conservation research: The House appropriated $673,000; the Senate $1,423,000; the conferees have agreed upon $1,043,000.

SOIL CONSERVATION PAYMENTS

Amendment No. 42: In disagreement.

NATIONAL SCHOOL LUNCH ACT

Amendment No. 43, for the National School Lunch Act: Reported in disagreement.

ADMINISTRATION OF AGRICULTURAL MARKETING AGREEMENTS AND ORDERS

Amendment No. 44, relating to the Agricultural Marketing Agreement Act: The House appropriated $525,300· the Senate struck out the item; the House recedes. Expenses necessary for the administration of the Agricultural Marketing Agreement Act during the fiscal year 1948 will be available within the administrative expenses limitation under the section 32 appropriation entitled "Exportation and domestic consumption of agricultural commodities".

MARKETING SERVICES

Amendment No. 45, relating to the limitation for personal services in the District of Columbia: The House provided $2,211,000; the Senate, $2,286,000; the Senate recedes.

Amendment No. 46, relating to the Market News Service appropriation: The Senate inserted the words "including broilers" in the language text referring to Market News on poultry products. This insertion is merely interpretive language with reference to poultry products. The House recedes.

Amendment No. 47, Market News Service: The House appropriated $1,527,500; the Senate, $1,566,250; the House recedes.

Amendment No. 48, marketing farm products: The House appropriated $1,000,000; the Senate, $1,100,000; the Senate recedes.

COMMODITY EXCHANGE AUTHORITY

Amendment No. 49, relating to the limitation for personal services in the District of Columbia: The House provided $141,000; the Senate, $153,000; the House recedes.

FARMER'S HOME ADMINISTRATION

Amendment No. 50, loans under title I and section 43, Bankhead-Jones Farm Tenant Act: Reported in disagreement.

Amendment No. 51, salaries and expenses: The House appropriated $18,00[illegible],000; the Senate, $24,000,000; the conferees have agreed to $21,000,000.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 52, salaries and expenses: The House appropriated $4,000,000; the Senate, $5,000,000; the House recedes.

Amendment No. 53, loan funds: The House authorized $225,000,000 to be borrowed from the Secretary of the Treasury for this purpose; the Senate, $250,000,000; the Senate recedes.

GENERAL PROVISIONS

Amendment No. 54, relating to the waiving of limitations on personal service expenditures to permit lump sum terminal leave payments: Reported in disagreement.

Amendment No. 55, changing a section number: The House recedes.

TITLE II—GOVERNMENT CORPORATIONS

Amendment No. 56, operating expenses, Federal Crop Insurance Corporation: The House appropriated $1,000,000; the Senate, $5,000,000; the House recedes.

Amendment No. 57, relating to the scope of the crop-insurance program: Reported in disagreement.

TITLE III—REDUCTION IN APPROPRIATION

Exportation and domestic consumption of agricultural commodities

Amendment No. 58, section 32 funds: The House provided that not more than $40,000,000 of such funds shall be available during the fiscal year 1948 for effectuating the purposes of the act of August 24, 1935, as amended; the Senate, $48,000,000; the conferees have agreed to $44,000,000.

Amendment No. 59, providing for the school-lunch program to be financed during the fiscal year 1948 with section 32 funds: Reported in disagreement.

AMENDMENTS IN DISAGREEMENT

Amendment No. 1, penalty mail: The House appropriated $3,186,000; the Senate $3,486,000. Action on this amendment will depend upon action taken on the several amendments in disagreement requiring allotments for penalty mail.

Amendment No. 17: A District of Columbia salary limitation.

Amendments Nos. 18 and 19, meat inspection: The House appropriated $5,000,000 for the initial contribution to the "Meat-inspection fund." The House provided that hereafter all expenses of the meat-inspection service shall be paid from the "Meat-inspection fund" and that the Secretary of Agriculture shall hereafter assess and collect fees from the meat packers based upon the cost of the inspection, such fees to be paid into the "Meat-inspection fund." The Senate has stricken out the House provision relating to the "Meat-inspection fund" and the assessing of the packers for the cost of meat inspection and has provided the budget estimate of $11,140,000 for meat-inspection service. The managers on the part of the House will move to insist.

Amendment No. 42, soil conservation payments: The House appropriated $165,614,290 for the 1947 crop year program and included a provision that no soil conservation payments program may be planned for the crop year 1948. The Senate struck out the House provision and provided a total of $295,635,044 for the 1947 crop program and authorized a program for the crop year 1948 in the total sum of $150,000,000. The managers on the part of the House will move to insist.

Amendments Nos. 43 and 59, National School Lunch Act: The House appropriated $45,000,000 and provided "That no part of this appropriation shall be used for matching funds from sources within the States derived from the sale of lunches." The Senate struck out the House provision by amendment No. 43 and inserted new language by amendment No. 59 providing for the expenditure of $75,000,000 for the program from section 32 funds, with no limitation prohibiting the use of funds derived from the sale of lunches for matching purposes. The managers on the part of the House will move to insist.

Amendment No. 50, farm-tenant loans: The House made no provision; the Senate appropriated $20,000,000. The managers on the part of the House will move to insist.

Amendment No. 54, Sec. 8: The Senate inserted language providing that "limitations on amounts to be expended for personal services under appropriations in this Act shall not apply to lump-sum leave payments pursuant to the Act of December 21, 1944 (Public Law 525)." The managers on the part of the House will move to recede and concur with an amendment inserting new language at the end of the Senate amendment, as follows: "Provided, That in expending the appropriation herein for 'Inspection and quarantine, Bureau of Animal Industry,' service shall be maintained at all stockyards having such service during the last quarter of the fiscal year 1947."

Amendment No. 57, Federal Crop Insurance Corporation: The Senate inserted the following: ": *Provided further*, That none of the funds herein appropriated shall be used to insure any 1948 or subsequent crop except wheat in not to exceed six hundred and thirty-three counties and flax in not to exceed eighty-seven counties, in accordance with section 508 (a) (1) of the Federal Crop Insurance Act, as amended, and five additional crops in 1948 under the provisions of section 508 (a) (2) of said Act, as amended, including corn and tobacco in not to exceed fifty counties each and cotton in not to exceed fifty-six counties, unless otherwise provided by legislation."

The managers on the part of the House will move to recede and concur. The proviso inserted by the Senate is considered by the managers to be purely a limitation on the 1948 program and is not intended to be prejudicial to future legislation.

EVERETT M. DIRKSEN,
CHARLES A. PLUMLEY,
H. CARL ANDERSEN,
WALT HORAN,
JOHN PHILLIPS,
Managers on the Part of the House.

Mr. DIRKSEN. Mr. Speaker, the subcommittee on Agriculture Appropriations is quite mindful of the importance of the matter that comes before you today and at the same time it hopes it can expedite action on the conference report because of the full calendar that is ahead.

I hope, therefore, that perhaps I might make clear in a very brief space of time the situation that is before us. As I

shoulder this responsibility, I often think of a very interesting recital that Solomon put in the mouth of Agur, the son of Jakeh, when he said:

> There be three things which are too wonderful for me, yea, four which I know not: the way of an eagle in the air; the way of a serpent upon a rock; the way of a ship in the midst of the sea; and the way of a man with a maid.

I presume if I were revising Solomon and bringing him up to date, I would probably say there are five things I know not of, five things too much for me. I would recite all of those four that Solomon set forth in ancient times, and then I might add: "The way of another deliberative body in the legislative branch of the Government with an appropriation bill."

To refresh you on the totals of money involved and the general picture, let me just say this: Last fall when the bureaus in the Department of Agriculture determined their needs, the aggregate of that determination was $1,600,000,000. I give it to you in round figures. Those were the needs that they expressed in the form of money. They said they would require $1,600,000,000 to express the various activities in which they were interested. That figure went to the Department of Agriculture and then it went to the Bureau of the Budget. And when the President's instrumentality finally completed its refinement, it had reduced it by $400,000,000. So that the over-all gross figure which came to us when we began hearings on this bill was not $1,600,000,000, which the bureaus had requested, but $1,200,000,000.

Then, we began, as the saying goes, to impress our wisdom upon the bill and upon those needs. There were seven weeks of hearings which required nearly 3 months to prepare to bring that bill to the floor of the House. When we had completed our labors we determined that they could get along with $340,000,000 less than the amount in the Budget estimate. It was reduced accordingly, and that action was approved by the House. So that when the bill went to the other Body it carried $340,000,000 less than the Budget estimates.

Then, another distinguished Body began to work its will upon these provisions. It, too, had rather extensive hearings. I recognize the difficulties that many Members of the other Body have in attending all of the committee meetings which they are called upon to attend. But when the other Body had finished its deliberations, it had restored $200,000,000.

That is the great history of it. I think about the vigor and enthusiasm with which we approached the responsibility of effectuating economy in Government in January. But it does not count unless that same thesis and that same conviction persist up to adjournment date. You will get no credit with the taxpayers for economy by letting the passage of time and the pressures of groups and organizations and individuals and people finally erase that conviction. There will be credit for economy. To me, it is a singular thing as I go back and refresh myself on the Constitution and the formulation of our scheme of government that this was supposed to be the somewhat wild and irresponsible branch of Government.

And so the framers of the Constitution said, "You get only 2 years in office, but you get the power of the purse, and then you must come back and give an accounting of your stewardship." Then, by way of compromise, they said, "We will create another body in the legislative branch. They are to be selected by the State legislatures and they are to have a 6-year term. It is fair to assume that there will probably be a greater innate conservative tendency to hold you down over on this side." But in 1913 the Constitution was amended and they were elected by direct vote, and it is interesting to go over the last few years of our history to determine, even as the country has determined, what is the sound and conservative body in the Government today. If the fiscal integrity of this Government is to be defended and kept intact, it will be done in the House of Representatives and in no other place in the Government. That is your responsibility.

So we were presented with an increase of $200,000,000 in the bill as it left the House. You know, a conference committee is a noble institution. Men in felicity sit about a table, and there is a great interplay of forces and there is a great show of patience. Sometimes a bit of provincialism creeps in, but in the main here are men from both bodies seated around the table, seeking to express earnestly and sincerely, as best they can, their interests and their views for their people. Very rightly so. Then, the bargaining begins. Bargaining is a very, very interesting thing. I can best illustrate it by giving you a few examples. For example, in connection with research and research and marketing, the House put in a figure of $9,000,000. The Senate put in $9,500,000, but redistributed the amounts. So they agreed to back down on the $500,000 if we agreed to let their distribution stand. So we made that agreement.

In the Solicitor's Office the House cut out $500,000, and the Senate restored $200,000. So we had a long, amiable visit over how many lawyers are required in the Department of Agriculture. Finally, we took this $200,000 restoration and we cut it in half. So they gained $100,000 and we gained $100,000.

There was a startling thing about this bill. There was one reduction in another body and I shall be just as circumspect as I know how in conforming to the rules. There was one reduction in another body. The increase was $200,000,000. The one reduction in the bill was $245,000. It was for the Bureau of Human Nutrition and Home Economics. It seemed rather strange that the one economy should have been expressed on the distaff side, against the gentler sex. Now, it may be that we have been weak in that respect and gave them the budget estimate, but that was the one note of economy in the bill.

We got along reasonably well. That is part of the noble business of bargaining across the table: You give a little, you take a little. Obviously, Members of another body have just as many prerogatives as have we, and the purpose of the conference committee, after all, is to explore and to seek common ground. We did not always do it but we did do it on most of the items involved herein.

There are four major items in disagreement and those will be discussed at greater length when we consider them one by one. The first relates to meat inspection.

You will remember that the House wrote in a provision putting meat inspection on a fee basis to be assessed against the packers. It would save $6,140,000 the first year; it would save $11,140,000 annually in succeeding years. There has been great pressure on that item, Mr. Speaker. I have received telephone calls and telegrams from all over the country and I have received personal visits from people who are interested in that industry, but I have not yet been able to find an argument that would persuade me that the action taken by the House was wrong. So I propose at the appropriate time that the House insist on its disagreement, and I assume that at the appropriate time a preferential motion will be offered that the House recede and concur in the Senate amendment. It is perfectly all right, I shall be no crusader. You know it gets to be a pretty difficult thing and it is a tremendous tax upon one's energy to be a crusader on all the important issues that come up. I shall be content to place before you the facts, then let you work your own will. After all, that is the democratic process. If you decide that your conference committee is wrong then you tell us, and under your mandate and under your instruction we shall go back and seek to carry out that instruction. It was not so long ago that I took a very splendid drubbing on this floor at the hands of my very good friend, the gentleman from Minnesota, [Mr. O'HARA], with reference to the District of Columbia revenue bill. When the House had expressed itself we went back to the conference committee. We said to the gentlemen from the other body: Here is the firm view of the House expressed on the record, and so we have no choice. Either you accept it or there will be no bill. And so that is what we propose to do now. The first item therefore on which you will have an opportunity to express yourself is whether or not we should relent from the thing that you approved before and concur in the Senate amendment or whether you will reaffirm your belief that the House in the first instance was right.

The second item in disagreement is the so-called agricultural adjustment and soil-conservation and domestic-allotment payments. You will recall that the budget estimate was $301,000,000 and that $34,000,000 plus was earmarked for administrative expenses at the National, State, and local levels. When we got through we had reduced the amount to about $165,000,000. We allowed $150,000,000 in the bill for soil-conservation payments, and we cut the administrative expenses from $34,000,000 to $15,000,000. The Senate has restored all of the soil-conservation payments, and they have increased the administrative expenses from $15,000,000 to $27,000,000

plus. In addition to that, we struck out of the bill any authority for a program in the crop year 1948 on the theory that we should not permit it when that whole matter is in flux at the present time, and those on the Committee on Agriculture are considering an entirely new program. Finally, the Senate wrote in one provision putting a $500 limit on payment to any one participant.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has just referred to what he calls soil-conservation payments. May I ask the gentleman if it is not more correct to refer to that $290,000,000 expenditure as triple A benefit payments?

Mr. DIRKSEN. That is correct; those are what we have always known as triple A soil-conservation payments as distinguished from soil-conservation service, which provides technical information to farmers and assistance in the work of soil conservation.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. PHILLIPS of California. Is it not a fact that the House subcommittee has given the soil-conservation program a very liberal amount, practically all they asked for, and when the statement is made that this is a cut in the soil-conservation program, there is a confusion between the programs?

Mr. DIRKSEN. That is quite right.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Dakota.

Mr. MUNDT. Should not the RECORD show that the triple-A payments are for soil-conservation practices and that there is a relation to soil conservation?

Mr. DIRKSEN. It is for terracing and putting lime on fields, planting maple trees, and doing a thousand and one other things that are all carefully set out in the regulations as so-called soil-conservation practices.

Mr. HALLECK. When this measure was before the House formerly I spoke about fertilizer and limestone. The gentleman from Mississippi [Mr. WHITTINGTON], who is present, was questioning me as to the fertilizer end of it. I took the trouble this morning to call up the Production and Marketing Administration to find out what is being done in Indiana. The total payments for the State of Indiana are almost $8,000,000. Of materials, phosphate was applied to the value of $1,168,000, potash $360,000, and liming materials applied $4,481,000. That certainly has nothing to do with what many people believe is soil conservation, involving contour farming, terracing, building of water dams, and various other practices that are being engaged in now.

Mr. DIRKSEN. Let me continue and summarize.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. May I say that I stand on my original statement that superphosphates were not furnished to Mississippi and my information is, as the gentleman from Indiana states, Indiana and some other States were furnished these materials primarily for the improvement of pastures but not for the cultivation of crops.

Mr. DIRKSEN. The next item in disagreement is the school lunch program. The House provided a direct appropriation of $45,000,000. The Senate modified that by taking money out of section 32 funds which are used for certain purposes, and increased the amount to $75,000,000.

The other item of major import in the bill is farm tenant loans. Originally there was a request for $50,000,000 to make these farm tenant loans 100 percent loans for a period of 40 years. That was reduced by the Bureau of the Budget to $35,000,000. When it came to our attention that a conference was to be held on the 9th of June to go into what they called land fever and inflated prices we did not feel that we were warranted in somehow or other having young men assume farming at inflated prices and being placed in jeopardy later when farm prices fell off, thereby develop a headache when the adjustment came and collection problems for the Federal Government which made the loan. The Senate put back $20,000,000. So there is that divergence.

Mr. Speaker, to summarize, there will be four major items in disagreement. The first one is meat inspection. Do you want to put it all back and put it on a direct appropriation basis to cost $11,000,000 plus every year, or shall we follow the House recommendation and put it on a fee basis, saving $6,000,000 plus the first year and $11,000,000 plus thereafter.

Secondly, do you want to approve the action taken by the Senate restoring mainly this whole triple-A program and wiping out the economies effected by the House, which total somewhere in the neighborhood of $130,000,000?

Third, do you want to modify the school-lunch program or return it to the $75,000,000 level or do you want to ride along with the earlier action taken by the House at $45,000,000?

Fourth, do you want to restore the $20,000,000 of farm-tenant purchase loans in the face of land fever and inflation, or would you prefer to abide by the decision of the House and keep that money out of the bill until we can see a little more clearly?

So, there is the whole story. There are the four amendments that you will be called upon to vote. I hope that it will not take an hour on each one. Probably we can dispose of each one in 30 minutes. It is purely a case of having all of the facts properly presented. So, that is the situation, and I hope we can dispose of this expeditiously, and I conclude with the observation I made before, that this committee is, first of all, a creature of the Committee on Appropriations; it is a creature of the Congress. Never have we pretended that we are bigger than the Congress. Whatever your wisdom in the main is, our responsibility is to bring the facts to you and then let you express your own judgment without too much crusading on our part.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I think it would be a service to me and probably to other Members if the gentleman would review these four items with the figures, please.

Mr. DIRKSEN. If it is agreeable, I will refer to them very briefly.

On meat inspection, No. 1, the budget estimate was $11,000,000-plus. It is to be taken out of the Federal Treasury, the direct appropriations. The House action makes it a fee imposed upon the packers. It would cost $5,000,000 for the first year. Thereafter it becomes self-contained, and the annual economy is expected to be $11,000,000 a year thereafter and $6,000,000 the first year.

Second, the Agricultural Adjustment Act payment to farmers, the budget estimate was $301,000,000-plus. The House wrote that down to $165,000,000, with a saving of about $136,000,000. The Senate has virtually restored the entire amount, so the question is do we concur in the Senate amendment or do we stand by the House figure and contrive this very substantial economy that represents a saving of more than one-third of the whole bill.

The next item is the school-lunch program. The first request was for $100,000,000; some of them wanted $110,000,000. The budget finally set up $75,000,000 and the House reduced it to $45,000,000. The Senate put it all back, and provided that it be taken out of the so-called section 32 funds. So there is the amount involved and the question of making it a direct appropriation or a section 32 appropriation.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Washington.

Mr. HORAN. I think we ought to also realize that the House action amounts to an eventual commitment of nearly $200,000,000 each year, and that if we follow the Senate we will have almost $300,000,000 for school lunches each year.

Mr. DIRKSEN. I was not going to speak on that item until we finally got to it, but I will say a man appeared before us who represented the American Federation of Labor who made the statement that the Secretary of Agriculture had said that this should cost $600,000,000 a year. I could not find out where he got his figure, but Dr. Ockey, who runs the school-lunch program in the Department of Agriculture, in response to a question by the gentleman from Washington [Mr. HORAN], said that if all the eligible schools come in it will cost somewhere between $350,000,000 and $400,000,000 a year.

The final item is the farm tenant purchase loans. The request from the budget was $35,000,000. The House deleted it entirely. The Senate put back $20,000,000, so your choice is between nothing and $20,000,000, particularly in

the light of the situation which we face today where land has gone up by more than 100 percent.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. ARENDS. What are the total increases represented by the Senate bill?

Mr. DIRKSEN. The total increase was a little over $200,000,000.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. REED of New York. I realize this is no time to make a speech in the gentleman's time, but I have one county in my district where they carry on this engineering process of contouring the land, and all that. It is one of the most remarkable demonstrations I have ever seen in the way of creating productive land that was nonproductive before and increasing the income to the farmer. How much has that been cut?

Mr. PHILLIPS of California. Practically nothing.

Mr. REED of New York. I wanted to make that clear. That has not been cut, has it? I wanted that in the RECORD.

Mr. DIRKSEN. That is right.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Should not the gentleman be told, however, that while the supervisory and technical services have not been cut, the contribution toward the payment is affected by the House action.

Mr. DIRKSEN. That is right.

Mr. Speaker, I now yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, with this conference report we come to what appears to be the last paragraph of one of the most remarkable chapters in the economic history of the country. It is a chapter which, with its lights and shadows, with its impoverishment and rehabilitation of the American farmer, would be a thrilling romance were it not for the deep tragedy in which it originated and in which we may again become engulfed.

All of us here on the floor remember those fateful days when the farmer, destitute and hopeless, saw the price of his products go down to where it paid him a mere pittance, or nothing at all, for his labor extending from dawn to dusk, not only his own labor but the labor of his wife and children in the field; when he saw his farm sold under the hammer for a song; when he saw the majority of his banks, not the city banks, for not a single city bank failed, but the majority of the country banks went under carrying the life savings of the countryside with them. We recall vividly the days when farmers in desperation stopped trucks on the roadside and poured the milk into the gullies; when the farmers stood by with rope and noose as a warning to predatory speculators when the sheriff was selling their land, and when determined farmers marched into the courtroom and pulled from the bench the judge who was enforcing the order evicting them and their neighbors from the homes which their families had held for generations.

That was the situation when we initiated the program of rehabilitation which should be implemented and financed by the bill before us today. In those intervening years under this nurturing program we have seen the farmer fight his way up from destitution up to the greatest prosperity the farmer and America have ever known. For America has prospered with the farmer, and by the farmer, and through the farmer. Under the program, which brought about this remarkable change, the farmer has produced as never before. Under its protection and encouragement the farmer helped win the war. We could not have won without the magnificent production of the American farm, and we could not have produced upon the American farm the food which fed our armies and our allies and won the war, had not this program made it possible.

But, as incredible as it may seem, they now propose to wreck the program, to abandon all that has been gained and return to conditions which destroyed American agriculture a little more than a decade ago. That is the purport of this bill and that is what you are called to vote upon in the consideration of this conference report.

My good friend, the able and versatile gentleman from Illinois, quoted from Holy Writ. You know, in the language of the old adage, there is a certain majestic personage who is also addicted to the quoting of Scripture. But the gentleman from Illinois referred to the four imponderable mysteries for which Solomon found no explanation. Ah, my friends, there is no mystery whatever in the attitude and intention of the committee on this bill—or, for that matter, of the legislative program of the session.

This has been an epic session. Every great interest, every great business combination, desiring legislative advantage, has come here and laid hands on everything that they wanted. The amount of legislative swag that has been carried away from this House and from the Congress in this session is beyond anything recorded in any similar period in congressional annals. Everybody has been taken care of except the farmer, except the veteran, except the children of America, so drastically discriminated against in this bill.

The situation is very well expressed by Lowell Mellett, one of the premier commentators of our times, in his syndicated column carried in the local press this week. He enumerated various interests that have come to Congress for handouts and the gracious hospitality with which they have been received and served. Here is what he says in part:

> The real estate people, for example. Rent control has been pretty well abolished and all attempts at legislation to improve the general housing situation put on ice.
>
> The railroad people seem about to get what they want, which is legislation excusing them from the operations of the antitrust laws.
>
> The electric power people will be free from Federal control, to a large extent, if the Senate follows the lead of the House.
>
> The gas and oil people, ditto.
>
> And the people who hire other people, in any large numbers, will be free from the unions—if the Taft-Hartley bill works.

To them that hath shall be given. And those with the open sesame who wanted something at the expense of the people have been taken care of this session. Nothing has been refused. But not the farmer, fighting a losing battle to save his soil; not the GI who wants to buy a farm and establish a home for himself; not the child on its way to school without breakfast, needing a bottle of milk and bowl of soup. They are not taken care of. This bill passes them by on the other side.

Let me read the concluding paragraph:

> Then there are the people who would like to have their children decently educated and the people who would like to have access to better medical care. Congress has listened to them and given them sympathetic assurances. But Congress cannot do everything at once. First things come first. And Congress has made evident what it regards as first things:
>
> Real estate, railroads, power, gas, oil, sugar, big incomes.
>
> These, so far as Congress is concerned, appear to be the people.

Now, let us see what this bill really proposes.

Do you know that for the current year the Department of Agriculture is operating on $375,000,000 less than it operated on in 1940? With a dollar buying infinitely less than before the war, the Department is allowed less than we gave it before the war. We are at the lowest point since 1940. And now this bill proposes to make a further cut next year of one-third of what we have for the present year.

I cannot believe this House is willing to stand on a record like that. I believe they will also do something for the farmer, something for the little man at the bottom, who is the foundation of the great prosperity we are enjoying today.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. In just a moment.

My friend the gentleman from Illinois quoted from Holy Writ. There is another passage which should not be overlooked: "Thou shalt not muzzle the ox that treadeth the corn." The farmer who is producing food so lavishly, who is supplying us with the most sumptuous table ever set in the history of any people when in many lands there is nothing but a crust of bread and a pallet of straw, is entitled to a small share of it. That is the question in the bill before us today, my friends.

But it is not merely a question of justice to the farmer. It is a matter of national interest.

For a hundred years back whenever the farmer has lacked a fair wage and a fair price for his products, the prosperity of the Nation has declined. Whenever the farmer was receiving a fair price, a fair wage for his labor and a fair income upon his investment, the Nation has prospered. It is an immuta-

ble law, written in the annals of every people.

Mr. Speaker, let me appeal to the House today, not for the sake of the farmer alone, not merely for the sake of the GI boy who wants to establish a home under his own vine and fig tree, not for the welfare of the children, the greatest crop in America today, but for the future prosperity of the American people, in this critical time, that we accept the Senate amendments with these modest provisions for continuing a program that has brought us a happiness and a prosperity that is the wonder and admiration of the world.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Missouri yields back 1 minute.

Mr. DIRKSEN. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, we have had long and extended hearings, we have had long and extended conferences, in an effort to resolve the differences that we find among us on the agricultural appropriation bill. I would like to call the attention particularly of the Members on the left-hand side of the aisle here to a matter that I do not believe has been called to their attention clearly. It has been stated here that after long and tiresome hearings these economies were made in the Department of Agriculture. The distinguished chairman of this committee, and there is none more able in the House and there is not a smoother talker in the House either, back in February, before we had the first meeting and the first line of testimony, called us together and announced then what cuts would be made in the Department of Agriculture bill. To his credit, while he made that determination prior to any hearings, he stuck to his guns except in a few cases where the members of his own party failed to go along with him. I do not think that is based on sound procedure, and I daresay that is not the way to attend to the business of this Nation.

Most of the argument that has been made by these distinguished gentlemen with regard to triple A payments, for instance, is worthy of consideration, insofar as fixing next year's program is concerned, but, Mr. Speaker, when we come here this year to fix the appropriation for the triple A payments for this year's program, for instance, I hope you will listen to me, we come here to consider whether we will live up to a contract that was made last year in which the parties of the other part, the farmers, have done their share; their considerations have been delivered under the contract, and surely the Government, our Government, should do as it promised.

Each year, if you follow me, the practice has been for the Committee on Appropriations to announce the program for the ensuing year. We followed that practice. The Department of Agriculture relied on that announcement. The announcements went out to the farmers. This is not a case of sending them a blue check, but it is a case of saying, "If you spend out of your own pocket $2, the Federal Government will spend $1" in an effort to redeem the soil, the greatest natural resource which we have. After we followed that practice for a number of years here, each time when we came here with an appropriation bill to pay the commitments of the Federal Government, we would have some argument and some difficulty in getting the Congress to live up to it. Thus it was that last year Judge Tarver, then chairman of this subcommittee, said, "Gentlemen, we are fixing in this bill for next year a $300,000,000 program of soil-conservation benefits, and we have had this difficulty in the past, and if you do not want the Federal Government to enter into that contract, now is the time to say so and vote against this motion which I am submitting to you." And, be it said for every Republican member of the subcommittee, not a one of them opened their mouths, but stood there when this Congress affixed its signature to a $300,000,000 program for this year, with the chairman of the committee saying, "If you are not for it, if you are not going to live up to that program, say so now." The gentlemen, every one of them, good men as they are, and as much as I think of them, stood there not uttering one sound.

But here the Department announced that program. The farmers set out to earn those benefits; they spent the money out of their own pockets. And I will say that so long as I am a Member here, and I believe these members on my committee, if they think about it, know that my word comes ahead of most anything with me, and next to living up to my own word, I will continue to believe in carrying out the full faith and credit of the United States of America. The Congress has spent money abroad. We have done many things, because we were committed to it, but here is a commitment to the farmers of the United States. And when you go to them you are not going to them on the basis that we ask you to contribute to an economy, but you on the Republican side are going to them and saying, "We forced you to contribute to it by refusing to carry out the commitments and promises that we made to you," and do not think you are not going through that, and when they write back to your districts to the farmers who earned these benefits saying that "Congress has changed its mind, even though they made a contract with you, and you did your part," we are taking it back. Of course, I know they have an argument on the other side that there is a little fine print on these contracts which says that these payments will be made if funds are available. Do you want to say that a man dealing with this Congress has to read the fine print because it will be raised on him after he has performed his contract? Are you going to say that? I say that this small fine print notice to him amounts to that if $600,000,000 of benefits were earned, they could look only to the $300,000,000. That is what it really means. No, gentlemen, in an effort to equalize the opportunities of the farmers of this Nation, we have provided for parity payments or loans, and we fixed that parity at 90 percent in most cases, and the other 10 percent was held out so that the farmers of this Nation would use this 10 percent to maintain the fertility of the soil and increase the fertility of the soil which means a lower price at which the people of the United States may buy groceries and farm products. I think it is right when we go in to a farmer and say, "We are going to guarantee to you certain incomes on the products you grow, on the basis of benefit payments, but to insure that in growing crops you will practice conservation and will so conduct your business that you will not deteriorate this great national resource of this country, we will make the other 10 percent contingent upon you carrying out good soil practices." That is fair. The farmer spends twice as much as the Government spends on such a program.

We find it throughout this conference report here today, economy. I think I have as good a record as any man in this House on economy. I worked on the Navy subcommittee for many years, and I believe my record there will show that I saved millions. I voted to end UNRRA and against most of the foreign loans. I voted against the British loan. But we find here today the folks that are violating this commitment to the American farmer, after he has spent his money, after he has earned his due, are the same men who voted to send money abroad, saying, "We are willing to break the word, we are willing to destroy the full faith and credit of the United States Government with its own people, even though we have voted for the British loan and voted to send money across on the other side." They have said they are not willing to spend here for a school-lunch program. They say that this school program may go to the extent of two or three hundred million dollars. However, I offered an amendment to this bill that these funds be limited to those schools whose school authorities certify that they are unable under their budget to provide a school-lunch program out of their local funds. The majority Members claim they want this school-lunch program for those who need it and cannot have it because of the financial condition of the schools. If so, why did they vote down my amendment? That is the situation here today.

There are folks here that want the Democrats to make a good fight and lose it, because they think there is a lot of politics in this; that if you folks on the Republican side fail to carry out this commitment it will hurt you next fall. Be that as it may, I am more interested in carrying out the word of the Federal Government, regardless of which party will take the kick-back on it, than I am in the politics of this situation. I hope you on the left side of this aisle will realize what you are doing when you vote on these matters that are in disagreement, and will help us to carry out the commitments of our Government.

Mr. DIRKSEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I rise briefly at this time in the

debate to refer to what has already been said. At the proper time, on specific issues, I should like to comment upon the points in disagreement.

I should like certain of the gentlemen upon this floor, who have already spoken, to realize that some of us, who are very much in favor of these cuts, and whose farm supporters and farm friends are very much in favor of the cuts, represent agricultural areas. There is very little if anything else in my district but agriculture, yet I added to the preliminary report, as did the gentleman from Minnesota [Mr. H. CARL ANDERSEN], a statement to the effect that the cuts had not been deep enough.

For the benefit of those who listened to the gentleman from Mississippi who preceded me, who says we are unable to fulfill our commitments, may I say that the actual commitments today are $36,000,000, and the House bill appropriated $165,000,000.

My point is that I do not want the House to be led astray by, shall I say, overenthusiastic or perhaps somewhat partisan statements, that one side of the House or one side of the Capitol favors the farmer and the other side of the House or the other side of the Capitol does not. I can assure you that the bill that comes before you today is a bill which will benefit agriculture. I hope the position of the House managers will be sustained.

Mr. DIRKSEN. Mr. Speaker, may I say to the House that the vote which will be taken first will be on the approval of the conference report. The amendments I have discussed today are in disagreement, and one by one they will be reported to the House for action. So what we vote on here now is the matter agreed upon in conference between the House and the Senate.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, this will not preclude me from offering a motion to recommit to restore the Senate provisions on rural electrification, will it?

The SPEAKER. The motion to recommit is, of course, in order immediately after the previous question is ordered.

Mr. RANKIN. I thought we first had to vote on the amendments in disagreement.

The SPEAKER. No; the motion to recommit is in order after the previous question is ordered on the conference report.

Mr. DIRKSEN. Mr. Speaker, the amendment which the gentleman refers to is not in disagreement. The House and Senate agreed on that matter.

Mr. RANKIN. I know what it is, but I am going to offer a motion to recommit.

The previous question was ordered.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. RANKIN. I am, Mr. Speaker, and I would like to be heard on the motion if it is in order.

The SPEAKER. The motion is not debatable. The Clerk will report the motion to recommit.

The Clerk read the motion to recommit, as follows:

Mr. RANKIN moves to recommit the conference report to the committee on conference with instructions to the managers on the part of the House to recede and concur in Senate amendment No. 53 to increase the appropriation for loans for rural electrification from $225,000,000 to $250,000,000.

Mr. RANKIN. Mr. Speaker, this motion to recommit would raise the amount provided for rural electrification from $225,000,000 to $250,000,000—the amount recommended by the Bureau of the Budget.

You remember that the Rural Electrification Administration asked for $300,000,000, but the Bureau of the Budget only recommended $250,000,000, and the House Committee on Appropriations reduced it to $225,000,000.

When this measure was before the House I offered an amendment to raise the amount to $300,000,000. The House voted down my amendment and sustained the committee's recommendation of $225,000,000, or $25,000,000 below the budget estimate.

When the bill reached the Senate the amount was increased to $250,000,000, but the conferees rejected that amendment and reduced the amount back to $225,000,000.

By this motion to recommit I am merely endeavoring to raise the amount from $225,000,000 back to the $250,000,000 recommended by the Bureau of the Budget and approved by the Senate.

This money will be loaned for the purpose of building rural power lines to the farm homes of the Nation, and every dollar of it will be returned with interest. It will add untold hundreds of millions to the wealth of this Nation, to say nothing of what it will do toward brightening the farm homes and relieving the drudgery of the men and women living in the rural districts in every section of the country.

The farmers are begging for these funds and the REA is anxious to see them get it.

While we are being asked to send money by the billions to Europe to rehabilitate countries that already have 90 percent of their farms electrified, while this country has less than 60 percent of her farms electrified, it seems to me that we can afford to provide these funds for our own people, especially when we know that every dollar of it will be returned with interest, and that, as I said, it will add untold hundreds of millions of dollars to the wealth of the Nation.

There are some Western States that have less than 15 percent of their farms electrified. They need these funds now.

Let us provide it and electrify every farm home in America as quickly as possible, and make this the richest and most desirable country on earth in which to live.

Mr. DIRKSEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. RANKIN), there were—ayes 86, noes 167.

Mr. RANKIN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 206, not voting 28, as follows:

[Roll No. 117]

YEAS—196

Abernethy	Gathings	Norblad
Albert	Gordon	Norrell
Allen, La.	Gore	Norton
Almond	Gorski	O'Brien
Andrews, Ala.	Gossett	O'Hara
Barden	Granger	O'Konski
Bates, Ky.	Grant, Ala.	O'Toole
Battle	Gregory	Pace
Beckworth	Hagen	Passman
Bennett, Mich.	Hardy	Peden
Blatnik	Harless, Ariz.	Peterson
Bloom	Harris	Pfeifer
Boggs, La.	Harrison	Philbin
Bonner	Hart	Pickett
Boykin	Havenner	Poage
Brehm	Heffernan	Preston
Brooks	Hendricks	Price, Fla.
Brown, Ga.	Hobbs	Price, Ill.
Bryson	Hoeven	Priest
Buchanan	Holifield	Rabin
Buckley	Huber	Rains
Bulwinkle	Hull	Rankin
Burleson	Jackson, Wash.	Rayburn
Byrne, N. Y.	Jarman	Rayfiel
Camp	Johnson, Okla.	Redden
Cannon	Jones, Ala.	Richards
Carroll	Jones, N. C.	Rizley
Case, S. Dak.	Karsten, Mo.	Robertson
Celler	Kefauver	Rogers, Fla.
Chelf	Kennedy	Rooney
Clark	Keogh	Sabath
Colmer	Kilday	Sadowski
Combs	King	Sasscer
Cooley	Klein	Schwabe, Mo.
Cooper	Lane	Schwabe, Okla.
Cox	Lanham	Sikes
Cravens	Larcade	Simpson, Ill.
Crosser	Lea	Smathers
Cunningham	LeCompte	Smith, Va.
Curtis	Lemke	Smith, Wis.
Davis, Ga.	Lesinski	Somers
Davis, Tenn.	Lucas	Spence
Davis, Wis.	Lusk	Stanley
Dawson, Ill.	Lyle	Stefan
Deane	Lynch	Stevenson
Delaney	McCormack	Stigler
Dolliver	McMillan, S. C.	Stratton
Domengeaux	Madden	Talle
Donohue	Mahon	Teague
Dorn	Manasco	Thomas, Tex.
Doughton	Mansfield	Thomason
Douglas	Marcantonio	Trimble
Drewry	Martin, Iowa	Walter
Durham	Meade, Ky.	West
Eberharter	Meade, Md.	Wheeler
Elliott	Merrow	Whitten
Engle, Calif.	Miller, Calif.	Whittington
Evins	Miller, Nebr.	Williams
Fallon	Mills	Wilson, Ind.
Feighan	Monroney	Wilson, Tex.
Fernandez	Morgan	Winstead
Fisher	Morris	Wood
Flannagan	Morrison	Worley
Fogarty	Mundt	Zimmerman
Forand	Murdock	
Gary	Murray, Tenn.	

NAYS—206

Allen, Calif.	Bender	Carson
Allen, Ill.	Bennett, Mo.	Case, N. J.
Andersen, H. Carl	Bishop	Chadwick
	Blackney	Chenoweth
Anderson, Calif.	Boggs, Del.	Chiperfield
Andresen, August H.	Bolton	Church
	Bradley	Clason
Andrews, N. Y.	Bramblett	Clevenger
Angell	Brophy	Clippinger
Arends	Brown, Ohio	Coffin
Arnold	Buck	Cole, Kans.
Auchincloss	Buffett	Cole, Mo.
Bakewell	Burke	Cole, N. Y.
Banta	Busbey	Corbett
Barrett	Butler	Cotton
Bates, Mass.	Byrnes, Wis.	Coudert
Beall	Canfield	Crawford

Crow	Jenkins, Pa.	Potts
Dague	Johnson, Calif.	Poulson
Dawson, Utah	Johnson, Ill.	Ramey
Devitt	Johnson, Ind.	Reed, Ill.
D'Ewart	Jones, Ohio	Reed, N. Y.
Dirksen	Jones, Wash.	Rees
Dondero	Jonkman	Reeves
Eaton	Judd	Rich
Ellis	Kean	Riehlman
Ellsworth	Kearney	Robsion
Elsaesser	Kearns	Rockwell
Elston	Keating	Rogers, Mass.
Engel, Mich.	Keefe	Rohrbough
Fellows	Kersten, Wis.	Ross
Fenton	Kilburn	Russell
Fletcher	Knutson	Sadlak
Foote	Kunkel	St. George
Fulton	Landis	Sanborn
Gallagher	Latham	Sarbacher
Gamble	LeFevre	Scoblick
Gavin	Lewis	Scott, Hardie
Gearhart	Lodge	Scott,
Gillette	Love	Hugh D., Jr.
Gillie	McConnell	Scrivner
Goff	McCowen	Seely-Brown
Goodwin	McDonough	Shafer
Graham	McDowell	Short
Grant, Ind.	McGarvey	Simpson, Pa.
Griffiths	McGregor	Smith, Kans.
Gross	McMahon	Smith, Maine
Gwinn, N. Y.	McMillen, Ill.	Snyder
Hale	Mack	Springer
Hall,	MacKinnon	Stockman
Leonard W.	Macy	Sundstrom
Halleck	Maloney	Taber
Hand	Mason	Taylor
Harness, Ind.	Mathews	Thomas, N. J.
Hartley	Meyer	Tibbott
Hedrick	Michener	Tollefson
Herter	Miller, Conn.	Towe
Heselton	Miller, Md.	Twyman
Hess	Mitchell	Vail
Hill	Morton	Van Zandt
Hinshaw	Muhlenberg	Vorys
Hoffman	Murray, Wis.	Vursell
Holmes	Nixon	Wadsworth
Hope	Nodar	Weichel
Horan	Owens	Welch
Howell	Patterson	Wigglesworth
Jackson, Calif.	Phillips, Calif.	Wolcott
Javits	Phillips, Tenn.	Wolverton
Jenison	Ploeser	Woodruff
Jenkins, Ohio	Plumley	Youngblood

NOT VOTING—28

Bell	Hall,	Kirwan
Bland	Edwin Arthur	Ludlow
Chapman	Hays	Patman
Clements	Hébert	Powell
Courtney	Jennings	Riley
Dingell	Jensen	Rivers
Folger	Johnson, Tex.	Sheppard
Fuller	Kee	Smith, Ohio
Gifford	Kelley	Vinson
Gwynne, Iowa	Kerr	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Smith of Ohio with Mr. Chapman.
Mr. Edwin Arthur Hall with Mr. Hays.
Mr. Jennings with Mr. Johnson of Texas.
Mr. Gifford with Mr. Kelley.
Mr. Jensen with Mr. Clements.
Mr. Gwynne of Iowa with Mr. Riley.
Mr. Fuller with Mr. Vinson.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD just previous to the roll call.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

INDIVIDUAL INCOME TAX—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 407)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 3950, entitled "An act to reduce individual income tax payments."

The provisions of this bill are identical with those of H. R. 1 except that this bill would not become effective until January 1, 1948, whereas H. R. 1 would have become effective on July 1, 1947.

I returned H. R. 1 to the House of Representatives on June 16, 1947, without my approval, stating that it represented the wrong kind of tax reduction at the wrong time.

This is still the wrong kind of tax reduction and this is still the wrong time to provide for tax reduction.

The present bill is not consistent with sound fiscal policy. As I have stated to the Congress on previous occasions, while business, employment, and national income continue high, we should maintain tax revenues at levels that will meet current expenditures and also leave a surplus for retirement of the public debt. No other course is consistent with realistic and conservative management of the fiscal affairs of the Government.

Since H. R. 1 was disapproved, there has been no lessening of the need to make substantial payments on the public debt. Maintaining the integrity of this debt is one of the primary obligations of the Government. I repeat that, if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect of material reduction at any time.

I also pointed out in my message on H. R. 1 that necessary Government expenditures are still high. We are meeting tremendous obligations growing out of the war. The national-defense establishment still requires large sums. Our responsibilities for international rehabilitation have an important bearing on our efforts to secure lasting peace. The recent refusal of certain nations to join in common endeavors to establish conditions of world stability increases the difficulty of our task and exposes us to greater risk. Until we are better able to estimate the cost of our investment in world peace and collective security, it is unwise to make so large a cut in our Government's future income that our ability to meet our needs would be impaired.

As far as can be determined at present, it is not likely that expenditures in the fiscal year 1948 will be substantially less than I estimated in the January budget message. A careful appraisal of the outlook for both receipts and expenditures indicates that it is not possible, under present conditions to make a major tax reduction and an adequate payment on the public debt at the same time.

Not only does this bill represent an unsound fiscal policy, but it would also contribute to inflationary pressures which we have made progress in combating but have by no means overcome. As I stated in the message on H. R. 1, there is no justification for tax reduction so long as price stability at sound levels has not been secured and business, employment, and national income continue at peak levels.

Since the veto of H. R. 1, income payments to individuals have continued to rise, and the general level of business activity is establishing new high records. The total number of civilians gainfully employed has also continued to rise. Total employment in June increased by 1,725,000 over May, and the total number now employed is over 60,000,000—the highest in our history. There is still no convincing evidence that a recession is imminent.

Tax reduction now would delay the readjustments of prices and wages necessary to maintain this high prosperity. It would lead to an even higher level of prices for consumer goods. It would increase the danger of a recession.

For all these reasons, which are more compelling now than they were 1 month ago, I regard the present bill as unsound and unsafe.

I also regard it as unfair.

In my message of disapproval of June 16, I pointed out that H. R. 1 was inequitable in that it would reduce taxes in the high-income brackets to a grossly disproportionate extent as compared with the reduction in the low-income brackets. I stated that a good tax-reduction bill should give a greater proportion of relief to low-income groups.

Since the present bill is identical except as to its effective date, it is, of course, subject to the same criticism.

It is important to remember that during the war Federal income taxes were extended to millions of low-income families who had never before paid them, and taxes on moderate incomes were increased by a far greater proportion than those on higher incomes. The amount by which present income taxes exceed those payable under the Revenue Act of 1940 represents a special wartime tax burden.

When the time comes to lessen this wartime tax burden, it is only fair that we should follow a pattern which is the reverse of that under which the burden was imposed. That is to say, this wartime tax burden should be reduced on a basis that is fair to low-income groups as well as to high-income groups.

The failure of H. R. 3950 to follow this equitable principle is strikingly demonstrated by the following examples:

The bill would remove 21 percent of this wartime tax burden for a married couple with an income of $2,500.

The bill would remove 64 percent of this wartime tax burden for a couple with an income of $100,000.

The bill would remove 85 percent of this wartime tax burden for a couple with an income of $1,000,000.

I am unequivocally committed to the right kind of tax reduction at the right time. The right kind of tax reduction

must be based upon a careful consideration of all elements of our tax structure.

A premature and faulty tax reduction bill such as H. R. 3950 would inject into our tax system inequities which would greatly increase the difficulty of making desirable revisions.

A fair and proper revision of our tax structure should result in an equitable distribution of tax reductions. It should be designed, also, to assure a balanced budget, adequate debt retirement, and an adequate reserve for meeting our international commitments and carrying out our foreign policy. It should be designed to provide stability rather than instability in our economy, and should be properly timed for that purpose.

Because H. R. 3950 is at complete variance with the fundamental requirements of a good tax bill, I am compelled to return it without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 18, 1947*.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the bill and message will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. KNUTSON. Mr. Speaker, the House membership has discussed the bill H. R. 1 and the bill H. R. 3950 fully. I am satisfied every Member in the chamber has made up his mind how he is going to vote. There is therefore no occasion, as I see it, for further debate.

I do wish to say, however, that we have made an honest attempt to secure tax reduction for 49,000,000 tax-harassed Americans. It is highly improbable that we shall make another effort, but rather we will submit the matter to that great tribunal, the American people, in 1948, and let them decide whether or not they want tax reduction. It is clear to me that the President will not approve any tax reduction bill that is not basically political.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 299, nays 108, not voting 23, as follows:

[Roll No. 118]

YEAS—299

Allen, Calif.	Bender	Bulwinkle
Allen, Ill.	Bennett, Mich.	Burke
Allen, La.	Bennett, Mo.	Busbey
Almond	Bishop	Butler
Anderson, Calif.	Blackney	Byrnes, Wis.
Andresen, August H.	Boggs, Del.	Canfield
	Bolton	Carson
Andrews, N. Y.	Bonner	Case, N. J.
Angell	Boykin	Case, S. Dak.
Arends	Bradley	Chadwick
Arnold	Bramblett	Chelf
Auchincloss	Brehm	Chenoweth
Bakewell	Brooks	Chiperfield
Banta	Brophy	Church
Barrett	Brown, Ga.	Clason
Bates, Mass.	Brown, Ohio	Clevenger
Battle	Buck	Clippinger
Beall	Buffett	Coffin
Cole, Kans.	Jackson, Calif.	Philbin
Cole, Mo.	Javits	Phillips, Calif.
Cole, N. Y.	Jenison	Phillips, Tenn.
Corbett	Jenkins, Ohio	Ploeser
Cotton	Jenkins, Pa.	Plumley
Coudert	Jennings	Potts
Cox	Jensen	Poulson
Cravens	Johnson, Calif.	Preston
Crawford	Johnson, Ill.	Price, Fla.
Crow	Johnson, Ind.	Ramey
Cunningham	Jones, N. C.	Rankin
Curtis	Jones, Ohio	Redden
Dague	Jones, Wash.	Reed, Ill.
Davis, Ga.	Jonkman	Reed, N. Y.
Davis, Tenn.	Judd	Rees
Davis, Wis.	Kean	Reeves
Dawson, Utah	Kearney	Rich
Devitt	Kearns	Riehlman
D'Ewart	Keating	Rizley
Dirksen	Keefe	Robertson
Dolliver	Kefauver	Robsion
Domengeaux	Keogh	Rockwell
Dondero	Kerr	Rogers, Fla
Donohue	Kersten, Wis.	Rogers, Mass.
Dorn	Kilburn	Rohrbough
Doughton	Kilday	Ross
Durham	Knutson	Russell
Eaton	Kunkel	Sadlak
Elliott	Landis	St. George
Ellis	Lane	Sanborn
Ellsworth	Larcade	Sarbacher
Elsaesser	Latham	Schwabe, Mo.
Elston	Lea	Schwabe, Okla.
Engel, Mich.	LeCompte	Scoblick
Engle, Calif.	LeFevre	Scott Hardie
Fallon	Lemke	Scott, Hugh D., Jr.
Fellows	Lewis	
Fenton	Lodge	Scrivner
Fisher	Love	Seely-Brown
Fletcher	Lucas	Shafer
Fogarty	McConnell	Short
Foote	McCowen	Sikes
Fulton	McDonough	Simpson, Ill.
Gallagher	McDowell	Simpson, Pa.
Gamble	McGarvey	Smith, Kans.
Gary	McGregor	Smith, Maine
Gathings	McMahon	Smith, Wis.
Gavin	McMillan, S. C.	Snyder
Gearhart	McMillen, Ill.	Springer
Gillette	Mack	Stanley
Gillie	MacKinnon	Stefan
Goff	Macy	Stevenson
Goodwin	Maloney	Stockman
Gossett	Martin, Iowa	Stratton
Graham	Mason	Sundstrom
Grant, Ind.	Mathews	Taber
Griffiths	Meade, Ky.	Talle
Gross	Meade, Md.	Taylor
Gwinn, N. Y.	Merrow	Thomas, N. J.
Hagen	Meyer	Thomas, Tex.
Hale	Michener	Tibbott
Hall, Leonard W.	Miller, Conn.	Tollefson
	Miller, Md.	Towe
Halleck	Miller, Nebr.	Twyman
Hand	Mills	Vail
Harless, Ariz.	Mitchell	Van Zandt
Harness, Ind.	Morrison	Vorys
Harris	Morton	Vursell
Harrison	Muhlenberg	Wadsworth
Hart	Mundt	Weichel
Hartley	Murray, Tenn.	Welch
Hedrick	Murray, Wis.	West
Herter	Nixon	Wheeler
Heselton	Nodar	Whittington
Hess	Norblad	Wigglesworth
Hill	Norrell	Wilson, Ind.
Hinshaw	O'Hara	Wilson, Tex.
Hoeven	O'Konski	Wolcott
Hoffman	O'Toole	Wolverton
Holmes	Owens	Wood
Hope	Passman	Woodruff
Horan	Patterson	Youngblood
Howell	Peterson	

NAYS—108

Abernethy	Clark	Gore
Albert	Colmer	Gorski
Andersen, H. Carl	Combs	Granger
	Cooley	Grant, Ala.
Andrews, Ala.	Cooper	Gregory
Barden	Crosser	Hardy
Bates, Ky.	Dawson, Ill.	Havenner
Beckworth	Deane	Heffernan
Blatnik	Delaney	Hendricks
Bloom	Dingell	Hobbs
Boggs, La.	Douglas	Holifield
Bryson	Drewry	Huber
Buchanan	Eberharter	Hull
Buckley	Evins	Jackson, Wash.
Burleson	Feighan	Jarman
Byrne, N. Y.	Fernandez	Johnson, Okla.
Camp	Flannagan	Jones, Ala.
Cannon	Folger	Karsten, Mo.
Carroll	Forand	Kennedy
Celler	Gordon	King
Klein	Norton	Sasscer
Lanham	O'Brien	Smathers
Lesinski	Pace	Smith, Va.
Lusk	Peden	Somers
Lyle	Pfeifer	Spence
Lynch	Pickett	Stigler
McCormack	Poage	Teague
Madden	Price, Ill.	Thomason
Mahon	Priest	Trimble
Manasco	Rabin	Walter
Mansfield,	Rains	Whitten
Marcantonio	Rayburn	Williams
Miller, Calif.	Rayfiel	Winstead
Monroney	Richards	Worley
Morgan	Rooney	Zimmerman
Morris	Sabath	
Murdock	Sadowski	

NOT VOTING—23

Bell	Hall, Edwin Arthur	Ludlow
Bland		Patman
Chapman	Hays	Powell
Clements	Hébert	Riley
Courtney	Johnson, Tex.	Rivers
Fuller	Kee	Sheppard
Gifford	Kelley	Smith, Ohio
Gwynne, Iowa	Kirwan	Vinson

So (two-thirds having voted in favor thereof) the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson and Mr. Hébert for, with Mr. Hays against.

Mr. Gwynne of Iowa and Mr. Gifford for, with Mr. Johnson of Texas against.

Mr. Bland and Mr. Riley for, with Mr. Kirwan against.

Mr. Fuller and Mr. Edwin Arthur Hall for, with Mr. Kelley against.

Additional general pairs:

Mr. Smith of Ohio with Mr. Chapman.

Mr. JONKMAN changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROBSION. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION. Mr. Speaker, on today the House received the message of the President vetoing H. R. 3950, an act to reduce individual income-tax payments, and the House has concluded a vote on the veto and passed the bill over the President's veto by a vote of 299 to 108, nearly 3 to 1 and 83 votes more than the required two-thirds majority. The action of the House must have brought joy to nearly 50,000,000 income taxpayers, but their joy was of short duration as the matter was brought up in the Senate and the Senate voted 57 to 36 to override the Presidential veto. It did not receive a two-thirds majority as required by law and therefore the nearly 50,000,000 income taxpayers have again been denied relief from their heavy war tax burdens.

The House and Senate passed, by very substantial majorities, the tax reduction bill, H. R. 1, sometime ago. It went to the White House and was vetoed by the President. The House failed to override the President's veto. If two persons had changed their votes from "No" to "Yes" the veto would have been overridden on the first tax bill by a vote of 270 to 135.

The vote, however, on the veto was actually 268 to 137. As the House did not override the veto it did not go to the Senate for action.

The vote today showed considerable change of sentiment in the House on this question. The vote in the House was 299 to 108—83 votes more than the necessary two-thirds majority—but because of the veto and the failure of the Senate to override it, there is no relief in sight for the American people. The bill vetoed today and passed by the House is identical with the tax reduction bill passed by the House and Senate and vetoed by the President on June 17, 1947 with one exception. The reduction in H. R. 1 was to take effect July 1, 1947. Under the bill vetoed today, the reduction would take effect January 1, 1948.

THIRTY MILLION IN LOW BRACKETS BENEFITED

Approximately 30,000,000 income taxpayers in the low-income brackets under this bill were given a 30-percent reduction or almost one-third of their taxes. This would have benefited tens of millions of workers in factories, shops, mills, mines, on the farms and railroads, teachers, restaurant and hotel workers and millions of farmers. This bill would also give to approximately 1,500,000 income taxpayers who are 65 years of age or over an additional exemption of $500. It would give to 15,000,000 to 18,000,000 income taxpayers in the middle income bracket 20 percent reduction, or a cut of one-fifth of their taxes and it would give 10½ percent reduction to less than 1,000 income taxpayers in the highest brackets. Under the present law the income taxpayers in this highest bracket are required to pay 87 percent of their taxable income. In other words they pay in taxes 87 cents out of every dollar of their taxable income. I think most reasonable people agree that is taking a big bite out of the income of these less than 1,000 people and under this bill they would get a reduction of only 10½ per cent and they still would be taxed 76½ percent, but these 30,000,000 income taxpayers in the lower brackets would have had their taxes cut 30 percent or nearly one-third.

All of these taxes are what we call emergency war taxes. The war closed in Europe more than 2 years and 3 months ago and the war in the Pacific closed nearly 2 years ago. Undoubtedly it is high time we are giving to the American people some tax relief from these war taxes. Many of the countries we have been helping in a large way have given their people tax reductions.

The President in his brief message, as he did in June when he vetoed the tax reduction bill, H. R. 1, said that this is still the wrong time and wrong kind of tax reduction. He also states that we do not know yet what heavy obligations we may assume in rehabilitating other countries and in providing relief for the people of other countries. He states in part as follows:

> As far as can be determined at present, it is not likely that expenditures in the fiscal year 1948 (which began July 1, 1947, and will end June 30, 1948) will be substantially less than I estimated in the January budget message * * * a careful appraisal of the outlook for both the receipts and expenditures indicates that it is not possible under present conditions to make a major tax reduction and an adequate payment on the public debt at the same time.

Mr. Truman and his party apparently are committed to the policy that they have followed ever since they took over the control of the Government. It is a policy of tax and spend. They know how to increase taxes and increase the debts of this country but they have never learned the technique of reducing expenditures and reducing taxes. This really is the history of the Democratic Party ever since before the Civil War and Mr. Truman and his administration refuse to turn away from that policy and it now appears that if the American people are to have relief from this tax and spend policy, they may have to resort to the ballot box in 1948 and elect a Republican President. The Republican Congress will submit another bill in January 1948.

The Democrats have increased taxes and made debts through the years and it has always been necessary for the Republican Party to come along and reduce expenditures, taxes and pay the debts of the Nation. In this respect, it is just as necessary for a Republican administration to follow a Democratic administration as it is for an ambulance to follow after the battle to gather up the wounded and clear up the wreckage.

The President called upon the new Republican Congress to appropriate and turn over to him $37,500,000,000 to spend for the fiscal year beginning July 1, 1947. He estimated that the revenues would amount to a little over $38,000,000,000 and there would be a surplus, according to his estimate, of less than $500,000,000. The Republican Congress has cut out billions of dollars that the Democrats intended to spend for the balance of the fiscal year ending June 30, 1947, by cutting out hundreds of thousands of useless officeholders and unnecessary and wasteful expenditures of the taxpayers' money and this Congress has also reduced the budget of the President and without injuring the efficiency of the Government. We still have hundreds of thousands of unnecessary Federal officeholders, and there is still a great deal of waste and extravagance on the part of the Federal Government that can and must be eliminated.

Under the present high tax rates, the revenues for the present fiscal year have amounted to more than $42,000,000,000 and it is estimated that on June 30, 1948, we will have a surplus of more than $9,000,000,000. The tax reductions, as provided under this bill, would have been less than $4,000,000,000, and there would still remain a surplus in the Treasury of $5,000,000,000, and this means that there could be a very substantial sum paid on the national debt and still have a surplus in the Treasury, but Mr. Truman insists that next year he will ask for approximately the same amount as he set forth in his budget in the present session of the Eightieth Congress.

The late President Roosevelt was also known as a very liberal spender of public funds. As I understand, the greatest amount he ever asked for in a peacetime year was less than $12,500,000,000. Mr. Truman's budget for three times this sum was to be expended in the third peacetime year after the war. Now, he tells the Congress and the American people that he proposes to spend approximately that same sum in the fiscal year beginning July 1, 1948, although the Congress has resolutely insisted that there must be a reduction in the overgrown and sprawling bureaucracy, which not only extends over this country but over the entire world.

I have helped to consider many tax bills involving income taxes through the years of my experience in Congress, and to my way of looking at it, this is the fairest to all groups of our income taxpayers that I have ever helped to pass in Congress.

While the American people have been very generous through the years in their sacrifice of blood and treasure to the other people of the world, tens of millions of these loyal and patriotic American citizens are beginning to wonder when the President and the Congress will grant to them some relief from these tremendous burdens of the war.

The President should have signed this bill. It came to him after thorough consideration and approval of an overwhelming majority of the representatives of the people in the Congress. The Constitution gives to the Congress the control of taxes. An overwhelming majority in both Houses has twice now carried out that mandate of the Constitution but through the veto, giving to the President in effect 72 votes in the House and 16 votes in the Senate, the will of the American people through their representatives has been thwarted. If this bill had been approved the $4,000,000,000 of tax reduction covered by this bill would have gone into the pockets of these 50,000,000 wage earners, farmers, and other American citizens to be used by themselves and their families instead of being swallowed up by this tremendous bureaucracy that has been built up here at Washington. This bill should have been approved today. Next year the Congress will take up this matter again and also give relief in the matter of excise taxes and other taxes.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial from the Post-Gazette of Pittsburgh, Pa., and from the Christian Science Monitor, of Boston, Mass.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, the President has been charged with politics for his veto of the tax bill. What advantage the President or the Democratic Party might hope to obtain from a policy of opposition to tax reduction is not clear. Everybody, I think, without exception, both in and out of Congress, would like to be able to favor a tax-reduction bill at this time, but the President has indicated that he cannot jeopardize the domestic and international responsibilities of this Nation by a premature curtailment of Federal revenues. So, despite political appeal for tax reduction, the President again has wisely vetoed the tax bill.

The Republicans say that they will make political capital of his action. They say that they promised the people tax reduction in the 1946 election and that their mandate has been frustrated by the President. The people, however, have indicated that they do not want tax reduction at the expense of debt reduction, nor do they desire, by too hasty tax reduction, to preclude the United States from assuming its rightful role in the rehabilitation of the war-torn world as the bulwark of freedom and democracy.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point in my remarks an editorial from the Pittsburgh Post-Gazette of July 5, 1947, and another from the Christian Science Monitor of July 11, 1947.

[From the Pittsburgh (Pa.) Post-Gazette of July 5, 1947]

DETERMINED, BUT BLIND

Like a blind mule with a hot foot, Congress is plunging importunately along toward repassage of the tax-reduction bill, the only change being to make the effective date next January 1 instead of July 1, 1947.

Congress seems determined to try to adjust the Nation's spending to a new tax rate rather than to adjust the tax rate to spending requirements as logic dictates.

Under the Legislative Reorganization Act of 1946 Congress was required by last February 15 to adopt a joint resolution putting a ceiling on Government expenditures for the current fiscal year.

Nearly 5 months after the deadline, Congress still hasn't agreed on how much can be cut from the President's $37,500,000,000 budget and has not adopted a budget resolution. Economy-minded Senator BYRD of Virginia has announced quite properly that he will not support a tax reduction until this is done. We hope that enough Senators to sustain another Presidential veto will take the same sound position.

There is another compelling reason for proceeding carefully in fiscal affairs.

On July 12 most of the nations of Europe are expected to gather in Paris to start work on a European recovery plan suggested by Secretary of State Marshall.

Britain and France, who have taken the initiative in European recovery, are in as much haste to survey Europe's needs as Congress is to cut taxes. They can be expected to present us with a plan late in the summer or early in the fall.

Unofficial estimates have been that we will be asked to provide assistance in the sum of $5,000,000,000 or $6,000,000,000 a year for the next 4 years.

When the recovery plan is presented, Congress will face a momentous decision. It can support Secretary Marshall's suggestion and help Europe get back on its feet in our own national self-interest or it can give world communism a wonderful opportunity to sneer and say, "I told you so."

We need have no doubt that Russian refusal to participate in European recovery is well calculated upon the possibility that we will renege on Secretary Marshall's proposal, thus discrediting this country in the eyes of the world.

To follow through on the Marshall proposal and thus frustrate Russian ambition to control Europe, Congress probably will be asked to spend considerably more than the four billion it expects to save in a tax reduction. Weighing the possibilities in grave decisions ahead, we might yet do well to keep the budget balanced at the present tax rate, with little or nothing left for debt retirement.

We favor a tax reduction in principle. We also support heartily any Government economy that serves the national interest. Unquestionably there is great popular support for strong arguments in favor of relief from burdensome taxes now that the war is over.

But we believe it is the better part of wisdom to proceed cautiously at this time, accumulating as much surplus as possible during a period of prosperity, determining more fully the demands upon our economy before reducing our ability to meet them.

[From the Christian Science Monitor, Boston, Mass., of July 11, 1947]

TAXES—NEW CONTEXT

The politician's lexicon tells him that the way to the voter's heart is through the taxpayer's pocketbook. The lexicon speaks louder than the public-opinion polls. Otherwise Congress would be paying more attention to the latter. These have indicated a greater interest in national debt reduction that in tax cuts.

Ten to three, the Senate Finance Committee approved the Republicans' new tax reduction bill which the Senate takes up today. The difference between this measure and the bill which President Truman vetoed is a difference of date. Under the new measure the date on which tax reduction would become applicable would be January 1, 1948, instead of July 1, 1947. The difference in dollars is negligible. And the President has announced he will veto this bill, too.

To be sure, there are other considerations, like the effect of the timing on business. But this is problematical. Only if a slump of unforeseen proportions occurs in the next 6 months will the effect of tax cuts on business be important.

But the event is not forecast. On the contrary, new business financing promises to be greater in the third quarter of this year than in either the first or second quarters.

This disposes of yet another argument in favor of tax cuts, namely, that they would encourage a needed expansion in the supply of "risk capital." Bankers say this supply is sufficient for the needs of big business, shorter for smaller business. But tax cuts would provide no special inducements for capital in the small business field.

The most considerable aspect of the new date for tax cuts, therefore, seems to be that it would bring them 6 months nearer to election time.

Those favoring tax cuts include many voters who would like to see Washington spending habits revised. But tax cuts will not guarantee such a revision, especially if they take public attention off the national debt.

Regardless of economies in governmental operations, Americans are confronting a period in which the United States must find huge sums to carry forward the work of world reconstruction begun under the Marshall plan. This must not fail. The security of the United States is at stake.

Had it not been for world conditions which called forth the Truman Doctrine and the subsequent Marshall plan, the Republican preelection ideas on tax cuts might well have proved feasible. For there were signs that revenues would permit tax cuts along with a reduction of several billion in the debt. But now a new situation must be faced. It is one that calls for a most conservative approach.

Finally, Mr. Speaker, the American people have not been told by the majority party that income-tax reduction is a part of their plan to shift the tax load from those most able to pay to the lowest income groups. It is now apparent that enactment of new excise or sales taxes will be offered as a part of the Republican tax program in 1948. In this connection, I ask unanimous consent to insert at this point in my remarks an editorial from the Chicago Sun of July 13, 1947:

[From the Chicago (Ill.) Sun of July 13, 1947]

SMILING ON A SALES TAX

As part of the general overhauling of the tax laws that is being planned for 1948, reports from Washington indicate that long-range Republican strategy contemplates the enactment of a Federal sales or excise tax. According to official transcript, HAROLD KNUTSON, Republican, of Minnesota, chairman of the House Ways and Means Committee, said, "It is the hope of the committee to be able to shift much of the burden that is now being carried by the income-tax group over to excises."

An excise tax is similar to a sales tax. Both are imposed upon things rather than upon persons, one being collected at the manufacturing level and the other at the retail level. The economic effect of such a tax is much the same as a rise in prices or a cut in wages. It bears little relation to the individual's income or ability to pay and would fall hardest on those having low incomes.

It is appalling to find leaders of the majority party in Congress suggesting, apparently in all seriousness, that a major share of the cost of government be shifted away from progressive taxes, which distribute the load in accordance with ability to pay, and toward regressive taxes which levy a burden on commerce and purchasing power.

Many expert studies of our tax system have suggested that long-term reform should work toward the abolition of those excise taxes now in effect as a means of increasing mass purchasing power, increasing the flow of goods and increasing the national income. Yet at a time when the central domestic problem of the American people is to achieve a permanently high level of production and employment, we find the majority party proposing a scheme of taxation in direct contradiction of that philosophy. We can't believe the people would ever accept it.

Mr. Speaker, notwithstanding the possibility of political unpopularity from his veto of the tax reduction bill, the President had the courage to place the overall national welfare above partisan advantage. This veto is indeed the act of a statesman and a truly great President.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Admiral F. E. M. Whiting.

Mrs. NORTON asked and was given permission to extend her remarks in the Appendix of the RECORD and include a statement.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SMITH of Ohio (at the request of Mr. MCGREGOR) was given permission to extend his remarks in the Appendix of the RECORD.

PERMISSION TO FILE AMENDED REPORT

Mr. WEICHEL. Mr. Speaker, because of an error in printing of the report by the Committee on Merchant Marine and Fisheries on H. R. 3911 (Rept. No. 725), certain instructions to the printer have been incorporated as part of the report. As a result, some slight confusion has been caused to the many people interested in this legislation. Accordingly, I ask unanimous consent to file an amended report correcting this single error.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

REFUND OF TAXES ILLEGALLY PAID BY INDIAN CITIZENS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WELCH, D'EWART, and FERNANDEZ.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that amendments 1 and 17 may be passed over at this time. They are nothing more than difficulties that cannot be resolved until the other amendments have been disposed of, so that there will be no controversy about it.

I ask also that amendments numbered 18 and 19 be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Clerk will report the amendments numbered 18 and 19.

The Clerk read as follows:

Amendment No. 18: Page 26, line 7, strike out "$5,000,000" and insert "$11,140,000."

Amendment No. 19: Page 26, line 8, strike out in line 7 the words "for deposit in the Treasury," the balance of page 26 and all of page 27 down to and including line 23.

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendments numbered 18 and 19.

Mr. H. CARL ANDERSEN. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. H. CARL ANDERSEN moves that the House recede and concur in the amendments of the Senate numbered 18 and 19.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I rise in support of the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. The Committee on Agriculture discussed this proposal very carefully and, as the gentleman from North Carolina has said, it unanimously approved retention of the original item in the bill as now proposed by the Senate amendment, so that the cost of inspection of meat shall be borne by the public rather than passing it on to the consumers or back to the producers.

I feel that the inspection of meat and the services incident thereto are a great deal similar to the services rendered by other agencies of the Government. All people enjoy the benefits of having good wholesome meat, good wholesome food in those lines where they are dealing with highly perishable products like meat.

Furthermore, Mr. Speaker, I object to the handling of a measure of this kind by the Committee on Appropriations. I have the highest regard for the distinguished members of that committee and their ability, but this is legislation on an appropriation bill. Before we attempt to change our basic law we should have it done by a legislative committee rather than to have an appropriation committee, without full and complete hearings on the subject, pass legislation changing the basic law, as is done in this instance.

As far as cost is concerned, of course, the large packers of the country will not absorb that cost. They will be able to pass the costs of the inspection service back upon either the producers or add it into the costs that they charge the consumers. But I am aware of the fact that there are a good many small processors throughout the country in every State who do some business in interstate commerce. It will be very difficult for these to pay out fees in competition with the larger operators, and therefore they will either do away with the inspection service or do business purely in the intrastate market. So it is my conclusion that the larger operators will get the full benefit, and increase their business, and a good many small processors will be put out of business.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Is not this one problem involved? So much money is appropriated that is supposed to take care of the companies that are in existence at the present time, but if another company wanted to do interstate business and wanted an inspector, it is prevented from having one unless it comes to Congress and gets the amount of money available increased; is that not right?

Mr. AUGUST H. ANDRESEN. I am inclined to agree with the gentleman. At least under the committee proposal he will have to pay for the cost of the inspector and, furthermore, I am inclined to believe that the inspector, knowing that fact, might be more or less under the domination of the man who hired him or who paid his wages, even though it was paid indirectly.

Mr. MURRAY of Wisconsin. The point I am trying to make is that we do not want to get a set-up whereby a few packers are going to have a monopoly on the meat that is going to be inspected. We should have some formula whereby, if additional packers want to ship interstate, they should have some means of having this inspection without having to come and get the appropriation increased.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from South Dakota.

Mr. MUNDT. It seems to me that the proposal of the Committee on Appropriations is a good deal like suggesting to a bank that it employ its own bank examiner and pay his own salary. It is the function of the bank examiner to protect the general public, the same as the meat inspector. I have a small packing plant in my district, and I think what the gentleman says is exactly correct. It operates against the small packer in favor of the big packer, because the big packer can pass the costs along, and the small packer would find this just one more hurdle in meeting competition.

Mr. AUGUST H. ANDRESEN. The gentleman is correct. I urge that the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], to concur in the Senate amendment, will be agreed to. Such action on the part of the committee will be in the interest of the health of all people and assure them of a meat supply that is free from disease.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I hope the House will approve the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. We have had a splendid meat-inspection service in this country for many years—since 1906. It has been worth every cent that it has cost, and it has not cost very much, as far as that is concerned. It was instituted, in the first place, in the interest of the public health, and that is the justification for it, to protect the public from diseased and contaminated meat products.

At the time that the meat-inspection service was instituted back in 1906, there were extensive hearings held by the Committee on Agriculture, and at that time it was proposed that it be financed by the packers, but the committee in its wisdom, after considering the matter from all sides, decided that, being in the interest of the public and the public health, it should be maintained by the public, and that is the way it has been maintained during all these years.

Now, the Committee on Appropriations in the House without conducting any hearings, without giving the public or the packers or anyone else who was concerned an opportunity to be heard, adopted the amendment which was in the bill as it passed the House. The Senate subcommittee did hold extensive hearings on the matter. They went into it from the standpoint of the public, and the standpoint of public health, and after doing so they voted the House provision out of the bill and reinstated the inspection service in the same form we have had it during all these years. I believe that that would be the result in the case of any hearing which went into the merits of the proposition.

In addition to the merits, there is this question which I cannot help but feel has some bearing here, and that is that this is purely a legislative question, one that should be decided by the legislative Committee on Agriculture. If it is a question which demands consideration, I can assure the House that that committee will consider it. But let us not vote today for a legislative provision upsetting and overturning a fine Government service that has protected the health of the public for more than 40 years. I

hope the motion offered by the gentleman from Minnesota will be agreed to.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, I am a little bit amazed sometimes at positions that are sometimes taken by men on the floor. The argument has been made in support of the motion offered by the gentleman from Minnesota that the meat inspection service has performed well under the law in protecting the interests of the consuming public so that disease and unsanitary meat will not find its way onto the table of the American consumer. Agreed.

How do these inspectors work? They work pursuant to rules and regulations prescribed. If the law stays as the House committee asks that it be, the inspectors will be on the job as they are now. The law defining what is bad meat will be exactly as it is now. The penalties for interstate transportation of unsanitary or diseased meat will be exactly as they are now. The regulations are already set up to put this thing into force and to carry it out under the position taken by the House committee.

You would think this is something new, yet my good friend from Minnesota who sits on the appropriations subcommittee that handles the Pure Food and Drug Administration well knows that it has been the sense of that committee of which he is a member, and with which he has frequently concurred, that we should try in this Congress to see to it that these services are as far as possible paid for by the industry that is affected, and take them off the general taxes.

Let me call your attention to a few facts. We did that with respect to the fish and oysters and sea food this year. What is the situation as to pure food and drugs, as to cosmetics, and that sort of thing? Can you think of anything that might be more injurious to the public health than the distribution of impure drugs and impure cosmetics?

Mr. SEELY-BROWN. Lipstick.

Mr. KEEFE. Lipstick, if you please, vitamin pills, and what have you, the new streptomycin drug, the various forms of drugs that are now being manufactured, penicillin, and so forth. Who pays the inspection fees there? They are paid by the industry itself. The next bill that will come up, the deficiency bill, contains a reimbursable item to set up an inspection service for this new drug, streptomycin. It permits the Pure Food and Drug Administration to get the inspection service at work. The entire cost will be reimbursed into the Treasury of the United States by the manufacturers of streptomycin. That is the program of the Pure Food and Drug Administration in all its activities wherever it is possible. The manufacturers of these products are made to bear the cost of inspection.

As far as meat inspection is concerned, suppose the amendment offered by my good friend from Minnesota is not carried. The inspection service will go on just exactly as it is now. These people would not dare put insanitary, unsafe, or rotten meat into interstate commerce. They would be doing it today if they were so disposed, because whether you have an inspection or do not have it, the law making it a penalty to put that into interstate commerce is still on the books. It is up to them in the protection of their own business, just as the manufacturers of streptomycin and penicillin and these other chemicals know it is in the interest of their own business to see to it that proper inspection is had. They are perfectly willing to pay for it. So, aside from the argument made by my good friend from Kansas that he feels it somewhat of an affront to think that the Committee on Appropriations would do, as he says, "invade the proper field of the Committee on Agriculture," it does not seem to me there is very much to the argument in favor of the amendment offered by the gentleman from Minnesota.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, I am very much in favor of this amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. I will tell you why. I have been in the Meat Inspection Service, and I know something about it. I want to explain to you the principle of this problem.

If a packer has Government inspection, that is one thing. But if a packer does not have Government inspection likely as not he does not do interstate work. This packer will have a local inspector instead of a Government inspector. Suppose we have an animal that has been slaughtered and he had three or four or five tubercular infections around the outside of the body, around the maxillary region and around the throat, and probably two or three or four foci in the lungs, and mesenteric glands. Then they hang this carcass up and all the viscera have been removed. Who is going to be able to tell that that beef ever had tuberculosis? No inspector can detect this. That meat would pass for food probably with some type of inspectors. Now, where is this beef going? If this beef had been inspected by the Federal ininspectors, you can be as sure as anything in the world that that carcass would go to the tank. But if the beef was inspected by a local inspector, I will leave it to your own judgment where this carcass is going.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. H. CARL ANDERSEN. Does not the gentleman agree with me that the gentleman from Wisconsin when he refers to the manufacturers of streptomycin is referring to one or two great institutions, but that here we are dealing with approximately 10,000,000 producers of hogs, cattle, and sheep?

Mr. GILLIE. Why, the gentleman from Wisconsin is just as wrong as he can be. The Government inspectors who inspect this meat, of course, will be paid by the Government. In the majority of cases they will not be paid by the Federal Government if they are not doing interstate work. They are not going to be Government inspectors. They are going to be local inspectors. The proverb, "Whose bread I eat, whose song I sing," will apply here—that is what will take place just as sure as anything in the world.

Now, to my way of thinking, if we are going to keep our inspection service on the high plane that it has been for these past 40 years we must leave it under Federal control all the way through, not only by having it controlled by the Bureau of Animal Industry, but financed by the Bureau of Animal Industry. That is the only way we can have a first-class meat inspection service.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. AUGUST H. ANDRESEN. We all recognize that the gentleman addressing us is one of the outstanding authorities on diseases of animals and what should be done in connection with supplying meat for the people. I know the gentleman is interested in the health and welfare of more than 140,000,000 Americans who eat meat every day.

Mr. GILLIE. Surely.

I ask that the House recede and concur in the Senate amendment.

The SPEAKER. The time of the gentleman from Indiana [Mr. GILLIE] has expired.

Mr. DIRKSEN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I was very much interested in the observation of the gentleman from Indiana [Mr. GILLIE], to the effect that the gentleman from Wisconsin [Mr. KEEFE] was as wrong as he could be. On that point I can express no opinion at the moment, but I can express the opinion that the gentleman from Indiana, Dr. GILLIE, has simply not so much as touched the issue that is involved here. So it becomes necessary to pick up all the fragmentary pieces and give you a perspective picture. So we always go back to the Bureau of the Budget.

Meat inspection has been handled by the Federal Government since 1906. A very distinguished gentleman graced this chamber back in those days, as chairman of the Committee on Agriculture. His son is a Member of this House today, and a very distinguished Member, indeed. I refer to the father of the gentleman from New York, Hon. JAMES W. WADSWORTH, JR., who was chairman of the Committee on Agriculture in 1906, and who was responsible for the first act on meat inspection. Since that time this has been paid for out of the Federal Treasury, and the expense runs a little over $11,000,000 a year. That was the figure that came to us to continue it as it always has continued. For a long time I have given some attention to this matter. I have felt that this was a proper charge on the people who are beneficiaries of this inspection. So a provision was written into the bill to make a charge against the industry for the cost involved, for the service that was performed for the Federal Government, to cost $5,000,000 in a revolving fund the first year, and nothing to the Federal Government in the second year. So what is involved is an economy of $6,140,000 this year and $11,140,000 in the years to come.

Now, there have been a great many developments. With reference to this

motion made by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the House conferees are 6 to 1 in favor of the House position.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Briefly.

Mr. H. CARL ANDERSEN. Will the gentleman also state that the Senate was entirely on the other side, with the exception of one?

Mr. DIRKSEN. It is not the responsibility of this House to pass upon the viewpoint of the Senate. We are dealing with the House of Representatives, and six of the seven conferees are in favor of the position taken by the House. Nobody will controvert that, because I made a careful note on the bill.

There have been a great many developments. There have been telephone calls; there have been telegrams; there have been personal calls; there have been rumors. The first rumor I picked up was that inspectors would lose their civil-service status; that they would lose their retirement rights. I chased that down immediately and insisted that word go to every inspector that there would not be any change whatsoever.

The gentleman from Indiana, Dr. GILLIE, talked about local versus Federal inspection. Those people will continue on the Federal pay roll just as they are this very moment. There will be no change. It is only that the industry will be assessed for the fees that are involved here. The same people, with the same rights they have always had, will continue to do the job. That is why I say that the gentleman from Indiana, Dr. GILLIE, simply missed the point.

Now, it is only fair to this representative jury to give you both sides. So what were the arguments that were advanced in favor of the position taken by the gentleman from Minnesota? Oh, they said the public health is involved. Why, indeed it is. We are just as much interested in the public health as anybody. So what we propose to do probably will be even better for the public health than it has been before. He said that will determine the quality of the inspection. In the Farm Credit Administration we assess every component for the fund and then use the fund to pay people to inspect them. In the Federal home-loan bank set-up we assess all home-loan banks and building-loan associations for a fund and out of that fund pay the inspectors to inspect them.

But here is the pay-off and, Brother GILLIE, I call your attention to this. In 1946 in addition to the $11,140,000 that was appropriated, the inspectors rendered overtime in the packing plants to the extent of $2,406,000. And who paid the bill? The packers paid the bill.

The gentleman says that would diminish the quality of the inspection. How amazing that would be when in the last year over 25 percent of the cost was paid by the packers themselves and they so testified.

They say this cost will be passed back to the consumer. The production of meat is 12,000,000,000 pounds a year. The appropriation here involved is $11,000,000. It is one-tenth of 1 cent a pound. Tell me how you will pass back one-tenth of 1 cent a pound? Somebody said it would be passed back to the livestock producer. It was the contention of my friend from Minnesota. That is the same contention made by Mr. Mueller, Jr., of the American Packing Co., of St. Louis, before the Senate committee. He said you could not pass it on to the consumer because the uninspected packer fixes the price. And then, believe it or not, he said that 30 percent of all the meat on the market today is uninspected—after 40 years of this kind of service. And then he said that it must be passed back to the producer. If the uninspected packer fixes the price for the consumer then how can they argue that the same uninspected packer is not going to fix the price of livestock? He just meets himself coming back, and there is nothing that you can hold to. I have heard every argument. A livestock producer representing producers in Michigan called me off the floor and said that it would be passed on back to the producer of livestock. I said: "My good friend, tell me how?" We argued it there for 30 minutes. He just said it was going to be that way, that is all. That is the only argument there was. And so they meet themselves coming back. Then they said it will not work, it will not work. Well, here is a letter from Dr. Simms, Chief of the Bureau of Animal Industry, dated June 30, 1947, in which he says:

> The regulations are all ready to be signed by the Secretary of Agriculture.

He said they were ready to move in on this proposition.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. H. CARL ANDERSEN. Dr. Simms does not in that letter say he is in favor of the change, does he?

Mr. DIRKSEN. No; but Dr. Simms did say in the hearings that the only reason they did not have it on a private basis was that Congress had failed to do it.

Mr. H. CARL ANDERSEN. He admittted, did he not, that they could not make it work?

Mr. DIRKSEN. I wanted the Members to have all the arguments on both sides. On the one side it is that it will be passed on to the consumer, that it will be passed back to the producer, that it will diminish the quality of the inspection, and so forth. That is the argument against.

What is the argument in favor of this change—and I want the whole argument to be placed before you. The first argument is that it will save $11,000,000 a year, and that, in my book, is a pretty potent argument. The second argument is something that is even more compelling, 25 to 30 pounds out of every 100 pounds of meat sold in the United States right now is out of the so-called intrastate packing plants and it is not inspected. For 40 years we have had meat inspection, yet nearly 1 out of every 3 pounds of meat is not inspected today. And why? It is because we made it so easy that there has been no incentive on the part of the big packers particularly to sell a bill of goods to the people to bring them all in under inspection even in the case of the little fellows who could come in voluntarily. You cannot get at them because they are not in interstate commerce. Is not that an astonishing thing?

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Speaker, I yield myself five additional minutes.

There has got to be an incentive somewhere. We have an analogous situation in the case of the Food and Drug Act of 1906. The people who produced them in great quantities went out, bore down and advertised quality and sold the people on the idea. That is the incentive I have been contending for all along. You will never do it until you put it on a fee basis; then whatever disquality there is because of the fee that attaches on certain packers will make them go out and put the steam on and then the 1 pound out of the 3 pounds of meat uninspected today will finally come under inspection. That is the story in a nutshell. There is no precedent involved here. Why, I started with this thing 4 or 5 years ago, trying to see the equity of it. I do hope that you will stand by the House position.

Let me clarify the parliamentary situation. My motion is that the House insist on its disagreement with the Senate. I want that motion to prevail. The gentleman from Minnesota by means of a preferential motion moves that the House recede and concur. I hope that that motion to recede and concur will be voted down and that you will stand by your conferees because six of the seven conferees who passed on this matter are adamant in their views and want the House position sustained.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. MASON. May I say that the motive the gentleman has just given is the most compelling motive from the health standpoint that could be offered to sustain his attitude in this matter.

Mr. DIRKSEN. Let me say one further thing. Eight hundred and forty million pounds of meat are transported to other countries. Not a single pound of meat produced in America can go out of this country under our treaties unless it is inspected. Who pays for the inspected meat that the people of Bogota, the Argentine, France, and Italy eat? Why the American taxpayer pays for it. Is it not fair then for the industry to assume that burden on domestic meat, because it is a great sales advantage to be able to say, "There is the blue stamp representing Federal inspection."

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Washington.

Mr. HORAN. Is it not true this action of ours will put the meat industry in the same category as other food industries?

Mr. DIRKSEN. Yes. I suppose if I were in the packing business I would do what they are doing. I would send a telegram to my Congressman, I would call him by telephone, I would argue the best I knew how and make the best case

I knew how. One of my best friends in the business in Chicago argued with me about it. I said, "But you have not given me an argument except that the industry does not want to pay it." I said, "I do not blame you, but the history of progress is that we have got to bring people in under these things in the real interest of public well being."

Mr. Speaker, I hope the preferential motion will be voted down and that the committee position will be sustained.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN), there were—ayes 55, noes 98.

Mr. H. CARL ANDERSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum.

The question is on the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The motion was rejected.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I attempted to obtain time to debate the amendment of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. I was in favor of his amendment which would have maintained Federal meat inspection as it has existed for the past 40 years.

The vote has been taken and once again the program of false economy of the Republican leadership has obtained. We have taken away from the people the Federal funds which would have sustained Federal meat inspection for the benefit of the public health.

Federal inspection of meat was established in 1906. In the intervening 40 years we have built up a fine system of uniform inspection. This Federal inspection set of standards for sanitation, animal inspection, and so forth, has been much higher than the average State inspection standards of most States. The people's health, therefore, has been more adequately protected. We are now turning away from the 40-year precedent of independently financed Federal meat inspection. We are turning back to the meat-packing industry the responsibility of financing this program.

In the first place I fear that this is a case where Federal inspection may suffer because of pressure from their paymasters—the packing industry.

In the second place the financial burden will fall most heavily on the independent meat packers. Many of these small packers are desperately fighting against the monopolistic Big Four Meat Trust. The Big Four can pay these charges out of their enormous profits, but the small packers will be pinched further.

In the third place I fear that there will be a further reduction in the number of meat packers which are now using Federal inspection, with a corresponding drop in the quality of our meat.

In the fourth place, we are all aware of the epidemic of foot-and-mouth disease in Mexico, not far from my home State of California. I realize that there is an embargo against importation of Mexican meat and livestock, but this dreaded disease can be carried over the international border by dust, flight of birds, or by small wild animals. If a rigid method of Federal inspection is maintained and such a disease invasion should occur, I maintain that with a full functioning, efficient Federal meat-inspection program in effect we are in a better position to protect ourselves.

We will be able to find such an infection quicker and deal with it more promptly. In my opinion the elimination of Federal meat inspection, independently financed, is false economy against the public interest and a great mistake. I hope the appropriation obtains.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 52, line 8, strike out line 8 and the remainder of the page, all of page 53, all of page 54, all of page 55, and page 56 through line 7 and insert:

"For expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 303, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; $258,000,000, to remain available until December 31, 1948, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the Act of February 29, 1936, as amended, pursuant to the provisions of the 1947 programs carried out during the period July 1, 1946, to December 31, 1947, inclusive: *Provided*, That not to exceed $27,500,000 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, including the peanut-marketing quota program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $7,080,813 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of the Act of March 4, 1909, as amended (18 U. S. C. 80): *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order No. 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1948 programs (amounting to $150,000,000, including administration, and formulated on the basis of a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs as determined by the Secretary: *Provided further*, That the proportion going to a State shall not be changed more than 15 percent from the 1946 distribution and that no participant shall receive more than $500) of soil-building practices and soil- and water-conservation practices, under the act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended; but the payments or grants under such program shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made, in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committee appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended for the respective States: *Provided further*, That the Secretary may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of said Office in auditing payments under this item: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in the 1947, 1948, and 1949 programs under said Act of February 29, 1936, as amended: *Provided further*, That the Secretary is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and use of agricultural land resources," in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer (or the person entitled to payment in case of death, disappearance, or incompetency of the farmer under regulations issued pursuant to section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., 1940 ed., 1385)) within 1 year from the date of his discharge from the armed

forces, or by December 31, 1947, whichever is later: *And provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled 'An act to prevent pernicious political activities,' approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the Act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels."

Mr. DIRKSEN (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD at this point. It is rather lengthy, and I see no necessity for reading it.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment.

Mr. CANNON. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede and concur in Senate amendment No. 42.

Mr. DIRKSEN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

Mr. PACE. I raise the question of time. This matter is so vitally important. Has there been any understanding as to time, or may we expect to have the full hour?

Mr. DIRKSEN. Probably on this amendment we should have the full hour. I will say that I have tried to parcel out the time so that there will be an equal amount of time granted those for and against the proposition.

Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON]

Mr. CANNON. Mr. Speaker, we have often heard it said that no votes are changed in debate on the floor. Certainly that should apply to the present situation when this identical question has been debated exhaustively on a number of occasions during the session.

So, I shall content myself, Mr. Speaker, by saying that this is one of the turning points in the postwar history of the country. We are legislating here not merely for the session or the crop year. We are here passing, finally and conclusively, on the question of whether we shall continue the program which has prospered the country and conserved its dwindling natural resources or whether we shall permanently revert to conditions which brought on the most drastic depression of modern times.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Texas.

Mr. POAGE. As I understand, if we adopt the gentleman's motion we make a commitment not only for the present year, but we also make a commitment in behalf of a conservation of $150,000,000 for the fiscal year 1949. In other words, the motion not only provides for paying our outstanding obligations but also promises a substantial conservation program for the 1948 crop year.

Mr. CANNON. That is perhaps the most important feature of the pending question. As important as it is to keep our contracts with the farmer for the current season, it is even more important that we continue the program which has rehabilitated American agriculture and contributed so largely to the preservation of the fertility of the soil, to the winning of the war, and the promotion of peacetime economy.

As the gentleman indicates, concurrence in the amendment provides funds to pay our contracts with the farmers for the current year and $150,000 toward a continuing program for the next year.

The situation is very well expressed in Wallace's Farmer and Iowa Homestead, the most practical and useful farm journal in America. The Farmer and Homestead which has never been accused of partisan bias, certainly not on Democratic leaning, asked:

Did you sign up for the AAA soil conservation program this year? And were you figuring on help in spreading lime, contouring, plowing under green manure or other soil-conservation practices?

Last year Congress indicated that $300,000,000 would be available to carry out the 1947 AAA conservation program.

But the House of Representatives last week passed and sent to the Senate a USDA appropriations bill which cuts $136,000,000 off this total.

A last-minute attempt to restore the AAA cut was defeated by the narrow margin of 156 to 151.

Later it expressed the opinion that—

Corn Belt farmers are so used to thinking of the county AAA committees as a permanent institution, almost as permanent as corn cribs, that they probably haven't noticed that the rats are gnawing at the foundations.

Or maybe we should say that the wreckers are getting out the crowbars and dynamite.

Anyway, Congress is talking about cutting the AAA appropriations nearly one-half. Funds for committee work will be trimmed. By next year, so it is planned, there won't be any AAA left.

Most farmers agree that the soil conservation work of Extension, Soil Conservation, and AAA should somehow be put together. But not very many would say the way to do this is to wipe out AAA.

One fine thing about the county AAA committee is that it can be controlled by farmers. Other programs are farther removed from farm control. The AAA can reach everybody, and is subject to a popular farm referendum every year.

No matter what name a farm program is given, these virtues should be retained. After their AAA experience, farmers are not going to be satisfied with any program unless it reaches every farmer and unless farmers get to vote annually for the local committee that runs it.

And in a subsequent issue it said:

Farmers are indignant and dismayed over the congressional attack on AAA. Wallaces' Farmer and Iowa Homestead shares that indignation.

As we have pointed out before, the tough time for farmers comes in the change from war boom prices to normal prices. That's when governmental machinery is needed to keep that change from being a painful collapse.

That is exactly the time when Congress is proposing to take away that needed machinery.

Yet farm people should realize that a congressional drive of this kind doesn't come out of thin air. It has causes, and we'd better see what those causes are.

I know of no farm journal in the country which has expressed any difference of opinion. All national farm organizations have also urged continuance of the program. Their sentiment is aptly expressed by the following telegram from Edward A. O'Neal, president of the American Farm Bureau Federation:

JULY 18, 1947.

HON. CLARENCE CANNON:

On behalf of American Farm Bureau Federation, representing over 1,100,000 farm families in 45 States, I respectfully urge your support of Senate amendments in disagreement by conference committee which provide for agricultural conservation to keep faith with farmers cooperating in 1947 program, and provide for continuation of program in 1948 with adequate administrative funds. Also Senate amendments for school-lunch program, farm-tenant and veterans' loans, and for elimination of fee plan for meat inspection. We favor strict economy, but rejection of foregoing items would be poor economy and would wreck programs vital to farmers and Nation.

EDWARD A. O'NEAL,
President.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, as the gentleman from Missouri has so well said, we come now to one of the very important postwar agricultural decisions, and the action taken by Congress today will be significant this year and in the years that are to come.

The Congress obligated itself to provide $300,000,000 for the triple-A program for the crop year 1947. It is now a question of whether or not we are going to act in good faith in following through on that program, as I see it. Moreover, the motion offered by the gentleman from Missouri provides that the farm program shall be continued in the calendar year 1948. This should be done but the Senate provision should be modified to strike out the $500 limitation.

The Congress should not follow the leadership of the gentleman from Illinois [Mr. DIRKSEN] in providing a restrictive program for the 1947 crop year and no program at all for the crop year of 1948. It would be a step backward. The gains of agriculture in the past 16 years must not be sacrificed in any such ill-considered action.

I have been approached by those who say, "Don't you know that the farmers of this country are rolling in wealth, and don't you know that they don't need this money, that they have all the money they need and more?" That is wholly fallacious. Let me cite you one fact which completely explodes that argument. That one fact is this: More than two-thirds of the farmers in this

country and their families get a gross income from the production on their farms of less than $2,500 a year. A Government clerk in Washington frequently makes more than that. Yes, more than two-thirds of the farmers of this country have a gross income from their farms of less than $2,500 a year. Therefore, it seems to me this argument that the money is not needed is much in error. But if the money were not needed it would make no difference to me, because when the Government has pledged to pay the farmer for cooperating in the farm program and the farmer has gone ahead and fulfilled his obligation, there is nothing in the world for us to do then but carry out that pledge. I am not only hopeful but confident that the House will vote for the $300,000,000 program for this year. There is nothing else for us to do, whether we like it or not, and that is what we will do, in my opinion.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from North Carolina.

Mr. COOLEY. All the authorizations for soil conservation practices have been contingent upon Congress keeping faith with the authorization and providing funds. Is not that true?

Mr. MAHON. That is right. Congress heretofore has always lived up to its AAA program commitments and the producer had no cause to think that Congress would repudate the 1947 program.

Mr. COOLEY. Up until this good year Congress has always kept faith with those authorizations.

Mr. MAHON. That is right, and it must be done again.

Mr. COOLEY. This is the first effort to break faith with the farmers of America.

Mr. MAHON. I thank the gentleman. And the farmers of America are not too partisan about the farm program. They have shown that in various elections. Agriculture is not a partisan matter. But if the Congress refuses to fulfill its obligation to carry out the $300,000,000 program agreed upon last year the farmer will have good cause to lose faith in Congress. That would be bad business in a democracy, and I for one wish to condemn efforts being made to shirk the responsibility of the Government. It is just a matter of whether or not we are going to fulfill our part of the contract where we have promised to do certain things after the farmer has performed his part of the contract. You cannot make me believe that the Congress will reject that philosophy, and you cannot make me believe that the House is going to do anything other than recede and agree in substance to the amendment offered by the gentleman from Missouri [Mr. CANNON].

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COOLEY. What we are actually doing here now is taking away from the farmer's check approximately $130,000,000 which morally belongs to him, and we are taking it away from him in the interest of economy and in the name of economy.

Mr. MAHON. That is right. And it must be admitted it was the intention to set up the $300,000,000 program last year. By the same token it is now proposed to set up $150,000,000 for crop year 1948. The issue is clear cut. There is no room for doubt as to the present duty of Congress in this matter.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. POAGE. If we do not give the farmers of America this pledge for the next year, it will be impossible to give it to them after Congress convenes next year because then the new crop year will be under way. If the farmers of America are to know how to plan their 1948 activities they must have assurance now as to what the program will be and this motion is the only motion which will give that assurance, is it not?

Mr. MAHON. That is right. An investment in the future of this country to the extent of $300,000,000 is not too much if we are to fulfill our commitments. Yes, the farmer is entitled to know what the 1948 farm program is to be, as has been pointed out by the able gentleman from Texas [Mr. POAGE]. Personally, I am convinced that it will be a great mistake if this Congress refuses to authorize a program for the 1948 crop year.

The $150,000,000 program for the crop year 1948 which is provided by the Senate bill is better than nothing. However, the $500 limitation to each participant in the program is unfair and unworkable. The small producer is the man who should be favored in any farm program but the $500 limitation has no place in the AAA program and I hope the conferees will eliminate it.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to our distinguished majority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, my view is that the position taken by the House originally on this matter should be sustained. Of course, a very considerable sum of money is involved and naturally, as a result of that, much interest has developed in respect to the present item in disagreement.

Sometimes it is said of us that we are for economy in every other place in government except where it affects us. I trust that may never be said of me.

I took the trouble this morning to look up this matter of benefit payments as it applies to my State of Indiana. I discovered it is proposed to spend almost $8,000,000 in Indiana. I asked for a break-down of these figures, and I want to give you those figures in order that you may understand just what sort of purposes this money is going to be devoted to.

First there is:

Terracing	$29,000
Establishing sod waterways	28,000
Contouring intertilled crops	59,000
Contouring drilled crops	16,000
Strip cropping	2,000
Dams for livestock water	150,000
Tree planting	4,000

Now, those are the sort of things that many people think of as soil conservation. You will observe that is a very small part of the $8,000,000 that they propose to spend out there.

Here is what you get into beyond that:

Reseeding pastures	$49,000
Turning under green manure	245,000
Seeding winter legumes for cover	2,000
Weed control	1,000
Harvesting hayseed	1,034,000
Constructing open farm ditches	134,000
Installation of tile drainage	157,000
Application of mulch to commercial orchards	10,000
Application of lime	4,481,000
Application of phosphate to conserve crops	1,168,000
Application of potash to conserve crops	350,000

You will observe that those are the principal items; that is, the last ones, harvesting hayseed, limestone, and fertilizer.

Almost $1,000,000 of that $8,000,000 is to go to the second district—that is the district that I am privileged to represent. I have the breakdown of the apportionment to the counties.

Now, what is the situation with respect to fertilizer and limestone to be advanced to the farmers out there? In what shape are they to buy that if they need it and deem it desirable? According to my home town paper, wheat is now quoted at the Farm Bureau Cooperative Elevator at $2.25. Corn, $2.08. New oats, 92 cents. Old oats, 97 cents. Rye, $2.20. Beans, $3.15.

Now, I ask you, as I asked my farmer friends, who are a conscientious, hard working, frugal and patriotic people, if under the circumstances it is necessary that out of the Federal Treasury we provide money to do all these things enumerated in this breakdown? I understand the problems of the farmers. I am one of them. I also ask my friends on the Democratic side of the aisle who have talked about being for strict economy, but on every occasion that I have observed since this session of Congress opened have fought against every economy that we on our side of the aisle have sought to put into effect——

The SPEAKER. The time of the gentleman from Indiana [Mr. HALLECK] has expired.

Mr. DIRKSEN. I yield the gentleman one additional minute, Mr. Speaker.

Mr. HALLECK. And then they seek to chide the Republicans for not accomplishing for the people of the country the economy in Government that we set out to accomplish. Well, you cannot blow hot and cold on that proposition. You cannot work both sides of the street. You are either for economy or you are not. Your record in this session of the Congress is clear evidence of the fact that you are not for economy because of your stubborn resistance to every effort we on our side have made to try to put some real economy into Government. Again I say I am not just for economy some place else where it does not affect me—I am speaking only for myself at the moment—but I say if there is to be a cutting down of the expenses of government, then everyone must be

prepared to make his contribution to that great cause, and you people on the side of the aisle ought to be a little more helpful in accomplishing that great objective.

I know I speak for the farmers of my district when I say they are for economy and are willing to make their fair share of sacrifice, which all of us must be willing to make. It is not what we might beneficially spend, but how much we can afford. We must ask all groups and all sections of the country to forego certain projects or activities in which they may have a direct interest. We must think of the country as a whole—a huge debt and heavy taxes.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Indiana [Mr. HALLECK] has again expired.

Mr. DIRKSEN. I yield the gentleman one additional minute.

Mr. CANNON. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. CANNON. In response to the gentleman's strictures it will be recalled that in the last Congress we made greater rescissions than had ever been made before or have been made in this Congress. We repeatedly brought in bills providing economy, which were voted down on that side, one after the other. In this Congress on the legislative bill I opposed many of the expenditures for the expenses of the House and Senate, but you insisted on bringing in a larger amount for both Houses than was ever spent before. The trouble with the gentleman is that the only place he wants to economize is on the farmers of the country, on the children, and on the veterans, as carried in the bill before us. Why does he not come in for economy on all of these other bills in which we have given the great interests everything they have asked for?

Mr. HALLECK. Well, if that is the best answer the gentleman from Missouri can make to what I have just said, I will let the RECORD speak for itself. The fact of the matter is I have been here, I suspect, as much of the time as the gentleman from Missouri. I have been here as we have voted on these amendments to bring about economies all across the board, and I have supported them. I challenge anyone to dispute that by the RECORD, and the gentleman from Missouri has been opposing them.

The SPEAKER. The time of the gentleman from Indiana [Mr. HALLECK] has again expired.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I know of no better economy that can be practiced anywhere in the country than to promote the building of the soil of this great country of ours. Such is the purpose of the amendment under consideration. The bill as it passed the House provided for $165,614,290 for soil-conservation practices during the current year.

No commitment was made in the House bill for a 1948 program. In fact, the House bill contemplated that there would be no program for next year.

I maintained at the time of the passage of the House bill that Congress was committed to appropriate $300,000,000 for the 1947 program. It was my view that $165,614,290 was inadequate to provide for contracts entered into at the time the bill passed the House on May 28, 1947. I argued that farmers who had made expenditures, whose contracts had not been approved, would be discriminated against and I insisted that Congress appropriate the $300,000,000 in accordance with its commitment at the time the appropriation bill was passed in 1946. I maintained that the appropriation carried by the House was inadequate for 1947.

The Senate amended the bill to increase the appropriation to $258,000,000, and to increase materially the limitation of the House on the amounts for administrative expenses. The Senate amendment provided in the second place for a program for 1948, amounting to $150,000,000, with the proviso, and I quote, "and that no participant shall receive more than $500." The Senate amendment may thus be divided into two parts: one to increase the appropriation for 1947, and the second provision for the 1948 crop with a limitation of $500 to any participant.

I believe that the increase for 1947 should be made. I, therefore, favor that part of the Senate amendment providing for the increase to $258,000,000. The payments will not have to be made unless they are earned, unless the participants practice soil building. All who participate spend a great deal more in soil-building practices than they receive under the program. No moneys will be paid unless they are earned. Any balances over and above the earnings will remain in the Treasury.

I favor a program for 1948. I believe, however, that the $150,000,000 is inadequate and that the amount should be increased to at least $250,000,000.

There have been mistakes in the agricultural programs. We have undertaken to profit by these mistakes. The practices now are devoted to the improvement of the soil. They include building pastures, winter cover crops, terracing, and drainage. It is the most satisfactory program ever adopted. It should be continued. It is devoted to building up the soil. It is devoted to increasing production. Adequate appropriation is essential to a sound program. Approximately $300,000,000 has been appropriated for years. The program has grown up around this figure. The amount for 1948 should be increased.

I oppose, however, that part of the Senate amendment that limits participants to $500. The amendment makes it applicable only to 1948. The payments are made for soil building and soil improvement. They must be earned. If a man owns 160 acres of land he cannot earn as much as the man who owns 640 acres, but he will be paid for the payments earned. It is said that the limitation will help the small farmer, but the small farmer must earn his payments to receive them.

Again, the owner of a large farm is entitled to the same consideration as a small farmer. The purpose of the program is to build up the soil whether it is owned by a large farmer or a small farmer. If the practices are to be limited to the improvement of the soil, the small farmer will not be benefited by denying the same benefits to the large farmer. The result will be, however, that the Government will be discriminating and the discrimination will be detrimental especially to tenants and sharecroppers. Large farms can only be operated by tenants or sharecroppers. The tenants and the sharecroppers pay usually a part of the crops as rental. If the lands are built up, they will make larger crops. If the soils are not improved, the sharecroppers and the tenants will suffer. The limitation of $500 is, therefore, a discrimination on the one hand, and on the other hand it will be a gross injustice to the tenants and the sharecroppers who far outnumber the landowners. The benefits to the tenants and the sharecroppers come from the soil-building improvements made by the landlord, and if payment to the landlord is limited, the improvements cannot be made and the tenants thus suffer, for the soil improvements enable the tenants to make more crops.

The gentleman from Illinois [Mr DIRKSEN] has moved to further insist upon the House disagreement to the Senate amendment. The gentleman from Missouri [Mr. CANNON] has moved to recede and concur. If the motion of the gentleman from Missouri [Mr. CANNON] prevails, it means that an inadequate program will be adopted for 1948 with a discrimination in payments. If the motion of the gentleman from Illinois [Mr. DIRKSEN] prevails, it means no program for 1948 and an insufficient amount for 1947.

It has been suggested that there be a division of the motion to recede and concur. If this motion is made and prevails, my understanding is that an amendment will be offered to recede and concur with an amendment to increase the House appropriation for 1947 and to eliminate the commitment for 1948. It has been suggested that the limitation of $500 may be made applicable to the 1947 program. This suggestion is unthinkable. Contracts have already been entered into for 1947. In some cases payments have been made. It would be a repudiation of the solemn contracts of the Government. The limitation was intended by the other body to be applicable to 1948. If the 1948 program is rejected by the House and the Senate agrees, the limitation of $500 should also be rejected. We are committed to payments for 1947. The Government must make good its promise. We have made contracts for 1947. It is unthinkable that the Government would undertake to change these contracts after the participants have earned their payments. Congress cannot afford to repudiate.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I rise in support of the motion of the gentleman from Missouri [Mr. CANNON], the former chairman of the Appropriations Committee.

It is often and truly said that the farmer is the backbone of the Nation, but if the farmer does not have the soil he cannot produce. And if the farmer cannot produce he cannot remain the backbone of the Nation. More than that, our soil is the Nation's greatest natural resource and heritage.

Mr. Speaker, we are all familiar with the growth and development of this, the greatest Nation on the earth, but it might be well to remind the membership here today that at one time this great country of ours was nothing more than a vast wilderness occupied by the American Indian. In those days there was no problem of soil erosion. Our Indians bothered little with cultivation as we know cultivation today. Their primitive methods of cultivation did not result in soil erosion, but with the advent of the white man the picture gradually changed, and that change has been accentuated in recent years by the development of scientific machines for the cultivation of the soil. First came the felling of the forests. Our lands have largely become denuded as civilization advanced. Intensive cultivation on a wide scale over a period of years has taught the new world what the old one had already learned—merely the necessity for the conservation of the soil.

The soil conservation program has proved to be one of the best investments that this Nation has made. It must be continued.

Now, Mr. Speaker, it appears to me that we are faced with a simple proposition. When this agricultural bill was up for consideration in the House last year, a provision was written into it which to all intents and purposes became a solemn obligation of this Government to fulfill. It was agreed that the soil-conservation program for this fiscal year would call for a $300,000,000 outlay by the Federal Government for the purpose of soil conservation. That money was to be matched on a 2 to 1 basis by the farmers of the country. The farmer had every right to expect the Government to carry out the commitment made by Congress. And it does not make any difference now that the Department of Agriculture wrote a provision, in either small or ordinary print, into the contract which was executed between the Government and the farmers to the effect that it was dependent upon future appropriations.

We all know, as a matter of fact, that farmers, like the most of the rest of us, do not study these contracts when they are presented to them. They were told of the provision that had been made by the Congress, and they expect Congress to keep its part of the bargain. Certainly, it is a moral, if not a legal, obligation that we do so.

When this bill was up in the House last month I voted to recommit it to the committee to place additional funds for this and other purposes in the bill. I certainly propose to vote now for this amendment, and to do what I can to see that we keep faith with the farmers of this Nation.

In this connection, Mr. Speaker, I would like to point out that this program of soil conservation has proved to be a great boon to the farmers of my section. Last year the farmers of my district received approximately $700,000 from this program, and I am advised by the Agricultural Department that if this amendment prevails, they will receive approximately the same amount for the next fiscal year. The amounts received as broken down by counties in my congressional district for last year are as follows:

Covington	$80,200
Forrest	23,890
George	26,370
Greene	15,700
Hancock	12,140
Harrison	18,200
Jackson	8,880
Jefferson Davis	75,780
Jones	83,220
Lamar	36,720
Lawrence	72,680
Marion	95,350
Pearl River	88,600
Perry	15,990
Stone	17,060
Wayne	28,450
Total	699,230

But, aside from the result obtained in the conservation program from the expenditure of these funds, there is even a greater benefit that has come to these south Mississippi counties. The farmers are learning, through this program, how to conserve their soil, and thereby not only enriching themselves but contributing to the enrichment of the Nation.

Mr. Speaker, I am afraid that sometimes we forget the fundamentals. The real wealth of this Nation is largely in its farm land, and those who till it. It is interesting to note in this connection that at the time when the first session of Congress was held approximately 90 percent of the inhabitants of this country were engaged in agriculture. It was the farmer of America who won the freedom and set up this, the most perfect embodiment of free government that any nation in the world has ever enjoyed.

Since that time a great change, of course, has taken place in the lives of the people of this country. And today, in the Eightieth Congress, the efficiency of our per man production on the farm has permitted the release of a large percentage of that labor to other fields of endeavor, and approximately 80 percent of our labor is engaged in other fields of our economy. But this 80 percent should remember that their welfare is still determined by our farm production. For example, in 1940 our agricultural investment in the United States was approximately sixty-five billion dollars as compared to approximately six billion dollars in the combined steel and automobile industry. We can, therefore, understand how some of the representatives from the large urban centers can vote against the interest of the farmer. But if they will take the time to examine the fundamentals of the situation, they will find that it is to the interest of the city dweller, whom they represent, to have a healthy agricultural economy. For they will find on further examination that there can be no prosperity in the cities unless there is first prosperity on the farm. Let me illustrate that briefly by showing that in 1928, a prosperous year, and in 1932, a depression year, agricultural production amounted to about the same. However, in 1928 farm production brought $11,700,000,000 as compared to five billion three million in 1932. In other words, when the farmer could not get an adequate price for his produce in 1932, he could not buy the manufactured products of industry, and the result was that the factory pay rolls were some five billion less in 1932 than they were in 1928.

Mr. Speaker, in conclusion, permit me to remind our Republican and other friends that as desirable as economy in Government is, and no one is stronger for that than I, false economy such as this is far worse than no economy. I hope that this amendment will pass and that this good work will continue—the essential work of protecting our greatest national resource, our soil.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I want to refresh the membership on the fact that this is not soil-conservation practices that we are debating here, it is political payments that we are debating. I want to remind the House that we have included in this bill $38,000,000 for the Soil Conservation Service. We have included millions for agricultural research administration, for research in soils, fertilizers, and irrigation. We have included millions again for experimentation. There are other millions for the Extension Service. We are not debating that. We are all in agreement on soil conservation.

I want to refresh this House on what the President of the United States said when he was, and we all were, economy minded, and seriously so, last January. He said in his budget message to us:

> A year ago the budget message recommended gradual reduction of these payments and that recommendation is now renewed. More than 60 percent of the total payments go to about one-eighth of the Nation's farmers. Most of this money thus is being paid to a comparatively small number of farmers who, because of their strong position in American agriculture, would undoubtedly continue the best farm-management practices without the persuasion of a bonus from the Treasury.
>
> We should shift our effort from this kind of subsidy to providing technical guidance to all farmers for soil conservation and management along the lines of the Soil Conservation Service and the Extension Service.

We have done that with this bill. We are carrying out the recommendations of the President of the United States in his budget message to us.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, in my opinion, this is one of the most im-

portant decisions this Congress or any other Congress has ever had to make. We have got to forget politics; we have got to forget that we are farmers or industrialists, and think about America now and then.

The soil-conservation program is more than a farm program. It is an American program because the strength of this Government depends upon the strength of our topsoil. During our short existence as a Nation we have already whittled our topsoil down from 9 inches to 6 inches. Oh, at one time Egypt had a great bread basket, but they did not preserve the soil. Where is that bread basket today? At one time China had as much good farm land as any nation in the world, but the erosion over the years destroyed it and today China is up against it for food.

Mr. Speaker, it is time that we preserve our American soil. Let me give you a few facts. We have 415,000,000 acres of crop land in America. Fifty million of those acres have been absolutely destroyed by soil erosion. Fifty million acres more are practically in the same shape. Out of our 415,000,000 crop-land acres, 280,000,000 acres have been affected one way or another by soil erosion. Why, do you know that soil erosion alone is costing this Nation over $3,800,000,000 a year? And yet this Congress heckles over a paltry $300,000,000 to preserve our soil. A blind man can see what soil conservation has meant to America during the past 12 or 15 years. It has restored thousands upon thousands of acres. It has made the farmer soil-conscious. The farmers are beginning to learn something about the soil, and the necessity for preserving the soil, and under trained leadership they are beginning to know how. Now, you want to stop that, you want to cut it off beginning next year, and practically cut it off this year, in spite of the fact that we made a commitment to the farmers last year that they would receive $300,000,000 in soil-conservation payments this year.

You can talk to the farmers until you get black in the face, but you will never get a single one of them to concede that this Congress did not make a commitment. We made it. I listened to the chairman of the Subcommittee of the House Committee on Appropriations stand here in this well and put it up to the House last year. What did he say? "If you do not intend to carry out the $300,000,000 authorization, say so now so you will not mislead the farmers of this country."

Now, this Government rests upon faith and confidence. It is the faith that the people of the United States have in this Government that makes it a strong Government. Here you come along with one fell swoop and do that which is likely to destroy the faith of the farmers of America in their own Government. I do not believe this House will do it. Destroying conservation is a short-sighted policy. The conservation program is not a Democratic policy or a Republican policy. It should be the American policy. Let us look at it in that light.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. DIRKSEN. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, there are two propositions in the Senate amendment. The first part of the Senate amendment increases the funds proposed by the House from $165,000,000 to $258,000,000 to take care of the program this year. The second part of the Senate amendment proposes to authorize a program for next year in the amount of $150,000,000.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. PHILLIPS of California. With a possible limitation of $500.

Mr. CASE of South Dakota. Yes, that is in the Senate amendment, too, and it sets up a program of $150,000,000 for next year. As those of you who heard my remarks when this matter was up before the House, when the bill was under consideration, I cannot personally read the RECORD for last year and see a specific amendment offered at that time to decide the program for this year, and have that approved by the House to authorize setting up a $300,000,000 program for this year, and have it said that that is what it was for, and then come back now and deny the funds necessary to carry it out. I believe there is a moral obligation to carry out the program this year on whatever scale it is actually contracted and performed within the limitations of the law.

Consequently I shall attempt to divide the question when the question comes up for a vote between receding and concurring, and offer a motion to concur with an amendment which will have the effect of striking out the authorization for another year's program but will leave the funds necessary to carry out the program for this year. That, I think, is the honest thing to do in the light of the RECORD last year.

The program in my part of the country is largely a program of building stock water dams. Some of the dams have been constructed; many have been completed and the expense incurred. I believe in furnishing the money to carry out the contracts with the farmers this year.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, a few moments ago I listened with a great deal of interest to the statement made by the Majority Leader with reference to the announced program in Indiana. Now, I know nothing about the situation in that State as to whether those programs are worthwhile, as to whether the farmers need these payments, or as to whether the program is necessary. I do not know, and I can only accept his statement for it that they are not needed in Indiana. But, I call his attention to this, that the time for him to have made his speech was last year before the program was announced, before the farmers of his State were told that these were the programs, and before the farmers spent $2 out of their pocket for each one that the Congress is asked here to appropriate out of the Federal Treasury. He is late in bringing up the matter that he discusses here. Now, talk about this program of conservation. The distinguished chairman of this subcommittee, Mr. DIRKSEN—I am very fond of him, and he made a most wonderful speech here in each of the last 2 years—said, "The shortage of food throughout this country is something terrible. I have been throughout the world and I have seen the suffering over there. Now is the time of all times that every farmer should plant every fence corner." He urged them to use every possible inch of ground and to plant everything that they could. That is the simple statement that he made to this Congress; the plea to the American farmer to use every inch of soil that he had, regardless of the bad effects on the fertility. And the farmers of this Nation answered that call, and you have never seen such production throughout the history of this Nation. We saw them deplete their soil in an effort to meet the call that was made on them. Yet though we announced last year a program, though Judge Tarver said, "Gentlemen, if you do not want to commit yourselves to appropriating $300,000,000 next year," which is the present year, "say so now," not a member of this subcommittee opened his mouth in opposition to it.

Those announcements went out. The farmers have acted on them. They have earned this money. As I have said so many times, this is not a case of sending these farmers a blue check, it is a case of saying, "Spend $2 out of your pocket to maintain the health of your soil, and we will pay another dollar, because the Nation has an interest in it."

Here is something I want to call to your attention that I have not heard on the floor so far. We called on industry to do the same thing that my distinguished chairman said the farmers were called on to do. The Congress said, "You must produce, and to enable you to produce we will give you a cost-plus-a-fixed-fee contract." They did produce, and we did pay them whatever it cost plus another amount. Then Congress passed a bill granting them a tax return of $6,000,000,000 to let them get back to the situation that existed before they were called upon, in other words, reconvert. We called on the farmers in the same way. We made a contract of only $300,000,000 with them, and for the farmers to earn it they must spent $600,000,000 themselves. Yet we find this Republican-dominated Congress, in my judgment, reneging on this contract.

Throughout the years there has been much criticism of the New Deal. Since I have been a Member of Congress I have voted against many things that the so-called New Deal sponsored. I have a record of being opposed to many of those things. Yet this Republican-dominated House of Representatives today is doing one thing that, as far as I know, the New Deal never did, and that is to violate a contract entered into by the Congress of the United States with its own citizens. You violate the full faith and credit of

the United States. That is the record you are going to the country on.

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Speaker, I have taken this floor a good many times in behalf of the soil-conservation program. In the few moments which I have I make another appeal to this House to make provision for carrying out the soil-conservation payments which we contend the Congress has already committed itself to. When I discussed this matter recently when we had the agricultural appropriation bill before the House, I went into detail and showed how that last year in the Seventy-ninth Congress this House had the issue squarely put up to it in the presentation made by the distinguished gentleman from Georgia, Mr. Tarver. The House at that time did not see fit to include in the appropriation bill a sum sufficient to meet the soil-conservation payments for the year 1947.

The situation now is this—that the Senate has included additional funds up to a total of $295,635,044 for the 1947 crop program. The Senate went further and authorized a similar crop program for the year 1948 to the amount of $150,000,000. The majority party in the House is insisting upon the former figures in the House bill and the gentleman from Missouri [Mr. CANNON] has moved to recede and concur in the Senate amendments. If the motion of the gentleman from Missouri [Mr. CANNON] prevails, as I hope it will, we will not only have the sum of $295,635,044 for the soil-conservation program for the crop year of 1947, but we will have also something definite for the 1948 program, and that marks a great step forward for the farmers. I say, therefore, to this House that as important as it is to make provision for the program for 1947, it is also of tremendous importance to lay this firm foundation for the 1948 program.

Farmers have to make their plans ahead. No successful farmer can proceed otherwise. The activities of a farm cannot be turned on and off like a spigot. I am therefore delighted to see this provision for 1948 brought before us.

Now, Mr. Speaker, I have said so much in behalf of the value of soil conservation on different occasions on this floor that I hope that it is not now necessary to reiterate all of the arguments for it. One cannot travel into any farm community in the Nation, and especially in the South, without seeing abundant reasons for the conservation of our soils. The evidence of the necessity of continuing and even increasing the soil-conservation program is written in eroded and worn-out fields, in filled-up rivers and valleys, in marginal lands, in poor production, and in countless other ways. America, with all of her great resources, her fertile valleys, her vast agricultural enterprises, is fast depleting and using up her soils and unless drastic measures are taken to check this trend, there may come a time when this country will not be able to sustain itself agriculturally. There is just so much soil, Mr. Speaker. We are told that it takes 100 years to build 1 inch of soil. We were told years ago that we were losing our soil at the rate of about 300,000 acres a year. It seems to me that this presents a problem so serious and so important to the welfare of every man, woman, and child in this country that it is incumbent upon this Congress to make full provision for this important work.

The motion of the gentleman from Missouri [Mr. CANNON] will go far in this direction, although even the Senate bill did not provide as much as I would like to see provided for this important work. But that motion will substantially carry out what we contend was the solemn obligation made by Congress last year. I therefore urge this House to support the motion to recede and concur and to thus provide the full sum stipulated therein and thus carry out a solemn obligation to our farmers and thereby also make substantial provision for the 1948 crop year. I make this appeal that this House stand by our farmers. They produced abundant crops with short labor, with a great shortage of machinery, and under many other handicaps during the war. Because of the great sacrifice made by our farmers, our country today has ample supply of food. I plead with you not to short-change our farmers. Let us give them our full support. Support the motion of the gentleman from Missouri [Mr. CANNON].

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, the Senate has stricken out the House appropriation of $165,000,000 for soil conservation payments for 1947 and has substituted for this figure the total sum of $295,635,044 for the 1947 crop program and has authorized for the 1948 crop program an additional sum of $150,000,000. I am very much in favor of the Senate amendment. As I have said repeatedly on the floor of the House, one of the most worthy programs of the Agriculture Department is its soil conservation program. This program has meant hundreds of millions of dollars in added wealth to the people of the United States and without it our farmers could not begin to supply the world-wide clamor for American food at the present time.

I understand that a motion may be made at a later date to amend the Senate provision by striking out the $150,000,000 authorized for the 1948 program and will amend it further by reducing the total amount of $295,635,044 by some $50,000,000. I intend to vote against this amendment and I intend to do everything possible to bring the total amount appropriated as near as possible to the $300,000,000 needed for the 1947 crop program. Any lesser sum than that recommended by the Agriculture Department for this purpose will result in false economy and in hurtful practices for our farmers.

I especially am going to oppose any effort to strike out the $150,000,000 authorized for the 1948 crop program. This amount as low as it is means a distinct reduction of the amount needed by our farmers for soil conservation payments. To strike this out means a discontinuance of the soil conservation payments and as a result it means a severe if not fatal blow to all soil conservation practices. Such action by this House will be little short of tragic to our farmers and I urge that the membership pause before taking such action. I hope the Senate provisions will be maintained without amendment and without reduction.

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Speaker, I favor the increased appropriations provided by the Senate for soil-conservation payments. I disapprove of the limitation of $500 for participants in the program for the crop year of 1948. I strongly support the soil-conservation program to be made available to the farmers of the Nation for the year 1948 and future years.

When the Agriculture appropriation bill was before the House I supported an increase in the amount from $165,000,000 to $300,000,000 for soil-building practices. The House approved the amount recommended by the Committee on Appropriations of $165,000,000. This amount is grossly inadequate for the current year. The commitments have been made by this Congress to provide $300,000,000 in benefit payments for the current year. We cannot and must not go back on our word to the Nation's farmers who have relied on the promises that have been made and carried out their contracts.

The provision written into this bill by the Senate in which you say to the farmers and their tenants that you cannot receive more than $500, regardless of the amount to which you may be entitled, by virtue of complying with the program is discriminatory, unfair, and unjust. You are in effect saying that because a man has worked hard all his life and acquired two or three hundred acres of land the program is not intended for him. That is a short-sighted position to take—it is just as essential to terrace, sod, and lime a farm of two, three, or five hundred acres as a farm of 80 acres. To have a successful and workable program to conserve the Nation's soil, for all time to come, no distinction should be made.

Under the Senate limitation of $500 to each participant no consideration is given the share croppers or tenants who farm small plats of land as a part of a large tract. No provision is made for him. Mr. Speaker, I speak for that man and say to you that he is left out of all benefits solely because he happens to cultivate land on a large farm. I am pleading for the same consideration to all farmers, share croppers and tenants alike, without distinction and without discrimination. A large farm is simply an aggregation of small farms. One landowner cannot be expected to farm more than a few acres himself—so he obtains farm tenants to help him farm his land—why should not this program apply to him too?

I trust that when the House conferees meet with those from the Senate you will remove this objectionable $500 limitation in the interest of equity, fairness, and justice.

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, we are lending money to Mexico to buy mules and tractors for Mexican farmers. We are giving money to farmers in European countries in the form of seed, fertilizers, and machinery. We are paying for cattle owned by Mexicans which are being killed to stop the spread of the hoof-and-mouth disease. We are seriously discussing a proposed program of $5,000,000,000 a year to be sent to Europe to stop the spread of communism.

It seems that American money and resources are unlimited when it is the needs of other nations we are considering. While our hearts bleed freely for the woes of other countries, they are flinty and hard where our own are concerned.

I have heard gentlemen say that they oppose giving fertilizer and ground limestone to the farmers of America. It is well known to the membership of this House that we are and have been giving fertilizer to European farmers. Why is it praiseworthy and virtuous to give away fertilizer to farmers overseas, and yet wasteful and reprehensible to do the same for our own farmers.

I earnestly hope that we will concur in the Senate amendments to increase the soil-conservation money and also to increase the school-lunch money to $75,000,000. Certainly our children are as dear to us as the children overseas. Certainly we are as willing to be taxed to afford adequate nutrition for our own children.

Some of the opponents of the school-lunch program undertake to justify that opposition by saying that the school-lunch program is the responsibility of the States and not of the Federal Government, and that the States have all the money needed to finance the program. I say that this is not correct. I say that as a Nation-wide proposition the States are not adequately financing their educational programs. I recall that in March of this year when the gentleman from New York the distinguished chairman of the Appropriations Committee of the House was arguing on the floor that the States have plenty of money, and should themselves finance the school-lunch program, almost at that very moment school teachers in his home State of New York were on strike because they were underpaid. I cannot recall any State which claims that it pays its school teachers all they are worth. They are underpaid in my home State, and I believe the same condition exists all over this country.

The Senate has wisely restored the funds for soil-conservation payments to the farmers, and the $75,000,000 for the school-lunch program. I heartily favor these appropriations and hope that we in the House will concur in that action.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, to my mind this is not a question of keeping faith with the farmers because everyone knew and was chargeable with notice that this was not an obligation of the Government unless appropriations were made by the Congress. The most outstanding fact about this perhaps is that it is a provision for the limestone and fertilizer trust.

The limestone trust and fertilizer trust have circularized my district. I had a summary of their operations. They circularized the district of the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and the gentleman from Vermont [Mr. PLUMLEY]. Their representatives came around to me with this mimeographed statement showing where the folks were supposed to stand. This was before the agricultural bill came up in the House. This gentleman, Robert M. Koch, stated to me that unless I supported that provision for the benefit of the fertilizer trust and the limestone trust that the farmers in my territory would defeat me.

Oh, I welcome just that kind of stuff. I have never had a farmer in my district speak to me in favor of it. After this bill was passed in the House of Representatives I received from farmers numerous communications that had been sent to them by the AAA committee, in violation of the law, trying to lobby and propagandize in favor of this proposition, and trying to get them to write to me. They wrote to me on the back of these circulars and all opposed it. They said, "We have had enough of this kind of a raid on the Treasury of the United States. We are sick and tired of seeing bags of fertilizer lying around in the corners of the fields and bags of limestone lying around the corners of the fields being spoiled and wasted. We do not want any more of this program." I have never had one of them write to me in favor of it, and I have a large agricultural district.

Now, is it not time that we stopped this subsidy business? I do not believe that the farmer wants to be subsidized. I know that the farmers in my territory do not.

This is not the primary soil conservation item in the bill. The primary soil conservation item has already been amply provided for by the committee, and that is where the soil conservation practices originate, and that is where they are taken care of by the Government of the United States. It is a proper activity, insofar as it is properly conducted. I hope it will continue to be so conducted. But let us stop appropriating money for the benefit of the fertilizer trust and the limestone trust and pretending it is for the benefit of the farmers of the United States. I cannot do that.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the very distinguished gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I always like to hear my good friend from New York [Mr. TABER] make a speech. He is getting more artistic every day, and he has been something of an artist for a long, long time. When he goes to set up a straw man he sets up one in due form.

He does not want to give this money for soil conservation. Just why, I do not know, except that he committed himself to the small task of reducing the budget $6,000,000,000. Therefore, he sets up the fertilizer trust.

Now, I never saw the fertilizer trust. I never saw a representative of it. I never had a communication from them that has ever been called to my attention. But I have never seen a representative of the fertilizer trust and I have never had a communication from one; but in these reductions, when they start to take it out of the hide of the fellow who responds every time he is called upon, in war or in peace, then they have got to set up a straw man to kick around.

I repeat what I said to you when this bill was before the House some weeks ago, that the most important, the most vital domestic problem we have is what we are going to do with what fertility is left in our soil. If over the next 25 years we proceed with the same recklessness in the destruction of the fertility of this soil that we have in the last 50, the farmers of the great Middle West and the West and South will not be looking for a place to sell their surplus, they will be looking for a place to raise what we eat, what we wear, and what we need inside the United States. It does not cost any fertilizer, it does not pay anything to the fertilizer trust to terrace land, alluvial land that washes away. I believe the gentleman from Iowa has some of that same sort of land that was built up by grass for centuries. It is the worst land to erode in the world if it is not taken care of because the rains will gut it, and that has happened in my country and I am sure in other country like mine, Indiana, Illinois, Ohio, and many other sections.

We plowed up the prairies, we did nothing to conserve them. They started to wash. Then in many instances we went down into the valleys, the rich valleys, and cut the trees away. We left nothing to hold the ground, nothing to stop the dirt that flowed down from the slopes. The water that flowed down from the slopes filled up the channels that the creeks did have before the slopes and valleys were cleared up. That soil has filled the creeks or the streams or the channels that used to exist and now when it rains on the slopes the water has no place to run except to spread all over the fertile valley and destroy it. Today millions of acres of ground, millions of acres of that fertile soil, are in Johnson grass, in elms and in willows and has passed out of cultivation.

It does not take any fertilizer to dig a ditch. It does not take any fertilizer to sod some grass. It does not take any fertilizer to build a terrace to slow up the flow of water and keep it from carrying the fertile soil down into the great bottoms into the rivers and into the sea. And the fertilizer trust and that straw man will not answer the man who wants to conserve his soil, who wants an acre to produce more than it is producing now in its depleted form.

I care not whether you come from city, country, or town you are going to regret it in the very next few years to come if you do not conserve what fertility is left in our soil and fix our soil so that fertility can be reestablished in it.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. DIRKSEN. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I am concerned about this issue for two reasons: First, with regard to the Congress of the United States. If we fail in this instance—and hear me, please—it will be the first time in my services as a Member of the Congress that the Congress has failed to carry out its own promises. I have here the appropriation act we passed last year for the Department of Agriculture.

Here is the language in that act:

Such amounts shall be available for salaries and other expenses in connection with the formulation and administration of 1947 program amounting to $300,000,000.

That is a positive direction to the Secretary of Agriculture to inaugurate the soil-conservation program this year and obligated us to appropriate the money. I hope the Congress will not falter in its promise.

Secondly, I am concerned with regard to the treatment the Congress will accord the farmers of this Nation. We are not very far beyond the date when this Congress and our Government were appealing to the farmers of this Nation for an enormously increased production for war purposes. Now that the farmers have greatly depleted their soil to meet that request they need increased amounts of fertilizer and limestone, if you please, yet we are told here that so soon after the end of the war we must withdraw from them this support and assistance.

This program has been called a subsidy. I can agree to no such charge against the program. But let us assume for a moment that it is a subsidy. I went into the Appropriations Committee rooms a few minutes ago and I asked how much money this Congress this month had appropriated for the retirement fund of the Government employees. Do you know what they told me? $244,000,000. You have voted that amount already as a contribution to put into the retirement fund for Government employees, not one of whom produces a pound of food, but every one of whom must live upon the food produced by the man who works out yonder in the sun. You tell me that it is all right to give $244,000,000 to those people, and I approve of it heartily, yet it is not right to make some contribution to the preservation, the restoration, and fertility of our soil, our greatest natural resource. We have in this country 10 percent of all the soil in the world that is fit for cultivation.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. DIRKSEN. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, first let me say a word about the parliamentary situation. A motion was made to insist on the House position, which is the position that we, the majority of the subcommittee, will take in this matter. The preferential motion offered by the gentleman from Virginia [Mr. FLANNAGAN] calls for receding and concurring in the Senate amendment. The gentleman from South Dakota [Mr. CASE] will request a division of the question and in consequence the vote will come first on the motion to recede. I trust that motion will be voted down and that the House position will be maintained so that we can take this back to conference and determine what the ultimate result shall be.

Let us look at the equities of the matter for a moment. When the matter came up in budget form there were requests of $301,000,000 for so-called soil-conservation payments. At that point let me make a very clear distinction, because it is constantly confusing. There are two bureaus in the Department of Agriculture that deal with soil conservation. The first one is the Soil Conservation Service as distinguished from soil conservation. It has 10,000 or more people on its pay roll. It has offices in every section of the country. This bill carries $39,000,000 for that purpose, and there is a sufficient sum for soil research. Those people will do this work on erosion and give farmers technological information on how to go about the business of soil-conserving practices. That is not involved here. These are payments for planting trees. These are payments for terracing. These are payments for putting lime on the earth and all that sort of thing, but the technological service is not involved here. That is a wholly different question. So, I want to make that distinction.

Now, the request was for $301,000,000 plus. What did we do with it in the committee as approved by the House? We left in $150,000,000 for payments. That is in the House bill. We provided $15,000,000 for administrative expenses in the field. Now comes the Senate and modifies the handiwork of the House of Representatives, and what do they do? They restore $267,000,000 for payments; in other words, they increased the House figure for payments by $117,000,000. Secondly, they increased the operating expenses from $15,000,000 to $27,500,000. The third thing they did was to put in a provision for a program in crop year 1948, which does not appear in the House bill, for a very good reason. It was their belief that there was going to be a program. Then, the fourth thing that the Senate did was to put a limitation of $500 on the payment to any participant, and that is the matter to which the gentleman from Mississippi [Mr. WHITTEN] so well addressed you a little while ago.

Now, what is the argument? Let us look at the argument on both sides of the fence. They say there is a moral commitment here. Well, I have battled over that thing a long time, and I thought it was plain that they were contingent upon appropriations by the House. The literature of the Department, the forms that are sent to every farmer, contain print on their face or somewhere. It is not the fine print that they talk about, but good, legible print, that this is dependent upon appropriations by the Congress of the United States. So, that is not involved here, notwithstanding all the statements that were made.

It is said, "All right, but work has already been done and commitments have already been made." The Department told us through our executive secretary that only $36,000,000 has been committed, and that can be easily administered and that can be easily managed. Now, those are the principal arguments, plus the fact that we are dealing here with a national resource. Nobody quarrels with that contention, but our contention is that the first fruit of that resource goes to the man who owns the land in fee simple, or who administers it or who manages it, and he has some responsibility, do you not believe, in addition to the Federal Government? So, we simply say we have not taken away all the money. We believe, however, according to the figures of the Secretary of Agriculture, that the productivity of agriculture has reached a peak in 1946 and 1947, with the lowest per capita debt among farmers, the largest amount of Liberty bonds and Government bonds and Victory bonds and cash in the bank, and that in a year like that the farmer can, and I am persuaded that he is patriotic enough that he will undertake a portion of the responsibility and the cost of soil conservation.

Now then, let us look at the other side. That is one argument that I would advance. If it could not be done in 1946, when, gentleman, can it be done? And if it cannot be done in 1947, will we ever see the time when agriculture is so prosperous as it is now, with prices as high as they are now, that they can undertake some of this responsibility?

Now, you would think for all the world that we were trying to emasculate the whole soil-conservation program. Ask the experts, and what do they tell you?

That the maximum amount in the Budget Bureau would equal only 20 percent of our soil requirements. So by cutting it some we subserve the good cause of economy and the fiscal integrity of the country, and percentagewise the reduction in soil-conservation activities so far as payments are concerned is very small.

I made the contention a long time ago that if you are going to do something in this field the man who can least afford to carry the job ought to be helped a little more than he is, but does he get all the fruit? I say to you on my responsibility now that out of 3,400,000 farmers who participate in this program 650,000 get 60 percent of the money. It ought to be selective and it is not. I made that suggestion but it failed at the time. The Senate committee wrestled with that but for some reason or other those who were promoting it could not get anywhere with the idea of making it selective and giving the little farmer a little larger break in this whole program.

If we are going to shed tears about it, then let us shed tears about the small farmer who farms from 3 acres up, and who is having the greatest difficulty. Yet those farmers get so little of the money—2,750,000 farmers get $100,000,000 while 650,000 farmers get $167,000,000.

I have a farm district, with six counties entirely agricultural. I have been dealing with the leaders for a long time. I am just as sensitive to them as any-

one. I am always grateful for their suffrage. They have helped to send me here, and I seek to discharge my responsibility to them. But I am not unmindful that we are not dealing with a sentimental problem. You cannot take farmers and put them over here, and labor here, and industry there, and on that basis legislate for each one, and then keep the fiscal integrity of the country from being impaired. It is so easy to say, "Yes; we have sent money abroad." Yes; we have. I am for that, and I will tell you why. I hope that by these expenditures that we make in that field now we add to the moral defense of this country on the outside, and that in a few years it will not be necessary to come in here every year with a security budget for the Army and Navy of $12,000,000,000. So do not be deluded by that argument.

Soil conservation will go on. The ability to pay and to conserve is there. I am confident that out of organized agriculture there will be no great protest over a cut like this. So let us take this back to conference, let us wrestle with the Senate some more and see what we can work out of this in conference. In so doing, I trust that when the motion is divided and the first question is, Will the House recede? we will vote that down, and then we have taken care of this matter.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Will the gentleman inform the House as to the probability of an additional allowance being brought in for the county and township committees? There are a few that are fearful there is not quite enough money for them.

Mr. DIRKSEN. That is right. We have discussed this matter informally, and I believe there was a general opinion in the committee that probably that ought to be agreed to.

Let me emphasize to you the distinction between these two agencies. The Soil Conservation, which has $39,000,000 in this bill, has 10,000 or more people on the pay roll and has over 2,200 field offices scattered all over. It spends over $300 a farm, by its own testimony, to help the farmers conserve soil. It got out over 33,000 plans last year. That is one agency that is not involved here. This deals with payments to farmers and with administrative expenditures to 107,000 county and community committeemen. So I ask you to vote down the motion to recede when it is voted on after the question is divided, and in that noble institution known as the conference I am confident we can work out something.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I agree with the gentleman that these authorizations were made contingent upon the appropriation of money by Congress, but the fact is that that situation has existed through the years and the farmers have relied in good faith upon the Congress appropriating the money. Does not the gentleman agree that there is at least an implied agreement that Congress will keep faith with these people who have complied with the contracts they have made with the Government?

Mr. DIRKSEN. The language of the bill plus the discussions by the Department of Agriculture itself with respect to the contingency of appropriation is so clear and has been made so abundantly clear to every farmer that there can be no question about it.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Missouri to recede and concur in the Senate amendment.

Mr. CASE of South Dakota. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The question is, Will the House recede from its disagreement to the amendment of the Senate?

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. CANNON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-five Members are present, a quorum.

Mr. CANNON. Mr. Speaker, on this question, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DIRKSEN. Mr. Speaker, this vote, as I understand it, is on the division requested by the gentleman from South Dakota, and the question is: Will the House recede from its disagreement to the Senate amendment as distinguished from receding and concurring and that the vote is "no"; not to recede.

The SPEAKER. The Chair will state that that might be.

Mr. RAYBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. Mr. Speaker, I could make the proper answer to that inquiry.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, if the motion to recede should carry, then it will be in order, will it not, for me to offer a motion to concur with an amendment?

The SPEAKER. It would be in order.

The question was taken; and there were—yeas 204, nays 187, not voting 39, as follows:

[Roll No. 119]

YEAS—204

Abernethy	Bates, Ky.	Boykin
Albert	Battle	Brooks
Allen, La.	Beckworth	Brown, Ga.
Almond	Bell	Bryson
Andresen, August H.	Bennett, Mo.	Buchanan
Andrews, Ala.	Blatnik	Buckley
Barden	Boggs, La.	Bulwinkle
Barrett	Bonner	Burleson
Byrne, N. Y.	Hart	O'Konski
Camp	Havenner	Pace
Cannon	Hedrick	Passman
Carroll	Heffernan	Peden
Case, S. Dak.	Hendricks	Peterson
Chelf	Heselton	Philbin
Chenoweth	Hill	Phillips, Tenn.
Clark	Hobbs	Pickett
Clason	Hoeven	Poage
Clippinger	Holifield	Preston
Colmer	Hope	Price, Fla.
Combs	Huber	Price, Ill.
Cooley	Hull	Priest
Cooper	Jackson, Wash.	Rabin
Corbett	Jarman	Rains
Cox	Johnson, Ind.	Rankin
Cravens	Johnson, Okla.	Rayburn
Crosser	Jones, Ala.	Redden
Cunningham	Jones, N. C.	Richards
Davis, Ga.	Karsten, Mo.	Rizley
Davis, Tenn.	Keefe	Robertson
Davis, Wis.	Kefauver	Robsion
Dawson, Ill.	Kennedy	Rockwell
Deane	Kerr	Rogers, Fla.
Delaney	Kilday	Rohrbough
Dingell	King	Rooney
Dolliver	Klein	Sabath
Domengeaux	Lane	Sadowski
Donohue	Lanham	Sasscer
Dorn	Larcade	Schwabe, Mo.
Doughton	LeCompte	Sikes
Douglas	Lemke	Simpson, Ill.
Drewry	Lesinski	Smathers
Durham	Lucas	Smith, Maine
Eberharter	Lusk	Smith, Va.
Elliott	Lyle	Smith, Wis.
Ellis	Lynch	Snyder
Engle, Calif.	McCormack	Somers
Evins	McMillan, S. C.	Spence
Fallon	Madden	Stanley
Feighan	Mahon	Stevenson
Fernandez	Manasco	Stigler
Fisher	Mansfield	Stratton
Flannagan	Marcantonio	Talle
Fogarty	Martin, Iowa	Taylor
Folger	Meade, Ky.	Teague
Forand	Meade, Md.	Thomas, Tex.
Gary	Miller, Calif.	Trimble
Gathings	Mills	West
Gordon	Monroney	Wheeler
Gore	Morgan	Whitten
Gorski	Morris	Whittington
Gossett	Morrison	Williams
Granger	Muhlenberg	Wilson, Ind.
Grant, Ala	Mundt	Wilson, Tex.
Gregory	Murdock	Winstead
Hagen	Murray, Tenn.	Wood
Hardy	Murray, Wis.	Worley
Harless, Ariz.	Norrell	Zimmerman
Harris	Norton	
Harrison	O'Brien	

NAYS—187

Allen, Calif.	Crawford	Javits
Allen, Ill.	Crow	Jenison
Andersen, H. Carl	Curtis	Jenkins, Ohio
Anderson, Calif.	Dague	Jenkins, Pa.
Andrews, N. Y.	Dawson, Utah	Jennings
Angell	Devitt	Jensen
Arends	D'Ewart	Johnson, Calif.
Arnold	Dirksen	Johnson, Ill.
Auchincloss	Dondero	Jones, Ohio
Bakewell	Ellsworth	Jones, Wash.
Banta	Elsaesser	Jonkman
Barrett	Elston	Judd
Bates, Mass.	Engel, Mich.	Kean
Beall	Fellows	Kearney
Bender	Fenton	Kearns
Bishop	Fletcher	Keating
Blackney	Foote	Kersten, Wis.
Boggs, Del.	Fulton	Kilburn
Bolton	Gamble	Kunkel
Bradley	Gavin	Landis
Bramblett	Gearhart	Latham
Brehm	Gillette	Lea
Brophy	Gillie	LeFevre
Brown, Ohio	Goff	Lewis
Buck	Goodwin	Lodge
Buffett	Graham	Love
Burke	Grant, Ind.	McConnell
Busbey	Griffiths	McCowen
Butler	Gross	McDonough
Byrnes, Wis.	Gwinn, N. Y.	McDowell
Canfield	Hale	McGarvey
Carson	Hall, Leonard W.	McGregor
Case, N. J.	Halleck	McMahon
Chadwick	Hand	McMillen, Ill.
Chiperfield	Harness, Ind.	Mack
Church	Herter	MacKinnon
Clevenger	Hess	Macy
Coffin	Hinshaw	Maloney
Cole, Kans.	Holmes	Mason
Cole, N. Y.	Horan	Mathews
Cotton	Howell	Merrow
Coudert	Jackson, Calif.	Meyer
		Michener

Miller, Conn.	Reeves	Stefan
Miller, Md.	Rich	Stockman
Miller, Nebr.	Riehlman	Sundstrom
Mitchell	Rogers, Mass.	Taber
Morton	Ross	Tibbott
Nixon	Russell	Tollefson
Nodar	Sadlak	Towe
Norblad	St. George	Twyman
O'Hara	Sanborn	Vail
Owens	Sarbacher	Van Zandt
Patterson	Schwabe, Okla.	Vorys
Phillips, Calif.	Scoblick	Vursell
Ploeser	Scott, Hardie	Wadsworth
Plumley	Scrivner	Weichel
Potts	Seely-Brown	Welch
Poulson	Shafer	Wigglesworth
Ramey	Short	Wolcott
Reed, Ill.	Simpson, Pa.	Wolverton
Reed, N. Y.	Smith, Kans.	Woodruff
Rees	Springer	Youngblood

NOT VOTING—39

Bennett, Mich.	Hartley	Rayfiel
Bland	Hays	Riley
Bloom	Hébert	Rivers
Celler	Hoffman	Scott,
Chapman	Johnson, Tex.	Hugh D., Jr.
Clements	Kee	Sheppard
Cole, Mo.	Kelley	Smith, Ohio
Courtney	Keogh	Thomas, N. J.
Eaton	Kirwan	Thomason
Fuller	Knutson	Vinson
Gallagher	Ludlow	Walter
Gifford	O'Toole	
Gwynne, Iowa	Patman	
Hall,	Pfeifer	
Edwin Arthur	Powell	

So the motion was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Thomas of New Jersey with Mr. Walter.
Mr. Knutson with Mr. Vinson.
Mr. Cole of Missouri with Mr. Hays.
Mr. Hoffman with Mr. Courtney.
Mr. Hugh D. Scott, Jr., with Mr. Chapman.
Mr. Hartley with Mr. Clements.
Mr. Bennett of Michigan with Mr. Riley.
Mr. Edwin Arthur Hall with Mr. Hébert.
Mr. Smith of Ohio with Mr. Sheppard.
Mr. Fuller with Mr. Rivers.
Mr. Eaton with Mr. Johnson of Texas.
Mr. Gwynne of Iowa with Mr. Kirwan.
Mr. Gallagher with Mr. Kee.
Mr. Gifford with Mr. Bland.

Mr. JENSEN. Mr. Speaker, I came on the floor of the House just as my name was called. I understood this vote was on soil-conservation practices involving $5,000,000, I voted "aye." I now understand that the vote is on the AAA payments. Therefore, I change my vote from "yea" to "nay."

Mr. RUSSELL, Mr. BRAMBLETT, Mr. GEARHART, and Mr. KERSTEN of Wisconsin changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. CASE of South Dakota. Mr. Speaker, I offer a preferential motion to concur with an amendment.

The Clerk read as follows:

Mr. CASE of South Dakota moves to concur with an amendment as follows:

In line 19, page 56, strike out "$258,000,000" and insert "$228,000,000."

And in line 25, strike out "$27,500,000" and insert "$22,000,000."

Beginning in line 25, on page 57, strike out that portion of the Senate amendment which reads: *"Provided further,* That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1948 programs (amounting to $150,000,000), including administration, and formulated on the basis of a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs as determined by the Secretary."

Mr. CANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON. If the motion of the gentleman is voted down, would the vote then recur on the motion to concur in the Senate amendment?

The SPEAKER. It would.

Mr. CASE of South Dakota. Mr. Speaker, may I be recognized briefly?

The SPEAKER. If the gentleman insists.

Mr. CASE of South Dakota. Mr. Speaker, I shall take only a minute or two, but I think the House would like to know exactly what this amendment provides.

This amendment strikes out the language which provides for setting up a program for 1948. It has been my consistent position throughout that we did have an obligation as far as this season was concerned; that when we take action 1 year and make a legislative record upon it, that is the picture upon which the program is sold to the country. Last year there was a specific amendment designed to authorize the program for this year. I feel that the obligation that has been incurred should be carried out.

The language of the Senate amendment proposes to set up a $150,000,000 program for next year. If you do not want to carry it on the time to say "No" to that is now and not after the program is authorized and placed in operation.

Whether or not the $500 limitation upon payments to an individual would apply this year, frankly I do not know, because of the way the Senate language is drawn. Whatever its meaning and application, my amendment does not seek to change its effect. The language would be in the Senate amendment and the bill or act, if the House were to adopt the motion of the gentleman from Missouri and concur in the Senate amendment. My amendment does not touch it.

The other portion of my amendment deals with the amount of money to be allowed to carry out the commitments of the program for this year. The House approved an appropriation of $165,614,290 for this purpose, including $15,000,000 for administrative expenses. The Senate by its amendment provided $258,000,000 for the program including $27,500,000 for administrative expenses.

The gentleman from Illinois [Mr. DIRKSEN] the chairman of the subcommittee handling this bill tells me there are $37,000,000 of unobligated funds in the Department which are available for use in the 1947 program. Both he and the gentleman from Minnesota [Mr. H. CARL ANDERSEN] have told me they think the administrative figure could well be somewhat larger than that allowed by the House. The gentleman from Minnesota thinks it should be $22,000,000, which is $5,500,000 less than that proposed by the Senate but still $7,000,000 more than the House figure.

To get the figure proposed in my amendment, therefore, I subtracted the increase of $7,000,000 for administrative funds from the $37,000,000 of unobligated money. That left $30,000,000 which could be applied against the total Senate figure of $258,000,000, thus giving the amount of $228,000,000 which is what my amendment allows and includes an authorization to use $22,000,000 for administrative expenses.

Admittedly I am not one of the conferees and have not served on the subcommittee handling this bill. I have taken an interest in this item for the soil-conservation practices, however, and believe our commitments should be carried out. On the basis of what I have been told, it appears this amount will do the job and I have suggested it as a logical solution to the problem before the House.

So, my motion to concur with an amendment proposes, in effect to provide funds to carry out our contracts with the farmers in this year's program and to strike out the authorization proposed by the other body which would have authorized the use of funds to set up another $150,000,000 program for next year.

The House has already voted to recede from its position of disagreement. It has not voted to concur. An "aye" vote now on my motion to concur with an amendment will settle the matter on the basis I have described.

Mr. Speaker, I yield back the balance of my time.

Mr. DIRKSEN. Mr. Speaker, I ask for recognition.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. CANNON. Mr. Speaker, I ask for recognition.

The SPEAKER. The Chair has already recognized the chairman of the committee.

Mr. CANNON. But the Chair has already recognized one Member on that side of the House. He should now recognize a Member on this side of the House.

The SPEAKER. The Chair recognized the gentleman who supported the gentleman from Missouri in his last motion.

The gentleman from Illinois will proceed.

Dr. DIRKSEN. Mr. Speaker——

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PACE. Is it the intention to permit any further debate on this?

Mr. DIRKSEN. I hope we can wind it up in just a few minutes. I want to make the equities of the situation as clear as possible before we vote.

Mr. Speaker, in view of the action taken by the House on the motion to recede there is before us the amendment offered by the gentleman from South Dakota which amends in some particulars the language as proposed by the Senate.

Where the original figure in the House bill as approved by the House was $165,000,000, including $150,000,00 for payments, the language of the amendment by the gentleman from South Dakota would provide $228,000,000 in payments, or an increase in amount to be paid farmers in soil-conservation practices of $63,000,000.

In addition, the House bill carries $15,000,000 for administrative expenses at all

levels, national, State, local, including the community and county committeemen. The Senate increased that amount to $27,500,000. The amendment offered by the gentleman from South Dakota would increase it to $22,000,000. So for field expenses for this purpose there is an increase of $7,000,000 over the bill as it left the House.

The third portion of the amendment offered by the gentleman from South Dakota would strike out that proviso which was written in by the Senate bill that provides for a program in the crop year of 1948.

Let me make it clear that the language and the money that is carried in this bill apply to the present crop year, 1947. If you are not going to have this controversy over the question about commitments, and so on, and if there is going to be a modified program brought out by the Committee on Agriculture, then the appropriate thing would be to join with the gentleman from South Dakota in striking out that proviso in the Senate bill which provides for a 1948 crop-year program of $150,000,000.

So there are the three proposals: The gentleman from South Dakota increases the House figure for actual payments to farmers by $63,000,000 over the original House figure.

He increases the administrative expenses by $7,000,000.

He strikes out the proviso under which there would be authorization for a 1948 crop-year program.

I may add to that one other thing. There appears in the Senate bill as distinguished from the original House bill a limitation in this form. It reads:

Provided further, That the proportion going to a State shall not be changed more than 15 percent of the 1946 distribution, and—

This is the important thing—

no participant shall receive more than $500.

A farmer may be doing $1,000 or $1,500 of conservation work, but under this langauge no participant may receive more than $500. It is entirely possible that under that language some additional economies can be effected. So I assume the responsibility not of speaking for the subcommittee but rather for myself, of saying that I shall join in the amendment that was proposed by the gentleman from South Dakota in view of the House action that it refused to insist, meaning, of course, that they do not agree with the thing that was in the House bill and want something else.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. The gentleman has pointed out that this does increase the money available for farmers; it might also be pointed out that it saves $30,000,000 from the Senate figure, and also does not set up any promise for the 1948 year, but rather says there is no money for setting up a 1948 program. That will let everyone know the situation in advance.

Mr. DIRKSEN. That is quite correct.

Mr. PHILLIPS of California. It will save money over the terms of the Senate bill, and I shall support it.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true if this amendment proposed by the gentleman from South Dakota passes, the $500 limitation will be applicable to contracts this year—contracts already made?

Mr. DIRKSEN. That would be a matter of interpretation.

Mr. WHITTINGTON. It cannot be applicable for the year after in that contracts for the year after are not provided for.

Mr. DIRKSEN. Yes; there may be some economies in that.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. PACE. It is not clear to me under the language of the $500 limitation to each producer, where there has been a contract already signed between the producer and the Secretary of Agriculture, how the Congress can this year—I recognize it can next year—modify that contract. The gentleman from South Dakota [Mr. CASE] I understand, has very grave doubt that it could be applicable to this year with outstanding contracts. Would not such a limitation for this year be a repudiation of the action of the Congress just as much as if we did not appropriate the money?

Mr. DIRKSEN. I may say to the gentleman from Georgia that as I read the language of the Senate bill—certainly I did not write that language—it would be applicable to contracts already entered into for the crop year 1947 and it very conceivably might save several million dollars.

Mr. PACE. Would the gentleman in his place as a representative of the Congress want it to apply this year where the contract has been made with the farmer and the farmer has completed his part of the contract? As a moral obligation, would the gentleman from Illinois want that to be done?

Mr. DIRKSEN. I would have to answer the gentleman somewhat by indirection by saying, first, I do not know what the Senate may have had in mind, assuming this language was very carefully drawn.

Mr. PACE. Regardless of that.

Mr. DIRKSEN. It may have had some purpose in mind in doing it. The second thing I must say is this: The House has voted to recede. Evidently the Members of the House were not satisfied with the terms that were brought to them in the original House bill. So I do not know that the gentleman from Illinois ought to put himself in the position of giving an opinion upon that particular question. I might express a wholly personal opinion.

Mr. STEFAN. Can that be ironed out in conference?

Mr. DIRKSEN. We may not have that opportunity later. I want to recognize the pertinence of the statement made by the gentleman from Georgia without passing on it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. My recollection of constitutional law is that where there is an existing contract the Congress has not the power to impair the obligations of that contract. Maybe I am wrong in my recollection of constitutional law. But I do have a distinct recollection that no legislative body has the power, under our form of government, to impair the obligations of an existing contract.

Mr. DIRKSEN. I may say to the gentleman, we are speaking about language that was written in the bill by the Senate in the form of a proviso.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I shall yield to the gentleman from South Dakota, then I propose to move the previous question.

Mr. CASE of South Dakota. With respect to the question raised by the gentleman from Georgia with reference to this $500 application, is it not true that that was in the Senate amendment anyway? My amendment does not change that situation and was not intended to do so, either way. If we had receded and concurred in the Senate amendment, it would still be in there.

Mr. DIRKSEN. Yes, that is correct.

Mr. CASE of South Dakota. Is it not also true in striking out the language which I strike out, we strike out the provision for setting up the 1948 program?

Mr. PACE. Except that the amendment the gentleman has offered deducts $30,000,000 for the purpose of applying the $500 limitation this year.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. In answer to the question submitted by the gentleman from South Dakota [Mr. CASE] may I say: He states that the $500 limitation is in the bill anyway and that his amendment does not change it. I point out that in the bill the $500 limitation follows the end of the bill and follows the language setting up the 1948 program which under ordinary construction would mean that the $500 limitation had to do with the 1948 program. Of course, the gentleman's motion would strike out all reference to the 1948 program and would leave the $500 limitation dangling and it might be applied to this year's program.

Mr. DIRKSEN. I will say to my friend I have not the slightest doubt, as I read it, that with the proviso lifted out with respect to the 1948 program, the limitation would apply to 1947 contracts.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. TABER. I wish to say I believe that the amendment offered by the gentleman from South Dakota [Mr. CASE] should be adopted under the circumstances. It will save $30,000,000 and will wipe out the application of this thing to next year.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the amendment offered by the gentleman from South Dakota continue the program for the 1948 crop, or does it not?

Mr. DIRKSEN. It does not.

Mr. Speaker, indulge me one more word. Mr. Speaker, while debating the amendment in disagreement this afternoon, I thought I did make clear and did express some solicitude for the little farmers of the country. I thought there was some maladministration in handling these funds. An effort was made, of course, to direct attention to this limiting amendment which limits the benefits under the act to $500 per participant. This is a splendid opportunity for the Congress to work its will for the small farmer, and also probably save a little money.

Mr. Speaker, I move the previous question.

Mr. McCORMACK. Mr. Speaker, let me call the attention of the gentleman to the fact that on this particular motion nobody on the Democratic side had an opportunity of expressing his views. I do not ask the Chair to recognize anyone, because then we will be here for an hour; I recognize that. But, at least the gentleman from Illinois, I think, ought to yield 10 minutes to somebody on this side.

Mr. DIRKSEN. I would concur if it were not for the fact that I believe the issue that is before us is abundantly clear, and I doubt very much whether any further discussion would add to clarification.

Mr. McCORMACK. There is a more fundamental question involved than the gentleman's own personal opinion. I would suggest, in the light of the circumstances, where two Members on the gentleman's side have been recognized, if anyone on this side wants to speak for 5 or 10 minutes, that the nice thing to do would be to yield 5 or 10 minutes to somebody on this side.

Mr. DIRKSEN. We have been here since 10 o'clock this morning, and we have given over the whole day to the conference report, with the exception of roll calls. I undertook to yield as generously as I knew how.

Mr. WHITTEN. In view of the gentleman's statement a moment ago in reply to the gentleman from Georgia——

Mr. DIRKSEN. If the gentleman from Mississippi, who is a member of the subcommittee, would like to have 5 minutes, I would be very delighted to yield, and thereafter the previous question will be moved.

Mr. WHITTEN. Mr. Speaker, I appreciate the courtesy of the gentleman from Illinois in granting me this time, but I would like to call the attention of Members here, particularly those who voted to recede on the majority side, to this fact. The gentleman from South Dakota made his motion for the reason that he felt that the Congress committed itself to this program last year. On the basis of that suggestion and of his motion based on that thought, the motion to recede was carried. Now, I say to him—and there is not a fairer minded man in the Congress of the United States than the gentleman from South Dakota, FRANCIS CASE—but I say to him, to follow up his original motion with something that does not carry out the commitments, which might be termed only halfway repudiation, is no different from full repudiation.

I say to those Members who voted to recede, if you did so in the belief that this Congress and the Nation are committed to the farmers who have earned these payments, if you did that in the thought and in the belief that we had so committed ourselves, you do not help yourselves by coming back and saying, "No; we will halfway repudiate."

This is the situation with regard to the Senate amendment. It provided for carrying out the full commitment for the rest of the year, and for a program next year of $150,000,000, except that next year the maximum payment should be limited to $500. The gentleman from South Dakota offered an amendment striking out the language with reference to setting up a program for next year of $150,000,000 but leaving in the $500 limitation. Whether or not the program that has been carried on through the years is sound, whether or not you want to strike out the program for next year, certainly you do not want to go along with this motion which takes out the Senate provision for next year but leaves in a $500 limitation which limitation then becomes effective on this year's program. You say to the man with whom the contract has been made, "Though you have done the work on thousands of acres, though you have spent $2 out of your own pocket for each one the Government may pay, in the interest of saving money we are going to violate each and every one of those contracts."

I am not personally interested in this matter. I get no benefits from the Government. But you authorized those contracts and the Department of Agriculture made them. The Senate recognized that they were contracts. The gentleman from South Dakota [Mr. CASE] recognizes that they were contracts. But by striking out the language which his motion would leave out, you leave the $500 limitation where it may well be brought forward to this year's program and, in effect, you have violated each contract the Department of Agriculture executed with the farmers of this Nation. Certainly those of you who voted for this motion to recede on the ground that you wanted to live up to the commitments of this Congress do not want to do that. In effect, you now come along and say that you are going to violate the contracts halfway.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I wonder if the gentleman would not agree with me that any farmer who would get as much as $500 under this program would probably be smart enough to read his contract and see in there that getting the money depends on the making of the appropriation.

Mr. WHITTEN. If the distinguished majority leader, and there is no keener mind here than his, will read that language, he will find that what that language in the contract meant was this, that of the $300,000,000 which this Congress committed itself to last year, the farmer could look only to his pro rata share of that, and if the farmers of the Nation earned $600,000,000 through carrying out the program he would be limited to his pro rata share of the $300,000,000 which the Congress had committed itself to in this year's program.

I say it is bad business to say to the American farmer, "You have to read the small print. If you do not, your Government will take advantage of it after you have spent your money and after you have furnished your contribution. After the Government has said it is interested in the fertility of your soil and that you should carry on the work, we are going to pull this back, after you have spent your share." I do not believe you want to do that. I do not believe you want to go to the country on that basis. I do not believe that the gentleman from South Dakota [Mr. CASE], honorable gentleman that he is, having sponsored the original motion on the ground that the Congress ought to live up to its commitments, would now want to say, "Let us just halfway live up to them." I hope you will vote his motion down.

Mr. REES. Mr. Speaker, the limitation of $500 payment to any person participating in the farm program included in this bill by the Senate is similar to one I have tried to insert in this legislation for a number of years. Soil-conservation payments were intended to assist the farmer who operates the family-sized farm. One of the difficulties with this program in the past has been that, of the millions of dollars appropriated, most of it has been paid to the big operators who do not need it at all.

Only few people know the average payment is much less than $100. In fact 80 percent of approved funds have been paid to 20 percent of those who participated in the program.

This bill now includes—with the amendment under consideration—$225,000,000 for soil-conservation payments. With the limitation of $500, every farmer who has been getting less than $200, should not have his payments reduced from what they were last year. I should give the man who operates an average-sized farm a fairer deal. In the past, the Government has paid funds by the thousands, and even hundreds of thousands—in some cases—while the small operator got less than $75.

Mr. DIRKSEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from South Dakota [Mr. CASE] to recede and concur in the Senate amendment with an amendment.

Mr. DIRKSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 171, not voting 41, as follows:

[Roll No. 120]

YEAS—218

Allen, Calif.	Gearhart	Miller, Nebr.
Allen, Ill.	Gillette	Mitchell
Almond	Gillie	Morton
Andersen, H. Carl	Goff	Muhlenberg
	Goodwin	Murray, Wis.
Anderson, Calif.	Graham	Nixon
Andresen, August H.	Grant, Ind.	Nodar
	Griffiths	Norblad
Andrews, N. Y.	Gross	O'Hara
Angell	Gwinn, N. Y.	Owens
Arends	Hale	Patterson
Arnold	Hall, Leonard W.	Phillips, Calif.
Auchincloss		Phillips, Tenn.
Bakewell	Halleck	Ploeser
Banta	Harness, Ind.	Plumley
Barrett	Herter	Potts
Bates, Mass.	Heselton	Poulson
Beall	Hess	Ramey
Bender	Hill	Reed, Ill.
Bennett, Mo.	Hinshaw	Reed, N. Y.
Bishop	Hoffman	Rees
Blackney	Holmes	Reeves
Boggs, Del.	Horan	Rich
Bolton	Howell	Riehlman
Bradley	Jackson, Calif.	Robsion
Bramblett	Javits	Rockwell
Brehm	Jenison	Rogers, Mass.
Brophy	Jenkins, Ohio	Rohrbough
Buck	Jenkins, Pa.	Ross
Buffett	Jennings	Russell
Burke	Jensen	Sadlak
Busbey	Johnson, Calif.	St. George
Butler	Johnson, Ill.	Sanborn
Byrnes, Wis.	Johnson, Ind.	Sarbacher
Canfield	Jones, Ohio	Schwabe, Okla.
Carson	Jones, Wash.	Scoblick
Case, N. J.	Jonkman	Scott, Hardie
Case, S. Dak.	Judd	Scott, Hugh D., Jr.
Chadwick	Kean	
Chenoweth	Kearns	Scrivner
Chiperfield	Keating	Seely-Brown
Church	Keefe	Shafer
Clason	Kersten, Wis.	Short
Clevenger	Kilburn	Simpson, Pa.
Clippinger	Knutson	Smith, Kans.
Coffin	Kunkel	Smith, Maine
Cole, Kans.	Landis	Smith, Wis.
Cole, N. Y.	Latham	Snyder
Corbett	LeFevre	Springer
Cotton	Lesinski	Stanley
Coudert	Lewis	Stefan
Crawford	Lodge	Stevenson
Crow	Love	Stockman
Curtis	McConnell	Stratton
Dague	McCowen	Sundstrom
Davis, Wis.	McDonough	Taber
Dawson, Utah	McDowell	Taylor
Devitt	McGarvey	Tibbott
D'Ewart	McGregor	Tolefson
Dirksen	McMahon	Towe
Dondero	McMillen, Ill.	Twyman
Ellis	Mack	Vail
Ellsworth	MacKinnon	Van Zandt
Elsaesser	Macy	Vorys
Elston	Maloney	Vursell
Engel, Mich.	Mason	Wadsworth
Fallon	Mathews	Weichel
Fellows	Meade, Ky.	Welch
Fenton	Meade, Md.	Wigglesworth
Fletcher	Merrow	Wilson, Ind.
Foote	Meyer	Wolcott
Fulton	Michener	Wolverton
Gamble	Miller, Conn.	Woodruff
Gavin	Miller, Md.	Youngblood

NAYS—171

Abernethy	Chelf	Douglas
Albert	Clark	Drewry
Allen, La.	Colmer	Durham
Andrews, Ala.	Combs	Eberharter
Barden	Cooley	Elliott
Bates, Ky.	Cooper	Engle, Calif.
Battle	Courtney	Evins
Beckworth	Cox	Feighan
Bell	Cravens	Fernandez
Blatnik	Crosser	Fisher
Bloom	Cunningham	Flannagan
Boggs, La.	Davis, Ga.	Fogarty
Brooks	Davis, Tenn.	Folger
Brown, Ga.	Dawson, Ill.	Forand
Bryson	Deane	Gary
Buchanan	Delaney	Gathings
Bulwinkle	Dingell	Gordon
Burleson	Dolliver	Gore
Byrne, N. Y.	Domengeaux	Gorski
Camp	Donohue	Gossett
Cannon	Dorn	Granger
Carroll	Doughton	Grant, Ala.
Gregory	LeCompte	Priest
Hagen	Lemke	Rains
Hand	Lucas	Rankin
Hardy	Lusk	Rayburn
Harless, Ariz.	Lyle	Rayfiel
Harris	Lynch	Redden
Harrison	McCormack	Richards
Hart	McMillan, S. C.	Rizley
Havenner	Madden	Robertson
Hedrick	Mahon	Rogers, Fla.
Hendricks	Manasco	Rooney
Hobbs	Mansfield,	Sadowski
Hoeven	Marcantonio	Sasscer
Holifield	Martin, Iowa	Schwabe, Mo.
Hope	Miller, Calif.	Sikes
Huber	Mills	Simpson, Ill.
Hull	Monroney	Smathers
Jackson, Wash.	Morgan	Smith, Va.
Jarman	Morris	Somers
Johnson, Okla.	Morrison	Spence
Jones, Ala.	Mundt	Stigler
Jones, N. C.	Murdock	Talle
Karsten, Mo	Murray, Tenn.	Teague
Kearney	O'Brien	Thomas, Tex.
Kefauver	O'Konski	Trimble
Kennedy	Pace	West
Keogh	Passman	Wheeler
Kerr	Peden	Whitten
Kilday	Peterson	Whittington
King	Philbin	Williams
Klein	Pickett	Wilson, Tex.
Lane	Poage	Winstead
Lanham	Preston	Wood
Larcade	Price, Fla.	Worley
Lea	Price, Ill.	Zimmerman

NOT VOTING—41

Bennett, Mich.	Gwynne, Iowa	O'Toole
Bland	Hall, Edwin Arthur	Patman
Bonner		Pfeifer
Boykin	Hartley	Powell
Brown, Ohio	Hays	Rabin
Buckley	Hébert	Riley
Celler	Heffernan	Rivers
Chapman	Johnson, Tex.	Sabath
Clements	Kee	Sheppard
Cole, Mo.	Kelley	Smith, Ohio
Eaton	Kirwan	Thomas, N. J.
Fuller	Ludlow	Thomason
Gallagher	Norrell	Vinson
Gifford	Norton	Walter

So the motion was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Thomas of New Jersey with Mr. Walter.

Mr. Hartley with Mr. Riley.

Mr. Bennett of Michigan with Mr. Chapman.

Mr. Gwynne of Iowa with Mr. Rivers.

Mr. Eaton with Mr. Hays.

Mr. Gifford with Mr. Bonner.

Mr. Smith of Ohio with Mr. Johnson of Texas.

Mr. Edwin Arthur Hall with Mr. Vinson.

Mr. Brown of Ohio with Mr. Kee.

Mr. Gallagher with Mr. Bland.

Mr. Cole of Missouri with Mr. Kirwan.

Mr. Fuller with Mr. Boykin.

Mrs. ROGERS of Massachusetts and Mr. REED of Illinois changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

JOINT COMMITTEE ON HOUSING

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 104, Rept. No. 997), which was referred to the House Calendar and ordered to be printed:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Housing (hereafter referred to as the committee), and to be composed of seven Members of the Senate who are members of the Senate Committee on Banking and Currency to be appointed by the President pro tempore of the Senate, and seven Members of the House of Representatives who are members of the House of Representatives Committee on Banking and Currency to be appointed by the Speaker of the House of Representatives. A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation of the entire field of housing, including but not limited to—

(1) the extent of the need for housing in the United States as a whole and in all areas thereof:

(2) the extent, if any, to which shortages in building materials are contributing to the shortage of housing;

(3) the reasons for the existing high costs of building materials and housing and the action which may be taken to reduce such costs;

(4) all factors of whatever kind of nature which contribute to the existing high costs of housing and which prevent the speedy construction of adequate housing to satisfy the needs of the Nation and the action which may be taken to eliminate such factors:

(5) the extent to which archaic building codes and zoning laws contribute to the existing shortage and excessive cost of housing;

(6) the administration and operation of existing Federal laws relating to slum clearance, insurance of mortgages on housing, home loans, guaranties of veterans' housing loans, construction permits, veterans' preference in the renting and purchase of housing, rent control, and all other matters relating to housing;

(7) the availability of private capital and of Government loans to finance the construction of housing;

(8) the organization and operations of Federal, State, and municipal government agencies concerned with housing; and

(9) such other problems and subjects in the field of housing as the committee deems appropriate.

SEC. 3. The committee shall report to the Senate and the House of Representatives not later than March 15, 1948, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee shall have the power, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed $35 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

SEC. 5. The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to

administer oaths, to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per 100 words. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

SEC. 6. The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

SEC. 7. The expenses of the committee, which shall not exceed $100,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

SELECT COMMITTEE ON FOREIGN AID

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 296, Rept. No. 998), which was referred to the House Calendar and ordered to be printed:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committees of the Congress; and

Whereas these problems should, in order to safeguard the resources and economy of the United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

Resolved, That there is hereby created a select committee on foreign aid composed of 19 Members of the House of Representatives, who shall be appointed by the Speaker. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, and so forth, and of economic rehabilitation; (2) resources and facilities available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but finally not later than March 1, 1948.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, either within or without the continental limits of the United States, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

With the following committee amendment:

Page 3, line 4, after the word "adjourned," strike out the words "to employ such personnel, to borrow from Government departments and agencies such special assistants."

COMMITTEE ON FOREIGN AFFAIRS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 295, Rept. No. 999), which was referred to the House Calendar and ordered to be printed:

Whereas the Committee on Foreign Affairs was established in 1822, and by the Legislative Reorganization Act of 1946 (1) has been given jurisdiction as a standing committee over relations of the United States with foreign nations generally, and (2) is charged to exercise continuous watchfulness over the execution by the Department of State and other agencies of the United States Government of the laws relating to the relations of the United States with foreign nations generally; and

Whereas the foreign policy of the United States today assumes new importance in the operations of the entire economic system of the United States and conditions the survival of free institutions both at home and abroad; and

Whereas the Committee on Foreign Affairs has, by its reorganization in conformity with the Legislative Reorganization Act of 1946, by setting up the appropriate staff and subcommittee organization to deal with the heavy new burden imposed upon it to make recommendations to the House of Representatives on policy issues affecting foreign affairs and on the necessary legislative action: Now, therefore, be it

Resolved, That the Committee on Foreign Affairs, acting as a whole or by subcommittees is authorized and directed to conduct studies and investigations of all matters coming within the jurisdiction of such committee.

SEC. 2. That in projects for studies of matters concerning the foreign affairs of the United States which in the judgment of the Committee on Foreign Affairs require investigations by it abroad, the committee is authorized to include the services and travel of the requisite staff and clerical help, to accompany subcommittees of the Committee on Foreign Affairs on such investigations or study missions abroad.

SEC. 3. That in making such studies and investigations abroad, it shall be the duty of such subcommittees of the Committee on Foreign Affairs to keep current records and to make reports to the Committee on Foreign Affairs for appropriate legislative action, on the completion of any such mission, of the results of such studies and investigations, together with such recommendations as may be deemed desirable.

For the purposes of this resolution, the committee, or any subcommittees thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, and to take testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee and shall be served by any person designated by such chairman. The chairman of the committee or any member thereof may administer oaths to witnesses.

AMENDING THE FEDERAL CROP INSURANCE ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 314, Rept. No. 1000), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3465) to amend the Federal Crop Insurance Act. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideraton of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONTINUING SUPPORT FOR WOOL

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 315, Rept. No. 1001), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1498) to provide support for wool, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendment as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MINORITY VIEWS ON H. R. 29

Mr. PICKETT. Mr. Speaker, I ask unanimous consent that I be permitted to file minority views on the bill H. R. 29.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEFICIENCY APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to say that

I have talked with the chairman of the Committee on Appropriations, and he has informed me that the deficiency appropriation bill is in order for consideration. It is of great importance. I think it is highly desirable that we act on it this evening, if at all possible.

I take this time to express the hope that we can proceed expeditiously with the consideration of the matter now before us, and then take up the deficiency bill and dispose of it yet this evening.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. CANNON. I am glad to have the distinguished majority leader take that position. An hour or two saved now will mean a week saved in the session. We on this side are glad to cooperate.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: On page 61, strike out lines 5 to 10, inclusive.

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. CANNON. Mr. Speaker, I offer a preferential motion that the House recede and concur in the Senate amendment.

CONSERVATION LEADERSHIP

Mr. DIRKSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I want to comment on the items in this appropriation bill affecting the Soil Conservation Service. First of all, may I remind you that Government conservation programs did not originate with the late New Deal. No indeed. Our country's first real conservation efforts date back to another Roosevelt—namely Theodore Roosevelt

May I also remind you that our present national soil and water conservation program did not originate with the late New Deal. No; it began in 1929, under a Republican administration, with the establishment of soil-conservation research stations on which the present important and expanding soil-conservation program is based. The Republican Party, gentlemen, has always stood for the conservation of our soil and water resources. Let us not forget that.

With that in mind, let me point out that the President, in his budget message for the fiscal year 1948, recommended an increase of only $137,000 for the Soil Conservation Service, the agency that is giving technical assistance to farmer-organized and farmer-controlled soil-conservation districts, which operate under State laws in all the 48 States. In the face of many new soil conservation districts the token increase which was recommended by the President over 1947 appropriation is entirely inadequate. The $5,000,000 which the present Bureau of the Budget reduced the Soil Conservation Service Department's request, in addition to the $5,000,000 reduction made by the committee for the fiscal year 1948, reduced the appropriation to $38,000,000 plus, is in my studied opinion considerable less than can be justified for this all-important work so vital to the continued prosperity of our Nation.

The administration would like farmers to get the idea the new Republican Congress is antisoil conservation. Bear in mind that the farmers of this country helped elect a Republican Congress. And do not forget for a minute that the farmerse who elect Republicans are the same farmers who have organized soil-conservation districts, and are organizing more of them every day—in Republican territory. Surely, it can mean only one thing: The farmers want the kind of assistance they get through soil-conservation districts and which requires only a fraction of the money we spent for some things the majority of our farmers do not want.

Now, I agree with one thing the President said in his budget message: That the national soil-conservation program should be carried out along the lines pursued by the Soil Conservation Service and the Extension Service, and that we should cut down on the AAA subsidy payments of the old triple A, which is now a branch of the Production and Marketing Administration. But the President did not back up his words with actions.

Let us not kid ourselves about this, gentlemen. The triple-A has been used politically in every election since 1933. On the other hand, the Soil Conservation Service has minded its own business and has stayed clear of partisan politics.

The President, in his budget message, said, and I quote, "More than 60 percent of the total AAA payments go to about one-eighth of the Nation's farmers." Most of this money thus is being paid to farmers who, because of their strong position in American agriculture, would undoubtedly continue the best farm-management practices without the persuasion of a bonus from their own United States Treasury, which is now in the red around $260,000,000,000.

We know the farmers want and need the kind of technical help they receive from the Soil Conservation Service through soil-conservation districts. If they did not why would they, on their own initiative, organize these districts and then ask the Soil Conservation Service for technical help? If they did not like this service and did not want it continued, why have they organized almost 200 new districts since June 15, 1946—districts that will suffer from the lack of technical help if we do not, early in the next session, appropriate additional funds to the Soil Conservation Service—the only agency that can give this assistance and for a moderate amount of funds.

Gentlemen, I have a proposal concerning the appropriations for the Soil Conservation Service and for conservation subsidy payments that will enable us to let the American farmers know where we stand on sound, practical, permanent soil conservation. The President has tried to put this Congress on the spot with soil-conservation districts and with the farmers by recommending an increase of only $137,000 for the Soil Conservation Service, despite the increasing number of soil-conservation districts, and at the same time continued a $300,000,000 program for AAA.

I am deeply interested in the technical service the Soil Conservation Service is giving to soil-conservation districts which are being organized by farmers in both Republican and Democratic territory. Therefore, gentlemen, I propose in all seriousness—as an economy move that in the final analysis will help everybody in these entire United States—that a part of the amount we save in AAA payments in the future be added to the inadequate appropriation of the Soil Conservation Service so this hard-working, nonpolitical agency can give to the farmers of America the technical help they want and need in soil-conservation districts.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I would like to direct the attention of the Members of the House to the practical considerations of the problem before us. The gentleman from Missouri [Mr. CANNON], who preceded me, spoke very eloquently on behalf of health programs for children. That point, technically, is not involved. I do not believe there is anybody in this House who is opposed to school lunches as such. When the bill was first before us the problem was, from the standpoint of the children themselves, was it better for the money to be spent through a Federal agency or was it better for the money to be paid by the States and supervised by local people and local agencies? That point was decided. The House decided there should be a Federal program for school lunches. So that problem is not before us.

When the bill was before us before, another question raised was which agency of government, the Federal Government itself or the State government, is most able to pay. Many of us, myself included, argued, we thought very earnestly, that the States were in much better financial shape. My own State, the State of California, has a surplus of $450,000,000. I look over this room and there is not a Member in this room coming from a State which does not have a surplus today. The Federal Government today is $257,000,000,000 in the red. That suggestion did not prevail. This House has said that it shall be paid from State funds. So the problem before us now only divides itself into three parts.

First of all, what shall the amount be? What is the amount necessary? And that is a problem which I am going to try to show you can very easily be resolved.

Second, shall it be paid from the general funds of the Federal Government or shall it be paid from what is known as section 32 funds? I concur with the Senate in its belief that it should be paid from section 32 funds, although it is actually changing its nature as a program. It is no longer a surplus program, but a very broad nutritional program.

The third point is whether payments by the children for their own lunches shall be considered matching funds and

credited to a State, to be matched by Federal funds.

These are the only three items before us, and they are very practical items. I am sure, Mr. Speaker, that the gentleman from Illinois [Mr. DIRKSEN] will take no offense if I say something about what went on in the conference committee. The very time the conferees on each side decided to bring this item back in disagreement, I think the gentleman from Missouri, the gentleman from Mississippi, the gentleman from Minnesota, the gentleman from Washington, and the gentleman from Illinois, who are here, will all agree that the conferees were just about to come to a decision, to come to a compromise which, to my mind, would have been a very satisfactory compromise. The money that was spent last year in the program was not $75,000,000, as we are now asked to appropriate this year, but was $68,000,000. All of the money that was put up by the States was $11,500,000. To add in all other contributions you only get, as matching funds, $25,000,000. On top of that the Federal Government spent $10,000,000 for equipment. That is $35,000,000. So I was firmly convinced when we were in conference that we were going to come to a very amicable agreement at a figure which I think would be in the neighborhood of $60,000,000. In my opinion, and I think in the opinion of the other conferees here, that is all that is needed for this program. As the gentleman from Washington pointed out, we are running ourselves into a very large program if we continue to enlarge this without State help and supervision. We are giving this program to a quarter of the eligible schools today; so multiply by four any figure you set up.

There is a discussion whether this should be paid from general funds because it is a nutritional program, or whether it should still be paid, as in the past, from section 32 funds.

The SPEAKER. The time of the gentleman from California has expired.

Mr. DIRKSEN. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. PHILLIPS of California. I believe, and I believe the conferees as a whole believe, that this should be paid from section 32 funds.

The final question is whether we should continue taking the pennies of the school children, crediting them to a State, and then have the Federal Government match them, which to my mind is a double matching.

My point, Mr. Speaker, is that I am firmly convinced that this was on the point of amicable agreement and compromise. I therefore hope this House will vote down, will vote against the motion of the gentleman from Missouri, and will sustain the position of the House. That does not settle the matter. It will still have to go back to conference. I am firmly convinced it was just on the point of settlement.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. COOLEY. Does not the basic legislation for a school-lunch program contemplate a gradual withdrawal from the field by the Federal Government in that we provide that in future years the States will be required to put up a substantial sum in addition to what they are putting up at the present time?

Mr. PHILLIPS of California. The difference is one of theory against practice; between those who believe it should be handled under the State governments, and those who believe it should be handled by the Federal Government. I have been familiar with this program for 12 years. If I had time I could tell you how it works in the different school districts, and I could show you how much better it is to have it under State and local supervision.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, last year when we were considering a deficiency for the school-lunch program a statement was made by the gentleman from Tennessee [Mr. JENNINGS] that I thought at that time was probably the most convincing statement on the subject. He stated that he was not willing, as much as he desired economy and reduction of expenditures, to do this at the expense of the children of America in their need for food.

I do not think we need to go into so many technicalities and questions as to how many dollars it will require when we come to deal with a matter of such extreme importance as that which has been demonstrated by experience in the school-lunch program throughout the United States. A few dollars or a few million dollars does not amount to much in comparison with the benefits to this Nation that the school-lunch program has afforded, will promise and certainly will be realized in the years that are to come. We did not appropriate enough and we had to come back and ask a deficiency appropriation to carry on this program for 2 months at a time when the schools were ready to stop and cut off the benefits that were received under this program because of lack of funds and when the schools had yet 2 months to run.

I am suggesting this to the House in the belief that we shall find, as the gentleman from Missouri has suggested, we are going to have a greater need for this program in years to come, the one immediately to come and following, because of the displacement of so many of the people and the necessity for providing this program for a greater number than have taken advantage of it heretofore. It is in its infancy, almost. We have learned from year to year, and we have the testimony no doubt of every school teacher in the land, that this is a magnificent program, that it has done more for the benefit of the children of this country in the schools than most anything else.

Mr. Speaker, I hope the House will adopt the motion of the gentleman from Missouri.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Washton [Mr. HORAN], a member of the subcommittee.

Mr. HORAN. Mr. Speaker, I want again to refresh the memory of the Members of the House of Representatives as to the implications and the potentialities in the action of your subcommittee in this matter. I resent the fact that some folks are inferring that we are taking bread away from starving children. Nothing could be farther from the truth. The fact remains that there are a little over 200,000 schools eligible for this program in the United States. There are a few more than 50,000 participating today.

In order to do justice to the job before the Appropriations Committee, it formulated a program by which it can appropriate with some intelligence, and we sought to do just that in our action. Our action lays this House eligible for almost $200,000,000 in school lunches based upon four times the $45,000,000 that we sought. I beg of you not to consider this in terms of the amount in the bill but in terms of the eventual potentiality in this and I want you to decline to call this economizing at the expense of our school children. Certainly our States are rolling in surpluses and it might be well, and they should be willing, because it is the children of their taxpayers, to participate up to the hilt in any program that the Federal Government is willing to supply.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, I am afraid we are going to make another great mistake here this afternoon. Most of us believe in economy but I believe there are very few Americans who believe in economizing when it comes to the health of our boys and girls. If you could have sat through the hearings when we had the school lunch program up, you would have heard Dr. Parran, Surgeon General of the United States, and General Hershey, head of Selective Service, tell the tale of 50 percent of the boys of America, when called to the colors, being rejected. Why? Because of malnutrition during their youth. The great doctor and General Hershey said that in their opinion the school lunch program would do more to improve the health of our boys and girls than any other program that they knew of.

The program not only gives them food, but it teaches them nutrition. They carry that message back home. We find that there are thousands upon thousands of boys and girls in America, whose parents are in good circumstances, who have plenty of food, but because they do not know the kind of food that their bodies require are in just about as bad condition as the boys and girls of the poorer families.

This program has succeeded and it will continue to succeed if we will let it work. The States will participate to a greater extent each year in the program until the leveling off time comes.

Mr. DIRKSEN. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I shall not charge the Committee on Appropriations with the awful offense of taking food from the mouths of little children.

Neither shall I argue to the Members of this House that the several States of this Union are not financially able to provide adequate school-lunch programs for the school children of the States. I do emphasize, however, that the States, notwithstanding the splendid condition of their treasuries, and notwithstanding the responsibilities involved, did not provide hot lunches for school children until the United States Congress, with the use of Federal funds, induced them to embark upon the school-lunch program.

For several years the school-lunch program operated without basic legislation, but a substantial amount from the Federal Treasury was provided annually for the support of such programs. Last year Congress enacted basic legislation, and under that legislation the program has operated during the current year. In writing the legislation authorizing school-lunch programs we authorized funds to be provided on a graduated scale. My recollection is that for the first year States would be required to match dollar for dollar. In the second year States would be required to put up $1.50 for every $1 of Federal funds, and in the third year States would be required to put up $3 for every $1 of Federal funds. The author of this legislation realized, of course, that primarily school-lunch programs were the responsibilities of the States, and not of the Federal Government, and looked forward to the time when the Federal Government could completely withdraw financial aid and assistance and no longer be required to make contributions. Regardless of the primary responsibilities involved, I believe that every dollar of Federal funds invested has been a wise and worth-while investment. Under the basic legislation we have barely embarked upon the program, and I do not think that we should now cripple the program by failing to provide adequate funds. The several States have arranged their programs, believing, in good faith, that the Federal Government would carry out its responsibility and provide the funds contemplated by the authorizations which have heretofore been made. There is no way to estimate or to determine the actual value of these programs, but, certainly, we know that any investment in the health and welfare of the school children of America is a sound investment which can be thoroughly justified.

Mr. DIRKSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, once more let me refresh the House on the parliamentary situation. The motion of the committee was to insist on disagreement to the Senate amendment. The preferential motion offered by the gentleman from Missouri [Mr. CANNON] is to recede and concur. If we recede and concur, it simply means that we strike out this language in the amount and also the limitation that the House placed on the school-lunch program. I therefore hope sincerely that the House will vote down the motion to recede and will stand by the committee and sustain the motion to insist.

There is a reason for that. The gentleman from California well put his finger on it. It looks as if we can obtain an agreement on the situation, and I am confident that with a minimum of difficulty we can probably contrive an agreeable compromise. That will be infinitely better. It will be agreeable to them and it must necessarily be agreeable to us; and we are not too hard-bitten about it. So I respectfully suggest that you let us take this back to the committee of conference, where I am confident that difficulty can be worked out.

The gentleman from Washington has put his finger on one thing that has appealed to me greatly, and that, of course, is the potentialities. If we are going to take the lid off finally, then let us make up our minds that in a few years under the impact of the forces that are operating at the present time this will go to $300,000,000, $350,000,000, or $400,000,000. As Dr. Ockey, who directs this program, said, if all the schools were in it would run to $350,000,000 or $400,000,000 a year. But there is something more than that. There is a movement on foot in the country at the present time to erase that so-called matching factor in the basic law and have the Federal Government sustain a larger share in this program.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the basic legislation contemplate the Federal Government making even a smaller and smaller contribution?

Mr. DIRKSEN. The basic legislation, yes, but they propose to get the basic legislation amended. That is the important thing.

Mr. COOLEY. That is a matter for the House to determine.

Mr. DIRKSEN. Certainly, and there will be the same pressure that we have been up against for a long time. You can write it down in the book that that gentleman from the American Federation of Labor who said before our committee that it probably ought to take $600,000,000 a year will not be very far from right. So I adjure you, then, to let us work this thing out in a patient way with the conferees of the Senate, and I am certain that it can be done.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. PHILLIPS of California. May I call the attention of the gentleman from North Carolina very briefly to the fact that when we started this program it was a surplus agricultural commodity program, and then it became a little bit wider and wider. The movement is not in the direction of which the gentleman from North Carolina speaks, unless we put some controls on it.

Mr. DIRKSEN. It is a cash program today, and there is no requirement even that abundant foods must be used. I saw the statement on a school in the State of Oregon or Washington the other day. The total sum was $1,200. That was the amount of the check that was sent as reimbursement to the school. If I remember the figures correctly, the abundant foods for a month totaled just about $45. It is a cash program. But notwithstanding that fact, we will work it out. That is not in issue. The House approved it and the Senate approved it, so the question is how much and under what conditions. So I suggest that the preferential motion be voted down and that the motion to insist on our disagreement to the Senate amendment be sustained.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. OWENS. If certain Members of this body and Members of the other body continue to reject the reduction of taxes and insist on spending money in this way, just what is going to happen to the backbone of this Nation?

Mr. DIRKSEN. I would not know.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, we have been appropriating millions upon millions of dollars for agriculture to help our farmers to raise abundant crops and still more crops. We have even appropriated money for fertilizer to help the farmers raise greater crops. Personally, I am of the opinion, as I said once before, that the most valuable crop we have in our country is our children, and we should not hesitate to appropriate at least a small portion of the amount that we have appropriated for agriculture year in and year out.

I have voted for millions of dollars to help agriculture, so I appeal to you, in view of the ever-increasing cost of milk and other things that are needed by our children, to vote in favor of the motion of the gentleman from Missouri [Mr. CANNON]. I feel it is in the right direction. We can well afford to appropriate these few additional millions for such a noble and deserving cause.

The constantly increasing prices of milk, butter, eggs, and every other item that goes into this worth-while program for better health make this small additional appropriation absolutely necessary, and I hope that, without regard to politics, Members who have the interest of our children at heart and who believe they are entitled to a diet which will guard them against illness and malnutrition, as the gentleman from Virginia [Mr. FLANNAGAN] pointed out, will support this amendment, which adds only 3 or 4 percent of what we have appropriated for agricultural use.

Mr. DIRKSEN. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, I hope the motion of the gentleman from Missouri [Mr. CANNON] will be agreed to We should keep in mind the fact that in the last Congress this school-lunch program was given sanction—a program of aid was written into that measure. During the first year the States matched Federal aid dollar for dollar, during the second year State participation is increased to one and a half dollars, and the third year and thereafter the States put up $2 for each dollar put into the program by the Federal Government. Plans have been made by the States based upon a $75,000,000 appropriation.

This is not a gift. It is a marvelous investment. What could be of greater benefit to the Nation than an assurance of at least one hot meal for every school child in the Nation. I think it is a great program—Congress has made a decision to that effect. Let us not stint the program. In the interest of the health of our children, let us agree to the motion and appropriate an additional $30,000,000.

Mr. DIRKSEN. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, the gentleman from Missouri [Mr. CANNON] and other gentlemen have very well expressed the need for a nutritional program for the great bulk of our children in the public schools. It is possible to have undernourishment and an abundance of certain kinds of food at the same time. It is scientifically true that children may be undergoing a degree of starvation even on the American farms where tables are groaning with good things to eat—but which is not in all respects the right kind of food. But I do not wish to discuss that, for it requires scientific knowledge that I do not possess.

It occurs to me that the arguments of the gentlemen on the committee and among the House conferees have overlooked some tragic facts concerning so many American families today. By their words some of them have implied that the average American family is well enough off to furnish the children of that family all their food requirement. Such may be true of many, many American families, and for that fact we are thankful—but the opposite is also true. There are many thousands of American families unable to provide at home sufficient nourishing food for the children of those families. And that is especially true of our displaced families, for let it be understood that there are displaced persons in the United States just as there are displaced persons in Europe. This is true not quite for the same reasons, but perhaps to a greater extent than in Europe.

Surely we all recall the tragic circumstances that set so many families on the road a decade ago, seeking new work opportunities and homes in the West. Some of these were victims of unfriendly nature in the Dust Bowl. Others were victims of economic changes in American farm life. But we know that in the last preceding decade hundreds of thousands clogged our highways, moving West. Undoubtedly all of us have heard of the Grapes of Wrath, and some of us have seen the poverty-stricken humanity covered by that term. In the Pacific Southwest hundreds of thousands of families sought to take root and establish themselves in the decade of the thirties, and to the children of such families hot school lunches were a salvation.

We thought that the type of persons covered by the expression Grapes of Wrath were ceasing to be prominent on the American scene, and now we hear the term used again with a slightly different connotation. Today there are poverty-stricken families, not of migratory farm labor, but of migratory war workers. They linger on in the communities where they made perhaps good wages in war work a few years ago, but their savings have vanished and the schools in many communities are crowded with the children of these families who have not been in their present location a half-dozen years. It is the children of these families to which the hot school lunches should be supplied and would be as helpful as they were a few years ago when furnished to the migratory farm families. Gentlemen, this problem is increasing rather than decreasing, and we must not blind ourselves to that fact.

Mr. DIRKSEN. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Speaker, I doubt if it is necessary for me as a member of this subcommitteee to say to the Members of the House that this Subcommittee on Appropriations for Agriculture is back of its chairman 100 percent. No man on that committee is opposed to the school-lunch program as such. Every man on that committee goes with the chairman if we are sent back to conference with the idea of making a fair compromise to carry out the wishes of the House to save wasteful expenditure of the taxpayers' money so apparent as made by the testimony before our committee. Those who need the money least have profited at the expense of those who can least afford to pay—country-wide. To accept the Senator's figures is to encourage the profligate spending of money for a class which should pay the lunch bills of its own children.

A reasonable expenditure, federally, plus State cooperation, plus a reasonable sense of personal responsibility, will solve a problem which should not become an annual billion-dollar burden on those least able to bear it. We can reach a fair compromise if we are given that opportunity and carry on the program as it should be operated.

Mr. DIRKSEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. CANNON] to recede and concur.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CANNON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eighteen Members are present, a quorum.

Mr. CANNON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 182, nays 195, answered "present" 1, not voting 52, as follows:

[Roll No. 121]

YEAS—182

Abernethy	Bates, Ky.	Brophy
Albert	Battle	Brown, Ga.
Allen, La.	Beckworth	Bryson
Andersen, H. Carl	Blatnik	Buchanan
Andrews, Ala.	Boggs, La.	Bulwinkle
Angell	Bolton	Burleson
Bakewell	Boykin	Busbey
Barden	Brehm	Byrne, N. Y.
	Brooks	Camp
Cannon	Havenner	Norton
Carroll	Hedrick	O'Brien
Chelf	Hendricks	O'Konski
Clark	Hobbs	O'Toole
Combs	Hoeven	Pace
Cooley	Holifield	Passman
Cooper	Huber	Peden
Corbett	Hull	Peterson
Courtney	Jackson, Wash.	Philbin
Cox	Jarman	Phillips, Tenn.
Cravens	Javits	Pickett
Crosser	Johnson, Okla.	Poage
Cunningham	Jones, Ala.	Potts
Davis, Ga.	Jones, N. C.	Poulson
Davis, Tenn.	Karsten, Mo.	Preston
Davis, Wis.	Kearney	Price, Fla.
Dawson, Ill.	Kefauver	Price, Ill.
Deane	Kennedy	Priest
Delaney	Kersten, Wis.	Rabin
Dolliver	Kilday	Rains
Domengeaux	King	Rankin
Donohue	Lane	Rayburn
Dorn	Lanham	Rayfiel
Doughton	Larcade	Redden
Douglas	LeCompte	Richards
Drewry	Lemke	Rogers, Fla.
Durham	Lesinski	Rohrbough
Eberharter	Lewis	Rooney
Elliott	Lusk	Sabath
Engle, Calif.	Lyle	Sadowski
Evins	Lynch	Sasscer
Fallon	McCormack	Sikes
Feighan	McDonough	Smathers
Fernandez	McMillan, S. C.	Snyder
Flannagan	Madden	Somers
Fogarty	Mahon	Spence
Folger	Manasco	Stevenson
Forand	Mansfield,	Stigler
Gary	Marcantonio	Talle
Gathings	Martin, Iowa	Teague
Gordon	Meade, Ky.	Thomas, Tex.
Gore	Meade, Md.	Trimble
Gorski	Merrow	Welch
Granger	Miller, Calif.	Wheeler
Grant, Ala.	Mills	Whitten
Gregory	Monroney	Whittington
Hagen	Morgan	Williams
Hardy	Morris	Winstead
Harless, Ariz.	Morrison	Wolverton
Harris	Murdock	Wood
Harrison	Murray, Tenn.	Worley
Hart	Murray, Wis.	Zimmerman

NAYS—195

Allen, Calif.	Dirksen	Kean
Allen, Ill.	Dondero	Kearns
Almond	Ellis	Keating
Anderson, Calif.	Ellsworth	Keefe
Andresen, August H.	Elsaesser	Kilburn
Andrews, N. Y.	Elston	Knutson
Arends	Engel, Mich.	Kunkel
Arnold	Fellows	Landis
Auchincloss	Fenton	Latham
Banta	Fisher	LeFevre
Barrett	Fletcher	Lodge
Bates, Mass.	Foote	Love
Beall	Gamble	Lucas
Bell	Gavin	McConnell
Bender	Gillette	McDowell
Bennett, Mo.	Gillie	McGarvey
Bishop	Goff	McGregor
Blackney	Goodwin	McMahon
Boggs, Del.	Gossett	McMillen, Ill.
Bradley	Graham	Mack
Bramblett	Grant, Ind.	MacKinnon
Brown, Ohio	Griffiths	Macy
Buck	Gross	Maloney
Buffett	Gwinn, N. Y.	Mathews
Burke	Hale	Meyer
Butler	Hall, Leonard W.	Michener
Byrnes, Wis.	Halleck	Miller, Conn.
Canfield	Hand	Miller, Md.
Carson	Harness, Ind.	Miller, Nebr.
Case, N. J.	Herter	Mitchell
Case, S. Dak.	Heselton	Morton
Chadwick	Hess	Muhlenberg
Chenoweth	Hill	Mundt
Chiperfield	Hinshaw	Nixon
Church	Hoffman	Nodar
Clason	Holmes	Norblad
Clevenger	Hope	O'Hara
Clippinger	Horan	Owens
Coffin	Jackson, Calif.	Phillips, Calif.
Cole, Kans.	Jenison	Ploeser
Cole, N. Y.	Jenkins, Ohio	Plumley
Cotton	Jenkins, Pa.	Ramey
Coudert	Jennings	Reed, Ill.
Crawford	Jensen	Reed, N. Y.
Crow	Johnson, Calif.	Rees
Curtis	Johnson, Ill.	Reeves
Dague	Johnson, Ind.	Rich
Dawson, Utah	Jones, Ohio	Riehlman
Devitt	Jonkman	Rizley
D'Ewart	Judd	Robertson
		Robsion

Rockwell	Seely-Brown	Tollefson
Rogers, Mass.	Shafer	Towe
Ross	Simpson, Ill.	Twyman
Russell	Simpson, Pa.	Vail
Sadlak	Smith, Kans.	Van Zandt
St. George	Smith, Maine	Vorys
Sanborn	Smith, Wis.	Vursell
Sarbacher	Springer	Wadsworth
Schwabe, Mo.	Stanley	Weichel
Schwabe, Okla.	Stefan	Wigglesworth
Scoblick	Stockman	Wilson, Ind.
Scott, Hardie	Taber	Wilson, Tex.
Scott, Hugh D., Jr.	Taylor	Wolcott
Scrivner	Thomas, N. J.	Woodruff
	Tibbott	Youngblood

ANSWERED "PRESENT"—1

Patterson

NOT VOTING—52

Bennett, Mich.	Hall, Edwin Arthur	Mason
Bland	Hartley	Norrell
Bloom	Hays	Patman
Bonner	Hébert	Pfeifer
Buckley	Heffernan	Powell
Celler	Howell	Riley
Chapman	Johnson, Tex.	Rivers
Clements	Jones, Wash.	Sheppard
Cole, Mo.	Kee	Short
Colmer	Kelley	Smith, Ohio
Dingell	Keogh	Smith, Va.
Eaton	Kerr	Stratton
Fuller	Kirwan	Sundstrom
Fulton	Klein	Thomason
Gallagher	Lea	Vinson
Gearhart	Ludlow	Walter
Gifford	McCowen	West
Gwynne, Iowa		

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Patterson for, with Mr. Gifford against.
Mr. Stratton for, with Mr. Howell against.

Additional general pairs:

Mr. Bennett of Michigan with Mr. Klein.
Mr. Hartley with Mr. Vinson.
Mr. McCowen with Mr. Hébert.
Mr. Short with Mr. Keogh
Mr. Cole of Missouri with Mr. Walter.
Mr. Gwynne of Iowa with Mr. Celler.
Mr. Smith of Ohio with Mr. Dingell.
Mr. Mason with Mr. Pfeifer.
Mr. Sundstrom with Mr. Riley.
Mr. Eaton with Mr. Hays.
Mr. Gearhart with Mr. Chapman.
Mr. Fulton with Mr. Clements.
Mr. Edwin Arthur Hall with Mr. Rivers.
Mr. Fuller with Mr. Colmer.
Mr. Gallagher with Mr. Bonner.
Mr. Jones of Washington with Mr. Heffernan.

Mr. ARNOLD, Mr. BANTA, Mr. MICHENER, Mr. RAMEY, Mr. WILSON of Indiana, and Mr. KEARNS changed their votes from "yea" to "nay."

Mr. PICKETT changed his vote from "nay" to "yea."

Mr. PATTERSON. Mr. Speaker, I have a live pair with the gentleman from Massachusetts, Mr. GIFFORD. If he were present, he would vote "nay." I voted "yea." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

Mr. DIRKSEN. Mr. Speaker, in view of the vote just taken, I ask unanimous consent that we consider amendment No. 59, which is related thereto. It should have been considered in connection with the other amendment.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No 59: Page 81, line 12, insert:

"To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), there is hereby made available $75,000,000 of the funds appropriated for the fiscal year 1948 by section 32 of the act approved August 24, 1935 (7 U. S. C. 612 (c)), such amount to be without regard to the 25 percent limitation contained in said section 32, and to be exclusive of funds expended in accordance with the last sentence of section 9 of the National School Lunch Act."

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment No. 59.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. DIRKSEN].

The motion was agreed to.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, the only other controversial amendment is the one relating to farm-tenant loans, which comes next. I trust we can hold down the discussion and dispose of it very quickly.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 50: Page 67, line 1, strike out "For loans under" and insert "Title I and section 43, $20,000,000."

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate No. 50.

Mr. CANNON. Mr. Speaker, I offer a preferential motion to recede and concur.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, the problems of the farmers of America should not be treated on a partisan basis in the Congress of the United States. It is impossible for us to keep some partisanship from creeping in, but I believe that this is an amendment in which we should have a minimum of partisan consideration. After all, this will be more or less removed from partisan consideration because it is almost 100 percent a matter of undertaking to help the veterans of this country who yearn for the land, to get a foothold on the land.

It is called a farm-tenant-program amendment, but basically it is for the veterans who are seeking to acquire farm homes. Local committees work with these veterans in selecting the farms and undertaking to see to it that the veteran gets value received. I know of many cases where veterans have been disappointed because those committees who look after this program have not been willing to approve certain high-priced farm purchases.

The object of this program is to enable the veteran to purchase the land upon a long-time income basis, upon such a basis that he may be reasonably assured of paying for it in the future. The farm-tenant program has been very successful. This is not a grant, this is not money out of the Treasury that will not be returned, this is simply saying that at a time when we are giving away millions of dollars overseas to help others, some of whom fought against out veterans in many cases, that we will give the veteran a chance to borrow money from his Government under a program that has been financially sound in the past and undoubtedly will be sound in the future, because it is well supervised by one of the best administrators in the Government.

I have the Senate hearings here, and as I looked through them I noticed where the Farm Bureau spoke in behalf of this $20,000,000 for veteran loans for farm homes. I looked further and found that the Grange said that it was strongly in favor of the continuation of this program. To go in and out of a long-term loan program, to go out in good times, and to go in in bad times does not make sense. You cannot close up a bank today, open it tomorrow, close it next week, and open it the following week. To have a business of this kind operate successfully it has to be a continuing program.

This item will not enable a large number of people to get loans and buy farms, but it will help a few. It means, Mr. Speaker, that he will not just slam the door and say: "No loans, no homes for veterans on the farms under this program." Loan applications are coming in at the rate of 3,000 a month. There are about 40,000 veteran applications pending, so I am told. That is the reason I say I hope this program will be continued.

When I looked to see what the Farm Bureau said and what the Grange said about the program I also looked to see what the veterans said. The veterans came before the committee and advocated continuation of the farm-tenant purchase program. A spokesman for the Veterans of Foreign Wars told the committee, "We want this program continued." With reference to present high land prices, the spokesman for the VFW said:

Our organization, Senator, incidentally, is wholeheartedly in agreement with your belief that now is the time to carefully watch every purchase.

Certainly we do not want to have saddled upon the veteran a farm which he cannot pay for. He is not going to have such an arrangement saddled upon him because the program is well administered and it is admitted by all that care must be used. So I think we should go along with all the farm organizations and all the veterans' organizations and all the other such organizations in continuing this program in a modest way. Later it must be greatly expanded.

The President asked for only $35,000,000. The bill now provides only $20,000,000. It is not much, but it keeps the door open. I urge the House to continue the farm-tenant purchase program.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. DIRKSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, when the House committee originally considered this bill it provided ample funds for the continuation of purchases under the Bankhead-Jones Tenant Purchase Act. Ten days after we had completed those hearings the committee was called back into session and these funds were stricken out. The Senate has restored $20,000,000 of those funds.

In considering this amendment I want to point out one or two things that I think merit your attention. Many say that the veteran should avail himself of the loan provisions of the GI bill. That may have been true at one time but we recently saw in the extension of the Reconstruction Finance Corporation Act that that bank was prohibited from underwriting loans for the purchase of veterans' farms. You are going to see now that your local banks will not approve purchases under the GI bill since the RFC will not accept their paper and cannot under the present law. It will leave the veteran where he has no place to turn for the purpose of borrowing money to purchase a farm.

You are going to hear, when the distinguished chairman of the committee speaks to you, that the President came out and said that the prices are inflated and now is no time to buy land. Granted that land values are inflated, the law protects the veteran because the Farmers Home Administration cannot approve a loan for a farm at any value greater than the normal value, based upon the income for a reasonable period of years. You may say, "Well, they will not be able to buy many farms under this program." That is perhaps true, but it is really the desire of each Member of Congress—I think it is not only your desire but is your duty—to provide these funds so that the veterans may have some place to obtain a loan so that they may become self-supporting and own a farm home on a workable basis. After all, the recent GI bill will not work any longer so far as veterans purchasing a farm is concerned because this Congress changed the law with reference to the RFC not less than 2 weeks ago. You said that the RFC cannot underwrite a GI loan for that purchase, and having done that, since the law protects the veteran and will not permit him to buy a farm at more than it is worth, by all means this Congress, both Republicans and Democrats alike, should now provide these funds so that in those cases where the land can be found the veteran may be enabled to buy and own a farm.

Mr. DIRKSEN. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, in the brief time at my disposal, it will not be possible for me to discuss fully the merits of the tenant-purchase program of the Farmers Home Administration, I frankly believe that every Member of this House realizes that the tenant purchase program is by far the best part of the Farmers Home Administration and that it was for many years the best part of the Farm Security Administration. While I realize that the hour is late and that the House is anxious to take final action on the matter now before us, I do not believe that we should be in such a great hurry that we fail to appreciate the importance of this particular matter. Certainly this is one of the most important appropriations which this Congress will make, insofar as appropriations will affect the welfare, happiness, and security of the humble tenant farmers of the country who desire to purchase and to own a farm home. It is also important to veterans who are anxious to acquire farms and to establish their homes in the country. The one outstanding virtue of the tenant-purchase program is that it provided, for the first time, an opportunity for an humble tenant farmer to enjoy the pride of ownership. Under this particular program thousands of citizens have been given an opportunity to start on the road to home ownership. But for this very worth-while program, many of these good citizens would have in all probability remained tenants for the rest of their natural lives. This is one program that speaks for itself. In every agricultural county in America you will find happy farmers living on their own farms, farms which they were able to purchase and to own because of the aid and assistance made possible by acts of Congress in which all of us take great pride. This is not a subsidy to the underprivileged; this is not a gift of Federal funds; it is a sound investment—an investment made upon normal land values and to individuals worthy of the credit of their Government. Even the opponents of the appropriations, which we seek in behalf of the tenant-purchase program, must confess that the program has been properly administered and that the collection record has been exeellent and has far exceeded all expectations.

The effect of the action of our honorable committee in holding out against providing funds for the tenant-purchase program is to completely and utterly destroy the program and to deprive the humble tenant farmers of America of an opportunity to become home owners.

I want to remind the House of the fact that the subcommittee, headed by the distinguished and honorable gentleman from Illinois, first took favorable action upon this particular appropriation and recommended that the sum of $25,000,000 be appropriated for the tenant-purchase program. After the committee had filed its report the committee was advised by press reports that the President had requested the Secretary of Agriculture to call a conference of the officials of private lending agencies for the purpose of discussing inflation in land values. The committee, taking this as its cue, again went into a huddle and struck out the $25,000,000 and attempted to justify its action by the statement that they were attempting to strengthen the President's arm in an effort to control inflation in farm land values. Gov. Ivy Duggan, of the Farm Credit Administration, is directly responsible for all of this. But for the fact that Mr. Duggan suggested to the President that he request the Secretary to call the conference, $25,000,000 would certainly have been provided for the tenant-purchase program. You will perhaps recall that when this matter was before the House some time ago, I placed in the RECORD a letter from the Secretary of Agriculture which clearly indicated that neither the Secretary of Agriculture nor the President intended in any way to reflect upon the tenant-purchase program or to suggest that it should be curtailed below the budget recommendation of $35,000,000. But the damage had been done.

If the conference was of such great importance, it certainly appears that Congress should have been advised concerning the results of the deliberations of those who assembled in Washington for the purpose of discussing the important subject of inflation in land values. Does any Member of this House know anything at all about the conclusions of those who conferred? The conference was called in Washington and I understand was attended by approximately 100 officials of private lending agencies such as insurance companies and banking institutions. While I do not know much about the conference and know absolutely nothing about the conclusions reached, I do know one thing that happened at this great national conference which was considered of such great importance. At the very first meeting of the conference, according to press reports, the officials of private lending agencies who had been invited here to attend the conference took Governor Duggan to task. They knew about his inconsistent position with regard to loans to farmers. They knew that while he was urging private lending agencies to be more cautious in making loans upon farm lands and urging private companies to bear down on farm loans, he was at the same time appearing before the House Committee on Agriculture urging that committee to favorably report legislation which would authorize the Farm Credit Administration to make more liberal loans to farmers at the same time and in the same market. Apparently when the conference became a little too hot for Duggan, he asked that the doors be closed. So far as I know, the doors were closed. The press was directed to leave the conference and to this good day not a Member of this House knows what resulted in the dugout behind the closed doors with Duggan and the conferees. Nothing has appeared in the press, nor have we heard over the radio about the achievements of this great national conference on inflated land values. The sad fact remains, however, that the calling of the conference resulted in the striking out of all appropriations for the farm tenant purchase program. This is not just fiction; it is a fact based upon the printed report filed by the subcommittee.

Even though the conference ended in failure, the effect of it has been devastating to the hopes and ambitions of the thousands of young men who are anxious to purchase and to own a farm home in this country of ours. I am pleading with you Republicans and Democrats alike to save this program. If this subcommittee has its way, the program will be permanently destroyed. Even if we end up with only twelve or fifteen million dollars and earmark every part of it for returning veterans, it will certainly be

better than writing the entire program off the books at this time. My recollection is that in excess of 49,000 veterans back in your district and in mine have applied for loans and are anxious for the aid which this appropriation will make available. I hope, therefore, that the House will recede and concur in the Senate amendment which will assure a continuation of the program which after all is but a modest effort to solve a great problem—the problem of farm tenancy, which has for so long been a curse upon American agriculture. Even if we provided 10 times $20,000,000 for this worthy purpose, I would still say that it is a sound investment—an investment which will pay great dividends in the days to come.

Mr. DIRKSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, this is a very serious proposal. I realize that $20,000,000 would not buy one farm per county in the United States. I realize that over all these years if we are really going to make any progress, we must have more adequate funds in order to solve the problem that is to be solved. In the past we have had probably 10 percent of these loans in one State and 40 percent in three States. The time has come, I think, when we ought to have a better distribution of the loans that are made, and I just hope that we can continue this type of loan until a broader approach to the problem is possible. It is hoped the Committee on Veterans' Affairs will pass legislation like the Cunningham bill with sufficient funds to go ahead and really give the people that fought this war a little piece of America that they are entitled to obtain. I shall vote for this amendment in the hope that much-needed legislation will be passed to implement this meager appropriation.

Mr. DIRKSEN. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, this money is not for a gift; it is not for a subsidy. It is for interest-bearing loans to give to tenant farmers an opportunity to begin to make themselves a part of this Nation and to anchor on a farm. It is not the home owners or the farm owners of this country that bring about the emergencies and cause the trouble. It is the floating population, and every time you can make a man the owner of a home or a farmer the owner of a farm, he is thereby becoming a stockholder in his Government and is a substantial citizen, and with that class of folks we have a minimum amount of trouble. Let us continue to help those who want to help themselves. I think it is sound economy and a good insurance policy for our form of government.

Mr. DIRKSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I take this time in order to make sure that the Members correctly appraise the parliamentary situation. The committee has moved that we insist upon our disagreement to the Senate amendment. A preferential motion has been made to recede and concur, so the vote will come on the preferential motion, and I trust the preferential motion to recede and concur will be voted down.

Now, the question here is not whether there is going to be some money for farm tenant purchase loans or no money, because I think the conferees are pretty well agreed that they are going to get some funds for this. It is just a question of how much. If we take this back to conference I am very confident, of course, that we can contrive a very good solution. But, when the proposition was made to the House conferees and they said, "It is that or nothing," we had no choice except to bring it back. But I am confident if we go back to conference on this matter, I will say to you gentlemen who have belabored this matter there will be some money for farm tenant purchase loans. I do not pretend to say how much it will be, but we are going to be just as decent about it as we can.

I want to take a minute to speak on something I think everybody in this House ought to be interested in. You hear these great generalities here about veterans' loans, and that if you do not provide this money there will be no loans for veterans. This is a quotable figure, and I think you will want it sometime this summer. Here are the figures from the Veterans' Administration itself with respect to the farm loans closed. These figures came up only 2 or 3 days ago. In the fiscal year that ended on the 30th of June 1947, the Veterans' Administration made 24,521 farm loans. How many loans did the Farmers Home Corporation make? They made only 3,700 loans. Let me express it to you in a form so that you can best understand just what that means. The tenant purchase loans in 1946—and this is Mr. Lasseter's testimony before the Senate committee—were 3,657. Then Senator BROOKS said, "Why, Mr. Lasseter, that is an average of about one loan for each county in the United States for 1 year to a veteran." One veteran farm loan in a county in a whole year. That was the program when they had infinitely more money than we were willing to let them have at the present time.

If you want to find out how this thing scores up, take your home county and multiply by seven. In the case of a county of 30,000 people there will be 2,100 veterans. That is a pretty good rule of thumb to find out how many veterans of World War II served from your county. So that would be 2,100 veterans in a county of 30,000 people. Those 2,100 veterans on the average could get one farm loan under the money they had for 1946. There should not be so much generality about this matter. Certainly we are interested in veterans' loans, but we are interested in making certain that we meet this land fever and this speculative boom that is in the air right now. On the 9th of June the Secretary of Agriculture made a statement in a land conference, and the title of his speech was "Land Fever." He showed how deeply in debt they were going, so that if they buy a farm today and put a mortgage on it that mortgage is going to be equal to the 1941 value of the whole farm. Do you think the Federal Government ought to go in with a lot of money or hold it on the conservative side and be reasonably selective until this fever dissipates itself a little bit?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I want the gentleman to know that all of the loans made under the GI bill were prior to the change in the Reconstruction Finance Corporation Act. We have no figures as to whether any loans have been made under the GI bill since the RFC Act was changed.

Mr. DIRKSEN. No, nor did we have any argument that they are not being made in banks, that was made before. There has been no testimony to that point.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Washington.

Mr. HORAN. Did not the President himself warn against the danger of this speculative boom?

Mr. DIRKSEN. That was the purpose in calling a conference.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman know anything at all about the conclusions reached at that conference?

Mr. DIRKSEN. I do know this, I know the conclusions that were reached by the Secretary of Agriculture, under whose direction this program is being administered, and that is the important thing.

Mr. COOLEY. Does not the gentleman know that the Secretary of Agriculture wrote me a letter, which I placed in the RECORD, indicating that he did not desire this program impaired?

Mr. DIRKSEN. I know what the Secretary of Agriculture said in the 10-page speech that is right here on the committee desk. I am willing to stand by that.

I trust that the preferential motion will be voted down.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON] to recede and concur in the Senate amendment.

Mr. CANNON and Mr. COOLEY demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 193, not voting 65, as follows:

[Roll No. 122]

YEAS—172

Abernethy	Bryson	Cox
Albert	Buchanan	Cravens
Allen, La.	Bulwinkle	Crosser
Andrews, Ala.	Burleson	Cunningham
Angell	Byrne, N. Y.	Davis, Ga.
Barden	Camp	Davis, Tenn.
Bates, Ky.	Cannon	Deane
Battle	Carroll	Delaney
Beckworth	Chelf	Domengeaux
Bennett, Mo.	Clark	Donohue
Blatnik	Colmer	Dorn
Bloom	Combs	Doughton
Boykin	Cooley	Douglas
Brehm	Cooper	Drewry
Brooks	Corbett	Durham
Brown, Ga.	Courtney	Eberharter

Elliott	King	Poage
Engle, Calif.	Lane	Poulson
Evins	Lanham	Preston
Fallon	Larcade	Price, Fla.
Feighan	Lea	Price, Ill.
Fernandez	LeCompte	Priest
Fisher	Lemke	Rains
Flannagan	Lesinski	Rankin
Fogarty	Lucas	Rayburn
Folger	Lusk	Redden
Forand	Lyle	Richards
Gary	McCormack	Rizley
Gathings	McMillan, S. C.	Robertson
Gordon	Madden	Rogers, Fla.
Gore	Mahon	Rogers, Mass.
Gorski	Manasco	Rohrbough
Gossett	Mansfield	Rooney
Granger	Marcantonio	Sadowski
Grant, Ala.	Martin, Iowa	Sasscer
Gregory	Meade, Ky.	Schwabe, Mo.
Hagen	Meade, Md.	Sikes
Hand	Miller, Calif.	Smathers
Harless, Ariz.	Mills	Somers
Harris	Monroney	Spence
Harrison	Morgan	Stevenson
Havenner	Morris	Stigler
Hedrick	Morrison	Teague
Hendricks	Muhlenberg	Thomas, Tex.
Hobbs	Mundt	Trimble
Holifield	Murdock	Van Zandt
Huber	Murray, Tenn.	Wheeler
Hull	Murray, Wis.	Whitten
Jackson, Wash.	O'Brien	Whittington
Jarman	O'Konski	Williams
Johnson, Okla.	O'Toole	Wilson, Tex.
Jones, Ala.	Pace	Winstead
Jones, N. C.	Passman	Wolverton
Karsten, Mo.	Peden	Wood
Kefauver	Peterson	Worley
Kennedy	Philbin	Zimmerman
Kerr	Phillips, Tenn.	
Kilday	Pickett	

NAYS—193

Allen, Calif.	Fellows	McMahon
Allen, Ill.	Fenton	McMillen, Ill.
Almond	Fletcher	Mack
Andersen, H Carl	Foote	MacKinnon
	Gamble	Macy
Anderson, Calif.	Gavin	Maloney
Andresen, August H.	Gearhart	Mathews
	Gillette	Merrow
Arends	Gillie	Meyer
Arnold	Goff	Michener
Auchincloss	Goodwin	Miller, Md.
Bakewell	Graham	Miller, Nebr.
Banta	Grant, Ind.	Mitchell
Barrett	Griffiths	Morton
Bates, Mass.	Gross	Nixon
Beall	Gwinn, N. Y.	Nodar
Bender	Hale	O'Hara
Bishop	Hall, Leonard W.	Owens
Blackney		Patterson
Boggs, Del.	Halleck	Phillips, Calif.
Bolton	Harness, Ind.	Ploeser
Bradley	Herter	Plumley
Bramblett	Heselton	Potts
Brophy	Hess	Ramey
Brown, Ohio	Hill	Reed, Ill.
Buck	Hinshaw	Reed, N. Y.
Buffett	Hoeven	Rees
Burke	Hoffman	Reeves
Busbey	Holmes	Riehlman
Butler	Hope	Robsion
Byrnes, Wis.	Horan	Rockwell
Canfield	Jackson, Calif.	Ross
Carson	Jenison	Russell
Case, N. J.	Jenkins, Ohio	Sadlak
Case, S. Dak.	Jenkins, Pa.	St. George
Chadwick	Jennings	Sanborn
Chenoweth	Jensen	Sarbacher
Chiperfield	Johnson, Calif.	Schwabe, Okla.
Church	Johnson, Ill.	Scoblick
Clason	Johnson, Ind.	Scott, Hardie
Clevenger	Jonkman	Scott, Hugh D., Jr.
Clippinger	Judd	
Coffin	Kean	Scrivner
Cole, Kans.	Kearney	Seely-Brown
Cole, N. Y.	Kearns	Shafer
Cotton	Keating	Simpson, Ill.
Coudert	Keefe	Simpson, Pa.
Crawford	Kersten, Wis.	Smith, Kans.
Crow	Kilburn	Smith, Maine
Curtis	Knutson	Smith, Wis.
Dague	Kunkel	Snyder
Davis, Wis.	Landis	Springer
Dawson, Utah	Latham	Stanley
Devitt	LeFevre	Stefan
Dirksen	Lewis	Stockman
Dolliver	Lodge	Taber
Dondero	Love	Talle
Ellis	McConnell	Taylor
Ellsworth	McDonough	Thomas, N. J.
Elsaesser	McDowell	Tibbott
Elston	McGarvey	Tollefson
Engel, Mich.	McGregor	Towe
Twyman	Wadsworth	Wolcott
Vail	Weichel	Woodruff
Vorys	Wigglesworth	Youngblood
Vursell	Wilson, Ind.	

NOT VOTING—65

Andrews, N. Y.	Hardy	Norrell
Bell	Hart	Norton
Bennett, Mich.	Hartley	Patman
Bland	Hays	Pfeifer
Boggs, La.	Hébert	Powell
Bonner	Heffernan	Rabin
Buckley	Howell	Rayfiel
Celler	Javits	Rich
Chapman	Johnson, Tex.	Riley
Clements	Jones, Ohio	Rivers
Cole, Mo.	Jones, Wash.	Sabath
Dawson, Ill.	Kee	Sheppard
D'Ewart	Kelley	Short
Dingell	Keogh	Smith, Ohio
Eaton	Kirwan	Smith, Va.
Fuller	Klein	Stratton
Fulton	Ludlow	Sundstrom
Gallagher	Lynch	Thomason
Gifford	McCowen	Vinson
Gwynne, Iowa	Mason	Walter
Hall, Edwin Arthur	Miller, Conn.	Welch
	Norblad	West

So the motion was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Andrews of New York with Mr. Boggs of Louisiana.
Mr. Fuller with Mr. Bonner.
Mr. Gifford with Mr. Chapman.
Mr. Cole of Missouri with Mrs. Norton.
Mr. Bennett of Michigan with Mr. Hays.
Mr. Eaton with Mr. Riley.
Mr. Fulton with Mr. Clements.
M. D'Ewart with Mr. Dingell.
Mr. Gallagher with Mr. Bell.
Mr. Hartley with Mr. Johnson of Texas.
Mr. Jones of Washington with Mr. Hébert.
Mr. Howell with Mr. Rivers.
Mr. Javits with Mr. Sheppard.
Mr. Mason with Mr. Kee.
Mr. Rich with Mr. Keogh.
Mr. Gwynne of Iowa with Mr. Hart.
Mr. Miller of Connecticut with Mr. Klein.
Mr. Smith of Ohio with Mr. Vinson.
Mr. Edwin Arthur Hall with Mr. Walter.
Mr. Jones of Ohio with Mr. Kirwan.
Mr. Stratton with Mr. Rayfiel.
Mr. Norblad with Mr. Smith of Virginia.
Mr. Welch with Mr. Celler.
Mr. Short with Mr. Rabin.
Mr. Sundstrom with Mr. Buckley.
Mr. McCowen with Mr. Powell.

Mr. BREHM changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. DIRKSEN] that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 54: Page 78, line 8, insert the following:

"SEC. 8. Limitations on amounts to be expended for personal services under appropriations in this act shall not apply to lump-sum leave payments pursuant to the act of December 21, 1944 (Public Law 525)."

Mr. DIRKSEN. Mr. Speaker, this matter is not in controversy. I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DIRKSEN moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and agree to the same with an amendment, as follows: At the end of the matter inserted by said amendment, strike out the period and insert a colon and the following: "*Provided*, That in expending the appropriation herein for 'Inspection and quarantine, Bureau of Animal Industry,' service shall be maintained at all stockyards having such service during the last quarter of the fiscal year 1947."

Mr. DIRKSEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: On page 80, line 11, after "flax", insert the following: ": *Provided further*, That none of the funds herein appropriated shall be used to insure any 1948 or subsequent crop except wheat in not to exceed 633 counties and flax in not to exceed 87 counties, in accordance with section 508 (a) (1) of the Federal Crop Insurance Act, as amended, and five additional crops in 1948 under the provisions of section 508 (a) (2) of said act, as amended, including corn and tobacco in not to exceed 50 counties each and cotton in not to exceed 56 counties, unless otherwise provided by legislation."

Mr. DIRKSEN. Mr. Speaker, this matter is not in controversy, but it had to be brought back, the matter being legislation on an appropriation bill.

Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report Senate amendment No. 1 in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 4, line 4, strike out "$3,186,000" and insert "$3,486,000."

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report Senate amendment No. 17 in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 24, line 4, strike out "$1,059,000" and insert "$1,061,840."

Mr. DIRKSEN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMERICAN DOLLARS FOR EUROPEAN RECONSTRUCTION

Mr. SMITH of Wisconsin. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, we are again in another world crisis.

The events of today are not unlike those of 1939 and 1940 which took us into World War II. To me the pattern is identical. At great sacrifice in men, money, and material the people of this country brought victory on the sea, in the air, and on the land. We had a right to believe that this victory would bring a just and lasting peace and with it a respite from further sacrifice. As always our young men brought us a military victory; as usual the diplomats who sit around the tables to write the peace have failed. We know today, Mr. Speaker, that the men who represented our country at Tehran, Yalta, and Potsdam failed miserably, with the result that the world is in a sorry plight. The London Conference, the Paris Conference, the Moscow Conference all have ended in failure—our diplomats have failed again. And in these failures is the obvious fact that our people must continue to sacrifice in money and property in the cause of world stability.

A few weeks ago Secretary Marshall, in an address at Harvard University, suggested that if the European world was ever to recover a measure of economic self-sufficiency there must be agreement between the countries as to their requirements. Great Britain and France snapped at that suggestion as a muskie grabs a hook in a northern Wisconsin lake. Thus, from Mr. Marshall's statement there bloomed the now historical Marshall plan. Just what it is nobody seems to know but the casual statement was sufficient to provoke a meeting in Paris. What happened there has split the world in two and has precipitated this country into another world crisis. Our people are confused and so is the Congress of the United States. We are presently in the middle of an economic war with Russia, with the shooting war only a few years away unless the so-called Western World can resolve its difficulties with the east. The chips are down; what shall we do?

Mr. Speaker, no individual and no political party has the right to withhold information from the public which involves its life or property. It is evident today that the State Department does not intend, at this time, to disclose all of the facts involved in the Marshall plan. Just this week Secretary Marshall is reported to have told the Governors' Conference at Salt Lake that he could tell "much about certain implications of the international situation if he had been talking off the record and in great confidence."

Mr. Speaker, I submit that this is not Mr. Marshall's business; it is the people's business. How can the people have trust and confidence in him when he chooses to ignore those whom he is presumed to be serving?

Any plan of action that he might propose must be supported by an informed public opinion or it will fail.

The Secretary of State, Mr. Speaker, has a most difficult situation. The problems that confront him are tremendous and he has the support of most people, but there is a danger in the attitude that the average citizen should not be informed of all the facts. Someone has well said that "The people, who must supply the wherewithal for our part of the program, just aren't going to do it unless they know what it's all about." And that is the way it should be, Mr. Speaker, under our form of government. Had the people known what was transpiring at Tehran and Yalta and Potsdam, public opinion would have rejected the agreements concluded at those places. Today public opinion demands that before we embark upon more relief for Europe and the world we, first, appraise our own resources, and, second, survey the needs and resources of the countries that seek our aid.

There is every evidence, Mr. Speaker, that a comprehensive survey is under way. It is encouraging to note that sufficient time will elapse so that the Congress and the people may be fully informed on these two most important phases of the problem.

In some quarters—radio, press, and magazines—it is assumed that the Marshall plan must be approved and implemented at an early date. The argument is being advanced that we cannot back away from supplying dollars to Europe; that there can be no turning back now, that we cannot turn our backs upon England and France since Russia has split Europe in two. In short, the United States of America must underwrite the cost of European reconstruction at a cost of $7,000,000,000 or more for the next 2 years. It is contended that unless we continue to send dollars abroad we shall be confronted with a serious depression on the home front, so we cannot take such a chance. Nobody wants another depression, but we should not yield to such fallacious arguments. This is a threat, pure and simple. It is even repeated in London where a report under date of May 28 warned that unless the United States acts to ease the world dollar shortage Britain and other foreign countries will soon find themselves unable to purchase American goods. The story is told about the burglar who held up the merchant and while frisking him of the day's receipts said: "Don't feel badly about my taking your cash. I shall eventually spend it to buy your merchandise, thus increasing your sales. What I do helps us both." The giving of dollars to Europe for the sole purpose of buying our goods is unsound business and merely prolongs the day of agony for those nations and ourselves. The great need in Europe today is production; Europe must help itself by producing most of the things it needs to maintain a decent standard of living. Britain is running in the red at the rate of $2,000,000,000 a year. That means she is consuming much more than she is producing. When an individual spends more than he earns he is in trouble and unless he quits he is headed for bankruptcy. The same rule applies to nations.

Mr. William Philip Simms, writing from Paris under date of July 16, says, in part:

> Meanwhile, Germany, Europe's greatest reservoir of steel, coal energy, and other requisites for production, is allowed to remain a heavy drain instead of a source of supply. Properly organized, Britain, France, Germany, Belgium, and the Netherlands could make western Europe hum.
>
> Unless these and kindred stupidities are remedied—mostly by Europe herself—any aid from the United States could only bring a respite from the catastrophe which is just around the corner.

And with a note of warning Mr. Simms concludes his article by saying:

> America can relieve this famine (in dollars) temporarily. But if she keeps pouring out money without fundamental change in the situation she herself will be pulled down with those she is trying to save.

Mr. Speaker, if dollars alone would save Europe there would be no crisis. We have been more than generous. Just think, the United States has made grants and pledged loans totaling more than $20,000,000,000 for relief and rehabilitation of foreign nations in the two postwar years. And I believe it is a fair question to ask, For what? That is the question millions of our people are asking too. They are dubious about the Marshall plan and the Truman plan also. They say that we are financing socialism and communism at the expense of private initiative. One writer has well said:

> If each group of Americans, seeing something taken from our common store of goods and services, tries to adjust his own take-home pay, so he gets as much from the diminished pool as he did from the larger one, the Marshall plan will collapse in recrimination and futility. This goes for business, unions, farmers, and all of us.

In short, the dollars and services and supplies must come out of our pockets and that means every worker in this country. It is up to Mr. Marshall to tell the people that such is the fact.

Mr. Speaker, there is a general impression that the western European countries are broke. This is not the fact. The United States News, in its issue of July 11, says that "Europe, as a whole, is far from scraping the bottom of its barrel of dollars." The Vorys committee of the House Committee on Foreign Affairs estimates the dollar resources of Europe to be $18,703,000,000 as of January 1, 1947. Long-term investments in United States enterprises amount to $5,688,000,000. Gold resources are fixed at $5,736,000,000, plus $2,000,000,000 in gold held by Britain. Dollar deposits are fixed at $2,496,000,000 and outstanding dollar credits are $4,783,000,000. Obviously these countries are not broke, but Europeans are not willing, or they may be unable, to marshal these assets to bolster a faltering economy. However, before this country assumes further financial responsibility it must insist upon a complete statement by these nations regarding their apparent unwillingness to spend in their own behalf.

Mr. Speaker, there can be no implementation of the Marshall plan until the western countries submit a full statement of assets and estimated needs, real, not fanciful. And then there must be a pooling of all assets to meet reconstruction demands.

America will meet its responsibility to the rest of the world when it is convinced that those who seek its aid intend to help themselves, to the end that the people in those countries will enjoy the benefits

of a free economy and eventually an increased standard of living. Not one dollar of American money should be used to advance the cause of socialism or communism.

SPECIAL ORDER VACATED

Mr. SMITH of Wisconsin. Mr. Speaker, I had a special order for today; I ask unanimous consent that the same be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. SIKES asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a short radio address.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include some editorial comment.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer.

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD and include an editorial.

SUPPLEMENTAL APPROPRIATION ACT, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4269) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I wish to say it is my hope that we may conclude the bill as quickly as its proper consideration will warrant. I have the assurance of the gentleman from Missouri [Mr. CANNON] that that will be done.

Mr. CANNON. Mr. Speaker, as I understand it, the bill is to be considered in accordance with the agreement reached yesterday.

I may say that we expect to take little time on this side.

Mr. TABER. Mr. Speaker, that is the same course that we expect to follow.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4269, with Mr. BENDER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill carries $1,603,000,000. It is a large amount. Nevertheless, the bill has been very carefully considered in the committee and I hope we will be able to dispose of it without undue delay, if the membership will remain here and give it their attention.

The bill carries some items for the House of Representatives. It carries $400,000,000 for assistance to Greece and Turkey. It carries $332,000,000 for relief assistance to war-devastated territories. It carries no money for relief assistance to those countries which are not allowing the United States to enter and to follow through the relief to be sure that it gets to the people for whom it is intended.

It carries other items in connection with the administration of the Government, including funds for the Labor Relations Board, sugar rationing, rent control, and export control.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COLMER. I did not quite get the gentleman's statement about the bill carrying no money for certain countries.

Mr. TABER. It carries no money to those countries who have indicated that they do not sign the requirement that is required in section 3 of the authorization act relating to the so-called $350,000,000 set-up.

Mr. COLMER. Does that mean that the countries that are under the control and domination of the Soviet Republic would not get any of this money?

Mr. TABER. It means just exactly that.

Mr. COLMER. It does mean that?

Mr. TABER. Yes.

Mr. COLMER. Then, the gentleman's committee has strengthened the authorization bill in that respect?

Mr. TABER. Well, to this extent: We have taken out the money that was intended for those countries.

Mr. COLMER. Of course, the gentleman knows what I have reference to.

Mr. TABER. And we have provided that no money can be paid to any country unless it complies with section 3 of that Authorization Act which requires an agreement which allows our representatives to go into those countries and see that the relief is delivered to the folks whom we intended should receive it. That is the rank and file, and that it is not turned over to some other government to distribute.

Mr. COLMER. I have not had an opportunity to see the bill. If the committee has strengthened the authorization then I think they are to be congratulated.

Mr. TABER. We have.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SADOWSKI. Is the gentleman trying to say that Poland has been eliminated from this bill, that relief for Poland has been cut out?

Mr. TABER. The situation with reference to Poland, and the hearings developed this yesterday afternoon—we did not have time to print them—testimony before the committee by Secretary Anderson showed this. In fact, the Secretary testified to this himself:

> I did have a mission that went to Poland and while there is no report as yet available from that mission and there will not be for some time I think I could say to this group that Poland does not need very much food to prevent starvation.

Mr. SADOWSKI. Who said that?

Mr TABER. Secretary Anderson.

Mr. SADOWSKI. Secretary Anderson was not in Poland; he was in Germany.

Mr. TABER. His mission was in Poland and he has had consultations with the representatives of Poland who came to see him not only in Berlin but in Paris.

Mr. SADOWSKI. They have had the biggest freeze and biggest frost they ever had in their history, which killed most of the winter crops, and now they have just gone through one of the worst droughts in their history—10 weeks of drought—which has killed most of their spring crops.

Mr. TABER. The reports from there indicate that their crops are good and that in the line of agricultural production they are stressing the item of beet sugar and nothing else; that there are an enormous number of pigs and other livestock there available to them.

Mr. SADOWSKI. The gentleman's answer then is that Poland will receive none of these benefits.

Mr. TABER. And they have so far at least refused to sign the agreements that are required to be signed under section 3 of the Relief Act which was passed here in the House of Representatives and which the State Department requires to be signed before relief is furnished.

Mr. SADOWSKI. What the gentleman means to say in all of this is that Poland will receive none of this money or any of this assistance. Is that correct?

Mr. TABER. Unless they turn over a new leaf and show cooperation with the countries that believe in freedom.

Mr. SADOWSKI. Then let the record show at this point, Mr. Speaker, that the gentleman's committee is refusing to give aid to Poland.

Mr. TABER. No; that is not it. Let us say that we are not in line to hand out anything to any group that is Communist controlled.

Mr. SADOWSKI. Does the gentleman say then that they should have a revolution in Poland and throw out the Russians? And what will happen then? Will the gentleman guarantee that the United States Army will go to Poland to chase the Russians out?

Mr. TABER. If we turn things over to Poland, Poland would not get them, the Russians would get them.

Mr. SADOWSKI. That is not true.

Mr. TABER. That is what has happened everywhere with things that have gone to any country which has not been under the absolute control as far a distribution is concerned, of representatives of the United States.

Mr. SADOWSKI. That is not true. Every dollar's worth of goods sent there

under UNRRA, all the aid and assistance that has been given to Poland has gone to the Polish people.

Mr. TABER. Mr. Chairman, I refuse to yield further to the gentleman from Michigan.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BARDEN. The gentleman is not making any exception for Poland. If Poland will not sign up under section 3 and agree that this relief goes where the taxpayers of the United States intended for it to go, then we are not going to send it to Poland; and the same with any other nation.

Mr. TABER. That is correct, and we cannot violate the law; we have not the right to bring anything in under any other basis.

Mr. MAHON. And is it not also true in the case of every other country that if those countries do not sign the agreement and cooperate with the program that the money will not be expended in those countries that might be involved.

Mr. TABER. The same rule applies to every country that is subject to this relief program.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIGGLESWORTH. I think the record should show that the action taken in this respect was taken unanimously by both sides of the committee, by both Republicans and Democrats alike.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not further true that if a nation signs an agreement and does not keep the agreement, then the President is ordered under the basic legislation to discontinue immediately and promptly the assistance program to that country?

Mr. TABER. That is correct, and on top of that and in connection with the program, we have incorporated the full extent of the language in section 3 into this bill requiring that none of the funds shall be paid out unless the representatives of the recipient countries sign the agreements required under section 3.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. LODGE. Is it not also true that the very reason we put these provisions in section 3, and the very fact that Poland refuses to sign such an agreement, shows that Poland does not want to have this relief go to its needy people but wants to use it for communistic purposes? We put those provisions in for the protection of the needy and if they do not want to sign the agreement it shows they do not want the relief.

Mr. TABER. It shows they are under the domination of an overlord.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It should also be pointed out that the bill itself does not place any restriction upon any country by name. It simply emphasizes these restrictions in the authorization bill. If some country which could qualify under the authorization bill for which funds have not been provided, should qualify and should sign the proper agreements, the funds could be used, but it would necessitate their coming under the conditions of the authorization.

Mr. TABER. That is correct. In other words, if the Government of Poland wants its people to have relief and they need relief, they can get it under this bill.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. BREHM. This is a case where we must take the bitter with the sweet, is it not? We must take Greek and Turkey in order to get the other items. I want the record to show I am opposed to the help to Greece and Turkey but I do favor the other provisions of the legislation. Therefore, in order to get that part of the bill which I consider good, I am also compelled to accept that part of which I do not approve.

Mr. TABER. Mr. Chairman, I shall not go into a long dissertation as to why we should go into any of it. I hope the bill may be considered promptly and unless there are some other questions I reserve the balance of my time.

Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

FLOOD CONTROL AND THE FOREIGN-AID PROGRAM

Mr. CASE of South Dakota. Mr. Chairman, I wish to discuss four or five topics rather briefly.

First of all, with reference to statements by the distinguished gentleman from Missouri, two or three of his statements I think he did not intend to be taken exactly literally. Colonel Johnson, who has been head of the ODT, has not been dismissed. He still remains a member of the Interstate Commerce Commission and to the extent that the Interstate Commerce Commission does have powers to deal with the situation Colonel Johnson's experience and ability will be available to the Government.

Second, with respect to the strategic-minerals program, the gentleman in his enthusiasm spoke of cutting the strategic-minerals program in two. As a matter of fact, the program is not cut in two. The budget estimate was for $150,000,000 in cash and $50,000,000 in contract authorizations. The bill as presented provides $100,000,000 in cash plus the $50,000,000 contract authorization. So out of a total procurement recommended by the budget of $200,000,000, the committee has approved $150,000,000, which is not cutting the program in two. Personally, I feel much as the gentleman from Missouri does as to the importance of the strategic-minerals program, but it must be recognized that in bringing out the bill we had to find a point upon which we could get agreement of the committee. The $150,000,000 was the point at which agreement was reached.

There was some justification, I think, for those who urged reduction. Two or three of the items on the purchase list are items in which we have some supply. We have quite a capacity for producing rubber now, so that some Members thought the rubber program was a little overestimated.

SUPPLEMENTAL ESTIMATES ON FLOOD CONTROL

The third thing I wish to mention is a matter on which I should like to have the special attention of the chairman of the committee, the gentleman from New York.

It is known to all Members of the House, of course, that within the past week the President has sent to the Congress a supplementary budget dealing with the floods in the Missouri and Mississippi Valleys.

Several Members of the House have been somewhat bothered about the fact that in this bill we are appropriating huge sums for foreign relief and the reconstruction of countries devasted by war and are doing nothing about the supplemental estimate for flood control.

To be sure, the actual estimates reached the Capitol late yesterday and printed copies have become available only late this afternoon. Obviously there has been no opportunity to consider them.

A number of us have the feeling, however, that the devastation from floods is just as serious to the people afflicted as devastation from war and we hardly wanted the record to be written for this Congress with the passage of this supplemental appropriations bill carrying funds for foreign relief with no consideration given to the supplemental estimates that have come to the Congress for flood control. In fact, I have discussed with some of the Members from Iowa and Nebraska the advisability of offering an amendment to this bill to try to do something about the matter.

We recognize, however, that there has been no opportunity up to this time for the members of the Committee on Appropriations of the House to have any hearings on these estimates. Inquiries to the War Department and the Bureau of Reclamation have developed that some of the desired information was not yet available.

So I have discussed the situation with the chairman of the committee, the gentleman from New York [Mr. TABER], and it is my understanding that the chairman is agreeable to ordering hearings on the supplemental estimates for flood control this coming week with a view to taking action before Congress adjourns.

I would like to yield to him at this time for a confirmation of that understanding.

Mr. TABER. I can say that the message of the President came the day before yesterday, as I remember, and the budget estimate came yesterday. Our bill was marked up and we had no time and no opportunity to do anything from a tentative standpoint in connection with

the budget estimate. I have no desire to delay consideration of anything of that character. There are items in it where there have been no surveys. There are items where there are no plans, and it would manifestly be improper for the Congress to consider such items beyond perhaps providing funds for surveys or plans. It is my intention this coming week that we will try to have hearings on those items. I have some hearings scheduled for the Deficiency Committee for Monday morning on two or three items and the committee has the War Department conference on hand. But just as rapidly as we can get to it, we will proceed with hearings upon the items that are contained in the President's budget.

Mr. STEFAN. Mr. Chairman, will the gentleman yield to me?

Mr. CASE of South Dakota. I yield to the gentleman from Nebraska, who has been much interested in this matter.

Mr. STEFAN. I have studied this proposed amendment with the gentleman from South Dakota [Mr. CASE]. It is the opinion of members of the Nebraska delegation and members from other flood-stricken areas that an amount equal to at least 10 percent of the contemplated expenditure for foreign relief could well be allocated as supplemental appropriations for flood control. In other words, the four items of assistance to Greece of $400,000,000, assistance to war-devastated countries, $332,000,000, IRO, $71,000,000, and occupied countries, $550,000,000, make a total of $1,353,000,000, and 10 percent of that would mean $135,000,000 for flood control exclusively, giving the Army engineers say, $120,000,000 for authorized projects in the Mississippi and Missouri Valleys and to the Reclamation Bureau about $15,000,000. With the chairman's assurance that we will have some hearings on some of these proposals, I feel certain that action will be forthcoming before Congress adjourns. This is a very real problem in Nebraska and without such an assurance I would feel we should attach to this bill the amendment the gentleman from South Dakota has discussed with me and I would like to hear from the chairman of the committee making appropriations for the civil functions of the War Department about this proposal.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan who is the very able chairman of the Appropriations Subcommittee which handles regular appropriations for the civil functions of the War Department.

Mr. ENGEL of Michigan. Mr. Chairman, since the President's message reached me I had an itemized statement as to the projects which were being considered. I asked the War Department to furnish me with a statement giving detailed information on each project.

The information I wanted to give the House was the total cost of these projects which were submitted, when completed; the amount that was contained in the budget; the total amount of the cost of the projects for the entire program, as amended, if amended; the amount it would take to carry that program out this year and the amount that would be required to carry on that program for a period of 6 years; for it would take at least that long to complete it.

There are some 98 projects. The War Department furnished me information for about 70 of them. There are more than 20 projects for which they could not give me the costs. They are sending out to the field and expect to have the costs, such as they are, by Monday forenoon. As soon as I obtain those costs I expect to study them and take the matter up in either the Deficiency Committee or the full committee. But to date we have not been able to get the costs and detailed information.

Mr. CASE of South Dakota. I am sure that on the basis of the statements of the gentleman from New York, chairman of the full Committee on Appropriations, and the statement of the gentleman from Michigan, chairman of the War Department Subcommittee, that we will get some definite action on this matter before Congress adjourns.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CURTIS. Is it not true that the Bureau of Reclamation figured in this flood-control program as submitted by the President?

Mr. CASE of South Dakota. That is true. The gentleman from Nebraska does well to point that out.

Mr. CURTIS. And in these hearings, will that include the Bureau of Reclamation?

Mr. CASE of South Dakota. Their figures and projects are a part of the supplemental estimates, and I am sure that they will be given an opportunity to be heard.

Mr. STEFAN. That was considered, was it not?

Mr. CASE of South Dakota. That was my understanding in the discussion with the chairman—a hearing on the supplemental flood-control estimates. That would include those of the Bureau of Reclamation.

AID PROGRAM MUST SHOW RESULTS

Now, Mr. Chairman, I would like to address myself to the foreign relief part of the pending bill.

During the consideration of this bill by the Subcommittee on Deficiencies, it seemed to me we were inevitably, in our thinking, being driven more and more to realize that if this foreign-aid program is to have a stopping place sometime, it has to produce results. We must reawaken the productive capacity of the countries with whom we are dealing.

After some consultation with other members of the committee, and the clerks, I drew up some language which was along the line of the provisions for sponsor contributions which we had during WPA and PWA programs in this country.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CASE of South Dakota. I want to read to the Committee the language which I suggested as a possible amendment to go in this bill.

At the outset I will say that after consideration of the amendment, the committee decided to put in the bill the language from the Authorization Act on the $350,000,000 program as a means of accomplishing something of this same purpose; and also wrote other comment into the report on the bill. We tried to make it clear that it is the intent that we shall make progress with this foreign-relief program.

TO ENCOURAGE SELF-HELP

This is the language I proposed and this is the type of thing we are coming to as we ask Europe and the countries of other continents to determine what they can do as a part of the rehabilitation program:

No part of the foregoing appropriations for assistance to any foreign country, except contributions to the international children's emergency fund of the United Nations, and reimbursements to the Reconstruction Finance Corporation for funds advanced under the terms of the acts authorizing aid, shall be available for expenditure except where the government of the recipient countries shall have made specific, detailed, and itemized requests for such assistance, including a statement of the necessity for such assistance: *Provided,* That no allocation of aid shall be made to any country until the government of the recipient country has signed an agreement to contribute not less than 40 percent of the cost of the assistance requested by such country: *Provided further,* That such contribution may consist of raw materials, manufactured goods, or other considerations of value to the United States, of which not less than one-quarter shall be in the form of commodities or goods or credits acceptable to United States commercial companies, and that not to exceed three-quarters of such contribution may be supplied by the recipient country through providing water-borne transportation of supplies to such country, and the distribution therein.

Testimony before the Subcommittee on Civil Functions of the War Department brought out the fact that on the first part of the relief program for the occupied countries this year, water-borne transportation was costing 28 cents out of every dollar. Instead of the money going into the procurement of food, 28 cents out of every dollar was going into the transportation of the material. That, everyone agreed, was too much.

The estimates covered in the appropriations before you are, generally speaking, based on a water-borne transportation cost not exceeding one-fifth or 20 percent of the total. But even that seems high and it emphasizes the importance of getting these countries on a basis where they can produce much of their own needs as soon as possible.

Some of us believe that the proposal by former President Hoover that Liberty ships be made available to these countries, letting them man them and come and get their supplies, is a suggestion that ought to worked into this foreign-relief program. It is difficult to do that in an appropriation bill, however, because it calls for legislation; but this limitation I have suggested would, if carried out, make our relief effort go further. It also recognizes the Hoover Liberty ship idea as a possibility.

Before we are called upon to consider additional appropriations for foreign relief, I sincerely hope that legislation along this line can be worked out, not only for the providing of transportation but also by the development of what might be called "sponsors contributions" such as we had in our domestic relief programs a few years back.

For the time being, and for this bill, after consideration of my suggested limitation, the committee wrote into its report the following paragraph which should be carefully noted by all concerned, here and abroad:

It is the most earnest desire of the committee that in administering this account the State Deparment will require the governments of any recipient country to make specific detailed and itemized recommendations for such assistance as the State Department may desire, including a statement of the necessity for such assistance, and that, insofar as it may be done, agreements will be made with the recipients that they shall make contributions to the cost of the assistance provided, such contribution to be in addition to the amounts that this country shall furnish and insofar as it is possible to do so that water-borne transportation of supplies to such countries and the distribution therein be provided to the fullest possible extent by the recipient countries.

I say to you in all seriousness that this program of appropriating money for foreign relief is going to break down and the fears expressed by its friends and the hopes that have been expressed by some of its foes will come to a realization unless we can attach such conditions to these appropriations that they will bring about results so the American people can see that the program is working progressively to the end of rehabilitating these countries and getting them on their feet so they can again be self-sustaining.

TOUCHY SITUATION IN GREECE

And finally, I want to draw the attention of the membership to the serious character of the situation that is developing in Greece and the possible implications of our program there. I hope the Members of Congress will read the dispatches being sent by M. W. Fodor which are appearing in the Washington Post. Mr. Fodor has been a correspondent in the Balkans for a very long time and is widely regarded as an authority on the Balkans and the Near East.

A few days ago, before the regular press reports had mentioned such a thing, I thought through his dispatches, Mr. Fodor was trying to tell America that we should expect to see an effort by large numbers of the Greek people to establish a new government in Greece. One dispatch quoted an editorial which, while from a Communist newspaper, seemed to suggest that such a movement would have some substantial popular support.

The dispatch said, in part:

"American intervention on behalf of the monarcho-Fascist regime on the one hand must be met by the peoples' resistance against such enslavement on the other," the editorial said. "Material separation therefore is essential to fight the Fascists. A new democratic government is the answer."

Mr. Fodor's comment was:

Such a development would probably find a phantom government and cabinet meeting in one village today and in another tomorrow. It would not have large territories to control, but if it were recognized as the legal government by Russia and her satellites, as it undoubtedly would be, the present government would be subject to constant harassment.

No American commission ever undertook a more difficult task than that facing Administrator Griswold.

His dispatch this morning was even more pointed. It said at one point:

There is no question but that persecution of non-Communist Republicans in Greece must stop, or thousands of citizens are going to join the antigovernment bloc in self-defense.

The physical presence of the American administrator is going to help immeasurably in quieting things down. There has been so much uncertainty that it spawned all sorts of rumors that have fallen on fertile ground.

Among the rumors Mr. Fodor mentions was—

the annoying story, widely believed by both left and right, that wholesale arrests in Greece were ordered by the Americans. Arrests in the last 48 hours have been wholesale and have gone far beyond the alleged Communist plotters. Police in Athens are alleged to have informed protesting relatives that the arrests were ordered by the Americans. It is fantastic, but widely believed. Scorching this propaganda will be high on the Griswold agenda.

In order that we may understand the situation in Greece, it is well to remind ourselves that the present government in Greece may not be truly representative of the people nor responsible to their wishes. Leland Stowe, famed war correspondent, in his book, While Time Remains, has said of the Greek elections, March 31, 1946:

The official results, as now known, merely demonstrated that the Greeks were no more "free" to vote their honest preferences behind the Churchill-Leeper-Greek monarchists velvet curtain than Rumanians or Poles may have been behind the Soviets' so-called iron curtain. Although the Populists—otherwise royalists—emerged with more votes from those who did vote, the number of abstentions totaled approximately 50 percent. If the registration lists were not padded with the names of scores of thousands of dead citizens—as the left and some neutral observers had charged for many weeks—this fact proved that EAM supporters would surely have emerged as the strongest party in Greece, had they dared to go to the polls. The only other possible interpretation was equally derogatory to the British-sponsored monarchists and collaborating Greek quislings. Athens' puppet government had proclaimed a total registration of 2,200,000—nearly 500,000 more supposed voters than had voted in 1936—in a country of a population of less than 7,000,000 in which more than 1,000,000 persons died during the war—and in which women were not allowed to vote * * *. As correspondent Ernest O. Hauser (Saturday Evening Post) prophesied, the Greek elections were most thoroughly "prepared." What they have really prepared is another and more bitter story.

Stowe quotes Hauser as saying that he had—

Talked with numerous Greeks who frankly told me they did not dare to show up for registration, for fear of being thrown into jail when they presented themselves. Known royalists, on the other hand, are reliably reported by competent British and American observers here to have obtained more than one polling card, enabling them to cast several votes.

Perhaps that is why in his article in the Post this morning, Mr. Fodor said:

One thing may be said of Dwight P. Griswold, newly arrived American Administrator of American aid in Greece:

The man has courage.

If he was not a very brave man he would never have accepted the job of trying to bring order out of the political and economic chaos that is Greece today.

In closing his article Mr. Fodor said:

It is time for an authoritative American voice to remind Greece of its tradition of patriotism and its belief in justice for all citizens. The present policy of arresting non-Communist Republicans and sending them to dreary island concentration camps cannot continue.

We who believe that this move to help Greece seeks the extension of liberty and the maintenance of liberty must see to it that the program in Greece is not a program of negatives and of support for reactionary ideals for which we have no sympathy.

There can be no hope for our mission to Greece to succeed in helping the people of Greece if we lend our support to suppressing free expression of their own desires. The Government of Greece, if it wants continued aid from the United States, must demonstrate that it is the exponent, if not still the cradle, of democracy.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time in order to give a little information and some encouragement to Members of the House with respect to some testimony that developed yesterday before the committee from the chairman of the National Labor Relations Board, Mr. Paul Herzog. We have provided funds in this bill, as you know, to implement the new National Labor Relations Board; and may I say to the Members of Congress that it appears in the record from the testimony of Mr. Houston, and the testimony of Mr. Herzog, and the testimony of Mr. Reynolds, the present three-man board, that the agreement we have reached as to the appropriation item appearing in this bill is everything that they could ask for to implement the new Taft-Hartley law.

So that the public may understand that the Congress of the United States is providing all the funds necessary to implement the new National Labor Relations Board, and in addition to that we are providing all the funds that are necessary to implement the new National Mediation and Conciliation Service. While Mr. Herzog was before the committee he made this statement in his general presentation, and I think it is rather significant. That is why I am taking this time. He said, referring to another statement which he had made

to the committee holding the hearings on the regular annual appropriation bill:

We indicated that we could not prophesy what the legislation was going to look like—

Referring to the Taft-Hartley bill—

but we thought there was a fair chance that it would increase the Board's burdens rather than decrease them.

That prophecy, I believe, has turned out to be correct.

Now, get this:

I cannot find any Wagner Act functions that have been cut out except the handling of supervisors' cases which represent only about 3 percent of the representation proceedings anyhow. Everything else is on the plus side.

Then I asked this question:

Mr. KEEFE. Let me ask you this: In your general statement you stated in substance, without attempting to repeat it, that an examination of the Taft-Hartley bill discloses that most of the provisions of the existing Wagner Act are still included within the Taft-Hartley bill. All of the protection as to most of the provisions of the Wagner Act are still in the Taft-Hartley bill, are they not?

Mr. HERZOG. On the substantive side, the unfair labor practices against employers under section 8 of the Wagner Act are still in the Taft-Hartley Act as section 8 (a); that is correct. Substantively they are exactly the same.

Mr. KEEFE. So that all cases that might arise under that phase of the Wagner Act are still available under the Taft-Hartley Act?

How different that testimony is from some of the statements that have been made to the public in this country. Here is a statement from the chairman of the National Labor Relations Board in which he says that practically all of their work is representation and complaint cases and as to those cases all of the protection that is afforded by the Wagner Act is to be found in the provisions of the Taft-Hartley bill. He was making that statement in connection with a request for funds and he indicated in his statement that he expected an increase of business due to the fact that the Taft-Hartley bill opened the door to employees to petition the National Labor Relations Board for protection, the same protection they had under the Wagner Act.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman five additional minutes. Will the gentleman yield?

Mr. KEEFE. I yield to the distinguished gentleman from New York.

Mr. TABER. There was testimony that ever since the first of June, about the time that bill was passed, the work load of the Board had declined.

Mr. KEEFE. I may also say, in answer to the distinguished gentleman from New York, that our former colleague, Mr. John Houston, who is a member of the Board, very definitely took the position that he expected that their work was going to drop right off and he used the expression: "We do not believe we are going to have much to do for the next 6 months." "Why?," I asked him. He said that from his contacts with both employers and employees he found an attitude that they intended to work in harmony and to do real collective bargaining across the table, that that spirit would prevail instead of the spirit of antagonism that we have heard about that has been proclaimed so much in the newspapers.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Alabama.

Mr. HOBBS. I want to add to what the gentleman has said so illuminatingly that the legal department of the AFL goes even further, according to the report of Mr. David Lawrence in his column, than Mr. Herzog did. He says that every word of the guarantees of the Wagner Act is in haec verba included in the Taft-Hartley bill and the only changes were with respect to directives or interpretations made by the NLRB.

Mr. KEEFE. I want to say that I believe the new National Labor Relations Board and the new general counsel that has been appointed to administer the largest part of the field work of the Board will do a good job. They have given assurances to the committee, to the Congress, and to the people of the United States that that is their intention. So I think we may view the future with considerable feeling that we have done a good job in the interest of trying to actually solve some problems that ought to be solved, and as the days pass, and as they grow into weeks and months, I think we are going to see that the dire predictions that were made are not going to materialize.

May I say one more word in closing. This is a very important bill. The committee spent weeks hearing testimony on this bill. With regard to the foreign-relief program, the program of international refugee relief set up in this bill, and the so-called Turkish-Greek provision in this bill, in my humble opinion—and I have lived with this thing for weeks, and I have slept with it, and I have prayed over it to try to be able to do the right thing, and we do not have the time now to discuss this in the manner that I would like to discuss it—the step we are taking here this afternoon is a step that will represent a great page in the history of the world. Just what the future will be, God alone knows. No one can tell. Certainly, no one from the State Department could tell us, and I have not been able to reach an adequate determination myself. But I say this, that on all of the evidence that came before the committee I can come to no other conclusion—and I say this somewhat regretfully as to one or two aspects of this thing—than that the position of any sound American today must be and cannot be other than to sustain the position that is now being taken by our Government, which they are trying to implement in the action in Greece and Turkey. If we fail there, all I can say to you is, you predict the alternative. I do not want to be charged with that terrible responsibility.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Minnesota.

Mr. JUDD. As a member of the Committee on Foreign Affairs, may I say it is most gratifying to learn that the members of the gentleman's great committee, when faced with the same hard, difficult, terrible facts that our committee was faced with, came to the same conclusion.

Mr. KEEFE. I just want to say this in all fairness. I hope you will give this committee your confidence. We have looked at this thing from the standpoint of America. I want you to know that when Mr. Lovett gave the story that he gave to this committee—and I was privileged to question him on this situation—I came away refreshed in the knowledge and the thought that we have in the State Department, in General Marshall and in Mr. Lovett as his Under Secretary, two real Americans whom we can trust. The future of our State Department and its relations with foreign governments, in my opinion, is in safe hands.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Connecticut.

Mr. LODGE. I would like to associate myself with the remarks of the gentleman from Minnesota and congratulate the gentleman now addressing us on his statement.

I have been assured by the gentleman from Wisconsin [Mr. KEEFE], that if the Polish Government decides to sign the agreement required under section 3 of the Foreign Relief Act, funds for that purpose will be appropriated. The unwillingness of the Polish Government to sign the agreement required indicates its desire to use United States relief for Communist expansion rather than for the needy. My desire that relief should reach the needy in Poland is equaled only by my determination that this relief should not be used further to crush them under Communist despotism.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

All time has expired.

The Clerk will read the bill for amendment.

Mr. TABER. Mr. Chairman, the reading clerk has had a bad day, with all the roll calls we have had, and I think we should show him some consideration. I ask unanimous consent that the bill be considered as read and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 8, after line 17 insert a new paragraph as follows:

"None of the funds herein appropriated under the headings 'Assistance to Greece and Turkey' and 'Relief Assistance to War Devastated Countries' shall be expended in behalf of any country (including the political subdivisions thereof) which fails to cooperate in support of the principle or plan enunciated by the Secretary of State

on June 5, 1947, and commonly referred to as the Marshall plan."

Mr. TABER. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, all I have to say with reference to this amendment is simply this: The relief plan covers what nations with this $350,000,000? It covers prospectively Italy, Trieste, Hungary, Poland, Greece, and China. The two countries involved in this relief that could get any relief at all which are not cooperating in this program are Hungary and Poland. I will tell you that neither one of them are going to get a dime out of this program unless they cooperate and unless they sign on the dotted line. So this amendment is not necessary. Everyone knows that, and that is in the law today. This amendment is not necessary. But what it does is to place the stamp of approval of this Congress upon a plan called the Marshall plan which is in such a nebulous state that no witness has been able to come before the committee or before the American people and put their finger on it and say what it is. No one will know what the Marshall plan is until the end of the conference which is now being held over there and until some sort of plan is submitted to the United States.

Do not be alarmed, my friends. There will be no relief under these proposed appropriations to any country that is not going to cooperate in the attempt to bring about a peaceful situation in Europe.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I apologize for imposing on the patience of the Members but I could not let this go by without calling attention to certain inconsistencies that still prevail amongst high officials of our Government, including this Congress. I might mention for the RECORD that Poland today has two governments. They have a government which is the true, legitimate Government of Poland, representing the democratic elements of Poland at London which never gave up. That is the Government that furnished 12,000 fliers for the British Royal Force. That is the Government that furnished troops that took Monte Cassino Hill. That is the Government that furnished the underground in Poland throughout this war and furnished 1,000,000 men, women, and children. That is the Government that gave 10,000,000 dead in this war and fought harder and gave more in sacrifice, more than any other people on earth, in their fight and struggle for freedom. That is the true Government of Poland which is still in operation.

The government that exists in Poland today is not the government which was desired by the Polish people. That government was forced on them by the Yalta agreement. That government was forced upon them by the State Department, by the Government of the United States of America.

So that you have this sad tragedy existing in Poland today. You have a government in Poland today which the people of Poland did not want but which was forced upon them by the Governments of the United States of America, Russia, and Great Britain.

So now we are punishing the people of Poland by not doing business with that government which the people of Poland do not want, and which was the one the United States of America had a hand in forcing onto the people of Poland. In other words, we are in this silly predicament, where we are taking it out on the Polish people for having a government which we do not recognize, but which our State Department recognized. I am in favor of denying aid to the present government that exists in Poland. I am in favor of that. I was opposed at all times to giving any aid to that government in the first place. It should never have gotten it, because it never represented the people of Poland. But let us be consistent. Let us quit doing business with that government in Poland and let us recognize that government which represents the true democratic elements of Poland. So let us deny this aid to the quisling government in Poland, but let us go a step further and repudiate that government which does not represent Poland at all, and recognize that government in London which does represent the true character of the Polish people.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. COLMER. I agree with the conclusions which the gentleman reached, but I wonder if it is fair to say that we have forced that government on the Polish people.

Mr. O'KONSKI. Yes. That was forced upon them by a provisional government, which was the agreement arrived at at Yalta, where the United States of America and Great Britain said that a provisional government must be incorporated in Poland, and we were the ones who recognized that government.

Mr. COLMER. But is it not fairer to say that that government was forced on the Polish people by the Soviet Republic?

Mr. O'KONSKI. Well, they had an election after that, and you saw the result of it. You saw the report in Life Magazine by our Ambassador as to the true nature of that election. It was not democratic in any manner, shape, or form; and we still do business with that government.

Mr. COLMER. The fact that we were forced to do business with that government does not make this country responsible for that government having been placed in power. We all know as a matter of fact—I think the gentleman wants to be fair——

Mr. O'KONSKI. I do want to be fair.

Mr. COLMER. We all know as a matter of fact that that government was forced on the people by the Soviet Republic and not by this country.

Mr. O'KONSKI. But the United States of America approved it, and so did Great Britain. So, indirectly, as one of the three parties, we are responsible for Poland having a government which she does not want. There is the situation. So let us be consistent.

I believe in this bill and I am going to vote for it. I believe it should be denied the Communist Government in Poland. They should not have gotten it in the first place. But let us be consistent and quit doing business with that government, and let us recognize the government that is truly representative of the Polish people.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'KONSKI] has expired.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BENDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4629, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION FOR GOVERNMENT CORPORATIONS AND INDEPENDENT EXECUTIVE AGENCIES, FISCAL YEAR 1948

Mr. PLOESER. Mr. Speaker, I call up the bill (H. R. 4268) making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

TITLE I

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1948, namely:

NATIONAL HOUSING AGENCY

Office of the Administrator

Veterans' housing: For an additional amount to enable the National Housing Administrator to carry out the purposes of sections 501, 502, and 503 of title V of the act of October 14, 1940, as amended (42 U. S. C. 1571, 1572, and 1573), $35,500,000, of which not to exceed $700,000 shall be available for administrative expenses, to be available only in accordance with the provisions of section 2 of Public Law 85, Eightieth Congress, approved May 31, 1947: *Provided*, That any operations or services performed under a delegation from the National Housing Administrator, by any agency of the Government in carrying out any of the purposes for which

said funds are appropriated shall be performed under the direction and supervision of said Administrator.

TITLE II

The Reconstruction Finance Corporation and its subsidiaries, as hereinafter specified, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to said corporation and its subsidiaries and in accord with law, and to make such contracts and commitments without regard to fiscal-year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the revision of the budget of the Reconstruction Finance Corporation and its subsidiaries for the fiscal year 1948, except as hereinafter provided:

Not to exceed $38,754,700 (to be computed on an accrual basis) of the funds of the Reconstruction Finance Corporation shall be available during the fiscal year 1948 for its administrative expenses and the administrative expenses of the Federal National Mortgage Association and the U. S. Commercial Company; not to exceed $1,500 for periodicals and newspapers; health service program as authorized by act of August 8, 1946 (Public Law 658); use of the services and facilities of the Federal Reserve banks; and not to exceed $75,000 for deposit in the general fund of the Treasury for cost of penalty mail as required by the act of June 28, 1944: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchases of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States; wages, fees, and other expenses, including cost of contract services, of persons who are exclusively engaged in construction, operation, clearance, maintenance and protection of plants, operating facilities, acquired collateral, and other property in which the Corporation has an interest; the expenses of services performed on a contract or fee basis in connection with termination of contracts or in the performance of legal services; and all expenses reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts of the Corporation shall be made in accordance with its accounting principles and practices: *Provided further*, That none of the funds of the Reconstruction Finance Corporation and the subsidiaries thereof shall be used for the custody, maintenance, or disposal of any surplus property within the continental limits of the United States, its Territories or possessions, except such property as may be owned by and held for disposal by the Reconstruction Finance Corporation or its subsidiaries; but, notwithstanding any other provision of law, the Reconstruction Finance Corporation may waive reimbursement from War Assets Administration for the administrative property transferred prior to July 1, 1946, and for expenses incurred prior thereto in the custody, maintenance, or disposal of any surplus property: *Provided further*, That not part of the funds of the Reconstruction Finance Corporation or of any subsidiary thereof shall be used to make any purchase or for personal services or to enter into any contract for the use or benefit of any other agency of the Government unless such agency shall have authority in law and appropriations available to make reimbursement for such purchase, personal services, or contract: *Provided further*, That none of the funds of the Reconstruction Finance Corporation and its subsidiaries shall be used for the making of any loan to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization if such loan would increase the aggregate amount of such loans outstanding above $125,000,000 (act of July 20, 1946, Public Law 519).

TITLE III

GENERAL PROVISIONS

SEC. 301. The authorities, restrictions, and prohibitions specified under the head "General provisions" in the Government Corporations Appropriations Act, 1948, shall be applicable to this act.

SEC. 302. This act may be cited as "The Supplemental Government Corporations Appropriation Act, 1948."

Mr. PLOESER. Mr. Speaker, this bill includes only two items: First, direct appropriation for housing; and, second, the approval of the administrative expenses of the Reconstruction Finance Corporation.

There appears to be no controversy or disagreement as to either.

The Lanham Housing Act of 1945 authorized the provision of temporary housing at educational institutions and elsewhere for veterans and their families who were suffering hardship because of the housing shortage. What is commonly known as the reuse program or title V program provided that surplus military and other war housing would be converted for this purpose. Local agencies provided the sites and utility mains, and the Federal Government provided funds totaling $438,462,814 for moving and reerecting war housing.

It was estimated that 200,000 dwelling units could be provided. As explained by officials of the National Housing Agency, rising costs caused the estimate to be lowered to 150,000 units. One hundred and thirty-seven thousand units are now completed and 13,000 are incomplete. In spite of the reduction in the number of units to be produced, the funds proved inadequate and a supplemental request was made.

The Banking and Currency Committee considered and recommended legislation authorizing $35,000,000 for this purpose, instead of $50,000,000 as recommended by the President. This subsequently became Public Law 85, approved May 31, 1947. Since this matter was rather thoroughly gone into in the House, I will not labor it again here. Suffice it to say that the subcommittee has recommended in the accompanying bill that the $35,500,000 be appropriated. This will cover only 8,026 of the 13,000 incomplete units. The materials for those to be completed are unloaded at the sites, the sites have been prepared, and contracts between the Housing Agency and local agencies, such as educational institutions are in force.

Were it not for these factors, and the fact that in effect the Congress has promised to provide such housing, the committee would not feel constrained to recommend this appropriation. However, in view of the factors set out, no alternative seemed to be available.

Further details are provided in the report, beginning at page 11.

RECONSTRUCTION FINANCE CORPORATION

Since the legal life of the RFC expired, or was to expire on June 30, of this year, provision for its budget program could not be covered in the regular Government corporations appropriation bill, which passed the House in June. Legislation recommended by the Banking and Currency Committee was approved on June 30, 1947, extending the RFC for 1 year. Since the new powers of the RFC were covered in debate on the floor recently, I will not go into that again here.

The provision in this bill relating to the RFC merely places a limitation on its administrative expenses. The RFC is the only Government agency that has not objected to having the Congress conduct a thorough annual review of its budget, and it has voluntarily requested that all of its expenses be considered as administrative expenses. This surely appears to be unique and commendable action on the part of a Government corporation. The expenses of the RFC in fiscal 1947 were $49,146,000. For 1948 they are limited to $38,754,000, a reduction of $11,000,000. While its lending authority is now curtailed, it still has a large and important job of liquidating wartime programs to carry out in 1948. It is only for this reason that further reductions in its expenses have not been recommended. The subcommittee has concluded that further reductions in its expenses would merely force the continuation of some of these liquidation activities over into 1949, at an increased cost to the taxpayers.

PRESENT STATUS OF SUBSIDIARIES OF THE RFC

Subsidiaries to be continued into 1948:

War Damage Corporation will be terminated on or before June 30, 1948, and probably by December 1947.

U. S. Commercial Company will be terminated on or before June 30, 1948.

Federal National Mortgage Association.

Subsidiaries which have been dissolved or abolished as legal entities except for dissolution and liquidation:

Defense Plants Corporation.
Defense Supplies Corporation.
Metals Reserve Company.
Rubber Reserve Company.
Disaster Loan Corporation.
Rubber Development Corporation.

Petroleum Reserve Corporation subsequently changed to War Assets Corporation, which was abolished when War Assets Administration was established.

The following are continued as offices within the RFC:

Office of Defense Plants, for liquidation of program of Defense Plants Corporation.

Office of Defense Supplies, for liquidation of program of Defense Supplies Corporation.

Office of Metals Reserve, for liquidation of program of Metals Reserve Co., but will continue the operation of the Texas City tin smelter.

Office of Rubber Reserve, for liquidation of program of Rubber Reserve Company, but will continue the operation of synthetic rubber plants and stock piling of natural rubber.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that the members of the Appropriations Committee in particular, and all Members, may have five legislative days within which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentlemen from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. JACKSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an editorial.

Mr. CASE of South Dakota asked and was given permission to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include certain excerpts.

Mr. BRAMBLETT asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and to include therein three editorials from the Los Angeles Times of July 12.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUR OF MEETING MONDAY, JULY 21

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns on tomorrow it adjourn to meet at 10 o'clock a. m. on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 hours.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is very late; the Members have had a very long day; the personnel have had a very long day, and I wish to state to the House that I am not going to take the 3 hours but only a few minutes; I have been told that the Veterans' Committee would be recognized to call up some legislation very early next week. That is the best news one could have and certainly one does not want to speak if an opportunity is coming, especially when the membership is extremely tired.

Mr. CROW. Mr. Speaker, will the gentlewoman from Massachusetts yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CROW. Mr. Speaker, as a member of the Veterans' Affairs Committee in the House of Representatives, I desire to discuss some of the measures that have been before our committee, some of which have been favorably passed on by the committee and are now awaiting favorable action of the Rules Committee or are on the consent calendar.

We have had a large number of bills submitted to the Veterans' Affairs Committee and the subcommittees have been having many hearings on the bills for consideration by the full committee.

Mr. Speaker, I would like to discuss first the resolution presented by the gentleman from Iowa [Mr. TALLE], House Concurrent Resolution 26, a resolution to use the Schick General Hospital, Clinton, Iowa, for care of veterans by the Veterans' Administration. I was appointed chairman of a special subcommittee to inspect the Schick General Hospital to determine the feasibility of recomending the use of the same as a veterans' hospital. I visited the Schick General Hospital area with the other members of my committee, and I found a $12,000,000 installation that had been abandoned, more than a year ago, by the Army, the grounds and buildings of this area being in excellent condition, the walls of semipermanent construction of cement block, lined on outside with brick. The walls of the buildings do not show any signs of weather deterioration or cracks from settling. The roofs were in excellent condition.

Mr. Speaker, I would like to call to the attention of this House that this Army hospital was opened on March 1, 1943, and used until early in 1946, a period of about 3 years and then abandoned by the Army, turned over to the War Assets Administration and left idle for over a year. This installation is good for 30 or 40 years of service.

I would like to call your attention to the recreation facilities that are available for the patients who are well enough to enjoy them. We found all types of athletic courts, tennis, handball, volley ball, baseball, football fields, a gymnasium, and an up-to-date swimming pool, The swimming pool was completed just 2 months prior to the abandonment of the hospital and it is completely equipped for operation.

The hospital is built to house 1,578 patients. However, during the month of August 1945 there were 3,120 patients cared for at this hospital.

The hospital will have to be equipped with the equipment owned and furnished by the Army, they having removed all equipment when the hospital was abandoned. The only equipment now available is the equipment furnished by the contractor when the buildings were constructed, this including air conditioning units for operating rooms, heating equipment, lighting equipment, sinks, toilets, fire equipment, and so forth. This hospital can be operated to house a small number of veterans or a large number as the Veterans' Administration might desire, it being possible to block off any part or parts of the hospital from the heating system or lighting system.

Mr. Speaker, our committee recommends that the Schick General Hospital be used by the Veterans' Administration, even if used on a temporary basis, as a hospital for veterans, if they are able to staff the hospital. If not used as a general hospital, our committee recommends that the installation be used by the Veterans' Administration as a recuperative hospital for long-term patients from all parts of the United States, this being a central location and having such excellent recreation facilities. We further recommend that the War Assets Administration be instructed not to dispose of any additional hospital equipment now located at the Schick General Hospital until a definite decision is made as to the use of this property. If the Veterans' Administration absolutely cannot take over the Schick General Hospital as a veterans hospital, our committee recommends that the Schick General Hospital be turned over to the State of Iowa to be used for any purpose and without restrictions.

Mr. Speaker, I wish to make it clear that we of the commiteee do not feel that we should direct the Veterans' Administration to make use of the Schick General Hospital but in our recommendations we are merely recommending that the hospital be used, if possible, to relieve the load of the 3,200 veterans now awaiting hospitalization in the Iowa area. This resolution will come before the House shortly for your action.

There are several other bills that are meritorious and deserve the consideration of the House. One particularly is the amputee car bill. The Seventy-ninth Congress passed a bill that provided for cars for amputees who had lost a leg, the amputation being above the ankle. This bill left out all of the veterans who lost a part of his foot, or who lost one or both arms, and the sightless. Once we start a bill of this nature I believe that we should see that it does not discriminate against some groups of veterans. I believe that this bill should be given careful consideration by the House.

I also believe that the Kearney bill, H. R. 246, should be considered by the House and the Meade bill, H. R. 3584, should be brought before the House for consideration. The Kearney bill would increase the ceilings on the on-the-job training. The Meade bill would increase the subsistence allowances for the married veterans attending college under the GI bill.

Mr. Speaker, I would like to discuss H. R. 3623, a bill presented by me, and I would like to state that this is the first veterans' bill that would save the Government money. H. R. 3623 would prohibit any veteran who is a Communist from collecting any benefits under any laws supervised and paid by the Veterans' Administration. This bill would require that each veteran file an affidavit with the Veterans' Administration stating that he is, first, not a Communist; second, not in sympathy with the aims of the Communists; and, third, does not owe allegiance to Russia or her satellites. If he cannot make such an affidavit then he is automatically prohibited from collecting his benefits. If he makes the affidavit and it later develops that he made a false affidavit, upon conviction he can be fined $2,500 or sentenced to 1 year in prison, or both. I might add that this does not cover Government insurance benefits, they being a contract and paid for by the veteran, and it does not

cover infant children of deceased veterans who could not make an affidavit, nor does it cover veterans who have been declared mentally incompetent.

Mr. Speaker, the bill H. R. 3623 has been attacked on many sides on the grounds that communism was a form of politics, a political party like the Republican Party and Democratic Party. I do not consider a Communist as a member of any political party, but I consider them as a group believing in a subversive philosophy, having for its objective the overthrow of the entire constitutional structure of these United States. To support my contention, I would like to cite a case tried in the Supreme Court of New York State. In this case the General Duffy Post, No. 1141, American Legion, New York City, expelled Sidney Reiter, a twice decorated veteran on the charge that he was an active Communist. An appeal was taken and it finally was taken to the Supreme Court of New York. Justice Schreiber, in his opinion refusing the injunction against the American Legion, noted that Reiter's contention was that communism is a political belief and that the Legion had contended that communism was not a political belief, but a "subversive philosophy having for its objective the overthrow of the entire constitutional structure." As to this, Justice Schreiber wrote:

> The contention of the plaintiff would seem to be that persons whose purposes are found by the organization to be hostile to the declared purpose of the organization may evade any bars which the organization may interpose to their membership by organizing themselves as a political party. This contention the court cannot accept.

I agree with the justice from New York in stating that the persons who are obnoxious to these United States cannot form themselves as the Communist Party, with its subversive ideals against the form of government under which we have thrived for so many years, and then expect that Communist Party to be considered as a political party to cover up and protect their movements.

Mr. Speaker, this bill was brought about by the visit to these Halls of Congress by the 400 Communist veterans who had the nerve to state to one of the Members of the Congress, that "If there was a conflict between Russia and the United States, we will support Russia." This remark will be found in the CONGRESSIONAL RECORD of May 9, 1947, when the gentleman from Wisconsin, Representative KERSTEN, told this House of the conversation that he had with the Communist veterans in his office; this will be found on page 4927. On the same date Senator EDWARD MARTIN made a talk to the Communist veterans, and he expressed my sentiments very well when he told them as follows:

> Some of you, I believe, were willing to fight under my country's flag solely because Russia was fighting the same enemy. As late as June 21, 1941, your party and its members in this country were denouncing Americans who opposed the Nazis as imperialistic warmongers. At that late date you Communists could find nothing wrong with Adolf Hitler or the things he stood for. I remember well your slogan, "The Yanks are not coming." I suggest that you go there and stay there. If I can help to speed your departure, call on me.

I say "Amen" to each and every word spoken by Senator MARTIN.

Mr. Speaker, I do not believe that our Government owes anything to a veteran who is disloyal to our Government and who has sworn allegiance to Russia. I hope that this bill will pass the House and Senate and perhaps some of our misguided youth will come back to the fold and become good American citizens. I am personally of the opinion that we should be printing pamphlets on the subject of Americanism in action, rather than communism and fascism.

Mr. CASE of South Dakota. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CASE of South Dakota. I wish to congratulate the chairman of the Committee on Veterans' Affairs on the success she has had as indicated by the announcement she just made a few minutes ago.

Mrs. ROGERS of Massachusetts. I thank the gentleman. The committee and the veterans have had success. The leadership has promised that that legislation will come up. I have 3 hours tomorrow night, so I can still make a further effort should it appear that the legislation might not come up.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams; to the Committee on Public Lands.

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.; to the Committee on Public Lands.

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy; to the Committee on Public Lands.

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher; to the Committee on Public Lands.

S. 318. An act authorizing the coinage of 50-cent pieces to commemorate the patriotic services of Patrick Henry and to perpetuate his home as a historic shrine; to the Committee on Banking and Currency.

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear; to the Committee on Public Lands.

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman; to the Committee on Public Lands.

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull; to the Committee on Public Lands.

S. 995. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf; to the Committee on Post Office and Civil Service.

S. 1039. An act for the relief of Ada B. Foss; to the Committee on the Judiciary.

S. 1077. An act to amend section 4450 of the Revised Statutes of the United States, as amended by the act of July 29, 1937, and for other purposes; to the Committee on the Judiciary.

S. 1150. An act authorizing the issuance of a patent in fee to Mrs. Margert Pickett Yellowtail; to the Committee on Public Lands.

S. 1324. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Post Office and Civil Service.

S. 1368. An act to amend section 2455 of the Revised Statutes, as amended, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; to the Committee on Public Lands.

S. J. Res. 136. Joint resolution authorizing the President to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations; to the Committee on Foreign Affairs.

S. J. Res. 144. Joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes; to the Committee on Foreign Affairs.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R. 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundreth anniversary of the admission of Wisconsin into the Union as a State;

H. R. 1203. An act to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1448. An act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902.

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 1882. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2097. An act to declare the ownership of the timber of the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof;

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe;

H. R. 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, with exchange of funds or reimbursement;

H. R. 2331. An act to amend section 20a of the Interstate Commerce Act;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–1935, and for other purposes;

H. R. 2746. An act to provide secretaries for circuit and district judges;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2885. An act authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light;

H. R. 2886. An act authorizing the sale, under supervision, of land of Richard Little Light;

H. R. 2956. An act to amend the Natural Gas Act approved June 21, 1938, as amended;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission;

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy; and

H. R. 3864. An act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 555. An act for the relief of Edna Rita Saffron Fidone;

H. R. 566. An act for the relief of Choctawhatchee Electric Cooperative, Inc.;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 1015. An act for the relief of Fred Pittelli.

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1176. An act for the relief of Mrs. Elizabeth Kempton Bailey;

H. R. 1393. An act for the relief of Donna L. I. Carlisle;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1502. An act for the relief of Herman Trahn;

H. R. 1888. An act to incorporate the AMVETS, American Veterans of World War II;

H. R. 2167. An act to authorize the inclusion with the Angostura unit of the Missouri Basin project of certain lands owned by United States;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie Walts;

H. R. 2314. An act to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates;

H. R. 2573. An act to authorize the Director of the United States Geological Survey to produce and sell certain aerial photographs and mosaics;

H. R. 3053. An act to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway in Ewa, T. H.;

H. R. 3056. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., an easement for public road and utility purposes in Bibb County, Ga.;

H. R. 3149. An act to amend the act approved December 28, 1945, entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces";

H. R. 3170. An act for relief of R. W. Wood;

H. R. 3247. An act to provide basic authority for the performance of certain functions and activities of the Coast and Geodetic Survey, and for other purposes;

H. R. 3252. An act to authorize the Secretary of the Navy to convey to Long Beach an easement for street purposes of certain lands within the Navy housing project at Long Beach, Calif.;

H. R. 3539. An act to authorize the construction of a chapel at the Coast Guard Academy;

H. R. 3744. An act to authorize the construction of a railroad siding in the vicinity of Franklin Street NE, District of Columbia;

H. R. 3958. An act to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; and

H. R. 4011. An act to amend section 1602 of the Federal Unemployment Tax Act.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 48 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Saturday, July 19, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

950. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to prohibit the transportation of obscene literature in interstate or foreign commerce; to the Committee on the Judiciary.

951. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill for the more economical operation of the general supply fund of the Bureau of Federal Supply, Department of the Treasury, and for other purposes; to the Committee on the Judiciary.

952. A letter from the Attorney General transmitting a report reciting the facts and pertinent provisions of law in the cases of 125 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

953. A letter from the Secretary of War transmitting a draft of a proposed bill to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 4269. A bill making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 990). Referred to the Committee of the Whole House on the State of the Union.

Mr. PLOESER: Committee on Appropriations. H. R. 4268. A bill making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 991). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. H. R. 1186. A bill to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes; with amendments (Rept. No. 992). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGBLOOD: Committee on Post Office and Civil Service. H. R. 1189. A bill to establish the methods of advancement for post-office employees (rural carriers) in the field service; without amendment (Rept. No. 993). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIZLEY: Committee on Expenditures in the Executive Departments. House Concurrent Resolution 57. Concurrent resolution regarding disposal of Torney Hospital property in Palm Springs, Riverside County, Calif.; with an amendment (Rept. No. 994). Referred to the House Calendar.

Mr. KNUTSON: Committee on Ways and Means. H. R. 2029. A bill to provide for the free importation of synthetic-rubber scrap; without amendment (Rept. No. 995). Referred to the Committee on the Whole House on the State of the Union.

Mr. EATON: Committee on Foreign Affairs. H. R. 3836. A bill to contribute to the effective maintenance of international peace and security pursuant to the objectives and principles of the United Nations, to provide for military cooperation of the American states in the light of their international undertakings, and for other purposes; with amendments (Rept. No. 996). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Concurrent Resolution 104. Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing; without amendment (Rept. No. 997). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 296. Resolution to create a Select Committee on Foreign Aid; with an amendment (Rept. No. 998). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 295. Resolution authorizing the Committee on Foreign Affairs to conduct studies and investigations of all matters coming within the jurisdiction of that committee and providing for participation by members of other standing committees of the House of Representatives; without amendment (Rept. No. 999). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 314. Resolution providing for the consideration of H. R. 3465, a bill to amend the Federal Crop Insurance Act; without amendment (Rept. No. 1000). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 315. Resolution providing for the consideration of S. 1498, an act to provide support for wool, and for other purposes; without amendment (Rept. No. 1001). Referred to the House Calendar.

Mr. DOLLIVER: Committee on Interstate and Foreign Commerce. H. R. 3924. A bill to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes; with amendments (Rept. No. 1002). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 4257. A bill to provide for an extension of time for claiming credit or refund with respect to war losses; without amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANDIS: Committee on Education and Labor. House Joint Resolution 244. Joint resolution relating to safety in bituminous coal and lignite mines of the United States; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PLOESER:

H. R. 4268. A bill making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. TABER:

H. R. 4269. A bill making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. SMITH of Virginia:

H. R. 4270. A bill to amend the Classification Act of 1923 to authorize Federal departments and agencies to remedy certain inequities which have arisen with respect to within-grade promotions under such act; to the Committee on Post Office and Civil Service.

By Mr. SUNDSTROM:

H. R. 4271. A bill to amend the Surplus Property Act of 1944 to provide that veterans shall be given first priority for the acquisition of surplus real property for residential purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. WELCH:

H. R. 4272. A bill to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 4273. A bill providing equal pay for equal work for women, and for other purposes; to the Committee on Education and Labor.

By Mr. GRANT of Indiana:

H. R. 4274. A bill to amend section 3403 of the Internal Revenue Code; to the Committee on Ways and Means.

Mr. ALLEN of California:

H. R. 4275. A bill to provide for the sale of the Oakland regional hospital at Oakland, Calif., and for erection of a new veterans' hospital at Oakland; to the Committee on Veterans' Affairs.

By Mr. CHADWICK:

H. R. 4276. A bill to provide for the release of the reversionary interest of the United States in certain property conveyed by it to the city of Chester, Pa.; to the Committee on Public Works.

By Mr. SUNDSTROM:

H. R. 4277. A bill to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes; to the Committee on Armed Services.

By Mr. TOWE:

H. R. 4278. A bill to enact the National Security Training Act of 1947; to the Committee on Armed Services.

By Mr. CAMP:

H. R. 4279. A bill to amend section 23 (q) of the Internal Revenue Code, relating to charitable contributions by corporations; to the Committee on Ways and Means.

By Mr. ENGLE of California:

H. R. 4280. A bill for the relief of Nevada County, Calif.; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 4281. A bill to authorize the Reconstruction Finance Corporation to make loans to States, municipalities, and other political subdivisions of States for the construction of devices to protect the shores of publicly owned property, and for other purposes; to the Committee on Banking and Currency.

By Mr. BRADLEY:

H. J. Res. 245. Joint resolution amending Public Law 27, Eightieth Congress; to the Committee on Merchant Marine and Fisheries.

By Mr. ROSS:

H. Con. Res. 105. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mr. SEELY-BROWN:

H. Con. Res. 106. Concurrent resolution establishing a joint subcommittee of the Joint Committee on the Economic Report to investigate high prices of consumer goods; to the Committee on Rules.

By Mr. HAND:

H. Res. 316. Resolution amending the rules of the House of Representatives to change the name of the Committee on Merchant Marine and Fisheries to Committee on Maritime Affairs; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORN:

H. R. 4282. A bill for the relief of Paul J. Quattlebaum; to the Committee on the Judiciary.

By Mr. FERNANDEZ:

H. R. 4283. A bill for the relief of Jose Maria Gerardo de Amusategui and Ramon de Amusategui; to the Committee on the Judiciary.

H. R. 4284. A bill conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Adolphus M. Holman; to the Committee on the Judiciary.

By Mr. LYLE:

H. R. 4285. A bill for the relief of George H. Allen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

753. By Mr. SMITH of Wisconsin: Resolution by Local 352, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), Racine, Wis., urging passage of the Wagner-Ellender-Taft housing bill; to the Committee on Banking and Currency.

754. By the SPEAKER: Petition of the Council of the city of Portland, Oreg., petitioning consideration of their resolution with reference to protesting passage of Senate bill 1459; to the Committee on Banking and Currency.

755. Also, petition of Mrs. S. L. Apgar, Clearwater, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

756. Also, petition of Mr. E. L. Shaffner, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

757. Also, petition of the National Council of Catholic Men, petitioning consideration of their resolution with reference to request for investigation of conditions in Yugoslavia; to the Committee on Foreign Affairs.

758. Also, petition of Boston City Council, petitioning consideration of their resolution with reference to endorsement of House Joint Resolution 142 and Senate bill 1361; to the Committee on Banking and Currency.

SENATE

SATURDAY, JULY 19, 1947

(Legislative day of Wednesday, July 16, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

We come this morning, our Father, to pray for those who are entrusted with the responsibility of making the laws for our land. Give them wisdom to know what is best for our Nation and for the world. Give them strength to bear up under the tremendous demands that are made upon their time and energies. Give them courage to stand for the right even when it is unpopular. Above all, give them faith to know that "except the Lord build the house, they labor in vain that build it; except the Lord keep the city, the watchman waketh but in vain." Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 18, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling

clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HORAN, Mr. STEFAN, Mr. CHURCH, Mr. STOCKMAN, Mr. ANDREWS of Alabama, Mr. BATES of Kentucky, and Mr. FOGARTY were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948 and for other purposes; that the House had receded from its disagreement to the amendment of the Senate numbered 57 to the bill and concurred therein; that the House receded from its disagreement to the amendment of the Senate numbered 42 to the bill and concurred therein with amendments in which it requested the concurrence of the Senate; that the House receded from its disagreement to the amendment of the Senate numbered 54 to the bill and concurred therein with an amendment in which it requested the concurrence of the Senate; and that the House insisted upon its disagreement to the amendments of the Senate numbered 1, 17, 18, 19, 43, 50, and 59 to the bill.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 958. An act to amend section 2402 (a) of the Internal Revenue Code;

H. R. 4043. An act to change the order of priority for payment out of the German special deposit account, and for other purposes;

H. R. 4268. An act making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 4269. An act making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

Mr. WHERRY. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary may conduct a hearing this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS

The PRESIDENT pro tempore laid before the Senate the following communications, which were referred as indicated:

CLAIMS FOR DAMAGES TO ROADS AND HIGHWAYS (S. Doc. No. 88)

A communication from the President of the United States, transmitting an estimate of appropriation to pay claims for damages to roads and highways of States or their subdivision amounting to $99,405.84 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. Doc. No. 90)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture amounting to $200,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, VETERANS' ADMINISTRATION (S. Doc. No. 91)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Veterans' Administration amounting to $5,000,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH, ARCHITECT OF THE CAPITOL (S. Doc. No. 89)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative branch, Architect of the Capitol, amounting to $84,000, fiscal year 1948 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, INSTITUTE OF INTER-AMERICAN AFFAIRS AND INTER-AMERICAN EDUCATIONAL FOUNDATION, INC. (S. Doc. No. 92)

A communication from the President of the United States, transmitting supplemental estimates of the administrative limitations in the amounts of $116,000 for the Institute of Inter-American Affairs and $16,000 for the Inter-American Educational Foundation, Inc., to enable the two corporations to comply with section 306, Government Corporations Appropriations Act, 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PETITION AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate a petition and a memorial, which were referred as indicated:

A letter in the nature of a petition from Allen M. Shinn, commander, United States Navy, Commander Carrier Air Groups, Hampton Roads, Va., praying for the enactment of legislation to provide for the unification of the Nation's air power (with an accompanying paper); to the Committee on Armed Services.

A resolution adopted by the Council of the City of Portland, Oreg., protesting against the enactment of Senate bill 1459, to provide for the expeditious disposition of certain housing, and for other purposes; to the Committee on Banking and Currency.

ST. LAWRENCE WATERWAY PROJECT

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD a telegram from the American Farm Bureau Federation indicating their support of the St. Lawrence waterway.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 17, 1947.*

Hon. ARTHUR CAPPER,
Senate Office Building:

American Farm Bureau Federation has consistently supported and advocated construction St. Lawrence waterway since 1920, during which time national organization has adopted 15 annual resolutions favoring construction of waterway. On question of tolls our board of directors, at last meeting, voted to support Senate joint resolution 111 providing for tolls within the ceiling, with definite assurance that bulk tonnage toll, including agricultural products, would not exceed 40 percent maximum toll. Respectfully urge your support of such legislation, which we believe would greatly benefit agriculture in reduced transportation cost and be of great value to Nation as a whole.

W. R. OGG,
Director, Washington Office.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 551. A bill for the relief of the Tivoli Brewing Co.; without amendment (Rept. No. 617);

H. R. 405. A bill for the relief of Thomas M. Farley, Mrs. Susie Farley, Mrs. Helen Moss, the legal guardian of Donna Louise Farley, and the legal guardian of Melvin Moss; without amendment (Rept. No. 618);

H. R. 406. A bill for the relief of Walter R. and Kathryn Marshall; without amendment (Rept. No. 624);

H. R. 704. A bill for the relief of Mrs. Mary Jane Sherman and W. D. Sherman; without amendment (Rept. No. 619);

H. R. 914. A bill for the relief of George Corenevsky; without amendment (Rept. No. 620);

H. R. 1492. A bill for the relief of P. L. (Spud) Murphey, owner and manager of Spud's Tailors, Laundry & Dry Cleaning Works; without amendment (Rept. No. 621);

H. R. 2507. A bill for the relief of the firm of Barrett & Hilp; without amendment (Rept. No. 622); and

H. R. 2550. A bill for the relief of Mack Gene Odom, a minor; without amendment (Rept. No. 623).

By Mr. O'CONOR, from the Committee on Civil Service:

S. 1494. A bill to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387); without amendment (Rept. No. 631); and

S. 1644. A bill to amend the Veterans' Preference Act of 1944 so as to permit rescission of prior agency action in complying with recommendations of the Civil Service Commission pursuant to appeals taken by preference employees; without amendment (Rept. No. 632).

By Mr. WILSON, from the Committee on Armed Services:

S. 1633. A bill to authorize the attendance of the Marine Band at the National Convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; without amendment (Rept. No. 627).

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 1174. A bill to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes; without amendment (Rept. No. 625).

By Mr. BALDWIN, from the Committee on Armed Services:

S. 1198. A bill to authorize leases of real or personal property by the War and Navy Departments, and for other purposes; with amendments (Rept. No. 626).

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 3051. A bill to amend the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a), and to amend section 2 and to repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934 (48 Stat. 503; 34 U. S. C. 495), as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes; with an amendment (Rept. No. 630).

CONSTRUCTION OF CERTAIN PUBLIC WORKS

Mr. GURNEY. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and I submit a report (No. 628) thereon. I request that the bill be placed on the calendar.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

There being no objection, the bill (S. 1675) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, was received, read twice by its title, and ordered to be placed on the calendar.

CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill to authorize the Secretary of War to proceed with construction at military installations, and for other purposes, and I submit a report (No. 629) thereon. I request that the bill be placed on the calendar.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

There being no objection, the bill (S. 1676) to authorize the Secretary of War to proceed with construction at military installations, and for other purposes, was received, read twice by its title, and ordered to be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 1669. A bill for the relief of Mrs. Akiko Tsukado Miller;

S. 1670. A bill for the relief of Vartan Chamsarian;

S. 1671. A bill for the relief of Yeichi Nimura (Tomizo Miki); and

S. 1672. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1673. A bill to authorize the promotion of James Y. Parker, Army serial No. 020712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; to the Committee on Armed Services.

By Mr. WILEY:

S. 1674. A bill for the relief of Roman Toporow; to the Committee on the Judiciary.

(Mr. GURNEY, from the Committee on Armed Services, reported an original bill (S. 1675) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. TYDINGS, from the Committee on Armed Services, reported an original bill (S. 1676) to authorize the Secretary of War to proceed with construction at military installations, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

INVESTIGATION OF HOUSING IN THE DISTRICT OF COLUMBIA

Mr. CAIN (for himself, Mr. O'MAHONEY, and Mr. DWORSHAK) submitted the following resolution (S. Res. 154), which was referred to the Committee on the District of Columbia:

Resolved, That the Senate Committee on the District of Columbia, or any duly authorized subcommittee thereof, is authorized and directed to conduct a thorough study and investigation of housing in the District of Columbia, including (but without limitation) the extent to which existing building restrictions and regulations, and other public or private restrictions, contribute to the shortage and excessive cost of housing in the District. Such members of the District of Columbia Subcommittee of the Senate Committee on Appropriations as may be appointed by the chairman of such committee shall, for the purposes of such study and investigation, be ex officio members of the Senate Committee on the District of Columbia, or any subcommittee thereof appointed to carry out the provisions of this resolution.

SEC. 2. For the purposes of this resolution, the committee or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eightieth Congress until its final report is submitted to the Senate, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 3. The committee shall make its final report to the Senate not later than the commencement of the second regular session of the Eightieth Congress, containing the results of its study and investigation, together with such recommendations as to necessary legislation as it may deem advisable.

CHARLES HOWARD RICHARDS—AMENDMENT

Mr. MORSE submitted an amendment intended to be proposed by him to the bill (S. 939) for the relief of Charles Howard Richards, which was referred to the Committee on the Judiciary, and ordered to be printed.

INVESTIGATION OF IMMIGRATION SYSTEM—AMENDMENT

Mr. FERGUSON (for himself and Mr. BALL) submitted an amendment intended to be proposed by them, jointly, to the resolution (S. Res. 137) to make an investigation of the immigration system, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 958. An act to amend section 2402 (a) of the Internal Revenue Code; and

H. R. 4043. An act to change the order of priority for payment out of the German special deposit account, and for other purposes; to the Committee on Finance.

H. R. 4268. An act making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; and

H. R. 4269. An act making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

CANNED VEGETABLE PRODUCTION AND STOCKS AS THEY AFFECT MARYLAND VEGETABLE GROWERS

Mr. O'CONOR. Mr. President, because of its vital importance not only to Maryland's large canning industry, but to the State's agriculture as well, I request unanimous consent to have inserted in the body of the RECORD a statement on the current canned goods surplus. It is urgently suggested that this surplus of most desirable foodstuffs could be used to relieve the acute shortage in the devastated countries abroad.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. HERBERT R. O'CONOR, SENATOR FROM MARYLAND

THE SITUATION IN CANNED VEGETABLE PRODUCTION AND STOCKS AS IT AFFECTS MARYLAND VEGETABLE GROWERS

Maryland vegetable growers will take some heavy losses this summer for lack of adequate market outlets unless some solution is found for the present distressed market situation for many canned vegetable items. The grower is on the end of the line, and it is he, not the packer or distributor, that takes it on the chin when the market for the finished product becomes stagnant and overloaded.

A striking demonstration of this fact is presented by the recent market situation for snap beans on the Baltimore market. On Monday of last week wholesale prices ranged from $1.15 to $3 per bushel. The market broke sharply on the following day to prices as low as 50 cents a bushel. The top price was $1.25 a bushel, a drop of $1.75 a bushel, or 60 percent from the preceding day. Wednesday's market showed further weakening with canners paying from 50 cents to $1 per bushel. These low prices still prevail.

When it is considered that the cost of picking and of the hamper together amounts to from 70 to 80 cents per bushel, it can be readily understood that the grower's position is a serious one. As a result, some growers are plowing under their crops.

Now why are these prices so low? Excess production is not the answer. Both acreage and production are down substantially from 1946. The reduction was made in response to recommendation of the United States Department of Agriculture. The answer is that canners and distributors are jittery about the canned bean market in 1947–48. In light of market facts, they are amply justified. As of June 1, 1947, combined wholesale and packer stocks of canned snap beans totaled about 6,000,000 cases, (24/2), or 2,500,000 cases (71 percent) higher than on the same date in 1946. With these stocks hanging over the market, canners are not willing to pack unless they can get their raw material costs down to what they consider a safe

basis. Maryland canners pack from 3,500,000 to 4,000,000 cases of snap beans each year (nearly one-fourth of the national pack) and they represent an important factor in establishing the level of prices received by Maryland bean growers.

Maryland tomato growers are likely to have the same market experience now facing the bean grower. Here again the market is overloaded with stocks from the 1946 pack. As of June 1, 1947, canned tomatoes in wholesaler and packer hands amounted to roughly 4,500,000 cases, (24/2), as against less than 1,000,000 cases a year ago. Tomato juice stocks were out of all proportion to trade needs. Some 12,000,000 cases were on hand June 1 of this year compared with only 3,000,000 cases the same date last year. On the basis of April-May 1947, shipments by wholesalers and packers, the stocks on hand June 1, 1947, represented nearly a 9-month supply. Stocks of most other tomato products such as pulp and puree and sauces are likewise far in excess of trade requirements.

Canners will certainly meet this situation by drastically reducing their raw material costs, that is, prices to growers. Indications are that very few Maryland canners contracted for tomatoes in 1947. This, together with the probability that marketings will be bunched within a relatively short period, sets the stage for a demoralized market in canning tomatoes. Production is expected to be up considerably from last season on account of better yields per acre. The intended acreage for canning this year is only 42,800 acres, which is slightly below the acreage last year. Late blight cut last year's crop to a very low figure.

Maryland growers are in no position to accept the low prices being paid and that seem to be threatened for their 1947 processing crops. Rising costs will put them in a serious squeeze. According to the Bureau of Agricultural Economics, prices paid by farmers, including interest and taxes, jumped 23 percent from June 1946, to June 1947—and the end of the rise is not in sight. Wages of farm labor are at an all-time record and have increased about 10 percent over 1946 levels. This is of special significance to truck crop growers since so high a proportion of total production and marketing costs are represented by labor costs.

Our growers are very much alarmed over the current season's price prospects and strongly urge that some of the excessive stocks of canned vegetables be used to supplement the foods being shipped abroad to meet the European food crisis. It seems to them that in view of the tremendous demands being made on our food resources to meet foreign relief commitments, that far greater consideration should be given to foods that are in relative abundance. By lifting some of the present excessive canned vegetable stock for shipment abroad, the Government would restore confidence in the canned vegetable market and help to stabilize grower prices for raw stock.

The prices received for canning crops has a direct and important bearing on the economy of many farms in Maryland. Nearly 15,000 of Maryland's 41,000 farms produce vegetables for sale to an annual value of approximately $15,000,000.

REDUCTION OF PUBLICATION OF UNNECESSARY OPINIONS—TREATISE BY FRANCIS P. WHITEHAIR

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a treatise entitled "Some Suggestions for the Elimination or Reduction of Publication of Unnecessary Opinions," delivered by Mr. Francis P. Whitehair, of the Florida bar, before the Fifth Circuit Judicial Conference held in New Orleans on May 23, 1947, which appears in the Appendix.]

FOREST SERVICE DIVISION OF WILDLIFE MANAGEMENT

[Mr. ROBERTSON of Virginia asked unanimous consent to have printed in the RECORD a July 17, 1947, issue of Outdoor News, a bulletin dealing with wildlife and other subjects, published by the Wild Life Management Institute, which appears in the Appendix.]

NECESSITY FOR AN ADEQUATE AIR FORCE—EDITORIAL FROM THE BOSTON GLOBE

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "First Line," from the Boston Globe, dealing with the necessity for having an adequate air force, which appears in the Appendix.]

THE NATIONAL HEALTH INSURANCE AND PUBLIC HEALTH ACT—STATEMENT BY SENATOR TAYLOR

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement made by him before the Subcommittee on Health of the Senate Committee on Labor and Public Welfare, relative to Senate bill 1320, the National Health Insurance and Public Health Act of 1947, which appears in the Appendix.]

ARE PUBLIC OPINION POLLS FAIR TO ORGANIZED LABOR?—REVIEW OF ARTICLE BY ARTHUR KORNHAUSER

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a review of an article entitled "Are Public Opinion Polls Fair to Organized Labor?" by Arthur Kornhauser, published in the magazine Public Opinion Quarterly, which appears in the Appendix.]

LIQUOR ADVERTISEMENTS—ARTICLE FROM THE WASHINGTON POST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an article entitled "NCPT Hits Liquor Ads," published in the Washington Post of July 6, 1947, which appears in the Appendix.]

FALSE ECONOMY—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "False Economy," published in the July 14, 1947, issue of the Commercial Appeal, Memphis, Tenn., which appears in the Appendix.]

THE WOOL TARIFF—LETTER BY ARTHUR BESSE

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a letter relative to the wool tariff, written by Arthur Besse, president of the National Association of Wool Manufacturers, which appears in the Appendix.]

LABOR'S STAKE IN A COLUMBIA VALLEY AUTHORITY—ADDRESS BY HON. HUGH B. MITCHELL

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address entitled "Labor's Stake in a Columbia Valley Authority," delivered by Hon. Hugh B. Mitchell before the annual convention of the Washington State Federation of Labor, at Seattle, Wash., on July 14, 1947, which appears in the Appendix.]

REFUND OF TAXES ILLEGALLY PAID BY INDIAN CITIZENS

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BUTLER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WATKINS, Mr. ECTON, and Mr. HATCH conferees on the part of the Senate.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUDS IN MISSOURI—MOTION TO DISCHARGE

The PRESIDENT pro tempore. The question before the Senate is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] to proceed to the consideration of Senate Resolution 150, to discharge the Committee on the Judiciary from further consideration of Senate Resolution 116, to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Overton
Brewster	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Butler	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capehart	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK] and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Ohio [Mr. BRICKER] and the Senator from South Dakota [Mr. BUSHFIELD] are absent on official business.

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. McGRATH] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

PROTOCOL CONCERNING THE INTERNATIONAL OFFICE OF PUBLIC HEALTH

The PRESIDENT pro tempore. The Chair lays the following request before the Senate: Yesterday the Senate Foreign Relations Committee reported Executive D, a protocol, the sole effect of which is to provide for the termination of the Rome Agreement of 1907 establishing the International Office of Public Health at Paris. The termination of the office is essential because it was a branch of the old League of Nations, and this is the preliminary step to the absorption of the office by the World Health Organization under the United Nations. The sole effect of the protocol is to terminate the old organization. Is there objection to temporarily laying aside the unfinished business and proceeding to the consideration of the protocol, as in executive session? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive D (80th Cong. 1st sess.), a protocol concerning the International Office of Public Health, signed at New York on July 22, 1946, which was read the second time, as follows:

PROTOCOL CONCERNING THE OFFICE INTERNATIONAL D'HYGIENE PUBLIQUE

ARTICLE 1

The Governments signatories to this protocol agree that, as between themselves, the duties and functions of the Office International d'Hygiène Publique as defined in the Agreement signed at Rome on 9 December 1907, shall be performed by the World Health Organization or its Interim Commission and that, subject to existing international obligations, they will take the necessary steps to accomplish this purpose.

ARTICLE 2

The parties to this protocol further agree that, as between themselves, from the date when this protocol comes into force, the duties and functions conferred upon the Office by the International Agreements listed in Annex 1 shall be performed by the Organization or its Interim Commission.

ARTICLE 3

The Agreement of 1907 shall be terminated and the Office dissolved when all parties to the Agreement have agreed to its termination. It shall be understood that any Government party to the Agreement of 1907, has agreed, by becoming party to this protocol, to the termination of the Agreement of 1907.

ARTICLE 4

The parties to this protocol further agree that, if all the parties to the Agreement of 1907 have not agreed to its termination by 15 November 1949, they will then, in accordance with Article 8 thereof, denounce the Agreement of 1907.

ARTICLE 5

Any Government party to the Agreement of 1907 which is not a signatory to this protocol may at any time accept this protocol by sending an instrument of acceptance to the Secretary-General of the United Nations, who will inform all signatory and other Governments which have accepted this protocol of such accession.

ARTICLE 6

Governments may become parties to this protocol by:

(a) signature without reservation as to approval;

(b) signature subject to approval followed by acceptance; or

(c) acceptance.

Acceptance shall be effected by the deposit of a formal instrument with the Secretary-General of the United Nations.

ARTICLE 7

This protocol shall come into force when twenty Governments parties to the Agreement of 1907 have become parties to this protocol.

In faith whereof the duly authorized representatives of their respective Governments have signed the present protocol, which is drawn up in the English and French languages, both texts being equally authentic, in a single original which shall be deposited with the Secretary-General of the United Nations. Authentic copies shall be furnished by the Secretary-General of the United Nations to each of the signatory and accepting Governments and to any other Government which, at the time this protocol is signed, is a party to the Agreement of 1907. The Secretary-General will as soon as possible notify each of the parties to this protocol when it comes into force.

Done in the City of New York this twenty-second day of July 1946.

ANNEX 1

1. International Sanitary Convention of 21 June 1926.

2. Convention Modifying the International Sanitary Convention of 21 June 1926, signed 31 October 1938.

3. International Sanitary Convention, 1944, Modifying the International Sanitary Convention of 21 June 1926.

4. Protocol to Prolong the International Sanitary Convention, 1944 (opened for signature 23 April 1946; in force, 30 April 1946).

5. International Sanitary Convention for Aerial Navigation of 12 April 1933.

6. International Sanitary Convention for Aerial Navigation, 1944, Modifying the International Sanitary Convention for Aerial Navigation of 12 April 1933.

7. Protocol to Prolong the International Sanitary Convention for Aerial Navigation, 1944 (opened for signature 23 April 1946; in force, 30 April 1946).

8. International Agreement Relating to Facilities to be Accorded to Merchant Seamen in the Treatment of Venereal Diseases, Brussels, 1 December 1924.

9. Convention on Traffic in Opium and Drugs, Geneva, 19 February 1925.

10. Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, Geneva, 13 July 1931.

11. Convention Relating to the Antidiphtheria Serum, Paris, 1 August 1930.

12. International Convention for Mutual Protection against Dengue Fever, Athens, 25 July 1934.

13. International Agreement for Dispensing with Bills of Health, Paris, 22 December 1934.

14. International Agreement for Dispensing with Consular Visas on Bills of Health, Paris, 22 December 1934.

15. International Agreement Concerning the Transport of Corpses, Berlin, 10 February 1937.

For Argentina:
ad referendum
ALBERTO ZWANCK

For Australia:
Subject to approval and acceptance by Government of Commonwealth of Australia
A. H. TANGE

For the Kingdom of Belgium:
Sous réserve de ratification
Dr. M. DE LAET

For Bolivia:
LUIS V. SOTELO

For Brazil:
ad referendum
GERALDO PAULA SOUZA

For Byelorussian Soviet Socialist Republic:
N. EVSTAFIEV

For Canada:
Subject to approval
BROOKE CLAXTON
BROCK CHISHOLM

For Chile:
ad referendum
JULIO BUSTOS

For China:
SHEN J. K.
L. CHIN YUAN
SZEMING SZE

For Colombia:
CARLOS URIBE AGUIRRE

For Costa Rica:
JAIME BENAVIDES

For Cuba:
ad referendum
Dr. PEDRO NOGUEIRA
VICTOR SANTAMARINA

For Czechoslovakia:
ad referendum
Dr. JOSEF CANCÍK

For Denmark:
ad referendum
J. OERSKOV

For the Dominican Republic:
ad referendum
Dr. L. F. THOMEN

For Ecuador:
ad referendum
R. NEVAREZ VÁSQUEZ

For Egypt:
Subject to ratification
Dr. A. T. CHOUCHA
TAHA ELSAYED NASR BEY
Royal Counsellor
M. S. ABAZA

For El Salvador:

For Ethiopia:
Subject to ratification
G. TESEMMA

For France:
ad referendum
J. PARISOT

For Greece:
ad referendum
Dr. PHOKION KOPANARIS

For Guatemala:
ad referendum
G. MORÁN
J. A. MUÑOZ

For Haiti:
ad referendum
RULX LEÓN

For Honduras:
ad referendum
JUAN MANUEL FIALLOS

For India:
Subject to ratification. These signatures are appended in agreement with His Majesty's Representative for the exercise of the functions of the Crown in its relations with the Indian States.
C. K. LAKSHMANAN
C. MANI

For Iran:
Subject to ratification by Iranian Parliament (Madjliss)
GHASSEME GHANI, M. D.
H. HAFEZI

For Iraq:
ad referendum
S. AL-ZAHAWI
Dr. IHSAN DOGRAMAJI

For Lebanon:
ad referendum
GEORGES HAKIM
Dr. A. MAKHLOUFF

For Liberia:
ad referendum
JOSEPH NAGBE TOGBA, M. D.
JOHN B. WEST

For the Grand Duchy of Luxembourg:
Sous réserve de ratification
Dr. M. DE LAET

For Mexico:
ad referendum
MONDRAGÓN

For the Kingdom of the Netherlands:
ad referendum
C. VAN DEN BERG
C. BANNING
W. A. TIMMERMAN
For New Zealand:
ad referendum
T. R. RITCHIE
For Nicaragua:
ad referendum
A. SEVILLA-SACASA
For the Kingdom of Norway:
ad referendum
H. TH. SANDBERG
For Panama:
ad referendum
J. J. VALLARINO
For Paraguay:
ad referendum
ANGEL R. GINÉS
For Peru:
ad referendum
CARLOS ENRIQUE PAZ SOLDÁN
A. TORANZO
For the Republic of the Philippines:
H. LARA
WALFRIDO DE LEON
For Poland:
EDWARD GRZEGORZEWSKI
For Saudi Arabia:
Dr. YAHIA NASRI
Dr. MEDHAT CHEIKH-AL-ARDH
For the Ukranian Soviet Socialist Republic:
L. I. MEDVED
I. I. KALTCHENKO
For Turkey:
Z. N. BARKER
For Syria:
Subject to ratification
Dr. C. TREFI
For the Union of Soviet Socialist Republics:
F. G. KROTKOV
For the Union of South Africa:
ad referendum
H. S. GEAR
For the United Kingdom of Great Britain and Northern Ireland:
MELVILLE D. MACKENZIE
G. E. YATES
For the United States of America:
Subject to approval
THOMAS PARRAN
MARTHA M. ELIOT
FRANK G. BOUDREAU
For Uruguay:
ad referendum
José A. MORA
R. RIVERO
CARLOS M. BARBEROUSSE
For Venezuela:
ad referendum
A. ARREAZA GUZMÁN
For Yugoslavia:
With reservation as to the ratification
Dr. A. STAMPAR
For Afghanistan:

For Albania:
T. JAKOVA
For Austria:
Dr. MARIUS KAISER
For Bulgaria:
Dr. D. P. ORAHOVATZ
For Eire:
Subject to acceptance
JOHN D. MACCORMACK
For Finland:
OSMO TURPEINEN
For Hungary:

For Iceland:

For Italy:
Subject to ratification
GIOVANNI ALBERTO CANAPERIA
For Portugal:
Subject to ratification
FRANCISCO C. CAMBOURNAC
For Roumania:

For Siam:
BUNLIANG TAMTHAI

For Sweden:

For Switzerland:
sous réserve de ratification
Dr. J. EUGSTER
A. SAUTER
For Transjordan:
Subject to ratification
Dr. D. P. TUTUNJI
For Yemen:

The foregoing is a true copy of the Protocol concerning the Office International d'Hygiene Publique, signed in New York, on July 22, 1946, in the Chinese, English, French, Russian, and Spanish languages, the original of which is deposited in the Archives of the United Nations.

For the Secretary-General:
S. IVAN KERNO,
Assistant Secretary-General for Legal Affairs.

The PRESIDENT pro tempore. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Eightieth Congress, first session, the protocol concerning the International Office of Public Health, signed at New York on July 22, 1946.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

CONSIDERATION OF PROPOSED VETERANS' LEGISLATION

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider Senate bill 1394, Calendar No. 430.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 1394, which will be stated by title.

The CHIEF CLERK. A bill (S. 1394 to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. KEM. Mr. President, I am compelled to object.

Mr. TAFT. Will the Senator reserve his objection for a moment?

Mr. KEM. Certainly.

Mr. TAFT. I may say that in colloquies on the floor, I think I have stated definitely that certain veterans' bills would be taken up this week. These bills are Senate bills, and if they are to have an opportunity of consideration in the House, with possible dispute over their provisions, and possible conferences being held on them, and be finally passed by next Saturday, it seems to me highly desirable that they be taken up today.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I was wondering if the Senator from Ohio might also include in the schedule of veterans' bills a bill for the payment in cash of the terminal leave bonds of veterans.

Mr. TAFT. I fully intend to do so. I have a list of five bills which I think should be considered by the Senate—and possibly one or two more—and I intend at least to set forth the general program respecting them at one time. I can only move to take up one bill at a time.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McCARTHY. Does the Senator include Senate bill 1293 on his list? That is the bill for wheel-chair veterans.

Mr. TAFT. I have not included it, although I intend to deal with it. I would not greatly object to the bill coming up. It is not one of those the passage of which I am urging, but I have no objection to its being considered by the Senate.

Let me say further to the Senator from Missouri that it seems to me that his motion can have clear right-of-way on Monday. I feel very confident that there will be a sufficient agreement on these bills so that they will not take a very long time. In fact, I should hope very much that we might dispose of these bills and also the resolution dealing with Reorganization Plan No. 3 today. Those are matters which have behind them tremendous public pressure and public interest. I feel very strongly that the Senator from Missouri can get quicker action on his resolution, and have a clearer field if the other measures are disposed of; and if he starts on Monday, as I feel quite confident he can, there will be full opportunity to debate his resolution and vote on it early next week.

Would the Senator consider withdrawing his objection?

Mr. KEM. Mr. President, I do not wish to seem to be obstinate or contumacious. The question before the Senate is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate Resolution 150, to discharge the Committee on the Judiciary from further consideration of Senate Resolution 116, to investigate the nonaction of the Department of Justice in connection with the alleged irregularities in the Fifth Congressional District of Missouri on August 6, 1946. I cannot see any sound reason why that resolution should not be disposed of today, and the veterans bills follow it, rather than the veterans bills being taken up today and the question now before the Senate following the veterans bills.

Mr. President, I am a veteran. I have been a member of the American Legion for more than 25 years and have consistently supported veterans' legislation. I mean to continue my interest in it. But it seems to me that the question involved

in the resolution is one which in importance transcends even veterans' legislation. It is the question of whether we are to have in this country fair and impartial administration of justice by the duly constituted officials of the Government; whether we are to have free elections, or whether the Senate is to aline itself with the forces interested in Pendergastism, violence, and oppression.

I believe I am correct in saying that since this motion was made last Thursday, no Senator has risen in his place and raised his voice in opposition to it. There has been a considerable amount of discussion of free elections in various parts of the world—remote parts, principally—but so far as I can recollect, no Member of the Senate has indicated the slightest objection to the adoption of the pending motion.

It seems to me that the entire question should be disposed of promptly and in a comparatively short time. I cannot help but feel that Members of the Senate, Republicans and Democrats alike, will join in bringing about this inquiry. As I stated a few days ago, if the serious charges brought against the Department of Justice cannot be sustained, no harm will be done to the Attorney General or any member of his staff, and he will be entitled to a triumphant vindication. No fair man, no believer in fair play, will deny him that. If, on the other hand, as I assert, there is additional evidence, there should be an opportunity to present it.

I think the distinguished Senator from Kansas [Mr. CAPPER], dean of the Senate, struck the keynote yesterday in the few very well chosen remarks which he made. It will be recalled that he said:

> I express the hope that the Senate will remain in continuous session, if that becomes necessary, until this matter is disposed of.
>
> I want to say that free and clean elections, so far as I am concerned, are not a matter of political partisanship or political expediency. During my years of service in the Senate I have supported, I believe, every proposal for investigation into election frauds, or improper election practices, in connection with the election of Members of Congress, that has come before the Senate. I backed the action which led to the resignation of Senator Newberry, of Michigan. I voted for the investigations into the elections of Senator Vare, of Pennsylvania, and Senator Smith, of Illinois. All these were Republicans. I see no reason why the Senate should be barred from trying to clean up a pretty sorry mess at Kansas City, merely because some persons high in public life might be involved. I do not want to take part in a filibuster against an action I desire to see taken, so I shall not consume more of the time of the Senate. Again I express the hope that the Senate will remain in session until this matter is disposed of right.

Mr. President, I do not wish to be thought to be interfering with the progress of this matter in the Senate, and I do not desire to take up any more time.

Mr. BREWSTER. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield to the Senator from Maine.

Mr. BREWSTER. I am sure the Senator from Missouri is in no doubt as to the feeling of most Members on this side regarding the importance of the question to which he has referred.

Mr. KEM. I have assurances from a large number of Senators.

Mr. BREWSTER. The Senator asked what distinction there was between the consideration of veterans' legislation and the consideration of this resolution. The practical parliamentary distinction which gives us concern is that the resolution relating to the primary in Missouri is a Senate resolution, on which we can act and conclude action at any time by ourselves. As the Senator from Ohio pointed out, the other measures are Senate bills requiring House action; and unless we can get them over there today, it is very doubtful whether they can be enacted.

I was the one responsible for laying aside these measures the other day by the motion which I made to adjourn, so I think I have indicated my complete collaboration with the Senator from Missouri.

As I have stated, the distinction between Senate bills, which require House action, and a Senate resolution, is that we ourselves can conclude action on the Senate resolution. If as time goes on it becomes evident that these other measures are being used as an instrument to support anything in the nature of a secondary filibuster, we can arrive at our own conclusion. But meanwhile, if we can dispose of these veterans' matters today, we shall then have cleared the calendar to that extent. I think it is obvious from the calendar that it contains several hundred other measures of lesser importance than the veterans' legislation. They must all await action upon the resolution of the Senator from Missouri. The Senator from Missouri has been assured of the support of what I believe will be an ample majority in the wholehearted consideration of his resolution during the coming week.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. WHERRY. I wish to say to the distinguished Senator from Missouri that I second the remarks made by the distinguished Senator from Maine. The pending motion was made by me. I am in accord with the distinguished Senator from Missouri. I will go just as far as the Senator will go in advocating the adoption of the resolution.

Let me point out further that I do not see how a more firm commitment could be made by the chairman of the Republican Policy Committee than that the resolution will have the right-of-way on Monday next. I am not making the commitment, but I understand that the remarks of the distinguished Senator from Ohio can at least be so interpreted. In view of that fact, and in view of the fact that if the distinguished Senator from Missouri gives consent the motion will not be displaced, but will remain before the Senate, I ask him if he will not reserve his objection and comply with the suggestion of the chairman of the Policy Committee to complete the veterans' legislation, and proceed with his resolution on Monday.

Mr. KEM. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. KEM. Mr. President, I am very much interested in what the Senator from Maine had to say. Of course, as a veteran, a man who has for many years shown his interest in veterans' affairs, no one can possibly suggest with any degree of credence that he is not interested in promoting any legislation for the welfare of the veterans. I know that the same statement applies to the Senator from Nebraska.

The Senator from Maine made a second point. He said that there were some 100 measures pending on the calendar awaiting consideration. Each of them has its advocates, those who are interested in seeing that it is quickly disposed of. If it be agreed that the pending business be set aside to take up veterans' measures, what is to be said to those who come forward on Monday with equal plausibility and convincing reasons why their bills should have preference over the pending business?

Mr. BREWSTER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Maine.

Mr. BREWSTER. If the Senator from Missouri will accept the parliamentary proposal of the Senator from Ohio, the Senator from Missouri will be "sitting on the lid." If, however, another course be adopted, he will be completely displaced. In other words, the Senator from Missouri completely controls the situation if he accepts the proposal of the Senator from Ohio.

Mr. KEM. I shall come to that in a moment.

Mr. BARKLEY. Mr. President, I do not want to plunge in where angels fear to tread; but not being an angel, perhaps I may be justified in doing so. Let me say for the benefit of the Senator from Missouri, the Senator from Ohio, and any other Senator, for whatever it may be worth, that it is in order to move to take up any one of these veterans' bills.

The PRESIDENT pro tempore. The Senator from Kentucky is incorrect.

Mr. TAFT. Mr. President, I intend to take other action if the Senator from Missouri will not give consent.

Mr. BARKLEY. Mr. President, I meant to say that if the Senator from Missouri gives his consent to laying aside temporarily the pending business, it does not displace his motion. He can call for the regular order at any time, either today or next week.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARTHY. Mr. President, is the statement just made correct?

The PRESIDENT pro tempore. In the Chair's opinion, it is not. While a motion to proceed with the consideration of a bill is pending, a motion to take up another bill is not in order, under the rules, and under all the precedents.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Is a motion to postpone consideration of the pending business until noon on Monday in order?

The PRESIDENT pro tempore. Such a motion is in order.

Mr. TAFT. That is the motion which I intend to make if unanimous consent is not given.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, if I may be allowed to say so, that is contrary to the impression which I have had since I have been in the Senate. I had always understood to the contrary. The distinction may be that this question involves a motion to discharge, and not a bill.

The PRESIDENT pro tempore. Whenever a bill is before the Senate, it is in order to move to take up some other bill; but when a motion is pending, no other motion is in order. The Chair has ample precedents for that ruling.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. I think the Chair wholly misunderstood the point which I made a while ago. Assuming that the Senator from Missouri could get his motion agreed to and his resolution were before the Senate, it would be in order then to move to take up any of the other bills, and in that case it would displace his resolution.

The PRESIDENT pro tempore. The Senator is correct.

Mr. TAFT. Mr. President, I wonder if the Senator from Kentucky and the Members on the other side who are opposing the resolution of the Senator from Missouri will agree that it might be made the order of business; and then I will ask unanimous consent or move to set aside the pending business.

Mr. BARKLEY. Mr. President I am not a member of the Committee on the Judiciary, and am not in charge of the matter. I have no authority to agree.

Mr. TAFT. I mean, instead of debating the motion to take it up, why not debate the resolution itself? Why not agree to the motion to take it up, and then I shall move to postpone it, if necessary, until Monday?

Mr. BARKLEY. I have no way of knowing how long a time will be taken in debate. I do not know who will want to debate the motion or who will want to debate the resolution itself. If I were a member of the Judiciary Committee, I could give the Senator a better answer; but I do not feel at liberty to make any statement about it.

Mr. TAFT. Mr. President, I still wish to ask the Senator from Missouri whether he will withdraw his objection to the unanimous-consent request that the motion before the Senate be temporarily laid aside. Several consents from time to time may be required. I make that request with the understanding that we shall return on Monday to consideration of the Senator's motion.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. KEM. Mr. President, reserving the right to object, I want to say a word or two more. The Senator from Maine made the point that in our consideration of the proposed veterans' legislation we should have in mind the cooperation of the House. I think that is something that we should have in mind in connection with the pending resolution for the investigation of the Department of Justice. A number of the Members of the House have contacted me and asked if the Senate would proceed with an investigation, indicating that, if it did not, the House intended to take steps to investigate the matter. So I think we can say to our friends on the other side of the aisle that there will be an investigation. The question is whether the investigation will be under the auspices of the Senate or under the auspices of the House. It seems to me that to those in the House who are vitally interested in this matter—and that includes the members of the Missouri delegation as well as members of delegations from many other States—the Senate should indicate within a reasonable time before the date of adjournment its intention to proceed with the matter to completion or to set it aside.

In regard to the request of the senior Senator from Ohio, the chairman of the Republican policy committee, of course, any request he makes is entitled to most earnest consideration. If it is definitely understood that, regardless of whether or not the veterans' measures are disposed of today at noon on Monday the Senate will revert to the consideration of the question now pending, I shall be glad to withdraw my objection.

Mr. TAFT. Mr. President, that is my understanding. I think it is clear that I cannot restrain the filing of a motion to take up the President's Reorganization Plan No. 3 at any time on Monday or on any other day, because it has priority under the La Follette-Monroney Act. With that exception, the Senator from Missouri may be assured that, so far as veterans' bills are concerned, I feel so confident that they will be disposed of that I am quite willing to agree that at that time the Senator may demand the regular order, and, of course, he may demand it whether I agree or not, at 12 o'clock noon on Monday, if he agrees to the unanimous-consent request.

Mr. KEM. As I understand the senior Senator from Ohio, he will not, in his official capacity as chairman of the Republican policy committee, request that any other matter be given precedence over this one until it is disposed of?

Mr. TAFT. The Senator is correct.

Mr. KEM. I withdraw my objection.

Mr. AIKEN. Mr. President, let me inquire whether conference reports have priority.

The PRESIDENT pro tempore. Conference reports are always privileged matters at any time.

Mr. KEM. Mr. President, of course, I understand that any matters that have priority under the rules of the Senate will be given priority by the Presiding Officer.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Relative to the remarks of the Senator from Missouri that if the Senate does not act on this proposition the House will do so, and that there would be an investigation, anyway, let me say that I do not assume that the Senator made that statement as a sort of threat to any Member of the Senate, but I wish to state in that connection that this whole controversy arose out of the nomination of a Member of the House of Representatives. The House is the place where that matter should have started in the very beginning. It is a rather unusual proceeding for the Senate to investigate an election of a Member of the House of Representatives.

So, although I have no voice in the matter, I myself would welcome having the House of Representatives do what it has the power to do, and what it would be most proper for it to do, namely, to make its own investigation of a primary in which a Member of its own body was concerned.

Mr. KEM. Mr. President——

Mr. TAFT. Mr. President, I yield now to the Senator from Missouri.

Mr. KEM. Mr. President, in reply to the remarks of the Senator from Kentucky, I should like to say that he misunderstands and misconceives the purpose of the resolution. The resolution does not call for a investigation of an election in Kansas City or anywhere else. The resolution is for the purpose of having an investigation made of the Department of Justice and its failure to act in enforcing the law.

Mr. BARKLEY. I understand that the——

Mr. KEM. Mr. President, if the Senator from Kentucky will bear with me for a moment, I should like to complete what I have to say.

The question is whether the Department of Justice is to be investigated. The charge is made that the administration of the Department of Justice has been carried on with a weather eye to political advantage. That is a serious charge. It has nothing to do with an investigation of an election. The Senate committee does not propose to go into the ballots and the ballot boxes. That is being done, according to statements made by the Department of Justice, by the FBI.

Incidentally, that is the second statement we have had that a full investigation is being made by the FBI.

One grand jury has already investigated the election in question and has returned approximately 81 indictments. A second Federal grand jury, called after this investigation was under way—and as a result, I think it is fair to say, of the probing of the Ferguson committee—has already returned five indictments, and is still engaged in that work.

So no investigation of the election is involved in the Senate on this matter. The investigation proposed is of the Department of Justice.

Having made that point, I wish to invite the attention of the Senator to another point. The Senator is under a misconception if he considers that no candidate for Senator had his name on the ballot at the time when the frauds

are alleged to have occurred. Candidates for United States Senator did have their names on the ballot, and their names were on the ballot just as much as were the names of candidates for the House of Representatives.

Mr. BARKLEY. Mr. President, there is no question that——

Mr. KEM. Mr. President, I ask the Senator to permit me to proceed for a few moments.

The reason that the race for a seat in the House of Representatives has been dramatized is the fact that the President of the United States undertook to purge from the House of Representatives a sitting Member of that body; and in order to do that, he called to his assistance Jim Pendergast, the head of the Pendergast machine in Kansas City. That is the reason why the race for Representative has been dramatized and brought to the attention of the public. But that is not the only race involved, it is not the only contest in connection with the balloting, and it is not the subject that is proposed to be investigated under the resolution we are now discussing.

I should like to say that I feel certain many persons who are interested in this matter would prefer that the junior Senator from Michigan [Mr. FERGUSON], the present chairman of subcommittee, be relieved from any further responsibility in the matter. I think many persons would be glad to take their luck with anyone else who might be placed in charge of the investigation. But it is my thought that the junior Senator from Michigan has shown unusual capacity and unusual sincerity, energy, and ability in discharging his duties in this respect, and that he should be allowed to complete them.

Mr. BARKLEY. Mr. President, I do not wish to enter into a discussion of the merits of this controversy. Although it is true that the name of a candidate for Senator was on the ballot in the primary in Missouri, nevertheless no question has been raised about the election of a Senator or the nomination of a Senator or any fraud connected with the campaign of any candidate for Senator, so far as I know.

This whole controversy grows out of the primary contest for the renomination of Mr. Slaughter, who happened to have been the Member of the House of Representatives from the President's district in Missouri, and of course the President has the same right as any other citizen——

Mr. KEM. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KEM. It was not the President's district. The President is a resident of the Fourth District, and Mr. Slaughter was a candidate from the Fifth District.

Mr. BARKLEY. Yes; I am subject to that correction. At any rate, it was a neighboring district to the one from which the President comes.

I have no disposition to unhorse the junior Senator from Michigan in his investigatory career. I would not think of doing that, because that is one matter in which he is very greatly interested and in which he has established some reputation.

Mr. KEM. I am delighted to know, Mr. President, that we shall have the support of the Senator from Kentucky in this matter.

Mr. BARKLEY. Mr. President, I, myself, shall govern the extent of my support in regard to the matter coming up.

Mr. KEM. Are we to understand that the Senator's support will be limited?

Mr. BARKLEY. Mr. President, this whole matter is determined by the instructions given to the FBI and J. Edgar Hoover as to the investigation the FBI should inaugurate in Missouri. The effort is to show that the Attorney General in some way sought to cover up or restrict or restrain the FBI in its investigation. That allegation has been refuted by Mr. Hoover himself, but nevertheless that is the controversy which brings this matter to the floor of the Senate.

Of course I realize that in addition to the relationship of the resolution to the Attorney General, there may also be an effort to involve the President of the United States. We all understand that. We take the resolution on whatever basis it is brought here, if it calls for a legitimate investigation, and all that; but the point is that this whole thing originated around a nomination in Missouri of a Member of the House of Representatives, and it does not involve the election or nomination of any Member of the Senate.

Mr. KEM. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield to the Senator from Missouri, although of course the purpose of making my unanimous-consent request was to set aside temporarily the debate that is going on. However, I am glad to yield to the Senator from Missouri.

Mr. BARKLEY. Mr. President, first let me say that I have said all I have to say. This matter will be discussed when the resolution of the Senator comes up.

Mr. KEM. Mr. President, I simply wish to ask the Senator from Kentucky whether he has read the instructions of the Attorney General to the FBI in connection with the investigation it was directed to make.

Mr. BARKLEY. I think I saw a copy of it. That has been sometime ago.

Mr. KEM. I wish to ask the Senator as a lawyer whether he regards that as a restricted authority.

Mr. BARKLEY. As I recall the order, I do not.

Mr. KEM. The Senator from Kentucky does not?

Mr. BARKLEY. I do not.

Mr. KEM. Mr. President, that is a very interesting observation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President, first may I have action on the unanimous consent request?

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. McCARTHY. Mr. President, reserving the right to object, I should like to say to the Senator from Ohio that I have no desire to hold up consideration of the veterans' legislation. In fact, I heartily agree that all other business should be laid aside, and that the veterans' legislation should be considered. However, I understand that the Senator has a list of four or five bills, all of them dealing with aid to the able-bodied veterans. In addition, we have on the calendar a bill which deals with aid to disabled veterans, the permanent wheelchair cases.

Mr. TAFT. Mr. President, let me say that there is another bill dealing with disabled veterans. That bill provides for increasing the allowances of disabled veterans for vocational training, and that bill is of much more general application than the wheel-chair bill.

Mr. McCARTHY. I will say to the Senator from Ohio——

Mr. TAFT. What is the Senator's request? Not being for the bill, I did not intend to bring it up, although I have no objection to having it taken up when the proper time comes. My unanimous-consent request applied only to the first bill.

Mr. McCARTHY. If the Senator's request will also contain a provision that immediately after the disposition of Senate bill 1394, then the two bills dealing with disabled veterans will have priority over bills dealing with the able-bodied veterans, I shall have no objection.

Mr. TAFT. I will not agree to that. After consideration of the bill to which I have referred is concluded, I intend to call up the bill to pay off the adjusted-compensation bonds. I shall be glad to agree that after that, we will bring up the two bills dealing with the disabled veterans.

Mr. McCARTHY. With that understanding, I shall be glad to withdraw any objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. MAYBANK. Reserving the right to object, Mr. President, I should like to ask the Senator from Ohio if he would have any objection, after the bills referred to have been acted on, to bringing up Calendar No. 364, House bill 3394, a bill that was objected to on the calendar some time ago by the junior Senator from Massachusetts [Mr. LODGE] who says he not only will not object, but is in favor of the bill.

Mr. TAFT. What does the bill deal with?

Mr. MAYBANK. It provides for certain arrangements with the War Department in connection with the return of the remains of soldiers who were buried in graveyards overseas. The bill passed the House unanimously.

Mr. TAFT. I am afraid I cannot do what the Senator suggests, if we are to get through today. The list is confined to two bills of general application to the veterans. It does not deal with many other bills on the calendar. The Senator will be free to make his request when the consideration of the other bills is completed.

Mr. MAYBANK. I was just asking the Senator from Ohio if he would agree to what I have suggested.

Mr. TAFT. Personally, I should have no objection, but I cannot give the Senator any assurance in regard to the matter.

Mr. MAYBANK. The bill I mention is certainly a worthy measure, and the

War Department is anxious to get the matter determined.

Mr. TAFT. There are a number of bills on the calendar which have merit, which I hope we can consider and pass before the end of the session, but I do not think I can begin to go beyond the list which I have here, which comprises all the bills on the calendar dealing directly with payment of money to veterans. That one subject is what all these bills deal with. There are eight bills on the list dealing with that one matter.

Mr. MAYBANK. I would not object, under the circumstances, but I shall ask unanimous consent, when the consideration of these other bills is concluded. It will not take more than a moment or two to consider the bill, and I trust the Senator from Ohio will also agree.

The PRESIDENT pro tempore. Is there objection to the request——

Mr. KEM. What is the request?

The PRESIDENT pro tempore. The request of the Senator from Ohio.

Mr. KEM. The Senator from South Carolina has not made a request, has he.

The PRESIDENT pro tempore. The question is on the unanimous-consent request submitted by the Senator from Ohio.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask the Senator from Ohio if I am correctly informed that he will have taken up next, Calendar No. 589, House bill 4017.

Mr. TAFT. I did not hear the Senator's statement.

Mr. JOHNSTON of South Carolina. I believe the Senator stated a few moments ago that the next bill to be taken up would be House bill 4017, providing for the cashing of the terminal leave bonds. Is that the next bill the Senator intends to have taken up?

Mr. TAFT. After the one about which I have been asking unanimous consent.

Mr. JOHNSTON of South Carolina. Does the Senator intend to have order of business 431, Senate bill 1393, relating to training on the job allowances, taken up?

Mr. TAFT. I shall discuss that. I have no objection to any other Senator moving to take it up.

Mr. JOHNSTON of South Carolina. Is not that on the Senator's list?

Mr. TAFT. It is on the list, but it is not one of those which I am going to favor when I speak on the general subject; but I have no objection to its consideration by the Senate.

Mr. JOHNSTON of South Carolina. I was hoping the Senator would also have that bill taken up. I think it should be passed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. DONNELL. Mr. President, I wish to inquire of the Senator about order of business 439, Senate bill 472, relating to the financing of the education program.

Mr. TAFT. That is a new one.

Mr. DONNELL. I thought that was the bill which entered into the colloquy between the Senator from Ohio and the Senator from South Carolina [Mr. JOHNSTON].

Mr. TAFT. No, we are not yet discussing Federal aid to education.

Mr. DONNELL. What was the calendar number about which the Senator from South Carolina inquired?

Mr. TAFT. Calendar No. 431, Senate bill 1393, to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

Mr. McCARTHY. Let me see if I have the understanding clear. Is the order of business under the unanimous-consent request to be the consideration of Senate bill 394, House bill 4017, and Senate bill 1293?

Mr. TAFT. The Senator is correct.

Mr. BARKLEY. Mr. President, I may remark that if we do not soon get started we will not reach any of them.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio? The Chair hears none, and the order is made.

INCREASED SUBSISTENCE ALLOWANCES FOR VETERANS PURSUING EDUCATIONAL COURSES

The Senate proceeded to consider the bill (S. 1394) to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes.

Mr. TAFT. Mr. President, the La Follette-Monroney Reorganization Act has attempted in most fields to consolidate in one committee matters having close relationship. Unfortunately, this has not been the result with respect to veterans' legislation. There are now on the calendar eight bills recommended by four different committees, with no consultation between the committees, and no attempt to coordinate the programs. Bills have been reported from the Committee on Labor and Public Welfare which deal with the subject of health and education. Bills have been reported from the Armed Services Committee which deal with terminal leave bonds. Bills have been reported from the Committee on Finance which deal with pensions, and bills have been reported from the Committee on Banking and Currency which deal with housing.

It seems to me that when the Reorganization Act is reexamined, there should be some attempt, if it is to be amended, to concentrate the subject of veterans legislation in one committee. It has been heretofore usually in the Committee on Finance, and I think on the whole it has been handled with care, conservatism and consideration for the veterans.

I intend today to present the proposals which I have indicated, and to advocate those which seem to me to be meritorious and necessary, and to indicate those which I believe should be postponed for further study until next year.

The Nation owes a debt of gratitude to those who risked their lives and their welfare in the armed services of the United States in its various wars. The people are anxious to show their gratitude. They are particularly anxious to recompense in every way possible those who have suffered disability from their war service. They are anxious to make up to those who have not suffered such disability for the time which they have lost and the setbacks they have received in their chosen occupations.

In the GI bill of rights Congress made generous provision for the veterans of the last war, more generous than was ever accorded the veterans of any other war. We have initiated an extensive hospital program for all those who suffered disability. We have provided compensation and allowances for all those who suffered disability. In addition to that we have provided loans for the purchase of homes, farms and businesses, and have provided a liberal education program for those who desired it. Of all the programs, probably the most constructive and successful to date has been the education program. Approximately 2,000,000 veterans are now enrolled in schools and colleges, and about 500,000 in on-the-job training. The testimony is universal that these veterans have taken their education most seriously and that they appreciate fully the advantage given to them. They are among the most serious and successful students in our universities. These students receive a scholarship amounting to approximately $1,000 a year, covering their tuition, plus $65 for maintenance for single men and women, and $90 for married men and women.

The total cost of the education and training program is approximately $3,000,000,000. The over-all cost of the veterans' program for this fiscal year is estimated at slightly in excess of $7,000,000,000. No one can contemplate without concern the size of a program by which the United States pays out such huge sums to a section of its population. There are nearly 15,000,000 veterans of this war, perhaps 5,000,000 more of the first war, aggregating about 20,000,000 veterans. Nearly one-half of all the families in the United States have workers who are veterans. To a large extent, of course, when we provide money for the 20,000,000 veterans, the 20,000,000 themselves, perhaps, pay half the entire cost, but the burden becomes so great and is spread so widely that it can only be paid by the entire population; and half of the families, nearly, have veterans of one or other of the wars.

It is easy for us to approve every proposal made in behalf of the veterans. That is certainly the easiest course; it is far more pleasant to do so. But certainly it is our duty to the veterans as well as to everyone else, and to the future welfare of the country, to examine critically the proposals which have been made, and particularly to avoid programs based on unsound economic ground, and capable of dangerous expansion. We have on the calendar the following measures dealing with direct payments to veterans:

Calendar No. 430, Senate bill 1394, to provide increased subsistence allowance to veterans taking educational courses, which is the bill now before the Senate;

Calendar No. 431, Senate bill 1393, to increase the ceiling on combined earnings and subsistence allowance for those in on-the-job training;

Calendar No. 432, Senate bill 1391, to extend the proposal for the purchase of

automobiles for certain disabled veterans, including arm amputees and the blind;

Calendar No. 476, Senate bill 1293, to provide houses for certain disabled veterans;

Calendar No. 497, House bill 3961, to increase service pensions for Spanish-American War veterans;

Calendar No. 589, House bill 4017, to pay off the terminal-leave bonds in cash;

Calendar No. 610, House bill 2181, to extend on-the-job training on farms; and

Calendar No. 611, Senate bill 1236, to increase the ceilings for rehabilitation in service-connected cases.

The total cost of all these bills, if passed, would be between $300,000,000 and $400,000,000 a year. Certain of them I believe to be meritorious; others I think should be postponed until next year, when we can consider with more care their ultimate effect.

The bill for which there is the most universal demand is that for the payment of terminal-leave bonds. These bonds were issued last year in lieu of the payment of terminal leave to enlisted men. At that time I opposed the enactment of that bill, because it seemed to be that Congress, in providing $300, clearly provided for the very matter sought to be covered again by terminal leave. However, the Congress passed the bill and authorized the issuance of nonnegotiable bonds to cover the subject, and bonds in the sum of approximately $1,800,000,000 have been issued. Those bonds appear on the regular Treasury statement. They are listed as outstanding interest-bearing bonds of the United States, nonmarketable obligations totaling $1,846,000,000; partially retired and now outstanding, $1,792,000,000. Probably they will be somewhat increased, but the proposal is to pay off approximately $1,800,000,000.

Bonds in this sum have already been issued and charged as part of the expenses of the Government in the fiscal year 1947.

Mr. PEPPER. Mr. President, does the Senator prefer not to be interrupted while he is speaking?

Mr. TAFT. No; I shall be glad to be interrupted.

Mr. PEPPER. The Senator has been giving a list of bills providing benefits for veterans. Does the Senator recall the number of veterans who have benefited at all by the school-training program, either in primary or in secondary schools?

Mr. TAFT. I think I stated that approximately 2,000,000 veterans are now in some school or university receiving their education. Approximately 500,000 or 600,000 more are receiving on-the-job training.

Mr. PEPPER. I think probably the number in school is slightly smaller than that mentioned by the Senator. What I wanted to suggest was that, in spite of the fact, we will say, that 2,000,000 are taking school training, out of some 15,000,000 or 16,000,000 veterans altogether, I am very much afraid that many veterans who were entitled to school training were not able to get it because we did not provide adequate facilities for them in the schools and colleges of the country. While I am glad that we have been able to give opportunities for schooling to as many as have enjoyed them, I do not think we should exculpate ourselves from some responsibility for not making school training available, in school or college, to all veterans who desire it.

Mr. TAFT. Mr. President, I can only say we probably utilized the full capacity of our schools and colleges, and I think that to try to establish new colleges, when there are not a sufficient number of teachers even for existing colleges, would give a type of education which would not be particularly desirable or useful. The veterans who are not participating in the program can begin participation at any time, I believe, for 8 or 9 years, and I think those who have not been successful in getting into college will find that they can do so within a very short time. As I recall, the Veterans' Administrator stated to us that he knew of no case in which a man who actually desired education was unable to get it. He might not be able to go to the particular college to which he wanted to go, but the Administrator did not have any complaints on file from veterans who said they could not get a college education.

Mr. President, if the terminal-leave payment was justified at all, I do not quite see why it was not justified in cash. If the effort was to put the men on the same basis as the officers, then certainly they were entitled to be treated the same as to cash as well as to bonds. Last year, however, it is true, when we considered the bill the Treasury faced a considerable deficit and we confronted a considerable problem as to the method by which we were to meet the many cash demands which might be made on the Government after the close of the war; but that emergency is ended. That excuse no longer is valid for not paying the bonds. We all agreed during recent debates on the tax bill that the Government should reduce its debt. By failing to pass the tax-reduction bill, we have left in the Treasury for the payment of debt, according to my calculation, in excess of $6,000,000,000 for the fiscal year 1948. The bonds in question are counted as a part of the $258,286,000,000 of bonds outstanding. So that the payment of these bonds reduces the public debt just as much as the payment of any other bonds, and we are proposing this year to pay off $6,000,000,000 of Government bonds. But it is true that this payment to the men is slightly more inflationary than the payment of bonds and notes held by banks. In my opinion the payment of $6,000,000,000 of debt in a single year out of taxes collected from the people is too deflationary, and on the whole it would be advantageous to have part of this money so paid off that it will come back into the channels of trade, from which we are taking so much now in the form of taxes. I believe, therefore, that the bill should be passed promptly. The bill will give World War II veterans on an average approximately $180 in cash, and therefore make somewhat less necessary at this time the provision contained in some of the other bills.

Another bill of great importance is the one dealing with educational allowances. I have already referred to the success of that program. In the committee I opposed this bill, because I felt responsible for protecting the budget against any possible increase, and because I felt that the veterans would be able in one way or another to continue at school, either by working outside the school or by assistance from families, or by borrowing—methods which have been pursued for years by others who have attended college. There is no doubt, however, that the cost of living has definitely increased 15 percent over the cost at the time the present allowances were fixed. If we are going to carry out the idea which was in the mind of Congress at that time, there should be a 15 percent increase in allowances; and that is what this bill provides. It increases the allowance of $65 per month for a single man to $75. It increases the allowance for married men from $90 to $105, and for men with children to $120 a month.

Even with this increase veterans will have to provide some income from the outside, except perhaps in the smallest colleges. The cost of the bill is nearly $200,000,000 a year, but I believe on the whole, considering our present budget situation, that it is justified, and I think it will enable more veterans to continue their education. In the case of married veterans, in particularly those with children, it has become extremely difficult to do the extra work necessary to complete an education.

On the whole, therefore, Mr. President, I am prepared to support the bill and recommend its passage, particularly in view of the large revenue received by the Government and the refusal to give a tax reduction. When the choice lies between paying off the debt—which I think we are overdoing anyway—and expending money for such a purpose as this, it seems to me we should go ahead with a proposal which has such a good argument in favor of it.

Mr. President, I feel very differently about increasing the ceilings for on-the-job training. We have two bills before the Senate for dealing with on-the-job training. One increases the so-called ceiling from $175 for single men to $200 for single men, and in the case of married men, from $200 to $250 a month.

Congress in the GI bill of rights, I believe, intended to provide compensation for the taking of regular apprenticeship courses. I do not remember any discussion of on-the-job training when the bill was under consideration. The language is, however, so general that under it the Veterans' Administration feels obliged to go ahead with all kinds of on-the-job training.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. Does the Senator from Ohio intend to differentiate between the two bills?

Mr. TAFT. I shall do so, if the Senator will permit me to proceed.

Mr. MAYBANK. Very well.

Mr. TAFT. The language, as I said, is so general that under it the Veterans' Administration feels obliged to proceed

with on-the-job training for nearly any kind of job in the world. Men working in gasoline stations draw subsistence allowances because they are learning to become gasoline-station operators. Men working in banks draw subsistence allowances because they are training to become bank vice presidents. The program is subject to serious abuse because at any time during the next 10 years anyone of the 15,000,000 veterans may start out on a new course of education, if he has not drawn his educational allowance, and put himself on the pay roll to draw cash from Uncle Sam, because if he is training for a position paying $2,300 and is paid only $1,500 he can draw the difference of $800 in the form of subsistence allowance.

I may say that the bill dealing with this increase is disapproved by the Director of the Budget. I think it presents the greatest opportunity for a racket in the entire GI proposals, and personally I think it is very unsound.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Ives in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. TAFT. I yield for a question.

Mr. PEPPER. I think it is unfortunate that the Senator from Ohio practically castigates as racketeers or potential racketeers veterans in this class who may wish to dedicate themselves to a training program that will better themselves, not only in their earning capacities but as contributing citizens of the United States. I do not know of anything that came out of the war, save actual valor or service in combat, that was a finer attestation of our democracy than the way men and women were taken from the farms and from the stores, and from offices——

Mr. TAFT. Mr. President, I no longer yield to the Senator from Florida. He is not asking a question. I yielded for a question. The Senator can make his speech in his own time if he wishes to do so. I shall yield no further unless the Senator wishes to ask a specific question.

The PRESIDING OFFICER. The Senator from Ohio declines to yield except for a question.

Mr. PEPPER. Mr. President, as soon as I lay the predicate for it, I shall ask the question. The predicate for the question I am going to ask is that I know of no finer attestation of our democracy than the way our Government was able to take men and women from the farms and from the stores and from the offices and convert them into technicians, making them steel welders——

Mr. TAFT. Mr. President, I no longer yield to the Senator from Florida. He is not asking a question. I decline to yield further.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Ohio declines to yield further?

Mr. TAFT. Yes.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. I should like to ask the Chair if the Senator from Ohio having once yielded for a question, can withdraw his consent for the asking of the question until the question is concluded? The Senator from Ohio has yielded for a question. I was asking the question but before I was permitted to conclude it the Senator attempted to withdraw the permission previously extended.

The PRESIDING OFFICER. The Chair will observe that any Senator yielding for a question has a perfect right to withdraw his consent at any time.

Mr. PEPPER. That is simply an inconsistency, not a parliamentary rule.

The PRESIDING OFFICER. It is presumably consistent under the circumstances.

Mr. TAFT. Mr. President, referring to what was said by the Senator from Florida, as I said, there are in all 20,000,000 veterans. It is no reflection on them to say that they present a cross section of the population. They have the same faults as others. Among them there are probably the same number of individuals as there are among the remainder of the population, who do not have the necessary scruples regarding the money which they may draw. We have had it repeatedly called to our attention that there has been formed a 52–20 club obviously designed to draw money which was not really intended by the act to be drawn. There are the same kind of individuals among veterans as there are among the remainder of the population. It is no reflection on veterans to say so.

Mr. President, I believe the whole subject of on-the-job training and its present extension should be thoroughly studied by the committees. I think the two bills ought to be recommitted to the committee to make a study of the subject of on-the-job training. How far should it go? How can it be prevented from being abused? How can it be properly limited? How can it effectuate the proper purposes?

Everyone admits, of course, that the ordinary apprenticeship courses should be given, and yet there are individuals who are learning to dance under that program. I do not know how many veterans are drawing allowances while they are learning to dance. Most of them are never going to become dancing masters or dancing teachers. I suppose if they are going to be dancing teachers they would be entitled to the training to become such. That would be all right. But I understand that many more are learning to dance than can possibly go into the business of teaching dancing. Those are things which, in my opinion, ought to be studied. We ought to have a complete program.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield for a question.

Mr. JOHNSON of Colorado. My question is this. Before I ask the question I want to lay a background.

The PRESIDING OFFICER. Does the Senator from Ohio yield for a background? [Laughter.]

Mr. TAFT. No; I do not yield for a background. I yield for a question relating to what I am talking about. I yield simply for a question, but not for a speech or for a background.

Mr. JOHNSON of Colorado. I shall eliminate the background. I do not think it adds to the information which we want the people to have on this subject when we confine the inquiry strictly to a technical question; but I will ask it under the arbitrary limitation imposed.

When we make on-the-job payments such as the Senator has outlined, are we not in reality paying work subsidies? Are we not establishing the principle of paying work subsidies; and is it not a fact that many employees throughout the country have taken advantage of the situation and have sought to hire subsidized workers since they only need to pay them a part of the wages earned, the remainder of their wages coming out of the Treasury of the United States? Have not such workers been assigned to such tasks as sweeping, janitor work, and other menial tasks; and have they not been paid very low wages by the employers and hired because they could be obtained at a very low wage? Has not that been done?

Mr. TAFT. I think that is a fact. To a large extent these payments relieve the employer from increasing salaries as he should increase them. Take the case of a gasoline station operator. If a man working for him did not receive any allowances he would probably be learning just as much as if he were receiving allowances for a supposed course of training. The training for such a position is not a very complicated affair. If a man is receiving $65 a month from the Government, the gasoline station operator takes advantage of that fact by not paying as much as he would otherwise have to pay, or as much as he would have to pay in the case of a man who was not receiving such allowances. He would far rather have the veteran and pay him a little less. There is not much pressure to increase the veterans' pay as it ought to be increased.

Mr. JOHNSON of Colorado. Did not General Bradley, who was administering this act, point out to the Congress and to the country in the last session of Congress that the program was being made a racket by certain employers and that the worker was being taught nothing of appreciable value?

Mr. TAFT. I do not remember the exact language. If the Senator says so, I believe it. General Bradley criticized the program. Also the Director of the Budget, in a letter signed by James E. Webb, on the subject of these bills, very severely criticized the program and opposed the increase in ceilings for on-the-job training.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. TAFT. I yield for a question.

Mr. TAYLOR. The Senator mentioned the GI's who were learning to dance. Did it ever occur to the distinguished Senator from Ohio that possibly they aspire to be Republican Senators under the leadership of the Senator from Ohio? [Laughter.]

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TYDINGS. In a letter addressed to the Senator from Ohio, found on page 3 of the report, the last paragraph of the letter, written by General Bradley, reads as follows:

> No comment on the merits of S. 1394 is furnished herewith, as the principles underlying an increase in subsistence allowance were fully discussed in my combined report of May 2, 1947, to your committee, concerning S. 112, S. 208, S. 324, S. 326, S. 407, and S. 914.

I am wondering if, with respect to any of the other bills, General Bradley pointed out the need for a revision and tightening of the law so that violations of its evident intent might be corrected. Does the Senator have any information on that subject?

Mr. TAFT. I did not hear General Bradley's testimony. I was not present at the hearing, and I should not like to assume the responsibility of commenting on General Bradley's testimony. He was rather noncommittal on the whole subject. He said that if the cost of living had increased, perhaps certain allowances should be increased. However, the Director of the Budget has more directly disapproved the idea of the on-the-job-training program.

Mr. TYDINGS. Is it the Senator's intention to move to recommit the bill?

Mr. TAFT. When the bill comes before the Senate I shall move to recommit it. We have now before us the educational-allowance bill, passage of which I favor.

The present law imposes a ceiling of $2,100 a year for a single man and $2,400 a year for a married man, on the amount which the man earns, plus his allowances. That is, if he draws $125 a month from his employer, then instead of receiving a $65 allowance he may receive only $50 as an allowance. As he approaches the ceiling his allowances are reduced, and the total he can receive is $2,100. It is proposed to increase the ceiling for single men to $2,400, and for married men from $2,400 to $3,000. To a large extent we are simply relieving employers of paying men what they are really worth.

Furthermore, the average earnings of workmen throughout the United States are less than $2,400 a year today, and the average earnings of veterans of all types are less than $2,100 a year today, so it is proposed that men who receive a lower salary be taxed in order to pay certain men allowances to enable them to receive higher income than that received by the taxpayers themselves, on the average.

It seems to me that we ought to maintain the ceilings where they are, and that we ought to investigate the entire subject before we go further. That is the reason why I feel that we should pay the terminal-leave bonds this year. We should increase certain veterans' allowances. There are one or two other things to which I shall refer, which I think we should do. However, I believe that the two bills dealing with on-the-job training should be referred to the committee for study. Reference has already been made to one such bill. There is another, which provides that if a man owning his own farm goes to town and takes a course for a few hours a week, he may then draw an allowance for learning how to operate his own farm.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield for a question.

Mr. PEPPER. Is not the Senator from Ohio overlooking the basic fairness upon which the on-the-job-training program was predicated? Would it not be a discrimination in favor of the veterans who were able to go to school or college, and against the veterans who are not qualified to go to school or college, but can only take on-the-job training of some sort, if we were to give the benefits of the GI bill to the first class and deny them to the second class? Is not the Senator overlooking the basic principle of fairness?

Mr. TAFT. I am not proposing to deny a bona fide educational course to a man who is learning on the job. I say only that the program is subject to abuse under the present law, and that if we permit a man to receive allowances, and also be paid for the work which he is doing, he will receive more than the average workman in the United States. I think that would be doing an injustice to the rest of the population.

Mr. PEPPER. Mr. President, will the Senator yield for another question?

Mr. TAFT. I yield.

Mr. PEPPER. Is there not involved another question of principle dealing with equal justice to the two classes? Does the Senator say that we should allow a certain benefit to the veteran in school, and a lesser amount to the student taking another kind of training? Does not that involve the basic principle of equality?

Mr. TAFT. It seems to me that the Senator's argument is that if we give $1,000 a year to 2,000,000 veterans, we ought to give it to 15,000,000 veterans. What we are paying for is the cost of education to the veteran. If he is receiving the education for nothing, which is the way most people in the United States have obtained their education, then I do not see why the Government should give him more than the education really costs, when he is paid for the work which he is doing.

Mr. PEPPER. On the contrary, does not the Senator recognize that what the Senator from Florida is advocating is the policy of the Government of the United States, promulgated by the Congress, that we should offer the same opportunity to all similarly situated? We should not select a preferred class which can take intellectual training, and say that that is the only class which we will recognize as having the right to receive training from the Government.

Mr. TAFT. I am not proposing anything of the kind. If anyone wants training, the Government pays the cost of his training. If he receives the training for nothing, I do not think the Government should pay for it. Unless it is a bona fide instruction course, I do not think the Government should pay for it, because someone else is drawing compensation.

Mr. President, there is one ceiling bill, Calendar No. 611, Senate bill 1236, which provides for increasing ceilings in cases of allowances for rehabilitation of disabled veterans. In the case of service disability, it seems to me that the payment should be sufficiently liberal to cover the entire cost of living for a disabled veteran while he is engaged in rehabilitation courses to enable him to work for himself. The bill would increase those ceilings and would fulfill the obligation we have to the disabled veterans.

There are also on the calendar two bills providing for special gifts to certain types of disabled veterans. Last year a bill was passed giving automobiles to all men who had legs amputated They were special automobiles, which with special appliances the veterans could learn to drive. I questioned the wisdom of that, but it was done. This bill proposes to extend the time within which such veterans may receive automobiles, and it also includes those whose arms have been amputated and the blind. I question the wisdom of so extending it, but it only illustrates the fact that it is very difficult to draw the line. If it should be extended, I do not see why it should not be extended to all suffering permanent disabilities. I suppose that is what will ultimately happen.

On the other hand, there is another bill, which is an appealing one, to give to all paraplegic and wheel-chair cases half of a house. In other words, the Government will give such a veteran a house if he will pay for half of it. The house is specially arranged so that wheelchairs may be handled, and that requires a more expensive house. I should not object to paying the extra expense, but I do think that the theory of giving gifts to particular groups is a theory which is extremely dangerous. If they are given to paraplegics, why not to the blind? The blind are just as unfortunate and as deserving. My impression is that we should give cash on a basis which has reference to the character of the disability involved; but if we give houses to paraplegics, I do not see why gradually we shall not be asked with equal force to give houses to all veterans who are permanently disabled. Such houses cost approximately $10,000 apiece. I think it is wrong in principle to start that kind of a policy. I would far rather increase allowances to those men. There may be many of them who do not want houses; they might prefer to live in a hotel. Furthermore, it would only help the well-to-do, because they would have to pay for half the houses themselves, and many of them, after they receive the houses, may not have the money to enable them to live in them. It is provided in the bill that if they have not the money they cannot get the houses. That is perfectly proper, but it discriminates between veterans.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Wisconsin.

Mr. McCARTHY. Perhaps the Senator from Ohio is not aware of some of the things that we did in working out the problem of paraplegic cases. The

idea behind it is to give that type of veteran, who is doomed to a wheel chair for the remainder of his life, sufficient money to put him in the same position as any other veteran.

The cost of building a house for a paraplegic patient is much greater than that of building one for a normal person. The position we take is that the Government should say, "We will stand the additional cost of building the house." We decided it would be impossible to work out the details, in one case $4,000, in another case $5,000. We felt that half the cost of the home would cover the additional expense to the veteran.

I may say to the Senator from Ohio that we are firmly convinced that unless we do this we are, in effect, sentencing 2,300 paraplegics to remain in institutions for the remainder of their lives.

Mr. TAFT. I entirely dispute that. I do not question for a moment the right of those men to greater compensation than they now receive, but, after all, living in a house costs about 10 percent a year of the cost of the house. If these men want to, they can build the house because the Government will loan them 100 percent.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. TAFT. I think if we are going to do this for them we ought to give all of them in that situation, whether they want a house or do not want one, an additional allowance which really would be an allowance for the additional cost of living. The idea of picking out a particular group and making them a gift will inevitably be extended to other classes. After all, it involves money. I have no desire not to make the most ample compensation to the man who, because of his disability, finds it much more difficult to live, much more difficult to pay rent, because of the character of accommodations which he must have.

I yield to the Senator from Wisconsin.

Mr. McCARTHY. With reference to the Senator's statement that they will be able to borrow a hundred percent on the house, is the Senator aware of the fact that these crippled veterans who have no income outside their pensions are unable to make GI loans? We have checked and found that if we pay half the cost of the house the crippled veteran will be able to take advantage of the GI loans.

Mr. TAFT. I think such a veteran should be able to take advantage of the GI loans. If he cannot, his pension ought to be increased so that he can.

Mr. McCARTHY. Is the Senator also aware of the fact that the cost of a hospital bed for this type of case is approximately $20,000? Is the Senator also aware of the fact that the annual cost of care in a hospital for paraplegic cases is in excess of $7,000? Even though we have to pay up to $10,000 to help those unfortunate men to get homes—many of them have wives and families—from a business standpoint we will save a tremendous amount of money. First, we shall not have to spend $20,000 to provide a hospital bed and, second, we will not have to spend $7,000 a year on hospital care.

Mr. TAFT. We will spend just as much on hospital beds, whether we give them homes or do not give them homes. What will happen will be exactly what has happened with reference to the gifts of automobiles. The moment we give something there is nothing to prevent the receiver of the gift from selling it or giving it away after a year or two. In the case of the automobiles, a fair number of veterans sold the automobiles after a year or two. There is no way in which that can be prevented.

Mr. President, my theory is that to give them a gift of a specific thing is the wrong way to compensate veterans. It seems to me we should take care of the veterans by increasing their allowances to the extent of what is shown to be necessary to give them a complete living so that they can live as they should.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HAWKES. Mr. President, I should like to ask the Senator from Ohio and the Senator from Wisconsin a question. How are these disabled veterans to get the medical attention and the care which they have received in the hospital when they are taken out of the hospital and placed in houses? They receive in a hospital special care, which can be obtained only in a hospital.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Wisconsin.

Mr. McCARTHY. There are approximately 2,300 paraplegics from World War II. The Medical Department tells us that several hundred of them will never be able to take care of themselves. They will not be able to take advantage of this housing. There are 1,500 or 1,600 of them who will be able to take advantage of it.

Mr. HAWKES. Will they be able to take care of themselves completely after they have the houses?

Mr. McCARTHY. Let me finish my answer. A great number of them are married; a great number have children. Of course, those who are married will have a wife to take care of them to an extent. Many of them will have to return to the hospital periodically for treatment. Therefore it is anticipated that the homes will be built fairly near to a veterans' hospital. We have the approval of the Veterans' Administration; we have the approval of men who are in charge of rehabilitation; and our committee unanimously approved this bill. The Senator from Ohio says we owe a debt of gratitude to the veterans, and I think that is true. In regard to the able-bodied veterans, what we give them often is an attempt to make payment of a debt of gratitude. But whatever we give to the disabled veterans is the payment of a debt—period. Furthermore, what we give the disabled veterans under this bill will cost us nothing in the end.

Mr. HAWKES. Mr. President, I have always claimed, and have so stated on the floor of the Senate, that we owe the veterans 10 times more than we can ever repay. Those who are able-bodied and can-take care of themselves can never be paid what we owe them. But, more than that, we shall never be able to pay the disabled veterans sufficient to enable them to get out of life all that they should get out of it.

I wish to ask the Senator whether he knows that the 2,300 paraplegics to whom he refers, or a substantial number of them, would prefer to have what he is advocating, or would prefer to have some extra help so that they could use the money, or whatever else is given them by the Government, in whatever way their own judgment suggests is best for them, in the future?

Mr. McCARTHY. Mr. President, I think that question can best be answered by stepping out into the anteroom, where a number of these men now are. I have talked to several hundred of these amputees. I have not talked to the entire 2,300. I have not found one who was not extremely eager to get away from the hospital. The men in charge of rehabilitation tell us that they cannot rehabilitate the men while they are in the hospitals, and that that is doubly true in the case of a man who has a wife who is several hundred miles away or who has children who are some distance from him. They tell us that in order to rehabilitate the men, they must get them back to their families.

Mr. TAFT. Mr. President, the Senator's statement is evidence of what I have to say, namely, that the appeal which is made is an exceedingly emotional and forceful appeal. We were confronted with the same situation in regard to the question of providing automobiles for disabled veterans; yet now we see happening, in regard to automobiles, exactly what we were afraid of at the time when that bill was before us. In other words, amputees come here in wheel chairs, and we cannot resist the emotional appeal. Nevertheless, a number of the automobiles were sold by the men after they had gotten them.

Now we have this bill, and there are a number of other veterans' bills. If veterans who are amputees are to be given automobiles, the blind veterans should get automobiles, it may well be said, for surely their wives could drive them around; and if paraplegics are entitled to be given houses, other veterans are entitled to houses. So it seems to me we get into a field which is perfectly illimitable.

I think we should study the question of giving adequate annual payments to these men. With such payments, a man can build a house, if he wishes to do so. Perhaps he would prefer to live in a hotel. Under the measure now under discussion, a veteran who preferred to live in a hotel could not get the money proposed to be provided.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. LODGE. I should like to ask the Senator from Ohio whether it is true that a veteran who is so disabled that he is condemned to live in a wheel chair for the rest of his days would have a great deal of practical difficulty in getting a contractor and builder to construct a house which would be suited to his needs, because special construction is required, ramps may be required, special plumbing may be required,

and it may be necessary to provide all sorts of arrangements which are out of the ordinary and are beyond the reach of a great many persons, particularly persons who are crippled in the way these men are crippled.

Mr. TAFT. Mr. President, I do not agree to that at all. If a disabled veteran receives sufficient payments from the Government, he can get his own architect and can pay for the house himself a good deal easier than he ever would be able to do with the assistance of the Veterans' Administration in view of all the red tape that inevitably surrounds the operations of the Federal Government in procedures of this kind.

Mr. LODGE. So far as he is concerned, if this bill becomes law, he will not have to do anything except wait for the Government to give the house to him. He will not then be confronted with red tape. I agree that there is always red tape in connection with Government operations, but it would not be confronting the veteran. All he would have to do would be to wait for the Government to build a house for him.

So far as veterans who wish to live in hotels are concerned, it seems to me that we should amend the bill so as to take care of such veterans.

Mr. TAFT. Mr. President, unless we increase the veterans' allowances, we are going to exclude most of these men from having houses, because one of the conditions is that the veteran must prove that after he gets into the house he will be able to live in it with the money he has. Unless he has some money of his own, he will not be able to live in the house. So the result would be to give aid to the men with some income; but many of the men would not be able to participate under this program because their income is limited.

So I suggest that we give this matter further study before we take action.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. TAFT. Mr. President, I prefer not to yield now. The Senator's bill will come up, and he can present it fully.

I only wish to make a comprehensive summary of the veterans' bills which we have and the general principles applying, in my opinion at least, to veterans' legislation.

I have covered all the bills except that to increase the service pensions of Spanish-American War veterans. They have not been increased in accordance with the increase in the cost of living. The general effort in connection with these bills has been to put them on a cost-of-living basis. I ask the Senator from Colorado, the chairman of the Finance Committee, if that is his understanding of this increase. I understand that it is an increase over prewar pensions, equivalent to the increase in the cost of living over the prewar cost of living.

Mr. MILLIKIN. That is correct.

Mr. TAFT. Mr. President, by way of summary, as to the program which I have to propose—it is only my own, it is not an official program; but as chairman of the Committee on Labor and Public Welfare I can say that we have had a number of these bills before our committee—I suggest that the program should be the payment of the terminal-leave bonds; that we should increase subsistence allowances to veterans taking education courses in accordance with the increase in the cost of living; that we should increase the service pensions of Spanish-American War veterans in accordance with the increase in the cost of living; that we should also increase in accordance with the cost of living the ceilings for disabled veterans who are taking rehabilitation courses in service-connected cases; that we should extend, as I think we must, the provision for automobiles under Senate bill 1391, Calendar No. 432; and that the problems in regard to on-the-job training and specific gifts of houses should be recommitted to the committee for further consideration and study next year. After all, there are many years to come. I think the program I suggest is a reasonable one.

As to Senate bill 1394, Calendar No. 430, which is now before the Senate, I favor the passage of that measure in accordance with the terms which, I may say, have been carefully worked out by the subcommittee of which the distinguished Senator from Oregon [Mr. MORSE] has been chairman. This bill was prepared by the subcommittee and was introduced by the members of the subcommittee, comprising the Senator from Oregon, its chairman, and his colleagues on the subcommittee, the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. HILL].

The PRESIDING OFFICER. The bill is before the Senate and is open to amendment.

Mr. MORSE. Mr. President, as chairman of the Subcommittee on Veterans' Legislation of the Committee on Labor and Public Welfare, in behalf of the subcommittee I shall make a very brief statement in regard to Senate bill 1394, and a very brief statement in regard to the other proposals for legislation falling within the jurisdiction of our subcommittee, so ably discussed by the Senator from Ohio [Mr. TAFT].

Let me say at the outset that I am sure I speak for the members of my subcommittee when I express to the Senator from Ohio our appreciation, first, for his cooperation in making it possible for us to present the proposed legislation for a vote today. The CONGRESSIONAL RECORD makes it perfectly clear that the junior Senator from Oregon, as chairman of the subcommittee, has at least tried to be diligent and conscientious, and, may I say, somewhat persevering, in getting the proposal before the Senate. As the RECORD shows, he made use of all the procedural rights accruing to him as a Member of the Senate to have the pending bill considered today, and he appreciates the cooperation he received from the Senator from Ohio, when it became perfectly clear to the Senator from Ohio that the junior Senator from Oregon was going to insist and persist in securing action on the bill this week if it were possible under the rules to do so.

In the second place, I am sure I speak for the members of the subcommittee, a word of appreciation to the Senator from Ohio when I say that I am glad that on the floor of the Senate he has decided to support Senate bill 1394. That, too, is characteristic of the Senator from Ohio. It does not suprise me that he has come to agree with the subcommittee on the advisability of this particular proposal, because I am sure that when it was before the full committee he had not had an opportunity to study the complete record that had been made before the subcommittee, and his remarks today show very clearly that he has studied the record, and that on the basis of the weight of the evidence to be found in the record he shares the opinion of the great majority of the subcommittee that the proposal is deserving.

Let me state very quickly, what the bill provides, and the main reasons in support of it. Senate bill 1394 provides that the subsistence allowance for veterans attending college, if they are single, shall be increased from $65 to $75. If they are married, it shall be increased from $90 to $105. If they are married and have more than one dependent, it shall be increased from $105 to $120.

We had a series of bills before the subcommittee dealing with the question of subsistence allowance, such as the bill introduced by the distinguished Senator from Tennessee [Mr. STEWART], another by the distinguished Senator from Florida [Mr. PEPPER]. There were other bills which combined the issues in regard to the subsistence allowance and the on-the-job-training ceiling.

It seemed to the subcommittee, as we listened to the pros and cons and the representations relative to those bills, that the best procedure we could follow would be to write a committee bill, and limit the committee bill specifically to the subsistence allowance for veterans in school. That is why we followed that course of action, rather than attempting to amend the bill introduced by the Senator from Tennessee [Mr. STEWART], which involved both the subsistence allowance to veterans in school and the on-the-job-ceiling issue, and it was also why we did not decide to amend the bill introduced by the Senator from Florida, for example, which likewise covered more than the single issue.

Mr. President, as I have already said at a previous time on the floor of the Senate, I do not see how the chairman of any committee or subcommittee of the Senate could have had finer cooperation, and a better give and take, and a more splendid spirit on the part of his colleagues on the committee in the endeavor to work out conscionable compromises of the differences, than I had from the Members of my subcommittee. The present Presiding Officer [Mr. IVES] is a member of the subcommittee, and I think he will agree with me that when we started the hearings and the discussion the members of the subcommittee were poles apart. A salient fact which I hope Members of the Senate will not forget as they come to consider the merits and the desirability of the report is that we had before our subcommittee various proposals for veterans' legislation which totaled in excess of $3,000,000,000. We finally submitted a report, and a list of bills which

we are recommending to the Senate today, totaling approximately $300,000,000. I think I need not tell the Members of the Senate that when a committee works over the days and weeks, as we did, and considers proposals totaling more than $3,000,000,000, and cuts them down so that we can reach practically unanimous agreement on a legislative program which will cost, in round numbers, $300,000,000, a pretty good job has been done. I do not mean that it is an acceptable job so far as those who want more are concerned. In fact, I, as chairman of the subcommittee, have received much criticism because I have not gone all out for proposals which called for a much larger expenditure of money than the measure which we are recommending to the Senate.

As I said many times as the hearings were in progress, in the presence of those who were advocating the expenditure of much larger sums, the job of the subcommittee was to work out compromises which would do justice and equity to the veterans, and which would carry out the spirit and the intent of the GI bill of rights as it was originally enacted by the Congress.

On that point, Mr. President, the distinguished Senator from Florida [Mr. PEPPER] and I never did reach an agreement on one matter of policy, namely, as to the intent and purpose of the original GI bill of rights.

Mr. PEPPER rose.

Mr. MORSE. The Senator from Florida insisted throughout the hearings, as I am sure he is about to insist now, because I see him getting ready to reply, that the allowances for benefits for boys in schools should not be limited upon the basis of any principle that they should merely be in an amount which would be an aid to them, which would partially help them, which would be of assistance to them, but should be sufficient, as the Senator from Florida, in his emphatic and persuasive way, has said to the chairman so many times, to cover the full expense and the full outlay of the cost of a college education to the veterans attending college.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Florida?

Mr. MORSE. Not at the moment; I know what the Senator's statement is going to be, and I want to get all the points before him to reply to, because I think it is important in this debate that we have a very definite understanding of our point of view on this subject.

As I stated to the Senator from Florida in the hearings, as I read the hearings on the original GI bill of rights, I think it is perfectly clear that it was not the intention of Congress in the first instance to provide the full cost of education to veterans in college. Had I thought that was the original intent, if I could have been convinced that the Senator from Florida was right, I would not have hesitated to vote for larger allotments, because certainly the allotments presently being paid, and the allotments which are being recommended in the report, do not begin to cover the full cost of a college education for a veteran who seeks benefits under the act.

Not only was I satisfied from a reading of the hearings, but the testimony of some of the veteran leaders themselves, including Colonel Taylor, representing the American Legion, confirmed me in my view that the original intention on the part of the veterans' organizations and on the part of Congress was not to pass a bill providing a subsistence allowance to cover the full cost of a college education. Hence, it must be made very clear, with some dissent within the committee, also by the Senator from Florida, that the subcommittee submitted to the full committee, and the full committee now presents to the Senate of the United States, a subsistence bill which does not cover the full cost, because the majority of us do not believe that that was the original intent of the Congress under the GI bill of rights.

I now yield to my good friend the Senator from Florida for a reply on this point.

Mr. PEPPER. Mr. President, the able Senator from Oregon has been eminently fair and full, as he always is, in the statement he has made of this matter. While there was and is a difference between us about the particular matter mentioned by the Senator, I cannot pay too high a tribute, too deserved a tribute, to the Senator from Oregon for the service he has rendered to veterans of this country. As chairman of the Veterans' Subcommittee of the Committee on Labor and Public Works, he has labored diligently and untiringly. He has not only labored and diligently worked; he has militantly fought for the justice due veterans of this country, and he continues that fight very strenuously here upon the Senate floor.

But, Mr. President, I feel that it was never the intention of the Congress that we merely give a partial aid to the veterans in getting an education. As a boy who got the benefit of a vocational-training program after the last war, and who worked his way through college to a considerable degree, I know what it means, first, for an American boy to get a chance to go to school, and, in the second place, I know what it means to his regular course of study to have to earn outside income. I know in many cases the impossibility of students in schools and colleges getting a chance to earn an outside income which will materially contribute to their educational expense.

Mr. President, even in the ordinary case of students in college, for example—and I am speaking about the ordinary volume of college enrollment in a normal time—there are jobs for only a few, a relatively few, of the students in attendance upon a particular college. Many of our best educational institutions are not located in great cities where there are many job opportunities, but in small towns where there are limited job opportunities. Of course, we all know that the chance of getting a job paying decent compensation upon the college campus is very meager.

This is not a normal group of students in colleges and universities. This is a group of students representing a great influx, coming in suddenly upon being released from the war, and therefore the number of jobs available upon the campus, the number of jobs available in the towns or the cities where the colleges or the universities are located, could not possibly be adequate to enable the veterans who deserve a right to go to college and university to support themselves, if the subsistence they derive from the Government is an inadequate sum for their support. If there are not job opportunities to enable them to take advantage of the Government's training-educational program, they could not take advantage of it unless they either had savings upon which they could draw from their own bond purchases during the war, or some fortunate savings they had acquired in the past, or unless they had families who had money they could let them have for their additional sustenance, or unless their wives went out and worked—and that, of course, depends upon whether they were able to work, whether their time could be spared from the care of children, if they have children, as many of the wives of veterans do. It depends upon whether jobs would be available for them. So, Mr. President, this is a limited program, and the number of jobs is limited.

Moreover, Mr. President, the course of study pursued by the veterans is an intensified course; they study through the summer in most cases. They are not attending college in the leisurely way that students in normal times frequently may do; but this is a concentrated, intense training-educational program for men who have been denied a chance to go to school and college for years, who have already reached a greater maturity and who realize what it means to hurry through school.

So, Mr. President, against that kind of background for this limited class of students, it seems to me that what we did in the beginning was the right thing; which was, as I understood what we did, to give them a sum of money which would modestly provide for their subsistence while they were taking a limited educational program. That does not mean luxury. It does not mean sufficient to live according to a high level of living. It means a modest, fair subsistence program. Mr. President; and that is all they have today. They have not had that, in many cases, and that is the reason, as the Senator knows the hearings disclosed, that so many veterans have had to discontinue. They did not have families who could send them checks; they could not get jobs; their wives could not work. That meant they had used up their funds and they had to go home; they had to walk out of college and school, abandoning their courses before they were completed, because we had so meagerly provided for their sustenance that they could not remain in school.

Mr. President, the Senator from Oregon has been so generous, I shall only take a minute more. This program is based first on justice to the veteran. The Senator from Ohio said we are trying in some small way to do our part to compensate the veterans for what they

did for us in the war, while most of us stayed here at home. But in the second place, Mr. President, this is the best investment the Government of the United States could possibly make. I base that statement even upon a material consideration, let alone what they may contribute more valuably to our economy and as citizens of this great Republic in larger income taxes that the Government of the United States will collect in future years from men who have had college or university or professional education, compared to the income taxes the Government would collect generally from them if they had not had such educational opportunities. The Government of the United States will come out better, richer in the long run in revenue, for having given these boys and girls a chance to get this kind of education, than it otherwise would.

Then, Mr. President, consider how much more valuable they will be to the Nation. Not long ago the dean of the graduate school of Georgia Tech, one of the great institutions of this country, told me that he had made a study of the wealth and the resources or the riches of the nations of the earth, and he found the wealth of nations in direct ratio to the number of their skilled citizens. So the key to a nation's wealth is not its resources in the earth, but the skills its people possess. So we are adding to the richest resource America has, when we give added educational knowledge and skill and capacity to the men and women who will take and can take advantage of educational opportunities in school and college. But they can take it only when they get a subsistence upon which they can live, and the only democratic way is to let the opportunity be open to all. Do not merely give it to a few who can supplement in one way or another what we give them so they may be enabled to go to school, but in a democratic way give enough for all to enjoy a minimum standard of living and be able to take advantage of this great boon, not only for their interest but for that of the Nation.

I am sorry to be obliged to differ from my distinguished friend from Georgia on this matter, but I believe that is the democratic view, I believe that is the right course to take, I believe it is a fair one. I believe it to be in justice to the individual and for the public interest that we fix an amount upon which the veterans can modestly and meagerly live as individuals or as married veterans and fathers of children.

Mr. GEORGE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Georgia to reply.

Mr. GEORGE. Are we to infer that there shall be no fixed limit upon the subsistence allowance for single or married persons?

Mr. PEPPER. I will say to the Senator from Georgia that there should be a fixed figure, but it should be a minimum sufficiently high to enable the single man or the married man and his family to live on a modest scale. That is all.

Mr. GEORGE. I may say to the Senator from Florida, with the indulgence of the Senator from Oregon, that I was chairman of the Finance Committee when the GI bill was introduced. In fact, the then Senator from Missouri, Bennett Champ Clark, submitted a bill to me, and we jointly proposed it, and a great number of Senators added their names to the bill as sponsors. The bill went to two writings. I was also a member of the conference committee which put in final form the GI bill of rights, and we were at work in conference for approximately 2 weeks before we reached a decision. This very question came up in conference. I do not recall that the question arose, I will say to the Senator from Oregon, in any of the public hearings, but it came up in conference as to whether or not we were intending to take care of the total subsistence cost of the veterans. We rejected that idea as impractical, in the first place because the subsistence cost is not uniform as between any number of students in any particular institution or in institutions throughout the country. We decided that the only practical and feasible program which could be adopted was to provide a reasonable subsistence allowance by way of assistance to the veterans in order that they could take advantage of the provisions contained in the GI bill of rights.

Mr. MORSE. I thank the Senator from Georgia. That is my understanding. That is why I made the statement I did.

Mr. GEORGE. That was precisely the process through which the legislation went. In discussing the matter, of course, there was a difference of view as to what the amount should be, whether it should be $65 or $50 or $75. But the general idea was that there could not be a payment of full subsistence, because subsistence would vary between students in the same institution and between students in the various institutions of the country. Besides, it would open up the opportunity for possible fraud. So we fixed a reasonable subsistence allowance, not to cover necessarily the costs of the veteran, but to enable him in what might be called an ordinary normal case to take reasonable advantage of the provisions of the GI bill.

Mr. PEPPER. Mr. President, before the Senator sits down I should like to ask him a question.

Mr. GEORGE. I shall be glad to answer.

I should like to ask the distinguished Senator from Oregon one other question for my own information. I notice among the bills discussed by the chairman of the full committee is a bill to provide that a part of the cost of a house shall be provided for wheel-chair cases, I believe.

Mr. MORSE. That bill was not before my subcommittee.

Mr. GEORGE. At that point we might as well face the issue. The Senate Finance Committee has considered all veterans' legislation since World War I. We have had some degree and measure of regularity and uniformity in arriving at our decisions. I am not considering the committee by which the legislation is recommended. I do not know which committee it is. But I will state the procedure in fixing the compensation of the totally disabled veterans of World War II, especially under a bill which was jointly sponsored, as I recall, by the chairman of the subcommittee of the Finance Committee, the distinguished senior Senator from Colorado [Mr. JOHNSON], and myself. We greatly increased the benefits to the totally disabled men of World War II. We took into consideration the very question of wheel-chair cases and various other types of extreme disability. Actually the pension and allowance to some veterans of World War II can go as high, according to my recollection—and I am speaking now purely from recollection—as $360 per month. Now, if some other committee, out of sympathetic impulse or in the exercise of good judgment, let us say, is going to take up the same cases and give to each of them a house, and give to them certain other great monetary benefits, we shall have destroyed the whole program of uniformity which we were striving to keep in view in a liberal way, let me say, not in a parsimonious spirit at all, between veterans who had suffered substantially the same general disability.

I asked the question because I thought perhaps the Senator's committee considered the bill which relates to the furnishing of a house in certain cases, or a portion of the purchase price of the house.

Mr. PEPPER. Before the Senator from Georgia takes his seat the Senator from Florida would like to say that he does not want the Senator to misunderstand what the Senator from Florida had in mind as subsistence cost. Of course the Senator from Florida did not mean to provide an automobile for the veteran; he did not mean that the veteran should stock up a wardrobe of clothes, or extraneous expenses like that, but the Senator from Florida meant that the amount should be sufficient to provide the necessary current living expenses for the veteran without having to draw upon his savings, without having to borrow, without himself having to work or, if he should be married, to cause his wife to work.

Mr. GEORGE. I understand that. There was uncertainty, however, respecting what the Senator had in mind. But as I understand now the Senator favors only fixing an amount which will cover these cases, and I assume a uniform amount.

Mr. PEPPER. Oh, yes. I am glad the Senator from Georgia gave me the chance to clear up the matter. I did not intend a variable amount. I meant the same amount for all those similarly situated, and only for current expenses, but I did want the amount to be sufficient for a single man, or a man with his family, as the case may be, to preclude a real sacrifice, so he would be able to take educational training without having to work, without having to draw upon his savings, or without having to borrow.

Mr. GEORGE. I assumed that was what the Senator had in mind, but I wanted to clarify it.

Mr. PEPPER. I am glad to have done so.

Mr. MORSE. Mr. President, I wish to say to the Senator from Georgia that I find myself in complete agreement with the statement or point of view ex-

pressed by the Senator from Ohio [Mr. TAFT] earlier today in his remarks when he indicated that he favored having veteran legislation channelized through one committee. I think that would be a very much better procedure. I do not think we ought to have my subcommittee handling a part of it, a subcommittee of the Armed Services Committee handling another part of it, and a subcommittee of the Committee on Finance handling still another part. I do not care what committee does it, but I hope we can proceed with whatever changes in our rules are necessary so that all veterans' legislation will go through a single committee and we can arrive at a coordinated program which will do justice to all concerned.

Mr. GEORGE. Mr. President, I fully agree with the distinguished Senator from Oregon. That is the only way by which we can save ourselves and deal justly with the veterans.

Mr. STEWART. Mr. President——

Mr. MORSE. I yield to the Senator from Tennessee.

Mr. STEWART. I thank the Senator.

First, I wish to compliment the Senator's subcommittee for the very fine work it did in connection with this veterans' legislation, and the very exhaustive inquiry which his committee made. I compliment him on his very fine and fair statement concerning the particular bill which is before the Senate at the moment; that is, the bill to increase the so-called subsistence for students, and also the bill dealing with the on-the-job training program.

I introduced a bill to which the Senator has already called attention, to cover that same phase of legislation. The only difference is that the bill which I introduced called for larger payments than the one which the Senator was able to have reported from his committee.

Mr. MORSE. It also combined both issues. Senate bill 1934 has no provision in it as to the on-the-job training program. It limits itself entirely to benefits to the boys in school. There is a separate bill, Senate bill 1393, for the on-the-job training program.

Mr. STEWART. As I understand, it will be considered after the pending bill is disposed of.

Mr. MORSE. Yes; I shall ask that it be considered.

Mr. STEWART. I was referring to both measures, because in my bill I provided for both classes.

I am sorry that the committee did not see fit to report a larger amount. As I understand, the amount for the unmarried man is to be increased from $65 to $75, which is an increase of only $10 a month. The increase for the married man without children is from $90 to $105 a month.

Mr. President, I look upon this type of legislation as a duty which the Congress owes to the men who served in the armed forces, who, by reason of having been called into the service and required to remain for various periods of time, some of them for 5 or 6 years, were deprived of an education. I think we owe it to them to give them an amount which will enable them to pay all their expenses toward procuring an education. I think it is unfortunate that we are not giving them sufficient—and, as I understand, admittedly so, from the evidence—to enable them to receive an education without having to look about for a part-time job in order that they may thereby earn money to supplement the allowance which the Government gives them for that purpose. I think it is very unfortunate, because these boys gave unstintingly of their time and services to their government during the worst war this country or any other country has ever experienced.

From the standpoint of emotional feeling, the men who made that sacrifice ought to be given full consideration. We should see to it that their needs are met and their opportunities restored to as great an extent as possible. That is the emotional side of it.

From the practical, economic side, as the Senator from Florida [Mr. PEPPER] pointed out, these men become far better citizens when they are given a full education. They make a greater contribution to their government. Economically the investment is wise.

But there is another side to it. The Government owes them a debt of gratitude. It owes it; it is not a matter of making a contribution; it is not a matter of making a gift to a man who answered the call of his country in time of war. He ought to be given sufficient money to enable him to acquire an education. The Government took away from him his opportunity to obtain an education, because it kept him in the armed forces—perhaps a part of the time overseas—during the very period of life when he would otherwise have been in school.

The veterans are grateful for what little the Government has done for them in that respect. I am told by many educators that the best students in the schools today are those who have returned from three or four years' service in the armed forces and are taking advantage of the GI bill of rights, under which they are undertaking to complete their education.

They know that the period of youth, in which they must acquire an education, is now upon them and is rapidly slipping away, and they are eagerly seizing upon the opportunity to go to school and receive the education of which the war deprived them. They are the best students in the universities of our land.

We ought not to be niggardly in our treatment of them. When I use that word I do not mean to reflect on the committee or anyone else. If we have money to scatter like seed in the wind in Europe and elsewhere in the world, why can we not also at least give freely to our own men, who fought under our Flag for their country during a time when they were much needed? Why require them to seek part-time employment and become part-time workers and part-time students? They were not part-time soldiers while the war was being fought.

I think it is a shortsighted policy on our part not to pay them more money. As the Senator from Georgia [Mr. GEORGE] pointed out a moment ago, I do not know that we ever could pay an amount which would completely and fully compensate them, or take care of all their expenses, because expenses may be higher in one university than in another. But we can certainly come a great deal nearer than paying them only about 60 or 70 percent of the actual cost.

I compliment the Senator from Oregon for the work he has done and the effort he has made. I only make the observation that I am sorry we are not increasing the amount for this particular group of veterans, who in a few short years will have passed through this stage and will have gone out into the business world and into the various pursuits which they may choose. Then it will be too late. This proposal affects only the group who were in the service, and it applies only for a limited period of time.

Mr. MORSE. Mr. President, I shall try to complete my statement on the bill without further interruption. I was particularly anxious to obtain the point of view of the Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] for the record. I thank them for the very able statements of their point of view. I feel that those statements have added to this debate. They represent a concise summary of the points of view presented to us over many days of hearings.

I want to say to both my friend from Florida and my friend from Tennessee that as an individual Member of the Senate, not as chairman of a subcommittee, I also introduced legislation on this subject calling for higher amounts than the amounts in the bill which I am advocating in the Senate today. However, it is one thing, as an individual Member of the Senate, to be an advocate of a certain allowance, and it is quite a different thing, as the chairman of a subcommittee, to lead his colleagues into a reasonable compromise of the various differences which exist in the committee. My own personal view, as shown by the legislation I have introduced, is that there should be a higher allowance. However, let the record be perfectly clear, Mr. President, that we have come forward with a bill which in my judgment gives the maximum amount that could be given and receive a majority vote from the committee, and, in my judgment, also a majority vote in the Senate. After all, it is the responsibility of a chairman of a committee to come forward with a balanced bill which so reconciles differences within the committee as to present to the Senate a bill which reaches the maximum point and which, at the same time, will produce a majority vote.

I make that statement at this time, Mr. President, because I think it ought to be made perfectly clear to the veterans' organizations that are somewhat critical of the bill because it does not provide as much as they think it ought to provide. We have come forward with a bill as to which I can say truthfully, "Gentleman, it is this or nothing at this session of the Congress."

Not only that, Mr. President, but I want to defend also the merits of the bill because I can do so on the basis of the

evidence in the record. First let me say that this bill is justified and deserved on the ground that it is in keeping with the spirit and intent of the original GI bill of rights, as so ably testified this morning by the Senator from Georgia [Mr. GEORGE], and as is made perfectly clear as we go into the legislative history of the GI bill.

The bill which we consider this morning does not purport to give to the veterans the full cost of their education, but it does give them very substantial aid and assistance in securing an education. Some of the witnesses, I may say, said to me, off the record, after this amount was agreed upon by the committee, that although it was not as much as they would like, they would be able to get along with it pretty well. That means that they will have to cut the corners pretty closely, that they will have to economize very much, but they will get their education.

Mr. President, one point which I want to drive home is that this bill will make a great reduction in the number of veterans withdrawing from college because they cannot stay in college by reason of the lack of funds. This bill will strike a balance of subsistence which will make it possible, in my judgment, for the overwhelming majority of veterans to remain in college.

Secondly, I can defend this bill on its merits, because it does take care of a percentage change in the cost of living since the last adjustment was made in the GI bill of rights as to subsistence allowances for veterans in schools. I think that is interesting, also Mr. President, because the GI bill of rights in the first instance proposed to provide a certain amount for subsistence for veterans in school. When the Congress passed the GI bill of rights it did not provide a subsistence allowance which would take care of all college costs. I say that is an irrefutable argument in support of my point of view that it never was the intention, in the first instance, to pass a bill which would take care of the expense of a full college course. If that had been the intention, then Congress failed to vote the necessary subsistence amounts that would have paid the full college cost at the time the bill was passed.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. If the Senator will permit me to finish this point, I shall be glad to yield.

So I say, Mr. President, that in the first instance Congress did not pass a bill which provided for the full college cost. Subsequently to the passage of the bill it made an increase in the subsistence allowance to take care of the then increase in the cost of living, and today we come back for the second time for a cost-of-living adjustment.

Let me make it clear that the increases in the subsistence allowance in Senate bill 1394 are approximately 15 percent, taking care of the general increase in the cost of living since the last adjustment was made.

I now yield to the Senator from Alabama.

Mr. SPARKMAN. I wish to ask the Senator from Oregon to what point in the training program section 2 of Senate bill 1394 applies. Is that on-the-job training?

Mr. MORSE. That is the vocational rehabilitation program for disabled veterans, I may say to the Senator from Alabama.

Mr. SPARKMAN. I am wondering why the subsistence allowance there is not increased.

Mr. MORSE. For those who go to school it is increased up to $75, the same as all the others. Then there is another bill, referred to by the Senator from Ohio this morning, to be considered later, in regard to the whole rehabilitation program for disabled veterans. But as to the disabled veterans in school, the same benefits will accrue to them under this bill as will accrue to able-bodied veterans.

Mr. SPARKMAN. That is true; but there are others who are taking vocational rehabilitation on-the-job training.

Mr. MORSE. That is not covered by this bill at all. There is a separate and distinct bill which covers those veterans.

Mr. SPARKMAN. What I am trying to get at is this: Who constitute the group to which the first set of figures in section 2 apply?

Mr. MORSE. Those who are taking vocational rehabilitation training, a full-time institutional course, are covered by the section to which the Senator refers. The remainder of the bill refers to able-bodied veterans who take a full-time course in college.

Mr. SPARKMAN. Then Senate bill 1393 is the bill which deals with on-the-job training?

Mr. MORSE. That is correct.

Mr. SPARKMAN. The question may be out of order at this point, but I should like to have the Senator tell me why it is that no increase in subsistence to those who are taking on-the-job training is given.

Mr. MORSE. I shall be glad to discuss it now, but I shall discuss it in greater detail later.

Mr. SPARKMAN. It might be more appropriate to wait until that time, then.

Mr. MORSE. We do not increase in the on-the-job-training bill the $65 and the $90 subsistence allowances. We take into account, under the bill, the fact that those men are earning an income and subsistence allowances are payable if the combination of both does not exceed $200 or $250, which permits them to support their families while they are getting the training so that they can have a better economic standard of living. They are, however, at the same time they are receiving that training, earning sufficient money to support their families according to what we consider to be a reasonable standard of living; whereas the veterans in school, unless they are working part time, do not get from their subsistence allowances sufficient, in our judgment, even to keep body and soul together.

Mr. SPARKMAN. It seems to me that the factor of the cost of living to be taken into consideration in dealing with students in school or undergoing institutional training should also be taken into consideration with reference to those who are taking on-the-job training.

Mr. MORSE. Let me be perfectly frank with the Senator from Alabama with reference to that. There were two points of view which prevailed in the committee. One was that we had the job of cutting down the total requests of over $3,000,000,000, as I stated earlier, to a sum that we thought we had a chance of getting Congress to approve. So we cut it down to approximately $300,000,000. We had to make some savings. So we looked at the practical situation in connection with the on-the-job training program, and said we could allow $200 a month, $65 or less of which would be the veterans' subsistence allowance. But he can live on $200. If he is married he is getting $250, and he can live on that, because the average income of American wage earners in this country is less than $200 a month. So we said that in view of the fact that his total income makes it possible for him to remain in a bracket of what we can say is a standard of living of health and decency, and in view of the further fact that we had the job of taking care of those veterans who really, as it seemed to us, had to have some relief in order to keep body and soul together so that they could stay in school, we would increase the subsistence allowances for those in school, but we would not increase the subsistence allowances for those who are participating in the on-the-job-training program.

Mr. SPARKMAN. Mr. President, the Senator has referred to increasing the allowance to $90 a month.

Mr. MORSE. No; $200 and $250 including any subsistence allowance from the Federal Government.

Mr. SPARKMAN. But I was under the impression that the ceiling of $200 and $250 applied to both, to the total.

Mr. MORSE. It does.

Mr. SPARKMAN. Then the veteran could not get more than $200 or $250 a month.

Mr. MORSE. Perhaps I did not make myself clear. I said that the $200 and $250 included any subsistence allowance from the Federal Government.

Mr. SPARKMAN. I understood the Senator to refer to the veteran's getting pay of $290 a month, when as a matter of fact $200 is the maximum he could get, including both.

Mr. MORSE. If the Senator understood me to say that, at least I had no intention of saying it; and as a matter of fact, I do not think the RECORD will show that I said it. At any rate, the difficulty arises over the difference between the word "including" and the word "and."

Mr. SPARKMAN. Mr. President, I should like to say one other word. I know what a difficult task the Senator has had in writing legislation that is at the same time helpful and realistic, and I think the Senator and his subcommitee have done an excellent job. My questions to him are not to be considered as criticism.

Mr. MORSE. I am glad to have the questions.

Mr. SPARKMAN. I am trying to obtain some information.

I wonder whether the Senator will permit me to read into the RECORD at this point a letter which I received this morning, signed by 100 on-the-job trainees. The letter comes from Greenville, Ala.

Mr. MORSE. Certainly.

Mr. SPARKMAN. It reads as follows:

GREENVILLE, ALA., *July 15, 1947.*

Senator JOHN SPARKMAN,
Washington, D. C.

DEAR SENATOR SPARKMAN: We understand there is a bill in Congress at this time to increase the subsistence allowance for veterans in schools and colleges under Public Law 346: that this bill carries no increase in subsistence for veterans in on-the-job training, but merely a raise in ceiling journeyman pay. At first thought this appears to be a big help to us but if you will study our situation further, you will find that this benefits less than five, we repeat, 5 percent of us. Why was there ever a ceiling in the first place? Veterans making four or five hundred dollars a month are not more than existing now with prices what they are—how about us making $100 and $110 a month with a ceiling of $200 a month. We firmly believe that our subsistance should be increased also and that if any ceiling is placed upon this training that it be at least $400 a month. The main reason that most of us cannot raise stakes and tear out for colleges is our large families. We are not making ends meet too well on this subsistence and in fairness to all veterans we solicit you to do all you can to equalize the raises for everyone.

(Signatures omitted.)

It seems to me that in that letter these veterans who signed it have pointed out a condition which really calls for some action. Frankly, I was surprised at the statement that the raising of the ceiling would benefit only 5 percent of those who are engaged in on-the-job training. I do not know whether that applies generally throughout the country, but apparently it does apply to the group of 100 who have signed this letter. It seems to me that is something that might very well afford food for thought.

Mr. TAFT. Mr. President, if the Senator will yield to me, let me say that I think the letter illustrates the serious danger we are getting into in connection with on-the-job training. Here are men who are working at a job and are getting $110 a month. They are getting no particular training, really. They feel that the Government owes them $65 a month or $75 a month as an increase. So far as I can see, what we are doing in the on-the-job training is giving every veteran in the United States the idea that, in addition to what he is working for, he is entitled to $65 or $75 a month, in addition. Obviously, the training is in the background, so far as they are concerned; it is purely secondary. Their feeling is that because some veterans in educational institutions are getting $65 a month more they should get it, too, regardless of the training.

I think that illustrates the danger we are getting into in extending this on-the-job training, under which any one of 15,000,000 veterans can step at any time during the next 10 years, if you please, into a new occupation, and can draw down this pay, which is looked upon as a kind of WPA benefit, to a large extent, as I have observed the sentiment in many parts of the United States. It is an attitude which I think is most unfortunate, and I think the program should be completely studied before we take further action on it.

Mr. PEPPER. Mr. President, if the Senator from Oregon will yield to me, I respectfully submit that the Senator from Ohio entirely ignores the fact that in order to get the benefit of this on-the-job training program, a veteran has to meet certain qualifications and is under certain general supervision. He does not simply walk down to a garage and get a job there and at the end of the month get a check from the Government for what the Government would give him if he were pursuing his work there as a part of the on-the-job-training program.

The Senator from Ohio has made some reference to on-the-farm training. The able Senator from Massachusetts [Mr. LODGE], the present distinguished occupant of the chair, had an amendment affecting this general subject. I do not purport to speak for him, but I know that the bill which has been reported by the committee recognized that a veteran who owned his own farm could come into this training program, provided he met certain qualifications. It did not mean that he would simply get a check at the end of every month because he was a veteran. He had to spend a certain number of hours in taking the kind of training provided for. He had to meet certain standards and he had to be amenable to certain supervision and the like.

I regret very much that the Senator from Ohio has given the impression that these veterans are simply participating in a kind of racket, and I further regret that the Senator is ignoring the fact that it is a training program. They have to meet certain standards and observe certain conditions, and must be amenable to certain discipline. It is only when they have met all those requirements and prerequisites that they are entitled to get the on-the-job training benefits.

Mr. McFARLAND. Mr. President, if the Senator will yield to me, let me say that any other interpretation would mean a total disregard of the law by the Veterans' Administration.

Mr. PEPPER. Certainly. If there are administrative abuses, we are not trying to protect the abuses. It is a matter of administration. We have laid down the law, and, of course, it is the duty of those who administer it to see that the law is executed in the spirit in which the Congress enacted it.

But I do not think that in the discussion we should give the impression that this is sort of a bonanza that the Government has thrown out to everyone who wishes to take advantage of it.

Mr. President, if the Senator will permit me to make a further statement, let me say that a while ago I commented about the value of a college education. Of course, all of us recognize the value of advanced training. I should like to insert in the RECORD, either at this point or later, as the Senator from Oregon prefers, a table appearing on page 2713 of Who's Who, the edition of 1946–47. I call particular attention to two figures appearing therein: Of all the new names appearing in the 1946–47 edition of Who's Who, this compilation of outstanding men and women in our country, only 11.38 percent of such persons have had no college training, whereas 88.62 percent either graduated from college or took college training. That is pointed out simply to indicate what we gain as a Nation in making college training available to the masses of our people, and especially to the deserving veterans. I send forward the statement, and ask that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A study of the educational equipment of the men and women listed in Who's Who

	1934–35 edition (over-all)		1946–47 edition ("new" names)	
	Number	Percent	Number	Percent
Number of names in edition	31,081		8,919	
Furnishing insufficient educational data	1,692		252	
Furnishing general educational data (university, college, technical school, seminary, academy, normal, military and naval, high and common school), forming the basis for computation of percentages (100 percent)	29,389	100.00	8,667	100.00
Bachelors of philosophy, divinity, arts, literature, science, law, etc.	9,217	31.36	2,669	30.79
Masters of philosophy, divinity, arts, literature, science, law, etc.	4,885	16.63	1,319	15.22
Doctors of philosophy, science, letters, medicine, surgery, dentistry, etc.	7,859	26.74	2,333	26.92
Graduates of universities or colleges, including naval, military and others, conferring above degrees	21,961	74.73	6,321	72.93
Nongraduates of colleges*	3,476	11.83	1,360	15.69
Total collegians, graduates and nongraduates	25,437	86.56	7,681	88.62
Educated in academies, seminaries, high schools, and business colleges	1,842	6.27	628	7.25
Educated in common or public schools	2,110	7.17	358	4.13
Total with no college training	3,952	13.44	986	11.38
	29,389	100.00	8,667	100.00
*Percentage of nongraduates to total collegians		13.66		17.70

Mr. MORSE. Mr. President, as to the on-the-job training, I shall discuss that subject when we reach that bill. I merely wish to say to the Senator from Alabama that the pending bill, on which I hope to get an early vote, stands on its own footing, independent of the on-the-job training program. So far as legislation in connection with the on-the-job training program is concerned, I think the most important matter is to raise the ceilings to reasonable amounts, as we have in our bill, from $175 to $200 for the single veteran, and from $200 to $250 for the married veteran. When we reach that bill I shall not be in agreement with the Senator from Ohio [Mr. TAFT] as to the desirability of postponing final action on it. I think it is important to lift the ceilings now so that we can encourage employers to pay these men what they should be paid, and at the same time let them get reasonable subsistence payments from their Government so that they can maintain their families in health and decency.

As to the pending bill, I close by saying that on the basis of the change in the cost of living, on the basis of all the evidence in the record of the number of veterans dropping out because they cannot remain in school on the present subsistence allowance, on the basis of the value of educating the veterans so far as the future economy of the country is concerned, to say nothing about doing justice and equity to the veterans themselves, I present the bill, and urge a favorable vote on its passage.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAFT. I intended to mention the cost, and I do not think I did.

Mr. MORSE. The Senator did mention it.

Mr. TAFT. The cost would be $217,000,000 a year.

The PRESIDING OFFICER (Mr. LODGE in the chair). The bill is open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1394) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, as precedes the proviso, is hereby amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application of the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year: Except, That while enrolled in and pursuing a course of fulltime institutional training under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month if he has one dependent, or $120 per month if he has more than one dependent, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on the job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator:".

SEC. 2. So much of paragraph 3 of part VII of Veterans' Regulation No. 1 (a), as amended, as precedes the first proviso, is hereby amended to read as follows:

"3. While pursuing training prescribed herein, and for 2 months after his employability is determined, each veteran pursuing a course under this part, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents: Except, That each veteran pursuing a fulltime institutional course under this part shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month, if he has one dependent, or $120 per month, if he has more than one dependent:".

SEC. 3. This act shall take effect on the first day of the second calendar month next succeeding its enactment.

REDEMPTION OF TERMINAL LEAVE BONDS

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 4017.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 4017), to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947.

The bill is as follows:

Be it enacted, etc., That paragraph (1) of section 6 (a) of the Armed Forces Leave Act of 1946 is amended to read as follows:

"(1) Settlement and compensation shall be made entirely in cash—

"(i) when the amount due is less than $50;

"(ii) in the case of any enlisted member of the armed forces discharged prior to January 1, 1943;

"(iii) in any case covered by subsection (b) or (c) of this section; or

"(iv) in the case of any applicant who has not made application for settlement and compensation and who makes application to the Secretary after the enactment of this amendatory act and who requests that settlement and compensation be made entirely in cash. The amount of cash settlement provided for in this subparagraph shall include an amount equivalent to the amount of interest which would have accrued to the end of the month in which settlement is made had the settlement been made in an armed forces leave bond, issued pursuant to the provisions of paragraph (2) of section 6 (a). Such equivalent amount shall be considered as interest, as in the case of bonds, for the purposes of section 7 of the Armed Forces Leave Act of 1946. Appropriations available for cash payments shall also be available for the payment of the equivalent amounts authorized by this subparagraph to be paid."

SEC. 2. So much of section 6 (a) of the Armed Forces Leave Act of 1946 as reads as follows: "Each such bond shall mature 5 years from the date thereof," is amended to read as follows: "Each such bond shall mature 5 years from the date thereof, but shall be redeemable in cash at any time after September 1, 1947, at the option of the holder thereof, at full face value plus accrued interest."

SEC. 3. The proviso to section 6 (d) (1) of the Armed Forces Leave Act of 1946 is hereby repealed.

SEC. 4. Section 6 of the Armed Forces Leave Act of 1946 is amended by adding at the end thereof the following new subsection:

"(e) The provisions of subsections (h) and (i) of section 22 of the Second Liberty Bond Act, as amended (U. S. C., Supp. V, title 31, sec. 757c), relating to the use of paying agents for the payment of United States savings bonds shall apply with equal force to payments of the armed forces leave bonds issued pursuant to this act."

SEC. 5. Section 5 of the Armed Forces Leave Act of 1946 is amended by striking out the word and figures "September 1, 1947" wherever they appear in this section and inserting in lieu thereof the word and figures "September 1, 1948."

Mr. TAFT. Mr. President, I have already stated the reasons why I favor the passage of the bill. The Senator from Connecticut [Mr. BALDWIN] is in charge of the bill, and can speak in more detail than can I.

Mr. BALDWIN. Mr. President, I was fortunate to be chairman of the subcommittee of the Committee on Armed Services which had under consideration the bill providing for the payment of the terminal-leave bonds. Several bills were introduced in the Senate dealing with this subject. It is unnecessary in this debate to discuss the other bills, because before the matter was acted upon in the committee the House had passed a bill providing for the payment of the terminal-leave bonds, and that bill was referred to our committee.

Mr. STEWART. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? There are many Senators who are interested in the bill, and if the Senator would not object I should like to make the point of no quorum.

Mr. BALDWIN. I yield.

Mr. STEWART. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Overton
Brewster	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Butler	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capehart	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. BALDWIN. Mr. President, as I was saying before the quorum call, several bills were before the committee, but the House had passed the bill providing

for the payment of the terminal leave bonds, and so we acted upon that bill. The bill, Mr. President, amends the Armed Forces Leave Act of 1946 to provide that bonds issued under that act may be redeemed in cash at any time after September 1, 1947. It permits future claimants to request settlement and compensation entirely in cash, and it extends the time within which applications for settlement and compensation under the act may be made, to September 1, 1948.

Witnesses for the Veterans' Administration, the executive agency, stated that the bill (H. R. 4017), as passed by the House, was the only bill which contained all the provisions which would make the bill workable from an administrative standpoint. I may say, Mr. President, that several Senators and representatives of veterans' organizations appeared before the committee in support of the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. MAYBANK. Mr. President, I should like to ask the distinguished Senator from Connecticut, for the RECORD, whether or not, in addition to the House bill being the most workable bill, it will save the trouble of a conference, and thus will expedite passage of the bill? Am I not correct in that?

Mr. BALDWIN. That is correct. I thank the Senator for his suggestion.

Mr. MAYBANK. Mr. President, if the Senator will again yield, I wish to say that I was on the subcommittee, and I congratulate the Senator upon the excellent work he has done. I do not know whether the Senate has the figures or not, but I should like to call the attention of the Senate to the fact that a large number of GI's have made no application for bonds. The pending measure would extend the time for applying for the bonds until September 1, 1948.

Mr. BALDWIN. That is correct.

Mr. MAYBANK. I should like to inquire of the Senator from Connecticut whether or not he remembers the number who have not applied?

Mr. BALDWIN. I intended to cover that.

Mr. MAYBANK. I thank the Senator.

Mr. BALDWIN. I should like to say, Mr. President, that the chairman of the subcommittee had very fine cooperation from his two distinguished colleagues, the senior Senator from South Carolina [Mr. MAYBANK] and the senior Senator from Iowa [Mr. WILSON]. One of the principal points made before the committee, and one of the points which I think should appear in the RECORD is the fact that the officer personnel of the armed forces received their terminal-leave pay in cash. It seemed to the subcommittee and to the entire Committee on Armed Services that with reference to the payment of terminal leave the enlisted personnel should be given the same opportunity and be put on a basis of equality with the officer personnel. The money that will be paid to veterans who redeem their bonds will be extremely helpful to them now.

Many of them are being married and starting their families. Many of them are building homes, and this money will be of great help to them, much more so than it would be 5 years hence. Approximately 8,500,000 claimants have been paid, and the bonds issued as a result thereof have a face value of $1,792,000,000. It is estimated that 2,500,000 veterans are still eligible, who have not yet filed claims, and that the total cost of redemption of these bonds in money will be $2,500,000,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I feel keenly about this matter, just as the Senator from Connecticut and the other members of the Committee on Armed Services do. As the Senator has stated, 2,500,000 GI's have not as yet applied. I hope that every appropriate governmental agency, in the light of this record, whether it be the Veterans' Administration or any of the other agencies, will make every effort to circularize the various American Legion posts and the posts of the Veterans of Foreign Wars, and other veterans' organizations, who have been assisting in this matter. I hope the press will in every way call the attention of the public to the fact that 2,500,000 young men and women who so valiantly served their country during the war have not made claim. In my judgment that is perhaps due to the fact that they have not been told how to make their claim. I hope the general public in every way will assist them by giving them the necessary information. I think the Senator from Connecticut will agree with me that the two and a half million are perhaps the very ones who most need the settlement and compensation. Not only will they fail to receive the cash, if claim is not made, but, unless the claims are made, as the law has been extended, by September 1, 1948, they will receive nothing, not even the bonds. I thank the Senator again for yielding on that point.

Mr. BALDWIN. I thank the Senator for his suggestion, and I concur in it most heartily. I hope the press and all Government agencies will give widespread information to the effect that those who have not yet applied for bonds under this act must do so before September 1, 1948. Heretofore, the date has been September 1, 1947. The bill specifically extends it to 1948.

It is estimated that the average value of the bonds issued is about $214. Since the bonds carry an interest rate of 2½ percent, which is among the highest rates of interest on outstanding Federal obligations, the Government will save by the payment of these bonds about $62,500,000 in interest charges each year.

There is no need to go into the details of the bill itself. It is very short. The whole purport of it is to provide for the payment of the bonds in cash. Under the terms of the bill the Treasury Department is to work out the details in connection with the payment of the bonds, much as the World War I bonds were paid some years ago.

Mr. President, I believe the bill should be passed. I believe its passage will be of great value to the veterans at this particular time. It represents money which they have earned by leaves they did not enjoy. It puts them on the basis as the officer personnel in the Army. I believe the bill should be passed.

SENATOR FROM MARYLAND

Mr. TYDINGS. Mr. President, I should like to have the attention of the able junior Senator from Indiana [Mr. JENNER] for a moment. I should like to ask the Senator from Indiana, who heads the subcommittee investigating the Maryland Senatorial contest, if it is the rule of the subcommittee that all information adduced from day to day in the counting of the ballots is to be kept confidential and not to be released to the public?

Mr. JENNER. Replying to the Senator from Maryland, I will say that it is the sense of the subcommittee that the daily tabulation should not be released to the public or to the press or anyone else at this particular time for the reason that while, at the end of each day's work, there is a total tabulation of agreed ballots, there are many hundreds of ballots disagreed to, which, under the custom of the committee, we have permitted the attorneys for both sides to screen first to see which they can agree upon, and if they cannot agree upon them, they go to the subcommittee to be counted. These daily tabulations were previously given out, and the impression was being created that the final results were being given. The final result cannot be given until after the attorneys have screened the contested ballots, and then the subcommittee must examine them to determine what the final count is. That is the present policy of the committee.

Mr. TYDINGS. Mr. President, I thank the Senator for his explanation. I am not, of course, a member of the committee, and undoubtedly the Senator and the committee have good reasons for whatever action they have taken. It is my own opinion, however, that the public interest would be better served if all the proceedings were completely in the open. Even though the examination is a preliminary one, the public ought to have the right to know how the count is being conducted, what is being eliminated, what is not being eliminated, and whether the result is final or preliminary should be stated. I think a rather unfortunate impression is being created because a count is going on, but it is not being conducted so the public has access to it. I respectfully suggest to the able Senator from Indiana, without questioning the motives which prompted the action which has heretofore been taken, that in my judgment the committee would be well advised to have the recount made completely in the open, and to have everything done there made known to the public, for a star-chamber proceeding, no matter how honest it may be, no matter how fair it may be, will leave the impression in the minds of many that something has taken place which perhaps should not have taken place in the committee.

I further respectfully suggest to the Senator from Indiana that I believe the interest the committee has in mind, to

wit, determining who of the two contestants was really elected as the result of the Maryland election last fall, will be more quickly and accurately ascertained by an open count rather than a secret count of the ballots.

Mr. JENNER. Mr. President, I think it will be found, if the Senator will check into the method of counting, that it is not a star-chamber procedure. We have permitted checkers to represent each side, for which the committee and the Senate are paying, checkers representing the junior Senator from Maryland [Mr. O'CONOR] and checkers representing ing the contestant, Mr. Markey. Furthermore, present at all times, are the attorneys for both the junior Senator from Maryland and for the contestant, Mr. Markey. In addition to the reason I previously mentioned as to why these daily tabulations were stopped, let me say that at the end of the day, when the work was all finished, the committee and the counters were obliged to remain while the attorneys wrangled over what the total tabulation for the day was. It was not final at all. It could only be final as to the ballots agreed upon. Many hundreds were still to be counted and screened by the attorneys.

The attorneys on both sides are not diligent in discharging their duty, or the public would have received information much sooner. I will say to the Senator that if the attorneys do not get busy we shall take the ballots away from them and count them ourselves.

Mr. TYDINGS. Is it not a fact that the attorneys to whom the Senator refers who have not been present, are the attorneys for the Republican candidate? Only yesterday and the day before, only one representative of the Republican contestant was present while the Democratic candidate had four representatives present. Has not that been the universal condition, which has caused innumerable delays, which are attributable to deliberate action on the part of the Republican contestant in the case?

Mr. JENNER. Mr. President, I do not like to see the distinguished Senator from Maryland try to turn this matter into a partisan proposition. I have the facts and the record to prove that the attorneys for the Democratic contestant are as derelict in their duty as are the attorneys for the Republican contestant. It cuts both ways. I am serving notice now, as I have by letter to both sides, that unless the attorneys discharge their duties and take advantage of the courtesy we have extended to them, we shall take the ballots away from them entirely and count them ourselves.

Mr. TYDINGS. Mr. President, I certainly hope the committee will push the matter with all dispatch. I repeat that I think the subcommittee would be well advised to have the hearings completely in the open with the press present, with everyone entitled to see what the attorneys or the checkers do, rather than to have them locked up in a room and all information withheld from the public.

The Senator says that the subcommittee has issued instructions that nothing that occurs shall leak out; that those who are in the room are under an injunction of silence, and they must not disclose what takes place. In the face of that it is very odd to find in the press of July 18—that was not long ago—the following:

[From the Washington Post of July 18, 1947]

VOID BALLOTS MAY HIT TOTAL OF 60,000

Charles Ruzicka, counsel for D. John Markey, defeated Republican, who is contesting the election last fall of Senator O'CONOR, Maryland Democrat, said yesterday a recount of 140,000 votes in 17 State counties was expected to result in 60,000 contested ballots.

Ruzicka told reporters that 20,000 of a total of 42,000 votes in Baltimore County alone had been challenged by attorneys for either Markey or O'CONOR.

The Senate Rules Committee laid down procedure to be followed in judging whether a ballot is valid or invalid. These rules adhere strictly to the Maryland law, which states ballots with any other identifying mark than an X in the box should be thrown out.

Under this formula, ballots, for example, with a dash or dot on the face would be invalid.

Ruzicka said, however, that attorneys debated now on such questions as "whether a dot is a light dot or a heavy dot."

He said the present rate of progress in ruling on the disputed ballots was "200 to 300" a day. He added it was hoped to speed this up to 2,000 daily.

And so on. I shall not read the remainder of the article. That is from the attorney of one of the contestants.

If the Senator will bear with me, I shall read another article.

Mr. JENNER. I shall also read some articles.

Mr. TYDINGS. The article was published only a couple of days ago. This is what Mr. B. Carroll Reece, national chairman of the Republican National Committee, had to say concerning the Maryland election, while it is noted that all Democrats connected with the contest remain silent——

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. LODGE in the chair). The Senator will state it.

Mr. McCARTHY. In view of the fact that we entered into a unanimous-consent agreement to take up veterans' legislation and lay all other business aside until Monday noon, are we not now violating the intent of that unanimous-consent agreement?

The PRESIDING OFFICER. The Senator's inquiry is not a parliamentary inquiry.

Mr. TYDINGS. Mr. President, I thank the Chair for his eminently and transparently fair ruling.

Let us see what Mr. Reece predicts. This is from the Evening Sun of Baltimore of July 17. Today is the 19th.

Mr. B. Carroll Reece, chairman of the Republican National Committee, predicted last night that the Senate recount of last fall's Maryland senatorial election would result in Col. John D. Markey, Republican candidate, replacing Senator O'CONOR.

I am wondering how Mr. Reece could know that when these proceedings are absolutely secret and nothing is to be let out of the room, and when the count has not yet been completed.

Here is another article:

[From the Baltimore Evening Sun of July 17, 1947]

REECE PREDICTS O'CONOR LOSS

CUMBERLAND, July 17.—Thunderstorms that forced down a Pittsburgh-Washington plane late last night had reverberations in political thunder from B. Carroll Reece, national chairman of the Republican Party, who was briefly interviewed by the Cumberland News.

Reece said: (a) that HERBERT O'CONOR, official winner of the 1946 Maryland senatorial election, would be ousted when the Senate completes its recount of the State's vote; and (b) that Republicans have not abandoned hope of overriding President Truman's expected veto of the second tax-reduction measure just passed by Congress.

Reece said that Col. D. John Markey, O'CONOR's Republican opponent, "would be a fine asset to the Senate" if O'CONOR is ousted, and declared further that Republicans "have no objection" if the President "wants to incur the risk embodied in a veto on the hope of currying favor with Henry Wallace."

Reece continued to Washington when the weather cleared and his plane could take off.

The point is this: Mr. Ruzicka is counsel for the Republican contestant, as he has every right to be. Mr. Ruzicka is all right. He is a good friend of mine. But what I want to know is this: Can Mr. Ruzicka give out these interviews about what is taking place, and are the Democratic attorneys bound to keep silent?

Mr. JENNER. Mr. President, the Senator is discussing a situation with which I have put up for a long time. The Senator has some recent clippings before him. I have many clippings in my file showing other statements about the progress of this investigation. There is no way I know of to prevent attorneys who represent clients from talking if they want to talk. The attorneys are present with the consent and at the pleasure of the committee. We do not have to admit them at all. We thought it would be the proper thing to do. That is the way the investigation started; but these stories continued to come out. For example, I have affidavits in my office showing that it is even alleged by those who have been recounting that not only the attorneys, but the Senator from Maryland [Mr. O'CONOR] himself have gone to the persons counting the ballots and said, "We want you to challenge more ballots." I have had to tolerate all that. It is one of the things that grows out of any election contest.

This is not a star-chamber proceeding. I have issued no statements. We have tried to keep the daily tabulations confidential for the very reason that misinformation gets out. The only thing I know of to do is to bar all the attorneys and bring in the ballots and count them. That is exactly what the subcommittee has discussed. The Senator from Ohio [Mr. BRICKER], the Senator from Pennsylvania [Mr. MYERS], and I have discussed the question on various occasions. Last week we notified the attorneys on both sides that if they did not proceed diligently and discharge their duty and

get the ballots in for a speedy count, we were going to take the work away from them. I do not know how else we can operate. I do not know how to keep attorneys from talking. We have tried to keep the total figures away from them so that they would have nothing official to talk about.

Mr. TYDINGS. The able Senator from Indiana shows his complete nonpartisanship when he sees fit, in answer to my question, to berate a fellow Senator by saying that he had gone to the challengers and said, "You must challenge more ballots."

Mr. JENNER. That is correct.

Mr. TYDINGS. Of course, Colonel Markey has been as detached from this hearing as summer is from winter; but the wicked Democratic Senator on this side of the aisle has been engaged in intrigue. The Senator has indicated, in terms more eloquent than anything I can imagine, his own utter nonpartisanship in the conduct of this election contest.

Mr. JENNER. Mr. President——

Mr. TYDINGS. Let me call the Senator's attention to the fact that so far in this contest not a single affidavit of fraud has been offered by anyone in the State of Maryland, against an election judge or anyone else connected with the election. In every polling place in the State, and in every city in the State, there is bipartisan representation in connection with each of the functions which must be performed in connection with an election. There has not been a single affidavit of fraud. Notwithstanding that, the Republican candidate for this high office first asked that five counties be counted, and stated to the committee, and to me, that he would be content to have those five counties counted, and to abide by the result of such a count.

When it was shown that in those five counties the result would probably not be upset, he then asked to include the entire State of Maryland, and, notwithstanding the fact that there have been no affidavits alleging fraud or corruption, the committee went into the entire State.

I think the committee owes it to the people of the State of Maryland and to one of our colleagues who is a sworn-in Member of this body, to disclose from day to day, from hour to hour, and minute to minute, everything that takes place in the room where the ballots are being counted.

Mr. JENNER. Mr. President, if the Senator will permit me to interrupt, that is exactly what is happening. The attorneys for both the contestant and for the Senator from Maryland [Mr. O'CONOR] have full access to the counting rooms. They have their own checkers. The Senator from Maryland has selected checkers. The Senator from Pennsylvania [Mr. MYERS], who represents the Democratic Party in this body and on the subcommittee, has employed checkers. A man attached to the office of the Senator from Louisiana [Mr. ELLENDER] has been an observer. Certainly both sides are represented.

There has been no allegation that there is anything wrong with the count. We stopped the daily tabulations for the reason I explained, that too much misinformation was getting into the newspapers. It was not final, and it was not true. How can anyone say what the total vote was when it is admitted, in one of the press statements which the Senator read, that each day 200 or 300 ballots are in dispute, and the attorneys have to screen them? After they screened the ballots for the 5 counties to which the Senator has referred, they submitted to the Senate subcommittee, composed of the Senator from Pennsylvania [Mr. MYERS], the Senator from Ohio [Mr. BRICKER], and myself, approximately 6,600 ballots upon which they could not agree. We had to go over those and determine into what categories they fell, and determine whether they were valid or invalid ballots.

The Senator speaks of affidavits of fraud. Fraud was alleged in connection with this election.

Mr. TYDINGS. By whom?

Mr. JENNER. In the contestant's petition which is before the subcommittee.

Mr. TYDINGS. Who swore to it?

Mr. JENNER. Mr. Markey.

Mr. TYDINGS. Is there one supporting affidavit from a single judge or person in the State of Maryland to substantiate what we lawyers call a general declaration, which claims everything from the time of the Garden of Eden down to the end of eternity?

Mr. JENNER. What does the Senator call fraud in Maryland? Would the Senator say that voting illegally constituted fraud?

Mr. TYDINGS. I asked if there were any affidavits.

Mr. JENNER. We have evidence of that, I will say to the Senator.

Mr. TYDINGS. Oh.

Mr. JENNER. Let me tell the Senator that newspapers were publishing stories that there was no fraud in this election. We have not gone into a complete investigation of fraud as yet. There is plenty of evidence of fraud. I am serving notice now that this is not merely a recount of ballots.

Mr. TYDINGS. All the committee did was to get evidence that helps it to prove its case, but it does not wait until the answer comes in which alone would or would not make it fraud in the election. It is being judged all the way along without going thoroughly into the facts.

Mr. JENNER. We have evidence that persons voted illegally, and investigators are going into that. It is not primarily a recount of ballots. We are going into allegations of fraud, as we are into the recount of ballots.

Mr. TYDINGS. Already the Senator has passed on it; he has decided it. He puts on the apparel of impartiality; the wings of purity sprout out of both shoulders; the halo of justice and right adorns the Senator's clear head, but all that he utters literally reeks with partiality and partisanship.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. Not at this time.

Mr. President, there is not a single reason why this investigation should not be conducted from the beginning to the end in the sunlight. Here are the attorneys from the other side giving out interviews, when the Senator himself says that he has instructed them not to disclose what goes on. They are not Democratic attorneys; they are Republican attorneys, and they are trying to color the public mind with a partial recount of the ballots to discredit my colleague on this floor. This is the first time I have raised my voice in this matter. I had hoped that the investigation would be open, free, and aboveboard, and without any tinge of partisanship. It is a terrible thing that by connivance, by the suppression of facts, or by the utterance of charges which have not been thoroughly investigated and upon which the evidence on both sides has not been presented on the floor of the Senate, the Senator from Indiana, in the charges which he has just made, is sitting as a judge without a complete trial of the case.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. JENNER. I think the public knows exactly what the Senator from Maryland is driving at.

Mr. TYDINGS. Yes. The Senator from Indiana can be assured that the public in my State knows.

Mr. JENNER. I believe the Senate as a body will have to take more interest in this contest than it has heretofore. We have tried to conduct the investigation on a——

Mr. TYDINGS. The Senator from Maryland is going to take more interest in it from now on.

Mr. JENNER. There is more to it than that, or the Senator would not be so excited.

Mr. TYDINGS. I am not excited; it is the Senator from Indiana who is excited. I seem to have gotten under his skin.

[Manifestations of applause in the gallery.]

Mr. JENNER. It would seem that someone has gotten under the skin of the Senator from Maryland.

The PRESIDING OFFICER. The Senate will be in order and the occupants of the galleries will be in order. Demonstrations by occupants of the galleries are against the rules of the Senate.

Mr. TYDINGS. I should like to say to the Senator from Indiana that, in the first place, there ought not to be any Republican or Democratic politics in the hearing. In the second place, in my judgment, the committee ought to be composed equally of Democrats and Republicans. It ought not to be a 2-to-1 Republican committee. After they find the facts they can be submitted to the committee set up by the Senate to find what are the facts. But while it is sitting as judge, this man who sits here under the warrant of the Governor of Maryland as a Senator from that State is entitled to hold equal representation with the man who sits outside and who holds no warrant, if the investigation is to be called nonpartisan rather than partisan.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. JENNER. I will say to the Senator from Maryland that I thought that was exactly what we were doing—having a bipartisan or nonpartisan investigation of the election. I am a freshman Senator, and I should like to ask the Senator, since he has served long in this distinguished body, whether there have ever been other senatorial contests with which the Senator was acquainted?

Mr. TYDINGS. What is the Senator's question?

Mr. JENNER. Whether there have been any other senatorial contests since the Senator has been a Member of this body?

Mr. TYDINGS. I have never been connected with one. I have had to vote on some questions involving Mr. Vare and Mr. Smith, two eminent gentlemen on the other side of the aisle, who were investigated by members of the party on that side of the aisle, who made findings. It was significant that the main charges leveled against those two gentlemen emanated from the party to which they belonged.

Mr. JENNER. If the Senator will yield further. As I say, I am a freshman, and I know that the Senator from Maryland has had a great deal of experience. The Senator says that this investigation should be conducted as a bipartisan matter?

Mr. TYDINGS. Yes.

Mr. JENNER. I will ask the Senator if in the history of the United States Senate election contests have ever been conducted on a bipartisan basis?

Mr. TYDINGS. We are not now making any changes in the rules.

Mr. JENNER. Why should we make any changes?

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BREWSTER. Mr. President, I am very much intrigued by what the Senator from Maryland has just said. I know of no precedent for the equal apportionment of representation on a committee. I speak from rather bitter experience, because I came to the Congress—not to the Senate, but to the House of Representatives—with hat in hand to ask consideration in a contested-election case in which I was concerned. I found nothing of this lofty atmosphere of nonpartisanship to which the Senator so eloquently refers. I found a solid political alinement on the committee and in the result. I am sure that if the Senator will read the entire history of the Congress of the United States, so far as my knowledge goes, there is no precedent for equal apportionment of representation upon any such committee.

Going further, the Senator pointed out two very famous cases in which Republican Members of this body were under investigation and, as the Senator pointed out, it was the result of a movement from this side of the aisle. It was the result of politics in a Senate controlled by Republicans from which these men were excluded. It would seem to me that that argument, very persuasively presented, was not attributed to this side of the aisle, because in the course of human events if it should become necessary for a Republican Senate to investigate a Democrat, we should not then, after the history of the past 20 years, have it suggested that we did in some peculiar sense become partisan.

Curiously enough, I have one sheet written on this subject, and if the Senator will bear with me, I should like to read it. It is as follows:

Congressional investigation of Republican primary difficulties has many precedents. Ample authority can be found in the CONGRESSIONAL RECORDS for looking into irregularities in Republican primaries.

Why a different rule should apply to Democratic primaries is a little difficult to understand.

Illinois, Michigan, Pennsylvania—all these semisovereign States have had their conduct of primary elections carefully scrutinized and received.

Why Missouri and all State and Federal officials concerned with the conduct or investigation of primary irregularities should be exempt from senatorial scrutiny is a little difficult to understand.

Certainly the sanctity of the ballot and of election processes is as vitally involved.

Suppose there has been nothing wrong. Suppose the Federal officials concerned have done everything within their power to expose and prosecute wrongdoing.

Certainly it is not suggested that a senatorial committee can or will invent evidence.

Certainly a senatorial committee can do no damage and may serve to reassure many in this country that there is not something rotten in a State that is the twin of Maine under the Missouri Compromise.

Maine has a particular interest in the reputation of the State that entered the Union along with Maine.

"To come from Missouri" has become a synonym for the discovery of the truth. Certainly a jealous regard for the reputation of the community and the individuals involved should argue most persuasively for those immediately concerned to be in the forefront of those who advocate a most searching inquiry.

Those words were written in reference to another matter under consideration by the Senate, but it seems to me that the suggestion coming from the other side of the aisle for a Democratic investigation in respect to a matter in which Republicans are concerned is sufficient warrant for an investigation by Senators on the opposite side of the aisle when finally the time comes when Democrats must come under scrutiny.

Mr. TYDINGS. Mr. President, the long dissertation by the Senator from Maine has nothing to do with the matter at hand, to wit, that in Maryland proceedings are being conducted in a closed room, from which the public and representatives of the press are excluded, and that the participants in that proceeding are cautioned to give out no information, whereas we find that the Republican committee's national chairman and representatives of it are giving out public interviews. It seemed to me that the public interest was not being served by such a procedure.

Let me say to the Senator from Maine—and I wish him to mark these words well—that I do not know whether the next contest in this body will be a Republican or a Democratic contest, and I do not care, but so far as the Senator from Maryland is concerned, those who investigate—I do not mean the Committee on Rules and Administration, but I refer to the subcommittee which investigates any contest, whether it involves a Democrat or a Republican who has some color of title to a seat in this body—will get the support of the Senator from Maryland in respect to seeing that the subcommittee in charge of such investigation will be equally representative of Republicans and Democrats; and that statement goes 100 percent not only at the moment, but all the time in the future, and would have gone in the past if anyone had raised the point.

I am not arguing that the Committee on Privileges and Elections, as it was formerly called, which today is known as the Committee on Rules and Administration, should not reflect the majority viewpoint, because the majority in the Senate have a right to have a majority on that committee. I am talking about the subcommittee which has charge of the immediate counting of the ballots. In my opinion the subcommittee ought to be equally divided between members of both parties, and not predominantly of the same political complexion as that of the member of a single party who is a contestant.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TYDINGS. I ask the Senator to wait a minute; I did not interrupt him.

Mr. President, it makes no difference that there is the poorest excuse of an argument for proceeding contrariwise. The poorest excuse of an argument in the whole field of polemics is to say that something wrong happened yesterday, and therefore something wrong should happen today. If there is to be any logic or any progress in government or in civilization, what we should do is to use the wrongs of yesterday to make the rights of today and in the future. What a poor and pusillanimous argument it is—and I say that with no personal reflection on the eminent Senator from Maine—to say, "When you gentlemen were in control, you did not act right. Now we are in control, and we are not going to act right." What an admission of evil-doing, to use, as an excuse, the wrongs of someone else to justify the wrongs of yourself.

Mr. BREWSTER and Mr JENNER addressed the chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Maine.

Mr. BREWSTER. Mr. President, I appreciate the eloquence of the Senator from Maryland.

Mr. TYDINGS. Mr. President, I shall yield to the Senator from Maine; but before he answers let me say that I did not know the Senator's election had been contested. Will he refresh my memory? I am sure I will remember it as he relates it, but this is the first time I ever knew that his election to this body was a matter of senatorial contest.

Mr. BREWSTER. I am sure the Senator was so much preoccupied with his argument to come that he did not follow closely what I said. I said the precedent was in the other body. I came

to the House of Representatives seeking a seat.

Mr. TYDINGS. Oh, I misunderstood the Senator from Maine, because I had no recollection that he had ever been the subject of a senatorial contest since he has been in this body.

Mr. BREWSTER. That is correct. It was in the House of Representatives.

Mr. TYDINGS. That is something I had nothing to do with.

Mr. BREWSTER. I understood the Senator from Maryland to say that he knows of no precedent in either body under which in any circumstance the constitution of even a subcommittee has been a matter of other than majority control.

Mr. TYDINGS. Let me answer the Senator, since he has asked me a question. I would say that so far as the precedents are concerned, probably the Senator from Maine is correct. But I should like to ask the Senator from Maine a question.

Mr. BREWSTER. Yes.

Mr. TYDINGS. Does not it give the prima facie appearance of partiality when in an election contest there are appointed to conduct the investigation two from one party and one from the other? Will the Senator from Maine be as forthright and honest in answering that question as I was in answering his question?

Mr. BREWSTER. I appreciate that there is much to be said for that point.

Mr. TYDINGS. Mr. President, I appreciate the fairness of the Senator from Maine in answering the question.

Mr. BREWSTER. But I think the Senator from Maryland will agree that he comes here with rather a late repentance, after 14 years of domination by the other side.

Mr. TYDINGS. Does the Senator refer to election contests?

Mr. BREWSTER. I mean domination of every kind.

Mr. TYDINGS. Let me interrupt the Senator. I venture to say that the Senator from Maryland has voted opposite to the majority sentiment of his party 10 times as often as any Senator on the other side of the aisle has voted opposite to the majority sentiment on his side.

Mr. BREWSTER. Mr. President, that is quite a large order. [Laughter.]

Mr. TYDINGS. It is a large order, but I shall stick by it.

Mr. BREWSTER. I am sure the Senator from Maryland will recognize that we have on this side a Senator who is worthy of his steel.

Mr. TYDINGS. Yes, but his time here has been short. After he has been here as long as I have perhaps he will surpass my record. But I am saying that for the length of time I have been here no Member of the Senate on the other side of the aisle has voted more independently than has the Senator from Maryland. Whether that vote has been right or wrong, I shall not attempt to argue. I only mention it because the Senator from Maine made rather personal—although without intention—his reference to the Senator from Maryland as not being consistent in regard to nonpartisan matters.

Mr. BREWSTER. Mr. President, I wished to develop that, in the first place, the Senator from Maryland had pointed out how nonpartisan the Republican side of the aisle had been in respect to certain of these contests, and I thought it was a well-deserved tribute. I wish I could pick out cases relative to Senators on the other side of the aisle in which there has been a nonpartisan attitude, but they do not readily come to my mind.

Mr. TYDINGS. Mr. President, I must interrupt the Senator from Maine to snatch the robe of nonpartisan sanctity from his manly form. Let me say that the subject of great contest to which I have referred involved a Republican, but his name was George Norris, and I understand that he was not persona grata with his colleagues on the Republican side of the aisle.

Mr. BREWSTER. He was dependent upon the votes of this body, which was at that time under Republican control.

Mr. TYDNGS. I am reminded that the Senator from North Dakota [Mr. LANGER], when he was under attack here, found his greatest champion on this side of the aisle in the person of the eminent Senator from Texas [Mr. CONNALLY]. So I think I have pretty well refuted the narrowness charged against this side of the aisle with reference to election contests.

Mr. BREWSTER. I would only say—and I realize that this is somewhat extraneous—that while there is much to be said for the viewpoint of the Senator from Maryland, that there should be an equal membership on such a subcommittee, I do not think it comes with good grace from the side of the aisle which temporarily, at least, is in the minority, to suggest that this great and, as he admits, revolutionary reform should come at the very time when his party has temporarily, at least, been taken out of power. I think it would be much better that when, as, and if the Democratic Party ever returns to power it at that time, after 175 years, should institute this nonpartisan reform for which the Senator so eloquently contends.

Mr. TYDINGS. I take it that about the only time we will ever get any support from the other side of the aisle on that proposition will be when it is begun on this side of the aisle, when the other side of the aisle cannot do anything about it.

Mr. JENNER. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. JENNER. The Senator from Maryland naturally is deeply concerned about this contest in his home State.

Mr. TYDINGS. I wish to interrupt the Senator there, and to tell him something which he can discount, or take for whatever it is worth.

When the returns came in showing that Mr. O'CONOR had been elected, and when later it was shown that Colonel Markey was going to file a contest, I asked Senator O'CONOR if he would do me the honor to come to my office. He did, and I think he will bear me out in what I am saying. I told him that I was placed in a very embarrassing position; that I assumed and believed he had been elected as the returns showed, but that in the decision of this matter, so far as God gave me strength, I was going to vote for the man I really believed the people of Maryland had elected. I then asked Colonel Markey to come to my office, and he came in of his own volition shortly afterward. What I told these gentleman is exactly what I am going to do on the evidence as I understand it, so help me God. I hope that some of the fervor of this statement will wing forth and encompass some on the other side of the aisle who do not up to the present seem to be approaching this contest with that sort of spirit.

Mr. JENNER. Mr. President, I dislike very much to have the Senator cast that reflection upon the subcommittee, because it leaves the wrong impression. I think it is unwarranted; I think it is unfair.

The Senator from Pennsylvania [Mr. MYERS], the colleague of the Senator from Maryland and my colleague, is a member of the subcommittee. He is now present in the Chamber, and I think the Senator from Pennsylvania will have to say, and that he will say, that we conducted the contest in a nonpartisan and bipartisan manner. I have heard it said many times that Mr. Kelly, who is in charge, is eminently fair, and that we have been doing all we could to see that the investigation was fair. The Senator from Pennsylvania is present.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Pennsylvania?

Mr. TYDINGS. I yield.

Mr. MYERS. I really do not think this is the forum, nor the time, to disclose all the information one may have obtained or received as a member of the subcommittee. However, I was rather disturbed and surprised at the reference made by the Senator from Indiana about my colleague, the Senator from Maryland [Mr. O'CONOR]. I fear that the Senate and the press may get an erroneous notion from his statement.

I think the Senate should know that we had 6,600 challenged ballots in the first five counties which the subcommittee had to pass upon. The subcommittee met, and there was disagreement in the subcommittee. The subcommittee finally set up a pattern, and the pattern was this: If ballots were discovered which had marks on them, whether it be a light dot or a heavy dot, whether it be a line an eighth of an inch long or a line 2 or 3 inches long, all such ballots should be invalidated. In fact, 19 categories of markings were set up and if a ballot fell into any one of these categories, it was invalidated.

I differed with the subcommittee. I said they should give consideration to the intent of the voter, that I could well see that there might be an inadvertent mark on a ballot which was not an identifying mark, and which should not invalidate the ballot. The subcommittee disagreed with me, and by a vote of 2 to 1 invalidated practically all the 6,600 challenged ballots, and accepted every challenge as it had been originally made. These challenges were made by the contestant and Senator O'CONOR

through their representatives and counsel during the course of the recount. Thereafter the staff was so advised, and the checkers and the challengers were so advised, counsel were so advised. It was then that the Senator from Maryland [Mr. O'CONOR] and his counsel said to his challengers, as the recount in the remaining 17 counties got under way, "Under the edict of the subcommittee, which was finally approved by the full committee, you should challenge every ballot which has any kind of a mark upon it."

Why not? The Committee on Rules and Administration laid down as a pattern, and the Senator from Maryland [Mr. O'CONOR] told his representatives at the recount, and his counsel, that they should strictly adhere to the pattern. I do not think he should be castigated, I do not think it should be said on the floor of the Senate that he has not acted fairly. I think all he did was to carry out the policy laid down by the full committee, which policy, of course, the committee staff was pursuing, but which policy and which pattern had been approved by a vote of 8 to 5 in the full committee.

Now, on the question of fraud. At a meeting of the full committee, probably six weeks or so ago, the chairman of the committee announced to the press that "As of this time no fraud has been discovered in Maryland."

Mr. TYDINGS. Who made that announcement?

Mr. MYERS. The chairman of the full committee, the Senator from Illinois [Mr. BROOKS], announced it to the press, and it was carried in all the newspapers at that time that there was no fraud in the Maryland election.

I do not believe this is the proper place or time to discuss these various questions of fraud. There have been charges of irregularities, there have been charges of nonobservance of the election laws, there have been charges of that kind, and the staff has completed a preliminary report. I have looked over that report very hurriedly, but those charges are more in the nature of iregularities, of nonobservance of the election laws on the part of some election boards. I believe, in fact I am sure, that up until this moment nothing has been found which would connect the Senator from Maryland [Mr. O'CONOR] with fraud, and I am sure nothing of the kind will be found. The only charges thus far are of election irregularities. How many there may be, how many affidavits may have been filed of irregularities of that kind, if that can be called fraud, I am not certain. As I have said, I do not believe we should discuss that phase here this afternoon.

I only hope that as a result of the discussion today, the election contest may proceed in a fair manner. I do resent that counsel for one side continues to give out statements when counsel for the Senator from Maryland [Mr. O'CONOR] are so severely condemned and criticized because on some occasions it was charged they gave statements to the newspapers.

I hope, too, that Democratic or Republican national chairmen will not see fit to comment on this contest, because at this moment no one knows—as a member of the subcommittee I cannot tell—how the count may be going. I think it would be much better if national chairmen, who know nothing at all about this situation, would not comment upon it.

I hope and trust that the investigation will continue in a fair manner. I do not think it is necessary, as the Senator from Indiana has said it might be—I should be obliged to oppose it—to bring the inquiry back from Baltimore, to bring it into the Senate Office Building, into the Capitol of the United States, and not allow counsel on either side to participate. That certainly would be the height of unfairness, and it should not be done. Certainly I would oppose it if there ever were any recommendation or motion in the committee that that should be done.

Probably we have cleared the atmosphere here today to a little extent, and I am confident we can continue the investigation in an impartial manner, and expedite the investigation, so that in the shortest possible time we may be able to determine finally whether or not the Senator from Maryland [Mr. O'CONOR] was properly elected and fairly and legally elected by the people of Maryland.

Mr. LUCAS. Mr. President——

Mr. TYDINGS. I yield first to the Senator from Florida, who has been on his feet several times. Then I shall try to yield to other Senators.

Mr. PEPPER. Mr. President, I am sorry the junior Senator from Maine has left the floor. I merely wanted to compliment him on the wisdom he displayed when he said the minority status of the Democrats was only temporary.

Mr. McCARTHY. Mr. President——

Mr. TYDINGS. I yield to the Senator from Wisconsin.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. I understood—and I want to be sure that I am right or corrected if I am wrong—that the pending business was temporarily laid aside in order that we might continue the consideration of various matters of extreme importance to the soldiers of this country, our ex-servicemen. Having asked that question, I merely wish to suggest, in all good temper, and I hope in complete courtesy, that we return to the consideration of the soldiers' legislation.

Mr. TYDINGS. I should like to say to my able friend from Maine, for whom I have the highest regard, and whose every thought and vibration is one of courtesy and kindness toward his fellow Senators, that I have no disposition to prolong the debate, but I am standing here defending an ex-serviceman of World War I, who has not had in my judgment a square deal, by having one side giving out evidence purporting to be official, coming from one of the attorneys to a contest, while the other side is told it must not give out a single statement. I am also here trying to get justice for that ex-serviceman by having the hearings in the open. I say that when it has been determined that a matter shall be investigated, sunlight is one of the strongest elements to convince the public that the Government is being conducted along righteous lines.

Mr. McCARTHY and Mr. KEM addressed the Chair.

Mr. TYDINGS. Just a minute. I have not finished yet.

The PRESIDING OFFICER. The Senator from Maryland declines to yield.

Mr. TYDINGS. I am here to implore the Senator from Indiana, who is chairman of the subcommittee, to end these closed sessions, counting the ballots, to let the press be present, to let the press in on the determinations of the committee, so that there will be no cause for the supposition, whether false or true, that there is something not altogether fragrant in Denmark.

Mr. McCARTHY. Mr. President, a point of order.

Mr. TYDINGS. I yield to the Senator.

Mr. McCARTHY. A point of order.

The PRESIDING OFFICER. The Senator from Maryland yields to be Senator from Wisconsin.

Mr. TYDINGS. I yield to the Senator to make a point of order, for no other purpose.

Mr. McCARTHY. The point of order is this, that the Senator from Maryland had yielded to me——

Mr. TYDINGS. I yielded to the Senator from Wisconsin for the purpose of making a point of order, and for no other purpose.

Mr. McCARTHY. Before I had a chance to ask a question, the Senator from Maine [Mr. WHITE] propounded a parliamentary question. Do I not therefore have the floor up to this time? Do I make my position clear? The Senator from Maryland yielded to me for the purpose of asking a question. Before I could propound a question, the Senator from Maine raised a parliamentary inquiry. Do I not have the floor at this time?

The PRESIDING OFFICER. No; the Senator from Maryland has the floor.

Mr. LUCAS. Mr. President——

Mr. TYDINGS. The Senator from Maryland refuses to yield further to the Senator from Wisconsin in the course of this debate—and I hope that is plain.

Mr. HICKENLOOPER. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield to the Senator from Iowa for a question.

Mr. HICKENLOOPER. Under those circumstances——

Mr. TYDINGS. I should like to yield to anything the Senator from Iowa wants, but when one plays cards with technical cards, it is necessary for him to hold a technical hand.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me to make a brief statement about the question of not revealing from day to day findings of the committee, in view of the fact that I had something to do with the inception of this committee? I do not intend to get into an argument with the Senator, or with anybody else, about it.

Mr. TYDINGS. The Senator's request is a perfectly proper and fair one, and I shall yield, with the understand-

ing that I do not yield the floor; otherwise, I refuse to yield.

Mr. HICKENLOOPER. Under those circumstances, I ask the Senator to yield.

Mr. TYDINGS. I ask unanimous consent that I may yield to the Senator from Iowa without losing the floor.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, it was my motion this morning that Senate Resolution 150, to investigate the Department of Justice——

Mr. HICKENLOOPER. Mr. President, I withdraw my request that the Senator yield.

Mr. TYDINGS. Mr. President, I refuse to yield.

The PRESIDING OFFICER. The Senator from Maryland has the floor. To whom does he yield?

Mr. TYDINGS. Mr. President, from now on until I conclude my remarks, I refuse to yield to anyone.

Mr. KEM. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland declines to yield.

Mr. KEM. I was going to ask the Senator from Maryland to yield for a question only.

Mr. TYDINGS. I should like to yield, but in view of the captious manner in which the Senator from Wisconsin attempted to take the Senator from Maryland off the floor, I must beware of even the best and most sincere friends who come in the guise of Greeks bearing gifts. [Laughter].

Mr. McCARTHY. Mr. President, may I correct the Senator?

Mr. TYDINGS. No; I cannot yield. I take the Senator off the floor now. The tables are turned. I cannot yield.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. No; I cannot yield for a question. I have the floor. I decline to yield.

Now, Mr. President, what are the facts in this case? Here is the chairman of the Republican National Committee, who, 2 days ago, gave a summary of figures that he could not have learned except through a leak from someone connected with the committee; because I would believe that the figures are substantially accurate. He goes on to prejudge the case before the ballots are counted. Believe it or not, Mr. President, from the time the committee started, until this afternoon, I have not, in public or in private, uttered one single word about this committee's business. One cannot find a statement in the Maryland press that I have passed on any information about it; one cannot find a person with whom I have discussed it, who has come to me about it or mentioned it, who will say that I have passed any information about it—not one. That is in very good contrast to the attorney for the Republican nominee who, only 2 days ago, attempted to prejudge the contest, when 60,000 ballots remained uncounted.

I do not mean to say that there is any similarity between the degree of the offense that might be inherent in what has taken place here and at Kansas City, but the only difference between one kind of fraud and another is degree. I do not believe that it is on the up-and-up, for one side to be filtering out political propaganda, trying to tear down a nominee who is keeping his silence, and who sits in this body. I do not believe it is going to serve any good purpose to have the Senator from Indiana and those on the subcommittee with him, including the Senator from Pennsylvania, go on further with these hearings behind closed doors, in the dark, where the press cannot get in, and from which all sorts of manufactured rumors are emanating. Better the chance of the press to know the truth by being present, than to have these false reports continually emanating from apparently official sources.

Mr. KEM. Mr. President——

The PRESIDING OFFICER. Does the Senator yield?

Mr. TYDINGS. No; I cannot yield.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. KEM. The Senator has mentioned a statement to which I would like to refer.

The PRESIDING OFFICER. The Senator from Maryland has the floor, and he declines to yield. That is his privilege.

Mr. TYDINGS. I would yield to the able Senator from Missouri, but he will appreciate that only a moment ago, tactics that are permissible but which I do not consider to be in the best essence of fairness, were employed in this contest, and therefore I must be on my guard.

Mr. McCARTHY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Is it in order for me to explain to the Senator from Maryland that I was merely asking the Chair whether or not I had the floor, for the purpose of asking a question, and not asking whether I had the floor for the purpose of taking it away from the Senator from Maryland? I hope the Chair understands the point I make.

The PRESIDING OFFICER. In the opinion of the Chair, that is not a point of order under the rules of the Senate.

Mr. TYDINGS. Mr. President, in the opinion of the Senator from Maryland, that was not an accurate summation, because the Senator from Wisconsin asked the Chair if the Senator from Maryland had not lost the floor—disclosing his real intention to get the floor away from the Senator from Maryland.

Mr. McCARTHY. Mr. President, I merely wanted to ask the Chair that question; nothing more.

The PRESIDING OFFICER. The Senator from Maryland declines to yield.

Mr. TYDINGS. I should like to know, at some early date, whether or not the press of my State are to be admitted to the hearings.

Mr. JENNER. Mr. President, will the Senator yield, that I may answer that question?

Mr. TYDINGS. No; I do not yield now, for that purpose. At some early date, however, I should like to know whether these hearings are to be thrown open, so that the sunlight may penetrate the darkness surrounding the investigation, and so that what the committee is doing can be followed by the public and the press.

General Markey and I served in World War I. I value him as a good friend. I had the privilege of serving under him; I had the privilege of serving alongside of him; and, by a piece of good fortune, finally, I had the privilege of serving over him, before the armistice of 1918. We were both machine-gun officers. I like John Markey. What I am saying now is not to be taken as any reflection upon him. But when General Markey came to my office at the beginning of this contest, calling me by my nickname, he said, "Chief, I just want to go into the ballots of five counties"—we have only 23 counties in Maryland—"where I heard there will be developments which will show that I instead of O'CONOR won the election." I said, "That request is reasonable." He said, "for example, I am advised that over in the Gibson Island precinct, when the clerk put the ballots in the ballot box he took his pencil, like that, and forced them down in, thereby running a hole in the ballots and 143 were thrown out." I said, "that is bad. If he did that intentionally it is reprehensible, and I certainly would have a recount in that locality." I was very much interested when the ballots came out of the Gibson Island box. There was not one that had a hole in it—not one. Together in my office we discussed where he might, in the light of what the facts were, find the best cause to make a complaint. He asked me questions, and, strange though it may seem, I gave him an honest answer so far as I knew. He said, "I want the ballots counted in only the five counties." The counting of the ballots in the five counties was finished and the change was not sufficient to upset the election. So then it was decided to include more counties.

I have been in party politics about as long as most other men. I know when a veneer of fairness and impartiality can be put on, and most of what is said may be meant, and yet a man may keep little loyalties that conflict in a small way, and which are directly opposite to the main loyalty of doing the over-all right thing.

Mr. President, I am hopeful, in view of my own knowledge of this case, that there will not be any more secret counting of the ballots. I am hopeful that the Senator from Indiana will not again make a statement such as he made a moment ago, that the junior Senator from Maryland had told his challengers to challenge every ballot they could, because the junior Senator did that only when he learned that the other side was doing it, and he had to do it to stay even.

So my final appeal is, inasmuch as it it clearly shown that the proceedings in these contest hearings cannot find their way into the open except by a leak on the part of someone who knows something about them on the inside, that the Senator from Indiana and the other members of his subcommittee will have the counting henceforth in the open, in front of the press, where the sunlight can come in, and where we will follow the count from day to day and finally

know whether or not the hearing was a fair one or not a fair one.

Mr. KEM. Mr. President, will the Senator from Maryland yield to me for a question?

Mr. TYDINGS. I have yielded the floor.

Mr. KEM obtained the floor.

Mr. KEM. Mr. President, I should like to ask a question of the Senator from Maryland, and shall be glad if the Senator will be good enough to answer it. The Senator has spoken very eloquently and well——

Mr. TYDINGS. I do not know about "eloquently."

Mr. KEM. About the American way of conducting investigations, in the full sunlight, where the people may see and know exactly what is being done.

Mr. TYDINGS. That is correct.

Mr. KEM. I should like to ask the Senator from Maryland if in his opinion the same rule of fair and open investigation should be applied to primaries in which Federal officials are being voted on, and where the contest is not between Democrats and Republicans, but is a case of some Democrats cheating other Democrats?

Mr. TYDINGS. Let me answer the question asked by the Senator from Missouri categorically. I certainly think that where there is reasonable grounds for believing, or where there is a prima facie case of fraud, there should be an investigation. Have I answered the Senator's question candidly?

Mr. KEM. Yes, and directly. I should like to put one more question to the able Senator from Maryland. I wish to ask the Senator from Maryland if, when the Department of Justice has been confronted with a complaint by the board of election commissioners of a city, by the city council, by a great independent newspaper; when a large and voluminous amount of evidence in the shape of written documents has been lodged in the hands of the Attorney General, it is the sworn duty of the Attorney General, under the law, to proceed with an investigation and prosecution of the cases involved in the event his investigation shows that sufficient evidence is developed to justify a prosecution?

Mr. TYDINGS. The Senator's question is a rather long and a hypothetical one, but, briefly, I am going to assume it at its face value.

Mr. KEM. I knew the Senator from Maryland would have no difficulty in following me.

Mr. TYDINGS. If the Attorney General of the United States, or any other officer of the United States, including a United States Senator, has within the sphere of his own jurisdiction a duty to perform, where there is fraud or a violation of a Federal law or some Federal procedure, or whatever it might be, and the question comes to him of that fraud—yes, he should go out and do what he can to prosecute the case and convict those who are guilty. Is that what the Senator wanted me to answer?

Mr. KEM. Exactly.

Mr. TYDINGS. Have I made it completely clear?

Mr. KEM. Yes. I like to indulge in a colloquy with the Senator from Maryland because he is so frank and direct.

Mr. TYDINGS. I hope I am. I do not know whether I shall receive credit for it otherwise, but the Senator from Missouri has given me credit, and I appreciate it.

Mr. KEM. I want to give the Senator credit for it, and pose one more question to him. When such charges have been filed, and when a charge has been made against the Attorney General of the United States that he has not fairly and impartially investigated and prosecuted those guilty of such fraud, does the Senator believe that it is a proper function of a committee of the Senate of the United States to investigate the situation and let the full sunlight play on all the facts?

Mr. TYDINGS. I do not know the particular facts except as I hear them. I am not on the committee. But certainly the Senate has the right to investigate any wrongdoing by any officer in the Government when it really feels there has been either deliberate or inadvertent wrongdoing which is inimical to the public welfare. Do I make a sufficient answer to the Senator from Missouri?

Mr. KEM. Yes; and I take it the Senator is asking for the same fair play and decency in Missouri that he expects in Maryland.

Mr. TYDINGS. That is all. All I ask in this case is a fair deal, and I say it without wanting to prolong the debate or to reflect upon the Senator from Indiana, but I think a couple of the remarks he made on the floor of the Senate about there being evidence of double voting and so on, and what not, tended to show a bias which I regretted to see in the Senator from Indiana, as he is acting as a judge.

The Senator said, "There is double voting," and so on. I think that is unfortunate. I do not think anyone ought to make a charge such as that until the case has been thoroughly investigated and all the facts are in. It is a serious matter to attempt to influence a case by innuendo. Men's reputations in their communities have been ruined by the rebabbling of petty gossip that quite often had no real semblance of truth in the beginning.

I am glad to meet the Senator on that plane and tell him that all I want in the committee is a fair deal, and if General Markey has won the election I want him to sit in this body. But I want to make sure that he or O'CONOR sit in this body finally because big men have gone forward with the investigation impartially and have been above party urgings and meanness, if you please, and time serving processes. Oh, it is a terrible thing to take a seat in the Senate away from a man whom the Governor of his State says should represent the State in the Senate, without there being a clear line that shows that such to be the honorable course. The only approach to the question ought to be clean and nonpartisan and completely aboveboard.

Mr. HICKENLOOPER. Mr. President, I cannot engage in a discussion of the righteousness of the election contest at this time. I will say in passing that I have no doubt that the end result of this election investigation will be completely fair and impartial and that the result will be amply sustained by the facts and findings.

I should like to say in response to a suggestion by the Senator from Maryland, who I know has been deeply moved by this election, that I had something to do with the beginnings of the Maryland contest. In my judgment, unless something of recent date has occurred to inject partisanship into this matter, the inception and the conduct of this contest, so far as I know, in its mechanical procedures, have, in my opinion, been completely free from partisanship. Let me cite instances to show why.

In the first place, this Maryland contest was begun under the supervision of the old Senate Committee on Privileges and Elections, in a Democratically controlled Senate, with three Democrats and two Republicans on the subcommittee. The distinguished Senator from South Carolina [Mr. MAYBANK] is now present in the Chamber. The other two Senators on the Democratic side who were members of that subcommittee are not present at the moment, but they were both present a few moments ago. If any statement I make does not strictly conform to the facts as they understand them, I shall be happy to have them stop me, and we will get it straightened out.

The facts are as follows: When the Maryland contest first began, before this session of Congress started, it was decided by the Committee on Privileges and Elections of the old Congress that we would examine the voting machines in Baltimore City and Montgomery County.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. For what purpose?

Mr. McCARTHY. For the purpose of asking a question.

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I should like to ask the same question which I intended to ask the Senator from Maryland [Mr. TYDINGS]. In view of the fact that we have gone 6 months without having devoted any time to veterans' legislation, and have finally agreed to set aside 1 day for that purpose, can we not spend that time on veterans' legislation and forget about Maryland politics for 1 day?

Mr. HICKENLOOPER. Mr. President, one reason I am making this statement is to straighten out a point which I think needs to be made clear in the RECORD.

The committee decided that the results of the examination of the voting machines should not be made public at that time, because whatever might be the result, it might unduly and unfairly affect the public mind as to the outcome of the election. It was decided that both Democrats and Republicans owed a duty not unduly to confuse the public mind, so we unanimously decided to treat the records confidentially.

So far as I am concerned, the result of the examination of those voting machines has never been made public. I

ask my friend the distinguished Senator from South Carolina [Mr. MAYBANK] if I have misstated the action and unanimous attitude of the old Committee on Privileges and Elections with regard to preserving, without making public, the results we found in the voting machines in Maryland which the committee examined.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MAYBANK. The Senator is correct. The Senator from Louisiana [Mr. ELLENDER] was chairman of the subcommittee, which included also the Senator from Oklahoma [Mr. THOMAS], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Iowa. As I remember, the first protest with respect to the Maryland election came to us when we were holding hearings in Mississippi. We unanimously agreed, as the Senator has said, to investigate the voting machines in Baltimore and Montgomery County. But that is as far as we went. We went into no further investigation.

Mr. HICKENLOOPER. The Senator is correct.

Mr. MAYBANK. To be frank, as a member of the committee, so far as I was concerned—and I think the Senator will agree with me—I thought that when we had completed the investigation of the voting machines in the city of Baltimore, plus Montgomery County, that was as far as we on the old committee were going into the investigation.

Mr. HICKENLOOPER. The Senator is correct. I will go a step further and say that the subcommittee of the Committee on Privileges and Elections, consisting of three Democrats and two Republicans, established the original program of allowing each side the fairest and most complete representation by counsel and by checkers. The representation was believed to be fair and nonpartisan. I believe the subcommittee was in total agreement.

Mr. MAYBANK. I know nothing about the present subcommittee. As the Senator knows, I have only respect for every Member of this body. But so far as the old subcommittee is concerned, the Senator is correct. There were three Democrats and two Republicans on that subcommittee. As the Senator has stated, I do not believe we ever acted other than unanimously.

At the first meeting we had to appoint legal counsel and to name the inspectors and investigators. I think the Senator will bear me out when I say that we appointed as legal counsel one Democrat and one Republican. When the Democrat later resigned we unanimously elected a Republican to the position of legal counsel. With respect to the appointment of the various investigators, clerks, and so forth, to the best of my knowledge they were prorated on the basis of 3 to 2.

Mr. HICKENLOOPER. I thank the Senator from South Carolina. That is exactly my understanding and memory of the situation. When the subcommittee of the Committee on Rules and Administration took over the jurisdiction of this contest, that subcommittee was composed of three members, instead of five—two Republicans and one Democrat.

The Senator from Pennsylvania [Mr. MYERS] is present. He has a very distinguished record on the subcommittee. So far as I know, the relations of the committee members were harmonious. If I say anything that varies from his understanding I hope he will correct me.

When the subcommittee of the Committee on Rules and Administration took over, the subcommittee unanimously agreed that it would continue the same policy, and that it would not be wise to release the day-by-day results of the election contest. I know that I announced in the presence of other members of the subcommittee when the contest was opened that it would not be wise, because it would be likely to create the wrong impression from time to time in the minds of the public as to the trend of the contest, which we thought would not be fair. So our committee continued the same identical policy of representation of both sides, both with respect to legal counsel and checkers, at all stages of the proceeding. The policy of not releasing the day-by-day results was continued, in the belief that the public interest and the interest of both parties would be better served by releasing the final results rather than unsupported day-by-day results.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. The Senator has told the Senate about the original understanding, and what the committee agreed upon. Of course, the Senator heard the Senator from Maryland state definitely that information is being divulged to the public. The thought occurred to me as to whether or not, in view of the fact that attorneys are now giving out information—and I think that is what the Senator from Maryland had in mind—the hearings should be open to the public, so long as prejudicial statements are being made from time to time by the attorneys, or by the attorney for General Markey.

Mr. HICKENLOOPER. I shall be delighted to discuss that question with the Senator from Illinois at a later date. I do not wish to take the time of the Senate at this moment. I merely wish to keep the record straight, that the policy of not releasing this information from day to day was a policy originated by a committee consisting of three Democrats and two Republicans. It was continued as a policy by a committee succeeding that committee, consisting of two Republicans and one Democrat. I think the action on the part of both committees was unanimous in every case.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Mr. President, I have made my statement. I do not care to discuss the merits of the present situation, because I am not prepared to do so. I should like to yield the floor so that the Senate may get on with its business.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. HICKENLOOPER. I yield the floor.

Mr. MAYBANK. Mr. President, I desire to make one suggestion. When we got the unanimous-consent agreement and our committee worked unanimously to withhold the findings as to the voting machines in Baltimore and Montgomery Counties, and during the weeks when we were in Mississippi last September until January, I cannot recall any statement being made by any of the members of the committee, by any attorneys on either side, or by anyone else. They were secret proceedings. I merely want to ask the Senator from Iowa if that is not correct.

Mr. HICKENLOOPER. That is correct.

Mr. FLANDERS. Mr. President, I wish to remark that the recording angel is taking account of these proceedings, and I hope the recording angel will put a good mark against the names of those who are trying to get back to legislation for the veterans.

Mr. LUCAS. Mr. President, I should like to ask one question of the Senator from Pennsylvania, or possibly of the Senator from Indiana. As I understood, from the statement made by the Senator from Pennsylvania, in the beginning of this election contest there was a certain pattern laid down as to how the ballots would be counted in certain counties. Those were the counties in which General Markey thought some irregularities probably occurred and in which he might possibly gain some votes. I should like to ask the question, in view of that statement, whether or not the pattern continued after the ballots in the five counties were counted and the committee finally went into the other counties of Maryland to count the ballots, or did the committee follow some other pattern in counting the ballots?

Mr. MYERS. Mr. President, after the pattern was established, as I explained a while ago, that any kind of a mark was declared to be an identifying mark and that it would thereby invalidate a ballot, we went into other counties. Counsel realized it was a harsh pattern, and came to the committee for an agreement that the pattern might be relaxed. The committee accepted the statement from counsel for both sides and instructed counsel to go back over the other five counties in which the count had already been completed, and recount the ballots, in view of the changed pattern. I might say that that was a pattern with which I thoroughly disagreed, because I felt it would make it impossible to get a true and fair election. But the pattern was changed, and was changed with the agreement and understanding of counsel on both sides.

Mr. LUCAS. I thank the Senator for his statement, because my understanding in the beginning was that a certain pattern was laid down and agreed upon, and that later on, when the committee went into counties in which General Markey was running ahead, the pattern was changed. But the Senator has explained it, and I appreciate his explanation.

REDEMPTION OF TERMINAL-LEAVE BONDS

The Senate resumed consideration of the bill (H. R. 4017), to amend the Armed Forces Leave Act of 1946 to provide that

bonds issued under such act shall be redeemable at any time after September 1, 1947.

Mr. TAFT. Mr. President, may we have a vote on House bill 4017?

The PRESIDING OFFICER. The bill is still open to amendment. If there be no further amendment, the question is on the third reading of the bill.

Mr. BARKLEY. Mr. President, before the third reading of the bill I should like to make a brief statement. This is a bill authorizing the cashing of terminal-leave bonds held by ex-servicemen of the United States. When the authorization was made by the last Congress, in the committee and on the floor of the Senate, I took the position that at that time probably the wisest solution of the terminal leave question was to authorize the issuance of bonds instead of paying cash at the time. I had a feeling, which was concurred in by many ex-servicemen, including the American Legion, as I now recall, that probably the time would come at the end of the 5-year period from the date of termination of each man's service when terminal-leave payments would be more greatly needed on the part of the ex-servicemen than at the time the bonds were issued. Since that time, however, such a situation has developed that I believe it is wise and fair to authorize the payment of the bonds in cash to those who wish to have cash instead of bonds.

That does not mean that every ex-service man will cash his terminal-leave bonds. As I tried to explain the other day in connection with the tax bill, it does not necessarily mean, in my judgment, that the public debt of the United States will be either increased or decreased because of the cashing of terminal-leave bonds. If the Treasury has the money on hand currently to pay them in cash, it will probably do so. If it does not have the money on hand currently to pay them, it will obtain it as it obtains other funds by the issuing of bonds and the sale of Government obligations to the public. If the Treasury has to do that with respect to all these bonds it would not increase the public debt and it would not decrease it, because the Government would sell someone else a bond equivalent to the bond it was cashing on the part of the ex-serviceman. So far as the public debt is concerned, it makes no material difference and the rate of interest which the terminal-leave bonds now bear is not very different from that which the Government will pay for the money which it borrows, if it has to borrow money with which to discharge this particular obligation. Therefore the difficulty which I thought I foresaw has turned out not to be well founded. Consequently, in the interest of the ex-serviceman, and without any detriment, as I see it, to the Government of the United States, its credit, or the Treasury of the United States, I am prepared to support this legislation, and do so with great pleasure, because I feel that, notwithstanding the amount, whether large or small, whether it is 50 percent or a larger percentage, or all, the veterans are entitled to have their payment without waiting for the termination of the bonds; and I therefore shall support the legislation. I am glad it has been brought forward for the consideration of the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, I am very glad indeed that this bill has been brought before the Senate for consideration. I have contended and thought for a long time that the veterans should be allowed to cash their terminal-leave bonds.

When the law which now stands on the statute books was being discussed by the Senate, the senior Senator from Florida [Mr. PEPPER] and I offered a bill similar to the one which is before the Senate at the present time. It was discussed in the Senate. At that time a great many people thought, or at least expressed themselves as believing, that it would be inflationary if terminal leave was paid in cash at that time. I believe that most of the Members of the Senate now believe otherwise. They believe it would not be inflationary, but would be beneficial to all the people of the United States, to give to those holding the bonds the right to cash them now, if they so desire.

Then, again, at the beginning of this session, in January, the senior Senator from Florida [Mr. PEPPER] and I introduced a bill similar to the one now before the Senate. We believed then, and we believe now, that veterans should have a right to receive cash in place of bonds.

During the past year I have received many letters from veterans who hold these bonds. In a great many instances they tell me that they are desirous of receiving cash for the bonds in order that they may either make a payment which is past due on a house or make a payment on some other property they have purchased. In those letters they have expressed to me the thought that in 5 years they may not be living or they may be in a better financial condition than they are today.

In my opinion, it is very desirable for us to provide at this time for paying the veterans the cash for their bonds.

I am glad to know that in the last few days there has been a great change of sentiment in both the Senate and the House of Representatives, and that today the Congress wishes to have this proposed legislation enacted into law.

I believe that if we provide for the redemption of these bonds in cash we shall find that the result will not be inflationary, and that the veterans will put the money back into circulation, which will have the effect of increasing the national income, thereby enabling the Government to collect more taxes during the coming year. In that event, not only will the veterans be benefited but others of our citizens will be benefited because the money thus put into circulation will find its way into the pockets of many of our people, who in that event will have in their possession more money than they otherwise would have had.

For the reasons I have stated, I am very much in favor of the enactment of this bill at this time.

Mr. BALDWIN. Mr. President, during the course of the remarks of the distinguished senior Senator from Kentucky [Mr. BARKLEY], he raised a point about which I should like to say a word or two, so that there may not be any misunderstanding about these bonds. I wish to repeat what the Senator from Kentucky stated, namely, that this bill does not require that the veterans cash their bonds.

In support of what the Senator from Kentucky said, I would like to say that under this bill, when it is enacted, veterans who desire to keep their bonds may continue to hold them. Incidentally, I point out that the bonds bear a higher rate of interest than the interest rate which can be secured from most of the savings banks of the country. However, if a veteran does need additional cash, he will be able to cash the bonds.

Incidentally, Mr. President, the record following World War I, when the bonds were issued at that time, demonstrates that during the course of the first 18 months, as I recall, between 70 percent and 75 percent of the bonds then issued were cashed. It may very well be that, inasmuch as the bonds we are now considering are in smaller denominations, the result of enactment of this bill will be a larger percentage of cash payments. However, I think it is only fair to anticipate that some of the veterans will hold these bonds as savings, and that probably we shall not be called upon to cash all of them during the first year.

Mr. MAYBANK. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. MAYBANK. As a member of the subcommittee, I should like to add, that, as the Senator has so ably stated, the testimony in the hearings as to the record relative to the cashing of bonds following World War I, was that only a certain percentage of those bonds were cashed. The record further showed that when those bonds were cashed conditions in the United States at that time were extremely bad, in fact, I may say that a depression period then existed, and economic conditions in the United States were not at all good—quite the opposite from conditions which prevail today.

Let me further say that the main thought in the minds of the members of the committee with regard to this proposed legislation was that we should do equity to the private soldiers, from the point of view of the treatment accorded them, as compared to the treatment accorded the officers.

Mr. BALDWIN. Mr. President, the Senator from South Carolina is entirely correct. Inasmuch as at the present conditions are much better than those following the First World War, when similar bonds were issued and cashed, it may well be that not so many of the bonds we now are discussing will be cashed.

Mr. BARKLEY. Mr. President, if the Senator will yield to me, let me say that I have made the point that the rate of interest borne by these bonds is not substantially different from the rate of interest borne by other Government obligations. The rate of interest is substantially 2½ percent; is it not?

Mr. BALDWIN. That is correct. These bonds bear a higher rate of interest than do almost any other Government obligations.

Mr. BARKLEY. Yes; they bear a higher rate of interest than short-term Government bonds. But if the E bonds are held to their maturity, they bear a rate of interest of almost 3 percent; I think it is 2.9 percent. The F bonds, which are due in 12 years, and for which a little less than the face value is paid because of the longer term, bear an interest rate of approximately 2½ percent.

The G bonds, which have coupons which may be cashed every 6 months, also bear an interest rate of approximately 2½ percent. So the E bonds bear a higher rate of interest than the bonds which we propose to permit to be cashed. Other Government obligations bear only 1½ percent or sometimes less, but they are not the long-term Government obligations.

So the statement I made a while ago was substantially correct.

Mr. BALDWIN. Yes. I wish it understood that I was not being critical of what the Senator said.

Mr. BARKLEY. No. But it is true that the rate of interest borne by these bonds is higher than the rate of interest which can be obtained from the ordinary savings-bank accounts for similar amounts of money.

Mr. BALDWIN. And it is also true that it would be better for the enlisted man who has one of these bonds to cash this particular bond, rather than to sell one of the E bonds which he acquired during the war.

Mr. BARKLEY. Yes; I think that is true. I think a man who bought either E bonds, which mature in 10 years, or F bonds, which mature in 12 years, bought them in the hope that he could lay them away and would be able to count on them as a nest egg in the future, a backlog for him to use under conditions which might prevail 10 or 12 years thereafter, and he hoped that he would not have to cash them.

I hope that in most cases that ambition has been and is being realized, because I think there is nothing that will turn out to be more satisfactory in the long run than the ability of the American people to hold their E and F bonds, especially, until they mature, at which time they will draw either approximately 3 percent or 2½ percent upon them.

Yet I realize that many of our people found themselves in such a situation that they had to cash these bonds in order to meet emergencies which arose. But if any ex-serviceman who has the wartime E and F bonds and also has one of the terminal-leave bonds—and undoubtedly there are many ex-servicemen in that situation—is faced with the necessity of cashing one or the other, I would say that in all likelihood he would be wiser to cash his terminal-leave bond, because the maturity of that bond is only 5 years from the date of his discharge, whereas the other bonds run for 10 years or 12 years, and if he can tide over until that time, he will have a more satisfactory return on his investment than he would by selling the other bonds and keeping his terminal-leave bonds.

Mr. BALDWIN. Under the present law he would have to sell his E bond and hang on to his terminal-leave bond. If the bill shall be enacted he can cash the terminal-leave bond and hang on to his E bond, which seems to me a desirable thing.

Mr. BARKLEY. Question has been raised as to the inflationary effect of the cashing of these bonds. Of course, we are bound to admit that everything that makes available more money for expenditure is in a sense inflationary. But it is no more inflationary than if the same amount of money were to be realized by the holders of the United States savings or war bonds. If they had to cash them in order to meet emergencies to the aggregate amount of $2,000,000,000, that would be just as inflationary as the cashing of these terminal bonds for the same amount, if that much should be cashed in. So there is no real difference between given dollars, so far as inflationary effect is concerned, no matter what their source may be.

Mr. BALDWIN. I agree with the Senator heartily.

Mr. PEPPER. Mr. President, I have just a few words which I deferred earlier today. I want to keep the RECORD straight regarding the terminal-leave-pay bill.

I ask unanimous consent to incorporate at this point in my remarks the extension of remarks of Hon. DWIGHT L. ROGERS, Representative from Florida, made on May 27, 1947, which are found on page A2508 and page A2509 of the CONGRESSIONAL RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HISTORY OF TERMINAL-LEAVE LEGISLATION

(Extension of remarks of Hon. DWIGHT L. ROGERS, of Florida, in the House of Representatives, Monday, May 26, 1947)

Mr. ROGERS of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following history of terminal-leave legislation:

Mr. Speaker, on September 13, 1945, I introduced H. R. 4051, providing for lump-sum cash payment for unused terminal leave for the enlisted men of the armed forces. The bill gives enlisted men of World War II the same benefits, privileges, and rights that had been given the officers serving in World War II.

This bill unanimously passed the House on June 11, 1946, by a vote of 379 to 0. When the bill reached the Senate, it was amended by providing 5-year bonds bearing interest at 2½ percent per annum in lieu of a lump-sum cash payment, and further provided that "such bonds are to be nonnegotiable and shall not be transferable by sale, exchange, assignment, pledge, hypothecation, or otherwise." In the conference between the two Houses right at the end of the Seventy-ninth Congress the House was forced to accept the bond-payment plan or pass no legislation at all along this line, and rather than pass no legislation at all the House adopted the report of the conferees accepting the 5-year-bond payment. However, at the time of the adoption of the conference report, both myself and various Members of the House insisted that the enlisted men should be paid in cash in the same way and manner that the officers had been paid in cash, and I think that it is fair to say that the conference report, accepting the bonds, was agreed to upon condition that at the Eightieth Congress a bill would be passed providing that the bonds should be redeemable in cash. As author of H. R. 4051, I made the statement on the floor of the House, in the discussion of the conference report, that the first bill that I would introduce during the Eightieth Congress would be one providing for the redemption of the terminal-leave bonds in cash.

Upon the convening of the Eightieth Congress on January 3, 1947, I did, in compliance with the statement made on the floor of the House during the Seventy-ninth Congress, introduce H. R. 3, which provides that bonds issued under the Armed Forces Leave Act of 1946 shall be redeemable in cash at the option of the holder of said bonds upon application being duly made therefor.

My bill, H. R. 3, was referred to the Committee on Armed Services on January 3, 1947, and on January 22, 1947, I addressed a letter to the chairman and each member of said committee, requesting that they hold a hearing on this bill and that the same be reported out for the consideration of the House. A copy of this letter is as follows:

JANUARY 22, 1947.

Hon. WALTER G. ANDREWS,
Chairman, Armed Services Committee,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN ANDREWS: On September 13, 1945, I introduced H. R. 4051, providing for terminal-leave pay to the enlisted personnel of the armed forces. After much delay and circuitous route, this bill was passed by the House on June 11, 1946. When the bill was sent to the Senate, that body amended it by providing that 5-year bonds be used as payment for terminal leave instead of a lump-sum cash payment which my bill, 4051, provided. It appeared that the House had to accept the Senate amendment in order to pass this legislation during the Seventy-ninth Congress.

As author of the bill, when the conference report was discussed, I stated on the floor of the House on July 31, 1946, that the first bill that I would introduce in the Eightieth Congress would be one to make the bonds payable or redeemable in cash. (See CONGRESSIONAL RECORD of the House, July 31, 1946, p. 10588.) I immediately got in touch with Hon. South Trimble, the then Clerk of the House, and requested bill No. 1 of the Eightieth Congress. Mr. Trimble had already promised bill No. 1, but he assigned to me bill No. 2, which he confirmed by a letter.

When the Eightieth Congress convened I endeavored to get bill No. 2 assigned to me but Mr. Andrews, the new Clerk, said he had promised bill No. 2 to some other party but would give me bill No. 3; therefore, my bill No. 3 providing for cash payment on these bonds was introduced in the Eightieth Congress. There have been a number of bills introduced providing for redemption in cash of these terminal-leave pay bonds. I am, therefore, writing the members of the Armed Services Committee that in view of my previous work and interest in connection with the orignal bill, H. R. 4051, that the members of the committee give my bill, H. R. 3, the right-of-way. I do not think I am asking anything that is not fair and just in making this request. Some of the members of your committee know the persistent work that I did in getting H. R. 4051 passed.

I would like to have the honor of completing the work of the bill which I originally started and I respectfully ask the members of your committee to give consideration to my bill, H. R. 3, and to recommend it for passage.

Most respectfully,

DWIGHT L. ROGERS.

The committee having taken no action on this bill, I did, on March 4, 1947, file a petition with the Clerk of the House of Representatives to discharge the committee from the further consideration of H. R. 3, under the rules of the House which provides that should a committee fail to act on a bill within 30 legislative days, then the introducer of said bill had the right and privilege to file such

a petition—this is the identical procedure that was used in getting H. R. 4051, providing for terminal-leave pay, on the floor of the House for consideration during the Seventy-ninth Congress.

This petition, which is known as petition No. 1, has been on the Clerk's desk since March 4, 1947, and it appears that the petition is getting nowhere fast. It seems to be difficult to get a committee report on this bill or to get 218 Members to sign the petition which is to bring the bill before the House for consideration.

Whereupon, in order to get some relief for the holders of bonds who are in dire need of cash for assisting in building homes, buying furniture, and other necessary needs, I did, on May 19, 1947, introduce a bill providing that bonds issued under the Armed Forces Leave Act of 1946 shall be negotiable.

The text of H. R. 3521 follows:

"A bill to provide that bonds isued under the Armed Forces Leave Act of 1946 shall be negotiable, and for other purposes

"Be it enacted, etc., That, notwithstanding any other provision of law, bonds issued under the Armed Forces Leave Act of 1946 prior to, on, or after the date of the enactment of this act shall be negotiable in the same manner and to the same extent as negotiable instruments payable to bearer; but no person in possession of such a bond shall be considered to be a holder for valuable consideration unless he took it in consideration of the payment of an amount not less than the sum of the principal of such bond plus the interest accrued on such bond to the last day of the month in which the bond was delivered to him.

"SEC. 2. Section 6 (a) (2) of the Armed Forces Leave Act of 1946 is amended by striking out 'except as provided in subsection (d), such bonds shall be nonnegotiable and shall not be transferable by sale, exchange, assignment, pledge, hypothecation, or otherwise.'"

Mr. Speaker, the provisions of this bill would only make it possible that these bonds be negotiable so that the holder of the terminal-leave-pay bond can sell it, transfer it, and obtain the cash, and the purchaser of the bond would be a holder for valuable consideration by paying the full amount of the bond plus accrued interest to the last day of the month in which the bond was delivered to the said purchaser.

This would not in any way cost the Government a single penny, nor would it disturb the cash position of the Treasury.

As a matter of fact, the terminal-leave bondholder would make a little since the bonds are such good investment that they probably will sell at a premium as the Treasury bonds are now doing bearing only 2 percent interest. There are many banks and other investors anxious to acquire such sound securities at 2½ percent interest. This will not make any difference financially to the Government since it has to pay the bonds together with accrued interest at the expiration of 5 years anyhow.

H. R 3521 repeals that harsh section in H. R. 4051 which provides that "such bonds shall not be negotiable and shall not be transferred by sale, exchange, assignment, pledge, hypothecation, or otherwise," thus making the holder of the terminal-leave-pay bonds powerless to use these bonds for 5 years which is like giving a soldier a gun without ammunition, or an old rusty musket whose trigger will not work. This prohibition against the use of the bonds for a period of 5 years is a distinct and flagrant discrimination against the veteran holding terminal-leave-pay bonds for the reason that there is no other bond issued by the Government that the owner cannot obtain cash on within 60 days to 6 months. I can see no valid reason why the terminal-leave-pay bonds cannot be used by the holder thereof. The withholding of the cash on these bonds from the veteran is a continuation of that discrimination which H. R. 4051 was intended to correct, and H. R. 3521 will wipe out and destroy this discrimination. Let us hope that the Members of this Congress will give their cooperation in the passage of this measure.

Mr. PEPPER. I have had the matter reprinted in the RECORD at this point because Representative ROGERS of Florida was the Member of the House of Representatives who introduced the first bill to pay terminal-leave bonds in cash. That is affirmed by the RECORD.

In connection with the matter there is a statement by Mr. ROGERS of Florida setting out what he had done to initiate this proposal.

On page 8373 of the RECORD of July 7, 1947, Representative MCCORMACK, minority leader in the House of Representatives, had the following to say regarding what Representative ROGERS of Florida had done, from which I read, as follows:

Mr. MCCORMACK. Mr. Speaker, in supporting this bill, and urging the House to pass it, the terminal-leave pay bill, I want to particularly pay my respects to the distinguished gentleman from Florida [Mr. ROGERS] for his outstanding leadership and persistent determination which resulted in this bill being before us today. To him, more than any other individual Member of the House, is due the credit for the passage of this meritorious bill, which passage through the House will take place shortly.

I cannot too strongly stress the gratitude our veterans—GI Joes in particular—owe the gentleman from Florida [Mr. ROGERS].

This bill should be properly termed the "ROGERS of Florida bill."

I know this bill will overwhelmingly pass the House, but the main credit for its passage now is due to the gentleman from Florida [Mr. ROGERS], of whom there is no finer or more sincere, able, and hard-working Member of this National House of Representatives.

Mr. President, on July 7 of this year, as appears at page 8370 of the RECORD, Representative ANDREWS of New York had the following to say:

Mr. ANDREWS of New York. Mr. Speaker, this is a very important bill. There are one or two aspects of it about which I wish to take this opportunity to speak.

In the first place, some thirty-odd Members of the House of Representatives introduced bills on this situation. I think it is probably very well known that the gentleman from Florida [Mr. ROGERS] has been a proponent of this process for a long time, dating into last year. He was one of the first to do so. The gentleman from Pennsylvania [Mr. VAN ZANDT], a veteran of both wars, introduced the first bill on this matter in this Congress.

Mr. President, the bill passed the House of Representatives providing for payment of bonds in cash. It came to the Senate, and the Senate committee reported a different bill. There was debate on the measure in the Senate, in the course of which three amendments were offered by the senior Senator from Florida, and support for paying bonds in cash was given by other Senators on the floor. I wish to incorporate by reference, not by inclusion, the matter appearing in the CONGRESSIONAL RECORD of July 23, 1946, beginning on page 9728 and ending on page 9735.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from South Carolina.

Mr. MAYBANK. There was not only debate on the Senate floor, but for weeks and for months it was debated in committee. It was the testimony of the Secretary of the Treasury and others which held up the bill. I do not want the record of the Senate misunderstood.

Mr. PEPPER. Mr. President, the position of the senior Senator from South Carolina is well known, because the RECORD shows that he was in favor of paying these bonds in cash and steadily advocated that action.

Mr. President, further completing the RECORD, the following bills have been introduced in the Senate by the following Senators on this subject:

Senate bill 827 was introduced in the Seventy-ninth Congress by the Senator from Arizona [Mr. MCFARLAND].

Senate bill 1552 was introduced in the Seventy-ninth Congress by the Senator from Arkansas [Mr. FULBRIGHT].

Senate bill 1624 was introduced in the Seventy-ninth Congress by the then Senator from Minnesota, Mr. Shipstead.

Senate bill 1693 was introduced in the Seventy-ninth Congress by the senior Senator from Florida [Mr. PEPPER].

Senate bill 2091 was introduced in the Seventy-ninth Congress by the Senator from Arizona [Mr. MCFARLAND], for himself, Mr. JOHNSON of Colorado, Mr. MAYBANK, and Mr. CHAVEZ.

Senate bill 2193 was introduced in the Seventy-ninth Congress by the then Senator from Montana, Mr. Wheeler.

After the bill was amended in the Senate so that the bonds were not payable in cash, the junior Senator from South Carolina [Mr. JOHNSTON] and the senior Senator from Florida [Mr. PEPPER] introduced Senate bill 2501.

Those were the bills introduced in the Seventh-ninth Congress.

Mr. MCFARLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MCFARLAND. I believe the first bill which was introduced was introduced by the junior Senator from Arizona.

Mr. PEPPER. I so stated.

Mr. MCFARLAND. And all those bills provided for payment in cash?

Mr. PEPPER. That is correct.

The bills which were introduced in the present session of the Congress, providing for payment in cash of terminal-leave bonds, were as follows:

Senate bill 102, introduced by the junior Senator from South Carolina [Mr. JOHNSTON], for himself and the senior Senator from Florida [Mr. PEPPER].

Senate bill 345 was introduced by the Senator from Arizona [Mr. MCFARLAND].

Senate bill 688 was introduced by the Senator from Nevada [Mr. MCCARRAN].

Senate bill 741 was introduced by the Senator from Tennessee [Mr. STEWART].

Senate bill 1351 was introduced by the Senator from Montana [Mr. MURRAY].

Senate bill 1532 was introduced by the Senator from Georgia [Mr. RUSSELL].

Finally, on the 7th of July, 1947, Senate bill 1572 was introduced by the Senator from Connecticut [Mr. BALDWIN].

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. Mr. President, I concur in what the distinguished Senator from Florida has said, but the record is perfectly clear that the House voted on the bill last week and the Senate is voting on it today, and I want to say that last year and the year before and the other years when I was on the Military Affairs Committee the Bureau of the Budget and other democratic institutions in Washington prevented us from doing what we should have done 2 years ago.

Mr. SPARKMAN. Mr. President——

Mr. PEPPER. Mr. President, I should like to complete my statement. I wish to keep the record straight. So I wish to say that from the beginning the senior Senator from South Carolina [Mr. MAYBANK] has militantly urged the payment of these bonds in cash, as is shown by the RECORD, which I included by reference in my remarks.

But I wish to keep the record entirely straight, because notwithstanding the fact that Representative ROGERS of Florida, introduced the first bill in the House of Representatives, and when nothing was done about it in the House he circulated a petition among the Members of the House and secured enough signatures to it to have the committee discharged, nevertheless when the bill was finally reported to the House the committee ignored Representative ROGERS of Florida, and reported a committee bill, in the face of the petition of Representative ROGERS of Florida that he have some part in it.

When the bill reached the Senate, and was referred to the committee, the Senate committee, instead of reporting a bill having associated with it the names of those on both sides of the aisle who have participated in it, reported the committee bill. Mr. President, although all of us are glad to have a chance to vote to pay the veterans in cash for these bonds, as they should have been paid last year, I wished to keep the record straight by stating the names of those who should have credit for the bill.

Mr. SPARKMAN. Mr. President, I have no desire to prolong the debate, but in order that the record may be absolutely correct, I should like to call the attention of the Senator from Florida to this point: It is true that Representative ROGERS of Florida was quite active in the House of Representatives in presenting the measure which actually received attention, but it is not accurate to say that the bill which was considered in the House was considered on the petition for discharge. Representative ROGERS of Florida did get action on the discharge petition. At that time it was my privilege to be a member of the subcommittee of the House Military Affairs Committee—the committee which wrote the bill—and we reported the bill favorably to the full committee.

In the meantime, Representative ROGERS of Florida filed his petition. But before action was taken on it, the full committee reported the bill favorably to the House of Representatives; and it was on the basis of the committee report that action was actually taken.

Mr. PEPPER. Mr. President, I welcome the statement which the Senator has made; but I think Representative ROGERS of Florida was recognized as being the leader in this work.

Mr. SPARKMAN. I fully agree.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read three times the question is, Shall it pass?

Mr. MAYBANK. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Pepper
Brewster	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Russell
Cain	Johnston, S. C.	Saltonstall
Capehart	Kem	Smith
Capper	Kilgore	Sparkman
Chavez	Knowland	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I am informed that the Senator from New York would vote as I intend to vote, therefore I am at liberty to vote. I vote "yea."

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from North Dakota [Mr. LANGER] are absent on official business. Each of the Senators previously mentioned, if present and voting, would vote "yea."

The Senator from Delaware [Mr. BUCK] and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent, and, if present and voting, they would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family, and, if present and voting, he would vote "yea."

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. MCGRATH], who is absent on public business, would vote "yea" if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. If present, the Senator from New York would vote "yea."

The Senator from Virginia [Mr. BYRD] and the Senator from Louisiana [Mr. OVERTON] are absent on official business.

The result was announced—yeas 85, not voting 10, as follows:

YEAS—85

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Pepper
Brewster	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Russell
Cain	Johnston, S. C.	Saltonstall
Capehart	Kem	Smith
Capper	Kilgore	Sparkman
Chavez	Knowland	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

NOT VOTING—10

Bricker	Langer	Tobey
Buck	McGrath	Wagner
Bushfield	Overton	
Byrd	Robertson, Wyo.	

So the bill (H. R. 4017) was passed.

HOUSING FOR DISABLED VETERANS

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, on the same conditions as stated earlier in the day, and that the Senate proceed to the consideration of Calendar 476, Senate bill 1293.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1293), to enable the Veterans' Administration to provide housing units for certain disabled veterans of World War II.

Mr. TAFT. Mr. President, I stated earlier in the day the reasons why I felt that this matter should be studied further. I would not have brought it up in advance of several other bills, except for the fact that the Senator from Wisconsin [Mr. MCCARTHY] is leaving town very shortly. I explained the reasons why it seemed to me that the giving of specific gifts of land and houses is extremely unwise. I move, Mr. President, that the bill be recommitted to the Committee on Banking and Currency, with instructions to study further the bill, together with other methods of dealing adequately with extreme cases of disability.

Mr. MCCARTHY. Mr. President, I should like to explain briefly the purpose

of the bill. However, before doing that, I should like to make the record clear, and to make sure there is no misunderstanding in the mind of the Senator from Maryland [Mr. TYDINGS] as to the occurrence on the floor about 1 hour ago. Senators will recall that the Senator from Maryland yielded the floor to me for the purpose of asking a question. Before I had a chance to ask the question, a parliamentary inquiry was propounded. Before the Chair had ruled upon the parliamentary inquiry, the Senator from Maryland was yielding to another Senator for the purpose of asking a question. I merely wanted at that time to find out whether that could be done. I was not attempting to get the floor from the Senator, except for the purpose of asking a question. I hope that corrects the RECORD, so there may be no misunderstanding.

The purpose of the pending bill is obvious from a reading of it. It is to aid and assist, principally, some 2,300 World War II paraplegics. It is not restricted to World War II paraplegics, but it takes in other permanent wheel-chair cases, veterans of World War I and World War II, who are permanently doomed to wheel chairs.

A great deal of time has been spent on the bill. I should like to compliment the two other members of the subcommittee who worked with me on the bill, the Senator from Alabama [Mr. SPARKMAN], and the Senator from Washington [Mr. CAIN], both of whom I thought did an exceedingly fine job in their innumerable conferences with the Veterans' Administration representatives, including the doctors of the Administration, and the long hours they spent on the bill.

The bill as finally worked out, after the subcommittee had considered it, is, I might say, considerably different from the original bill. The bill provides that the Federal Government, through the Veterans' Administration, shall furnish to all permanent wheelchair cases blueprints for homes at no cost. Senators should understand that paraplegics require a special type of home. I will say for the benefit of Senators who may not know what a paraplegic is, that a paraplegic is one who suffers from a spinal-cord injury. The men in question have received spinal-cord injuries which have paralyzed them from the point of the injury down. They have lost all the functions of their bodies below the point of the injury, including, of course, the use of their legs. Such individuals require a special type of home. There can be no stairways. The doors must be wider than the usual doors. A special type bathroom is required. Also a special exercise room is needed. Ordinarily such a home must be built on one level. Consequently it costs more to build such a type home than the ordinary home. We have worked the matter out on the theory that the Federal Government should be responsible for the difference in cost between an ordinary home and a home for a paraplegic. We have decided that that difference in cost should be roughly 50 percent. I think the figure is somewhat generous. I do not think the difference in cost would be so great. But it was felt that in dealing with these men who are crippled for life we should not start hair-splitting.

There are, roughly speaking, 2,300 paraplegics in the veterans' hospitals. The doctors of the Veterans' Administration informed us that some 600 or 700 of those young men never will be able to leave the hospitals. So we are dealing with 1,500 from this war and 200 from the previous war.

It has been suggested on the floor of the Senate that if we would give these young men a greater pension that would take care of the situation. We have considered that matter in detail and were firmly satisfied that that would not answer the question.

It has been suggested by Senators that they should be permitted to borrow up to 100 percent by way of GI loans. Actually they can not obtain such loans. These men who are crippled and have no income aside from their pensions are ineligible to receive GI loans. Under the law they are not ineligible, but as a practical matter the banks will not loan them money. I may say that the banks would not loan them money before the Senate took action recently. Since that action was taken I am sure the banks would not loan them money. I refer to the cutting off of the secondary market for GI loans. There was through the RFC a good secondary market for GI loans until a few weeks ago. In passing the measure dealing with the RFC we cut out that right. The Senator from Alabama has introduced a bill to restore that right to the RFC, and I am happy to say that the committee has acted favorably upon it, but in view of this late date in the session of Congress I do not think the bill will be passed before final adjournment. That makes it doubly sure that these men who are crippled cannot obtain GI loans with which to build homes.

It has also been suggested, though not on the floor of the Senate, but by some of my colleagues, that we are opening up an entirely new field, setting a new pattern. That is true. There can be no question about that. We are opening up a new field and setting a new pattern—a pattern for paying our debts. I do not believe that is a bad pattern to set. I do not believe it is a bad thing to open up the field of paying our debts. I know it will be urged that if we give these permanent wheel-chair cases what they are entitled to it may open the door and allow other men with less serious injuries to ask for a settlement. I will say to the Senate that I do not think we should say to these men—and there are some of them in the gallery, and I wish Senators would look up and see them—I do not think we should say to those men who were voted into a war by those of us who were Members of the Senate, those men who were voted into wheel chairs by those of us who were then Members of the Senate, that we will at this time refuse to go a step further and give them homes.

Incidentally, a sizable number of the 1,500 who will be able to take advantage of the proposed program are married. Many of them have children. I should like to give one typical case. One veteran who is in the gallery—I shall not give his name—has a wife and two children. His wife is unable to secure a home within 70 miles of the hospital. That means that if she is lucky she can get down to see her husband once every week or two or three weeks. That means he has no conceivable chance of a normal life, through no fault of his own. The war was not of his choosing. He had nothing to do with creating it. We voted him into it. We took away his legs. We cannot give his legs back to him. I think the least we can do in the Senate today is to say to those young men that we will give them at least some chance to live a partly normal life. If we vote down the measure we will be sentencing those men to an indefinite period in a hospital.

Mr. COOPER. Mr. President——

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. McCARTHY. I yield.

Mr. COOPER. I wish to say at the outset that the Senator knows that like himself I had the great honor of serving in a small way in the last war, and I think he knows that I have the same sympathy he has toward casualties of World War II. I think the ultimate objective he seeks, and which we all seek, is that which is best for the war casualties.

I should like to ask him a few questions in order to help me make my own decision. First, how many casualties of this type did the committee find there are in the United States?

Mr. McCARTHY. There are 2,300 of the so-called paraplegics, that is men with complete severance of the spinal cord, from World War II. There are about 250 from World War I. Originally the bill was designed to cover only the paraplegics. However, upon the recommendation of the Veterans' Administration, we have extended it to cover all total permanent disability cases which will be confined to wheel chairs. In other words, there must be the following requirements: First, the disability must be total; second, it must be the result of action in the armed services; third, it must be permanent, that is for all time; and fourth, the case must be a wheel-chair case.

Mr. COOPER. I should like to ask the Senator if the bill arose spontaneously from the veterans themselves seeking this type of measure.

Mr. McCARTHY. No, I am very happy to say that these veterans have asked nothing. Many of them who are here are interested in the bill. They are interested in being able to secure a home. There is no question they realize they will be unable to live to obtain a home unless, through the proposed legislation, Congress helps them secure a home. But these men have not come down here with tin cups in their hands.

Mr. COOPER. Did the committee inquire into the question as to whether any of them will have the facility, the means of providing for themselves the care that this type of case eventually would require?

Mr. McCARTHY. We have gone over that matter in great detail with the doctors of the Veterans' Administration. I will say that General Hawley was very

helpful. It is anticipated that a man will not be released, that a home will not be built for him, unless and until the doctors in the Veterans' Administration certify that he will be able to live away from the hospital, and, of course, a special type of home is required. I may add that several homes for paraplegics have already been built. The New York branch of the American Association of Architects has donated its services. The New York branch of the American Red Cross has helped with money. Several model homes have been built, and it is found that the paraplegics can get along very well in those homes.

Mr. COOPER. Looking to their own happiness and well-being, did General Hawley recommend that homes be provided for them?

Mr. McCARTHY. General Hawley—and I say this without qualification—not only endorsed this program, but he told us that it was almost impossible to rehabilitate a man when he was in the hospital and under the hospital influence. We talked, for example, about the possibility of grouping the homes together in projects. We discarded that idea because we were afraid that that would, in effect, be moving the men into glorified hospitals. The idea is that they will be able to build homes within the proximity of veterans' hospitals. I assume that the Veterans' Administration would not approve the plan unless the homes were in such locations, so that if and when the men need medical attention they will be able to get to the hospital.

Let me point out that the cost of a hospital bed for one of these cases is approximately $20,000. The annual cost of keeping one of these men in a hospital runs more than $7,000. So if we are to forget the humanities for the time being, forget that we are paying a debt, and look at the question purely from a cold business standpoint, we are saving, first, an initial investment of $20,000 in a hospital bed, and we are saving an annual investment of roughly $7,000.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. RUSSELL. I wish to commend the Senator from Wisconsin for this idea. I am heartily in sympathy with the philosophy of the bill.

There is one thing which occurs to me—and I am sure that the Senator and his subcommittee studied the question. What would happen in a case in which the Government might contribute to the building of the home, and the veteran should decide to sell it within the next 2 days and give the money away to someone? He would still be entitled to go back to the hospital, would he not?

Mr. McCARTHY. He would still be entitled to go back to the hospital; but I have talked with approximately 300 of these young men, and I believe if one talks with them he will become firmly convinced that there is one thing that they want more than anything else, and that is to get away from the hospital and live a normal life. I do not believe there is any danger of what the Senator suggests. If a man tried to sell such a home, he would not be able to do so profitably. The houses would be of a special type, built for this particular category of individuals. The average person would not want a house which was built for a paraplegic. He would not be able to get his money out of it. Let us say that a house costing $20,000 is built for the veteran. So much of that is represented by the special type of construction and special equipment required by the paraplegic that it would be a very unprofitable venture, when he is putting up half of the money, for him to build it with the hope of selling it. Frankly, I do not think there is any possibility of what the Senator suggests.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HILL. The bill has a tremendous appeal to me. Did I correctly understand the Senator from Wisconsin to say that General Hawley approved the bill?

Mr. McCARTHY. General Hawley has approved the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. TAFT. Is there any record of the Veterans' Administration and the President approving this bill as a part of the President's program?

Mr. McCARTHY. Let me give the picture so that there will be no misunderstanding as to what I mean when I say that General Hawley approved it. We had conferences with General Hawley and two of the doctors. They told us that they were heartily in favor of giving some help to these men. When I say that they approved the bill, I do not mean to say that they approved the technical terms, or stated whether they believed title should remain in the Veterans' Administration or the veteran, or whether restrictions should be placed upon the sale of the house or the amount of money which should be spent. They approved the over-all idea of giving these young men some help, and getting them out of the hospital.

Mr. HILL. Did they comment on whether or not they thought it would be possible for these young men to live much more normal lives if houses were provided for them, than if they had to live in hospitals?

Mr. McCARTHY. That, I believe, was unanimously agreed by all.

Mr. HILL. I believe the Senator has said that so far as the cost to the Government is concerned, it might well be that the cost of providing homes would be less than the cost of hospitalization.

Mr. McCARTHY. I think unquestionably the Government would save money by this program.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CAPEHART. What provision is there in the bill to take care of the wheelchair case who does not wish to buy a home, and who possibly desires to stay in a certain hospital, or go to some other hospital? Is there anything in the bill to allow him the equivalent in money of the home which is to be provided for the man who wishes to build a home?

Mr. McCARTHY. Definitely not. We did not have in mind giving these men money. We had in mind making it possible for them to get out of the hospital and live normal lives. We were mainly concerned with the men who were married and had families, but we thought we could not discriminate and apply the benefits only to them. But there was no inclination whatsoever and I believe I can speak for the other two members of the subcommittee—to give these men money. The sole purpose of the bill is to allow the men to have homes and live normal lives.

Mr. CAPEHART. I was thinking of the single veteran who possibly does not have a family or wife, and who has no place to go. Possibly he would not desire a home. I thought there might be something in the bill which would give him the equivalent in some other form of compensation; but the Senator says there is no such provision in the bill.

Mr. McCARTHY. Not only is there no such provision in the bill, but personally I think such a provision would be unwise.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. SPARKMAN. With reference to the question which was propounded to the Senator from Wisconsin as to whether or not the Veterans' Administration approved the bill, I invite attention to the fact that General Bradley wrote a rather lengthy letter to our committee, and a duplicate of it to the House Committee on Veterans' Affairs, in which the whole problem was discussed. It is true that he wrote that letter with reference to other bills which had been introduced.

The first bill sought to give houses outright. Probably some of the bills contemplated retaining title in the Government. It was in discussing those bills that General Bradley himself advanced the philosophy upon which this bill is based. The Senator from Wisconsin will bear me out when I say that the bill was drafted with the help of representatives from the Veterans' Administration who advocated this very plan of taking care of exservicemen who had sustained permanent and total disabilities, and who were confined to wheel chairs.

Mr. McCARTHY. I thank the Senator from Alabama very much.

Mr. SPARKMAN. If the Senator will further yield, I should like to suggest that if the Senator has in his file a copy of the letter from General Bradley, it might be well to place it in the RECORD in connection with this discussion.

Mr. McCARTHY. Unfortunately I have no copy of the letter. However, the testimony of General Bradley, not before the Senate committee, but before the House committee, is on file. While I have not read that testimony, I have talked with Members of the committee, and they state that General Bradley wholeheartedly favored the bill as amended by our committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MAYBANK. I should like to ask the Senator from Wisconsin if my memory is correct? Was not this particular housing bill for crippled veterans purposely delayed until we could obtain a report from General Bradley?

Mr. McCARTHY. It was not delayed, but we struck out almost the entire original bill after going over it with General Bradley. We spent months on it.

Mr. MAYBANK. After much deliberation in the committee, we held a meeting one day when the Senate was in session, in the old Inter-Oceanic Canals Committee room, to discuss the bill.

Mr. McCARTHY. That is correct.

Mr. MAYBANK. There was a difference of one vote in the committee until we could obtain from General Bradley a specific answer on this particular bill.

Mr. McCARTHY. That is correct.

Mr. MAYBANK. After that, the vote was unanimous.

Mr. McCARTHY. That is correct.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HILL. The distinguished Senator from Wisconsin, together with the distinguished Senator from Wyoming [Mr. ROBERTSON], are authors of the bill. I wonder if the Senator can tell us who were the members of the subcommittee which considered the bill.

Mr. McCARTHY. The Senator from Alabama [Mr. SPARKMAN], the Senator from Washington [Mr. CAIN], and the junior Senator from Wisconsin. However, I may say that we obtained much help from Senators who were not members of the subcommittee, but who sat with the subcommittee—for example, the Senator from South Carolina [Mr. MAYBANK], the Senator from Delaware [Mr. BUCK], and I believe the Senator from Indiana [Mr. CAPEHART]. I cannot name them all. Many Senators took an active and helpful interest.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. McCARTHY. I am glad to yield.

Mr. HILL. In other words, the bill was very carefully and thoroughly considered by the committee before the committee acted?

Mr. McCARTHY. It was.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MAYBANK. But it was delayed until General Bradley acted?

Mr. McCARTHY. It was purposely delayed until we could get it in such form as would meet the approval of General Bradley.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MORSE. I think the point ought to be emphasized that this is not merely a matter of a money allotment. It is a case in which the Government agrees that it will proceed to plan and build houses for the veterans because they are not in such physical condition that they can even do the job of planning or supervising the construction of them.

Mr. McCARTHY. I might correct that statement to some extent. The Veterans' Administration was to furnish blueprints and aid in the planning. But after going over it with a number of the doctors who had experience in rehabilitation it was felt that we should not take the job out of the veteran's hands, that he should be given assistance, but that he himself should be active in acquiring the site and deciding partially as to the plans.

Mr. MORSE. But the determination of what is the best kind of house for this particular type of veteran is being arranged for by the Government, and then the Government puts up half the cost of construction?

Mr. McCARTHY. That is correct.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CAIN. I should like to ask the Senator from Wisconsin one or two questions. In the first place, I am a member, and a rather enthusiastic one, of the subcommittee which helped in developing this bill, and I have just listened with interest to the reference on several occasions to General Bradley. I am certain we want to be as accurate as we can be. As a member of the subcommittee——

Mr. McCARTHY. May I inquire whether the Senator has read General Bradley's testimony?

Mr. CAIN. With reference to this particular bill, no. That is a question I wanted to raise, because I thought the Members of the Senate were entitled to know that when the Committee on Banking and Currency, having jurisdiction over this proposed legislation, made up its mind that in principle it wanted to support the legislation, it called before the committee General Hawley and several of his assistants from the Veterans' Administration. We did not discuss policy so much as we discussed with them our desire that a bill be written which would be acceptable to them. I have no desire or intention to prejudice this measure, but I believe I am accurate in saying that most of the policy decision was made by the members of the committee, rather than by the Veterans' Administration. If there be any continuing doubt about that situation, I want to say to the Senator from Wisconsin that he can clear it very easily. But I am a little hesitant with regard to suggesting to the Senators in the Chamber that the Veterans' Administration are enthusiastic about this legislaton concerning which I think they had some doubts, but which I, as an individual Senator, expect to support rather solidly.

Mr. McCARTHY. I believe we all know that the Veterans' Administration did not approve of the bill as originally drawn.

Mr. CAIN. That is correct.

Mr. McCARTHY. The committee then decided that it would give houses to crippled veterans and would take the matter up with the Veterans' Administration. We took it up with them. We had conferences with General Hawley. I had some in my office, and there were others. I believe there is no question at all that General Hawley heartily approved the proposed legislation. If there is any question in the Senator's mind about that, I suggest that he read the testimony taken before the House committee. I have personally not read it word for word, but I have talked with some of the members of that committee and they have told me that General Bradley, before the House committee, wholeheartedly endorsed the bill as finally amended in accordance with suggestions made by General Bradley. But, as the Senator from Washington knows, the suggestion that the Government pay not the full amount, but half, came from General Bradley. I think that was a wise suggestion. The idea was that we should give the veterans some financial responsibility, and it would be much better than if we gave a veteran the whole house. That was the general's suggestion.

Mr. CAIN. The Senator from Wisconsin has information from General Bradley which I do not have. I know that the Senator wants to be accurate in all his statements. I wish to draw the attention of Senators generally to the fact that so far as I know the information which the Senator indicates as having been given by General Bradley was not a part of any record within the Senate Committee on Banking and Currency. I mention that only because there appears to be a measure of uncertainty and doubt in the minds of a number of persons, and they are entitled to know as much as we know about the development of this proposed legislation.

Mr. McCARTHY. Unfortunately the Senator from Washington did not attend all the subcommittee hearings. I believe the Senator from Alabama [Mr. SPARKMAN] was at all of them, and I am sure that he and I understand the attitude of the Veterans' Administration in exactly the same way.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New Jersey.

Mr. HAWKES. Mr. President, I should like to say that I agree with the Senator from Washington [Mr. CAIN] that, regardless of the fact that the distinguished Senator from Wisconsin and the distinguished Senator from Alabama have full information on this subject, I think when we embark upon a plan which may involve and, in my opinion, will involve, a great many million dollars—for it will not stop here, and it should not stop here, if there are other veterans in the same condition as are the particular veterans to whom reference has been made—it is my opinion that the Senator and his colleagues who are presenting this measure to the Senate should let us know exactly what General Bradley and General Hawley said.

I have the greatest respect for General Bradley; and if the Senator can produce a statement from General Bradley saying that he is in favor of this bill as written—not the philosophy back of it, because the philosophy back of a bill is often very praiseworthy, while the bill itself is sometimes very bad—if the Senator can convince us of that, I think it would be well to do so. I am not questioning the position of the Senator from Wisconsin. I want him to understand that.

Mr. McCARTHY. May I suggest to the Senator from New Jersey that if he has any doubt about the accuracy of the information, he should, before coming on the floor of the Senate, have gotten the hearings and read them.

Mr. HAWKES. Who is presenting the bill? Is it being presented by the Sena-

tor from Wisconsin, or by the Senator from New Jersey?

Mr. McCARTHY. I am presenting it. I should like to know which of my statements the Senator questions.

Mr. HAWKES. No; I am not questioning the Senator's statements at all. If the Senator wants to get this bill through the Senate, I feel that it is his obligation to be able to tell the Senate exactly what General Bradley recommended, and whether he is in favor of the bill as presented to the Senate.

Mr. McCARTHY. I will tell the Senator that, and I shall call upon the Senator on the other side of the aisle, who is a member of the subcommittee, to correct me if I am wrong. The bill as originally presented would have given homes to veterans. General Bradley suggested paying half the cost, but he later testified before the House committee in approval of the bill which we have submitted. Two of the doctors whom we consulted agreed that in order properly to rehabilitate these young men they should be taken out of hospitals and out of the hospital atmosphere.

If the Senator from New Jersey questions what I have stated I shall be glad to obtain documentary proof. The subcommittee studied this matter for months. The members of it are from both sides of the aisle. I think they agree wholeheartedly with exactly what was said and exactly what the attitude was; and I assure the Senator from New Jersey that we are not here to deceive him.

Mr. HAWKES. If the Senator will yield for a moment to me, I do not want the Senator to labor under the impression that when I made inquiry of him I was questioning the truth or falsity of the statements which he was making. I am merely saying that if the Senator could have heard the statement of General Bradley and could inform us what he said he would be in a much stronger position.

Moreover, I should like to say that I do not think any Member of the Senate is more strongly in favor of doing the right thing by these men who have been totally disabled than am I. I should like to give an illustration: I know of a bungalow which was offered for $4,000 just 7 years ago, and the other day it sold for $22,000. Just think of that, in connection with the proposal to give these veterans half of the total amount which must be paid for a house. If that house, because of inflated conditions and the high cost of building today, costs three times as much as it will be worth 7 or 8 years from today, then, instead of doing the veteran a favor, we shall be placing him under a terrific handicap and we shall not be offering him any real help.

I have talked to a great many veterans who are in this disabled condition; and although they would of course accept money with which to buy a house, they would much prefer to have the money to use in any way they see fit, to use in some way that will make them happy or bring them comfort. If that is done, they will know that they are getting from the United States Government something of definite value to them, whereas if they are given half of a house, and if subsequently they find that they cannot sell the whole house for what they have put into their half, what good will the Government have done them?

I am in favor of doing a decent job to help all disabled veterans.

Mr. McCARTHY. Mr. President, do I correctly understand that the Senator from New Jersey is suggesting that we leave these 1,500 veterans in the hospitals until another depression comes and the cost of housing goes down?

Mr. HAWKES. No, Mr. President; I am not suggesting anything of the sort. I am stating, and I think I am correct, that the disabled veterans would rather have something they can put their hands on. If we ask them whether they would prefer to have half a house or nothing, of course they will reply that they would prefer to have half a house.

Mr. McCARTHY. Mr. President, I wish to say that the Senator from New Jersey is not correct. These men who have wives and children who cannot live with them unless they have a home, want nothing more than a chance to have a home. I think it is inconceivable that we should say to these young men that they must stay in a hospital until such time as there is a depression, so that they can get a house for half of what it costs today.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MILLIKIN. I have been interested in ascertaining the exact attitude of the Veterans' Administration about this matter, and I have consulted with representatives of the Veterans' Administration. As I understand, there were two approaches to this subject. The Veterans' Administration proposed that the Government itself build the houses and make them available for paraplegics.

Mr. McCARTHY. No; we proposed that.

Mr. MILLIKIN. At any rate, that was considered. I understand that the Veterans' Administration rather favored that approach. Is that correct?

Mr. McCARTHY. No; that was the approach in my original bill. The Veterans' Administration opposed that approach.

Mr. MILLIKIN. But the final result or upshot was that if we were going to take an approach along the general line of the Senator's bill, the mechanics of the present bill met with the approval of the Veterans' Administration.

Mr. McCARTHY. Not only that, but General Bradley appeared before a House committee and testified in favor of the bill, according to what I have been told by three or four members of the committee. As I have said, I did not have a chance to obtain a copy of that testimony until today.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. TAFT. The only reason I question the statement the Senator has made is that the Senate Committee on Labor and Public Welfare summoned General Bradley, to get his opinion of the four bills we had before us, and we never were able to get his opinion on any of them. He was specifically careful to say, "If this is what you want, this is a good way to do it, and I will help you draw it up the way you want." But he never committed himself as to what Congress should do. That is the only reason why I question the Senator's statement, because General Bradley never took a position as to what should be done or what policy should be adopted in regard to these particular benefits. So I am a little surprised to hear that he has taken a position on this bill.

Mr. McCARTHY. Mr. President, although I am happy to hear that the Veterans' Administration has finally approved this, personally I do not give a tinker's dam whether General Bradley approves legislation which we propose to pass. I think the passage of legislation is the function of Congress alone, and I do not think we should be dictated to by any bureau or agency of the Government.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. McCARTHY. I yield.

Mr. CAIN. I think a very honest and serious doubt and difference can be resolved. I know that many Senators would like to know what the attitude of the Veterans' Administration is, on the basis that the proposed legislation under consideration is part and parcel, from their point of view, of a much larger program. Therefore, inasmuch as General Bradley appeared before a House committee, I think it would be proper to ascertain what he said to the committee in his official capacity, so that Members of the Senate who wish to make up their minds on the basis of the attitude taken by the Veterans' Administration will have that information available.

In the second place, as a member of the committee, on which I sat under the leadership of the junior Senator from Wisconsin, I agree with him that in a large sense it is the function of a legislative body to make up its own mind as to what it wishes to do. But I feel strongly that proposed legislation of this character should not be passed until everyone is completely satisfied as to the position of all the various groups who are to participate in the program.

Mr. McCARTHY. Mr. President, let me say to the Senator that I think it is extremely unfortunate that he was too busy, being otherwise occupied—and of course he is not to blame for that—to attend all the meetings of the subcommittee. If he had, I am sure this question would not be in his mind.

Mr. MAYBANK. Mr. President, will the Senator yield to me?

Mr. McCARTHY. I yield.

Mr. MAYBANK. Inasmuch as General Bradley's name has been mentioned several times, I should like to say to the Senate that on pages A3226 to A3228 Senators will find a letter which the Honorable EDITH NOURSE ROGERS, of Massachusetts, a Member of the House of Representatives, placed in the Appendix of the RECORD. In that letter General Bradley takes a position disapproving the two bills with which the Senator is familiar, and I may say that we agree with that disapproval; and in the part

of the letter appearing on page A3227, the legislative proposal now before the Senate is suggested.

If Senators will refer to that letter, which, as I have stated, appears in the CONGRESSIONAL RECORD, they will see that General Bradley said this, as his testimony to the Congress:

It is suggested therefore that consideration be given to legislation which would authorize the Government to pay 50 percent of the cost, not to exceed $10,000, of a suitably equipped housing unit for each veteran of both the peacetime and the wartime service who is entitled to compensation under laws administered by the Veterans' Administration on account of permanent disability which will require the regular or the frequent and periodical use of a wheelchair.

Mr. TAFT. Will the Senator state on what page of the CONGRESSIONAL RECORD that letter is to be found?

Mr. MAYBANK. It appears on page A3227 of the Appendix of the CONGRESSIONAL RECORD.

I may say to the Senator that the letter, which was addressed to the Honorable EDITH NOURSE ROGERS, was in opposition to two bills which the Senate committee also finally voted down or deferred, and in the letter General Bradley suggested the proposed legislation which the Senator from Wisconsin now has before the Senate.

Mr. McCARTHY. I thank the Senator very much.

Mr. MAYBANK. The letter appears on page A3227 in the Appendix of the RECORD.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio.

Mr. MAYBANK. Mr. President, I was reading from page A3227, in the third column, the third paragraph, starting, "It is suggested." I merely called the attention of the Senator from Wisconsin to that language, because I voted with him in the committee. I think he should read the paragraph, because it states what General Bradley suggested the committee do, and what he proposed should be done for the benefit of this type of veteran.

Mr. McCARTHY. Mr. President, I shall read the paragraph at this time. It is as follows:

It is suggested, therefore, that consideration be given to legislation which would authorize the Government to pay 50 percent of the cost, not to exceed $10,000, of a suitably equipped housing unit for each veteran of both the peacetime and the wartime service who is entitled to compensation under laws administered by the Veterans' Administration on account of permanent disability—

Let me pause there. We inserted "permanent total disability" instead of taking the general's language, "permanent disability." The general continued:

which will require the regular or the frequent and periodical use of a wheel chair. In view of the permanent character of the benefit, it is not believed that it should be restricted to wartime veterans.

Then he proceeds along the same line. I have sent for the testimony of General Bradley, and it may take a few minutes to get it.

The PRESIDENT pro tempore. Does the Senator hold the floor, or does he yield?

Mr. McCARRAN. Mr. President, before the Senator from Wisconsin yields the floor, I wish to ask him a question, and to say, first, that I am very much in favor of the principle of the bill. I do not know whether the language of the bill carries out the idea I have in mind, referring to page 4, section 2, where it reads:

The assistance authorized by paragraph 1 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case.

Does that mean that the cost of the land is to be taken out of the $10,000, or is the land to be given to the veteran in excess of the $10,000 which is necessary to build the house?

Mr. McCARTHY. As we understand the bill, the limitation of help from the Veterans' Administration is $10,000 plus the plans and blueprints, which they will furnish the veteran free. The $10,000 applies to both land and housing.

Mr. McCARRAN. The language is:

The assistance authorized by paragraph 1 shall be limited in the case of any veteran to one housing unit, and necessary land therefor.

The housing unit is to cost $10,000?

Mr. McCARTHY. No; the assistance is limited to $10,000. The housing unit and the land can amount to $20,000.

Mr. McCARRAN. It is then to be a $10,000 house, in addition to the land?

Mr. McCARTHY. No. The assistance on the part of the Federal Government is limited to $10,000, that is, for both land and housing. That means that if a veteran goes up to $20,000, the Federal Government pays $10,000. If he goes to $18,000, the Federal Government pays $9,000. If he goes to $25,000, the Federal Government still pays only $10,000. In other words, the limitation on the Federal Government is $10,000.

Mr. McCARRAN. My reason for asking the question was that in the first instance I understood that the amount to be afforded the veteran would be $10,000. If he were limited to $10,000, and out of that he had to secure the land and build the house, he would not have very much of a house, with the price of real estate as it is today in the various sections of the country.

Mr. McCARTHY. It is understood that he will get a GI loan for half the cost. In other words, if he wants to build a $14,000 house, the Federal Government gives him $7,000, and we were convinced he would be able to raise the other $7,000 by mortgage.

I have just received a note from Mrs. ROGERS, who, I believe, is chairman of the committee before whom General Bradley appeared, and she says that General Bradley was quite enthusiastic about the legislation before her committee. He has not approved going the whole way, but he is very favorable to the present plan. She is trying to get the testimony for us at this time.

I yield the floor.

Mr. TAFT. Mr. President, of course it is much easier to approve a bill of the kind now pending than to oppose it. I have only suggested the motion because I feel the method contemplated by the bill is such an illogical way of dealing with the situation. I have moved to recommit the bill to the committee with instructions to study it further, together with other methods of dealing adequately with extreme cases of disability.

As to General Bradley's position, I should like to read what he actually said. He stated:

Both of the bills—

He was referring to two bills, not exactly like the one now pending, but they embrace the same idea—

Both of the bills would involve a material extension of the traditional policy of the Congress in providing veterans' relief. The Congress has developed through the years a legislative program affecting disabled veterans which at the present time consists basically of three distinct but integral parts. The first is medical care, hospitalization, and prosthetic appliances. The second is vocational training. The third is compensation. Blind and paralytic veterans and veterans suffering from amputations are paid compensation at rates which are designed to enable them to obtain the services which they require.

In other words, their compensation has been based on the theory that they can obtain the services which they require.

These rates for wartime cases range from $240 to $318 monthly where the loss or loss of use of two limbs is involved. This is in sharp contrast to the normal wartime rate of $138 per month for total disability. Where there are additional complications the awards may run as high as $360 per month.

Then he proceeds to say:

The proposals here considered are apparently based upon the view that the Government has a further obligation to veterans of the groups described because of their peculiar need for special housing facilities. With respect to this need, it is understood that primary concern has been manifested for those with spinal-cord conditions.

* * * * *

It is believed that piecemeal legislation on this subject would be ill-advised and that if any such legislation is to be enacted it should apply as nearly as practicable to all veterans with service-connected conditions resulting in a distinctive need for special housing facilities.

The substance of General Bradley's letter is that the proposal is a complete departure from the whole veterans' program, that the program has been worked out, giving compensation, with special reference to the disability and needs of the particular veteran. Then he says that if Congress has another policy, and would like to do something special, it should be done in the way he suggests. That is exactly the attitude General Bradley took towards all the bills, and it is perfectly typical of what he says. He has not approved the bill in his letter. General Bradley indicated very clearly by his letter to anybody who reads it, that he regards it as a departure from the veterans' policy, giving certain veterans something in excess of that to which they are entitled under the graded compensation which is already given them under the GI bill of rights.

Mr. McCARTHY. Mr. President, will the Senator yield for a moment at that point?

Mr. TAFT. I yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator realizes that General Bradley was there talking about legislation entirely different from the pending measure. This bill was worked out——

Mr. TAFT. No; I do not agree with the Senator, at all. General Bradley is dealing with the philosophy of the pending bill, the matter of giving houses to veterans. He disapproves of that policy, but he says, if the Congress thinks there should be such a policy, then it ought to be done in a certain way—it ought to be done in the form the Senator has now adopted at his suggestion; but, so far as being approval of the bill, nobody with any sense can read that letter and think General Bradley approves of this policy.

Mr. McCARTHY. Mr. President, let me ask the Senator, does he think the Congress should call upon General Bradley or anyone else to decide whether the Government should build homes for young men who are crippled for life, who have no chance of enjoying a normal life—crippled in a war into which we voted them, a war which they did not create, but a war which we took some part in creating? Does the Senator think we, ourselves, should decide what should be done, or does the Senator think General Bradley should decide for us?

Mr. TAFT. Oh, no.

Mr. McCARTHY. I think that is doubly true, in that General Bradley apparently will not be with the Veterans' Administration much longer.

Mr. TAFT. Mr. President, that is not the issue. I admit we ought to do what is right, but the argument was made in behalf of the bill that General Bradley approved it. I am only answering by saying that that is not an argument for the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President, I do not want to prolong the discussion. I want to state very briefly the reasons why I think the bill should be recommitted. I think it should be recommitted to the committee for further study.

Mr. MAYBANK. Mr. President, if the Senator from Ohio will yield, I trust he did not misunderstand what I said. What I said was that General Bradley suggested the bill, after saying that in his opinion we could not get it approved, anyway.

Mr. TAFT. Mr. President, I think it is unfortunate to adopt a policy of giving particular gifts to particular classes of veterans. I do not think it is sound. Inevitably it gives some veterans special favors not given to others. For example, among the paraplegics, themselves, there are three classes who will get no benefits whatever from the pending bill. There are those who do not want a home, who will want to live in a hotel, or who may want to stay in an institution. They will receive no benefit. The only way for disabled veterans to get a benefit is to buy a house at their own expense, and having to pay, themselves, from $5,000 to $10,000 for a particular house. The second class are those who cannot live in a house. This bill itself excludes from the operation of the bill any veteran as to whom it may be found not feasible for him to reside in the proposed housing unit and in the proposed locality. He may require special medical services, he may require special nursing services which cannot be obtained in such circumstances. That class is completely excluded from the benefits of the bill. Again, it must be found that the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses. What does that mean? That means the poor veteran could not get a house under the pending bill. The veteran who is unable to earn anything could not have a house. It is only the veteran who can match the Government's money, the one who has an income sufficient to maintain himself in the house, who could proceed to get a house; and that is a good deal, for the Senator from Wisconsin himself says it costs the Government nearly $7,000 to take care of a paraplegic case in a hospital. He says we get rid of that. How do we get rid of it? We turn it over to the veteran. He must have $7,000 himself, to take care of himself in his own house. So three classes of paraplegics, those who do not want a home, those who do not have sufficient money, and those who cannot afford it from a medical standpoint are excluded from the benefits of the bill.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McCARTHY. It has been determined that a vast number of the disabled veterans will require no care, other than the care their wives can give them. There is no question about that. That has been probed. It has been determined that a vast number of the men can get along without any care other than that given them by their own wives.

Mr. TAFT. Many of them may not be married.

Mr. President, furthermore, it creates immediately an injustice between the man who is barely within this class, and the man who is barely outside the class. They get the same compensation, but the man who is barely inside the class gets the benefits of this measure, in addition. The result is that programs of this kind are extended to other classes. That has been so in the gift of automobiles. Last year, unwisely, I think, a certain group of disabled veterans, leg-amputees, were given automobiles. There is a bill pending, that cannot be argued very well yet, providing for the extension of that bill so as to give automobiles to arm-amputees, and to provide automobiles for the blind, who also have great difficulty in getting around. I see no particular reason why the giving of automobiles, at least, will not proceed until one is given to every permanently disabled veteran. Incidentally the paraplegics have each received an automobile, if they wished to have it.

I think it is obvious that it is an unwise method of procedure. If the men lack money, if they need additional income to enable them to live in a hotel or to manage themselves in any way they want, then the way to do it is to revise the whole compensation basis and give them an additional sum, and raise the compensation of other veterans who are nearly in their class a corresponding amount. I think therefore that by this proposed legislation we are completely destroying the relative position of veterans, and I think it is most unwise. In the automobile case some of those who received automobiles have sold them. They had a perfect right to do that. If they are given a house, after a year or two they may not like it; they may sell it, and they are just that much better off, by reason of having taken the Government gift, than the man who has not taken the house.

I think the disabled veterans are entitled to the greatest consideration. I certainly would be willing to vote them a sufficient sum so that they can be taken care of, and the special services that may be necessary can be provided for them, but I think that in this proposal we are departing from a policy which ought not to be abandoned.

Mr. McCARTHY. Mr. President, if we are departing from a policy, perhaps we should examine whether or not it is possibly a policy from which we rightfully should depart. The Senator argues that if something is given to paraplegics, then next year the blind and the men with one arm missing will be asking for a loan. I say the Senator is absolutely correct. So far as I am concerned, so long as I am in the Senate, I shall stand for doing what we ought to do. We voted $200,000,000, after an hour's debate, to aid able-bodied veterans. That is all right; I was in favor of it; I voted for it. But while that is being done, let us adopt a new policy, to get away from the idea of treating disabled and crippled veterans like forgotten men.

Mr. TAFT. Mr. President, I think that is an unfair statement. That is not the situation. They are not treated like forgotten men. My suggestion is not that they be treated unfairly. My suggestion is that the proper way to compensate them is on the basis of monthly cash payments, and that if the payments are not sufficiently large to enable the men to maintain themselves in houses—and the payments ought to be large enough for that—then we should increase the payments; we should increase the whole scale of payments to the disabled. I fully agree with the Senator, we ought to take care of the disabled before anybody else. All I am suggesting here is that the bill be recommitted to the full committee, so that the whole subject may be studied, to the end that these men may be taken care of properly, and that we may have a comprehensive plan of taking care of all of them, instead of taking care of a small fraction of the 2,300 men who happen to be paraplegics, and who happen to be in a position where they can put up from $5,000 to $10,000 themselves, and then have sufficient income to maintain themselves. It seems to me we should

not confine our attention to that small percentage of the totally disabled men.

Mr. President, I may say there is another bill here raising the allowances of all disabled men who are engaged in rehabilitation. I think that should be done, without question. I am strongly for the bill, but I think the pending measure should be further studied.

Mr. SPARKMAN. Mr. President, I do not care to take much time in discussing the pending measure, but I wish to say a few words in view of some of the statements which have been made by the distinguished Senator from Ohio, and in view of his motion to recommit the bill to the Committee on Banking and Currency for further and more thorough study.

I desire to say that I was a member of the subcommittee which was appointed by the chairman of the full committee to study the bill rather carefully. When the distinguished Senator from Wisconsin [Mr. MCCARTHY] first presented the bill to the committee I am frank to say that I was not in favor of it. I looked upon it very much in the same light as the Senator from Ohio now looks upon the finished bill. I remember that I made the statement at the time that it seemed to be singling out one particular group, and that if we did that there probably would be no end to the legislation we would be called upon to pass. However, I went into the conference with the officials of the Veterans' Administration whom we invited to meet with us. First it was General Hawley and a member of his staff who is in charge of physical rehabilitation of patients of the Veterans' Administration. We were simply exploring the possibilities. The original bill as presented to our committee contemplated giving the veterans the use of a home and probably retaining title in the Federal Government, and the question came up, "If that is done, what is going to happen to his family if the veteran were soon to die? Would the home be taken away from his family?"

When General Hawley and his staff assistant met with us at our request we immediately told him that we felt very keenly that some plan should be worked out whereby such of the veterans in question who might be able to be released from the hospitals could be given some place in the community life of the country and not be condemned to a lifetime in the hospitals. We said to them, "We want you to suggest some plan."

Some member of the committee—I do not know who it was—immediately suggested that perhaps the better plan would be to have a kind of a housing project, a kind of auxiliary hospital, and let them all live in the same community, in several different places around in the country conveniently located with reference to our regular hospitals so, as they had to be hospitalized, it would not be difficult to get them back to the hospital. It was thought a pretty good idea at the time, and as a matter of fact General Hawley in the preliminary discussion—and he made it plain to us that it was simply exploratory—said that in his opinion that would be the best type of treatment to give them. These were not to be simple housing projects, they were to be more or less hospital projects, but so built that there would be family units, individual houses, and that these disabled men could live in homes with their wives and their children, and feel that at least they could enjoy some of the benefits of home life. We told the general then that we wished he would come back and give us certain figures we called for. One was the amounts of compensation the different types of cases receive. Another was the insurance benefits, and whether or not they were all carrying the national life insurance. Another thing we asked for was all the facts and statistics relating to the number of cases, and how many of them might be placed in that kind of a project.

Several days later representatives of the Veterans' Administration came to us and stated that they had been studying the problem within the Administration, and that they were ready to bring forth a plan which they had decided upon. They did not like the hospital program which had been first proposed. Instead, they proposed this very program.

The distinguished Senator from Ohio [Mr. TAFT] read from General Bradley's letter in which he stated that he did not recommend piecemeal legislation. He seems to make the point that when we enact legislation of this kind, it is piecemeal legislation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I should like to finish my statement. If the Senator will read the letter, he will see that the bill as originally introduced pertained to one type of wheel-chair case only. That was the paraplegics. That was the kind of piecemeal legislation General Bradley was talking about. He went on to say, "We do not believe that you should deal only with paraplegics. There are other cases of disability which confine men to wheel chairs for practically all their lives, and we believe that they ought to be included." That is what he was talking about when he stated that there ought not to be piecemeal legislation.

I now yield to the Senator from Ohio.

Mr. TAFT. I entirely agree with what the Senator says. That was not what I laid stress on. That was only one paragraph in the letter. What I laid stress on was that it was a complete departure from the well-thought-out, graded method of the GI bill of rights. If this kind of legislation is to be enacted, then it ought to follow a certain pattern.

Mr. SPARKMAN. I think that is a fair statement on the part of the Senator.

Mr. President, I believe that we should be very careful when we condemn a congressional committee which has considered a piece of legislation and reported it after giving it fair consideration. We discussed this subject in the full committee. As I stated a few minutes ago, there was a great deal of opposition to the bill, but the chairman appointed a subcommittee and asked us to study it. I submit to the Senator from Washington [Mr. CAIN], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Idaho [Mr. TAYLOR], who sat with us in some of the sessions, and to the Senator from South Carolina [Mr. MAYBANK], who also sat with us at some of the sessions, that we gave this matter careful and thorough consideration. It received more consideration than does the ordinary piece of legislation which comes to the floor of the Senate.

That bill was reported to the full committee—a committee which was unfriendly, just as I was unfriendly, toward the bill when it was originally introduced. If I correctly remember, the full committee reported the bill unanimously to the Senate. The bill has received careful consideration. It has received thorough study.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. It was stated that there were approximately 2,300 paraplegics. However, the bill goes far beyond that class. Can the Senator tell us how many other cases are covered?

Mr. SPARKMAN. No. My understanding is that there are 2,300 cases which would fall within the terms of the bill.

Mr. TAFT. No; there are 2,300 paraplegics. In addition, there are arthritis cases, cases of cardiac disorder, head wounds, and various other injuries which result in making a man a wheel-chair case.

Mr. SPARKMAN. Of course, being a wheel-chair case is not sufficient. The man must be permanently and totally disabled, and such permanent and total disability must be the result of active service.

Mr. TAFT. I am only asking the Senator, who has made such a complete study, how many cases are covered.

Mr. SPARKMAN. It is my understanding that under the terms of the bill there are approximately 2,300 wheel-chair cases which might qualify in time.

Mr. TAFT. I think the Senator is mistaken. As I understand, those are paraplegic cases.

Mr. SPARKMAN. The statement was made to us that many of those cases will never be able to leave the hospital. It may be that for the time being only a few could do so. Perhaps three or four hundred would be able to leave the hospital. We provide that the benefits of the bill must be administered under the rules and regulations of the Veterans' Administration. The veterans' hospital and the Veterans' Administration will determine whether or not a man is able to leave the hospital and profit from being in a private home of his own.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MCCARTHY. I now have the testimony of General Bradley, taken before the House committee. I read a portion of it:

> Mr. RANKIN. General, do you approve of this bill?
>
> General BRADLEY. As far as I am concerned, yes, sir. I have not had time to clear it with the Bureau of the Budget. I do not know whether it is in accordance with the program of the President or not. But it seems to me this is one way you could help these people to help themselves without putting out too much.

That is General Bradley's own testimony.

Mr. SPARKMAN. I thank the Senator.

Some statement has been made to the effect that these men receive extra compensation. They do receive extra compensation. The maximum compensation allowed a man of this class is $360 a month. That may sound like a great deal of money when we are talking about compensation scales; but it must be remembered that those men are not capable of earning other income. Such a man must have a constant attendant to help him with practically every move he makes. He must bear the expense of the cost of living. Three hundred and sixty dollars does not go very far when it is remembered that such a man has extraordinary expenses which the average person does not have.

After all, it is not a matter of money alone. It is a matter of making those men feel that they are not condemned to life in a wheel chair in a hospital, away from their families and their loved ones. Let them have a home where they can feel that they are a part of the community, and where they can be with their loved ones.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HAWKES. I merely wish to say to the distinguished Senator that I do not believe that there is anyone who does not agree that something more should be done than has been done for those who are totally disabled. I do not want to be misunderstood. I am not in favor of this bill as it is. I am very definitely in favor of studying this problem and finding out how we can do the job in the best way, so that the program will fit existing conditions and do the men the most good.

I am asked whether I want to wait until inflation is over. I said nothing about waiting until inflation is over. I would have done this a long time ago.

Some day this great congressional body will delegate to a committee the duty of looking into this problem from top to bottom and finding out what has been done, what it is necessary to do, and how far this Nation can go in that direction without destroying the thing which our boys fought to save, namely, the freedom of the individual. I have the deepest sympathy for the objective of the proposed program. A year ago I stated on the floor of the Senate that if I had my way we would do five times as much for the man who is totally disabled as we have already done, and we would do our best to help those who are in good health to get back into civil life as quickly as possible so as to remove their burden from the Nation.

I wish to make it perfectly clear that I am not interested in delay. I am interested in doing a decent job, and one that really means something.

Again I say that if the Government places these boys in housing at the inflated prices of today and pays half the cost, allowing the men to obligate themselves for the other half, 3 or 4 years from today they will find that they cannot get anywhere near the amount of money out of the houses that they themselves put into the houses. In that event I think there would be criticism of the Government. On the other hand, if we start carefully and find out what we should do, and do it in a decent way, fairly comparable with what we have done for the rest of our people who served in the war, I think we shall have done a good job.

I thank the Senator for permitting the interruption.

Mr. SPARKMAN. I appreciate the remarks of the Senator from New Jersey and the sincerity with which he makes them. If I were looking at it purely from the standpoint of the purchase of houses simply for the purpose of selling them and making a profit, I probably would agree with the Senator. But it is not a case of investing dollars; it is a case of investing lives.

After the First World War the actual experience was that this type of case lived only a very short time. The life expectancy of a veteran suffering with this disability was very short. But, due to the improvement which has come about in medical treatment in World War II, the life expectancy has been extended many years. There are a great many things to be done in order that those disabled men may feel that they are members of the community.

Our committee made a careful study of the subject. We have consulted with the Veterans' Administration, not merely once or twice, and not simply in a casual hearing, but we held conference after conference with them, and this measure is the result of the unanimous approval of the members of the Committee on Banking and Currency. I submit that this bill should be agreed to by unanimous vote of this body..

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I have stated previously that my interest certainly would be to vote for any measure whose ultimate purpose was to rehabilitate those who needed rehabilitation. I take it from the entire argument which has been made that this bill is not for the purpose of providing a house for each of these veterans simply because of the type of injury from which they are suffering.

Mr. SPARKMAN. Not at all. I think it might well be considered as a supplementary hospital program.

Mr. COOPER. That being the objective, I should like to ask several questions, because it seems to me that the bill does not lead solely to that point. There has been a great deal said to the effect that one great purpose is to take the veteran out of the hospital. As I read the bill there is nothing at all in it which provides that a veteran to whom this aid shall be extended must be in a hospital. Is that correct?

Mr. SPARKMAN. It is unnecessary that he be in a hospital, but, as a matter of fact, most of these cases are in the hospitals of the country.

Mr. COOPER. Secondly, in reading the report I find this language:

> Under regulations prescribed by the Administrator, such aid would be accorded to persons such as those suffering from paraplegia, hemiplegia, severe arthritis, severe cardiac disease, poliomyelitis, and those having severely crippling head wounds, or severely deformed extremities resulting from service in time of war or peace.

Would the Senator say that the chief purpose is to assist in the rehabilitation of a veteran if the Veterans' Administration or those who are charged with his care find that it is necessary to rehabilitate him, and that the aid should go to such veterans and not simply to a general class?

Mr. SPARKMAN. We leave it up to the Veterans' Administration.

Mr. COOPER. I shall vote for anything which leads to objective rehabilitation, but it seems to me that this bill goes much further than that and, in its nature, would give houses to a particular class of veterans.

Mr. SPARKMAN. Certainly, if the Senator believes that the Veterans' Administration will consider any wheelchair case and say, "We will give you this house." But they assure us that they will give houses only to veterans who would be helped by being placed in houses. That is why we wrote into the bill that it should be done under regulations to be prescribed by the Veterans' Administration.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. VANDENBERG. Do I correctly understand that the veteran who is so badly handicapped, so permanently disabled, that he can never leave the hospital, gets nothing by way of additional consideration under the terms of this bill? Is that correct?

Mr. SPARKMAN. Yes. May I say a word about that?

Mr. VANDENBERG. I do not understand how that can be justified.

Mr. SPARKMAN. Of course I think we made an error, in considering this bill, in thinking of it as our duty to furnish houses. That is not the sole purpose at all. It makes it possible for the veteran to have a house, with the Government paying the extra cost. These wheel-chair cases cannot live in an ordinary conventional type of house. The house must have wide doors, special bathroom fixtures and equipment; it must be on one level. These houses are to be built in keeping with the recommended types of houses for such cases. It is estimated that the cost which will be added to a house will very largely consume the half which the Government furnishes. It is not a case of our giving a veteran a house; it is a case of our paying for the additional expense involved in a house of the type needed.

Mr. VANDENBERG. Will the Senator permit me to pursue the matter one step further?

Mr. SPARKMAN. Certainly.

Mr. VANDENBERG. I know the Senator will agree with me, as I agree with him, that the obligation to this type of case is so complete that it never can be adequately measured, no matter what we do with respect to it. I am one of those who want to go just as far as possible; but surely the Senator will agree

that every veteran who is in this classification is equally entitled to consideration. It seems to me that we ought to have a program which at least invites alternative methods of treatment and consideration, so that each veteran can feel that he is on an equality with all others with respect to the treatment which he is receiving.

Mr. SPARKMAN. I fully agree with the distinguished President pro tempore. I think he stated it exactly right. This bill does that very thing.

One thing which I failed to mention in the type of house which such veterans ought to have is a gymnasium where the veteran can exercise if he is able to leave the hospital. He may be confined to a hospital for certain reasons, but he reaches a certain point in his treatment when it is better for him to be out of the hospital. Perhaps he is suffering from some particular disability and is sent to a particular type of hospital. All such patients are not given the same type of treatment. It depends upon what may be their needs. There comes a time when these wheel-chair cases need to be in a home, to be with their friends, to have that feeling of independence which comes to the average citizen, just as much as they need medication, as much as they need the attention of a physician or surgeon. That is what we are trying to provide in this bill. I submit that it is not discriminatory. It is not the type of differentiation to which the Senator refers.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAYLOR. In our various efforts to help veterans to get homes of their own we do not guarantee to give veterans homes, do we?

Mr. SPARKMAN. Not at all.

Mr. TAYLOR. No. We simply make is possible for the veteran to take advantage of terms in financing the home.

Mr. SPARKMAN. There are certain conditions he must meet.

Mr. TAYLOR. Are we not simply extending that privilege to disabled veterans? We are extending exactly the same privilege we extend to other veterans, by furnishing the difference between the cost of a home that an ordinary veteran might buy and one that the disabled veteran would be forced to buy; in other words, putting them on an equal footing with any other veteran? We would put them on an equal footing with other veterans.

Mr. SPARKMAN. Mr. President, we shall put them in the type of place where they will get the greatest benefit in the treatment of their particular illness.

Mr. TAYLOR. The enactment of the bill will result in the payment of the difference between the cost of their special home and the cost of the ordinary home; and by enacting this bill, we shall place these veterans on a footing absolutely equal with that of other veterans.

Mr. SPARKMAN. That is exactly correct.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). The question is on agreeing to the motion of the Senator from Ohio to recommit the bill with instruction to the Committee on Banking and Currency.

Mr. SPARKMAN. I ask for the yeas and nays.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Pepper
Butler	Ives	Revercomb
Cain	Jenner	Robertson, Va.
Capehart	Johnson, Colo.	Russell
Capper	Johnston, S. C.	Saltonstall
Chavez	Kem	Smith
Connally	Kilgore	Sparkman
Cooper	Knowland	Stewart
Cordon	Lodge	Taft
Donnell	McCarran	Taylor
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Williams
Green	Millikin	Young
Gurney	Morse	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. McCARTHY and other Senators asked for the yeas and nays, and the yeas and nays were ordered.

Mr. GEORGE. Mr. President, before this vote is taken, I most earnestly repeat what I said this morning, namely, that when the Finance Committee reached the question of consideration of the benefits of the character with which we are now dealing, to be given to totally disabled veterans, the committee voted to make it possible for them to receive compensation of $360 a month.

Now it is proposed to provide, out of all proportion, benefits to be given to one type of totally disabled veteran, as against those to be given to another type of permanently and totally disabled veteran with a service-connected disability, when it is confined to these classes.

I wish to say that we are not doing the veteran a particle of good by legislation of this type. We are not doing the veteran any service whatever by such legislation; and one has only to be honest with himself to reach that conclusion. There is no way for a veteran to pay one-half the cost of a home that is specially designed for him unless he happens to be a man of considerable wealth and is already able to take care of himself if his condition permits him to leave the hospital.

If we are going to do this for these totally disabled veterans, there is only one honest thing for us to do, and that is to give them the whole home, rather than to require them to spend all the money they have or to put themselves in debt in paying for one-half of a specially designed and specially built house, on the theory that we are doing a service to these veterans. Mr. President, mark my word for it: If we adopt this proposal, we shall be doing these men one of the greatest disservices that could be done to them.

Therefore, I shall vote to recommit the bill to the committee.

In this bill there are provided no safeguards at all, except such as the Veterans' Administration may set up. We would virtually put the Veterans' Administration into a housing program, although it has no equipment whatever and no qualifications for the construction of a housing program of this kind or for the evaluation of the houses built under it.

We cannot do any good to these men, for whom all of us have the greatest sympathy, by making them take out dollar for dollar to build a house. We do not do them any good at all if we require them to exhaust their means or else accumulate a debt for a home.

If we mean to do anything of this kind for the veterans—and everyone is willing to do it—then let us do the whole thing, and let us pay for the entire house, rather than provide that these men, crippled as they are, even though they receive as much as $360 a month of compensation, which they will continue to draw, shall be left with the burden of a house on their hands and a tremendous debt, or shall be left in the position of having exhausted the small funds which they may have been able to accumulate.

For that reason, and for the reasons I stated this morning, and for other reasons which have been stated in the debate, I shall vote to recommit the bill to the committee, and let the committee work out a full program. I should be very glad if it could work it out next week, so far as that is concerned, but the bill as it is now does not provide for a completed program. I do not see how we can make it possible for a few men in one category to get a house or half of a house, thereby impoverishing them, at a time of inflated values, when they are in the merciless hands of real-estate dealers and contractors, and deny some comparable and equal treatment to other men in exactly the same category, but who could not leave the hospitals anyway, even if they had decent houses. I do not understand how we can deny that to hundreds and thousands of other men who are permanently and totally disabled, and who are getting about $138 a month, instead of $360. Yet, if they are not compelled to use rolling chairs habitually, or for a great part of the time, they are denied any of these extraordinary privileges.

Mr. President, it is time the real friends of the veterans—and I know that all those sponsoring the bill are friends of the veterans—for the moment should look beyond what they are undertaking to do for the veterans. Do they want another economy act, do they want to pile up a debt on this Government which will make it necessary to face the issue some time, though they are not willing to face it now, when they are giving benefits? Do they want to pile up an indebtedness upon all veterans, many of them disabled, who will be the real taxpayers 10 and 15 years from this hour, an indebtedness under which they will have to

struggle, and which they will have to pay taxes to liquidate through a long period of time?

Mr. McCARTHY. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Wisconsin.

Mr. McCARTHY. Does the Senator realize that if we follow the action he suggests, the crippled men, some of whom are now in the galleries, will not be able, for at least one more year, to live with their wives and children? Does he realize that if we follow his advice we are saying to those men, whom we sent to war, men whom we condemned to the wheel chairs, that for at least one more year they are being condemned to the four walls of a hospital, and that they cannot live normal lives?

Mr. GEORGE. I realize what the Senator says, but the Senator is mistaken. Under this bill they will get no homes, they will only get half a home, and they will have to dig out of their pockets the money with which to get half the home. Any appreciable number of them will be more than a year in getting homes.

Mr. McCARTHY. Does the Senator know that the bill as originally introduced by me provided that they should get the entire home, but after our subcommittee devoted to the matter much thought and work, we unanimously agreed, upon the suggestion of the Veterans' Administration, that if we would provide for half a home that would be much better for the veteran than if we gave him the whole home? We started with the idea the Senator has just suggested, but after 3 months of work, after advising with the Veterans' Administration, after advising with the doctors in charge of rehabilitation, we figured that by taking advantage of GI loans these men all would be able to get homes.

Mr. GEORGE. Mr. President, I do know it is proposed that we create a discrimination between helpless veterans who are permanently and totally disabled, and who have service-connected disabilities, and veterans in exactly the same class, and I do know it is proposed that we pile up the debt to such a point that the men who fought the war, and who are totally or partially disabled, will have to pay the debt, because they will be the real taxpayers in this Nation inside the next 8 or 10 years.

If we are to do this, it seems to me there can be no doubt that the thing to do is to have some housing authority, under the direction of the Veterans' Administration, and with approval of the veteran himself, plan to do the whole job for these men, and not turn over to them a house with a debt due for half of it.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McCARTHY. The Senator talks about discrimination. We just passed a bill this afternoon that will cost over $200,000,000, for which I voted. That will be paid to a select group. It says to the veteran who can become enrolled in a college that he will get aid. It says to the veteran who lives next door that because he got out of the service later and cannot enroll in college, he shall get no assistance. I did not hear the able Senator object to that $200,000,000 bill, but I now hear him object to a bill which will cost about a million and a half dollars.

Mr. GEORGE. No; the Senator did not hear me object, but I am objecting to this bill in the name of the very men he pretends to be serving. He is doing them no service whatever. I am not deterred by what the Senator says.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GEORGE. No; I do not yield at the moment. I am not deterred by constant reference to these men. I know some of them, and I have talked with them. But the Senator is doing them no service and can do them no service under a bill of this character.

With reference to the bill which has already passed, for 10 years every man who went through the war can take full advantage of the GI educational provisions if he wishes to, and there is no discrimination against anyone. The man who is already educated of course does not need it, and some will not elect to take it.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McCARTHY. The able Senator says we are doing these men no good, that it will not help them in any way. I call his attention to the fact that the Committee on Banking and Currency, which is composed of Democrats and Republicans, and very able Democrats, have decided that the bill will give these disabled men homes, and that unless the bill is passed they will not have homes. I cannot conceive why the Senator says it will do them no good. The men have wives and families, some live from 50 to 70 miles from the hospital, and can see their families only once a week. The doctors have advised that it will help them if they can be in their homes, and the only thing that keeps them from going home is the lack of a home. The committee has decided, after 3 months' study, that the bill will give them homes. I cannot see how so able a man as the Senator from Georgia can say that this would do them no good.

Mr. GEORGE. I have seen similar proposals before, and that is why I have made the statement. However good the intentions are, I repeat all I have said, that if this is the way to deal with the matter, then we should give the home in its entirety to the veteran. We should not call upon him to pay for one-half of it, or assume a debt for half of it.

Mr. BARKLEY. Mr. President, ordinarily I hesitate and dislike to vote to recommit a bill which has been acted upon by a committee, and that is particularly true with respect to the Committee on Banking and Currency, on which I have served for so many years.

When the debate began today my mind was made up not to vote for the motion of the Senator from Ohio to recommit the bill to the committee, but during the debate information has come to me, upon which I rely completely, that to pass the bill now and send it to the House would not bring about the enactment of the legislation at this session. There is now a subcommittee of the House which is considering legislation of this type, and I am reliably informed that the House does not intend to take this measure up and act upon it before we adjourn next Saturday. Therefore, it seems to me that something might be accomplished if, between now and the beginning of the next session, the committee gave further consideration to the whole subject. I do not believe there would be any delay in the ultimate action of Congress if that took place, and it might be that further consideration in connection with the situation in the other body might bring about a better bill than that which is now before us. For that reason I feel compelled to vote for the motion of the Senator from Ohio to recommit the bill to the committee.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCARTHY. The Senator was not on the floor at the time I commented on the testimony before the House Committee on Banking and Currency. The question has been raised as to General Bradley's attitude toward the pending bill. Let me quote very briefly from his testimony:

> Mr. RANKIN. General, do you approve of this bill?
>
> General BRADLEY. As far as I am concerned, yes, sir. I have not had time to clear it with the Bureau of the Budget. I do not know whether it is in accordance with the program of the President or not. But it seems to me this is one way you could help these people to help themselves without putting out too much.

That is General Bradley's own testimony.

Mr. BARKLEY. I am not discussing General Bradley's testimony, and my vote is not based upon whatever he may have said to the House committee. My vote to recommit the bill is based upon a genuine belief that in view of the legislative and parliamentary situation which exists, and which will exist during the next few days of this session, some real service, some additional service, might be rendered to these very worthy men, if the committee of the Senate, along with the committee of the House, would give it further consideration between now and the next session of Congress. For that reason, and for that reason alone, I feel I should vote for the motion of the Senator from Ohio.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio to recommit the bill, with instructions, to the Committee on Banking and Currency. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. LANGER] are absent on official business. The Senator from North Dakota, if present and voting, would vote "nay."

The Senator from Delaware [Mr. BUCK] and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent. The Senator from Wyoming, if present and voting, would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Kansas [Mr. REED], who is necessarily absent, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. BREWSTER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Iowa [Mr. WILSON] are unavoidably detained. The Senator from Iowa, if present and voting, would vote "nay."

Mr. BARKLEY. The Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], and the Senator from Louisiana [Mr. OVERTON] are absent on official business.

The Senator from Rhode Island [Mr. MCGRATH] is absent on public business.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED].

The Senator from Illinois [Mr. LUCAS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

I announce further that, if present and voting, the Senator from Maryland would vote "nay."

The result was announced—yeas 40, nays 37, as follows:

YEAS—40

Baldwin	Ecton	McKellar
Ball	Ellender	Martin
Barkley	Ferguson	Millikin
Bridges	George	O'Mahoney
Brooks	Gurney	Saltonstall
Butler	Hatch	Smith
Capehart	Hawkes	Taft
Capper	Hickenlooper	Thye
Connally	Hoey	Vandenberg
Cooper	Holland	Watkins
Cordon	Jenner	Wherry
Donnell	Johnson, Colo.	White
Dworshak	Kem	
Eastland	McClellan	

NAYS—37

Aiken	McCarran	Revercomb
Cain	McCarthy	Robertson, Va.
Chavez	McFarland	Russell
Downey	McMahon	Sparkman
Flanders	Magnuson	Stewart
Fulbright	Malone	Taylor
Green	Maybank	Thomas, Okla.
Hill	Morse	Thomas, Utah
Ives	Murray	Umstead
Johnston, S. C.	Myers	Williams
Kilgore	O'Conor	Young
Knowland	O'Daniel	
Lodge	Pepper	

NOT VOTING—18

Brewster	Langer	Robertson, Wyo.
Bricker	Lucas	Tobey
Buck	McGrath	Tydings
Bushfield	Moore	Wagner
Byrd	Overton	Wiley
Hayden	Reed	Wilson

So Mr. TAFT's motion was agreed to, and the bill (S. 1293) was recommitted to the Committee on Banking and Currency, with instructions.

TRIBUTE TO CHARLES FAHY, LEGAL ADVISER OF THE DEPARTMENT OF STATE

Mr. HATCH. Mr. President, I dislike to interrupt the present proceedings for even a brief period of time. I understand, however, that later in the day there probably will be an executive session, and the nominations on the Executive Calendar will be considered. Due to a previous engagement I am compelled to leave the Senate Chamber and will not be present when the executive session is held. It had been my intention when the Executive Calendar was called and the nomination of Mr. Ernest A. Gross, who has been appointed as legal adviser to the Secretary of State, was reached, to take advantage of that occasion to speak a few words concerning Mr. Charles Fahy, present legal adviser, whose resignation is effective August 15.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHITE. The Senator talked with me earlier in the day about an executive session, and I believe I indicated to him that there probably would be one. We are somewhat backward in our schedule, and I now have some doubt as to whether there will be an executive session. I thought I ought to make that interpolation.

Mr. HATCH. I thank the Senator, but inasmuch as I have the floor, and my remarks will take but a very few moments, I desire to proceed.

Mr. President, Charles Fahy graduated from the Georgetown School of Law in 1914, and became a member of the District of Columbia Bar. He enlisted in the First World War as a naval aviator, and served from 1917 to 1919. He was awarded the Naval Cross for distinguished and heroic service. He received the honorary degree of doctor of laws from the Georgetown School of Law in 1942.

Following World War I, Mr. Fahy moved to my State of New Mexico, where he began the practice of law, and remained there several years, and where his attainments were many and great. In due time he was named Assistant Solicitor of the Petroleum Administration Board and later became a member and finally Chairman of that important Board in the Department of Interior. He was named general counsel of the National Labor Relations Board in 1935, where he served until he was named Assistant Solicitor General of the United States in 1940. The following year he became Solicitor General of the United States, serving in that capacity for 5 years.

He was named legal adviser to General Eisenhower serving as military governor for Germany in 1945 and 1946. President Truman awarded to Charles Fahy a Medal for Merit, which was presented by General Clay to him in the offices of Secretary Byrnes in Paris. In his own great modesty and self-effacement, none but his most intimate friends could have learned of this important award, but I feel that it is of such significance and so fully earned that I ask unanimous consent that there appear in the RECORD a copy of the citation accompanying the award, which I have procured from the Department of State.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

CITATION—MEDAL FOR MERIT

Charles Fahy, for exceptionally meritorious conduct in the performance of outstanding service to the United Nations. As the only civilian member of the President's Base-Lease Commission, Mr. Fahy represented the United States in the negotiations held in London early in 1941 between the United States of America and the British Government with regard to the acquisition of United States bases in the British Atlantic possessions which resulted in an agreement that has served as a precedent and pattern for other vital agreements. While with the Army of the United States, Mr. Fahy has distinguished himself as legal adviser to the military governor for Germany and United States member of the Legal Directorate, Allied Control Authority for Germany, from July 15, 1945, to May 15, 1946; as Director of the Legal Division, United States Group, Control Council (Germany), from July 15, 1945, through September 30, 1945; as Director of the Legal Division, Office of Military Government for Germany (United States), from October 1, 1945, through May 15, 1946; as Chief of the Legal Branch, Civil Affairs Division of the General Staff, Headquarters, United States Forces, European Theater, from July 15, 1945, through September 30, 1945; and as Director of the Legal Division Office of the Military Government (United States Zone) from October 1, 1945, through May 15, 1946. While serving in these capacities, Mr. Fahy, through scholarly legal ability, sagacious political insight, sound judgment, and painstaking work, contributed in a high degree to the cooperation between the United States, British, Soviet, and French Governments required for successful quadripartite government of Germany as a whole and to the success of the military government of the United States areas of occupation in Germany.

HARRY S. TRUMAN.

Mr. HATCH. Mr. President, perhaps the most important single task developing upon this great public servant arose from his being the only civilian member of President Roosevelt's Base-Lease Commission in 1941. Mr. Fahy represented the United States in the negotiations with the British Government. Moreover, he was adviser to the Committee of Jurists in Washington and was our legal adviser at the San Francisco Conference on the organization of the United Nations.

In his career as a lawyer for the United States Government, Charles Fahy argued 71 cases in the United States Supreme Court, cases involving the validity of the Federal Communications Commission's fair broadcasting regulations, the constitutionality of the National Labor Relations Act, the validity of our wartime price-control system, the Federal Trade Commission's decision against the basing-point system of the Corn Products Corp. under the Robinson-Patman Act, the first successful Government attack on such systems, and many other cases.

It seems to me, Mr. President, that such magnificent service should be noted in the RECORD. Mr. Fahy's career has been an inspiration to lawyers. His contributions to our jurisprudence exceed those, perhaps, of any lawyers appearing before the Supreme Court in the past quarter century. Now that he is returning to private life, to his own law practice, still a young man at 55, I want the RECORD to show my thanks, as a lawyer, to Charles Fahy, as a lawyer, as I wish him every possible success in his chosen profession in the years ahead.

Also, Mr. President, I ask unanimous consent that there be printed in the REC-

ORD following my remarks a copy of Mr. Fahy's letter of resignation, together with the President's reply.

There being no objection, the letters were ordered to be printed in the RECORD.

JULY 8, 1947.

MY DEAR MR. PRESIDENT: Respectfully I tender my resignation as legal adviser of the Department of State with the request that it may be effective August 15, 1947, if that is convenient.

After more than 14 years with the Federal Government I resign with a deep sense of gratitude for the opportunities which have been afforded me to engage in the public service, and with esteem for the many officials in the three branches of the Government with whom the work has brought me into association.

Circumstances have led me to feel for some time that I should return to private life. The regret I naturally feel in doing so is enhanced by appreciation of the consideration shown by yourself and Secretary Marshall and by the wish that it were possible to continue.

Yours sincerely,

CHARLES FAHY.

JULY 10, 1947.

MY DEAR MR. FAHY: It is with deep regret that I accept your letter of resignation as legal adviser of the Department of State, and to learn that circumstances make it necessary for you to return to private life after 14 years with the Federal Government.

During those years you have held some of the most important legal positions in the Government and in each of them you have discharged the responsibilities of those officer with outstanding ability and devotion to duty. Permit me to express gratitude and appreciation for your valued contributions to the development of our legal system and the interpretation of our laws during this period.

I wish you continued success and every happiness in the activities which you intend to pursue.

Very sincerely yours,

HARRY S. TRUMAN.

DEATH OF ROBERT L. OWEN

Mr. THOMAS of Oklahoma. Mr. President, I regret to announce that Robert L. Owen, a former Member of the Senate, passed away today.

Former Senator Owen was born at Lynchburg, Va., on February 2, 1856. He was educated at Washington and Lee University, and moved to Oklahoma, then the Indian Territory, in 1885.

In 1907, upon Oklahoma attaining Statehood, he was elected one of Oklahoma's two United States Senators, and served in this body continuously until 1925, when he retired voluntarily.

Senator Owen was an active and influential Member of the Senate, and as chairman of the Committee on Banking and Currency he played a most important role in the drafting and passage of the Federal Reserve Act and the Farm Loan Act.

Senator Owen, without respect to political parties, was held in the highest esteem by the citizens of his adopted State. During his long public service he never had serious opposition in either convention, primary, or general election, and no doubt he could have served in the Senate many years longer had he so desired.

The influence of the public service performed by former Senator Owen will linger long after his passing today.

INCREASE OF SPANISH-AMERICAN WAR AND CIVIL WAR PENSIONS

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside under the condition stated earlier in the day, and that the Senate proceed to the consideration of House bill 3961, Calendar No. 497. The bill deals with increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

There being no objection, the Senate proceeded to consider the bill (H. R. 3961) to provide increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents.

Mr. TAFT. Mr. President, I yield to the Senator from Colorado to make an explanation of the bill.

Mr. MILLIKIN. Mr. President, the bill proposes to increase by 20 percent the service pensions to Spanish-American War and Civil War veterans and their dependents. The House Veterans' Affairs Committee held extensive hearings on the bill. The bill passed the House on a yea-and-nay vote of 337 to 0. The bill has been considered by the Finance Committee and has been favorably reported.

At the present time there are 111,700 veterans of the Spanish-American War and there are 90 veterans of the Civil War. The average age of the Spanish-American War veterans is 72 years. The average age of the Civil War veterans is 100 years.

The cost, on account of the Spanish-American War veterans and their dependents—and this also includes the Boxer Rebellion and the Philippine Insurrection—would be $27,450,000 for the first year. The cost for the Civil War veterans would be $21,600 the first year for the veterans, and $1,488,600 the first year for their dependents.

The total over-all cost for the first year is $28,938,600.

The mortality rate of these veterans is very high. The mortality rate of the dependents, especially the wives of the veterans, is high. We can expect that this will be a rapidly diminishing cost to the Treasury.

The main justification for the increase of 20 percent is the increased cost of living. As I said before, the average age of the Spanish-American War veteran is 72 years. The average of the Civil War veteran is 100 years. The latter, of course, are not able to help themselves in the way of securing employment opportunities. Many of the Spanish-American War veterans have no way of adding to their income. They are seriously affected by the increase in the cost of living. I hope the bill will meet with a favorable reception by the Senate.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MARTIN (when his name was called). Mr. President, I ask unanimous consent to be excused from voting.

The PRESIDING OFFICER. Without objection, the Senator is excused.

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from North Dakota [Mr. LANGER] are absent on official business. Each of the Senators mentioned, if present and voting, would vote "yea."

The Senator from Delaware [Mr. BUCK] and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent. If present and voting, they would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting, he would vote "yea."

The Senator from Kansas [Mr. REED], who is necessarily absent, has a general pair with the Senator from New York [Mr. WAGNER]. The Senator from Kansas, if present and voting, would vote "yea."

The Senator from Montana [Mr. ECTON], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MOORE], the Senator from Maine [Mr. WHITE], and the Senator from Iowa [Mr. WILSON] are unavoidably detained. Each of the Senators previously mentioned, if present and voting, would vote "yea."

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], and the Senator from Louisiana [Mr. OVERTON] are absent on official business.

The Senator from Rhode Island [Mr. MCGRATH], who is absent on public business, would vote "yea" if present.

The Senator from Texas [Mr. CONNALLY], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], the Senator from Pennsylvania [Mr. MYERS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from New York [Mr. WAGNER], who is necessarily absent and who has a general pair with the Senator from Kansas [Mr. REED] would vote "yea" if present.

If present and voting, the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Pennsylvania [Mr. MYERS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

The result was announced—yeas 71, as follows:

YEAS—71

Aiken	Downey	Jenner
Baldwin	Dworshak	Johnson, Colo.
Ball	Eastland	Johnston, S. C.
Barkley	Ellender	Kem
Brewster	Ferguson	Kilgore
Bridges	Flanders	Knowland
Brooks	Fulbright	Lodge
Butler	George	Lucas
Cain	Green	McCarran
Capehart	Gurney	McClellan
Capper	Hawkes	McFarland
Chavez	Hickenlooper	McKellar
Cooper	Hoey	McMahon
Cordon	Holland	Magnuson
Donnell	Ives	Malone

Maybank	Robertson, Va.	Thye
Millikin	Russell	Umstead
Morse	Saltonstall	Vandenberg
Murray	Smith	Watkins
O'Conor	Sparkman	Wherry
O'Daniel	Stewart	Wiley
O'Mahoney	Taft	Williams
Pepper	Taylor	Young
Revercomb	Thomas, Utah	

NOT VOTING—24

Bricker	Hill	Reed
Buck	Langer	Robertson, Wyo.
Bushfield	McCarthy	Thomas, Okla.
Byrd	McGrath	Tobey
Connally	Martin	Tydings
Ecton	Moore	Wagner
Hatch	Myers	White
Hayden	Overton	Wilson

So the bill (H. R. 3961) was passed.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund;

H. R. 3767. An act to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes; and

S. J. Res. 123. Joint resolution to terminate certain emergency and war powers.

PURCHASE OF AUTOMOBILES FOR CERTAIN DISABLED VETERANS

Mr. TAFT. Mr. President, I ask unanimous consent, under the same conditions as stated earlier in the day, that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 1391, Calendar No. 432.

There being no objection, the Senate proceeded to consider the bill (S. 1391) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, which had been reported from the Committee on Labor and Public Welfare, with an amendment, on page 2, line 22, after the word "veteran", to strike out *"Provided,* That no veteran shall be given an automobile or other conveyance, under the provisions of section 1 (a) and (b) of this act, until it is established to the satisfaction of the Administrator that such veteran will be able to operate such automobile or other conveyance in a manner consistent with his own safety and the safety of others and will be licensed to operate such automobile or other conveyance by the State of his residence or other proper licensing authority."

So as to make the bill read:

Be it enacted, etc., That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged on or after said effective date.

Mr. TAFT. Mr. President, I believe that the bill should be passed. Because of difficulty with my voice I am unable to explain it. I ask the Senator from Oregon [Mr. MORSE] to explain it.

Mr. MORSE. Mr. President, the bill is reported to the Senate from a 13-man committee with only one vote against it.

The bill would authorize the Veterans' Administration to give to veterans who have lost the use of one leg or one arm, or who are blind, an automobile of a value not to exceed $1,600, with the understanding that they may pay out of their own pockets an additional sum if they desire a higher priced car which may have some special equipment which they may wish for their particular disability.

The bill would also extend the period of time for the application of the act to 3 years. It is a part of the rehabilitation program for the benefit of veterans who need automobiles not only for their economic readjustment, but also their psychological readjustment.

We held hearings on the bill. We are so convinced of the merits of the bill that we believe there is little need for debate. However, I should be very glad to have any member of the subcommittee who wishes to do so say a word about it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, the Senator from Ohio [Mr. TAFT] has almost lost his voice. The next bill which would probably be taken up he would like to debate. I wonder if it would be agreeable to Members of the Senate to take a recess at this time.

Mr. BARKLEY and other Senators addressed the Chair.

Mr. WHERRY. Mr. President, I did not mean to suggest a debate.

Mr. BARKLEY. Mr. President, will the Senator yield for a moment?

Mr. WHERRY. If we may leave the calendar at this time, we can remain in session for a little while to accommodate Senators who may wish to have matters inserted in the RECORD. With that understanding, if it is agreeable, perhaps we can then take a recess.

Mr. MORSE. Mr. President, the next bill happens to be another one of the bills considered by my subcommittee. It is the so-called on-the-job-training bill.

I feel that the Senator from Ohio is entitled to an opportunity to debate the bill, because he was one of the three members of the committee of 13 who voted against the bill in committee. I think it is very important that he have ample opportunity to present his views on the floor of the Senate.

The only thing that disturbs me, I will say to my friend from Nebraska, is that we have an understanding—and I want that understanding carried out—that we are to return to the Kansas City resolution on Monday. I wonder if it is possible to make an arrangement with the Senator from Missouri [Mr. KEM] to take up the veterans' bill on Monday. I wish to accommodate the Senator from Ohio. This is a bill which must go to the House. If we are to take any action on it, we shall have to do so quickly so that the House may act on it next week.

I am in a very difficult position. I want to accommodate the Senator from Ohio. However, I am sure that some of his colleagues can present his views. If we can bring up the bill on Monday, I do not think it will require a great length of time.

Mr. WHERRY. Mr. President, I should like to respond briefly to the remarks of the junior Senator from Oregon.

Of course the unanimous-consent agreement provides that we return to the consideration of the motion to bring up Senate Resolution 150. All I can say to the distinguished Senator from Oregon is that we have gotten out of a lot of difficult situations today, and I think we can get out of another one on Monday if he will work along with the leadership.

Mr. MORSE. I am very desirous of working along with the leadership.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. All I want to say is that as soon as possible, under all the circumstances, I shall see that the bill is brought up.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I would suggest to the Senator that an executive session be held before we recess. I have consulted with the chairman of the Committee on Armed Services regarding the confirmation of the nomination for the office of Secretary of War.

Mr. WHERRY. We will have an executive session before we close tonight.

ADDITIONAL VETERANS' LEGISLATION ON THE CALENDAR

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. WHERRY. For what purpose?

Mr. MORSE As I told the Senator a moment ago, I wish to make a statement for 1 or 2 minutes in regard to the veterans' legislation which is on the calendar.

Mr. WHERRY. I yield 2 minutes to the Senator.

Mr. MORSE. I hope I shall be able to complete the statement in 2 minutes.

Mr. President, as chairman of the subcommittee of the Committee on Labor and Public Welfare dealing with veterans' legislation, I wish the RECORD to show just where we stand with the pending veterans' legislation within the jurisdiction of my subcommittee. On the calendar is Senate bill 1236, which increases by approximately 15 percent the minimum rates for disabled veterans who are suffering from service-connected disabilities and are participating in the rehabilitation program. That particular bill has been reported to the Senate by a vote of 12 in favor and 1 against it in the committee. I certainly hope that on Monday we shall be able to pass that bill without any difficulty whatever.

Then also on the calendar is Senate bill 1393, the bill the senior Senator from Ohio wishes to debate. It relates to the on-the-job-training program, and under that bill it is proposed to increase the ceilings from $175 to $200 for single veterans and from $200 to $250 for married veterans. That bill comes from the committee with a vote of 10 to 3. I certainly hope we can have that bill debated and passed on Monday, so that we can proceed to get that legislation over to the House of Representatives.

The third, and last, bill is House bill 2181, which relates to the on-the-farm, on-the-job-training program. Under that bill it is sought to give to the farm veterans the same on-the-job-training program subsistence allowances that accrue to veterans in industry or in other occupations.

I am sure that my friend, the Senator from Nebraska, as well as my friend the senior Senator from Ohio, will help me get action on this proposed legislation on Monday, if at all possible, so that we can obtain House action on it before the adjournment; because I do not wish to be in the position of moving to displace any business which may be pending; but when I am given a job to do as chairman of a subcommittee, I am going to do that job within the rules of the Senate to the greatest extent that I possibly can. Therefore, on Monday if I cannot get this matter worked out by mutual understanding between and among us, I shall take whatever action I can take under the rules of the Senate to obtain a vote on this proposed legislation.

EXECUTIVE SESSION

Mr. WHERRY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. KNOWLAND in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

Kenneth C. Royall, of North Carolina, to be Secretary of War;

Brig. Gen. William Weston Bessell, Jr. (lieutenant colonel, Corps of Engineers), for appointment in the Regular Army of the United States as professor of mathematics at the United States Military Academy;

Hoyt N. Burns, and sundry other members of the Naval Reserve Officers' Training Corps and civilian college graduates, to be ensigns, assistant paymasters, and assistant civil engineers in the Navy;

Capers G. Barr, and sundry other officers for appointment in the Navy; and

Maj. Gen. (temporary) William P. T. Hill to be a brigadier general in the Marine Corps for temporary service from the 1st day of February 1944 and to be a major general in the Marine Corps for temporary service from the 1st day of April 1945, while serving as The Quartermaster General of the Marine Corps.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Ernest A. Gross, of New York, to be legal adviser of the Department of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

RAILROAD RETIREMENT BOARD

The legislative clerk read the nomination of William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for a term of 5 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Chester S. Dishong to be United States marshal for the southern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. WHERRY. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. WHERRY. I ask unanimous consent that the President be notified forthwith of all confirmations of nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of all confirmations.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. GURNEY. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. GURNEY. I ask unanimous consent that the President be immediately notified of the confirmations of Army nominations.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmations of the Army nominations.

SECRETARY OF WAR

Mr. GURNEY. Mr. President, I now wish to ask unanimous consent for the consideration of the nomination of Kenneth C. Royall, to be Secretary of War. I realize, and I now notify the Senate, that the nomination was reported by the Armed Services Committee only this morning. Therefore, unanimous consent is required in order to have the nomination considered at this time, because in order to do so it is necessary to waive the rule of the Senate requiring that a nomination go over for 1 day, after it is reported, before it is acted upon.

Therefore, I ask unanimous consent that the nomination may be considered at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the nomination will be stated.

The legislative clerk read the nomination of Kenneth C. Royall, of North Carolina, to be Secretary of War.

Mr. GURNEY. Mr. President, I place this nomination before the Senate in the definite belief that we are presenting to the Senate the nomination of a man who is abundantly capable of filling this position. But I do this with some regret, too, because of the fact that we are losing the services of a man who has rendered magnificent service all during the war. I now refer to Judge Patterson. All during the war he has been one of the hardest-working men in Washington, and certainly the Nation owes him a great debt of gratitude. I personally wish to make these few remarks, for certainly the American people must be grateful for the great work he has done; and I express it as my personal belief that we are losing the services of a fine, honest, capable man.

Mr. BARKLEY. Mr. President, I wish to associate myself with the chairman of the Committee on Armed Services in what he has said both as to Mr. Royall and as to Judge Patterson. I have not been more agreeably or favorably impressed by any public servant during recent years than I have by the unselfish devotion of Judge Patterson to the task to which he was called by the President of the United States. He departed from a distinguished judicial career in order to come to Washington at the invitation of the President, first to be Under Secretary of War, in which position he served during practically all the war, and then 2 years or more ago to serve as Secretary of War.

All of us who have been associated with him, who have seen him work, his poise, his dignity, his judgment, his level-headedness, his common sense, with great ability added to all that, have been impressed by the service he has rendered.

I do not know what his future plans may be. I regret profoundly that he is departing from public service. I hope it will not be a permanent departure, because Judge Patterson is the type of man this country needs in this hour of great emergency, both at home and in the international field.

Inasmuch as he is departing, I think we are fortunate to have a man of experience, character, outstanding and undoubted loyalty and ability, in the person of Mr. Kenneth C. Royall, to be Secretary of War, whose nomination we are about to confirm.

I wish for Judge Patterson the greatest possible success and happiness in whatever he may undertake hereafter, and I wish for the new Secretary of War an equal success in the position which he is about to assume.

Mr. GURNEY. Mr. President, every member of the Armed Services Committee who was present this morning at the time Mr. Royall was before the committee joins me in recommending the confirmation of his nomination.

Mr. REVERCOMB. Mr. President, I desire to join most heartily in the tributes which are being paid to Judge Patterson upon his retirment from the position of Secretary of War, and to Mr. Royall on assuming that position, when his nomination shall have been confirmed.

I saw a great deal of Judge Patterson during the wartime, when I served as a member of the Committee on Military Affairs. He was a hard worker; he gave a great deal to his work, and he retires now, at his own request, after some 7 years of service.

The nominee to succeed him, Kenneth C. Royall, of North Carolina, served as Assistant Secretary of War and then as Under Secretary of War, and now he has received appointment by the President to be Secretary of War. I have seen much of him during the years I have been in Washington. He has often appeared before the Committee on Military Affairs, and subcommittees of which I was a member. I have always been impressed with his frankness, his candor, his willingness to meet squarely any public question dealing with the Army. I have been impressed that he is a man of high ability, and I think his selection by the President is a most fortunate one. I pay tribute to him on receiving the nomination, and tribute to the President on his selection, and congratulate the country in that I believe our Army will be headed by one who has the ability to direct it well.

Mr. SALTONSTALL. Mr. President, I was a classmate at law school of the new Secretary of War, Kenneth C. Royall, and perhaps I can add a word of tribute at this time. He was one of the first three men in my class in the 3 years he was in the law school. He graduated with very top honors, and has maintained the same high standing as a lawyer, as a distinguished citizen of North Carolina, and through the years in which he has faithfully served his country in Washington. I know him to be a man of capability, of intellectual integrity and ability, and of lofty patriotism.

I, too, am sorry to see Judge Patterson leave the service of the Government. He also was in the law school at the same time I was there. I knew him very slightly then, but I have had a growing acquaintance with him ever since. No American citizen is more patriotic than is Judge Patterson, and the Government loses a very fine public servant in his departure.

Mr. HOEY. Mr. President, I wish heartily to endorse the tributes which have been paid to Judge Patterson, and I rise especially to express appreciation of the appointment of Kenneth C. Royall, a citizen of North Carolina, to be Secretary of War. He was born and raised in my State, and served in the State Senate of North Carolina. He is an outstanding lawyer, and has made a great reputation during his service in Washington, both as counsel in the War Department, as Assistant Secretary of War, and more recently as Undersecretary of War.

I may predict, I think, that in the years ahead during which he may serve, in whatever capacity, he will bring distinction to himself and will reflect credit on North Carolina and the Nation. I am very happy about his appointment, and hope that his nomination will be speedily confirmed.

Mr. HAWKES. Mr. President, I have enjoyed a very fine friendship with both the great Americans to whom tribute is being paid today, Judge Patterson, the retiring Secretary of War, and Kenneth C. Royall, the new Secretary. I know what Judge Patterson gave up when he came to Washington, and I would not feel that I was doing myself justice if I did not pay tribute to him as an indefatigable worker, a man of honesty, integrity, sound Americanism, and courage.

I am glad, as Secretary Patterson retires as Secretary of War, and we have assuming the position Kenneth C. Royall, that we have not forgotten to give a pat on the back to a man who has rendered magnificent service under most difficult conditions. I think we are most fortunate to have a man like Kenneth C. Royall, who is familiar with affairs in Washington and with the duties and responsibilities of the high office to which he has been appointed, ready and willing to assume and carry the load.

He, too, is a man of probity, honor, and stanch patriotism.

The President of the United States is to be congratulated on his choice, and I think we are to be congratulated on the fact that Kenneth Royall is to fill this difficult position at this time in the history of the world.

Mr. O'MAHONEY. Mr. President, if I may be permitted to add my word of tribute to Judge Patterson, I have no hesitancy in saying that everything that has been said about him of course is true. He is patriotic, diligent, and possesses all the qualities we customarily attribute to men who have rendered great public service. However, I have been particularly impressed by his patience and understanding. He has had a breadth of human understanding without which it would have been very difficult for him to carry the great burden he had in the War Department, first as Under Secretary, and afterward as Secretary. The patience and human understanding which have characterized him throughout his public service were of great benefit to all who had any business with the War Department, and that, of course, included all of us who were members of the Committee on Military Affairs during previous sessions of the Congress. I had the opportunity of serving on that committee prior to this Congress, and I have always been very grateful for the ability with which Secretary Patterson presented the problems of his Department to the committee.

Mr. FERGUSON. Mr. President, as one of the members of the War Investigating Committee, I wish to say that it was the duty of that committee on many occasions to examine into the activities of the War Department. Judge Patterson, as Secretary of War, cooperated on all occasions and tried to unearth and give us all the information possible.

Men usually resent being investigated. However, no such reaction appeared on any occasion on the part of Judge Patterson and Kenneth Royall. They realized that Congress had a right to look into matters pertaining to their Department, and they cooperated and endeavored to do their best to assist. That speaks well for them, and I take pleasure in saying they were always willing to have the public know what was going on.

Our contract with them in connection with this committee brought us to the conclusion that Judge Patterson was a very able, hard-working, painstaking man; one who endeavored at all times to further the welfare of the Army and the welfare of the people of the United States.

The same can be said of Gen. Kenneth C. Royall, who will now become the Secretary of War. The War Department will be in good hands, and we know that from now on he will carry on as Secretary of War as he did in the office of Under Secretary.

Mr. McFARLAND. Mr. President, I do not care to detain the Senate, but I do want to express my approval of the words of appreciation of Secretary Patterson. In the larger sense he needs no words of praise; his record speaks for itself. He will go down in history as having rendered a great service to his country.

I also wish to add my word of approval of the words of praise of the distinguished gentleman who will succeed him, Gen. Kenneth Royall.

Mr. UMSTEAD. Mr. President, I wish to join with the Members of the Senate who have expressed their thanks and appreciation for the outstanding patriotic service of Judge Patterson, and also to express my very great pleasure and satisfaction upon the appointment of Kenneth C. Royall, of North Carolina, to be Secretary of War. He and I attended the University of North Carolina together. I have known him since that time, and he is a very close and cherished friend of mine. He is a veteran of World Wars I and II. He made a brilliant and outstanding record as a lawyer in North Carolina, and he has also distinguished himself in every form of public service in which he has participated.

I take delight in his appointment, and I predict that he will measure up to the best traditions of the high office to which he has been called and will add distinction to it.

Mr. WHERRY. Mr. President, I am sure that the majority leader, who is unavoidably out of the Senate Chamber at this moment, would also like to be included among those who have paid such glowing tribute to Judge Patterson, and also to welcome to the office of Secretary of War such an outstanding personality as General Royall.

I, too, want to join in the words of tribute, and also to welcome General Royall to this office. I only want to add to what has already been said that I am glad indeed that a man with such a noteworthy record as he has made is to take up the duties of the industrious and tireless worker who is vacating the office, Judge Patterson.

I now ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination of Kenneth C. Royall to be Secretary of War is confirmed, and, without objection, the President will be notified immediately of all nominations this day confirmed.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I would like to make this statement with all the force that is within me. I want to thank the Senators on both sides of the aisle for their cooperation in sitting last night and again tonight. I trust they will enjoy a fine rest and be on hand Monday, because we expect to do many things in the United States Senate next week, and we should like to have Senators present, ready not only for day sessions, but, as we have announced, night sessions, as well. I am told that Senators had better come prepared to remain all night the first night, because we expect to dispose of the business at hand, which is the motion that the Senate proceed to the consideration of Senate Resolution 150.

Mr. BALDWIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BALDWIN. When, technically, does a night session begin? Does the Chair call this a night session?

Mr. WHERRY. Technically, I suppose we should say "continuous sessions." At any rate, the point I want to make is that there is much work to be done. I ask the full cooperation of the Members. I know that the concluding days of a session are hectic, but there are many things that must be considered. I urge Senators to be on hand when the Senate reconvenes. We shall go through the week, conclude the legislative business, and terminate the first session of the Eightieth Congress.

RECESS

Mr. WHERRY. Mr. President, I now move that the Senate recess until Monday next at noon.

The motion was agreed to; and (at 7 o'clock and 16 minutes p. m.) the Senate took a recess until Monday, July 21, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 19 (legislative day of July 16), 1947:

DIPLOMATIC AND FOREIGN SERVICE

Henry S. Villard, of New York, for appointment as a Foreign Service officer of class 1, a consul general, and a secretary in the diplomatic service of the United States of America.

Morris N. Hughes, of Illinois, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 19 (legislative day of July 16), 1947:

DEPARTMENT OF WAR

Kenneth C. Royall to be Secretary.

DEPARTMENT OF STATE

Ernest A. Gross to be legal adviser of the Department of State.

DIPLOMATIC AND FOREIGN SERVICE

TO BE ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SWEDEN

H. Freeman Matthews

TO BE FOREIGN SERVICE OFFICER OF THE CLASS OF CAREER MINISTER

Julian F. Harrington

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

James J. Blake
Raymond J. Becker
Hollis B. Chenery
John A. Conway
Jesse D. Dean
John M. Dennis
Robert C. Foulon
A. Eugene Frank
James A. Garvey
Converse Hettinger
David Klein
Max V. Krebs
Robert E. Moberly
William Nesselhof, Jr
Miss Anne M. Oehm
Wayne E. Snyder
C. Melvin Sonne, Jr.
Robert A. Stevenson
Harrison M. Symmes, Jr.

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

Charles A. Livengood
Frederick B. Lyon
G. Frederick Reinhardt

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Niles W. Bond
John K. Emmerson
Outerbridge Horsey
E. Allan Lightner, Jr.
Brewster H. Morris
Marselis C. Parsons, Jr.
Arthur L. Richards
Livingston Satterthwaite
H. Gardner Ainsworth
John H. Burns
Donald B. Calder
Leonard J. Cromie
Richard H. Davis
Irven M. Eitreim
Robert S. Folsom
Edward L. Freers
Paul E. Geier
Lewis E. Gleeck, Jr.
Richard E. Gnade
Caspar D. Green
Richard H. Hawkins, Jr.
John P. Hoover
John Evarts Horner
Richard A. Johnson
M. Gordon Knox
William L. Krieg
Sidney K. Lafoon
Donald W. Lamm
Robert H. McBride
David H. McKillop
John M. McSweeney
Albert E. Pappano
Milton C. Rewinkel
Stuart W. Rockwell
William Langdon Sands
Bromley K. Smith
Henry T. Smith
John W. Tuthill
William W. Walker
Fraser Wilkins

RAILROAD RETIREMENT BOARD

William J. Kennedy to be a member of the Railroad Retirement Board for a term of 5 years from August 29, 1947.

UNITED STATES MARSHAL

Chester S. Dishong to be United States marshal for the southern district of Florida.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

To be senior surgeon (equivalent to the Army rank of lieutenant colonel)

Hiram J. Bush

To be dental director (equivalent to the Army rank of colonel)

Stanmore P. Marshall

To be temporary senior surgeons (equivalent to Army rank of lieutenant colonel)

Alexander A. Doerner
Abraham Wikler
Harry Heimann

To be temporary senior scientist (equivalent to Army rank of lieutenant colonel)

Samuel W. Simmons

APPOINTMENTS IN THE REGULAR CORPS

To be surgeon (equivalent to the Army rank of major), effective date of oath of office

Lydia B. Edwards

To be senior surgeons (equivalent to the Army rank of lieutenant colonel), effective date of oath of office

Walter E. Doyle
Charles Ferguson
Bengt L. K. Hamilton

To be surgeon (equivalent to the Army rank of major), effective date of oath of office

Ira Lewis

To be scientist (equivalent to the Army rank of major), effective date of oath of office

John C. Keresztesy

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office

Marion F. Graham
Robert P. Ralls
Robert C. Rodger
James B. Dukes
M. Lawrence Brockmyer
Henry D. Smith
Henry C. Savage
John S. McMillin
John L. Lightburn
Kenneth W. Horne
Robert A. Mattingly, Jr.

To be senior assistant surgeons (equivalent to the Army rank of Captain) effective date of oath of office

Rheim M. Jones
George A. Spendlove
Thomas A. Hathcock

POSTMASTERS

ALABAMA

Kathleen E. Rollo, Bremen.

ALASKA

B. Jean Jensen, Craig.
Lena G. Alderson, Flat.
Orrin S. Felmley, McGrath.
Martha Monsen, Naknek.
John J. Heuelsen, Pelican.
Lawrence T. McGuane, Skagway.

ARIZONA

Don S. LeBaron, Whiteriver.

CALIFORNIA

Amelia B. Clifton, Altaville.
Phillip L. Anthony, Applegate.
Esther J. Ewoldsen, Big Sur.
Mary Ferrari, Blairsden.
Ruth H. Branson, Branscomb.
William P. Athearn, Clements.
Paul A. Bianchi, Friant.
Albert A. Cedros, Gazelle.
Lola C. Bedoy, Irwindale.
Lillian Linde Hilderman, Keeler.
Sybil M. Summers, Mammoth Lakes.
Helen B. Bayne, Nice.
Charles C. Kirk, Piercy.
Arthur R. Martin, Pinecrest.
Pearl M. Davenport, Rosewood.
Martha Waldron, Seeley.
Hazel J. Martin, Stirling City.
John P. MacPherson, Trona.
Raymond W. Eproson, Twain Harte.
Letita D. Winn, Venice.
Martin A. Broadbere, Walnut.

CONNECTICUT

Ralph S. Gregory, Cannondale.
Blanche M. Turbarg, Colebrook.
Carleton L. Quint, North Woodbury.
Russell G. Beckwith, South Windham.
Robert H. Bossen, South Windsor.
Joseph E. Scheidel, West Simsbury.
John J. Cahill, Wilton.

FLORIDA

Reid A. Williams, Cassadaga.
Ollie T. Vaughan, Dinsmore.
Florence H. Porter, Hypoluxo.
Martha R. Brush, Interlachen.
Agnes G. Jones, Mandarin.
Rena F. Harman, Oldsmar.
Francis Sadlier, St. Leo.
Floie Torbert, Sorrento.
Henry Homer Belton, Sumterville.
Naomi E. Clyatt, Terra Ceia.

HAWAII

Agnes F. Baldwin, Hamakuapoko.
Chiyoki Tanaka, Kapoho.
Celestine T. Aguiar, Ninole.

IDAHO

Marie C. Van Stone, Hope.
Nettie M. Wade, Irwin.

INDIANA

Novie A. Huff, Taswell.

KENTUCKY

Sister Mary Sophronia Soller, Nerinx.
Sister Margaret E. Walsh, St. Catharine.

LOUISIANA

Effie O. Broussard, Allemands.
McEnry Jones, Baskin.
Chester J. Carville, Carville.
Elbert Matthews, Cullen.

MAINE

James E. Herrick, Bailey Island.
Ellery L. Robinson, Lisbon Center.

MARYLAND

William F. Mann, Finksburg.
Shirley I. Bawden, Gibson Island.
Golda S. Himburg, Mayo.
Philip M. Pestorfield, Jr., Royal Oak.
William Edgar Ensor, Sparks.

MICHIGAN

Frank J. Brown, Camden.
Clifford R. Osborne, Cedar Lake.
George L. Lobenhofer, East Saugatuck.
Maggie A. Porter, Idlewild.
Donald F. Crane, Mio.
Lawrence H. Jordan, National City.
Henry S. Blair, Warren.

NEW HAMPSHIRE

Percy M. Thurston, Elkins.
Lawrence W. Marden, Holderness.
Mary B. Hallinan, Newfields.
Constance M. McCauley, Twin Mountain.

NEW JERSEY

Harold K. Elwell, Beachwood.
Alvin E. Mott, Vernon.

NEW MEXICO

Mary E. Behrens, Encino.
Medardo A. Herrera, Ojo Caliente.

NORTH CAROLINA

DeWitt T. Freeman, Bat Cave.
Frank M. Hood, Selma.
Ida B. Parker, Shaelotte.

OKLAHOMA

Willard P. Perrymore, Kinta.

OREGON

Veston H. Casey, Beatty.
John W. Karasti, Clatskanie.
Mabel W. Moore, Detroit.
Sheldon E. Hyde, Island City.
Edna B. McLean, Kerby.
Arthur M. Hyatt, Maplewood.
Willis Brewster, McKenzie Bridge.
Jack Ryland, Mehama.
Edward J. Lumijarvi, Quincy.
Margaret Ray Helmken, Sixes.

PENNSYLVANIA

Raymond R. Walker, Ford Cliff.
Charles F. Mase, New Ringgold.
Louise Felin, Strabane.
John D. Fox, Temple.

PUERTO RICO

Julia Morales Maldonado, Castaner.
Huldah M. Murphy, Puerto Real.

SOUTH CAROLINA

James W. Ballard, Folly Beach.
Ruth Hill Klump, Isle of Palms.
William W. Turner, Sr., Johnston.
Pauline P. Able, Norway.
James C. Cauthen, Orangeburg.
Dorothy M. Bellamy, Pawleys Island.
William F. Adkins, Piedmont.

TENNESSEE

Holland B. Whitaker, Petersburg.

TEXAS

Jim A. Bayer, Dime Box.
George M. Patrick, Kinwood.
Myrtle M. Lewis, Pipecreek.
Nell Agnes Shull, Progreso.
George R. Jones, Roanoke.
Lewis A. Botard, Sheridan.
Eva C. Shepherd, Sullivan City.
Jack K. Wisener, Wells.

UTAH

Elsie L. Price, Junction.

VERMONT

Iola M. Jobin, Ely.

VIRGINIA

Henrietta G. Montgomery, Denbigh.
Thomas S. Hawkes, Jr., Wellville.

WISCONSIN

John E. Thorpe, Darien.

WYOMING

Fred V. Skinner, Big Horn.
Ruth A. Davis, Deaver.
Charlie E. Fesler, Moran.

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Maj. John Boyden Goodell and 1,924 other officers for promotion in the Regular Army of the United States, which were confirmed today, were received by the Senate on July 2, 1947, and are printed in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of John Boyden Goodell, appearing on page 8108, and ending with the name of Wayne Eugene McCoy, appearing on page 8129.

HOUSE OF REPRESENTATIVES

SATURDAY, JULY 19, 1947

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, with gladness and gratitude we are calling upon Thy great and holy name, for in the revelations of Thy presence and power we find our strength and hope.

We pray that daily we may seek to validate these revelations by being one with Thee in the thoughts of our minds, the desires of our hearts, and the endeavors of our lives.

Grant that men and nations everywhere may be eager to participate in a nobler spirit of fellowship and understanding.

Hear us in the name of our blessed Lord, who went about doing good and was moved with compassion toward needy and suffering humanity. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3767. An act to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

The message also announced that the Senate having proceeded to reconsider the bill (H. R. 3950) entitled "An act to reduce individual income-tax payments," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was—

Resolved, That the said bill do not pass, two-thirds of the Senators present not having voted in the affirmative.

The message also announced that the Senate agrees to the amendments of the

House to a joint resolution of the Senate of the following title:

S. J. Res. 123. Joint resolution to terminate certain emergency and war powers.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4106. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DWORSHAK, Mr. BALL, Mr. YOUNG, Mr. CAIN, Mr. O'MAHONEY, Mr. MCCARRAN, and Mr. GREEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 981) entitled "An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WATKINS, Mr. ECTON, and Mr. HATCH to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and to include in each an article.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a list of countries who have received loans from the United States.

RETIREMENT OF SECRETARY OF WAR PATTERSON

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, we regret very much to see the retirement of Robert P. Patterson as Secretary of War. As Under Secretary, and later Secretary of War, he rendered to our country in one of its most trying periods outstanding service. A man of sound judgment, courteous, but firm and courageous, he led his Department in such a manner that he leaves with the respect and confidence of the American people. He leaves behind a record of achievement which will forever mark him in history as one of the greatest of our Secretaries of War, and one of the outstanding Americans and one of the greatest world figures of this historic era. As President Truman well said in his letter of acceptance of resignation, in referring to the character of service Secretary Patterson rendered, "It has been magnificent. It has been utterly selfless."

Bob Patterson leaves official Washington, and I hope only for the time being, with our respect and admiration; with our recognition of the greatness of this humble, sincere gentleman; with our kindest regards, and with our best wishes to him and his in what we hope will be merely a temporary retirement.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Florida.

Mr. SIKES. I should like to concur fully in all that the distinguished gentlemen from Massachusetts has said about the great work of former Secretary Patterson. It has been an outstanding record as a public servant. We shall miss him greatly in the work of this Government.

Mr. MCCORMACK. I thank the gentleman very much.

THE PRESIDENT'S VETO

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I could not help but listen to the clerk from the Senate telling us about the veto message yesterday on the tax bill, and I came to the conclusion when I picked up this morning's United States Treasury statement of July 16, when I saw that we are in debt $258,507,255,900.05, that the President, when he observed how they have been going on and spending the taxpayers' money for the last 15 years and run the Government into this great debt, that he was so embarrassed every morning when he looked at the Treasury statement that he said, "We have to tax and tax and tax the people of this country to try to get rid of this debt the New Deal has incurred." Well, that is just too bad that they were so extravagant and such poor managers as to permit it to happen; there is nothing like it in history. But he has to give some consideration to the taxpayers pretty soon, or he is going to break them all; he is going to break them wide open and wreck them. The manner in which he vetoes the tax bill and his message certainly must be humiliating, not only to him but to all those Members of Congress who in the last 15 years have voted and voted and voted for more money, more squandering. Why does not the President come in now and say he is going to economize in the operation of the Government? No; he does not stress that fact. They keep on spending and spending, and he wants the taxes and more taxes so they can do it in all departments of Government. Mr. President, be wise and economize. I would think he would be doing something for the taxpayers of the country, but, no; all we hear down there at 1600 Pennsylvania Avenue is spend, spend, spend. Something has to happen, and it is going to happen next year when the people realize what has been going on. They should and will elect a Republican President if it not be stopped.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. He cannot spend anything unless the Congress appropriates it.

Mr. RICH. Well, we are cutting down on the spending in the departments of Government. If we had the aid of the executive department, we could do a real job. Be wise and economize.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

STANDARD NEWSPRINT PAPER

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the present consideration of H. J. Res. 238.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, I think I shall object hereafter when the gentleman asks unanimous consent to take up "H. J. Res." There is no such thing.

Mr. KNUTSON. "House joint resolution"; I beg the gentleman's pardon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That paragraph 1772 of the Tariff Act of 1930 is hereby amended to read as follows:

"PAR. 1772. Standard newsprint paper: For the purposes of this paragraph paper which is in rolls not less than 15 inches in width shall be deemed to be standard newsprint paper insofar as width of rolls is concerned."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none, and appoints the following

conferees: Messrs. HORAN, STEFAN, CHURCH, STOCKMAN, ANDREWS of Alabama, BATES of Kentucky, and FOGARTY.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during the day during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALL OF THE HOUSE

Mr. COLE of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Allen, Ill.	Goff	Morton
Bell	Gossett	Muhlenberg
Bennett, Mich.	Granger	Murray, Wis.
Bland	Gross	Norton
Bloom	Gwynne, Iowa	O'Hara
Boggs, La.	Hall,	O'Toole
Bonner	Edwin Arthur	Pace
Boykin	Hall,	Patman
Buckley	Leonard W.	Patterson
Byrne, N. Y.	Harrison	Pfeifer
Camp	Hartley	Ploeser
Celler	Havenner	Powell
Chapman	Hays	Rabin
Clements	Hébert	Reed, Ill.
Cole, Mo.	Hendricks	Richards
Colmer	Hope	Riley
Cooley	Jennings	Rivers
Cotton	Johnson, Tex.	Sabath
Coudert	Jones, Ala.	Schwabe, Mo.
Cox	Kee	Sheppard
Cravens	Keefe	Smith, Ohio
Davis, Tenn.	Kelley	Smith, Va.
Dawson, Ill.	Kennedy	Somers
Dingell	Keogh	Stockman
Dirksen	Kilday	Thomas, Tex.
Domengeaux	Kirwan	Thomason
Douglas	Klein	Tollefson
Eaton	Lea	Van Zandt
Feighan	Lesinski	Vinson
Fellows	Ludlow	West
Flannagan	Marcantonio	Whitten
Fuller	Mason	Wilson, Tex.
Gallagher	Meade, Ky.	Zimmerman
Gifford	Miller, Md.	
Gillie	Morrison	

The SPEAKER. On this roll call 320 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit while the House is in session during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include a statement by R. K. Bliss, of the extension service, Iowa State College.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include a news letter.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the mayor of Lovejoy, Ill.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a letter and an article.

NATIONAL SECURITY ACT OF 1947

Mr. HOFFMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4214) to promote the national security by providing for a Secretary of Defense; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security; and pending that, Mr. Speaker, I ask unanimous consent that all those who may speak on the bill may include in their remarks any relevant material, and that all Members who so desire may have five legislative days in which to extend their remarks in the RECORD on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLE of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COLE of New York. Mr. Speaker, on Wednesday last, the majority leader sought the unanimous consent of the House for the consideration of this bill at any time after the presentation of that request early on Wednesday. Objection was made by me to that request for the reason that the bill was not then available to the Members of the House. After consultation with the majority leader the request was subsequently made that the bill should be called up any time after Friday. The basis for the alteration in the request was that at least a day would intervene between the time the bill became available and the time the bill was called up. I am advised that this bill has not been available to the Members until 9:30 this morning. My parliamentary inquiry is whether it would be in order at this time to make a point of order against the motion upon the ground that at least 24 hours have not intervened between the time the bill was available and the time the bill was called up.

The SPEAKER. In reply to the inquiry of the gentleman from New York, the Chair would say that under the unanimous-consent agreement which was reached on July 16, appearing in the CONGRESSIONAL RECORD at page 9095, all points of order against the bill were waived.

Mr. COLE of New York. Mr. Speaker, a further parliamentary inquiry. I am further advised that although the bill is available this morning, the report accompanying the bill is not. Would it be in order to raise a point of order against the motion of the gentleman from Michigan [Mr. HOFFMAN] upon the ground that the report is not now available?

The SPEAKER. It would not be in order because the same ruling would apply. All points of order were waived under the unanimous-consent agreement.

Mr. COLE of New York. Mr. Speaker, a further parliamentary inquiry. I am informed that the report does not comply with the rules of the House in that it does not set forth the alterations proposed by the bill to existing law. My inquiry is whether the request of the gentleman from Indiana, the majority leader, that points of order against the bill be waived also carried with it the waiving of points of order against the report which is supposed to accompany the bill.

The SPEAKER. The Chair is compelled to make the same ruling in this instance also. All points of order were waived under the unanimous-consent agreement and, therefore, the raising of that point of order at this time would not be in order.

Mr. COLE of New York. Mr. Speaker, without undertaking to dispute the decision, I call your attention to the fact that the request for waiving points of order was directed to the bill itself. Does the Speaker rule that the waiving of points of order against the bill carried with it the waiving of points of order against the report?

The SPEAKER. Yes.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, would not the recourse of the gentleman from New York be to vote down the motion to go into the Committee of Whole?

The SPEAKER. That is a matter for the House to decide.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, the gentleman from Michigan [Mr. HOFFMAN] asked unanimous consent that all Members might extend their remarks and include extraneous matter in reference to this bill.

The SPEAKER. Yes; and that request was granted.

Mr. RICH. Mr. Speaker, that seems to be a very broad request.

The SPEAKER. The House has already passed on that and granted the unanimous-consent request of the gentleman from Michigan.

Mr. RICH. Mr. Speaker, I did not hear the gentleman exactly when he

made that request. It is a dangerous precedent.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] asked unanimous consent that Members might be permitted to so extend their remarks. The question was put before the House, and the House granted the request.

Mr. COLE of New York. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COLE of New York. Mr. Speaker, would it be a proper course of action for the Members to pursue who feel that they should be given an opportunity to study the bill before consideration is given to the bill by the House in Committee of the Whole to vote against the motion offered by the gentleman from Michigan?

The SPEAKER. The gentleman from New York does not state a parliamentary inquiry. The House, of course, can vote as it pleases on all subjects.

The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4214, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the unanimous-consent agreement, general debate will continue not to exceed 5 hours, to be confined to the bill, and the time to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments.

The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, at last we have come to the consideration of the bill known generally as the unification bill, H. R. 4214. It may not be a matter of surprise to many members of this committee that I rise in support of the measure. Having been concerned about the problems of our national defense for something like 25 or 30 years, I welcome this opportunity to support a measure which I am convinced will make this Nation stronger, that will achieve its strength with efficiency, and ultimately with marked economy. It is not my purpose at this time to engage in a general discussion, much less to attempt any oratory, with respect to the defense of our country and the present condition of the world, but rather I thought I would impose upon your patience in an attempt to describe to you as best I may the organizational set-up proposed by this so-called unification bill. It is for that reason I have had this chart prepared. Unfortunately, some of the print will be difficult for you to read, but I hope, in an informal fashion, to describe just what this whole thing is.

We all know that under the Constitution of the United States the President, in addition to his duty to execute the laws, performs two other very, very important functions. One, he conducts the foreign relations of the United States; and, two, he is Commander in Chief of the armed forces.

In this bill we attempt to set up an organization which will assist the President in the performance of those two special functions, the conduct of foreign relations, and his function as Commander in Chief of the armed forces. I, therefore, call your attention to the fact that at the top of this chart there is depicted the organization which is to assist the President in the performance of those functions. He is Commander in Chief, as the chart indicates, of course; and there is organized under the provisions of this bill a National Security Council which is to consist of the Secretary of State, the Secretary of National Defense, whose position and functions I will come to later, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, and the Chairman of the National Resources Board. That is the National Security Council, and the President is a member of it and, if he so desires, may preside over it.

The National Executive Council is to have but one executive officer, the Executive Director, who might be described as office manager, and he must be a civilian. It is to be noted that all of the members of the Executive Council are civilians, and by reason of their respective offices each one of them must be confirmed by the Senate.

The Executive Council cannot do its work effectively unless it has assistance, and one source of assistance must be a study to be made of the resources of this country. The President must have the advantage of a continued study of the resources of the country as well as a complete understanding of its military strength in order that he may conduct the foreign relations of the United States in a proper fashion.

The presence of the Secretary of State upon the Council is significant. For the first time in our history we propose that the statutes shall provide that the conduct of foreign relations shall be recognized as an exceedingly important part of our general behavior before the world; and the Resources Board is to make continuous study of the resources of America, its natural resources, its manpower, anything of importance which relates to the strength of this country or its potential strength: Oil, iron ore, electric power, food, coal, any number of things that are part of the natural resources of the United States. The Resources Board is to make a continuous study of that part of the problem and make recommendations to the Council, of which the President is the head.

In addition, under the Council there would be another element which is to advise the Council, subject to regulations made by the Council, in the field of intelligence, in the foreign field; and there is established a central intelligence agency subject to the Council, headed by a director.

The function of that agency is to constitute itself as a gathering point for information coming from all over the world through all kinds of channels concerning the potential strength of other nations and their political intentions. There is nothing secret about that. Every nation in the world is doing the same thing. But it must be remembered that the Central Intelligence Agency is subject to the Council and does not act independently. It is the agency for the collecting and disseminating of information which will help the President and the Council to adopt wise and effective policies.

So with information of that sort concerning other nations and information coming in with respect to our own resources, both of which are available to the Council and President, we will have for the first time in our history a piece of machinery that should work and it is high time that we have it. We have never had it before. During this last war all sorts of devices were resorted to, obviously in great haste, to accomplish a thing like this. You may remember the huge number of special committees, organizations and agencies set up by Executive order in an attempt to catch up with the target. We have learned as a result of the war that we should have some permanent organization, and that is the one proposed in this bill.

We come now to what might be termed the National Military Establishment and when I use the phrase "National Military Establishment" I have reference to the team of elements that will actually defend this country together with the agencies which are to help the team. The National Military Establishment is to be headed by a new official, a Secretary of Defense, who I may remind you is a member of the Security Council. The Secretary of Defense must be a civilian, and, of course, his appointment must be confirmed by the Senate.

The Secretary of Defense is charged under this bill with certain very important duties. I shall not read them in detail, but suffice it to say that in his hands will be the duty of bringing about through power possessed by himself a proper coordination of all the elements in the Military Establishment. It will be his duty to see to it that overlapping and duplication are eliminated in order that economies may be effected and efficiency increased. It will be his duty to coordinate all these agencies I am about to describe to you. He will have a position in the cabinet. He will sit alongside the Secretary of State and the other Cabinet officers in the Cabinet. It might be said he will be, as is the Secretary of State, the assistant to the President in foreign relations, assistant to the President with respect to the Military Establishment, just as the Secretary of Agriculture is the assistant to the President in the matter of agricultural problems.

The elements in the proposed National Military Establishment are these: A Joint Chiefs of Staff, composed of the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force and the Chief of Staff of the Commander in Chief, if there be such. You may remember that for some time past the President has had an officer assigned to him as Chief of Staff, Admiral Leahy. So, in the event Presidents of the future desire to appoint such a person,

that Chief of Staff becomes a member of the Joint Chiefs of Staff.

Now, the functions and duties of the Joint Chiefs of Staff are professional. That is the professional military agency of this whole set-up. They are to plan strategic operations. They are to plan joint training of the three services. They are to plan in all the fields of strictly military effort, and they are the military professional advisers of the Secretary of Defense and of the President. They are to perform their duties under this bill as they have been performing them for the last several years. There is no change in the functions of the Joint Chiefs of Staff.

The Munitions Board, which now exists in the name of the Army and Navy Munitions Board, is perpetuated by law under this bill and is composed of a chairman, to be appointed by the President, with the advice and consent of the Senate, and who must be a civilian, the Under Secretary of the Army, the Under Secretary of the Navy, and the Under Secretary of the Air Force. The Munitions Board is charged with the constant study of our industrial capacity and with making suggestions and recommendations to the Secretary of Defense and to the President as well as the Security Council for the planning of industrial production in the event of war, preparing for it in time of peace. The Munitions Board has no executive authority whatsoever.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. As I say, the Munitions Board has no executive authority whatsoever, and it is continuing the work that is now being done by the Army and Navy Munitions Board.

We also have in existence today a Research and Development Board which, under this bill, is perpetuated. The job of the Board is to investigate the field of science in which the military forces are especially interested and to make recommendations to the Secretary of Defense, to the Council and to the President, as how best to coordinate the efforts of the military services in the field of scientific research which, of couse, has become of enormous importance in recent years.

The War Council found here is, in my judgment, of real importance. It is to be composed of the Defense Chairman and three Secretaries and the three Chiefs of Staff of the several departments, and is for emergency purposes in the event a decision should be made with respect to operations, and it brings together three civilians along with three professional soldiers. But you will notice in all this set-up so far that the civilians prevail. The heads of every one of these agencies, except the Joint Chiefs of Staff, are all civilians from the top down. Then we have the three departments—the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. In each of those departments the Secretary is the boss inside of the department. Using a colloquialism, he may be said to have the right to hire and fire inside of his department. He will have complete control over all personnel of his department. He may not be interfered with by the Secretary of Defense in the internal administration of his department. Only when the Secretary of Defense, after getting the advice, we will say, of the Research and Development Board or the Munitions Board, or suggestions from down here amongst the departments, makes up his mind that a certain degree of coordination should be achieved between two or all three of these departments, may he then issue an order that the coordination be brought about. In other words, in questions where there is a chance to achieve better coordination and hence economy, the Secretary of Defense will have the power to say, "You go and do it"; but even so, under the bill, if any one of these Secretaries of the several departments objects, he has the right to appeal to the President and have his day in court if, indeed, he seriously objects to the proposal made by the Secretary of Defense. So to all reasonable limits the autonomy of the three departments, the Army, the Navy, and the Air Force, is preserved, but the reservation of power lies with the Secretary of Defense to bring about coordination when it is determined by him that it must be done. It is for that reason that the Secretary of Defense is given the power of general direction and control and charged under this bill to eliminate by appropriate means wasteful overlapping and duplication.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Virginia.

Mr. GARY. Will the gentleman give us the composition of the National Security Resources Board?

Mr. WADSWORTH. Yes. The Chairman of the Board must be appointed from civil life. The heads or representatives of various executive departments and independent agencies as may be designated by the President may be members. In other words, the President himself may designate the other civilian members of the Resources Board from independent agencies or other departments of the Government. It is nonmilitary. In fact, I want to emphasize, as I have already tried to do, that this bill, despite some of the suggestions to the contrary, does in my judgment absolutely preserve civilian control, in accordance with our traditions and under the provisions of our Constitution.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Arkansas.

Mr. HARRIS. I understand the Secretaries of the various services do not have Cabinet status.

Mr. WADSWORTH. The Secretaries of the Army, the Navy, and the Air Force do not.

Mr. HARRIS. Are they appointed by the Secretary of Defense or the President of the United States?

Mr. WADSWORTH. By the President of the United States.

Mr. HARRIS. Is this bill similar to the bill that was passed recently by the Senate, or are there marked changes?

Mr. WADSWORTH. It is very, very similar. In fundamentals it does not differ, in my judgment, from the Senate bill. There are certain changes which our committee has made which are important in themselves, but they do not change this set-up at all.

Mr. JARMAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Alabama.

Mr. JARMAN. Am I correct in the assumption that these Secretaries of the Army, the Navy, and the Air Corps are civilians under this bill?

Mr. WADSWORTH. They are civilians.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. COLE of New York. On the question of whether or not the Secretaries of the three departments should have Cabinet status, to which the gentleman replied that they would not, is it not correct that the bill is silent in that respect?

Mr. WADSWORTH. The bill is silent in that respect, because no act of Congress has ever been passed and probably never will be passed defining a Cabinet officer.

Mr. COLE of New York. That is correct. My point is that it is entirely possible in the future for any one or all of these Secretaries of the three departments to sit in the Cabinet if the President requests them to.

Mr. WADSWORTH. There is nothing to prevent it, and I do not believe the Congress has the power to tell the President who shall be a member of his Cabinet. A custom has grown up, of course, with which we are all familiar, but there is no statute on that subject.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Alabama.

Mr. HOBBS. Would the gentleman be kind enough to explain to us what happens to the Marine Corps?

Mr. WADSWORTH. The Marine Corps under this bill is certainly amply protected.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Do the Joint Chiefs of Staff have executive authority, or are they under the control of the Secretary of Defense?

Mr. WADSWORTH. The Joint Chiefs of Staff do not have executive authority. It may be said that they have a certain degree of military authority. For example, if the Joint Chiefs of Staff propose a certain strategic operation in time of war and come to a decision or suggest that such an operation should be engaged in, if the President approves it, then the Joint Chiefs of Staff through military channels put it into effect.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. HARNESS of Indiana. With further reference to the question propounded by the gentleman from New York about the Cabinet status of the various Secretaries, I should like to point out that there is a statute, probably the only one on the books, which refers to the Cabinet members of the President. That is the statute which fixes the salaries of members of the President's Cabinet at $15,000 per year.

Having that in mind, the committee wrote into this bill the salaries of the Secretary of War, the Secretary of Navy, and the Secretary of the Air Force, at $14,500.

Mr. WADSWORTH. That was to make a little distinction there.

Mr. HARNESS of Indiana. And we provided for the Secretary of Defense the salary paid to Cabinet members.

Mr. WADSWORTH. That is right.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VORYS. The gentleman has mentioned the function of the Joint Chiefs of Staff. I find nothing in the bill which provides whether their action must be unanimous as was the case during the war and which caused considerable difficulty—or whether they can function through a majority vote or something like that.

Mr. WADSWORTH. There is nothing in the bill to the effect that the Joint Chiefs of Staff in reaching a military decision must act unanimously. It would be a reckless thing for the Congress to put any such imposition upon them.

Mr. VORYS. However, it is the purpose of this new arrangement to provide for machinery so that action can be taken even though the Joint Chiefs of Staff are not unanimous in their decision?

Mr. WADSWORTH. That would be up to the President as Commander in Chief.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Illinois.

Mr. OWENS. Inasmuch as this is a new law which might require action by the Congress at some future time, would there be any objection to a provision therein which would require that the Council immediately give a copy of its recommendations and reports to the Speaker of the House and the President of the Senate as well as to the President?

Mr. WADSWORTH. Does the gentleman refer to the Security Council?

Mr. OWENS. Yes.

Mr. WADSWORTH. Does the gentleman mean that the Security Council shall report upon all its findings and recommendations directly to the Congress?

Mr. OWENS. Yes.

Mr. WADSWORTH. If you do that, then you will be reporting to the entire world.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Occupying a rather unique position as a member of both the Army and Navy Subcommittee on Appropriations, even though I have not had time to study the bill in detail or see the report, a cursory study on the basis of your remarks would indicate that possibly at the outset there might not be economies accomplished by the bill. But from your explanation I would understand that there should eventually be great economies in procurement and research, and in development, and much of the work now being carried on which is separated in the various branches of the military services.

Mr. WADSWORTH. I am thoroughly convinced of that. Permit me to make this observation. When this bill becomes law, the man who is appointed to the position of Secretary of Defense cannot be expected to achieve millions of dollars in savings in a week or two or a month or two or perhaps even a year. He will have a big job on his hands. He will have to work on this thing day after day in consultation with others as they report and recommend to him. He will have his own ideas, of course, but step by step I am convinced that large sums of money will be saved and better work will be done.

Mr. SCRIVNER. Thus, you will avoid, in the case of another emergency coming up, the competition, you might say, between the branches of the service in trying to obtain certain materials and equipment.

Mr. WADSWORTH. That would be his job—to prevent that competition—and the bill, in effect, says so.

Mr. JENKINS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania, a member of the committee.

Mr. JENKINS of Pennsylvania. Is it not a fact, in answer to the statement by the gentleman from Kansas, that the bill provides the Secretary of Defense shall coordinate the budget requirements of the three military departments, which is the first time, as the testimony indicated, in our national history that any one person has ever been in a position to oversee the preparation and presentation of these budgets to the Congress, and, therefore, that in and of itself will lead to a tendency to avoid duplication and cross-procurement, and so on?

Mr. WADSWORTH. Let me say that for the first time in our history the House Committee on Appropriations will get an over-all view of the budget of our national defense.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Texas.

Mr. LYLE. Would the gentleman take a minute to explain the possibilities under this measure for joint training and joint use of facilities so that we will not have overlapping?

Mr. WADSWORTH. Under the provisions of this bill, the Joint Chiefs of Staff are to plan for joint training and joint education in the military service. If their plan is approved by the Secretary of Defense and the President, it goes into effect.

Mr. LYLE. This bill, as I understand your explanation, will give us and give America for the first time an opportunity to have a military policy consistent with our responsibilities and our resources.

Mr. WADSWORTH. This links the military policy with foreign policy, all measured by our resources and the potentialities of other people.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from California.

Mr. JOHNSON of California. Would the gentleman explain a little more about the National Securities Board? Is that only a planning board, or is the law so written that in the event of an emergency they can set up these various agencies?

Mr. WADSWORTH. To which board does the gentleman refer?

Mr. JOHNSON of California. The National Security Resources Board.

Mr. WADSWORTH. That is purely advisory.

Mr. JOHNSON of California. In the event of an emergency, we would have to pass legislation to implement what they recommend?

Mr. WADSWORTH. No. The legislation is already set up. The Munitions Board will plan the industrial mobilization and advise the Secretary of Defense and President, and it will be put into effect. These are boards of students as it were to study our resources and make recommendations, but not to administer.

Mr. JOHNSON of California. Under an act which we passed several years ago, the Munitions Board was simply empowered to create a stock pile.

Mr. WADSWORTH. They may recommend the creation of a stock pile, and urge it, but they do not have the power to establish it. However, it can be very influential with the Secretary of Defense.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has again expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. JACKSON of California. Would the gentleman comment on the Joint Staff as to their functions under the Joint Chiefs of Staff? The Joint Staff has caused some concern to some of us.

Mr. WADSWORTH. Yes. The Joint Chiefs of Staff have at all times what might be termed a staff to help them. It has not been a super staff, like that of the Germans; not a super general staff. Those four men on the Joint Chiefs of Staff must have assistants. If they come to a decision with respect to a strategic operation, which is planned probably months in advance, to put it into operation they must have the help of men who will develop the orders that go down through the military channels, and their staff is solely for that purpose, just as it was during the war. It

does not supplant the Bureau of Naval Operations in the Navy Department or the General Staff in the War Department.

Mr. JACKSON of California. Would the gentleman have any objection to a provision in the act which might limit the tenure of officers serving upon the Joint Staff? Not upon the Joint Chiefs of Staff, but the Joint Staff—the body which acts now as a sort of secretariat. I think the principal matter of concern among people who have come to know the military is that once an officer becomes ensconced in a swivel chair it is sometimes difficult to get him out.

Mr. WADSWORTH. Well, you may remember that under the law, at least as it applies to the Army, a man may not serve on the Staff more than 4 years. Then he must go back to troops or other stations for a period, before he can resume his place.

Mr. JACKSON of California. I agree that is an excellent provision, but would there be any great objection to making such a provision in this measure?

Mr. WADSWORTH. That is existing law and applies to this personnel just the same.

Mr. JACKSON of California. It would apply to the Navy and the Army under this bill?

Mr. WADSWORTH. Yes. That is my understanding. That law is already on the statute books.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VORYS. Coming back to the Munitions Board, the gentleman said it was advisory. It seems to me it would have administrative and executive functions similar to the War Production Board. Under the Secretary of Defense, is it not proposed that the Munitions Board will be the agency which will conduct allocations of priorities and do other things which we had a lot of boards trying to do in this past war?

Mr. WADSWORTH. That is true. That is the way it will evolve. They plan these things. For example, they would coordinate the appropriate activities within the National Military Establishment with regard to industrial matters, including the procurement, production, and distribution plans of the departments and agencies comprising the establishment; they would plan for the military aspects of industrial mobilization; they would recommend assignment of procurement responsibilities among the several military services, and plan for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment; they would prepare estimates of potential production; they would determine relative priorities; they would make recommendations to regroup, combine, or dissolve existing interservice agencies; they would maintain liaison with other departments and agencies for the proper correlation of military requirements within a civilian economy, and so forth; but they do not take into their hands the actual execution of those things; the Secretary of Defense does that.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KERSTEN of Wisconsin. It seems to me from what the gentleman has said that the Central Intelligence Agency is one of the very important parts of this entire set-up. I wish to ask the gentleman if there is a definite coordination provided for between that Agency and, say, the Department of State? For I feel that certain information of the Agency would affect the activities of the entire system.

Mr. WADSWORTH. The gentleman is correct. May I point out that under the provisions of the bill the Central Intelligence Agency in effect must cooperate with all the agencies of the Government, including the State Department. It is the gathering point of information that may come in from any department of the Government with respect to the foreign field, including the State Department, of course; including the War Department, through G–2; including the Navy Department, through ONI. That information is gathered into the central agency to be evaluated by Central Intelligence and then disseminated to those agencies of Government that may be interested in some portion of it.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MANASCO. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for 10 minutes.

Mr. MANASCO. Mr. Chairman, the Committee on Expenditures in the Executive Departments started hearings on the so-called unification bill on April 2 of this year. We have been charged by some people with hurrying this legislation through without giving proper consideration to it. In the Seventy-eighth Congress, the Woodrum committee of the House held extensive hearings on the necessity of merging our armed forces. Last year two Senate committees held extensive hearings on the question. Our committee—as you can see from the size of the printed hearings held many days of hearings.

Some people from the Navy have accused our committee of cutting them off. We have been accused of trying to stifle the Navy. The record will show, however, that we heard more Navy representatives than we did from any other service. I believe several members of the committee who heard some of the testimony from representatives giving the Navy view on this question were almost convinced before the hearings were over that we should have an absolute merger instead of a so-called unification bill. It was disturbing to hear some of the testimony and read it in the hearings of the jealousies, the bickerings, the back-biting that evidently is going on now between members of our armed forces. If a complete merger would eliminate that fighting among the services, bring about a spirit of cooperation, bring about a spirit and a will to be on one team and fight for the best interests of America instead of the selfish interests of a few individuals, I would vote today, if some one offers an amendment, for an out and out merger of our armed forces. I think we could save millions of dollars, yes, billions of dollars, if we were to have an out and out merger. I am frank to say that when I was chairman of this committee last year and the bill was referred to us, I did not have any hearings because I was opposed to it; but the hearings this year have changed my mind.

If you will read the hearings you will find that our committee has tried to be fair with everybody. There was some charge we were trying to destroy the Marine Corps. No member of our committee, no Members of this House, who can recall the gallant efforts of the Marines in Guadalcanal, the islands of the Southwest Pacific, Tarawa, the Marianas, Iwo Jima, and Okinawa would consent to see that great corps destroyed or its efficiency in any way affected.

There have been charges we are trying to destroy naval aviation. Any person who will read the questions asked by members of this committee, who will read the results of our deliberations as found on pages 16 and 17 of this bill, must surely know that the members of this committee can never forget what we owe to those men in the Naval Air Forces who gave their lives in the battles of Midway, the Coral Sea, the Philippine seas, and the seas around Japan itself would want to destroy or impair naval aviation.

There were some charges made that if this bill is enacted into law it will bring about a military dictatorship in this country. That is the lowest type of attack on the bill. The only way, in my opinion, that we will ever have a military dictatorship, or any other kind of dictatorship, in this country, is when the American people themselves deteriorate to such an extent that they lose their desire to fight for their own liberty; then we will have a dictatorship, and it will not make any difference whether it is a military, Fascist, communistic, or any other kind of a dictatorship. That is the only way a dictatorship will ever come to this country. As long as the elected representatives of the people have control of the purse strings and carry out their duties in an effort to preserve our system of government, we will not have a military dictatorship. There has never been a dictatorship established in a country where the majority of the people fought, bled, and died to keep any kind of dictatorship down. You may read the history of Germany, Italy, Spain, many of the South American countries, as well as that of the Soviet Union, and I think you will agree with that conclusion.

It is true that the passage of this bill may not immediately reflect any savings.

The primary objective of the legislation, of course, is to strengthen our national defense and make it possible for us to more successfully prosecute a war in case we are ever engaged in another

war. But we should at all times have economies in mind because our Nation cannot continue to spend more money than it takes in and pay out enormous sums of interest to retire the obligations that we owe to our people without running the risk of destruction from within. We have many stations throughout the United States, some of them in your district, and, of course, if an effort were made to close one of them because we have another station adequate to take care of our needs, you would be coming in here trying to keep that station from being closed.

As an illustration, we have warehouses for the three services side by side in many port areas of the country. We have airfields side by side, and I have heard it said lots of times that it was not quite a good idea for the planes of one service to land on the fields of another. That should not be. It should be possible to eliminate thousands and thousands of dollars' worth of annual expenditures for warehouses alone. It will take some time for these economies to be reflected, but they will come.

Of course, you will have some people say that the Joint Chiefs of Staff will become similar to the old German Junker's military staff. As long as we have Committees on the Armed Forces, whose duty it will be to spell out the functions and the duties of our armed forces, I have no fear of any Junker system coming to this country.

Mr. Chairman, for many months we have listened to arguments for and against unification of the armed services. The controversy has been long and bitter but it has served a most useful purpose in that it has given many of us a better insight into problems surrounding national security.

Although the Secretaries of War and Navy, and their principal military and civilian officials, have reached an agreement on the terms of this legislation, opposition still arises from the rank and file of the United States Navy.

Mr. Chairman, in considering this far-reaching piece of legislation, it is important that we understand the background of fundamental issues involved in order that arguments pro and con will fall into their proper perspective.

As I see it, Mr. Chairman, true unification as proposed under the compromise plan agreed on by the Secretaries of War and the Navy, will result in the creation of one security organization composed of three coordinate fighting components; our land, sea, and air forces. Each of these components will be organized and trained to carry out its part of our over-all military strategy. No one of these fighting components will be capable of operating independently of the others. On the contrary, each will rely on the others and together they will form one dynamic fighting organization.

Why do we need unification? At present, Mr. Chairman, there are two separate and distinct defense departments each striving to become capable of independent military action. In each department we have land, sea, and air elements. Consequently, there exists a vast amount of unnecessary duplication. Cooperation between these two departments is almost entirely a matter of voluntary agreement rather than procedure.

Opponents of unification support the philosophy of maintaining two or more each competing for money, manpower, and matériel. This policy is directly opposed to the real objective of unification and, if pursued, can only result in continued wasteful inefficiency and the resultant weakening of our national security.

Mr. Chairman, it is important that we keep in mind the objective of this bill and the tactics employed by the opposition to prevent it from becoming an effective instrument of constructive military reorganization.

First, the opposition centered its attack upon the powers of the proposed Secretary of Defense, seeking to prevent the establishment of effective centralized civilian control and direction of our security forces in order to perpetuate the independent departmental status enjoyed during past years. This independence has permitted our services to decide their own programs, build their own forces, prepare and defend their own budgets, irrespective of the over-all objective. Mr. Chairman, the authority proposed for the Secretary of Defense is the very cornerstone of future unification and we must be on guard against any move to reduce this man to a mere figurehead.

Failing in this first objective to destroy the authority of the proposed Secretary of Defense, the opposition has directed its attack against the creation of a coequal Department of Air. The reason back of this is more subtle and should be examined with great care.

Air power has now become a controlling force in modern warfare and no military campaign, whether it be on land or sea, can be successful until the air war has first been won. Therefore, Mr. Chairman, opponents of unification are seeking to prevent the consolidation of our Air Force by parceling it among the surface components. This move, if successful, will perpetuate the present independent status of our forces rather than integrate their common efforts. Furthermore, it will vitiate the future military potentiality of American air power.

Under the terms of the compromise plan agreed to by the War and Navy Secretaries, naval aviation is left with the Navy and marine aviation is left with the Marines. In the interest of interservice harmony, I agree with this feature of the bill. However, any further spreading of our Air Forces among surface components will defeat the purpose of this bill and may prove disastrous in the event of future war.

If we are faced with a war in the future, it is altogether probable that military operations during the first year will be predominantly air action. If our available air resources are divided between surface components, the striking power and flexibility of future American air power will be lost. In fact, we may never, under such circumstances, be able to launch a surface operation because the air phase of the war would be lost.

In summary, Mr. Chairman, I would like to emphasize that any bill designed to unify our armed forces must incorporate two basic features.

First, it must establish a responsible civilian head over our armed forces with necessary authority to unify their common efforts.

Second, it must create one military organization composed of three coequal fighting components; land, sea, and air. If these two fundamental features are not incorporated in the bill, unification of our armed forces will exist merely in name rather than in fact.

I hope, Mr. Chairman, that further deliberations on this measure and further amendments submitted will be considered in the light of these facts.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, on July 11 a local newspaper carried an editorial, and among other things it said:

> Now that unification has reached the halfway mark, it is to be hoped that the Senate's statesmanship will be duplicated by the House. There, unfortunately, the Committee on Expenditures in the Executive Departments, which never should have received the bill in the first place, is still sitting tight on it. The attitude expressed by Committee Chairman CLARE HOFFMAN is far from encouraging. Mr. HOFFMAN has been quoted as saying that his committee will write its own bill.

I want to stop there for a moment to say this: Of course, this editor was not elected to Congress and I don't think he attended any of the hearings on this bill. His representative might have been there a time or two. When the editor asks this body to abdicate to the other body, he is wholly out of order, and I am sure our chairman is correct, if he is quoted correctly here, in taking the attitude that this committee should write its own bill. That is as it should be. We are not rubber stamps for the other body. We used our own judgment. We acted after due deliberation. Every possible opportunity was given to those who wanted to be heard on the bill. As a matter of fact, during the time I have been here, I have never known a committee that has acted more deliberately, that has considered a bill more carefully than this committee has considered this legislation.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Ohio.

Mr. ELSTON. Since the committee did write its own bill, and I am sure it has a reason for every provision in the bill, may I ask the gentleman why there is a separate department for the Army Air Forces and no provision has been made for a separate department for the Navy Air Forces?

Mr. BENDER. Since the bill was reported out the gentleman from New York [Mr. COLE] has requested that the committee hold a session, and he asked to

appear. I am sure the amendment he will offer will be supported by an overwhelming majority of the committee, confining the Naval Air Force to the Navy. The Naval Air Force will not come under the provisions for unification of all the air forces and under the Department of Air. That is the situation as far as the gentleman's question is concerned.

This bill came to us from the President asking that there be unification. Frankly, many members of the committee had grave misgivings about this bill's creating a military dictatorship in this country. Time and again this phrase was used during consideration of this legislation. Your committee has endeavored to write into this bill provisions that would guarantee that this not be a military dictatorship, that we not create a military dictatorship through Army and Navy unification, as we understand it. However, we have no assurance or guarantee regarding the administration of this bill. There is a lot of faith, hope, and charity, regarding what will happen. How can we tell how this bill will be interpreted or administered? Many of us on the committee still have grave apprehensions about the bill. We hope it will work, and we want it to work. Every member of this committee hopes and prays that this will accomplish what the President had in mind.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that there will be constant surveillance over the functions of this bill by the proper committees of the Congress, and of course by the Appropriations Committee?

Mr. BENDER. I trust that will be true, and I believe there will be such observation by the Congress and by the appropriate agencies.

In this editorial it is further stated:

> The only possible result of such unnecessary recapitulation would be delay—

That is, there were certain items referred to in the statement of the gentleman from Michigan [Mr. HOFFMAN] regarding this bill—

> delay that becomes ominous with Mr. HOFFMAN's denial that unification is considered a Republican "must."

Let me say regarding this being a Republican "must" bill that this was not, as I understand, on the Republican "must" list early in the session. But it is today. In recent weeks we have been told, that is, those of us on the Republican side, that our leadership considers this a Republican "must" bill. Under the circumstances, we went along and tried to write the best bill that we knew how since the Republican leadership of the House has joined with the Administration in supporting the measure.

The charge that the gentleman from Michigan [Mr. HOFFMAN] has in any way delayed the consideration of this bill is wholly without foundation. The gentleman from Michigan [Mr. HOFFMAN] has cooperated fully.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. McCORMACK. I think that is very clear. The Republican and Democratic members of the committee, if I might use a strong word without being unkind to the editor or writer of that article, repudiated any such charge as that. The gentleman from Michigan has cooperated. He has been frank in the expression of his views, and he has never done anything other than cooperate with the committee in trying to have the hearings expedited, and then in executive session trying to get the marking up of the bill completed as quickly as possible.

Mr. BENDER. Mr. Chairman, since the gentleman from Massachusetts the minority whip [Mr. McCORMACK] is a member of our committee, I am sure that he is informed as to what the situation was in committee. He is absolutely correct in his appraisal of the chairman's work and the chairman's diligence in seeing to it that this bill was reported out.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MANASCO. I want to say that the chairman of the committee has not been using dilatory tactics. I happen to have had the same charges made against me last year. The gentleman from Michigan [Mr. HOFFMAN] has done everything in his power to get the hearings printed on time. It was not his fault that the members of the committee did not return the copy of the transcript which they had in their offices for the purposes of correction. That is one of the reasons why the hearings are not available to everybody today. You can not get those hearings ready in a minute. The chairman even wanted to hold night sessions to expedite the consideration of this bill. He has done everything possible in the matter.

Mr. BENDER. I thank the gentleman for his testimony. The gentleman from Michigan [Mr. HOFFMAN] has been most diligent and most painstaking in reporting this bill out as quickly as was humanly possible. As a matter of fact, if any charge could be leveled against him, it would be that he was so agreeable that he permitted it to come out too soon.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. JUDD. I would like to advise the committee that the hearings have been here from the beginning and that the reports are now here. They were delayed in delivery from the Printing Office, but they are now available.

Mr. BENDER. I thank the gentleman.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. BATES of Massachusetts. I think we can agree with the gentleman from Ohio, who is now addressing the Committee, that there has been a good deal of apprehension about this bill. I think it is only because we got off on the wrong foot by statements which were made particularly with reference to the Marine Corps that the objective of the original bill was to reduce the Marine Corps to the status of a police force. That is one of the things that got us off on the wrong foot. Personally, I feel that while the leadership of the House has had its way in the matter, it might have been better if this bill had been referred to the Committee on Armed Services of the House, as it was in the other body, and then we might have been able to get a little better action on it.

Mr. BENDER. Of course, the bill was referred to the Committee on Expenditures in the Executive Departments because its primary purpose is to create greater efficiency and bring about greater economies in the armed services. We do not know about economies, but we trust that greater efficiencies will be accomplished as a result of the passage of this bill.

I yield to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. I would like to ask the gentleman what newspaper printed that article.

Mr. BENDER. This is from the Washington Post.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. VORYS. Referring to that editorial, which speaks of this as an administration "must" bill, and referring to the gentleman's remarks that the Republican leadership has made this a "must" bill, I want to say that I am one Republican who has been for some form of unification for 30 years, since the time when I was attached to the Royal Naval Air Force when it went into the RAF. I am proud that this task, which is a difficult one, which the administration failed to accomplish when they had control of Congress, is being carried through to a conclusion under Republican leadership and in a Republican Congress.

Mr. BENDER. I thank the gentleman.

I will say this regarding the chairman of this committee and his effort to produce a good bill, he has made every possible effort to do so. He has done every conceivable thing, even though he had grave apprehensions about this bill.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Not at this time. The gentleman from Michigan is too modest.

Mr. HOFFMAN. Well, Mr. Chairman, I make the point of order that the debate must be confined to the bill.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Montana.

Mr. MANSFIELD. The gentleman from New York [Mr. WADSWORTH], in response to a question by the gentleman from Alabama [Mr. HOBBS], stated that the Marine Corps was amply provided for. I would like to ask the gentleman if, under this new reorganization and unification, the strength of the Marine Corps will be maintained at approximately 20 percent of that of the Navy.

Mr. BENDER. I trust it will. I am sure the Marine Corps and the leader-

ship of the Marine Corps is satisfied with what is done in this bill. As a matter of fact, they are amply protected and their interests are protected.

Mr. MANSFIELD. I am worried at the statement contained in the hearings, containing letters from General Eisenhower, General Spaatz, and the remarks of General Armstrong of the Air Force, that the Marine Corps is to be reduced to a very minute part of the Navy.

Mr. BENDER. General Eisenhower and General Spaatz did not write this bill. The committee wrote it, and I can say, with absolute knowledge as to the provisions in this bill, that the Marine Corps is satisfied with what is written into this bill.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from South Carolina, a member of the committee.

Mr. DORN. As far as the Marine Corps is concerned, on page 17 of the bill, paragraph (C), there is a page and a half; more than General Vandegrift, Commander of the United States Marine Corps, even asked for. It is right here in the bill, page 17 of the bill.

Mr. BENDER. I thank the gentleman.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Ohio.

Mr. BREHM. Who is responsible for putting these designs up on the trestle board?

Mr. BENDER. Just what does the gentleman mean by that?

Mr. BREHM. Who started the idea or the plan, as depicted by the drawings on the easel back of the gentleman?

Mr. BENDER. Frankly, I have not studied that chart.

Mr. BREHM. Where did the idea of a merger first originate?

Mr. BENDER. It originated in the minds of the people generally that there is need for unification. They do not like Army, Navy, and Marine Corps bickering.

Mr. BREHM. You mean that the general public started this idea of merging our armed forces?

Mr. BENDER. Not this particular idea.

Mr. BREHM. I just wanted to know who "we" constitute. Various previous speakers have said "we this," and "we that," and I was simply trying to pin it down and find out who the speakers are speaking for.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, as a freshman Member of this House, I have had very little to say at this session of the Congress, not because anyone has imposed any degree of silence upon me, but because I think it is probably better for a new Member to get acquainted and take it a little slowly.

I would not rise this morning except for the fact that I do want to say a word of praise for the chairman of this committee and for the subcommittee that drafted this bill. I do not suppose there is a man in the House that I differ with more in political philosophy than the gentleman from Michigan [Mr. HOFFMAN], but I have come to respect and admire him a great deal for his convictions, because he has the courage of his convictions, because he sticks to those convictions, because he had tenacity of purpose. I admire him also for his sense of humor. He never does take himself too seriously and he does not permit any member of this committee to take himself too seriously. As a matter of fact, because of his wit there has never been a dull moment on the committee. I want to say that I admire him most of all because of his fairness and especially his fairness to the freshman members of the committee and particularly to the members on the minority side. We had a lot of "big brass" before this committee, and I say that with all respect. We had all of the great generals and admirals and we had Dr. Vannevar Bush, one of the most interesting men who appeared before our committee. The gentleman from Michigan, instead of beginning the questioning with the high-ranking men on the Republican side, invariably began questioning, or permitted first the lowest-ranking member on the minority side, to begin the questioning of those witnesses. He was always patient with us and he went from the lowest-ranking man on the minority side to the lowest-ranking man on the majority side. I just wanted to say that in praise of the gentleman from Michigan, for the way he conducted those hearings. They were most interesting.

I want to say the same, too, of the gentleman from Ohio [Mr. BENDER] and the gentleman from Minnesota [Mr. JUDD] who, when they presided, did the same thing and were just as courteous and kindly to members of the committee as they could be.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BURLESON. I would just like to observe that I am fully convinced by the members of this Committee that it is a good committee.

Mr. LANHAM. I did not mean to make this a mutual admiration society, but I do want to say for the members of the Committee that we have gotten along famously together; and, frankly, I think we have done a good job. As a matter of fact we admit we have a great committee. The gentleman from Texas [Mr. BURLESON] will not have to prove it. I think the subcommittee that drafted this bill has done a fine job. There were criticisms of the bill when we first began hearings, but frankly I think this bill the subcommittee has reported out is much superior to the bill that first came before the committee and is better than the Senate bill. I am sure it is going to mean for us a more effective military establishment and in the end, that it will mean economy.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, today we are being asked to take one of the most important steps that any Congress has undertaken. This bill provides for the most drastic departure in the history of our country from any previous position on national defense.

I do not think we should be under a wrong impression as to the purpose of this bill. Although it is called the unification bill, it reminds me somewhat of the time in the Seventy-eighth Congress when we had before us the Smith-Connally so-called antistrike bill. Everybody thought that just because it was called an antistrike bill it was going to stop strikes. It increased strikes over 400 percent. I think our majority leader, the gentleman from Indiana [Mr. HALLECK] referred to it quite correctly the other day when he asked unanimous consent for this bill to come up today. On page 9050 of the CONGRESSIONAL RECORD of July 16 the gentleman from Indiana [Mr. HALLECK] in response to a question from the gentleman from New York [Mr. COLE], as to the title of the bill replied:

> This is the so-called unification or merger bill.

This is neither a merger nor a unification bill. We already have a War Department and a Navy Department and if the Congress passes this bill we will still have the War Department and the Navy Department. In addition, we will have a new department known as the Department of the Air Force. How can there be a merger or unification of something by adding one additional department? True, under the Research and Development Board and the Munitions Board it is hoped we will accomplish a little economy, but under this superstructure of the National Security Council and the new Secretary of Defense, as he is called in this bill, we are going to add millions and millions of dollars of expense.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. Just briefly.

Mr. HARNESS of Indiana. The gentleman made the statement that this is going to add millions and millions of dollars to the cost of the defense establishment. I take issue with the gentleman on that and I would like to have him explain why he has arrived at such a conclusion.

Mr. BUSBEY. I will be happy to reply to the gentleman. Even though I am a member of the committee I have not had a chance to read the hearings. I did not receive a copy of the hearings until late yesterday afternoon. I think it is a shame that any bill should come to the floor of the House unless the Members have had an opportunity to read the hearings and the report. I am sure that the gentleman from Indiana [Mr. HARNESS] some place in the hearings will find testimony to the effect that it is estimated something like $800,000,000 will be required in appropriations for this new national security set-up. I am sorry I do not have the page reference before me. If I am in error I would like to have some one correct me.

Mr. Chairman, I am particularly interested in the Central Intelligence Agency feature of this bill. That is going to be a very, very important agency and I trust when certain amendments are offered under the 5-minute rule the committee will consider them deliberately.

On page 11 of the bill I especially call your attention to this language in line 16:

(e) To the extent recommended by the National Security Council and approved by the President, such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence.

The Federal Bureau of Investigation, the FBI, is certainly an agency of our Government which relates to our national security. Inasmuch as the Central Intelligence Agency deals with intelligence outside the United States, I hope that particular section will be amended to eliminate the possibility of its going into the records and books of the FBI because the FBI does not go outside the United States. It is only concerned with internal intelligence and investigations in the United States.

Another feature I have been concerned about is the authority given the Central Intelligence Agency in this bill. In addition to evaluating, correlating and disseminating intelligence, it is given authority to collect intelligence. On May 21, 1947, there appeared an article in the New York Times entitled "Army's World Intelligence Ring Reported Halted By New Agency."

I have studied the directive of President Truman of February 5, 1946, under which the Central Intelligence Agency was set up and is now functioning, and I find no authority whatever for this agency to go out and collect intelligence. It has not only dissolved the Secret Intelligence Department of our War Department which was built up over the past 5 years, but it has assumed the authority to collect intelligence.

Under section 3 (a) of the Presidential Directive setting up the Central Intelligence Agency, there appears the following:

Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your departments.

Last year the Committee on Military Affairs went into the subject of whether the Central Intelligence Agency should collect intelligence. I will read you their conclusions from their report of December 17, 1946:

It is specifically understood that the Director of Central Intelligence shall not undertake operations for the collection of intelligence.

I am fearful that if we permit this Central Intelligence Agency to go out and collect intelligence as well as evaluating intelligence, we will run into such situations as those which occurred during the war in Yugoslavia, when the War Department sent a commission into Yugoslavia with General Mihailovich's forces. They sent out reports, and because the reports went into another branch known as the OSS, and the men at the head of the OSS did not agree with the principles of Mihailovich but were favoring the principles of Tito, the Communist dictator of Yugoslavia today, the reports of the War Department Intelligence were disregarded entirely.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BUSBEY. That is what you run into, gentlemen, where you have an agency of intelligence—collecting intelligence and then evaluating its own conclusions. I might say I spent some time in intelligence myself, and can cite numerous and specific instances. It is the same situation we have had with the National Labor Relations Board, where they were prosecutor, jury, and judge.

I hope that we will consider very seriously amending that particular section so that we will not permit collection in this superintelligence agency. I also hope we will protect the status of the FBI so that there will definitely be no authority for Central Intelligence to go into their records and books.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I had some part in writing the report that the gentleman just quoted from, and I would like to ask the gentleman whether he feels that the provisions for Central Intelligence in the bill now before the House needs amendment to bring it in line with that recommendation?

Mr. BUSBEY. I certainly do. I am not opposed to a central intelligence agency, for coordinating, disseminating, and evaluating intelligence from the various departments. You remember what happened at Pearl Harbor. They had intelligence, but it was not correlated and evaluated correctly. I hope consideration will be given to that provision when we consider the bill under the 5-minute rule.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. LATHAM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-nine Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 124]

Allen, Ill.	Clements	Gore
Anderson, Calif.	Cole, Mo.	Granger
Battle	Courtney	Gwynne, Iowa
Bennett, Mich.	Davis, Tenn.	Hall, Edwin Arthur
Bland	D'Ewart	Harris
Bolton	Dingell	Harrison
Bonner	Domengeaux	Hartley
Buckley	Eaton	Hays
Byrne, N. Y.	Fellows	Hébert
Carroll	Fletcher	Hinshaw
Case, N. J.	Fogarty	Hope
Celler	Fuller	Jackson, Calif.
Chapman	Gallagher	Johnson, Tex.
Chiperfield	Gifford	Kee
Meade, Ky.	Rabin	
Kelley	Miller, Md.	Riley
Kennedy	Morrison	Rivers
Keogh	Morton	Sanborn
Kilburn	Muhlenberg	Sheppard
Kirwan	Murray, Tenn.	Smith, Ohio
Klein	Norton	Smith, Va.
Lea	O'Hara	Thomas, N. J.
Lodge	Patman	Tollefson
Ludlow	Pfeifer	Van Zandt
Lynch	Ploeser	Vinson
Mason	Powell	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4214, and finding itself without a quorum, he had directed the roll to be called, when 345 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. HARDY. Mr. Chairman, we are considering today a very important piece of legislation. We are considering a very important step involving the security of our country. I have the pleasure of being a member of your committee which has had this legislation under consideration. Being a freshman in Congress, and not having had a background of previous contact with this problem, I have attended practically every hearing in a diligent effort to learn as much as I could about the problem, and to dig out the facts. These hearings began in April and ended in the first week of July.

In passing, I should like to point out that all of the proponents of this legislation had plenty of time to prepare their statements and present them to the committee. It was not until the very last week of the hearings that those persons in one branch of our military organization who were opposed to this legislation had the freedom to come forward and state their views. Time and again in the course of the hearings, I asked the Secretaries of War and Navy or their representatives, why it was that in their huge departments there were no officers or officials presenting to the committee any views in opposition to this legislation. All I ever received were evasive answers.

After considerable effort the committee learned that articles 94 and 95 of naval regulations prevented naval officers from appearing before our committee to express their honest and genuine views concerning this far-reaching proposal. It was not until the very last week of the hearings that the Secretary of the Navy released a communication to all Navy personnel permitting them to freely testify. I did not learn of this action by the Secretary until after the committee had voted to close hearings on July 1, only 3 or 4 days later. Then there was an avalanche of naval officers eager to testify, but time was short and there was not sufficient opportunity for them to adequately present their views. I never did learn whether the War Department had any regulations similar to those prohibitions imposed upon Navy

people, but I discussed certain provisions of the bill with several ground force officers whose views were in conflict with those expressed by War Department representatives. I suggested that they testify, and in each case they were unwilling to do so for fear of jeopardizing their future in the service.

This subject of merger or unification of the military forces is not new. It has reared its head in the congressional chambers from time to time during the last 20 years. During the last 3 years it has been under more or less constant consideration. At no time during this long history has there been any real agreement between the respective services. This current legislation—this National Security Act of 1947—is reputed to be, and was sent to Congress as, a compromise agreement between the different elements making up the military services. Everyone agreed it was a compromise. The leaders in authority in the respective departments who owe their jobs to appointments got together and reached an agreement, but all the testimony indicates that the agreement they made—the so-called compromise they achieved—failed to represent the thought of officers and men of the Regular services, as well as the officers and men of the Reserves. From my personal contacts, supported by testimony of various witnesses, it is clear that a large majority of the Regular officers of the Navy and of the Army ground forces opposed certain features of this legislation, and believe they are contrary to the best interest of national security.

During the course of the hearings, I attempted to find out just what was involved in this compromise. The results of these efforts were not too satisfactory, but one thing that was clear to me was that the only service group of consequence supporting a separate air force was the Army Air Forces itself.

In any drastic remolding of our military organization, there is danger of losing gains already won and coming out with an organization that will not stand the supreme test of war. Our present military establishment, composed of the Army and the Navy and their component parts, provided this Nation with a flexibility and a freedom of action of its armed forces capable of achieving overwhelming victories in two major wars. When we entered World War II, of course we had to make adjustments, but the very flexibility of our Military Establishment was conducive to unifying command operations under the War Powers Acts. Undoubtedly, we have learned much from our experience in the last war. We must utilize every bit of that experience, and in the light of changes which took place in the conduct of warfare between World War I and World War II, peacetime planning of our Military Establishment should assure the maintenance of a flexibility which will readily permit adjustments to keep pace with scientific developments.

In the recasting of our military organization, we should have our sights and attention focused on the future. What will the future war be like: What will it involve? How will it be fought? What form of weapons will be used? Where will the fighting take place? What are the objectives? What type of organization will insure victory?

These are some of the questions which should control the thought and action of every person directly concerned with this problem. They should control our thoughts and action here in this House this afternoon. It is useless and idle folly to spend time trying to improve our armed forces and national security based upon World War II methods. For, we have already won that war—we have already jumped that hurdle with the Military Organization we possess at this very moment.

The important consideration facing us is national security. The question before this House is whether or not the legislation that we are now considering will improve the national security. This is the fundamental question we must determine. The future of our country, and the future of the world, depends upon the right answer. I say to you, we must have the right answer. Our country cannot afford the luxury of "a wrong decision."

Mr. Chairman, in the most major respects I think your committee has done a splendid job on this bill. It has worked hard and carefully weighed the testimony of the witnesses who have appeared. There have been differences of opinion on many major questions, but there has been genuine sincerity of purpose. I think the bill before you now is a vast improvement over the original bill, H. R. 2319, and a vast improvement over S. 758. There are certain parts of it—major parts—which are good, and I believe essential, and should be enacted into law. Everyone is in agreement regarding such essential improvements as the National Security Council, the Research and Development Board, the National Security Resources Board, the Munitions Board, the Joint Chiefs of Staff, and the effort and intent to integrate all of the departments and agencies of Government that are involved in national security. These are forward steps. They will prove beneficial. They will increase efficiency and they need our immediate attention.

I cannot concur in that portion of the committee's report which recommends the establishment and creation of a separate and independent Air Force. I find nowhere in the testimony real justification for providing completely independent departmental status for the aviation arm of the Ground Forces of the United States Army.

At present the Air Force enjoys a high degree of autonomy within the War Department. In none of the testimony do I find any basis for a contention that the efficiency of our fighting force can be improved by further separation of the Air Corps from the surface forces. It has been conceded by every witness that the air arm of the Navy is an integral part of the Navy and must remain so. The reasons supporting this contention appear to be logical, and it seems to me that the same reasoning applies with respect to the Army Air Force as related to the Army Ground Forces.

The only substantial argument for a further separation of the Army Air Corps into departmental status has to do with the morale of Air Corps personnel. If there is one branch of our military establishment which has the least need for improved morale, I believe it is the Air Corps. Various witnesses have testified that the conversion of the Army Air Forces into a separate department of air would tend to weaken the morale of naval aviation personnel.

The three-departmental organization as proposed in this legislation is organizationally unsound as it would freeze the services into the pattern of World War II at a time when every prospect of the future indicates a necessity for a simplified and more closely integrated structure. It establishes an organization which multiplies complications and provides for many additional administrative brass hats. Money badly needed for real military purposes will be used for a greatly enlarged departmental structure and overhead.

Future developments may necessitate closer integration of air activities with surface activities. The three-department proposals provided in this bill would make closer integration more difficult. Let us preserve the present status of autonomy of the Air Corps, but I believe it unwise to provide further separation at a time when future requirements cannot be foreseen.

I strongly believe that no Department of National Defense should in essence be built around any specific weapon. If we should proceed contrary to this principle, we should be equally justified in a Department of Submarines, Field Artillery, Guided Missiles, and so forth. While the airplane is unquestionably one of our most dominant weapons today, there is no way to know whether it may be replaced with a more effective weapon in the near future.

Witnesses told your committee that the strategic bomber is not obsolete as of today, but that it is obsolescent as a type. We were also told that air warfare of the future will bear little or no resemblance to the air warfare of World War II.

It is my belief that our better course would embrace a coordinated two-department establishment with adequate and positive safeguards for the Air Forces of each department. Such an organization is relatively simple and far more economical. It would also have the major advantage of maintaining within the ground Army and the surface Navy the air-mindedness which is so essential to each at this time.

As I have said earlier, there are many things in this bill that I consider are essential. I shall support the bill. If an amendment is offered to eliminate those provisions with respect to a separate Department of Air I shall support that amendment. All through the period of consideration it has been my purpose to try to improve this legislation. That is still my purpose.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. KEARNEY. Is there anything in this bill that could not be authorized under Executive order of the President?

Mr. HARDY. Does the gentleman mean with respect to the Air Forces?

Mr. KEARNEY. I mean with respect to the entire set-up so far as it goes.

Mr. HARDY. Under Executive order much of what this chart shows has already been accomplished. We now have something of a committee system for doing some of the same things the bill provides. We want to get away from Executive orders if we can, and we have attempted to write in this legislation the basic provisions of existing Executive orders so that they will have a basis in legislation rather than merely in Executive orders issued by the President.

Mr. ENGLE of California. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. SHEPPARD] may be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Chairman, as we are about to consider the so-called military unification bill, I acquired some information which I consider is quite pertinent relative to Navy's air record during the war. This information was compiled by Mr. Stuart B. Barber, resident of Alexandria, Va., and the material was taken from the report of the Joint Army-Navy Assessment Committee whose duty it was to assign credit among the several military services for the destruction of all Japanese naval and merchant vessels sunk during the war:

The Pacific war was a sea and air war. The major Japanese strategic target was the shipping on which the empire depended for its industrial life. It is highly relevant, therefore, to a study of the relative effectiveness of the various services' weapons in strategic warfare to study their relative achievements in the war against Japanese shipping.

The United States Navy sank 78 percent of all Japanese ship tonnage lost, the Army Air Forces, 15 percent. The Navy sank 87 percent of all the Japanese warship tonnage lost, the Army Air Forces 6 percent. The Navy sank 87 percent of all Japanese tanker tonnage lost, the Air Forces 7 percent. Forty-five percent of all Air Force merchantship sinkings were in the last 6 months of the war, after the Jap merchant fleet, largely destroyed by the Navy, had already been forced back to its home waters. Most of the Air Force tanker sinkings were in the last few months of the war when the Japanese no longer had access to their oil fields.

Most of the Navy sinkings were by submarines, which accounted for over half of the Jap tankers and other merchant ships sunk, plus 30 percent of the warships, or specifically for over 5,000,000 tons of Japanese vessels; it should not be necessary to labor further the submarine contribution to the war; sinking ships was their job, and they did it magnificently with a relative handful of men. What is more important is to compare the respective contributions of naval aviation and the Army Air Forces, to see what lessons may be found therein.

Carrier aircraft sank, single-handed, 40 percent of the Japanese Navy's tonnage. Combined with other forces they sank about 875,000 tons of Japanese warships, or 48 percent of the total lost. Carrier aircraft were in on the sinking of 6 battleships, 13 cruisers, 13 carriers, 29 destroyers, and 13 submarines. Of these 79 major vessels the carrier planes polished off 62 without assistance, including 5 battleships, 10 cruisers, and 10 carriers.

Army aircraft were credited with a full or partial share in the destruction of only 22 vessels of the same classes; in only 8 of these cases were they unassisted, and all 8 of these were destroyers, the smallest of these classes of vessels. Army aircraft did not strike the major blow that sank a single enemy battleship, cruiser, or carrier (as against 25 for our carrier planes), though they assisted in 5 of the sinkings of these heavy ships. Even the Navy and Marine land-based planes had as good a record against warships as Army planes; they sank four destroyers and four submarines unassisted, and were a major factor in the sinking of four battleships and cruisers.

United States Navy carrier aircraft sank 76 Japanese tankers, amounting to nearly 400,000 tons. Army aircraft sank less than one-fourth this tonnage. The carrier sinkings, furthermore, were concentrated in the period from February 1944 to January 1945, and thus exerted maximum effect on curtailing the Japanese fuel supply at the time most critical for Japan. During this period carrier planes sank 15 times the tanker tonnage destroyed by Air Force planes.

It was during this same period that the Japanese merchant marine as a whole was taken off the high seas. It was the cumulative injury suffered during this period that induced thoughtful Japanese leaders to begin work for surrender before the B–29 raids first began—because they saw that with their shipping reduced to a fraction their military and industrial machine was already crippled beyond hope of recovery. This is attested by reports of the strategic bomb survey.

In this important 12-month period the Army Air Forces accounted for only 300,000 tons of Japanese merchant vessels, or one-thirteenth of the total sunk by all forces. Carrier aircraft sank 191,000 tons in 2 days at Truk, and 100,000 tons at Palau 6 weeks later, to equal the Air Forces year total during the first 2 months of the 12.

It is commonly regarded that the capture of the Philippines marked the complete military and strategic defeat of the Japanese. This campaign lasted from September 1944 through January 1945. During this period 1,975,000 tons of Japanese merchant shipping were sunk, but only 8 percent of this by the Air Forces.

During this same 5-month period carrier planes, alone or in cooperation with surface ships, sank 787,000 tons of merchant shipping in the Philippines, against 105,000 tons by Far East Air Force; 322,000 tons of enemy warships against 32,000 tons by FEAF. The carrier forces sank over 100,000 tons of shipping at Manila on September 21–22 alone, the same amount again on November 13–14, and 158,000 tons in the China Sea on January 12 alone. The most credited to the Far East Air Forces in any entire month is 57,000 tons of merchant and naval vessels.

It is from the Far East Air Forces, led during the war by General Kenney, that have come the most strident claims of air-force superiority in the war at sea. Let us examine the record. From the beginning of the war through January 1945—38 months—the Far East Air Forces were credited with sinking only 330,000 tons of merchant shipping unassisted, plus some 40,000 tons with the assistance of other forces. This total was far exceeded by the carrier forces in the 3 months of September to November 1944 alone.

The Far East Air Force record against major Japanese warships is negligible—four destroyers sunk unassisted, seven with the help of other forces, plus air-force assists in the sinking of two light cruisers damaged in the Leyte battle, and a host of small patrol craft, but no submarines.

The principal FEAF claim to fame was the attack on the convoy off Lae in March 1943. The whole available air force was thrown into this battle against approximately 25 ships, most or all of which the air force claimed to have sunk. This tonnage was far exceeded by naval aircraft on each of over 20 different days during the war.

The lessons to be drawn from the foregoing are these:

1. Army Air Forces claims and statements may generally be taken with a large grain of salt.

2. Navy claims, particularly aviation claims made through the lackadaisical surface-minded Navy public-relations organization, can safely be considered conservative.

3. Naval carrier forces, being highly mobile, can penetrate deep into enemy territory to seek out the most important and vulnerable targets. Air Forces planes are tied to land bases, which can be moved forward only very slowly and with difficulty. A major reason for the Army Air Force failure to destroy much shipping, particularly tankers, was the inability of Air Force planes—other than heavy bombers, whose accuracy was seldom adequate to hit targets as small as ships—to reach this shipping. This was particularly true in the Philippines campaign, when Far East Air Force immobility was embarrassing. The carrier force had repeatedly to attack Japanese reinforcements en route to Leyte, with which the Air Force could not cope from its limited bases ashore. This resulted in delaying for 3 months the first Navy attacks on Tokyo.

4. Naval carrier planes are capable of attacking small, fast-moving targets such as ships with great accuracy and efficiency. This efficiency was so great that naval aviation's successful campaign against Japanese warships and major merchant vessels required only 10 percent of the total attacks made by naval planes.

5. These factors of mobility and accuracy are applicable not only to attacks on shipping but to attacks on all types of small land targets located on or near coasts, including vital strategic targets such as bridges, power stations, rocket launching sites, and camouflaged or partly buried factories, which cannot be seen or hit accurately by high-altitude Army long-range bombers. These are the targets of tomorrow's war.

6. These facts are pertinent to the unification controversy, and to the struggle over methods of warfare which will continue even under unification. It is no secret that the Air Forces wish and intend to restrict the development and employment of naval aircraft, by one means or another, in directions that will prevent the full application of their potentialities to the strategic and atomic air warfare needs of the future.

For many purposes naval planes and methods are superior for strategic attack to those of Air Forces bombers. Naval aviators fear, the Air Force enthusiasm in behalf of unification confirms, and the private statements of Army airmen illuminate the intent, that the present unification bill is designed as a major means of facilitating this restriction. Army airmen generally affect contempt for naval aviation. The figures quoted herein suggest that this affected contempt may well be sired by an Air Force feeling of inferiority to naval aviation in some of the more important aspects of air warfare, or by an equally dangerous ignorance of the comparative capabilities of the two air services.

The reason I am presenting the above data is predicated upon the fact there has been considerable activity, to say the least, upon the part of some members of the Army Air Corps to minimize the necessity for a Navy and especially its air component; for example, such as the statements made by Brig. Gen. Frank Armstrong, on December 11, 1946, at

the Princess Anne Country Club, Virginia Beach, Va., at a chamber of commerce-military luncheon. There have been many other instances in which members of the Air Corps and the Army have gone to great length through their propaganda to impress the people of this Nation and the Members of Congress with the necessity for a unification bill and autonomy for the Army Air Corps. In so doing, in many instances, they have by direct expression or innuendo indicated the Navy was no longer a military necessity in our national-defense program.

I feel the branches of our military service are like a three-legged stood—all three legs must be equal to support the load the stool may be called upon to carry. If one leg of the stool is weakened, then the load is thrown off balance and ceases to be effective. I borrowed this description from an officer who has had long and successful military experience—Admiral Nimitz.

I feel this report of Navy's activities is definitely indicative of the necessity of Navy being maintained as an integral part of our military requirements if we are to preserve our form of government and way of living. I would not under any circumstances detract from the respective abilities of all of our military forces in this last war, but I do feel some of the Army Air Corps members have gone far beyond the acceptable in their method of procedure attempting to gain autonomy through the unification proposal.

The proponents of the bill have stated it would save money; that declaration still remains to be proved and, personally, I do not feel the enactment of this unification bill will serve the best interests of our Nation's defense requirements and I am not going to support its enactment.

Mr. BENDER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Chairman, from the standpoint of national security there is under consideration by the House today the most important piece of legislation that has required our attention since the cessation of hostilities.

In these uncertain times of international unrest and readjustment, it is vital that we be realistic in our approach to the postwar world. In a word, we must keep our powder dry.

We are all justly proud of the splendid record of victorious achievement of our armed forces during World War II, but we would not be realistic if we did not recognize that the experience of war has indicated avenues for improvement which it would be foolhardy to ignore.

It takes no argument at this point to convince the most skeptical of our fellow countrymen that the waging of modern triphibious war is costly, complete, and calamitous to the loser. There is a limit beyond which our Nation cannot go in the matter of cost of military preparedness. In my opinion, the cost of the war just past in both human and material loss has lowered the limit of our capacity as a nation to carry the cost of national security. It would, of course, be gratifying to any potential aggressor if because of the element of cost—and I am speaking again in terms of men as well as material wealth—we were unable to maintain an adequate protective system for the country. They would do well to lend support to those who stand in the way of an efficient and economical system of national security.

Mr. Chairman, the founding fathers of our country saw fit to charge the Congress of the United States with the responsibility of providing for the common defense, and never in our history has this been a heavier and more awful responsibility than it is today. We cannot continue to survive in the modern world with an outmoded system of national security any more than we can survive if we fail to heed the advance of science in our every day domestic peacetime lives.

The patchwork of piecemeal military legislation which has characterized our country or the last 25 years, and the makeshift and temporary expedients to which we resorted to prepare or war are not geared to the atomic-powered jet-propelled future.

The day of change is at hand and that change must spell unity of effort, efficiency, and economy.

There are many of our fellow citizens who fail to realize the complexity of our Military and Naval Establishments or who know about the changes that have taken place within them as a result of the war. Victory has obscured the defects that defeat would have made grotesquely clear.

But there are those who from the hard experience of war have learned where these defects in our armor lie Some of them are from military life, some are civilian officials in executive and administrative positions of the Government, and some, I am glad to say, are Members of the Eightieth Congress.

Among and between this composite group of informed citizens a firm resolve has taken form. A resolve to rectify now, before the lessons of the war are forgotten, the deficiencies of our national protective system.

For many months the legislation which is before you today has been given careful study by committees of the Congress. Every shade of opinion has been expressed. The whole subject has been argued pro and con in the press and on the public rostrum.

I would not presume upon the time of the Members of the House to discuss in any detail the study and the thought that has been given to the subject of unification of the armed forces or to review in detail the provisions of the bill before you today.

I would like to speak briefly about the basic principles involved in any sound American plan for national security and why I believe this bill will put them into practice.

First, modern management requires a focus of control. Ultimately that focus narrows down to someone who will point the way to go. Where that direction is indicated it should be because the director has chosen it after receiving the soundest possible advice from experts in every field of endeavor involved.

The direction should be down the path that costs the least and gains the most. Most important, all following the direction should take the same path.

Perhaps, Mr. Chairman, I shall be accused of oversimplification, but I feel certain that these are sound principles for our armed forces and all the other agencies of government associated with them in the problem of providing for the common defense.

It was these same principles that the framers of the Constitution must have had in mind when they made provision for the President to be Commander in Chief of our armed forces.

The principles of direction and control under our form of government are no different today than they were 170 years ago. The difference lies in the complexity and magnitude of what must be directed.

The bill before you, Mr. Chairman, fully recognizes these principles. It provides a Secretary of National Security as the focus of management and control of our National Military Establishment, one who, as the full-time delegate of an overburdened President, will supply the management the President does not have time to exercise himself.

Expert advice is furnished the management on strategy and command by provision for the war-proven agency of the Joint Chiefs of Staff. Expert advice on broad policies affecting the armed forces is furnished through the War Council. Expert advice on munitions of war and assignment of procurement and logistic responsibilities is furnished by the Munitions Board. Expert advice on scientific research and development, a twentieth-century must, is afforded by the Research and Development Board.

With such management acting upon sound advice, the armed forces will be organized for the first time, outside of combat theaters of World War II, into a team of land, sea, and air components with purposeful unanimity designed to carry out unified plans and programs.

On the next level above the National Military Establishment, there is provided the National Security Council with the President as chairman, which will effectively coordinate our domestic and foreign policies in the light of sound information furnished by the Central Intelligence Agency, and with the knowledge of our manpower and material capabilities derived from the National Security Resources Board.

Thus, our human and material resources can be accurately appraised and weighed against our commitments and our miiltary policy and strength adjusted to keep them in balance.

Who is there to say that the application of such modern management methods will not bring economy and efficiency, or that adapting them to one of the most important government functions, national defense, is un-American? I say it is a typically American solution. All over the world we are known for our efficiency

and progressiveness in business and industry. We should be known for efficiency and progressiveness in defense as well.

One principal military lesson that was taught by the recent war was that wars of the present and of the future can no longer be neatly compartmented into ground wars and sea wars. Wars of the future will be total wars. No land force, and no sea force can fight and win a war alone, and even the power of an air force is limited by the bases from which it operates and the protection and maintenance of its supply lines, which must be provided by either land or sea power or more probably at present by a combination of the two.

The fallacy of a divided command in the field, so vividly demonstrated at Pearl Harbor, was recognized early in the past war and improvised unified field commands established in all theaters of war. No responsible military or naval expert in the country questions the absolute necessity of establishment of such commands in the event of war or international emergency.

Unification of the defense establishment of our country on a national scale is a matter of even more importance than the creation of unified field commands in the event of emergency. The presently developed atom bomb, which can be delivered to targets many thousands of miles from the base of the carrying aircraft within only a few hours after the decision is reached to bomb the target, is but the forerunner of even more fearsome weapons that will be delivered to targets at greater distances and at greater speeds than anything now contemplated by man.

This matter of dispatching aimed projectiles to far parts of the earth, replaces the mile and a half range of cannon in 1861–65, the few miles of World War I, and the hundreds of miles of World War II and the thousands of miles that now can be covered by airborne ground troops in a day replaces the few miles that could be marched in a day by soldiers of only a few years ago. Where it was necessary for Generals Lee and Meade to have full command of their respective forces at Gettysburg; for General Pershing to command all American ground forces in France; for General Eisenhower to command all land, sea, and air forces in Europe; even so in the future it will be necessary to have some over-all controlling authority to supervise the operations of the armed forces of our country throughout the entire world. The battle lines of the future may well be drawn in the air above the industrial centers of the world, including those of our own country. The distance across the seas will no longer afford us the protection to which we have been accustomed in the past.

A matter of prime importance in the preparation for war is the joint training of units for participation in triphibious operatons and in mutual support and assistance in campaigns. Such training under a divided organization can be accomplished only at the times and in the degree that can be agreed upon between the separate ground and sea components. A unified defense establishment would have a primary responsibility to see that sufficient training was held to insure proper coordination of effort in future operations.

Joint training alone will produce the teamwork that is required for victorious action in the field against a major foe. In football the training of backs, ends, and linemen in the specialties of their own position is necessary in order to produce the basic skills for the particular position of the player, but the training of the team as a whole is just as important. Both are essential to victory. This is even more true in the serious business of war. The special training of the ground, sea, and air troops, and in fact of the specialists in each group is vital to the program, but the coordinated training of the entire defense establishment is just as important. As in football, both types of training are essential. A unified organization will insure such training.

The spirit of cooperation and teamwork is an item of great importance. Unification of the services at the top will dramatize the fact to the men in the field that they are all members of one team, regardless of the type of uniform they wear and the particular name of the service of which they are members. They will, of course, continue to regard themselves as primarily artillerymen, or marines, or airmen, or members of some other great organization, but will consider themselves also as teammates and not as competitors of their brothers in the other services.

There are those who say do not break up a winning team. To them I reply that the only way we can keep our winning team together—keep it from being dismembered by outmoded peacetime laws—is start now with this bill to build unity and teamwork into our ground, sea, and air forces on a permanent basis.

All of us who have studied this bill know that it is not perfect. No successful business venture is perfect at the start. Success and full realization is an evolutionary process, which the Congress is charged by law to see continued in our national security establishment. But there can be no evolution and no development unless we make a start, and the time to start is now.

This is a good bill, forged out of the best suggestions made by a host of witnesses. It reflects war experience and the experience of peace. It recognizes the emergence of air power as a powerful partner of land and sea power. It takes into consideration the continuing advance of science and its application to national protection. It looks toward unity of purpose and unity of action. It frowns on duplication, overlapping, and waste. It preserves and husbands that which is useful and effective and eliminates those practices which are costly and dangerous to our security.

I urge its prompt passage so that we may gain its undoubted advantages without delay.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. MANASCO. There has been some suggestion that we should limit the tenure of office of the Joint Staff and the Joint Chiefs of Staff. Is that not a matter that the Armed Services Committee itself will consider at a subsequent date? The Armed Services Committee should consider the limitation of tenure of office of the armed forces, and not the Committee on Expenditures in the Executive Departments.

Mr. ANDREWS of New York. Is the gentleman asking about the tenure of office of Admiral Nimitz?

Mr. MANASCO. No. There has been a suggestion on the floor that we should in this bill limit the tenure of office of members of the Joint Staff. Personally, I think that is a matter for the Armed Services Committee.

Mr. ANDREWS of New York. I agree with the gentleman. Not speaking as chairman of the committee, I think the Armed Services Committee is very much in favor of the continuance of the Joint Chiefs of Staff as an entity.

Mr. MANASCO. I am talking about the limitation of the tenure of office of the individual members of the staff.

Mr. ANDREWS of New York. Obviously, that is a matter for the Armed Services Committee to pass upon in the proper provisions of a bill.

Mr. MANASCO. I agree with the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. McCORMACK. The committee that reported this bill out had in mind that enabling legislation will have to follow the establishing of organic law, in many respects, and we were very careful not to trespass upon the jurisdiction of standing committees to which that legislation would be referred. I think that is a proper policy for the committee to have adopted.

Mr. ANDREWS of New York. Yes.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. PHILBIN. Can the gentleman inform the House how, if at all, this measure affects the present status of the Marine Corps; whether or not it cripples or impairs the Marine Corps as to personnel or functions?

Mr. ANDREWS of New York. As far as I can see, from my reading of the new amendment of the House, and the Senate bill—and I appeared before the Senate committee—the Marine Corps is amply protected for the future, not only in this bill but through the action of the Armed Services Committee, in increased rank permanently.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. HOLIFIELD. As a matter of fact, we wrote into the bill on page 17 additional safeguards for the Marine Corps, over and above what General Vandegrift asked.

Mr. ANDREWS of New York. That is right.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. WALTER. Will the gentleman explain what effect the enactment of this legislation will have on the functions of naval aviation?

Mr. ANDREWS of New York. In my opinion it will not destroy naval aviation as I see it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. McCORMACK. In that connection I might advise the gentleman from Pennsylvania that it is expected that the gentleman from New York [Mr. COLE] will offer an amendment on that subject. I do not know of any member of the committee who is opposed to the amendment. I know it is very acceptable to me.

Mr. ANDREWS of New York. The members of the committee know my views.

Mr. Chairman, I yield back the balance of my time. As a matter of fact I withdraw my remarks and ask unanimous consent to extend my remarks at this point in the RECORD in a somewhat more formal statement.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York yields back 2 minutes.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I was privileged to spend some 6 months of hard, intensive work and study as a member of the Pearl Harbor investigating committee. I think it can fairly be stated that the committee was unanimous in concluding that the evidence revealed the complete inadequacy of command by mutual cooperation where decisive action is of the essence.

Both the Army and Navy commanders in Hawaii failed to coordinate and integrate their combined facilities of defense in the crucial days between November 27 and December 7, 1941. While they had been able over a period of time to conceive admirable plans for the defense of the Hawaiian coast, with the system of mutual cooperation, when the time came for the implementation of these plans, they remained hollow and empty contracts that were never executed.

The tendency of let George do it and to assume that the other fellow will take care of the situation is an inseparable part of command by mutual cooperation. The conduct of operations in which a state of joint oblivion was clearly manifest was possible in a command by mutual cooperation. None of these faults and unwarranted assumptions clearly described in the testimony could have happened under the unity of command.

Under the latter system, a single commander would have been charged with complete responsibility. All of the warnings and orders would have been his to interpret, estimate, and implement. In a command by mutual cooperation there is the unfailing likelihood of conflicting and overlapping prerogatives. The completely ineffective liaison between the Army and the Navy at Hawaii at a time when the fullest exchange of intelligence was absolutely imperative dictated that military and Navy intelligence particularly must be consolidated. Any fair consideration of the evidence adduced at that inquiry should convince any thinking person that if we are to have a proper state of military and naval protection, there must be unification of command.

It is my considered opinion that the security of this Nation demands the immediate passage of this unification bill. We of the Congress will have failed the trust which the people have placed in our hands if we do not adopt the measure so vital to the security of our Nation. Tying together our armed forces into a single team is only a small part of what we must do to remain adequately prepared and to meet our responsibilities. Being prepared in this atomic age requires a national war plan for the mustering of the entire country for the common defense. Obviously, national war plans will cut across the responsibilities of many Government agencies and many walks of life. These plans cannot be undertaken unless there are agencies to develop them. However, today there is no machinery to even examine the tremendous riddles posed by the need to be ready for total war. If we continue without unification, one aspect or another of our preparedness will suffer and leave us vulnerable—unready.

Prior to Pearl Harbor we had cooperative command, which failed. It was only by unity of command that we finally succeeded in the late war. There is no simple scheme which in itself will give this country the best security program possible; rather the solution of the problem of proper national defense must be found in the answers to a series of very fundamental questions. Let me pose these questions as an indication of the complexity of this problem:

First. Is the Government of the United States, acting through the legislative and executive branches, organizing the total human and material resources of the Nation to provide national security against total war?

Second. Does the Government of the United States possess conclusions which are at one and the same time authoritative, impartial, comprehensive, and up to date regarding the effect of modern science on national security in the light of the facts of the world situation and of the capacity of our economy?

Third. Are these conclusions sufficiently firm to enable the American people to tell what are the just demands to be made on their money and their manpower?

Fourth. Do these conclusions include definite information on the following points:

(a) The effect of recent scientific developments and future scientific probabilities on the nature of air, ground, and sea warfare.

(b) The most effective method for allocating manpower as between industry, labor, agriculture, essential scientific research, and other civilian occupations on the one hand and the armed services on the other.

(c) The method for allocating manpower between air, ground, and sea forces.

(d) The length of service for air, ground, and sea forces.

(e) The most effective way to procure needed manpower.

(f) The probable importance of fifth-column activity, psychological and biological warfare in any future war.

(g) The need for underground installations.

Fifth. What is the present ability of the United States?

(a) To hold strategic air, ground, and sea bases.

(b) To provide immediate defense against air and surface attacks.

(c) To undertake counteroffensive action of all types.

(d) To discharge our immediate responsibilities, viz, the occupation of Germany and Japan, the provision of military forces for the United Nations, the support of American foreign policy in the Orient and Europe, and the maintenance of communications to overseas bases.

(e) To mobilize rapidly.

(f) To eliminate efficiently the deadwood in the personnel of the regular air, ground and sea services.

(g) To get quick decisions on matters affecting the air, ground, and sea services.

Sixth. What is the present degree of American supremacy in scientific research and development?

Seventh. What should be done to provide for adequate civil defense of the United States?

I know that it will alarm Members of Congress as it should alarm every thoughtful citizen to know that these questions have not been satisfactorily answered. And why not. Because no agency of the Government is charged with over-all responsibility. Surely the Army and Navy cannot answer these questions unilaterally for they pose problems which cut across the functions of almost every other Government organization and which dip into every phase of American life. I do know that the War and Navy Departments each are seeking solutions to these questions—solutions which are naturally at variance. The Army Air Forces is developing another set of answers, a third plan for national security. There may be many others. But such variegated plans can never be completed under existing conditions because the author of one depends upon the author of the others for vital phases of any program he tries to develop. Yet each has something worth while to offer—each has a partial answer to the plaguing questions which must be answered. These many solutions have never been brought together in a common harvest, never had the chaff sifted out, and had the good remaining grain cooked into the whole bread of an adequate program.

Without unification, the country gets none of the benefit of these multiple, incomplete plans. In short, the country gets no adequate security.

With this in mind, Mr. Chairman, I recommend prompt passage of H. R. 4214.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, surely one of the most important lessons of World War I was the necessity for unity of command in the field. We remember the disastrous defeats that took place as long as the English and French and the Italians and the Americans insisted on putting on their own separate shows completely under their own control without relation to the other units engaged in the war. It was only when we swallowed our pride and all began fighting together under one commander in chief, General Foch, that we had spectacular victories. We also achieved a great deal of cooperation and unification on the home front during World War I. But, unfortunately, we did not formalize the lessons; we did not make them official; we did not put them actually into legislation, and the lessons were gradually forgotten.

In World War II we had to learn them over again at a terrific cost not only in money, but even worse, in men and in time and in natural resources. Now we have relearned the lesson of the necessity for unity of command in the field and even more clearly than in World War I we have learned the lesson of the necessity for a greater degree of unity of command and of planning and of coordination at the top levels of government here in Washington along the lines that the gentleman from Wisconsin [Mr. KEEFE] has just so well described.

The question now is, Are we to translate these lessons into official permanent policy this time, or will we allow them to be forgotten, and we drift back into noncooperation and even bickering between the services as we did after World War I?

Let me mention two or three of the developments that were among the major achievements of World War II and which this bill seeks to legalize and make permanent. One, of course, is the National Security Council. That is merely an expansion of the committee of three, which came into being during the war, composed of the Secretary of State, the Sectary of War, and the Secretary of the Navy. It was found the best way to get maximum coordination of our foreign policies and our domestic policies with our military policies. The National Security Council makes official and amplifies somewhat this cooperation at the highest levels, having on it the President, the Secretary of State, the Secretary of Defense, the Secretary of the three arms of our military forces, and the Chairman of the National Security Resources Board. With them is placed the Central Intelligence Agency, so that they will know as much as possible about what other countries are doing or planning. This council must be able to have at hand and to evaluate all the material that is necessary for it to understand the problems we face and what we have with which to handle them.

Another of the lessons, of course, was the necessity for a Joint Chiefs of Staff to direct unified military operations. the bill makes formal and permanent and puts on an official basis the arrangement developed under the pressure of war. Never again do we want to be in a position where we have to try to get cooperation on a moment's notice, like pulling a rabbit out of a hat. We want this body established by law, and now.

The Joint Chiefs of Staff will operate as the President's chief military advisers, and the National Security Council will operate as the President's chief civilian advisers on formulating and executing over-all strategic policies, both military and diplomatic.

Another permanent body will be the Research and Development Board. We learned the hard way that scientific brains and inventions and mechanical developments applying basic scientific discoveries are just as important as many divisions of men and millions of orthodox weapons. So we make that official, with a civilian at the head, at work all the time instead of waiting until after some possible future Pearl Harbor. The same with the Munitions Board.

Thus, the first objective of this legislation is to get a unified civilian-military set-up that will operate in closest coordination the year around, and be prepared against any possible eventuality.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. KEARNEY. The gentleman has referred to the situation that confronted the Nation at Pearl Harbor. Assuming that the same situation might happen again, may I ask the gentleman if under his interpretation of this proposed bill there is anything in the bill that would state, for instance, that the senior officer of the Navy or the senior officer of the Army would command both branches of the service, and the junior officer of whatever branch of the service it might be would be under the orders of the senior officer present?

Mr. JUDD. No; there is nothing like that in this bill, but the gentleman will see on page 25 that it is to be the duty of the joint Chiefs of Staff, among other things, "to establish unified commands in strategic areas when such unified commands are in the interest of national security." The procedure you outlined is the practice that has been generally followed, but I do not think we ought to lay down a statute, a rigid rule which would make it imperative always to operate on the seniority basis.

Mr. KEARNEY. As a matter of fact, the same proposition might hold true again in case of another Pearl Harbor, and then it might be too late to have a unified command by action of the joint Chiefs of Staff.

Mr. JUDD. We are in a better position, it seems to me, to have the joint Chiefs of Staff already dealing with any critical area on a unified basis and thus prevent it; but they do not prevent it, then they are in a better position to remedy it promptly than if we had to go back to the beginning and established a unified organization at the top before getting it in the field.

Mr. KEARNEY. But after the attack has already commenced, what good is a unified command?

Mr. JUDD. The purpose of this is to foresee and prevent an attack, but whether we prevent it or try to remedy it after the attack, we are in a better position to do it with a unified command than without one. This bill is to establish unified command now.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I know the gentleman has long been a regular officer of the Navy, and I wish I could yield, but there are two or three more things I should like to say. My time is limited.

Along the line of the question of the gentleman from New York [Mr. KEARNEY] who as most of you know was a general in World War I, this idea of getting cooperation between the branches of our military forces is not a new principle. Each component of an arm of the service usually thinks it is the most important, that it is the one that wins the war. But I never heard of the Field Artillery or the Infantry, or the Tank Corps thinking it was being discriminated against because it did not have an officer in the President's Cabinet. They worked together as parts of the Army team.

Nobody will suggest that the marines have poor morale because they do not have their top man in the Cabinet. They are part of the Navy team. Naval aviation, the carriers, and the battleships, the destroyers, and the submarines, have higher morale because of their pride as separate units, but they also work as part of that team. One of the things we are trying to do in this bill is to get the same sort of coordination and cooperation and teamwork between the services as we already have within each service. It does not establish a new principle, it merely extends the scope of an old principle so that all the various elements of our national military establishment will work together for the Nation. That is the way they can render their greatest service, and incidentally in the long run gain the greatest honor for themselves.

I must move on to the issue which seems to be the most controversial provision in the bill, namely, the establishment of a Department of the Air Force with a new and separate United States Air Force. This bill in setting up a Department of Air Force does not deprive the Navy of any aviation necessary for carrying out its naval campaigns and operations. It does not deprive the Army of such aviation as is necessary, observation planes, and so forth, for carrying on its land operations. It merely recognizes that there is a third medium in addition to the land and the sea by which attacks can be launched, and that is the air.

We need to have a separate Department of the Air Force whose job it is to plan defense and offense by air without primary regard to land or sea operations. It is a formalization of the sound ideas behind the independent bomber command, and the independent Twentieth

Air Force of B–29's, whose mass attacks knocked Japan out of the war. They would not have had a chance to do that if it had not been for the Navy and its carriers and air force and the Marine Corps and other units which won the island bases for them. But the bases would not have been much good if it had not been for an independent air force which thought not in terms of supporting land operations or in terms of supporting sea operations, but in terms of air operations as a distinct and separate type of campaign against an enemy.

We are not trying to cripple our Army or Navy and the aviation they need and will have in connection with their particular types of campaigns. We want to give the Nation the benefit of the brains and the skill of those men who have given their lives to the development of air power, not just as a weapon of Army or Navy, but as a whole new concept and technique in its own right. Surely that is one of the great lessons of the last war. We do not want to lose it by falling back into the old ruts.

Perhaps I have time just to mention the two main things that I am not happy about in this bill, as almost no one is wholly satisfied with any major bill. It is needlessly bad organization, and I opposed it in committee, to set up departments over departments, to place secretaries over secretaries. There has never before been anything like that in our Government. Previously, we have had executive departments, each represented in the Cabinet by its head, called a secretary. Under the departments were offices and then divisions, and so on. Below secretaries were under secretaries and assistant secretaries, and directors, and so on. Even if it were to be called by some a merger, I would prefer that our national Military Establishment be organized like the rest of our Government.

We would then have one executive department, the Department of National Defense, or National Security, under a Secretary in the Cabinet. Under this executive department would be three subdepartments, perhaps called offices, the Army Office, the Navy Office, the Air Force Office, each with an Under Secretary or Assistant Secretary or Director in charge.

The pending bill sets up the National Military Establishment but does not call it an executive department, although its head is called a Secretary and placed in the succession to the Presidency along with the heads of other executive departments. In section 2 it provides three "military departments." In section 204 it establishes a new "executive department," the Department of the Air Force, under a Secretary, but he is not put in the Presidential succession as all heads of executive departments have been previously. I persuaded the committee to change "executive department" to "military department," but nothing in the bill changes the present War and Navy Departments from executive to military departments, even though their respective "Secretaries" are removed from the Presidential succession list.

All this seems to me just plain bad organization, needlessly garbled and confusing.

I believe we ought to have more clear-cut lines of command and better demarcation of authority and titles in line with our other governmental organization, even though it would be a little troublesome at first and somebody might say that the present Secretary of the Navy and the Secretary of War were being demoted. Well, they are being demoted slightly, and the table of organization and the titles ought to show it. Unfortunately, the practicalities of getting the bill through convinced most of the committee that we should not change the titles that now exist. I want the record to show I believe that is a mistake.

One other thing about which there is controversy and which I think should be amended is the Central Intelligence Agency. Surely there can be no difference of opinion as to its need and importance. We are amateurs in the field of military intelligence and many, many Americans are dead because it was bungled so badly before and after Pearl Harbor. There is a wide difference of opinion as to how and by whom it should be handled. First, the collection of it. Should that all be done by the individual departments and agencies—and then correlated, evaluated, and disseminated by the Central Intelligence Agency? Or should all collection as well as correlation, evaluation, and dissemination be done centrally? Or should the Departments continue to collect and pass on to the CIA, but the latter have its own separate collection service, too? Some of us preferred and still prefer the last of these three, but the second is the practice presently established.

Again, should the Director be in every case a civilian? I feel strongly that is the wisest course, and that a military officer should have that position only if he first becomes a civilian by retiring, or, preferably, resigning. When we get to that part of the bill, amendments will be offered to try to make sure that this powerful Agency and especially its secret or clandestine collection activities can never come under the control of military men or organizations. It must be more carefully safeguarded as to its completely civilian control than the bill in its present form, in my judgment, provides.

In summary, the bill endeavors to establish as permanent policy the major lessons of two World Wars as to the necessity for general unity of direction, authority, and control over our Military Establishment and all activities directly concerned with our national security. It does not destroy or weaken a single existing department or component thereof, except as all are put under the Secretary of Defense as the principal assistant of the President in matters affecting national security. It gives the Marine Corps and naval aviation far firmer status in law than they have ever had before. It formalizes the lesson of the great importance and value of a separate Air Force, operating independently of and in addition to the aviation components attached to the Army and Navy for support of their land and sea operations, respectively. It seeks to achieve greater efficiency by promoting maximum coordination of our domestic, foreign, and military policies, and of military, industrial, and civilian mobilization. It should lead to very great economy in terms of our money and our resources, which are certainly not unlimited. Much more important, it should lead to far greater economy in the most precious asset of all—American lives.

It is important that the bill be passed today. The matter has kept the services uncertain and unsettled too long already. Unfortunately, we are not facing a tranquil and wholly friendly world. This issue must be decided now so everybody can get down to business again. I am confident this step will prove one of the most important in the history of the defense forces our Nation must maintain until, please God, we can get a world order based on justice and law and with a jointly controlled police force with sufficient strength to put down aggression from any source, thereby giving us and every other nation security without such costly and wasteful individual military establishments.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I would support this bill if for no other reason than that it gives long overdue recognition to the contributions of air power to the preservation of our Nation and democratic way of life. The creation of a separate air arm on a par with our older established military units is a step which sooner or later had to come about, and I am glad to be able to be a party to making it a reality.

I am delighted that this bill has finally been presented to the floor of this House for passage. The provisions contained in this measure will fulfill a long standing need of our armed services, and will work toward a better coordination of our military efforts in the event of another war.

The advent of the atomic bomb and the development of long range aircraft have so revolutionized the art of modern warfare as to render the weapons of early World War II practically impotent. The recognition of air power today as—not only our first line of defense—but also our chief striking force—is mandatory if we are to survive another armed conflict such as the recent conflagration.

My only regret is that the man who sacrificed most that this might come about—General Billy Mitchell—could not be here today to experience the culmination of his dreams and to enjoy the vindication which will be his today through the passage of this bill.

Not all of the combined brass hats and gold braid of the old school can refute the undeniable fact that this baby of modern warfare—the airplane—has grown to manhood, and must along with their respective orders stand as a definite unit and full fledged member of our

military combine. Recent history attests this assertion. Schweinfurt, Berlin, Tokyo, Hiroshima and Nagaski firmly substantiate the demands for individual sovereignty proposed by students of aviation and modern warfare.

The atomic bomb—the most devastating and powerful instrument of destruction ever devised by the mind of man—can avail us nothing without a means of transporting it speedily to where it will strike the most effective blow against the enemy. The airplane is the only effective means of transporting this bomb, and men well versed in the use of air power should supervise that operation. An officer of the Air Corps whose entire course of military study had been concentrated upon the use of the airplane as an instrument of war would be highly pretentious in attempting to tell an infantry officer how to deploy his men for ground action against a landed enemy, or to tell a naval commander how to align his fleet for a sea engagement. By the same token Army and Navy officers are in no way qualified to direct the actions of the air arm.

Prior to World War II, the airplane was a supporting unit for the operations of the Army and Navy. It came into its own in World War II as a unit equal in strength and fighting potential to our land and sea forces. In the next war, air power will be the chief weapon, and the Army and Navy will have become supporting units. This, as I have stated before, is an undeniable fact.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. LODGE. Would not the gentleman say, however, that with respect to naval aviation, the officers of the Navy who are in that field would be competent to run the naval aviation?

Mr. WILLIAMS. Certainly, to run the naval aviation, but if the gentleman will read Major de Seversky's book, "Victory Through Air Power," he will get my views as well as Major de Seversky's on land-based, long-range air power.

Mr. LODGE. I just wanted to make that one qualification to the statement the gentleman made.

Mr. WILLIAMS. I thank the gentleman.

My contention that the Air Force should be placed on a par with the Army and Navy is further substantiated by statistics which were made public during the war, showing that Army Air Forces personnel was greater than that of the entire Navy.

Mr. Chairman, I sincerely hope that this bill will be passed and proper official recognition given to our Air Force.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. LATHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman, I feel that this legislation merits the support of every Member of the Congress who is interested in efficiency and economy. As Members who preceded me have so well pointed out, we learned, more than a quarter of a century ago, the absolute necessity of a single command in the field. That was demonstrated even more dramatically in the last war than in World War I.

To ignore this obvious fact and to do nothing toward correcting our old system would be a tragic mistake. I served for 8 years, from 1939 until the beginning of this Congress, on the House Committee on Military Affairs. I went through that period with the committee when we were preparing for the late war and while we were fighting. I saw something of the heartbreaking waste, duplication, and extravagance resulting from the inadequacy or total absence of coordination of the armed services. As merely one among hundreds of examples of duplication and waste, we have had all during and since the war two air transport organizations, in many instances paralleling each other, the Army Air Transport Command running all over the world, and the Naval Air Transport Service, as I said, in many instances paralleling the Army Air Transport Command. That is a senseless waste of equipment, manpower, and taxpayers' money.

This proposed unification will put an end to such things as happened in the Pacific, where the Army had control of one side of an island and the Navy the other side, and neither service could borrow or use equipment and supplies of the other. This plan will bring about a better relationship between the Army, the Navy, and the Air Forces. It will end the unthinkable procurement methods under which each service designs its ordnance and ammunition so that it can rarely, if ever, be used interchangeably by the other.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. SHORT. And we will not have the Army on Okinawa with surplus of supplies shipping them to China instead of letting the Navy have them to fill their needs.

Mr. HARNESS of Indiana. That is right. I understand there were numerous instances in which one or the other service transported supplies long distances from rear areas when the other service had ample reserves of the same or equivalent supplies in the immediate area, or conveniently near by. That sort of dangerous waste and delay need not and will not happen with the coordination proposed here.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. MILLER of Nebraska. I wonder why we could not go further and put them all in the same uniform, have the same ranks, grades, and standards? Why could we not standardize that phase of Army life as well as their equipment?

Mr. HARNESS of Indiana. There are some who would like to do that but that would be a mistake at the moment.

Mr. MILLER of Nebraska. Why?

Mr. HARNESS of Indiana. Because that is an unnecessary departure from the traditions of our defense forces. As we get into this thing perhaps eventually we will come to that but I think the first step must be toward basic efficiency and economy through coordination.

Mr. MILLER of Nebraska. I agree that it is a step in the right direction, but they are all engaged in the same purpose. If standardization is going to help one phase of our defense why should it not help all phases?

Mr. HARNESS of Indiana. I do not think we ought to take the Army, the Navy, and the Air Forces bump their heads together and say "You are going to wear the same uniform whether you like it or not." If we accomplish the important basic goals, the formal refinements you suggest may naturally follow.

Mr. MILLER of Nebraska. If we did that the bill would not be before us; the Army and Navy would object too strenuously.

Mr. HARNESS of Indiana. I do not think we would get anywhere.

Mr. MILLER of Nebraska. But does not Congress have control over these defense powers? Unless this bill provides so much militarism that they are going to take over the country.

Mr. HARNESS of Indiana. Congress still has that control; and I believe it will preserve it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. STEFAN. Where is the section regarding procurement?

Mr. HARNESS of Indiana. I do not have the bill before me, but I think the gentleman from New York [Mr. WADSWORTH] sitting beside you, can point it out to you.

Some fears and apprehensions have been expressed by some members of the Navy and the Marine Corps about this legislation with particular reference to naval aviation. The committee spent a good deal of time in considering the objections raised to the original legislation by members of the Navy, especially the naval air force. It wrote into this bill provisions which should allay any fears that the sea-air force will suffer if this bill is enacted.

Now, a word about the Central Intelligence Agency. When such an organization was first proposed I confess I had some fear and doubt about it. Along with other members of the committee, I insisted that the scope and authority of this agency be carefully defined and limited. Please bear in mind that this is a bold departure from American tradition. This country has never before officially resorted to the collection of secret and strategic information in time of peace as an announced and fixed policy. Now, however, I am convinced that such an agency as we are now considering is essential to our national security.

There has been insistence that the director of this agency be a civilian. I believe we should eventually place such a restriction upon the authority we are proposing to create here, although I say frankly that I am not convinced of the wisdom of such a restriction at the outset.

Prolonged hearings and executive sessions of the committee behind closed doors lead me to wonder if we have any

single career civilian available for this job as a few men who might be drafted from the services for it. Understand, please, that I want to protect this very influential post against the undue military influence which might make of this agency an American Gestapo. If we can find a well qualified civilian career man able and willing to handle this post, I would readily accede to this limitation. Let me repeat, however, that this Nation is without extended experience in this field; and that we actually have comparatively few men qualified by experience to head this agency. Most of these few qualified men have gained their experience in the Army and Navy, and are still in service. Before we deny ourselves of the service such miiltary men may be able to render the country in this capacity, let us be very sure that there are civilian candidates qualified by training and experience available to serve us equally well, or better.

Again let me say that I have no objection to a restriction in this measure which will require a civilian head in this agency. I merely want reasonable assurance that such a restriction will not deny us of the services now of the best available man if this plan becomes operative. It wrote into the bill provisions that should allay any of their suspicions or fears as to what might happen if this bill is enacted into law. I feel their apprehensions are without foundation.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Illinois.

Mr. BUSBEY. The present Director of the Central Intelligence Agency is Admiral Hillenkoetter; the former head of the agency was General Vandenberg. They are both very splendid men and have a wonderful record in their field. But was there any testimony anywhere as to their experience and qualification in intelligence work?

Mr. HARNESS of Indiana. I doubt if you could pick out any individual, civilian or military, who has made a career of this work. There is no such available American, because we have never engaged in this type of activity before. In 150 years the United States has said, "We are going to keep out of other people's business. We are not going to engage in secret intelligence." Therefore, we have no experience in it, we have no single career man who knows all of the problems. We are approaching this thing more or less as an experiment in the present instance.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BUSBEY. I want to make the observation that we have had an intelligence service in our War Department and also in our Navy Department for a great many years.

Mr. HARNESS of Indiana. Yes, both military and naval intelligence have served proficiently within their limited scope.

Mr. BUSBEY. We have had secret intelligence in the War Department that we have built up over the past 5 years also.

Mr. HARNESS of Indiana. True, but what is contemplated here different in scope and character?

There has been much objection to the establishment of an air force separate from and independent of the regular land and sea forces. Such objections spring, in my opinion, from the outmoded conception of air power as a minor auxiliary of the land and sea forces. In strategic and tactical importance, as well as in actual size, the air arm in the recent war proved its right to the status this plan proposes for it. There simply is no arguing the fact that warfare has moved into a third dimension. There is, in fact, no sound reason that I can conceive to doubt that air power will be a more decisive element in any future war than in the last.

It has been argued that instead of unifying two services, this plan complicates the problem by splitting two services into three. That might be true if each service were permitted to go its separate and independent way, as in the past. But the spirit and entire purpose of this proposal is a close coordination of all elements of our Military Establishment. There is no good reason to believe that three coequal forces cannot be closely coordinated just as well as effectively as two. I think the Air Forces justly should be given a separate department, as this bill provides.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Pennsylvania.

Mr. HUGH D. SCOTT, JR. Admiral Hillenkoetter's name has been mentioned. I think in justice to him, and to keep the record straight, it ought to be said that Admiral Hillenkoetter has had perhaps as much experience in intelligence as almost any officer of the Navy, having served in the Office of Naval Intelligence and as naval attaché in Paris. He was the man who was responsible for our intelligence over there during the war and afterwards, and he has had a great deal of experience along those lines. I do not want to go into the merits at all, but I want the record to show that.

Mr. HARNESS of Indiana. As I said a moment ago, really the most experienced people we have seem to be the men who served in the Army and the Navy, and to shut them out and not permit them to serve in this capacity now I think might be a mistake.

Mr. HUGH D. SCOTT, JR. I entirely agree with the gentleman on the point he just made.

Mr. HARNESS of Indiana. I hope this legislation will be accepted by the Congress and that the bill will pass.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, before I came to Congress in January I was unalterably opposed to a merger of the armed forces as we had formerly thought about it, having the idea that there would be a great danger due to the esprit de corps and the jealousies and one thing or another between the services; that there would be a great deal of danger in having a man appointed at the head of it who would tend to submerge one or the other services. I was appointed on this committee. This bill was referred to it, and we had hearings for about 2 months, and I have changed my mind. I am for this bill.

While this is not a merger bill in any sense of the word, it could be more properly denominated a bill of coordination rather than of unification in my mind. It is a bill that requires by its terms the coordination of our armed services to the end, first, that we may get greater efficiency and with the hope and expectancy that we may get greater economy. I agree with practically all of the witnesses who testified, General Eisenhower, the two Secretaries, of the War and of the Navy, Forrestal and Patterson, that in peacetime you could not say that a certain number of dollars and cents would be saved immediately, but they both said, as well as other witnesses who claimed to know anything about it, that during wartime billions of dollars would be saved, and I think that is true. This bill requires the Secretary of Defense to coordinate the activities, for instance, of the Department of Procurement for the various services.

This bill has been written carefully, I think, with every member of the committee, including the chairman, being intensely interested and being very deliberate, even at the expense of being accused of trying to hold up the bill. Of course, the trouble is that a good many folks think that you can write a bill of this character and of this enormity by calling in a couple of experts and then reporting a bill out. That is because they do not know the process of this great constitutional Government. Every man in it has a right to his say, has the right to say whether he is for or against, and why. We have heard these witnesses and have heard them carefully, as you will note from the record of the hearings.

There were those, not coming principally from any one of the services, but some from the Navy who had the idea that the Marine Corps would be destroyed or would be relegated to service as MP's aboard ship. That is impossible and foolish. Under the terms of this bill as written now the Marine Corps, with its long history of heroism, its usefulness and its importance to the armed services of this country, is absolutely protected. I for one do not believe that any one branch of the service won this war. I think it was the coordinated efforts of every branch of the service and the coordinated efforts of every civilian at home that won this war. Therefore, I cannot subscribe to the testimony given before the committee by a few Air Corps officers who said we need no Navy, we need no Army, because the next war will be a pushbutton affair. The men who know about those matters say that is foolish in the extreme. We have not reached the stage in the history of this country where we can sit here in Washington and push a button and fight a war. The infantry, the Navy, the Naval

Air Corps, the Marines, the Army, strategic bombing, and all other kinds of bombing would be absolutely necessary if we entered a war within the next 5 or 10 years or in the foreseeable future. So these folks who write in the newspapers that the next war will be a very simple matter of pushing a button do not know the facts.

This bill, I think, amply protects the Navy and amply protects the Army by preserving their status.

Some of the witnesses before the committee who opposed the bill upon cross-examination said they wanted one uniform and one service and a total, absolute merger. I am unalterably opposed to that, just as I said I was when I came here. I do not believe that kind of system would work. I believe the coordination that is set up in this bill and the power that is given the Secretary of Defense under the direction of the President, just as is provided by the Constitution of this country, is necessary. This bill is not a departure from constitutional methods, it merely recognizes the fact that we must bring ourselves up to date.

It has been said here that this is a piece of "must" legislation for both the Democrats and the Republicans. I say you can just leave out "Democrats" and "Republicans" and say that this is a piece of "must" legislation for America and for its future.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from South Carolina.

Mr. DORN. Is it not a fact that the words "Republican" and "Democrat" were never mentioned in all the hearings before this committee?

Mr. WILSON of Texas. This is absolutely a nonpartisan measure, in my estimation. It is to protect the future of this country so that those who are in authority to provide the national defense of this country, our homes, our country, and our lives, shall have the proper authority to do a good job.

There is nothing new about this bill. This coordination was used during the war, and all through the war, by executive order. These folks were given the same power to coordinate and unify and have unified commands in certain territory, on land, on the sea, and in the air. These Presidential powers, of course, have lapsed. That is the reason it is important that this bill be passed.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. BURLESON. I do not see anything in the bill that has to do with the centralized purchasing power of the armed forces. I wonder if the gentleman can tell us the reason behind the committee's action.

Mr. WILSON of Texas. The testimony before the committee by almost all of the witnesses was—and the bill provides, I think, plainly—that the Secretary of Defense shall coordinate the procurement of common-use items for the Army and Navy, Air Corps, and all the rest.

Mr. BURLESON. Is that item 3 in section 106?

Mr. WILSON of Texas. I believe that is right but I would not be positive. I do not have the bill before me.

Mr. BURLESON. That is the National Resources Board?

Mr. WILSON of Texas. I would not be absolutely sure of it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. HOLIFIELD. I think the gentleman will find that on page 6, commencing at line 5.

Mr. WILSON of Texas. It has been demonstrated, and I add to what my good friend the gentleman from Indiana [Mr. HARNESS] said with regard to the number of men who constituted the Air Corps that the Air Corps of the Army gets 65 percent of the Army's appropriation—that is 65 percent of the money spent by this Government on the Army. So, I say, nobody wants to put the Air Corps above the other services, but the Air Corps in its importance in this last war and the importance it will have in the future in any possible conflict that this country might get into has attained a position of importance equal to the other two services. That alone, I say, is sufficient reason for the legislation. The Secretary of Defense shall have the right and power to coordinate the branches of the military service and yet leave those three services to maintain their esprit de corps in the future just as they have in the past with certain limitations.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. STEFAN. Referring to the gentleman's statement that 65 percent of the appropriations for the Army goes to the Air Corps, I believe the gentleman may be in error. I think it is 56 instead of 65. The gentleman may be right or I may be wrong.

Mr. WILSON of Texas. I said that I would not be absolutely sure of that, but, as I remember, it was 64 percent or 65 percent.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. HARNESS of Indiana. I think you will find that as near as it can be figured out it is 56 percent. But that does not include a number of items probably that are in common use in the Air Corps as well as in the other services. It might run to 65 percent or even more.

Mr. STEFAN. It might be even more, but I think we ought to have the figure in the RECORD.

Mr. WILSON of Texas. I would like to have the correct figure in the RECORD, but I believe it is around 65 percent.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, for the first 10 years that it was my privilege to serve in the House of Representatives I was a member of the Subcommittee on Appropriations for the Navy. For the last 4 of those 10 years I also served upon the Subcommittee on Appropriations for the Army. With the exception of such work as might have been done in the Subcommittee on Deficiency Appropriations, I think I am the only one in the Congress who has seen service on both committees simultaneously.

This year it was my privilege to assign the gentleman from Kansas [Mr. SCRIVNER] to both subcommittees. He has been serving upon both those committees. I felt, as did Martin Madden, who was chairman of the Committee on Appropriations at the time I was assigned to both committees, that it was very desirable to coordinate the work between the two departments. For my own part, I would like to see that done, and I wish this legislation would accomplish it. But this is what bothers me:

Section 307, on page 35, supersedes the Budget and Accounting Act of 1921, which was designed to coordinate the financial operations of the Government. Section 201 thereof provided that the estimates for expenditures and appropriations should be submitted by the President without submitting what the department or agency submitted to him. The practice has always been that the President would submit these budget estimates when the Congress met, and the Congress would consider them on their merits. Section 307 of this bill amends that law and provides that there shall be submitted to the Congress, first, what the President in his budget shall submit; second, what the Secretary of Defense may submit; and, third, what the heads of the three departments themselves should submit.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REED of New York. What on earth happens to your budget system with that set-up?

Mr. TABER. Your budget system is dead.

Mr. REED of New York. Certainly.

Mr. TABER. There is no budget system. Now, what will result from this will be that instead of having a coordinated budget you will have all sorts of wild items submitted by each unit concerned. Instead of having any screening whatever or any protection to national defense, everything will run wild, and instead of this being a forward step, with this section, it is a backward step.

Mr. REED of New York. And that is exactly what the military wants.

Mr. TABER. Well, I hope not. If we are going to have any benefit out of this consolidation—and, frankly, I am in favor of a consolidation if it can be constructive and forward looking—but if there is to be any benefit from it you utterly destroy what you have set up by this language, and you make the situation worse than it ever was.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. HOFFMAN. As I understand your objection, it is to the provision which permits the Secretary of the Navy, the Secretary of War, and the Secretary of Air to present to Congress or the Appropriations Committee their views of

what they need? You want that all channeled through the Secretary of Defense, do you not?

Mr. TABER. I want it all channeled through the budget to the President, and by the President to the Congress of the United States. Unless it is, all coordination is gone.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield further?

Mr. TABER. Yes; I yield.

Mr. HOFFMAN. That is undoubtedly correct, but if you adopt that policy, then you put the Army, the Navy, and the Air Force—you close the door to them; you put them under this centralized authority, and how are they going to know their needs? You will not have it either way.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Is that not precisely what the situation is today? The Army and the Navy must now go to the President of the United States who sends the budget here?

Mr. TABER. That is exactly correct.

Mr. HARNESS of Indiana. What difference would there be if each of the departments, the Secretary of War, the Secretary of the Navy, and the Air Force were to do just exactly what they do now?

Mr. TABER. It would be a great deal better and there would be some protection for the people of the United States. Let me tell you what this will result in. It will result in scatter fire. Instead of having a coordinated program, a program under which you can get some benefit to the country itself, this section 307 could utterly destroy the benefits of this legislation and leave the situation where you are scattering fire all over the lot and getting nowhere. Your items for national defense will not be effective. All sorts of things will be brought in here by individual secretaries which would not stand analysis by an impartial analyzer, and we would have the entire burden of analysis thrown on us here in the Congress.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question for information?

Mr. TABER. I yield.

Mr. HOFFMAN. As chairman of the Appropriations Committee, does the gentleman prefer that these departments—for example, the Army and the Navy and the Air Corps—should not be permitted to express their desires and their needs to the Appropriations Committee? I am just asking for information.

Mr. TABER. In the committees there is no trouble about the Army or the Navy getting an opportunity to express their desires on anything they really need to express them on, but this provision would leave the thing wide open; you would have all sorts of things presented all at once, regardless of whether there was any need for them or not. I have seen this done so many times over in the other body, just this same performance, where they have scattered their fire all over the lot; and if this House had agreed to the provisions that they presented, there would be no national defense, but we would have scattered our fire; we would get nowhere at all.

I want to see an effective, efficient Department of National Defense. I want to see it effective and efficient. I want to see it in such shape that only the things that they really need will be crowded up in front. I do not want to see the whole picture presented here on an agitator's proposition but on a basis of need and real demands of national defense.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HOLIFIELD. I would hesitate to argue with the gentleman on methods of appropriation, because I have a great deal of respect for his experience and ability; but I may say that the purpose of this Committee in this section was to have the President submit to the Appropriations Subcommittee his recommended budget and also include in that budget such items as the Secretary of National Defense might submit and such additional items as might be recommended by any of the other military establishments for the Committee's protection and consideration in order that certain departments might not be denied funds or minimized by this Secretary of National Defense in their functions. That was the purpose of the committee.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield the gentleman one additional minute.

Mr. TABER. If they do that the result is going to be that you get them in a position where they will submit all sorts of things that they do not need and you will have your whole national defense picture jumbled up and not be able to get any coordinated operation of it. You will not have as good national defense and they will not have as good an opportunity to present their case as they would the other way.

Mr. HOLIFIELD. We feel that if all the information is in the Appropriations Committee they are adequately able to take care of any supplemental requests of these departments.

Mr. TABER. We have trouble enough without having this. We would not have all the information, it would be covered up.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, a great deal of credit is due to the committee in this busy time for completing the consideration of this meritorious legislation and bringing it to the floor.

AGAINST A SECOND BEST ARMY

Mr. Chairman, it has been said that there is little actual need for this legislation, that coordination of plans already has been achieved, and that things are working as well as could be desired. This is true only in part. It is like having the second best army, or the second best poker hand. It is good only as far as it goes. And it may not go far enough to win wars in a new age when war moves with terrific, hitherto unknown speed.

If we are to have an army, a navy, and an air force, and if we are to marshal the Nation's potential behind these armed forces, our organization and our national effort should be as efficient as it can possibly be made.

This is not our present condition. There is much about the armed forces that is splendidly efficient. But as a whole they are far less efficient than they can and ought to be. It is true that our signal victory in the last war attests to the capabilities of our leaders and the magnificent records made by the Army, the Navy, and the Air Force. But a navy second to none, or an army with the latest in mobile transport and mechanization, or an air force with jet- and rocket-propelled aircraft cannot alone nor separately make an efficient national defense—nor offensively can they with certainty and with a minimum loss of life project the necessary force for speedy victory under the military system as it now is devised.

They must be developed within themselves, each a vital and integral part of the whole, and unified under a single authority which will direct their efforts with a single purpose, coordinate their capabilities toward a common end, wisely selected and clearly seen. Here is the first point at which we are lacking. There is today no over-all command which unifies our total military effort. We are lacking in that harmonious composition of the entire Military Establishment which is needed to give every element of it the support that it needs from other elements to make it a symmetrical and well-balanced whole.

Let us think back to the very fresh memories of the last war. Let us think of the delays, the mistakes, the troops who trained with wooden guns, the ships sunk off our shores, the early defeats, the long, hard uphill pull before we were safely on the road to victory. What enormous advantages could have been obtained on the governmental, industrial, economical, and civilian side of the war effort had we then been prepared with plans and programs of national defense which this bill makes possible. Under it the entire national potential, with its great capacity to produce and support the war effort, can be brought together in a common effort for a common purpose.

During the intervening years between wars we have never had a proper balance between our foreign and military policies. Each being closely related to the other they have never been correlated nor have the military services and other agencies of the Government cooperated fully in matters involving national security. We have never been fully informed of the capabilities, potential, or intent of likely enemies, nor did we have effective plans for use in time

of war of the Nation's natural and industrial resources for military and civilian needs. This is another time when we can well say, "Remember Pearl Harbor."

We have been sadly lacking, Mr. Chairman, in some things. And I believe that these considerations have been brought into focus within the provisions of this bill for national security. I am strongly convinced that the bill does meet the needs of the country for an effective, efficient, and economical Military Establishment and that it does coordinate the activities of the National Security Organization with other departments and agencies of the Government concerned with national security.

Mr. Chairman, I give it as my sincere opinion that time is of the utmost importance where the enactment of this legislation is concerned. We have already delayed too long. It may be that time is running out on us and we are again too late. Our military picture is a sad spectacle compared to that magnificent fighting machine we had at the close of the war. Our occupation forces are not equal to any demand of offensive strength if called upon to support this country's policies or enforce its will in a foreign land. Our domestic forces are only a shadow which would be another sacrifice if launched in the defense of any kind of determined immediate effort by a hostile force. A large proportion of the greatest fleet in the world is bottled up and inactive, and the Air Forces which reduced the mighty German war industries to rubble and swept the German Air Force from the skies have been reduced to a few groups of largely obsolescent machines.

What price victory, Mr. Chairman, if all we have accomplished goes for naught? An effective step can be taken here to help preserve our national life and keep America strong through the enactment of the National Security Act. On this number one piece of must legislation largely depends the true development of a properly integrated and effective national-security program. Until the services are unified no well balanced military plans can be assured. Neither the Army, the Navy, nor the Air Force can develop their specialized efforts to its most effective degree; nor can these great services be brought under single direction for the best coordinated and most useful application of their potentialities. And until the enactment by the Congress of this National Security Act we cannot be sure of regaining for our national-defense program those advances in civilian, industrial, economic, and diplomatic cooperation and efficiency which were accomplished during the war.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LATHAM].

Mr. LATHAM. Mr. Chairman, this is a matter which has been long in dispute. I can recall that for many years past many of our leaders of military thought in this country were unalterably opposed to a merger bill. I recall that the Secretary of the Navy was opposed to it very strenuously in principle, and I do not think that the principles have changed very much. But, the time came when the leaders, of our military organizations in this country, came into agreement, and they decided that they were going to split up the military organization of this country into three parts, and they sat down and they wrote a bill.

The first bill, I believe, was written by an admiral and a general, very able men, and they wrote H. R. 2319, and they brought this bill into the Congress and they said, "Gentlemen, here is our agreement. This is a sacred document. You cannot change a single word in this document." The balance of the agreement was so delicate that they said, "This must not be touched."

But the Senate of the United States had other ideas on the subject. They thought that perhaps Congress had a right and duty to write its own legislation, so they took the structure which was set forth in the agreement and they wrote Senate bill 758, and they passed that bill, and it came over to the House and the House took a passing look at the original bill written by the military, and then they discarded it and started to work from the Senate bill, and they improved that measure very greatly.

The bill the Senate wrote was a vast improvement over the measure which the military wrote, and the bill which the House committee has reported out is, in my humble opinion, a vast improvement over the bill which the Senate wrote. I hope that today, in the normal course of the democratic legislative process, that this bill will be further improved.

Now, there is much good that is provided in this bill: The National Security Council, National Resources Board, Joint Chiefs of Staff, War Council, Munitions Board, and Central Intelligence. Nobody quarrels with any of these provisions.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from New York.

Mr. REED of New York. I have listened to the gentleman with a great deal of interest, but it is very hard to keep my seat when some of these things are brought out. Do I understand that the military wrote a bill and sent it to Congress and said that it should not be changed?

Mr. LATHAM. In substance, yes.

Mr. REED of New York. We are coming to a pretty pass in militarism and their power over the civilian population of this country when they have such arrogance and effrontery to write a bill and send it up to the Congress and say it must be passed without change.

Mr. LATHAM. Fortunately the Congress of the United States ignored that position.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from New Jersey.

Mr. HAND. One thing in the bill which disturbs me is the Secretary of National Defense and his apparently limited powers. I listened quite attentively to the gentleman from New York [Mr. WADSWORTH] this morning in the opening debate. I am afraid from what he said that the Secretary could not interfere with the internal affairs of the three separate departments under him, and further, if he attempted to make a coordinating order, if that were objected to, he still could not do anything about it except refer it to the President. I make that observation to get further clarification of the question, because it seems to me that the Secretary of Defense does not have as much power as he should have to coordinate the defense of the country.

Mr. LATHAM. I would say in answer to the gentleman that one of the chief objections to this bill was that he had too much power.

Mr. HAND. Well, I do not think he has enough.

Mr. LATHAM. You will find in the provisions relating to the Secretary of Defense that he has the power to exercise general direction, authority, and control, and he could not have any greater power.

Mr. HAND. Is it not true that he must, if there is objection, refer the whole matter to the President?

Mr. LATHAM. If there were any important decision in dispute, I would assume that he would, but he has the authority and the power under this bill. There is no question about it. As I say, there is much that is good in this bill. I do not intend to speak about the very substantial objections that were made to it. It is, of course, a measure of compromise. I do not think there was anyone who was more vigorous than I in his opposition to certain portions of this bill. I opposed them not because I am against unification. I am not, but because it is a little difficult for me to assimilate the idea that when you take an organization composed of two parts and break it down into an organization composed of four parts, that is unification.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from Pennsylvania.

Mr. HUGH D. SCOTT, JR. Could not the bill more properly be called a quadruplication bill rather than a unification bill?

Mr. LATHAM. There is no question that there is unity at the top. The Secretary of National Defense does establish unity of control. But at the bottom there is disunification, multiplication, and complexity written into the military organization. Obviously when you take two groups and break them down into four that does not simplify them.

The committee had certain fears about the Marine Corps. The Marine Corps is amply protected in this bill, under section 203, on page 17.

I think it is a fair statement also to say that the committee intended to protect naval aviation. Unfortunately, because of a change at the later stages of the negotiations on this bill, naval aviation was not amply protected, in my opinion. An amendment will be offered by the gentleman from New York [Mr. COLE] which has, I believe, committee support, which will eliminate that defect. This is a measure which, if the Cole

amendment is written into it, I will support, because of the fact that it is a measure of compromise and in spite of the fact that I do not agree with all of its provisions.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, it was my privilege to serve with the distinguished gentleman from New York [Mr. WADSWORTH] and others on the special select committee headed by our former colleague from Virginia, Mr. Woodrum, which considered our postwar military policy. After several weeks of intensive hearings that committee reached the almost unanimous conclusion that unification legislation was not merely desirable but was necessary. For several months the old House Committee on Military Affairs, of which I have been a member for many years now, considered this same subject. We reached the same conclusion.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York.

Mr. COLE of New York. I dislike to interrupt the gentleman, but I think, if he will recall correctly, the Woodrum committee did not make any recommendations on the question of unification although it did conduct hearings on it.

Mr. SHORT. I say that that committee, though, was almost unanimously of the opinion that some legislation similar to this was not only desirable but even necessary.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. But your committee did not report out any legislation, did it?

Mr. SHORT. No, the committee did not. It was only a policy committee. We could not.

Mr. HOFFMAN. That is what I thought.

Mr. SHORT. That is perhaps the reason this legislation was presented to the gentleman's Committee on Expenditures in the Executive Departments. It should have been sent to our committee.

Mr. HOFFMAN. That is what I understand. They could not shove it through the Committee on Armed Services so they put it over in our committee.

Mr. SHORT. The gentleman does not know whether they could shove it through the Committee on Armed Services because it was never given to us. It was sent to the Senate Committee on Armed Services.

Mr. HOFFMAN. Not this last time, but it was submitted to the Committee on Military Affairs before, and then when the Committee on Naval Affairs came with you, they thought they could not get it through there, so they handed it to us.

Mr. SHORT. Maybe they handed you a hot potato. But our committee is for this and watch the roll call.

Originally I opposed this legislation, I was against it, but after months of hearings I learned a little. Even Douglas MacArthur can learn a little, because as Chief of Staff several years ago he opposed this legislation, but he is very much in favor of it now, because if this recent global conflict in which we were engaged taught us one lesson it was the absolute necessity of a unified, coordinated, coherent, cohesive armed force to strike quickly on land and sea and in the air. A unified command is essential. A divided command is fatal. There is strength in unity, weakness in division.

The Nazis taught us a lot in the early days of the war, but we taught them a few things before it was over. I remember in Saipan, Iwo Jima, and Okinawa, where we threw everything in the world at those Japs except the kitchen sink, and it was only because of the umbrella by the air armada, our bombers, together with the Navy with every type of vessel conceivable, that volleys of rockets were sent in, as well as the marines, 5,000 of whom were killed on Iwo Jima, that we were able to really take those islands.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. KEARNEY. I want to recall to the gentleman that I served on that committee with the distinguished gentleman from Missouri, and he will recall that that committee was not supposed to report out legislation.

Mr. SHORT. That is correct. It was simply a study of policy that was being made by the committee. The committee was not a legislative one. It was a special select standing committee on postwar military policy.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. BATES of Massachusetts. I happened to be a member of that committee myself, and I might say also that the committee made no effort to report out this unification bill or any other bill.

Mr. SHORT. I know that the gentleman from Massachusetts has been opposed in the past to this, but I do not know how he will vote on this particular bill. I will continue to love him regardless of how he votes.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to my friend the gentleman from Missouri.

Mr. KARSTEN of Missouri. That particular committee had no power to report legislation, but only had the power to recommend legislation.

Mr. SHORT. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mrs. ROGERS of Massachusetts. Has General MacArthur made any statement to the effect that he is for this bill?

Mr. SHORT. Yes. I do not know about this particular bill but he is for unification of the armed services.

Mr. Chairman, I cannot yield any further, because I have something to say here that I want to bring out for the edification and benefit of my good friend, the gentleman from Michigan [Mr. HOFFMAN].

Mr. Chairman, although I strongly urge the immediate passage of unification legislation, I do not at this time intend to discuss detailed provisions of the pending bill.

I have before me a book entitled "The Lost War" which gives a Japanese reporter's story of the war as he viewed it from Japan. The author, Masuo Kato, a reporter for the Domei News Agency, was closely associated with many high government officials of the Japanese Government and he has recorded what is truly an inside story.

Mr. Chairman, certain passages of this book are so closely related to the problem facing us today that I will read them at this time:

Friction between the Japanese Army and Navy, over both strategy and division of available material supplies, became intense. In the fall of 1943 the Ministry of Munitions was established in an effort to end competition between the two services for materials, but the army and navy had been traditional rivals and their mutual distrust had its roots in history. Even when they appeared to have buried the hatchet during the early victories, the army was building its own shipyards and producing its own cargo ships and even cargo submarines. The navy, on the other hand, proceeded to establish its own motor corps for land transport. Each service sought to have key factories designated as its own so that they might count on 100 percent of the output instead of making a division in accordance with need. The army and navy even maintained separate weather observatories, and the civilian Government a third.

As a result of differences in strategy, there was no unified command either in battle zones or in occupied areas. Particular zones were marked out for army command, and the navy was given the others. The navy defense area included half of New Guinea, the Solomons, the Celebes, and the mandated islands.

There is no doubt that a major portion of the responsibility for Japan's failure at Guadalcanal, Bougainville, the Gilbert Islands, and later at all-important Saipan may be traced to the failure of the army and navy to set aside their differences when the future of the nation was at stake. Japanese marines were insufficient in number to defend the area assigned to the navy, and the support given by the army was in each case inadequate and half-hearted.

The most serious friction between the services arose over the allocation of aircraft and materials for aircraft manufacture. The traditional procedure had been to divide the output of combat planes equally between the two services irrespective of the strategic or tactical situation, but when the Allied attack was threatening to break through in the central Pacific, and the powerful Truk base was threatened, the navy asked for a greater share, contending that the central Pacific battles would decide the war and that Japan should concentrate her total air strength in that area. The army insisted that its campaigns in Burma, with Imphal as the objective, and in China with the purpose of linking Canton and Hankow, were equally important.

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In defending Saipan the navy called for army support, which materialized in disappointing quantity. In my presence a high naval officer angrily remarked that the navy

would handle the job by itself and that Saipan would become a navy victory.

The senior statesmen had been watching the army-navy friction and the succession of defeats with growing anxiety, but they were like a group of court nobles who lacked the military strength to bring about a forcible change in the situation.

Mr. Chairman, two glaring deficiencies existed in the Japanese military organization. First, there was no unity of command either in Japan or in her several theaters of operations. Second, Japanese air power was divided between two uncooperating surface forces which prevented the concentration of this air power during critical phases of the Pacific war.

The author's vivid description of the interservice rivalry and lack of unity between the Japanese Army and Navy aptly describes the condition existing today in the armed forces of the United States.

We are all familiar with the dissension among the components of our armed forces. We deplore this condition. Disagreements not only involve matters of organization but even extend into the field of military strategy. This condition to my mind, Mr. Speaker, constitutes a danger to the security of this Nation and is in itself a most compelling argument in favor of unification.

I do not contend that Japan would have won the war had her military establishment been unified. I do contend, however, that her meager resources would have been better employed, and her military losses reduced through unified direction of her armed forces.

It is wise, Mr. Chairman, that we examine the Japanese military organization since a system operating under the extreme pressure of total war is more likely to expose its basic deficiencies than one which is subjected to a lesser degree of pressure. In defeat, the glaring defects of the Japanese system loom large before us, whereas the corresponding weaknesses of our system have been obscured by victory.

Although the United States had a better appreciation of the proper employment of air power than the Japanese, we had in effect the same general type of military organization. Our victory was gained not so much through the efficient use of our resources, but by virtue of the fact that we were eventually able to overwhelm a nation possessing only one-tenth of our resources.

Opponents of unification are today seeking to perpetuate the independent status now enjoyed by our separate defense departments at the cost of the American taxpayer and at the risk of our national security. It is our responsibility, Mr. Chairman, to prevent tradition and our past great victory from obscuring the need for constructive military reorganization offered by the pending legislation.

Mr. Chairman, no chain is stronger than its weakest link. No one branch of our armed services won this war. All of them did an excellent job and there is enough credit and renown to go to each one of them. We should not fail to see the forest because of the trees. For our future defense I think we should place the greatest emphasis upon the most important branches.

Mr. Chairman, on every score and by every count we should vote adequate funds for our Air Corps, for our Central Intelligence—which has been lamentably weak—and for scientific research and technological development. These are the things above all others which will guarantee our security.

Mr. JUDD. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. JENKINS].

Mr. PATTERSON. Mr. Chairman, I make the point of order that there is not a quorum present. This is important legislation and the Members should be here to listen to this debate.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nineteen Members are present, a quorum.

The gentleman from Pennsylvania [Mr. JENKINS] is recognized.

Mr. JENKINS of Pennsylvania. Mr. Chairman, a good many years ago as a small boy I remember reading in the first Jungle Book by Kipling, the so-called Maxims of Baloo. One of those maxims, if my memory serves me correctly, went something like this:

"There is none like to me," saith the cub
In the pride of his earliest kill,
But the jungle is large,
And the cub, he is small;
Let him think, and be still.

In my rather brief experience as a junior Member of this House I have tried to bear in mind that maxim and avoid talking about things about which I knew nothing and with which I had no experience. With respect, however, to the bill now pending before this House I think I have some little experience gained as a result of 22 years in the armed services in one form or another, some 5 of them in the last engagement, a year and a half of which was spent abroad. As a result of that experience I have become so thoroughly convinced of the need for unification of the armed services that as a member of this committee, and as a Member of this House, I want to add my voice to the voices of all the other people who have spoken, to urge the House with all the sincerity and force at my command to enact this legislation.

I said I had had some experience. There are many in this House who have had longer and broader experience than I, but I believe most of them are united upon the general proposition that there must be unity of command in our armed forces if victory is to be won in the case of any other war in which we may unhappily have to engage.

Much has been said, in the words of some of the distinguished gentlemen who have preceded me, of the necessity for unified command in the field, and of the lessons of World War I and World War II. We did not have unification and coordination to begin with. The memory of Pearl Harbor and what happened there is still fresh and green in our minds. But memories, as men grow older, have a tendency to fade away, to dim out; and the memory of Pearl Harbor, and the cause of the disaster of Pearl Harbor and the compelling urgency that was there shown for the kind of unification of our armed services that is embodied in this bill may likewise have a tendency to fade away. We human beings have a tendency to put off doing the thing we recognize as necessary until a more propitious day. There will never be a more propitious day to do the thing that has to be done now, than today, when the memory of all that has happened is still with us and when the reasons for what has to be done are still with us. Everyone who has taken part in the operation of this or any other conflict, particularly this last one, recognizes the fact war and combat are no longer confined to the sea or the land or the air, but that war has become a tridimensial matter. It requires the coordination of all three of those elements of our armed forces and the use of all three of those media of combat—land, sea, and air.

Mr. Chairman, I urge the passage of this bill at this time, as I have said, with all the force which I can bring to it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Chairman, we have spent a considerable time and a lot of effort on this bill. May I pay tribute to the chairman of the committee and to those in charge of the hearings for giving the younger and the freshmen members of the committee every opportunity to express themselves on this bill. We have had that opportunity, and for my part I certainly appreciate it. The bill, while not exactly perfect, is a forward step in the right direction in connection with the unification of our armed services.

Mr. Chairman, I hope you will pardon a personal reference when I say my mother had more sons in the service at one time than any woman in South Carolina in World War II. They served in most every branch of the service. It was my privilege to be at the headquarters in London before the invasion of Europe, also at General Bradley's headquarters in northern France, the headquarters of the Ninth Army. I saw unification in operation there, and it worked beautifully. Unification of operation in Europe was one of the first and most essential things that General Eisenhower and those in command realized was necessary for the successful prosecution of the war. That was true not only in Europe but in the Pacific as well.

To those who have made the charge here today of dictatorship, I would like to say and remind the committee that never in the history of the world has a man maintained a successful dictatorship over any country without substantial backing from the people. The only danger under our American form of government for a dictatorship, and I believe it is the only danger, is through the President of the United States. That has been at times and might be in the future

a real potential danger; but never from a Secretary of National Defense as created under this bill. He has no right, under this bill, to go out and build up a propaganda machine throughout the country and solicit popular support.

Mr. Chairman, one of the most important features of this bill is the Central Intelligence Agency. I would like for you to turn back with me this afternoon to the most terrible period preceding World War II. Why, you had most of the newspapers and people in this country thinking that Adolf Hitler was a comic character, that a war in Europe could not last through the winter—I remember those editorials quite well—that Germany would not last through the winter of 1939. I remember officers of the Navy coming back from observation posts in the Pacific and saying that the Japanese could not last 3 weeks in a war with America. The Government in Washington was stunned and shocked beyond belief when it suddenly realized that Paris and France would fall.

An important Member of the other body, who is still serving in that body, said that a few bombs on Tokyo would knock them out of the war. What a woeful lack of intelligence as to the potential power of our enemies. People were saying that Mussolini would not attack; that he was only bluffing. Around the world there was a total lack of knowledge of those forces that were marshalling to destroy American democracy. I tell you gentlemen of the committee that your Central Intelligence Agency is a very important part of this bill.

Let me say a few words about planning, development, and research. As long as America stays ahead of any potential enemy in the field of development and research, then you are that much removed from the danger of a future war. No nation will attack this country if they know we are ahead of them in the field of research and development of military equipment and future devices to be used by our armed forces. Then, gentlemen of the committee, what about the Air Force? Let me say this to you, that General Koller, the deputy commander of the air force of Germany, after the defeat of Germany, made this most significant statement. He said that the nation of the future that has the greatest air force in the world will dominate the seas of the world, will dominate the land of the world, will dominate the air over the world; yes, he said that the nation with the greatest air force will dominate the world. He said, "We are decimated and eliminated, but it will be interesting to watch the power politics of the future among the great powers to see if the old mistake will be made over and over again." I think that is a very significant statement and one that the gentlemen of this Congress might heed in any future policy toward our Military Establishment. Gentlemen of the committee, the Air Force is charged with the defense of this country; on land and sea and the air. If they are charged with that responsibility, then why not give them the authority to do it? This bill does not set up a separate air force. It only creates an air force on a parity with your Army and your Navy. What man in this committee today knows but what tonight or any night in the future there might come out of the mist of the North Sea, the North Atlantic, or over the North Pole, where there are no railroads, where there are no sea lanes, an attack against our country? What defense have we got against that attack? Only an air force on a parity with your other branches of the national defense, one that can meet the responsibility. Give them the authority, gentlemen of the committee—today.

I need not go into the situation in Europe and the Pacific during the war; that is history with which you are well acquainted, but I will say this, that if General Eisenhower, as he testified before the committee, had to go to the Third Army and beg General Patton for the use of his air corps, if he had to beg General Simpson for the use of his airplanes, if he had to go to the Seventh or First Army, if he had to go into the other army groups and collect his air force, he never could have stopped the German drive during the Battle of the Bulge. As authority for that, go to General von Runstedt, the commander of the German forces. He said that the air force by its concentration of power in so short a while on our forces and communications during the Battle of the Bulge was the cause of our defeat in that great battle. So, you see the importance of an independent air force. An airplane in 1938, or thereabouts, flew from Japan, nonstop, to San Francisco, a distance of over 5,000 miles. Why could they not do it during the war? Because their Air Force had become subordinated to their Navy and their ground force, and they could not even bomb the Marianas, which were nearby Japan, much less San Francisco, which was 5,000 miles off. That shows what subordination of the Air Force to the other branches of the service can mean. I need not mention how our Air Force was subordinated before the beginning of World War II.

Yes, Mr. Chairman, if we are going to prepare for the future we have to do it now. Very frankly, I have to live in the future. My life is not behind me but before me. I am speaking for the youth of the United States today. We want adequate national defense. We demand it of this Congress. We solicit and earnestly hope for your cooperation in protecting the welfare and security of the people of this great country. The best way to do it is through this unification bill. That is one step in the right direction. There are many other measures of national defense that I advocate, but I will not mention them at this time. This one bill that is before this Committee today is a step in the right direction toward defending this country.

The industry of America is concentrated mostly in nine cities or thereabout. Are you going to throw those nine cities open to a surprise attack from the north or from somewhere else, someday, and put America at a disadvantage? Let no one kid you, if Japan had had the same war potential that America had, we would have lost the war in 30 minutes at Pearl Harbor. If they had had the same industrial output, they could have followed up that initial advantage, and we would have been defeated. In the next war we will not have that added advantage of time and distance.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, during the nearly 15 years in which I have served here no problem has caused me greater concern than this whole question of merger, unification, and consolidation of our Military Establishment, as it has raged throughout our country for the last 3 or 4 years. I am happy to observe the continued and progressive improvement of the approach to a proper solution which will give to the country the degree of security which we all hope to achieve.

My views on the subject of unification are more fully set forth in the CONGRESSIONAL RECORD for June 30 under the remarks of the gentleman from Michigan [Mr. HOFFMAN].

You will recall last summer the President recommended a merger of the armed services by way of a single Department of National Defense. Substantial objection was made to that by a large segment of our people and a large portion of our Military Establishment, principally the Navy and the Marine Corps. Subsequently an agreement was reached between the leading officials, both civil and military, of the two interested Departments and the three interested services—air, land, and naval. That agreement was submitted to the Congress by way of a draft of legislation to enact into law the terms of the agreement. The agreement was a vast improvement over the recommendation of the President as Commander in Chief a year ago.

After consideration by the Senate the bill representing the agreement of the services was adopted in a modified form. As adopted by that body, it, too, represented, in my opinion, a substantial improvement over the agreement. Eventually the bill, at least the subject matter, came up for consideration by the Committee on Expenditures in the Executive Departments in the House. The bill which that committee has recommended for our consideration today is, in my opinion, a vast improvement over the bill as passed by the other body.

So, in the progressive evolution of the legislative processes, the people are gradually exercising their will over this vital matter. I would remind you that the responsibility for the organization and maintenance of our Army and Navy is not one which the Constitution places upon the Commander in Chief. It is one which is imposed upon the Congress, and the changes which have been made by the Senate in the agreement as established by the representatives of the Commander in Chief and the changes that have been recommended to the House by this committee are in the proper exercise of the constitutional responsibility of the representatives in Congress to organize, maintain, support, and provide for an army and navy.

Little did I think 6 months ago that it would be possible for me to stand here in speaking on this subject to say that I could say "amen" to everything which my distinguished colleague the gentleman from New York [Mr. WADSWORTH] has said on the subject today. However, as I listened to him very closely in his opening statement, I am frank to confess to you that everything he said could be reiterated by myself with complete sincerity.

Unfortunately, the bill as it is submitted does not expressly state the interpretation which the gentleman from New York [Mr. WADSWORTH] has placed upon the authority of the Secretary of National Defense. If the bill did state that and if it wrote into statutory form the interpretation which he has placed upon it, I am confident that the substantial fears and apprehensions which the people possess, whether justified or not, would be removed.

I would call to your attention on page 6 where the authority of the Secretary of National Defense is delineated it categorically states that he shall exercise general direction, authority, and control over such departments and agencies.

In an interpretation of that authority, the gentleman from New York says that he shall have the power "to direct proper coordination" between the branches of the services.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

I just want to call attention to the first part of the sentence which controls this grant of power on the preceding page.

Mr. COLE of New York. It is true that except in two instances, which I hope to point out, it is apparently the philosophy of the committee recommending the bill that this Secretary of Defense shall be an umpire, a man to view the whole problem, to resolve differences and disputes and rivalries and duplications, and all that sort of thing. With that, nobody can disagree. But a strict interpretation of the authority contained on page 6, line 3, together with another one which I will point out in a moment, destroys that interpretation.

The gentleman from New York, whom I regard and I am sure all regard as the last word on this problem has, as he stated, wrestled with military problems for many years, probably for as long or nearly as long as I have lived, which is quite some time. He speaks as an authority in the interpretation of this bill. He said that this Secretary of Defense should "bring about a certain degree of coordination." Again he said the Defense Secretary should "bring about coordination." If that is what is intended, why not write it in the book?

He pointed out that the bill gives to the three individual departments authority to run their own show. He said the Secretary of War, the Secretary of Navy, and the Secretary of Air Force have complete control over the personnel of their own departments; that they "have the right to hire and fire." If that were true, nobody could take exception, but, unfortunately, the bill does not say that. On page 7, at the bottom of the page, it says that the Secretary of Defense is authorized to appoint and fix the compensation of such other civilian personnel as may be necessary for the performance of the functions of the National Military Establishment.

The bill later on sets up the National Military Establishment as being those three departments, plus the other agencies, the Munitions Board, the Joint Chiefs of Staff, Research and Development Board, War Council, and so forth. Those are all parts of the National Military Establishment over which, as this paragraph which I have just read, the Secretary of Defense is given authority to appoint the personnel.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. WADSWORTH. The gentleman brings up an interesting point with reference to the bottom of page 7. It was not the intention of the authors of this act or of our committee to give any such power to the Secretary of Defense. It was intended that this power to appoint personnel meant personnel in his own office. If there is any uncertainty about the language as presently in the bill, I might suggest that the gentleman offer an amendment to strike out the words "National Military Establishment" and insert "functions of his office." That is what the committee intended.

Mr. COLE of New York. Again I am compelled to recognize the fairness of the judgment of the gentleman from New York [Mr. WADSWORTH] in his interpretation of the functions of this Secretary of Defense.

The CHAIRMAN. The time of the gentleman from New York [Mr. COLE] has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COLE of New York. Much as I approve the pattern of unification under the Secretary of Defense as it has been explained by those in support of it, I cannot let this opportunity pass without expressing rather briefly and hurriedly my deep feeling on the question of the advisability of establishing a separate Department of Air. I doubt very much if anybody will argue that a new civil department of government will result in any economy. Whether or not economies are effected, to my mind, is secondary in importance. It would be worth while to spend that extra money if by having another department our military efficiency could thereby be enhanced, because the goal that we all seek is the absolute security of our country. However, to my mind, our security is seriously jeopardized when we set up this new Department of Air.

It was not until this last war that the use of air in military operations established itself. I think we all agree now, at least it is my view, that of the three elements of the earth—land, water, and air—air is the most effective and potent for use in military operations. Yet here we are taking away from our land forces and our naval forces the use of that element of the earth, the use of the air, in carrying out military operations, and are setting it off on the side as an independent function of the military. The proper way to do it, in my opinion, would be to have both the land forces and the water forces have available to themselves the complete and unrestricted use of air in their military operations. The use of air should dominate our land forces. The use of air should predominate our naval forces. Our land forces in the future will be supplementary to air force as will the use of naval forces. Our land and naval forces will be used to support and supplement what is done in the air. The theory of this bill in taking away from our land and naval forces the use of air and establishing an air force off by itself is a tragic mistake.

Then again, from a practical standpoint, what are we going to do with the people who operate the planes of this independent department of air, this independent air force? It is well known that when an aviator reaches the age of 30 or 32 his usefulness as an active aviator is terminated. Where are we going to put them? They cannot all be majors, colonels, or generals; they cannot all sit around the council table making policies. It must inevitably mean that when these men reach the age of 30 or 35 they are going to have to be turned back to civil life either on the pension rolls of the Government or with a bonus of some sort to permit them to adjust themselves into civil life.

The same thing can be accomplished by giving recognition to the Air Force which its importance justifies—by welding into our land forces the use of air the same as the Navy has welded into its operations the use of air during naval operations. I recognize, however, the futility of trying to persuade this Congress of the inadvisability of creating a new department of the air. Recognizing that futility, I have then set about to preserve, if I could, to the naval forces the use of air in all aspects of naval operations. After consultation with the members of the committee, they have agreed that the Navy shall retain the right to use the air in all its naval aspects and an appropriate amendment has been prepared which will be offered for adoption at the proper time.

Furthermore, I am impelled to state my conviction that the creation of a separate department of air and a separate air force as a part of the Military Establishment of the Government is without authority under the Constitution. Time does not permit an amplification of that position at this time, but a reference to my statement before the Committee on Expenditures on June 30 discloses the reasons for my firm belief that the portion of this bill relating to an independent air force is unconstitutional.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, we have before us this morning a most important bill, providing for the unification or merger of our armed forces. It is probably one of the most important measures that has come before us dur-

ing this session of Congress. It pertains to our national defense; and, while we may differ on the means to the end, we are certainly agreed that these United States of America must have, should have, and will have a national defense second to none.

When our distinguished majority leader, the gentleman from Indiana [Mr. HALLECK], asked unanimous consent to bring this bill up for consideration on the floor on Friday I objected to the request. As the record will show, I objected not because I was unequivocally opposed to the bill, although I have certain misgivings about it. I objected because the majority leader could not, at the time he made his request, give us definite assurance that the hearings on the bill would be available. Indeed, at the time the committee report itself was not available.

It has been my view, and nothing will convince me otherwise, that it would be folly for us to attempt a complete reorganization of our armed services—the Army, Navy, and Marine Corps—without each and every Member of this body has at least had opportunity to examine the testimony of the representatives of the respective services on this proposed legislation. True, the committee which reported this bill is composed of able and patriotic men. I do not presume to set my ability or partriotism above theirs. But I have a responsibility to the people I represent to know exactly what I am voting for and why. I would consider myself derelict in my duty and responsibilities, as a representative of the Tenth District of Illinois, were I to permit a bill to be brought to this floor for consideration before I, and every other interested Member of this body, had full opportunity to weigh the testimony of those who propose it and those who oppose it.

We are not dealing here with a measure that affects some small segments of our population, with some particular group, or some particular section of the country. We are not passing on a measure that is temporary. The bill we have before us affects the entire country. It is a measure of far-reaching importance. We are not legislating simply for today or tomorrow, but we are today legislating for the distant future. As I view it, we are passing on a bill which is of more consequence to our children and grandchildren than to us. And I, for one, cannot accept such responsibility lightly.

But that is a matter of no consequence now. Since I voiced my objection to calling up this bill before today, all of us have had opportunity to study the hearings and report. We have at least had the opportunity to know why the committee arrived at its conclusions, even though we may not entirely agree with all of its conclusions.

I at least have this opportunity to express these views and submit them to the people I am privileged to represent for their approval or disapproval. After all, we have a representative government in the United States, not a dictatorship, nor a committee government; but a form of government where all the people, everywhere and of whatever walk of life, have the opportunity to voice their opinions. And particularly should they have such opportunity when we are called upon to pass judgment on a measure which affects the security of the country today, tomorrow, and perhaps for many years to come.

I had the privilege of serving for several years on the Committee on Naval Affairs with the gentleman from New York [Mr. COLE], who has just addressed you. I share his views concerning this bill, particularly with respect to the creation of an independent Air Force.

To some of you it may seem strange that I am concerned about the establishment of a Department of Air, as proposed by this bill, on an equal status with the Department of the Army and the Department of the Navy. It may seem strange because you recall the times I occupied this floor and argued for a stronger Air Force. When we were engaged in building up our defense machinery before Pearl Harbor our military and naval leaders would not agree with some of us on the Committee on Naval Affairs that greater emphasis should be placed on air power.

But the importance of air power is no longer a debatable question. The last war surely settled that matter conclusively. It does not follow, however, that the Air Forces should be made a separate and distinct Department. In essence, the Air Forces constitute the mobile Artillery of the Army and the Navy. They must operate in conjunction with each. They must be a part of each. And it must be recognized that naval aviation is not the same as military aviation. My fear is that the organization set-up as proposed by this bill will in time mean that naval aviation will be relegated to a position of unimportance, that the naval arm of our military machinery will lack the striking power from the air, that whereas we are striving for coordination we will in fact cause less coordination than now exists in our military operations.

I am pleased to have assurances from members of the committee which reported this bill that an appropriate amendment will be offered to the effect that the Navy shall retain the right to use the air as part of naval operations. I shall certainly support such an amendment. It will be a distinct improvement of the bill.

There is another feature of this bill which gives me some concern, and I understand it was a subject of considerable debate in the committee. I refer to the proposed Central Intelligence Agency. There is no better proof that we have long been extremely backward in our intelligence work than the fact that we were so completely surprised at Pearl Harbor. It is somewhat reassuring to have this emphasis placed on intelligence as a part of our national security. Not only is intelligence necessary for the proper functioning of our military machinery, it is indeed of primary importance for the proper conduct of our foreign relations.

It seems to me, however, that the Director of Central Intelligence should be a civilian. The bill before us provides that he shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. If the person appointed should be an officer of the Army or Navy, it logically follows that he would be under the control of the military.

The bill provides, to be sure, that if he is appointed from the armed services he shall not be subject to the supervision and control, military or otherwise, of the officers who may have higher rank. Nonetheless, any officer who serves in the position and who anticipates that upon completion of his service in that position he will return to military life as such, will naturally be amenable to the wishes of higher ranking officers. He must face the fact that his advancement in military rank will depend upon his reputation and standing with his military superiors.

I emphasize this point because we must avoid the risk of there ever developing in our Government a military Gestapo. As we so well know, one of the causes of the last costly war was the fact that the military took over control of certain governments. The ordinary citizen lived in constant fear of the military intelligence. He was afraid to express himself. He was even afraid of his own thoughts.

There does not seem to me to be any real reason why the Director of Central Intelligence need be anything other than a civilian. The work of the agency is not purely military. I am confident that a qualified man to serve as Director can be found from among individuals in civilian life.

A third feature of this bill that concerns me is with respect to the Marine Corps. I am pleased to note that the committee took cognizance of the fact that there was the possibility of the Marine Corps being reduced to the status of a police force, and the committee has endeavored to write language into the bill to insure the continuance of the Marine Corps as an important arm of the Navy.

The committee has done an excellent job in connection with the bill. It is a distinct improvement over the bill initially proposed. I do not mean to imply by what I have said here that I intend to vote against the bill. On the contrary, I shall support it; but I sincerely feel that when the bill is read for amendment we can make some improvements on it. It is my considered opinion that the bill furnishes the basic framework for the development of a close coordination of foreign policy, military policy, research in the various fields, and overall planning.

It is certain that this Congress will pass a bill of this general character. The House bill is far superior to the bill that was sent to us by the Senate.

Some have expressed the thought that this bill for the unification of our armed services into one establishment will make for economy. It may or it may not. At any rate, our people are desirous that we have the best national defense possible, and I believe that this proposal will be a constructive step to that end.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, among the arguments that have been advanced by opponents of the proposed National Security Act of 1947, no argument is based on so great a misunderstanding of the act itself or of modern warfare as the argument that the establishment of a coequal Air Force means disunification. It is the contention of those, who advance this argument, that the establishment of another department, the United States Air Forces, would remove from the Army a well coordinated and integrated unit of the Army.

Under this bill, we have a splendid team consisting of a Navy, an Army, and an Air Force. Each of these forces fight in a different medium, the Army on the ground, the Navy in the sea, and the Air Forces in the air. The Air Forces has won its "place in the sun," and it must not be denied its proper recognition. Back in World War I, when military aviation was a part of the Signal Corps, it was used primarily for reconnaissance. At that time, it was argued, and with some reason, that air power must be coordinated with and integrated into our Army Establishment. At that time, military aviation was looked on as a "number of airplanes." Later development proved that aviation was a force and it justly took its place with the other forces—ground forces and sea forces. Today, no one who has studied the matter would contend that the air should be integrated into the Army Establishment. This does not apply to naval aviation. The Navy wants and should have its carrier-borne aviation. It is a part of a very important part of the fleet.

On the eve of World War II, it was a proper understanding of air power that caused our military leaders to establish the Army Air Forces as a single command. This action reconciled the differences between the General Headquarters Air Forces and the Air Corps; that is, between the combat and the administrative branches of our air arm as it then existed. It was an understanding of air power that led the War Department to state as a primary principle that—

> The Army Air Forces must be provided with the maximum degree of autonomy permitted by law without permitting the creation of unwarranted duplication in the functions of service, supply, and administration.

The proposed National Security Act of 1947 assures autonomy that is authorized by law and is itself designed as a law that recognizes the needs of the National Defense Establishment in this air age.

An Air Force is not one branch of aviation, but many. It consists of strategic units, tactical Air Force units, reconnaissance, troop-carrier units, and air-transportation units. The section of the National Security Act of 1947, which establishes the United States Air Forces does not bring to an end the excellent cooperation between the Army and the Air Forces. It establishes an Air Force as an organization, coordinate and coequal with the land and naval forces.

In the European theater, General Eisenhower had Ground Force commanders and Air Force commanders. In that theater, there actually existed coequal land and air forces. As he testified before the committee, this was an ideal arrangement. He did not want the air units integrated into the various ground commands. He wanted to use all the Air Forces, both English and American, in one place at one time when the situation called for that use.

Three jobs are always present for the Air Forces in a theater, one the destruction or neutralization of hostile air. The destruction will give freedom of movement to our Ground and Air Forces. The second is the disruption of hostile lines of communication, such as railroads. This disruption of lines of communication is not in direct support of the Ground Forces, but if the enemy runs out of food and ammunition, he is no longer a first-class enemy. The third is air action in the battle proper; immediate and in close cooperation with the Ground Forces.

During the invasion of Normandy, there was splendid coordination with ground, air, and sea power.

During that same invasion air power was also used in coordination with ground and sea power. Our Allied air power had driven the German Air Force from the skies, and achieved mastery of the air over England, over the English Channel, and over France. We could concentrate troops and supplies in England, and ships in English ports, without fear of having them attacked and destroyed by German air power. Our Allied air power flew protective cover over the invasion armadas that crossed the Channel, and over the ground forces that stormed the beaches. And I would add here that the success of that tripartite operation was made possible because the principle of unification was recognized when the direction of the over-all operation was placed in the hands of one man, that great general, Dwight D. Eisenhower.

Air power was used many times during World War II in support of ground operations. On D-day plus 48, when the spectacular break-through at St. Lo tore a great hole in the German defenses, and General Patton's Third Army plunged through the gap and started its drive to the west wall, the break-through was covered by air power—tactical Air Force operations—which prevented the development of serious opposition to the progress of the armored columns, which protected the long, exposed flank of the Third Army, and which assisted the advance of the ground forces by direct cooperation. When the German Army was caught in the Falaise pocket, it was splendid air and ground cooperation that took that army apart. True, some troops escaped, but they lost all their equipment and most of the units lost their fighting efficiency.

Anyone who recalls the victories of our armies in World War II can cite numerous other instances of the tactical use of air power, in employment with ground power and naval power, in covering invasions, covering advances, and softening up enemy opposition.

But it is not such tactical use of air power that makes air power a unique weapon, new to military warfare and new to history, and that justifies the plea of air leaders for an autonomous air force. The use of air power that is unique is the strategic use, in which air power operates alone, without ground or naval support, and beyond these areas in which ground or sea forces can operate.

When our Eighth Air Force bombed Berlin from bases in England, when our Twentieth Air Force burned Tokyo and dropped atomic bombs on Hiroshima and Nagasaki from planes based in the distant Marianas, air power was employed strategically in a way in which no other power has ever been used.

Today we face the possibility of attack by long-range bombers, carrying atomic weapons from bases in Europe or Asia across the Arctic regions and the North Pole. The routes from such bases to the industrial centers of the United States lead across the Arctic regions because those are the shortest routes. But those are routes closed to land vehicles or sea vehicles. And they lead across regions in which, if only air power can attack us, it follows that only air power can defend us.

Strategic bombardment by air power is the most powerful weapon of war thus far produced because it operates with freedom and with economy of force impossible to any other weapon. Air power can focus its total strength, which may be based over a wide area, with a speed and an ease impossible to any other force. Air power can select for destruction those targets most vital to the enemy's war economy, no matter where located. To air power the perimeter defenses of a nation are as nothing, and are to be bypassed or ignored, as the tactical situation warrants. Strategic air power, striking at the very heart of an enemy land and at the war industry of an enemy country, does not seek to destroy an enemy's armed forces, or to capture enemy territory, so much as it seeks to paralyze the enemy. That is why air power could so reduce the industrial potential of Japan that she surrendered unconditionally with her armies undefeated in major engagements and in control of nearly 3,000,000 square miles of land populated by 500,000,000 people. Here was a defeat unparalleled in history, and for the first time in history an invading army possessed a conquered land without firing a shot.

The United States Air Force which the National Security Act of 1947 would establish is an organization to employ air power as only air power can be employed.

Some opponents of the legislation now under consideration raise the question of the constitutionality of a separate Air Force pointing out that the Constitution defines Congress' power to "raise and support armies; to provide and maintain a Navy."

If the framers of the Constitution of the United States did not provide for such an Air Force, surely they are not to be blamed for lack of prophetic vision; but why should their descendants be penalized because their forefathers lacked it? The National Security Act of 1947 seeks to give us an Air Force worthy to employ the great air power that we have developed.

The Secretary of the Navy, the Honorable James Forrestal, and the Secretary of War, the Honorable Robert P. Patterson, in indicating their joint endorsement of the proposed legislation, submitted to the President a mutually agreed draft of an executive order to be issued concurrently with executive approval of the proposed legislation, if and when passed by Congress. The proposed executive order defines affirmatively the intention of our military leaders to continue the employment of air power in ground and naval operations. Of the functions of the United States Army the proposed Executive order says specifically:

> The United States Army includes land combat and service forces and such aviation and water transport as may be organic therein.

Of the functions of the United States Navy the proposed Executive order says specifically:

> The United States Navy includes naval combat and service forces, naval aviation, and the United States Marine Corps.

And of the United States Air Force the same order says:

> The United States Air Force includes all military aviation forces, both combat and service, not otherwise specifically assigned.

The proposed Executive order states explicitly what is implicit in the National Security Act. Aviation is not removed from the Navy, but an Air Force is established to employ air power in those ways in which only an Air Force can use it.

Many times in recent years we have heard the phrase "one world" and as we have watched the development of aviation make that world seem smaller, and transportation about it grow increasingly easy, rapid, and frequent, we must have been struck by the fact that military action in that world—if it still be needed—must be conducted by one, not by three armed forces.

World War II was the first war in history to be a global war; it was fought in Alaska and in Australia, in Europe and in Africa, in the Atlantic as in the Pacific; and but for certain happenings most favorable to our interests, it might well have been fought in the United States.

As a global war, fought on land, on the sea, and in the air, that war was won by unified command in the theaters of operations. Sometimes the theater commander was an Army general, sometimes a Navy admiral, sometimes an Air general. Sometimes the commander was British, sometimes American. But whoever he was, whatever he was, supreme command was his, and there was coordination of operations.

What the National Security Act of 1947 seeks to insure is administrative unity of direction, at the seat of our Government, comparable to the unity of direction, in the theaters of operation, that was necessary for the successful conclusion of the war.

As such, it is administrative unity, in the interest of coordinating the total war effort of the Nation, because in addition to putting an Army, a Navy and an Air Force under the direction of a single administrative Secretary of Defense, it places a War Council, the Joint Chiefs of Staff, the Munitions Board, a Research and Development Board, the Central Intelligence Agency, and other such departments in the National Defense Establishment.

Such an act as this under consideration will result in a definite, well thought out procedure for the allocation of our available supply of military manpower and military material. It will produce economy, in that it will eliminate duplication of facilities. And it will establish an intelligent policy with respect to our diminishing reserves of raw materials of all kinds.

Such an act abolishes nothing in our military establishment, because the purpose of the act is not a negative one, but a positive one. It guarantees the continuation of the Navy, and of naval aviation, and of the Marine Corps. It preserves the historic services, including the United States Coast Guard, with all the healthy rivalry that creates the "esprit de corps" that is the life of any service. In one sense the proposed act does not so much create an air force as to establish by congressional act the air force that already exists—thanks to a patchwork of previous congressional action, Executive Order, and War Department Circulars.

Finally, the proposed act recognizes the principle of management control that is essential in the operation of any successful modern business. Surely in this war-weary world there is no business of greater importance to the welfare of all of us than the maintenance of an efficient military organization that will be strong enough to guarantee our national security, and to preserve the peace.

It is to increase the efficiency of the military organization which we now have that the National Security Act of 1947 has been proposed.

> Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional. (*McCulloch* v. *Maryland* (4 Wheat. 316, 4 L. ed. 579).)

In *United States* v. *Stephens* (245 Fed. 956; affirmed in 247 U. S. 504, 62 L. ed. 1239, 38 S. Ct. 579), the court said:

> The power of Congress to raise armies, like the power to declare war, is unconditional, unqualified and absolute; and Congress is the exclusive judge of the necessity for the exercise of the power and of the powers and of the means and manner prescribed by it for its exercise.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, we have before us a bill to promote the national security of the United States. We all wonder today whether this bill will promote the security of the United States. I have carefully listened to the debate today. I have followed the debate somewhat in the Senate, as well as in the committees of both bodies, but, Mr. Chairman, unless the bill is changed, I cannot vote for it. I speak as one, Mr. Chairman, who has been in Washington since 1913. I have followed legislation for national defense during all those years, and after coming to Congress in 1925, Mr. Chairman, I have voted for every measure that I thought would promote national defense. All during that time, Mr. Chairman, I have always analyzed why measures are brought to the House. I have always analyzed in what way they are presented to the committees and to the House.

I remember that some 20 years ago a merger bill was passed in the Senate but defeated in the House. Last year a merger bill was introduced but not brought to action in the House. What is the difference, Mr. Chairman, between a merger bill and a unification bill? The dictionary says that to merge is to unite, and to unite is to merge.

Why has the Navy changed its mind?

Mr. Chairman, last year the Secretary of the Navy, Mr. Forrestal, was against the merger bill. Admiral Nimitz was also against the merger bill, I recollect. Why this change of mind and thought and heart?

There was a conference—I do not remember the exact date—and the Army, the Navy, and the State Department got together. There was a compromise, and we know that in the House when you have a compromise, somebody always loses. In this instance it was the Navy that lost. It was the Navy that surrendered. The Navy saved nothing. I venture to say that today many in the Navy do not want this unification bill. To the Navy, it is the same bill that was called the merger bill last year. Changing the name does not change the nature of the bill.

Let us go back into the past history of our country and the glorious battles that our Navy has won. It never has lost. It never surrendered. We do not want it to lose a battle ever. The House knows as well as I do that no nation that has a defense plan such as is before us in this bill or a similar mode of procedure has ever won a war, and the United States has never lost a war. The Navy has always been our pride. It is one great asset we have today. No other country has a great navy. Russia has a great army—millions of men. Russia has no navy. Our Navy must not be weakened as it will be under this unification. In all its glorious history our Navy has never surrendered. In this bill our Navy has surrendered. Last Wednesday in the New York Times Anthony Leviero wrote that reliable reports state that Secretary of War Patterson will resign

and Mr. Kenneth Royall will be made Secretary of War under the new bill. Mr. Forrestal, he prophesies, will be made Secretary of National Security and Mr. Stuart Symington would be made the head of the Department of Air Force. All these men testified and insisted that the unification be passed.

Today comes the announcement of Mr. Patterson's resignation as Secretary of War and Mr. Royall's appointment to that position—apparently, the first step in the proposed unification set-up.

The article in the New York Times is as follows:

PATTERSON REPORTED QUITTING, FORRESTAL DUE TO RULE ARMS—WAR CHIEF IS SLATED TO GO AFTER UNIFYING OF FORCES—NAVY HEAD'S APPOINTMENT AS SECURITY SECRETARY PREDICTED

(By Anthony Leviero)

WASHINGTON, July 15.—Secretary of War Robert P. Patterson was reported today to have submitted his resignation to President Truman, to become effective as soon as possible after unification of the armed forces becomes a fact.

Other reliable reports carried assurances that Secretary of the Navy James Forrestal would be elevated to Secretary of National Security, the powerful new position which would give him control not only of the armed forces but of all the other war-making agencies and potentials of the country.

Unification of the Army and Navy and a new Department of the Air Force are now accepted as foregone conclusions by the end of this month, and it was reported that the shuffling of key personnel was about complete.

W. Stuart Symington, the Assistant Secretary of War for Air, was said to be slated to head the Department of the Air Force. Thus he would have a status equal to the Secretary of the Army and the Secretary of the Navy, as those posts are designated in the unification bill recently passed by the Senate.

John L. Sullivan, the Under Secretary of the Navy, is slated to succeed Mr. Forrestal, and it was said that Kenneth C. Royall, the Under Secretary of War, would move into Mr. Patterson's position.

The Army Air Forces emancipated as an independent unit equivalent to the Army and Navy, would be renamed the United States Air Force under the bill, with Gen. Carl Spaatz, remaining at the top.

It was said that other candidates besides Mr. Forrestal had been recommended to President Truman for the top position in the unified defense establishment. Two of these were Dr. Vannevar Bush, director of the Office of Scientific Research and Development and wartime coordinator of this country's scientific efforts, including development of the atomic bomb; and Representative JAMES WADSWORTH, of New York, a man held in high regard in all quarters for his statesmanlike qualities and for his intense interest in national-defense problems.

Nevertheless there was no indication that Mr. Forrestal intended to resign after 7 years of tenure during which he has served as Assistant Secretary, Under Secretary, and Secretary of the Navy. This was accepted as additional evidence that he was the leading candidate for the high post.

NAVY CIRCLES BACK CHIEF

The appointment of Mr. Forrestal is especially desired by those who still harbor fears that the Navy might be relegated to a subordinate status in the radical reorganization of the defense system.

Mr. Forrestal resolutely opposed unification legislation which the Army sponsored last year and which critics denounced as a measure which would give the Army predominant influence. That bill would have provided for a single Chief of Staff over all three of the armed forces, and one Secretary.

Mr. Forrestal and other high Navy officials agreed to the new compromise unification measure as one that would achieve coordination in the higher policy and military levels without destroying the administrative and operating autonomy of the Army, Navy, and Air Forces.

It was reported that Secretary Patterson, still called "judge" by his friends, eventually would receive one of the higher positions in the Federal judiciary, perhaps on the bench of the United States Supreme Court when a vacancy occurs.

PATTERSON FORMER JURIST

A Republican appointed and promoted in the Federal judiciary by the late President Roosevelt, Mr. Patterson held an eminent position on the bench of the Federal Circuit Court of Appeals in New York City. He was called from that position 7 years ago by Henry L. Stimson, former Secretary of War, to become Assistant Secretary of War.

When the changes become effective the new Secretary of War would have to fill the position of Assistant Secretary of War, which will be vacated by Howard C. Petersen on July 31. Mr. Petersen, who has supervised Army occupation policy in enemy countries, announced his resignation yesterday, setting in motion the changes which will occur when the unification bill, reported out today by the House Expenditures Committee, becomes law.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Chairman, the question of unification of the Army and Navy is not new. Various merger and unification bills have been before the Congress for many years and the subject has been studied from time to time. Since the conclusion of World War II, the matter has received most serious consideration by several of the committees of Congress.

Perhaps many may have wondered why a bill of this nature was considered by the Committee on Expenditures in the Executive Departments rather than the Committee on Armed Forces. Under the Legislative Reorganization Act the specific jurisdiction of the Expenditures Committee includes matters relating to reorganizations in the executive branch of the Government and the committee has the further duty, among other things, to study the operation of Government activities at all levels with a view to determining economy and efficiency.

For over 12 years I have been associated with the Committee on Expenditures in the Executive Departments. In the many hearings and studies that have been conducted by this committee through the years, few measures have been so thoroughly discussed and debated as the legislation we are now considering. In preparing this bill we have had the benefit of hearings held by various other committees and also the advantage of studying the bills that have heretofore been presented.

Our hearings brought out three great military lessons we learned from the recent war:

First. No offensive operation, land, sea, or air, can be effectively and efficiently carried out without first neutralizing or destroying the air operations of the enemy.

Second. There must be unity of command.

Third. Modern warfare moves at tremendously high speeds. It is not static.

In dealing with these conditions it is to our advantage to have a military organization of the greatest possible flexibility. Our present two-department system did not lend itself to the offensive and defensive operations of the recent war without substantial changes. One of the first things we found out was that in the execution of our military strategy the success of a campaign can best be accomplished where our forces are grouped under one commander who has the responsibility for that particular operation. At the outset of the war, we had two independent organizations.

As the war progressed we became increasingly aware of the necessity of combining the operations of both branches to make an efficient fighting team. This was done by a system of Army and Navy coordinating committees. This structure, at best, was a makeshift one but the success of its operation pointed out clearly that a central command is much better than diversified and independent control.

The bill before us calls for the unification of our armed services under one Cabinet officer who will be known as the Secretary of Defense. He will have assistants in charge of air, sea, and land forces. The most revolutionary step in this proposal, and perhaps the most controversial, is the establishment of an Air Force as a Division in our Military Establishment on an equal footing with the two other branches, the Army and Navy.

Modern warfare takes place in three elements, the land, the sea, and the air. Air is an element just as much as the sea or the land.

Before the development of air power we had an Army for land operations and a Navy for sea operations. Each organization operated in its respective element. Each became specialists of military science as applied to that element.

I believe most of us will concede that the airplane itself is a weapon. So is a battleship. But each operates in different elements. In the development of our Navy, it certainly cannot be contended that we built that branch of the service around a weapon. The same is true of the Air Force.

The establishment of an Air Force is simply the recognition that military operations in modern warfare operate in three elements instead of two. It also recognizes that the branches of the service operating in these elements should be specialists of the highest order.

It has been contended that this is not a unification bill because it provides for three fighting units to operate within the three elements. No legislation we might write can dissolve the functions of these three groups into one. Our objective in this legislation is to tie together the component units of our land, sea, and air

forces into an efficient fighting combination under the direction of a single coordinating head.

Arguments have been advanced that the Secretary of Defense will have more power than has ever been given to an elected individual.

At the present time, we have 10 executive departments, each headed by a Cabinet officer. Our Military and Naval Establishments have two Cabinet officers. To my mind, it would be just as logical to have two Secretaries representing the Interior Department or the Agriculture Department in the President's Cabinet. It takes no immigration to realize the confusion that would cause.

The President is the Commander in Chief of our armed forces. The defense of our country is only one of the many of his duties. The duty of the Secretary of Defense will be to take over some of the President's work and give him more time to spend on other obligations. The power and duties of the Secretary of Defense are clearly defined in the bill. He will be primarily responsible to the President, the same as any other member of the Cabinet.

It is my opinion that this bill will result in substantial savings and bring about efficiency in the operation of our defense establishment. It is true the initial installation of this system will involve some expenditures. According to computations I have made, the annual additional salaries will roughly amount to a figure below a million dollars. It would be impossible to say exactly because there will be variation in organization which will determine that. Let us say that housing will cost an additional million dollars. Roughly, this would increase our military budget by $2,000,000 for the first year of operation.

The military budget for the current year is approximately $10,000,000,000. Two million dollars is two one-hundredths of 1 percent of that budget. If we can save 1 percent on the over-all budget, and I believe the legislation will accomplish much more than that, we will save about $100,000,000, which is fifty times the initial cost.

Economies can be effected in many ways. We can begin with the elimination of waste and the duplication of functions which exist all through the service. Great economy can be brought about through uniformity of equipment. Savings can be brought about in procurement, maintenance, supply and operations. Further and perhaps more important, substantial economies can be effected by assuring that expenditures of funds are for the most modern and effective type of equipment and by the financing of each branch of the service according to its value as an offensive or defensive agency.

Many will say that it is not economy we are looking for but that it is national security. That, I agree, is the primary consideration but we can hardly have an effective and efficient military organization without naturally bringing about economies. Economy is an incidental objective but is one that we should not overlook.

In support of this bill there has been an imposing array of Government officials and organizations, including the President, the Secretary of State, the Secretary of War, the Secretary of the Navy, the Assistant and Under Secretaries of War and Navy, the Chief of Staff of the Army, the Chief of Naval Operations, the Commanding General of the Army Air Forces, the Compton Commission, the Strategic Bombing Survey, and the Joint Chiefs of Staff special committee to study this problem.

The bill before us is a good one. While it is perhaps not the last word, I honestly feel it will give us the greatest possible offensive and defensive military power per dollar spent. It is a definite step in the right direction and I hope it will be passed without weakening alterations.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CROW].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. HALE). The Chair will count.

Mr. GROSS. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CROW] is recognized for 5 minutes.

Mr. CROW. Mr. Chairman, I wish to go on record in favor of the unification of the armed forces bill, H. R. 4214, as reported out of the Committee on Expenditures in the Executive Departments. I have had an opportunity to read over the Senate bill 758 which provides for the same unification and I believe that the committee of the House has prepared a better bill and we of the House should pass House bill 4214.

I served in the Army during the last war and had the opportunity to observe the need for such legislation by being overseas early in the war and seeing with my own eyes the lack of cooperation between the services. I arrived in the Pacific area on March 14, 1942, about 3 months after Pearl Harbor and I served in that area until the conclusion of the war. Admiral Nimitz was assigned to the Pacific in command of the Navy and General Richardson was assigned in command of the Army. The Navy had four stars and the Army only three stars and therefore the Navy was in command of the operations in the Pacific area. There was a great amount of jealousy of command in the Pacific and the same will continue to exist unless legislation of this type is adopted.

Mr. Chairman, although I was not present in the Pacific at the time of Pearl Harbor, I am sure that if we had been organized as set out in the unification bill the losses at Pearl Harbor would not have been so great. From information received I learned that the Navy and Army commanders were not working together and information available to one was not conveyed to the other branch. The Army at the time was working under an alert that was only to take precautions against sabotage and they were guarding their vital installations. The fault of the error has not been definitely placed but I am sure that had we had a joint staff in command of the Pacific area, as is provided for in this legislation, the information would have been properly distributed so that a proper defense could have been made.

I do not see any place in this legislation that would cause anyone to fear that the Navy Department will be delegated to a place of unimportance or will in any way lose their identity as the United States Navy. I also believe that the Marines are properly and adequately provided for so that they cannot be taken over by the Army or eliminated as a part of the Navy as some people seem to fear.

Mr. Chairman, I know from experience that the unified command was of utmost importance in the winning of the last great war and I am sure that the unified command will work just as well during peacetime as it did during the war. I am not sure that any savings will be made by the unification of the armed forces during peacetime—in fact it may cost a little more—but the savings that will be occasioned by the reorganization being set up in case of another war will more than offset the added expense at this time. We are more interested in a strong national defense than we are of saving a few dollars at this time.

I hope that the Members of the House will consider this bill carefully and observe the advantages that will be derived from the same. I urge the Members to support this bill.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. CROW. I gladly yield to the gentleman from New York.

Mr. KEARNEY. I call the gentleman's attention to section 203, the Department of the Navy, subparagraph (c) pertaining to the United States Marine Corps. I was not a marine and I think I can ask this question in all fairness to that great organization: Is there anything in this bill that could eventually allow the Secretary for Defense to reduce the Marine Corps to a skeleton or token force, a regiment or battalion, regardless of the fact that under the law the Marine Corps has a permanent four-star general?

Mr. CROW. Personally, I do not see anything in this legislation that would authorize that. What may happen in the future I think none of us can absolutely tell. I believe the general law protects the existence of the Marines in the future.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I rise particularly at this time to pay tribute to a man who I believe had as much to do with winning this war as any one individual in America. On yesterday we received notice through the press that he was leaving his post and going back into civilian life.

For 7½ years I had the pleasure of working with Judge Patterson as we met him in the Committee on Military Affairs. I have never in my life known any man who took his job more seriously, a man who devoted himself so entirely to what he believed to be the defense of his country.

He has my best wishes, and I believe the best wishes of the whole committee. He will be long remembered by the men who struggled with him in the days that were not so bright. The man to assume his duties, Hon. Kenneth Royall, nomination has been sent to the Senate, a man whom I have known all my life is equally as well-qualified and capable of carrying out the responsibilities placed on him.

Mr. Chairman, in regard to the pending legislation I have felt since the last World War that some plan should be evolved that would unify the forces and make for a more efficient national defense. The idea started in the committee during the recent war by a group that was interested in unifying the armed forces.

We had the experience of traveling throughout the country to the various installations and we also had the experience of seeing these thrown together at a time when we were faced with danger. We were fully aware of the expense and unnecessary waste that came about. It is therefore proper for this Congress to begin thinking about trying to solve those problems in a way that will not be as wasteful as during World War II days.

I have always felt that national defense should be handled under a single head. As far as I can determine, the fear that has been expressed here today by some that this measure will destroy or will to some extent destroy certain of our heretofore considered arms of our national defense is without foundation. I have no such fears. It is a complicated organization and one that it is impossible for any committee to write the details of so far as all of its functions are concerned.

My personal opinion is that this committee has rendered a very fine service to the country in trying to place together and unify our armed services. They have done an excellent job in setting up the Central Intelligence Agency, also the Army and Navy Munitions Board provision in the bill, section 302. That is the one part, in my opinion, that would do more to save and stop the unnecessary waste that went on during World War II. The provisions of this measure setting up a separate Air Corps is, in my opinion, long overdue and I believe this to be a wise decision. It being generally agreed now that air power is our first line of defense, in which I concur. It is proper and fitting that we fully recognize this by setting up a separate Air Department.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, in the closing moments of this discussion of what I consider to be one of the most important pieces of legislation that has come before the Congress over a period of years, I wish to express my opinion as to some features of the bill in light of the many years experience I have had on the Naval Affairs Committee of the House and from my general observation of things in respect to the operation of the armed forces.

The questions of the merger of our armed forces is not a new one so far as Congress is concerned. About 15 years ago the Congress had a bill before it, the objective of which was to unify both the Army and the Navy into a single operating force. It is interesting to observe, as a prelude of what I am going to say, what the attitude of General MacArthur was at that time and his comments on the then pending legislation for merging both the Army and the Navy. Gen. Douglas MacArthur expressed his opinion on the measure then under consideration by the Congress in the following clear, unmistakable, and emphatic terms:

> No other measure proposed in recent years seems to me to be fraught with such potential possibilities of disaster for the United States as is this one.
>
> Not only the military history of this country but of every country gives indisputable proof of the advantages of maintaining in time of war the integral control of the two great branches of national defense—the Army and the Navy.
>
> I know of no responsible soldier or sailor in the whole gamut of history who has advocated such a plan as is now proposed.
>
> * * * such an amalgamation as proposed would endanger victory for the United States in case of war.
>
> The super-Cabinet officer at its head could not fail to be acquisitor of one of the largest and undoubtedly the most powerful governmental organizations the United States has ever known. * * * Rather than economy this amalgamation would, in my opinion, represent one of the greatest debauches of extravagance that any nation has ever known.
>
> This bill would run counter to the experience of the world.

The pending bill provides, however, that a separate army and navy be maintained, and provides also for a new Department of the Air Force. It also provides for the continuance of naval air, and the Marine Corps as they are presently constituted. The objective, however, that was originally back of the bill was to provide for the merger as set forth in the bill years ago.

Now, Mr. Chairman, the provisions of this bill are far from being what they were intended to be when the so-called merger bill was under discussion a year ago and again this year. We can get some idea of what the purpose of the original bill was when we read some of the testimony and read in the papers the articles that were given by some of the high officials in the military forces of the country, particularly with respect to the Marine Corps. I have a high regard for the Marine Corps, but no higher than I have for the ground forces or the air forces or the naval forces. We all have followed with a great deal of interest and with great concern the tremendous work that all branches of our military organizations have carried on in the conflict during this terrible period that has just gone by. We followed with grave concern the advent of the Marines and the Navy in the South Pacific in the early summer of 1942 and then, of course, the landings in Africa and then in the channel ports, and so on. We have a high regard and cannot help but have that high regard for the tremendous job that the air forces of all branches of the service did in this great conflict, but it was the objective, and we know it now, on the part of some of those high in the military organization of this country to positively destroy one of the greatest fighting organizations that this world has ever known, and by that I mean the United States Marine Corps.

I am glad to know that within the provisions of this bill the Committee on Expenditures in the Executive Departments has seen to it that the language that was recommended by General Vandegrift, Commandant of the Marine Corps, was actually put into this bill so that there would be no question in the future as to where the Marine Corps would stand in respect to the part that they play within the military organization of this country. Of course, there has been much said about unification, but here we have a bill that instead of unifying, we are, in another sense of the word, decentralizing; we are establishing a new corps, the Air Corps. It is my personal opinion, Mr. Chairman, that the elimination of the Naval Air Corps from the Navy would be an unwise thing, and I believe the elimination of the Air Corps from the ground forces of the Army under the provisions of this bill will be an unwise thing from the standpoint of the security of this Nation and the effectiveness of our war effort.

The Army—and I mean by that the air forces and the ground forces—should be under one command the same as are the activities in the Navy, namely, surface ships, air forces, and submarines, all of them being under one directing head. Then you will have real unity of command; then you will have an effective fighting organization, with all of their activities coordinated under one director or command. The trouble in the past, I feel, is due in a large measure to the lack of proper recognition of the importance of the Air Corps of the Army, but I feel that by placing men in control with an aviation background much of this friction of the past will be eliminated. The Navy recognized this years ago, and as a result officers with naval aviation background have been promoted to the highest rank within the naval organization; therefore, there does not exist in the Navy the feeling that we find in the air forces and the ground forces of the Army.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, peace has all but eluded western civilization. My generation has known naught but wars and the horror and destruction of modern killing. Yet, we indulge in the illusion of hope and close our eyes against the ugly prospects of the future and against the history of our negligence in the period between World Wars I and

II, and work to shape our present policy for peace.

If there is to be a future, it must be predicated upon peace. The objective of this measure is to formulate an American military policy capable of demanding and enforcing world peace—an effective policy, yet financially consistent with our overtaxed resources.

To contemplate H. R. 4214 as an offensive or defensive weapon against a third world war is, I believe, sheer folly. If we are stupid and blind and selfish enough to permit another world war, it is highly probable that life on this star, as we know it, will be at an end.

This bill will pass, and under it the President will be able to fashion a more definite, a more coordinated, a more responsible and effective military policy. It should not pass, however, without some analysis of its present weakness.

In its formation, it was weakened by compromise, although its justification easily outweighed its distastefulness to elements of our armed forces and its necessity should have overshadowed and overcome the selfishness which fought it.

It could be only in what I consider the vital interest of my country that I urge the complete unification of all our air power. I have the privilege of representing a district wherein lies one of the world's largest naval air training stations. All of us are proud of the great contribution it made to victory, turning out 14,000 aviators per year at the close of the war. Too, we are proud of the unequaled and unparalleled part that naval aviation played in our ultimate victory. Assuredly it is not to their discredit that circumstances dictate a reorganization of our armed forces which, realistically speaking, closes the chapter upon their glorious participation in the defense of our country.

The naval air arm, as such, has no future when the present bill becomes law and all of the hopes and efforts of its well-wishers and friends cannot, with frankness, hold out promise for it.

I quote you the words of a very outstanding naval aviator, Commander Allen M. Shinn:

> To date, the Navy's formula for assuring continuation in proper strength of the naval aviation phases of national air power has been to insist upon Navy control of these phases of air power. This formula is wrong; it will not achieve the result.
>
> Whether or not the armed services merger now pending congressional action is written into law, the United States people as a whole and the Congress in particular have accepted by now the proposition that there are three broad divisions of military effort delineated by medium of movement—land, sea, and air. It is not probable that the Congress will continue to vote and the people continue to support appropriations for air power in the Navy, together with appropriations for a United States Air Force. Nonpartisan, patriotic Congressmen, motivated by a desire to assure the people full value received for moneys appropriated, but perhaps not technically acquainted with the various categories of air power, logically will be inclined to favor aeronautical appropriations for the Air Force but not for the Navy. The people as a whole are so inclined, and this inclination will become stronger as the need for financial economy in the Government becomes more pressing. For a few more years, for as long as the magnificent achievements of carrier aviation in the Pacific war can be recalled successfully to public mind, the Navy may be able to obtain substantial appropriations for naval aviation, but these will be obtained only by ever-increasing effort and against ever-increasing opposition. The end result will be a gradual but sure withering away of the naval aeronautical organization, probably before naval aviation has outlived its usefulness to the Nation, with possibly dangerous decrease of national security.
>
> Another serious consideration in the future of naval aviation under the system now proposed by the Navy Department is the probable attitude of the Navy high command toward appropriations for naval aeronautics. The inclination of Congress and the country will be to favor the Air Forces in matters of aeronautical expenditures; this can and probably will have the result that within the Navy Department itself necessary aeronautical expenditures will be controlled and sidetracked in favor of expenditures for purely naval matters, such as surface and subsurface ship development and operations, the reasoning being that appropriations for such purposes will have a better chance of being granted by the Congress. Moreover, the objective of such appropriations would more certainly remain under naval control, whereas naval aeronautical establishments might eventually be lost to the Air Force.
>
> As long as naval aviation and the surface navy are contained within the same governmental agency the tug of war will continue as to whether to concentrate that agency's effort and spend such money as Congress grants to that agency upon aircraft or upon surface and sub-surface vessels. As time goes on and the Air Force becomes more and more firmly imbedded in the national consciousness as the national instrument for development and operation of national air power, the tug of war within the Navy will be resolved in favor of surface and subsurface development. Naval aviation may well be strangled by the Navy, before it is strangled by the Congress.
>
> A United States Air Force whose heritage is solely that of the present United States Army Air Forces hardly can be expected to have full appreciation of the background, techniques, and importance of naval aviation. With the best of motives, United States Air Force personnel drawn from only a part of the Nation's present military aviation must be expected to concentrate their effort on that part of aviation which they know through past experience. If the Navy Department succeeds in its present policy of insistence that naval aviation not become a part of the National Air Force, we must be prepared to expect lopsided partisan development of the United States Air Force and a continuation of the unhealthy rivalry which has existed between the Army Air Forces and the Naval Aeronautical Organization. How different this could be if the United States Air Force were to be formed from all existing branches of United States military aviation; if it were to be an all-inclusive, unified, national agency for the exercise of all phases of the Nation's air power; if it were not just the ex-Army Air Forces but were, in truth, the United States Air Force.
>
> An independent air arm and a continuing naval air arm are inconsistent. The forces and factors that justify an air force condemn the continuation of naval aviation as such.
>
> If we are to leave attached to the Navy an air arm to control, equip, train, and employ, then we should leave attached to the Army an air arm.

Many of our young admirals and most of our naval aviators feel that it they are to have a place in the development of a military policy to insure the peace, it lies in a straightforward and realistic approach of formulating a United States Air Force.

It is not to impugn the motives or the loyalty and patriotism of anyone to say that by trying to maintain naval aviation we are simply trying to save face in the path of unwilling compromise.

Mr. LATHAM. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from New York.

Mr. LATHAM. May I point out to the gentleman that under the Cole amendment, on which there is practical agreement on all sides, the Navy will keep its air arm?

Mr. LYLE. Yes; I understand they will keep it insofar as black ink on white paper is concerned, but so sure as you create a separate air force it will take in and eventually, but surely, assimilate the Naval Air Force. Do not misunderstand me. I am not complaining; it is in the interest of our country, but I do want to point out to you that you ought to be factual and realistic and say here on the floor today that we believe it to be in the interest of our country to have one air force. Let us turn those Navy elements that you have left in this bill to the Air Force and charge it with the responsibility of defending our policy for peace.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I gladly yield to the gentleman.

Mr. HOFFMAN. Are you not of the opinion regardless of what we write in this bill that they will never be able to get rid of the Air Force, either in connection with the Army or the Navy?

Mr. LYLE. The gentleman says to get rid of it. I do not want to get rid of it.

Mr. HOFFMAN. No. They will never be able to get rid of it. I thought you expressed the fear that they would all go into one air corps.

Mr. LYLE. I expressed no fear at all. I expressed the firm opinion that it should go into an air force. Certainly, if you pass this bill, you ought to have an air force which would include all of the elements of an air force.

Mr. HOFFMAN. My point is that, regardless of what you do, the Navy and the Army will retain an air force.

Mr. LYLE. I do not think so, Mr. Chairman.

Mr. HOFFMAN. Well, they cannot fight without an air force any more than they can fight without powder and shells and bombs. Neither branch of the armed services can fight without that.

Mr. LYLE. I think you misunderstood me, sir. I said that the elements of our so-called Naval Air Force under this bill should be merged in the air force that you have created here.

Mr. HOFFMAN. Well, in other words, you mean that, if we were in a conflict 3,000 or 4,000 or 11,000 miles away from

America, you would have a separate command of the Air Force and a separate command of the ships?

Mr. LYLE. No; I would not.

It occurs to me, and I believe, under the provisions of the bill, it can and surely will result in joint training of all basic aviation. Untold millions, perhaps billions, can be saved by joining the present Army Air Force and naval aviation basic training.

Assuredly this would permit us to close down many of our shore establishments that are overlapping in their basic functions and eating up millions of dollars without providing more effective aviation strength.

The object of basic aviation training is to teach men to fly airplanes. Whether they shall eventually support naval operations, land operations, or purely air-force operations could not conceivably be affected by joint basic training. It is my understanding from hearing the discussion of the eminent gentleman from New York [Mr. WADSWORTH] that joint training was contemplated that it can be ordered by the future Secretary of National Defense. If we were not faced with the seeming necessity of placating elements of the Navy, we could here and now declare it to be in the interest of our country to create one American air force and trust it to apportion the Nation's air strength in the best interest of our future needs. Surely a unified air force high command, composed of full-time, full-career, professional military aviators, should be capable of better judgment with respect to deployment of air power than we can expect from two separate high commands, each working on only a part of the national air-power problem, and each concerned with the manifold problems of land and sea warfare.

Mr. Chairman, there must be peace upon this earth. In the light of present responsibilities of our Government, we cannot afford the luxury of sentiment or weakening compromise but must utilize all of our resources and capabilities in the most effective form—a coordinated, unified, military policy now is our most effective weapon.

Mr. HOFFMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. HOLIFIELD. Mr. Chairman, I yield three additional minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I appreciate the time being yielded to me from both sides because what I have to say now on this bill is not of a partisan nature. I want to speak particularly regarding the so-called threat of the General Staff and any drift into overcentralization of control.

UNIFICATION—THREAT OF GENERAL STAFF

Mr. Chairman, several of the opponents to H. R. 4214, including Rear Admiral Zacharias and several of my colleagues, have alleged that this pending unification bill will permit military domination of the United States. To me such a fear is pure rubbish. I have never been able to understand just how this domination by the military is supposed to come about. This bill provides for an increase in civilian control of the military rather than the diminution thereof.

Opponents to unification have drawn a comparison between the notorious German General Staff and that of our own Army, creating the impression by innuendo and inference that the present War Department General Staff is behind a plot to take control of the United States Government. With all due respects to these opponents of unification, I say that this is absurd. The War Department General Staff is nothing more than a planning policy group for the Army. The Navy has a similar group. So do the other executive departments of the Government. So does every large industrial and business organization in the country. The General Staff is merely a helper to the Chief of Staff and the Secretary of War.

What is so ominous about that? What less should a military staff be required to do for its country than plan for its protection?

Now, I am sure that every member of the Armed Services Committee and the House itself will join me in my desire to protect our form of government. I think this bill protects our form of government both from within and without. It retains civilian control over the military and thus preserves a traditional principle of this country while at the same time it strengthens our military posture toward the rest of the world.

A brief review of the development of our War Department General Staff is highly pertinent at this time.

The General Staff was formed under the impetus of Secretary of War Elihu Root by act of Congress in 1903. It was formed because prior to that time there was no agency in our Army to bring into common effort the manifold details of supply, administration, communication, transportation, and the like, which went to make up the operations of even the Army of that day. The realization of the need for a General Staff came from the horrible fiasco of the Spanish-American War, which relatively minor undertaking was marked with the failures and misgivings of a War Department which had no coordinating staff element but was a conglomeration of antiquated independent bureaus. It is interesting to recall that the commanding general of the Army, Lieutenant General Miles, violently opposed the formation of a General Staff ostensibly on the grounds that it was revolutionary and would lead to a military dictatorship but actually because it would mean to General Miles that his position of complete independence would be altered and he would be placed under the Secretary of War.

It should also be remembered that after World War I the War Department was reorganized over protests of the old diehards who were fearful of losses and prestige similar to that of General Miles. The War Department, nevertheless, was reorganized, reaffirming the principle that the General Staff would be a planning and policy group for coordinating the over-all operations of the Army. Senator WADSWORTH well remembers the cries of "militarism" showered on his National Defense Act, without which we might indeed have lost World War II.

The point is that in any reorganization there are bound to be people whose personal positions will be effected. In the case of the founding and continuation of the War Department General Staff, however, it is significant to note that in its 44 years of existence, the United States has not yet fallen victim to the danger which the General Staff's opponents have repeatedly expressed.

The Joint Staff provided for by the bill probably will become a national general staff composed of Army, Navy, and Air officers. If this is an objection, I cannot see upon what grounds it is made. The Joint Staff is nothing more than a working group for the Joint Chiefs of Staff whose need no one seems to deny. I have never heard a single man disagree that there should be a joint body to develop plans and exercise strategic direction over the balanced armed forces of the United States. One of the major aims of unification is to insure the integrated employment of our armed forces. All this bill does is to put the existing Joint Chiefs of Staff and their working group into the law so that it may effectively prepare for any future emergency.

Therefore, Mr. Chairman, let me implore my colleagues to cast aside any doubts about H. R. 4214 and vote in its favor without delay.

We have a very good illustration of the effectiveness of merging our interests in this field of national defense, and I want to especially commend the Committee on Armed Services for the vastly improved caliber of legislation that has come from that committee over the efforts we made in a divided jurisdiction in the preceding Congress.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. MARTIN] has expired.

Mr. McCORMACK. Mr. Chairman, if there is one question there is practically unanimous opinion on, it is the prime and vital importance of air power. There are few persons who will deny that under present conditions and as far as we can look into the future, that control of air in war is essential to ultimate victory.

The weapons of World War I were outmoded when World War II came. In World War I, air power played a minor role, but the part it did play was sufficient to show its future possibilities. In World War II it was realized to a dominant degree.

Having in mind the part air power played in the last war, it is safe to predict that in event of future hostilities it will play even a more important part. Experience in World War II has clearly demonstrated that air power is now a controlling and dominant force in modern war. The Air Force must assume a great responsibility to the Nation in order to discharge this responsibility.

The question then comes as to the best means to develop and use our air

power to the maximum effectiveness and whether or not a separate and independent air department, as provided in this bill, constitutes that means. I strongly believe that it does.

It is essential that the Air Force be on a coequal status organizationally with the Army and Navy. It is unthinkable that the service responsible for the maintenance for this air power would be subordinate to any other service.

In the joint planning for the national security, the Air Forces must have a voice coequal to that of the other services. Unless the Air Forces have coequal status in the military structure, it cannot enjoy the position in the joint planning councils to which it is entitled.

Military leaders agree that the initial phase of any future war will be an air war, because, obviously the surface forces cannot go into action until control of the air has been won. To plan for this war, to develop the proper air weapons, and to command the combat forces during the actual conflict, the Air Force must be on an equal footing with surface forces. Otherwise it will never be able to secure the necessary priorities in personnel, equipment, and facilities during peacetime to go into action at the very start of hostilities.

If American air power is retained under the surface forces its ability to concentrate maximum force when and where needed will be lost. As an illustration, Japan had no coequal air force, its available air strength being divided between her army and navy. Critical battles were lost to Japan because she could not bring her full air power to bear on us at the right time. This was due to the fact that the army and navy could not agree on the relative importance of military campaigns. Since air power has become a controlling military force, we must concentrate, rather than spread, its striking power.

One of the main reasons why I am supporting this bill is because of its provisions providing for an independent Air Force.

Mr. HOLIFIELD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I want to pay tribute at this time to the chairman of our committee, the gentleman from Michigan [Mr. HOFFMAN] whose fairness and impartiality through all of these hearings has been commented upon by several members of this committee. The gentleman from Michigan [Mr. HOFFMAN] and I stand together on the roll call. He precedes me and usually votes "aye" and I vote "no." Or if he votes "no" I vote "aye." So our political philosophy happens to be somewhat different, but I want to say this in all sincerity, that in the 5 years I have been here I have never served under a fairer and more impartial chairman than the gentleman from Michigan [Mr. HOFFMAN]. Whether he votes for this bill or not, I would like those remarks to stand.

I want to read to you some of the conclusions of the Pearl Harbor Committee, as follows. Their conclusions were:

That the Hawaiian Command failed to discharge their responsibility in the light of the warnings received from Washington, and other information possessed by them and the principal command by mutual cooperation.

(B) They failed to integrate and coordinate their facilities for defense, to alert properly the Army and Navy Establishments in Hawaii, particularly in the line of warning and intelligence available to them during the period November 27 to December 7, 1941.

They failed to effect liaison on a basis adequately designed to acquaint each of them with the operations of the other, which was necessary to their joint security, and to exchange fully all significant intelligence, and they also failed to appreciate and evaluate the significance of the intelligence and other information available to them.

To put it shortly, the purpose of this bill is to prevent another Pearl Harbor—another uncoordinated mess like we had at that particular time. I think it is a tribute to the members of this committee on both sides of the aisle that the speeches you have heard today from both sides of the aisle have been predominantly in favor of this legislation.

There has been a little minor criticism, no major criticism, and I think even the criticisms made by the gentleman from New York [Mr. TABER], and the gentleman from New York [Mr. COLE], and possibly one other, will be met by amendments that will be satisfactory to the committee, and I think this will receive almost unanimous consent of the Members of the House when they pass it.

I want to refer to one or two things that have been said in the way of minor criticism: The use of the word "merger" in reference to this bill. What does "merger" mean? Merger means "to cause to be swallowed up, to immerse, or to sink, to cause to be absorbed, sunk, or extinguished." This very definitely is not that kind of bill. This is a unification bill.

What does "unification" mean? It means "the act, or process, or result of unifying; to cause to be one; to make into a unit; to unify in a certain course of action."

That is what we want. We want the military arm of our defense unified and coordinated for the one purpose of national defense. We believe this is the first step in that direction but not the final step.

The gentleman from New York [Mr. COLE] said in his speech that this bill was a "vast improvement over the bill from the other body." He said that it showed "evolutionary development and protection of the different component arms of our defense." I might say that evolutionary development or improvement will not stop with the passage of this bill, it will be a continuing process under the surveillance of this committee and the Committee on Armed Services which will have the tremendous job of passing enabling legislation which will cause this particular bill to function. This merely establishes the organization set-up. They will have to make it function. Enabling acts will have to be passed by the Committee on Armed Services and, of course, we are glad to yield to them that jurisdiction.

Some concern has been expressed here with respect to a separate Air Corps. I think the statement was made that a separate Air Corps was part of this evolutionary development. It has commanded the recognition of Members of this Congress and the people at large by dominance of offense and defense in World War II. It made us realize that strategic bombardment was carried forward far inland ahead of the ground troops and in the case of water far inland away from the range of the heaviest naval guns. The Army Air Force bombed the cities in the interior of Europe, and as far as Tokyo, Hiroshima, and Nagasaki in Japan. In other words, this parity of power, this parity of authority, this parity of prestige has been won in the bloody crucible of war. They have won their right to equal parity in war through their striking power, and I want to point out that the activities of the Air Force were coordinated with the Navy and with the Army in war time—World War II—and that this is only putting into basic legislation that coordination of action and of offense and defense which was forced upon the two traditional arms of service due to the exigencies of war. The Joint Chiefs of Staff made them into a coordinated unit and sent them forth upon their mission. Now we are not leaving it up to the whim of a future unification to coordinate, but we are writing into basic law that there shall be coordination. During wartime there were divisions, there were jealousies. They were partly settled by the General Staff. Those are done away with by this bill. Questions of jurisdiction are settled. We are now saying that in peacetime also we are going to have these arms of military offense and defense coordinated. We have written into the bill certain functions which will be based on this act, taken from a proposed Executive order, certain safeguards in the functions of the Marine Corps, in the functions of naval aviation, to guard against the disintegration of the Marine Corps and the elimination of naval aviation. I realize that a Navy or ground force without air support, without air coverage over them, would be a helpless arm to defend us.

We had testimony from Admiral Bogan, who is in command of the Atlantic Air Force, in which he admitted the obsolescence of surface naval vessels as far as their ability to defend themselves is concerned. He rightly expressed the concern that naval aviation, which might be integrated into naval action, should be left intact, and the Members who believed in a separate Air Force agreed with him that he should have a naval aviation which was actually an integrated part of naval operation. So we provided for a strengthening of that section to the satisfaction of those who had had doubts in regard to the Navy.

Mr. Chairman, this debate has demonstrated that the Congress of the United States is going to ask for a better functioning national defense in the future than we have had in the past. We are going to write this into basic legislation and make an improvement in the organizational set-up.

We are going to give it a trial. We are going to call these people before us as the years go by and we are going to ask them, What have you done in regard to the elimination of duplication and in line with the overlapping functions of the department and expenses?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, we are going to say to them that there is one thing that is dominant to the American citizen and that is the defense of his Nation, not the dominance of the Navy, not the dominance of the Air Force, not the dominance of the Army Ground Force, but the dominance of the defense of this Nation. We as Members are going to see that this function of defense is properly integrated and coordinated. We are also going to see, and we have written in the bill this section which is an improvement over the bill that passed the other body, a directive to the Secretary of National Defense that he shall eliminate overlapping and duplicating functions, and he shall perfect certain economies, and he will be called before this committee at the proper time to give an answer as to what he has done along this line.

I wish I had a little more time to go into the Central Intelligence Agency. A fear was expressed on the floor today. Let me say that if there is any man on the floor who is afraid of a military dictatorship more than I am I do not know who he is. I am very zealous, as I have said time and again, of the civil liberties of our people, but I believe this agency has had written around it, proper protections against the invasion of the police and the subpena powers of a domestic police force. I want to impress upon the minds of the Members that the work of this Central Intelligence Agency, as far as the collection of evidence is concerned, is strictly in the field of secret foreign intelligence—what is known as clandestine intelligence. They have no right in the domestic field to collect information of a clandestine military nature. They can evaluate it; yes.

THE JOB OF SECRETARY OF NATIONAL SECURITY IN REGARD TO CONCENTRATION OF POWER—MILITARY DICTATORSHIP

There have been objections raised to the proposed unification bill because it is alleged to concentrate in one office powers too great for any man to hold. Some objectors to the principle of unification, who still have faith in the democratic processes of government, merely express the objection that the job of Secretary of National Defense, as proposed, is too big for any man. Certain alarmists, however, have expressed the apprehension that a bill which vests in one man practically unlimited military authority and power is a bill which must inevitably negate the Constitution of the United States and prepare the way for the advent of a dictator, who would seize control of the entire Federal Establishment.

To the first class of objectors I would make the answer that in no office in our Federal Establishment are greater powers concentrated than in the office of President of the United States. Yet no less than 40 different times the American people have found a man who in their opinion was qualified to perform the duties of that high office, and no less than 32 different men have so served. I have misread American history if any one of these 32 men has proved so incapable in office, so negligent of duty, or so contemptuous of responsibility as to have behaved in a way to jeopardize the security of the United States or the high position that the United States holds in the council of nations.

To these same sincere but fearful objectors I would also point out that, as a matter of fact, the proposed unification of our armed services would not create a job too big for any man to hold but would, on the contrary, establish an office the incumbent of which would relieve the President, as Commander in Chief of our armed forces, of the job of resolving the differences and disputes between the services. The proposed Secretary of National Defense, who, according to the proposed legislation, would be charged with the establishment "under the direction of the President" of policies and programs for the National Military Establishment, would be an administrative officer of our Government so placed as to render the President the most helpful service, while being at the same time fully responsible to him, as to the other body, by and with the advice and consent of which he would be appointed.

No job so far created in our Federal establishment is too big for a capable, qualified, conscientious American to fill. In our Government of the people, the people have created only jobs that representatives of the people could fill. They have created no jobs that call for supermen.

But to the second class of objectors who view with apprehension and alarm the creation of an office which would serve—almost automatically these objectors seem to believe—as a board to spring the incumbent of the office into a position of supreme military dictatorship, I would say that never, in the 171 years of our country, has the more powerful office of the President ever served as such a springboard. Nor is it conceivable that so long as the people accept the responsibility of constitutional government, and insure the continuation of government by the people, that the office of the President or any other office in our American Government ever will so serve as a springboard for dictatorship.

I am amused to realize that the founding fathers in writing that section of our Constitution which establishes the qualifications for the office of President, were less fearful of the future, uncertain as it then seemed, and less distrustful of the people, inexperienced in self-government as they then were, than the alarmists of today who decry all progress as change and all change as bad. "No person except a natural born citizen shall be eligible to the office of the President" the framers of our Constitution wrote, adding only that he must have attained to the age of 35 years and have been for 14 years a resident within the United States. Those who established our Government set forth no job description against which to check the qualifications of a Presidential nominee, no list of specific qualifications to look for in the candidate, no system of checks and hedges to insure his performance of his duties according to the letter rather than the spirit of the law. The oath they prescribed for him requires him only to execute faithfully the office of the President of the United States and to the best of his ability preserve, protect, and defend the Constitution of the United States. I repeat one phrase from that oath—"to the best of my ability." In the oath not one word is said about what that ability should consist of.

The drafters of the proposed National Security Act have been specific, however, in establishing that the person appointed to be Secretary of National Defense will be chosen with greater attention to qualifications than the President of the United States is chosen, and that he will hold office subject certainly to as many checks and as much scrutiny, if not a great deal more.

In the first place, the proposed act provides that "the Secretary of National Security shall be appointed from civilian life by the President, by and with the advice and consent of the Senate." Members of this Congress have seen other Presidential nominees for Cabinet or other high Government rank investigated by the Senate of the United States. They have seen nominees rejected. And they should know that though the President nominates, it is the Senate that confirms. I for one do not believe that the Senate of the United States would ever be so blind or deceived as to confirm in office one whose character or whose record would suggest the possibility of his desiring to become a military dictator, bent on destroying our democracy.

The proposed Secretary of National Defense would serve under the direction of the President. Our American history is not without instances of the removal of a Cabinet officer whose service is not acceptable to the President. Furthermore, the proposed Secretary of National Defense would be no super-Secretary, as some fear and assert, because that section of the act establishing the office specifically states that the separate departments of the Army, the Navy, and the Air Force "shall be administered as individual units by their respective Secretaries." The Secretary of National Security is in the end no super-Secretary, no commander in chief possessed of operational control of all our armed forces, but merely an administrative head serving under the President.

Finally, this same section of the proposed act provides that the Secretary of National Defense "shall submit written reports to the President and the Congress covering expenditures, work, and accomplishments of the National Defense Establishment." So long as the Secretary is appointed with the consent of the Senate and makes annual reports

to the Congress, I cannot foresee the possibility of his establishing a dictatorship—except with the consent and approval of a vacillating and subservient Congress.

One further guaranty against dictatorship has, however, been written into the National Security Act. The Secretary of National Defense is expressly forbidden to establish a military staff. He can have an office force but not a formal military staff.

A civilian holding office at the discretion of the President, with the consent of the Senate, subject to the scrutiny of Congress, and without military staff, is hardly a person in whom is vested so much power that he might, at his will, become the military dictator of this democratic Nation. If the Secretary of National Defense would be such, then to what miracle or act of providence do we owe our past escape from a dictatorship established by any one of the 32 different Presidents who, in turn, have exercised powers granted them by the Constitution as Commander in Chief of the Army and Navy?

But I, for one, have too much faith in the American people and in their devotion to democratic ways—too much trust in the President and the Members of Congress whom the people elect—to fear the establishment of a dictatorship in this country by a Secretary of National Defense or by anyone else, in or out of office.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. Mr. Chairman, the gentleman who just preceded me mentioned that we need have no fear of a military dictator, and one of the gentlemen who preceded him also said it would be more or less ridiculous to say the same, because of the fact that we shall have civilian personnel on the board. Well, we all know that a spider can draw many flies into its web, and you know exactly what happens; also, that bees can create a queen bee, and she will do the rest. But, I am not standing here opposing the bill at this time. I am merely doing so to offer a suggestion.

I feel that even though we do not have to fear a military dictatorship because of the passage of a bill of this type and the creation of a council of this kind that we should, at least, throw every safeguard possible around the people so that that contingency might not arise. I have at least one little suggestion that might help with respect thereto. As a matter of fact, during the discussion on this bill before the committee I understand that it was suggested that one or more Members of Congress be made members of this National Security Council so that the Congress would be apprised of the action of the Council at all times. I understand also that that idea was abandoned because of fear that the Council might dominate the Congress or might affect the action of the Congress when matters were brought before it concerning appropriations. Just a few days ago I read an article which was given great circulation throughout the Nation which called attention to the fact that the Speaker of the House once had a great deal of power and that it helped the people; that it aided the common people, who were close to the House of Representatives and to its Speaker. That article pointed out that the power of the Speaker had gradually waned and was only revived when the succession bill was recently passed by the House. My thought in regard to that matter is along the same line. This bill does cover quite a number of references to civilian affairs.

On page 13 it mentions policies to secure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war.

On page 14 it speaks about the strategic location of industries, services, government, and economic activities, the continuous operation of which is essential to the Nation's security.

On page 36 it refers to the fact that this council can come directly to Congress and obtain appropriations which the President might not otherwise recommend.

On page 5 it says that—

> The Council shall, from time to time, make such recommendations, and such other reports to the President as it deems appropriate or as the President may require.

It is my thought, Mr. Chairman, that we should add to this paragraph the suggestion that the same recommendations and reports that are made to the President be given to the Speaker of the House of Representatives and to the President of the Senate and that such reports shall be confidential and not be the subject of public record. I believe then that the Speaker of the House of Representatives and the President of the Senate, who are close to the people, would be able to judge for themselves what move might be taken, if it is in time of peace, or when Congress adjourns they can judge what steps would have to be taken, should they feel that it was serious enough for them to offer suggestions. If it were in time of war, the Congress would be in session, and they, as the elected representatives of the people, should be apprised of the same fact, just as well as the President.

It appears to me that inasmuch as we are creating a council, such as that which is advocated, that we are deviating from a policy to which we have adhered for the last 160 years or more; that we should be mighty careful, and I believe that we should, at least, effect that one safeguard for the people of our Nation.

For that reason I am going to suggest that amendment when the time for amendment comes, and I hope you will give it some consideration in the meantime.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I favor this legislation, and, under permission granted me, I include the following resolution of the National Aeronautic Association and brief of Lowell H. Swenson, its executive vice president:

RESOLUTION 1 ADOPTED BY THE ANNUAL MEETING, NATIONAL AERONAUTIC ASSOCIATION JUNE 4, 1947

Whereas it is the belief of the delegates to the 1947 annual convention of the National Aeronautic Association that in our national self-interest, as well as in the interest of world peace, our defenses should always be maintained at a level substantially higher than those of any other nation; and

Whereas in order to attain this objective with maximum efficiency and at a minimum of expense it is necessary that our armed forces be organized into a single Department of Defense with co-equal status for air, ground, and sea forces: Now, therefore, be it

Resolved by the delegates of the National Aeronautic Association in its 1947 annual convention assembled, That this association recommend passage during this session of the Congress of legislation to create a single Department of Defense with a coequal status for our Air, Ground, and Sea Forces.

BRIEF OF LOWELL H. SWENSON, EXECUTIVE VICE PRESIDENT, NATIONAL AERONAUTIC ASSOCIATION, WASHINGTON, D. C.

JULY 1, 1947.

I feel somewhat like an old family friend at a baptismal ceremony when I come up here today to express our organization's support of this bill. The National Aeronautic Association was the first national organization to go on record in favor of unification of the armed forces. That was in 1941. NAA, as you probably know, is made up of air-minded citizens all over the country. It isn't necessarily a flyers' organization—in fact, most of the members are not flyers. They are civic leaders of their communities. Year after year, these members, just plain, every-day American citizens, have gone on record favoring the principle proposed in this bill. I can truly say that the members of NAA are happy to see the unification thinking progress this far and that they hope this bill will be enacted.

As an aviation organization we naturally favor this bill because it gives an opportunity for greater development of military and naval aviation along the lines believed best by military and naval airmen. While it is always distasteful to stir up dead ashes, I believe it nevertheless relevant to point out that at the present the Army Air Forces is only one part of the War Department; and that the Bureau of Aeronautics is only one part of the Department of the Navy. And in the past; neither has always been permitted to seek funds, nor to do the things it believed necessary for the defense of this country. Therefore, one reason we favor this bill is because it will put the Air Services on the same high level as the other branches of the armed forces.

I am aware that at previous sessions of this hearing, the opinion has been voiced that the Army Air Forces is well on the way to becoming the top service within the War Department. As a strong exponent of air power, I am gratified to hear that. But I do not believe that developing situation makes this bill unnecessary. On the contrary, it highlights the need for this bill. I am no military expert. I am just the working head of an organization of American citizens who, through their membership in NAA, have had a better than average opportunity to be made aware of the importance of military aviation. But we do not feel that this country necessarily needs more of an Air Force than an Army or Navy. We don't know about that. We are convinced that we cannot afford to let anything stand in the way of the fullest development of

military aviation. You gentlemen have already been told by General Eisenhower that there is no such thing as a separate land, sea, or air war. Only by developing all of our armed forces to their maximum usefulness can we have an effective national defense. But certainly no one service can determine its maximum usefulness without regard to the missions and capabilities of the other services. To preserve a proper balance and at the same time determine the maximum usefulness of each service requires an arbiter—the Secretary of National Defense provided for in this bill.

A striking example is at hand. The files of your Legislative Reference Service contain documents submitted by the War and Navy Departments, details of which have been carried in the press. The way I read these published accounts, the War and Navy Department are each planning a different kind of war, if war again becomes necessary. The greatest difference of opinion, apparently, is in the employment of aviation. Now, to me, a layman representing other laymen, that just doesn't make sense. Somebody has to determine which way it's going to be.

NAA also supports this bill on the basis of economy, and sound business principles. I keep emphasizing, as I think it my greatest reason for being here, that the National Aeronautic Association is composed of average citizens. As such, we are taxpayers. And we want to see the part of our taxes going into national defense buy a full measure. A certain amount of competition between the services is healthy. But we don't think that duplicate hospitals, duplicate transportation systems, duplicate warehouses, and so on down the line, is competition. That's just waste. And there is the terrifically important matter of procurement. In either this time of peace or in war, the armed services are the biggest buyers in the country. They are buying for the same over-all purpose, defense or war, and in many instances buying the same item from the same supplier. Yet, the Army makes one contract, the Navy another, the Air Forces a third. They compete with each other. I am not in the circle, so to speak, yet even I have heard of Navy having to wait until a contractor finished an Air Force order, or vice versa. Each service, naturally, thought its requirements were more pressing.

I am aware that this bill, as it stands, does not specifically unify procurement. But the bill is a start, it at least sets up a framework within which unified procurement can be detailed later for your approval. At present, not even the framework exists.

Economy, naturally, does not apply only to wise use of money. After all, there must be a limit to our scientific and industrial resources. Just as in the procurement of goods, we cannot afford to be wasteful in the procurement under contract of scientific or industrial know-how. Right now, in certain fields of military research, there is a shortage of research facilities and personnel. The Joint Research and Development Board of the Army and Navy has been able, I understand, to effect a certain amount of coordination in the placing of experimental and research contracts. But the Board can only request. Army and Navy acquiescence is only voluntary. The Research and Development Board responsible only to the Secretary of National Defense, as provided in your bill, seems to us the only way to assure that all services get their most pressing research needs taken care of.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I shall vote for this bill. From my own military experience I consider this legislation essential to the coordination of our military establishment, and to the performance of our national responsibilities in foreign affairs.

During World War II, I was for some years as an Army officer on duty as the secretary of the joint United States Army, Navy, and Air Forces committee to coordinate our chemical warfare effort with that of our allies. I worked in an area exactly in line with that sought to be covered by this bill. The coordination contemplated by this bill was attempted during the war, it worked well enough to win, but I felt on many occasions the need for a statutory basis for the boards and staffs engaged. This bill will give background and substance to the joint and combined efforts which were responsible for our winning the war.

One further point needs to be emphasized. The tempo of a future war will be so highly accelerated that we must be completely ready with the right organization from the start. The peacetime creation, functioning, and experience of a War Council; a Joint Chiefs of Staff to deal with strategic plans; a Munitions Board to coordinate production and procurement; a National Security Resource Board to plan for industrial and civilian mobilization; and a Research and Development Board to provide integrated programs for research and development for military purposes gives us realistic implementation of a policy of national security and for the discharge of our international responsibilities.

Mr. BENDER. Mr. Chairman, I yield the balance of the time to the chairman of the committee and the author of the bill, the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, we have been told throughout the hearings and the debate that some bill giving unification is a necessity, that we must coordinate. The first speaker on the majority side, the distinguished gentleman from New York [Mr. WADSWORTH], who has been fighting for legislation of this nature since 1920, beginning in the Senate and continuing right on down to the present moment, told us that the legislation would keep in force our wartime boards of coordination. I think he is right about that. That is one of my objections to legislation of this kind. Even though it may be necessary in wartime, when defeat threatens, I abhor regimentation and dictatorship in peacetime.

That there may be no misunderstanding and no charges of, shall I say, duplicity, let me state now that having no choice about the matter, no opportunity to prevent what I consider unsound legislation, I will not oppose this bill. An attempt will be made to point out some of the dangers which it carries.

You may think my lack of opposition strange, but as some other Members have said, having "slept with this matter" over the years since I have been here, I am afraid not of Russia, not of other nations across the seas, but I am afraid of what may develop here in America.

I am afraid not only of those who deliberately would destroy constitutional government, but of those who unwittingly, by creating fear or themselves being afraid, insist upon legislation which will throw open the door to a policy which in the end will destroy our liberty and freedom and with it our ability to defend ourselves. I am afraid of a dictatorship, a military dictatorship.

My reason for supporting this bill is that I know the House intends to pass, under leadership drive and the pressure of a desire for adjournment not later than Monday and probably tonight, a bill of some kind giving us some sort of unification. In my humble judgment, H. R. 4214, worked out by a subcommittee, adopted by the full committee, not a bill drawn by either the Navy or the Army or any combination of those two services, not a bill handed to the committee or the subcommittee by any one Member, but a bill thought out first and drawn, put into words by the subcommittee and the full committee, is the best bill we can get at this time. It is either H. R. 4214 or something like S. 758—something more harmful.

We have had unification throughout the war. They said it was necessary then, and no doubt it was. No doubt unification of command in the field will always be necessary in every war if we are to win, just the same as every football, basketball, or baseball team must have a guiding head on the field, otherwise they lose.

Sure, we must have coordination, but, in my humble judgment, that coordination which we have had during the war could be continued if the Army and the Navy and the Air Force desired. But human nature being what it is, and there being those jealousies, which are natural, and the ambition for one's service or one's family or one's ideas being what it is, apparently it is necessary for the Congress, then, speaking figuratively, to take the high command of these departments and bump their heads together and, by law, compel them to coordinate.

Strange indeed is it that the Secretary of War and the Secretary of the Navy and the Joint Chiefs of Staff of the Army should come to the Congress and, admitting that they, under the President's direction, have the power to unify and coordinate and that they did that very thing during the war, yet now in peacetime, knowing unification and coordination to be essential—and they say it is—they refuse to do it, ask the Congress to write a law compelling them to do the things they say are essential if our future welfare is to be made secure.

That inconsistency raises in my mind a doubt as to whether they are asking for economy and efficiency, for unification, or whether they are asking for authority—the authority given by the Constitution to the Congress.

There is a need for this kind of legislation and a unified centralized command if the President will not order it—if the heads of the departments will not

willingly practice it. But what has been the history of other nations where they have had it? What has been the result in Germany, in Italy, what has been the history in Russia?

Our forefathers came here, we were told, to escape burdensome taxation—nothing political intended in that remark—to escape the destruction of their personal and religious liberties. They came here for freedom. They established here a Government which we know now, which all the world ought to know, is the best that has ever been devised. Because of it we stand at the top in everything, in military might and power, in production, in creative genius, in liberty, prosperity, and happiness.

How did we get that way? By a centralized command, through a dictatorship, through regimentation? No. We got that way because our people were independent, and we had individualists all working toward the same end—the welfare of our country.

After we demonstrated the superiority of our system, our way of doing things, we come victorious, to the end of the second great World War, the most powerful Nation in all the world, the Santa Claus of the world, and we are told that we must ditch it. We must discard it. Throw it away. Accept centralized overall command by the military forces. A bad second best whenever, wherever it has come to a show down with our young men and women.

Perhaps they are right. But history does not give us that conclusion. Nor is that all the story. The gentleman from New York [Mr. WADSWORTH] came in with this chart. At the top you see the President of the United States; then, the Secretary of Defense, and so on down through. He showed to his own satisfaction, and, no doubt, to the satisfaction of many Members of the House, how this power was distributed and how the various boards and agencies were going to do these different things. Very well.

But you can read the chart the other way. You can read it from the bottom up and see where all the power that belongs in the hands of civilians is concentrated and finally centered, not in the President, because he cannot grasp and use it, but in the Secretary of Defense. And the Secretary of Defense will be, if not the unconscious tool, at least the agent, of the military staff. Which opens the door to what? To control. By whom?

And he stresses the fact that civilians are at the top in all of these agencies but one. Ah, yes. But where do the civilians get their advice? Where do they get their information? They get it only as it seeps up to them through the subordinate boards over which the military will have control.

What do these boards and these agencies do? Any one of them, each of them, all of them—what do they do? They coordinate and they plan. As the gentleman from New York said, for the first time you will have our foreign policy formulated by the military and the State Department. The President and the Senate are, under the Constitution, charged with the duty and the responsibility of planning foreign policy.

I had always supposed that under the Constitution, which, after all, has given us all that we have—I had always supposed that it was the duty of the Congress to provide for national defense—not the duty of the Secretary of Defense—not the duty of various boards and agencies down below—but the duty of the Congress. And here we are today shirking our responsibility and turning over the performance of our duty to a superorganization, if you please, which is to provide a policy for us, to "provide for the national defense."

Then comes the argument, as it has always come in the subcommittee and always in the committee, "No; they have no authority to do anything; all they do is plan." Well, most of us have been here long enough to know and realize that the planning agency is the agency which finally makes our policy.

Let the bureaucrats in the State Department, the career men, feted and flattered by princes and lords, their brains befuddled by high living and the champagne and wines they drink, plan our foreign policy, and we will always be entangled in the affairs of other nations; we will always be giving away the substance of our citizenry.

Let the bureaucrats plan our domestic affairs, our economy, our production; let them dissipate our resources, and there will always be waste and extravagance and finally an impoverished nation; always will we be committed to this, that, or the other, and the Congress will be charged with a lack of patriotism if it fails to follow the false teachings of the over-educated, un-Americanized bureaucrats, social climbers, international financiers, and internationalists.

Recent examples: The Truman policy of giving to foreign nations millions in order to do this, that, and the other thing. I am not discussing the merits or the demerits of that proposition at all because throughout the hearings and in the deliberations of the subcommittee and the full committee there has never been any discussion on the basis of political expediency.

The proposed legislation has in the committee been considered on its merits, and, while I do not know what has happened in other committees, I can say I do not believe there has ever been a committee where the chairman has had more consistent, faithful, and intelligent cooperation—yes; and may I add been more dependent upon, has to any greater extent relied upon, the help given by the members of the committee—than has the chairman of this particular committee. There has been no unpleasant disagreement of any kind—personal, political, or otherwise.

So we will have these boards planning to give us a policy. When they give us a policy, a complacent Congress, if the record of the past 14 years is a guide, will follow it. That is the easy way.

I was talking about the Truman policy. I could add to that the Marshall policy. I could go back of that and refer to the policy promulgated by the distinguished gentleman from Michigan who serves in the other body and to that of certain of his colleagues. They brought it out and we followed it—a bipartisan foreign policy.

We have given billions upon billions of dollars in furtherance of that policy. We gave this money because we were told time and time again that we must support the policy of our leaders, and only a few of us—well, maybe I speak only for myself—ignorant and dumb and stubborn—have failed to go along.

And at last, having learned that there is no end to that road—that the more we give the more we will be asked to give—even those who advocated it most enthusiastically, those who described it as a "great speculation," come now, as they were forced to do, to the conclusion that our resources are not inexhaustible—yes; and they now propose that we take an inventory—a thing which many of us advocated when the policy was first proposed—which was the only sound, sensible thing to do.

What is the net result? Billions upon billions poured into other lands—money which we might well have used to build up our Army and Navy and our Air Force—dissipated, wasted abroad. And what have they to offer by way of accomplishment, what have we in return? What can the advocates of that policy lay on the line? All you can say is, "Well, if we had not done it the situation might have been worse." Perhaps so. No one can answer that argument. Of one thing we can be certain: we have weakened ourselves, we have aided, are aiding, potential enemies.

When you get to these boards each and every one of them has the power to formulate a policy. Over what? If it applied only to the Army, the Navy, and the Air Force I would say "Amen. You are right." Unfortunately, they step down into industrial activities, into production. They want the power to plan priorities, to regiment industrial production.

The CHAIRMAN. The Chair will advise the gentleman he has consumed 10 minutes.

Mr. MANASCO. Mr. Chairman, I will yield the gentleman part of my time.

Mr. HOFFMAN. I will try not to detain you.

They go down into our civilian activities. The history of the last war—in my extension of my remarks I will try to point out some examples—shows what? It shows that no matter how courageous—they are on top when it comes to courage and determination and ability to fight and win—no matter how supreme they are in possessing those qualities, when it comes to industrial production neither the Army nor the Navy nor the Air Force knows how.

It is the industrial leaders, the farmers, everyone in our country who works and produces when danger threatens us, and under our independent system, not under the regimented system as it is in Germany and in Russia and in Britain, who make the fighting and running

of wars possible. Oh, no. Under the independence which we exercise we produce until the regimented peoples fade out of the picture. When our—as we are told—untrained fighting men meet the disciplined, machine-like soldiers of the centralized command, who wins?

Then, why not leave to the Congress of the United States the duty to provide for national defense? The Constitution says that the Congress shall provide for an Army and limit its appropriations to 2 years. The Constitution says that the Congress shall provide for a Navy. It says nothing about an Air Force. I do not mean that we have no authority to provide an Air Force. Of course we have. But is there anyone so dumb as to believe for a moment that the Air Force can fight and win a war alone? That the Army and the Navy can do without the Air Force?

As I said to the gentleman previously on the floor, I agree to what we have written into this bill—and we have written in provisions to protect the naval aviation of the Navy—I agree in what we wrote in there to protect the integrity of the Army, the Navy, the marines.

But if and when we have a war, which God forbid, we will find these services—the Air Force—still with the Army and still with the Navy, because they must be there, just the same as the guns must be with the Army, the ships must be with the Navy.

When you talk about unification, no. You have two departments now. This bill adds a third, the Air Force. They are all one great team. Separate them by law if you wish, you cannot break them up.

We have one-hundred-and-seventy-odd committees, joint committees, of Army and Navy now trying to coordinate, trying to unify, trying to get away from waste and extravagance which is always present in war and which is inevitable when either the Army or the Navy plans a war. No one criticizes them for it. For myself, if they ask for $5, and I am assured that $2 of it would be wasted, nevertheless I would vote for the five, and so would the other Members of this Congress, because we do not dare take a chance, and we do not know the exact amount they may need.

Economy? Read the RECORD from cover to cover, as they say, and you will not find in it one single word which promises any present economy. It is all a hope.

Talk about unification! You still retain the Army and the Navy, and you have added to it another department, an Air Force, and over all a super super-duper structure, a Secretary of Defense. And every Member here knows that means a new department—additional agencies, a host of additional employees.

The Government now gets one-third of the taxpayer's dollar. The Government now takes, if a man works 6 days a week—and few do—2 days of that work. And of the Nation's spending dollar, the armed forces now take a third.

Permit me to thank you for the attention you have given. As stated in the beginning my vote will be cast for the bill H. R. 4214 because as I understand it only two bills will be up, the bill from the other body, S. 758, and the bill from the House; and when we come to the opportune time I shall ask that we strike out all after the enacting clause of the Senate bill and substitute the House bill.

It is my hope that, when conferees are appointed, they will insist upon the House bill which, as far as language and law can do it, does provide for the protection of the marines, the Navy, and naval aviation.

At the risk of repeating the thought which has already been expressed, permit me to enlarge upon the subject.

UNIFICATION AN OLD ISSUE

The present unification controversy is not new. It is but the continuation and, if the present legislation is adopted, the culmination of over 25 years of effort by military elements to gain greater power within the Government. During the past 25 years over 50 legislative proposals relating to the unification of the armed forces have been introduced—page 184, Report of Secretary of the Navy on Unification, by Ferdinand Eberstadt, Government Printing Office, October 22, 1945.

The unification battle last year was characterized by vigorous and effective Navy opposition. This year there was official acceptance by Secretary Forrestal and Vice Admiral Sherman. The attitude of the remainder of the Navy was one of glum silence—for the Navy was gagged by articles 94 and 95 of Navy Regulations. This gag was not lifted until June 23, when steps had already been taken to close hearings before the Expenditures Committee.

On January 16, 1947, the White House announced the so-called agreement between the Army and Navy relative to unification. On February 28 I introduced, as an administrative function of the chairman of the Expenditures in Executive Departments Committee, the administration's unification bill, H. R. 2319. In the Senate the proposal became S. 758.

The course which postwar legislation is now following is the same pattern that it followed after World War I. Now, as then, there is a determined effort to perpetuate in peace the great powers the military enjoyed in war.

In 1919 the War Department's bill—S. 2715—for reorganization of the Army met immediate and outspoken opposition in Congress and in the press, where it was characterized as a preposterous scheme of the military to perpetuate the present absolute control of the General Staff over all functions of the Military Establishment and to Prussianize the military system of the United States.

The War Department bill was killed in committee during the first session of the Sixty-sixth Congress but its philosophy reappeared again in 1920 in greatly diluted form, as S. 3792, sponsored by Senator WADSWORTH.

Although passed by the Senate over a strong minority report of the Military Affairs Committee, this bill never became law. The House had initiated its own bill, a strong but liberal redrafting of the principles embodied in the National Defense Act of 1916. The House bill, with minor changes, was enacted into law as the National Defense Act of 1920.

MANY PARALLELS ARE IMMEDIATELY APPARENT BETWEEN THE 1919 CONTROVERSY AND THE PROBLEM NOW BEFORE CONGRESS

The most objectionable section of the 1919 bill was as follows:

> The President shall merge as expeditiously as possible after the approval of this act all now existing departments, bureaus, and offices of the War Department into the organization herein prescribed or authorized; and shall have authority to make such distribution or redistribution of the duties, powers, functions, records, property, and personnel of such previously existing department bureaus, and offices as he may deem necessary for the efficiency of the military service, and authority to prescribe the duties, powers, and functions of officers of the service, units, and organizations herein authorized or prescribed. (From Annual Report of the War Department 1919, vol. 1, pt. 1.)

The scope and intent of the paragraph quoted above is apparent at the first reading. It sought to have Congress relinquish its traditional authority to state the purpose for which it created and supported elements of the armed services. It was but an early aspect of the "roles and missions" controversy which for the past 2 years has raged over the status of the Marine Corps and naval aviation, and which will be discussed later in more detail. But note the effort to have Congress relinquish its authority over such large segments of military legislation.

As was so apparent to Congress and to several leading editors the proposed bill would have enacted as peacetime legislation the broad war powers granted to the President by the Overman Act. The obvious intent of the bill was well summarized as follows in the recent book, National Security and the General Staff, page 277, written by the youthful General Staff publicist, Maj. Gen. Otto L. Nelson, Jr.:

> Needless to say the War Department had enjoyed the provisions of the Overman Act, which had given the President authority to make such organizational changes in the administrative set-up as the war demanded. This was the War Department's first big taste of administrative discretion and the General Staff wanted more of it.

Again note the similarity of that post-World War I bill and the present bill. The present bill originated in the War Department. The big difference between now and then is that instead of just being restricted to relinquishing authority over the Army, this year's bill, H. R. 2319, was a total abdication by Congress of its authority over the armed forces.

Senator Chamberlain led the fight against the War Department's 1919 defense bill. He sensed the basic dangers of what was transpiring and analyzed that bill with great accuracy; his description of the 1919 bill applies with equal accuracy to H. R. 2319. Following is his prophetic statement—these extracts are from his Analytical and Explanatory Statement as printed for the

use of the Senate Committee on Military Affairs by the Government Printing Office, 1919:

This bill was framed by military advisers of the Secretary of War. * * * Inasmuch as many of these proposals are radical and even revolutionary in their nature, and, if rejected now, are likely again to be urged upon Congress, possibly in other forms, it seems advisable now to examine all of them very thoroughly. The comments made herein with regard to them will apply to them equally as well whenever and however they shall appear in the future.

In 1919, as now, the congressional committees were handicapped in their attempt to secure information necessary for the drafting of an adequate bill for national defense in two ways:

First, the reluctance of witnesses to testify freely concerning matters relating to the reorganization of the Army.

Second, the plea of military secrecy—present example JCS 1478 papers—used by the War Department to suppress and withhold information bearing directly upon the proposed legislation.

The General Staff was accused, by ex-Speaker Clark on the floor of the House, of maintaining a powerful national lobby. Congressman Clark's remarks are reported in the CONGRESSIONAL RECORD of May 19, 1920, volume 59, part 7.

Mr. Clark said, quoting from the CONGRESSIONAL RECORD:

I have no objection to the General Staff either, except I think they ought to attend to their business and let Congress attend to its business. [Applause.] They get up every one of these Army bills substantially. It is the second strongest lobby that has been around here since I have been in Congress. I think the Anti-Saloon League leads the list in strength of the lobby and the Regular Army officers come second. [Applause.]

The passage of the National Defense Act of 1920 brought to a close the great controversy which had raged through two sessions of Congress. This act has been recognized as an outstanding example of well-written defense legislation and was lauded by every successive Chief of Staff thereafter from 1922 to 1939 as a model statute. Reference, Annual Reports of Secretary of War.

Now, as in 1919, the War Department General Staff is seeking again to project into peacetime, emergency controls of war. The parallel is clear. The following quotation from Senator Chamberlain's statement is as true today as it was in 1919 and 1920:

The method adopted by the framers of the bill in order to conceal this scheme and its true inwardness, and thus to secure its adoption by an unsuspecting Congress, was somewhat complicated. The whole of it is not to be found in any one section of the bill or in plain language anywhere. But it is all there, nevertheless, and it can be discovered readily enough by assembling its ingeniously scattered parts.

The War Department General Staff's scheme, so thoroughly repudiated in 1920, appears again on a vastly enlarged scale in the present unification bill. Recent witnesses before congressional committees have scoffed and belittled the dangers of military ambition in high places, taking the position that in the 45 years of its existence the General Staff has never challenged the power of Congress. A true statement of the case would be that the General Staff has never, at least until the present, successfully challenged the power of Congress.

There is no reason why Congress, particularly the House, should have an inferiority complex in matters of defense legislation. There is no more reason why this House of Representatives should now blindly accept a military-written bill for national defense than it did in 1920. There is no apparent reason why the present Members of the House are not just as capable of enacting good strong defense legislation as were our 1920 predecessors. There is no indication that we are not as fully capable as our predecessors to pass on requests for military legislation. Above all, when passing on such requests we are no less able to give the country a bill that provides for the organization of the Nation's war power, but which keeps military power in harmony with our traditions of democracy.

Ever since the 1932 defeat of unification by the Senate—until the present—Congress had seemed to heed the advice of one of the Nation's greatest soldiers and statesmen, General of the Armies Douglas MacArthur, who in 1932 stated his opinion of unification. General MacArthur said:

No other measure proposed in recent years seems to me to be fraught with such potential possibility of disaster for the United States as in this one. * * * Not only the military history of this country, but of every country, gives indisputable proof of the advantages of maintaining in time of war the integral control of two great branches of national defense—the Army and the Navy. Each must be free to perform its mission unhindered by any centralized and ponderous bureaucratic control. * * * Pass this bill and every potential enemy of the United States will rejoice.

So far I have spoken of the history of unification and the similarity between the present merger proposals and the previous proposals which were so decisively defeated whenever they arose. Let us now look more closely at the proposals as were embraced by H. R. 2319, and S. 758, its Senate counterpart.

The present discussions of unification, merger, or whatever name is given to the reorganization of the armed forces, can never be complete until thorough and exhausting consideration is given to the question: Who should manage the conduct of a war?

The question of responsibility for war management is one whose answer may determine the life or death of a nation.

To many the obvious answer is—the military.

This same too obvious answer is the one reached by the military men who drew up the prewar industrial mobilization plan. This plan, drawn up during the years of peace by uniformed military men, placed on paper a scheme for an industrial czar with enormous powers. This czar would have headed a machine whose controls were in the hands of the military.

The official Government—Bureau of the Budget—report on war administration, The United States at War, criticizes the plan as scarcely meriting the build-up it had been given; it was a document dealing only in generalities with the problem of governmental organization for war and it was formulated for conditions unlike those which actually arose. Further it would have constituted virtual abdication by the President and would have made it difficult for the President to control the board strategy of defense preparation and foreign economic policy. Moreover the plan carried with it potentialities of far greater military influence in the management of governmental affairs than appeared either desirable or politic.

The document is prima facie evidence of charges made by Donald M. Nelson in his book, Arsenal of Democracy, that top echelon of our military men had a lack of understanding of our national economy and psychology. It might even be considered to show a studied disregard for our constitutional form of government.

Even a casual reading of the official report on war administration, The United States at War, reveals that military management of the late war would have been a hideous blunder, and further that our prior defense planning would have been more realistic if the plans prepared by the military had had civilian criticism and supervision. Indeed, there was great truth in Clemenceau's statement that war is too important a matter to be left to the military.

War extends from the sowing of seed, the growing of crops on up through a thousand operations to the finished supply item and weapons, and the military mind is not trained to grasp and solve the problems.

The record is plain for all to see. War is too important a matter to be left to the military. No other interpretation can be made by anyone interested in preserving the Nation and its democratic form of government. The complex machinery of our industrial economy, the delicate negotiations of foreign policy, the abstruse maneuverings of international finance and economic warfare, must be left to those competent to understand them, to those with experience, the civilians, and the military confined to their narrow technical field, the preparation for, and the conduct of, battle.

At the same time, the record clearly shows that the military must advise the civilian rulers as to the technical requirements and capabilities of the armed forces, while the civilians must keep the military plans within the bounds of our national resources.

And, finally, it is crystal clear that the military monkey wrench must be kept out of the national war machine in whatever design of governmental organization for war management is adopted. For to permit immediate or gradual growth of military control of war management is to follow the path of militarism—to disaster.

HOW THE MILITARY INFLUENCE IS EXERTED IN THE CURRENT MERGER PROPOSALS

While there are innumerable devices planted throughout H. R. 2319 and S. 758, and to a lesser extent in H. R. 4214, for the exercise of military influence in the management of the Nation, two of them deserve special mention: First, the device of the interlocking directorate; and second, studied provisions whereby boards which are nominally civilian in character are required to rely upon subordinate bodies which are military in character.

The interlocking-directorate device appears throughout H. R. 2319, S. 758, and H. R. 4214. By this device the higher level, supposedly civilian, agencies such as the National Security Council and the National Security Resources Board can be swayed by the preponderant and continuous influence of the War Council and Munitions Board, their lesser military counterparts. This effect is much more obvious in the National Security Council and may be shown as follows:

The Secretaries of National Security, Army, Navy, and Air are on the War Council. There, in a military atmosphere, seated with their military advisers, they could come to conclusions on industry, foreign affairs, labor and manpower, education, and public information. These conclusions could reflect purely the military viewpoint. Then as members of the National Security Council, the four military Secretaries would have a preponderant voice, as they would hold four out of seven votes.

This preponderance, it is true, could be ignored by the President when his views coincided with the minority representing purely the civilian side of government. The decision in any event is the President's. But he could not consistently ignore the views of the majority of the Council that would represent the military. This is the basis of the unfavorable comment made by the Christian Science Monitor when its editorial of May 26 objected to the military domination of the National Security Council.

These objections cannot be brushed aside by the mere statement that the men selected for these important positions would be unlikely to form such a cabal. Democratic governments of and by civilians are not wise to set up machinery which would permit and assist the use of such devices. The historical fact remains that men have done such things.

The interlocking directorate is less apparent in the bill's provisions for the National Security Resources Board. But it is there, and probably of greater potential danger because of the devious approach.

These bills fail to specify the congressional intention as to the minimum membership on the Security Resources Board of interested departments and agencies. This leaves the way open for intrigue as to members to be named. Certainly it would be possible to name as members of the Security Resources Board the same Under or Assistant Secretaries who are the prescribed members of the Munitions Board. It is significant to note that the Assistant Secretary of the Navy, Mr. Kenney, has publicly expressed an opinion that there are times when it would be desirable "to have the same individual serve as chairman of both boards." Thus the preponderant military voice in the National Security Council would be duplicated in the National Security Resources Board.

The dangers of this interlocking directorate influence upon the National Security Resources Board should be obvious. The raw resources and the industry of a nation are the measures of its war-making potential.

Senator Chamberlain's prophecy that the objectives and devices of the War Department's 1919 bill "will appear in the future," has come true. The same objectives are being sought by the same devious means, and they are still as objectionable from either the viewpoint of maintaining democratic government or of assuring an understanding and efficient mobilization of a nation's resources for war.

This issue of military control over civilian economy was well summarized by the editorial More Than a Merger, appearing in the May 26, 1947, Christian Science Monitor. It is printed herewith, marked exhibit A, as is an editorial on H. R. 4214:

> But if history teaches anything at all, it teaches that the military do not understand the workings of industry nor the needs of civilian economy. It teaches that the direction of top national policy must be wholly free from military domination.

The other major device by which the military will exert its influence over the management of national affairs, particularly the national economy, is the carefully planned reliance which the National Security Resources Board is required to place upon the Munitions Board.

While H. R. 4214 does make some provision for a staff for the Resources Board, it makes no provision, or even a mention of any civilian counterparts of the Munitions Board. It leaves a complete vacuum to offset the military influence of the Munitions Board.

THE JOINT STAFF

The provision for a Joint Staff is a crucial portion of H. R. 2319, S. 758, and—I am sorry to say—H. R. 4214, for it marks a departure from congressional precedent. In 1916 and 1920 Congress prescribed definite restrictions on the War Department General Staff. The argument may come up that this Joint Staff is not a National General Staff. The fact is that it can be a National General Staff in all but name, and the Director can become a National Chief of Staff. Since a National General Staff was the goal of the War Department's high command in supporting last year's merger bill, it would not be realistic to believe that the War Department General Staff will not take full advantage of the blank-check provisions of this section pertaining to the Joint Staff.

If the history of militarism teaches anything it is that militaristic forces within a great nation are dynamic, and military elements will take not only what powers as are given, but will seize or usurp whatever additional power that is not prohibited to them by positive law or action.

The dangers of the Joint Staff are not mere imagination. General Edson felt so strongly on this issue of militarism that he risked the ire of his superiors to speak upon this matter. Said General Edson, one of our Nation's most distinguished soldiers and holder of the Congressional Medal of Honor for heroism on the field of battle:

> In my opinion, one of the most dangerous and least understood provisions in this entire legislation is that which sets up the Joint Staff. It must be understood from the outset that regardless of what it is called, this Joint Staff is in fact a National General Staff—the "Oberkommando" of the Prussian military system. It is this body of permanent General Staff officers which will formulate the policies of the Joint Chiefs of Staff and will be, in fact, the military advisers of the Secretary of the National Military Establishment.
>
> Congress should recognize this fact, and, as it has done in the past when dealing with the War Department General Staff, should carefully delineate and circumscribe its powers and functions. Also, in my opinion, Congress should limit the tenure of duty of its members, and provide for equitable, rotation of the office of Director among all the services. Only by so doing can Congress prevent the growth of a military clique which will inevitably extend its influence into every department of government—civilian as well as military. We have only to search the records of history to realize the truth of this statement.

This warning was reiterated by Admiral Zacharias and Captain Karig of the Navy.

There is not a sufficient understanding among Members of Congress as to the true implications of the section on the Joint Staff. For instance, the report of the Senate Armed Services Committee, commenting on the Joint Staff, minimized the grave warnings with the statement:

> The Joint Staff as proposed in this bill has in itself no command authority. (P. 14, Report of Senate Armed Services Committee on S. 758.)

That statement is in itself true, but it is false in its inference that in this respect the Joint Staff differs from any other staff. The fact is that no staff has in itself any command authority. Staff officers exercise their power in the form of delegated authority from their superiors. Paragraph 6, United States Army Field Manual 101–5, Staff Officers' Field Manual.

It is the imperceptible, gradual, and constant accumulation of more authority in carrying out the policy of their so-called superior authorities that national general staffs became a dominant force in their government. Again it is well to emphasize that while this section does not make it mandatory that the Joint Staff shall become a National General Staff, the section, by its lack of re-

strictions, opens the door to such an eventuality. Not even the great German General Staff had in itself command authority. Von Moltke, at the pinnacle of his power as chief of staff—military ruler of that nation, had, in himself, no command authority, as he issued orders in the name of his superior, the Emperor—data from Whitten's Von Moltke, a biography.

Congress has never previously permitted the fact that a "staff in itself has no command authority" to deter it from prescribing the most definitive restrictions on the War Department General Staff. The Defense Act of 1916 placed definite restrictions on the War Department General Staff, restrictions designed to keep that staff from accumulating increasing authority even within the War Department.

Congress was even more insistent in controlling the ambitions of the War Department General Staff, and specified detailed General Staff restrictions in the National Defense Act of 1920.

Thus, this Congress in authorizing a National General Staff is giving such a staff a completely free hand at the highest national military level, whereas it has been the historic sense of Congress to impose most specific restrictions on General Staff influence within even the relatively restricted sphere of the War Department.

The mere fact that the military resists congressional efforts to put restrictive provisions on the Joint Staff is prima facie evidence of the fact that those who sought an outright authorization of a National General Staff in last year's unification bill fully intend to use the Joint Staff in this year's bill as a means of attaining their nefarious objective.

Congress should consider well the inherent dangers of the section of the bill pertaining to the Joint Staff before giving it the effect of law. If the section as written is passed it will mark the victory of General Staff influences over Congress, which for 44 years has fought to restrain such influences within our Government.

ECONOMY

Innumerable claims have been made by proponents of this legislation that great savings will result from its enactment through the elimination of waste and duplication. These claims are invariably couched in generalities, and in spite of repeated demands from committee members that concrete facts and figures be produced to support these claims, no such facts and figures have been forthcoming. The reason for this is probably a realization on the part of the bill's sponsors that if they cited a specific instance of waste and duplication that would be eliminated on passage of the bill, the question would immediately be asked: "Why do not you do it now—what prevents you?" The answer is, of course, that nothing in the present system stands in the way of the elimination of waste and duplication.

The fact should not be overlooked, in connection with any possible economies which might result from merger, that there is a point of diminishing returns in the growth of any organization. When this fact is coupled with the fact that the chief partner in the proposed merger is notorious for its inept and profligate management of its business affairs, the specious claims of economy may well be questioned.

Neither the Marine Corps nor naval aviation was adequately protected in either S. 758 or in H. R. 2319.

Provisions which I think were necessary and which may be adequate to protect the integrity of the marines, of naval aviation, have been written, first, into H. R. 3979 introduced by me, and later into H. R. 4214, which is now before the House.

The representatives of the Joint Staff have insisted from the very beginning until the last day this bill was under consideration that there should not be written into it the roles and functions of the component parts of our armed forces.

Their very evident and apparent desire is to retain in their own hands supreme power.

FUNCTIONS OF THE ARMED SERVICES

The matter of legislative delineation of the roles and functions of the armed services is one of the chief issues in the unification controversy.

If the basic functions of all services were clearly defined, the apprehensions of the Navy for its air component and the apprehensions of the Marine Corps for its effectiveness would disappear—and with them much of the present disagreement.

The War Department is urgently desirous of excluding the roles and missions of the armed services from law, since such an omission will permit the gradual reorientation of our military power in the direction of the ground arm. Every bill that the War Department has had a part in framing has avoided mention of roles and functions, and War Department spokesmen have fought against statutory enactment.

When closely examined, War Department witnesses admit the unquestionable right of Congress to establish the basic functions of any agency it creates, yet it is claimed that roles and functions are constantly changing and are thus not suited to legal expression. This is specious reasoning.

The fears of naval aviation and the Marine Corps are based on the strongest of written evidence—the following statements:

General Spaatz, commanding general, Army Air Forces:

> I recommend therefore that the size of the Marine Corps be limited to small, readily available, and lightly armed units, no larger than a regiment, to protect United States interests ashore in foreign countries and to provide interior guard of naval ships and naval shore establishments.

General Eisenhower, Chief of Staff, United States Army:

> I therefore recommend that the above concept be accepted as stating the role of the Marine Corps and that marine units not exceed the regiment in size, and that the size of the Marine Corps be made consistent with the foregoing principles.

Admiral Nimitz, Chief of Naval Operations, in reply to the above:

> The basic and major issues * * * comprise a proposal on the part of the Army (a) to eliminate the Marine Corps as an effective combat element, reducing it to the status of a naval police unit.

General Eisenhower, Chief of Staff, United States Army, also wrote:

> 1. That the Marine Corps is maintained solely as an adjunct of the fleet and participates only in minor shore combat operations in which the Navy alone is interested.
>
> * * * * * *
>
> 3. That it be agreed that the Navy will not develop a land army or a so-called amphibious army; marine units to be limited in size to the equivalent of the regiment, and the total size of the Marine Corps therefore limited to some 50,000 or 60,000 men.

In addition to General Eisenhower, others expressed their willingness to see the basic functions written into law. Why, then, was a meaningful section on the subject not included in S. 758? There are two reasons:

First. The War Department didn't want it.

Second. It was part of the agreement not to have it.

The question may well be raised, if Secretary Forrestal, Admiral Nimitz, and General Vandegrift have all declared that S. 758 provides adequate protection for the Marine Corps, what further objection could there be? In answer to this it must first be recalled that the principals in this controversy have been under continuing, and understandable, pressure to reach a compromise.

Second, and most significant, it must be realized that no individual primarily involved has been a free agent as to testimony, the Cabinet officers because of their administration affiliation and the military personnel because of the official gag, which, most significantly, was not raised until June 23, after all chance of effective testimony was past.

H. R. 4214 is a superior bill to S. 758 in that it prescribes the general functions of the armed services. It does not legislate tactics, and its provisions ar sufficiently broad so as not to freeze progress. But at the same time it is sufficiently definite to prevent the recurrence of such unfortunate interservice disputes as that which raged over the Marine Corps and naval aviation for over 2 years.

But, while the representative of the Joint Staff, General Norstad, appearing as late as Thursday afternoon before members of the subcommittee, insisted that the Congress should not write into the act provisions which some members of the committee believed were necessary if the integrity of naval aviation and the Marine Corps was to be protected, when confronted by the provisions of the Constitution, it was admitted that the Congress had the unquestioned right to write legislation such as that embodied in H. R. 4214.

In all humility, it is respectfully submitted that H. R. 4214 will more adequately protect and make efficient the armed forces of the Nation than will S. 758 or any similar bill.

At the same time, I cannot again avoid calling to the attention of this Congress the provisions of the Constitution and the fact that legislation of this kind is a right-about-face and a retreat from the theory of government established therein.

Our forefathers, burdened by excessive and oppressive taxation, deprived of their personal and their religious liberties, came to this country and they here established a form of government then new to the world.

They established a system of checks and of balances.

They provided that the Congress should provide for the national defense.

In the Constitution they sought to implement that defense by providing that the Congress should establish and maintain an army, appropriations for which were limited to a 2-year period. That limitation was undoubtedly written into the Constitution because its authors feared military authority, feared a dictatorship.

The Constitution provided that the Congress should establish and maintain a navy.

Now, because of the fear brought about by propaganda, the military seeks to, and apparently will be successful in inducing the Congress to abdicate its authority, to shirk its responsibility, and to turn over to the Joint Chiefs of Staff, to a supermilitary organization imposed upon our armed forces, the duty of providing a national defense.

This bill does not provide for unification. It adds to the Army and the Navy provided for in the Constitution a third department—the Air Force.

No one is so dumb as to believe that the Constitution bars the use of any and all methods of defense or offense which would add to our national safety.

Few, indeed, are those who believe that either the Army or the Navy could in these days provide national defense without adequate air forces.

Few, indeed, are those who believe that the Air Force alone or any outfit advocating the efficiency of a push-button war, could carry on without the aid of both the Army and the Navy and all their component parts.

For more than 150 years, under the principles prescribed in the Constitution and using the methods advocated by the leaders of our armed forces, this Nation has successfully defended itself.

The last two world wars have demonstrated beyond any argument that our fighting forces are superior, when backed by our production methods, to that of any one or all other armed forces now or heretofore in existence.

Other nations have followed their military leaders in their unification and centralization schemes, giving power to military leaders. Hitler tried it. Mussolini tried it and Stalin has used it. Yet, every time it has failed when confronted and put to the test by the so-called wasteful, inefficient methods of the United States of America.

Unification, centralization, in the hands of the military authorities has been one of the major causes of the downfall of every nation which has adopted it.

It is difficult to understand why we, successful as we have been under our constitutional methods of fighting and winning wars, should adopt, embrace, and follow the methods of the losers.

My vote will be cast for H. R. 4214 because and only because some legislation on the subject is to be adopted by this Congress and that bill is the least harmful.

Were it in my power, I would refuse to legislate on this subject at this time; recommit the bill to the committee, with instructions to its sponsors to lay on the line some assurance that they are not seeking regimentation, a dictatorship, and that their proposals would give us some economy, some greater efficiency.

EXHIBIT A

[From the Christian Science Monitor, Boston, Mass., of May 26, 1947]

MUCH MORE THAN A MERGER BILL

The so-called merger bill is turning out under close inspection to be something quite different—something much broader and more far-reaching. To put it differently: There is another, less obvious side of the bill which is neither being headlined nor discussed. And it is time the American people are told what this measure really means.

This bill does more than draw a blueprint of unified direction and better teamwork for the military and naval services. Of much deeper significance, it is a piece of basic legislation which establishes how and by whom national policy and the civilian economy shall be controlled in any prospect of war.

We have supported the general provisions of the merger, particularly coordination of foreign policy, military policy, and industrial potential. But because this bill originated in the thinking of military men, the power it assigns or permits to the military over national policy and civilian affairs is very great—much greater, we think, than the American people would knowingly choose.

Here are some of the provisions of the National Security Act which we question in this regard:

1. On the National Security Council, which should not only coordinate but also keep in balance foreign policy, military policy, and national production and resources, the Secretary of State and the Chairman of the National Security Resources Board face not only the Secretary of National Defense, but also the Secretaries of the Army, Navy, and Air Force. The ratio thus is weighed 4 to 2 in favor of the armed forces.

2. The National Security Resources Board, an independent agency, is charged with advisory duties only and concerned with broad preparedness policy. The Munitions Board, however, is placed wholly within the Department of National Defense and staffed with top officials of the three military departments. This Board is given the kind of functions which could mean actual control and direction of the civilian economy by the military in case of war: to determine priorities, to supervise subordinate agencies, and to "make recommendations to regroup, combine, or dissolve existing interservice agencies operating in the fields of procurement, production, and distribution."

3. The wording of the act not only permits, but actually encourages, interlocking directorates as regards the Munitions Board, the Resources Board, and a third, the Resources and Development Board. Representatives, and perhaps the same representatives, of the military departments could dominate all three.

4. The act permits, in fact suggests, that the Director of the Central Intelligence Agency serving the state as well as the Defense Departments, be an officer of one of the armed forces rather than a civilian.

5. In somewhat oblique but nonetheless definite language the act perpetuates certain of the war powers of the President notwithstanding the expiration provisions in the laws which established them. It hands over to the Secretary of National Defense the blanket authority which hitherto in peacetime has traditionally rested with Congress.

We do not impute to the generals and admirals any plot to set up a military dictatorship. Their training and professional experience have simply made them pattern this legislation by military standards.

But if history teaches anything at all, it teaches that the military do not understand the workings of industry nor the needs of civilian economy. It teaches that the direction of top national policy must be wholly free from military domination.

What to do about this Security Act of 1947? The essential basis of the merger compromises between the armed services, perhaps, should not be disturbed. But the broader objectives of the bill need study and public discussion before anything becomes law.

[From the Christian Science Monitor, Boston, Mass., of July 10, 1947]

THAT HISTORIC EQUILIBRIUM

The Gurney bill providing for merger of the armed forces has just been passed by the Senate with but slight amendment. It now goes to the House of Representatives where its counterpart is still in committee, together with an alternative bill introduced by Representative CLARE E. HOFFMAN, of Michigan. The Senate bill is backed by the administration, and is the one now being publicly discussed.

This newspaper approves and has supported the general framework and the broad objectives of the administration measure. We believe that the conduct of this country's military and foreign policies and the development and mobilization of its industrial potential and natural resources must be coordinated closely at the highest levels. We are in agreement that grand and lesser strategy must be planned and executed with all the service branches working as members of one team. We are persuaded that this can be done without loss of the esprit de corps and the specialized know-how of each of these branches or of constructive rivalry between them. We are sure that existing duplications can be greatly reduced in the interests of efficiency and economy.

All of these things the Gurney bill sets out to do. With certain exceptions, it is so framed, in our opinion, that it should accomplish its purpose. But these exceptions have a momentous bearing on the American way of life.

They have little or nothing to do with the military aspects of the merger. They do not pertain to unified command, to task-force strategy, or teamwork between the fighting arms.

These exceptions are provisions in the Gurney bill which would weight the top coordination of the armed forces, State Department, and industrial potential much too heavily with the military view. They would set up a Central Intelligence Agency, with no restrictions against possible evolution into some sort of a superpolice force within the United States.

They would place military chiefs on the highly important War Council to sit as coequals with their civilian Secretary superiors. They would locate too much of the job of

industrial mobilization wholly within the new military department. These are some examples.

Fortunately, Congress has specific correction right at hand for these dangerous defects. It is in the form of certain provisions of the Hoffman bill (H. R. 3979), which has taken account of testimony given at House committee hearings.

We cannot go along with Mr. HOFFMAN in his weakening of the Secretary of National Defense by making him a coordinator instead of a true department head. Other than that, his bill appears specifically and effectively to counteract the military overloading inherent in the Gurney bill.

We urge that these corrections be written into the Gurney bill and the amended bill enacted. Americans want true unification of all of their instruments of national defense. They want also preservation of that historic equilibrium between civilian and military control. If Congress is alert, they can have both.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that the bill be considered as read, that it be printed at this point in the RECORD, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

(The bill reads as follows:)

Be it enacted, etc., That this act may be cited as the "National Security Act of 1947."

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DECLARATION OF POLICY

SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide three military departments for the operation and administration of the Army, the Navy (including the naval air force and the United States Marine Corps), and the Air Force, with their assigned combat and service components; to provide for their authoritative coordination and unified direction under civilian control but not to merge them; to provide for the effective strategic direction of the armed forces and for their operation under unified control and for their integration into an efficient team of land, naval, and air forces.

TITLE I—COORDINATION FOR NATIONAL SECURITY

NATIONAL SECURITY COUNCIL

SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

The Council shall be composed of the President; the Secretary of State; the Secretary of Defense, appointed under section 102; the Secretary of the Army, referred to in section 202; the Secretary of the Navy; the Secretary of the Air Force, appointed under section 204; and the Chairman of the National Security Resources Board, appointed under section 106.

(b) In addition to performing such other functions as the President may direct, for the purpose of more effectively coordinating the policies and functions of the departments and agencies of the Government relating to the national security, it shall, subject to the direction of the President, be the duty of the Council—

(1) to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith; and

(2) to consider policies on matters of common interest to the departments and agencies of the Government concerned with the national security, and to make recommendations to the President in connection therewith.

(c) The Council shall have a staff to be headed by a civilian executive secretary who shall be appointed by the President, and who shall receive compensation at the rate of $14,000 a year. The executive secretary, subject to the direction of the Council, is hereby authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

(d) The Council shall, from time to time, make such recommendations, and such other reports to the President as it deems appropriate or as the President may require.

SECRETARY OF DEFENSE

SEC. 102. (a) There shall be a Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate: *Provided*, That a person who has held a commission in a Regular component of the armed services shall not be eligible for appointment as Secretary of Defense. The Secretary of Defense shall be the principal assistant to the President in all matters relating to the national security. Under the direction of the President and subject to the provisions of this act he shall perform the following duties:

(1) Establish general policies and programs for the National Military Establishment and for all of the departments and agencies therein;

(2) Exercise general direction, authority, and control over such departments and agencies;

(3) Take appropriate steps to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, and research;

(4) Supervise and coordinate the preparation of the budget estimates of the departments and agencies comprising the National Military Establishment; and supervise the budget programs of such departments and agencies under the applicable appropriation act.

Provided, That nothing herein contained shall prevent the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force from presenting to the President or to the Director of the Budget, after first so informing the Secretary of Defense, any report or recommendation relating to his department which he may deem necessary: *And provided further*, That the Department of the Army, the Department of the Navy, and the Department of the Air Force shall be administered as individual executive departments by their respective Secretaries and all powers and duties relating to such departments not specifically conferred upon the Secretary of Defense by this act shall be retained by each of their respective Secretaries.

(b) The Secretary of Defense shall submit annual written reports to the President and the Congress covering expenditures, work, and accomplishments of the National Military Establishment, together with such recommendations as he shall deem appropriate.

(c) The Secretary of Defense shall cause a seal of office to be made for the National Military Establishment of such design as the President shall approve, and judicial notice shall be taken thereof.

MILITARY ASSISTANTS TO THE SECRETARY

SEC. 103. Officers of the armed services may be detailed to duty as assistants and personal aides to the Secretary of Defense, but he shall not establish a military staff.

CIVILIAN PERSONNEL

SEC. 104. (a) The Secretary of Defense is authorized to appoint from civilian life not to exceed three special assistants to advise and assist him in the performance of his duties. Each such special assistant shall receive compensation at the rate of $10,000 a year.

(b) The Secretary of Defense is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such other civilian personnel as may be necessary for the performance of the functions of the National Military Establishment.

CENTRAL INTELLIGENCE AGENCY

SEC. 105. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. The Director shall receive compensation at the rate of $14,000 a year.

(b) (1) If a commissioned officer of the armed services is appointed as Director then——

(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which $14,000 exceeds the amount of his annual military pay and allowances.

(c) Nothwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the President through the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government, using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpena, law-enforcement powers, or internal-security functions: *Provided further*, That the responsibility and authority of the departments and other agencies of the Government to collect, evaluate, correlate, and disseminate departmental intelligence shall not be affected by this section: *And provided further*, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

(e) To the extent recommended by the National Security Council and approved by the President, such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination.

(f) Effective when the Director first appointed under subsection (a) has taken office—

(1) the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1496) shall cease to exist; and

(2) the personnel, property, and records of the Central Intelligence Group are transferred to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

NATIONAL SECURITY RESOURCES BOARD

SEC. 106. (a) There is hereby established a National Security Resources Board (hereinafter in this section referred to as the "Board") to be composed of the Chairman of the Board and such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President to be members of the Board. The Chairman of the Board shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $14,000 a year.

(b) The Chairman of the Board, subject to the direction of the President, is authorized, without regard to the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to assist the Board in carrying out its functions.

(c) It shall be the function of the Board to advise the President concerning the coordination of military, industrial, and civilian mobilization, including—

(1) policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war;

(2) programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions;

(3) policies for unifying, in time of war, the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution or transportation of military or civilian supplies, materials, and products;

(4) the relationship between potential supplies of, and potential requirements for, manpower, resources, and productive facilities in time of war;

(5) policies for establishing adequate reserves of strategic and critical material, and for the conservation of these reserves;

(6) the strategic relocation of industries, services, government, and economic activities, the continuous operation of which is essential to the Nation's security.

(d) In performing its functions, the Board shall utilize to the maximum extent the facilities and resources of the departments and agencies of the Government.

TITLE II—THE NATIONAL MILITARY ESTABLISHMENT

ESTABLISHMENT OF THE NATIONAL MILITARY ESTABLISHMENT

SECTION 201. (a) There is hereby established the National Military Establishment, and the Secretary of Defense shall be the head thereof.

(b) The National Military Establishment shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created under title II of this act.

DEPARTMENT OF THE ARMY

SEC. 202. (a) The Dpartment of War shall hereafter be designated the Department of the Army, and the title of the Secretary shall be changed to Secretary of the Army. Changes shall be made in the titles of other officers and activities of the Department of the Army as the Secretary of the Army may determine.

(b) All laws, orders, regulations, and other actions relating to the Department of War or to any officer or activity whose title is changed under this section shall, insofar as they are not inconsistent with the provisions of this act, be deemed to relate to the Department of the Army within the National Military Establishment or to such officer or activity designated by his or its new title.

(c) The term "Department of the Army" as used in this act shall be construed to mean the Department of the Army at the seat of government and all field headquarters, forces, Reserve components, installations, activities, and functions under the control or supervision of the Department of the Army.

(d) The Secretary of the Army shall cause a seal of office to be made for the Department of the Army, of such design as the President may approve, and judicial notice shall be taken thereof.

(e) In general the United States Army, within the Department of the Army, shall include land combat and services forces and such aviation and water transport as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations on land. It shall be responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Army to meet the needs of war.

DEPARTMENT OF THE NAVY

SEC. 203. (a) The term "Department of the Navy" as used in this act shall be construed to mean the Department of the Navy at the seat of government; the headquarters, United States Marine Corps; the entire operating forces of the United States Navy, including naval aviation which shall hereafter be designated the naval air force, and of the United States Marine Corps, including the Reserve components of such forces; all field activities, headquarters, forces, bases, installations, activities, and functions under the control or supervision of the Department of the Navy;

and the United States Coast Guard when operating as a part of the Navy pursuant to law.

(b) In general the United States Navy, within the Department of the Navy, shall include naval combat and service forces and such aviation as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations at sea. It shall be responsible for the preparation of naval forces necessary for the effective prosecution of war except as otherwise assigned, and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war.

(c) The United States Marine Corps, within the Department of the Navy, shall include land combat and service forces and such aviation as may be organic therein. The primary mission of the Marine Corps shall be to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. It shall be the duty of the Marine Corps to develop, in coordination with the Army and the Air Force, those phases of amphibious operations which pertain to the tactics, technique, and equipment employed by landing forces. In addition to its primary mission, the Marine Corps shall provide detachments and organizations for service on armed vessels of the Navy, shall provide security detachments for the protection of naval property at naval stations and bases, and shall perform such other duties as the President may direct: *Provided*, That such additional duties shall not detract from or interfere with the performance of the primary mission hereinbefore set forth. The Marine Corps shall be responsible, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Marine Corps to meet the needs of war.

DEPARTMENT OF THE AIR FORCE

SEC. 204. (a) There is hereby established an executive department to be known as the Department of the Air Force, and a Secretary of the Air Force, who shall be the head thereof. The Secretary of the Air Force shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

(b) Section 158 of the Revised Statutes is amended to include the Department of the Air Force and the provisions of so much of title IV of the Revised Statutes as now or hereafter amended as is not inconsistent with this act shall be applicable to the Department of the Air Force.

(c) The term "Department of the Air Force" as used in this act shall be construed to mean the Department of the Air Force at the seat of government and all field headquarters, forces, Reserve components, installations, activities, and functions under the control or supervision of the Department of the Air Force.

(d) There shall be in the Department of the Air Force an Under Secretary of the Air Force and two Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President by and with the advice and consent of the Senate.

(e) The several officers of the Department of the Air Force shall perform such functions as the Secretary of the Air Force may prescribe.

(f) So much of the functions of the Secretary of the Army and of the Department of the Army, including those of any officer of such Department, as are assigned to or under the control of the Commanding General, Army Air Forces, or as are deemed by the Secretary of Defense to be necessary or desirable for the operations of the Department of the Air Force or the United States Air Force, shall be transferred to and vested in the Secretary of the Air Force and the Department of the Air Force: *Provided*, That the National Guard Bureau shall, in addition to the functions and duties performed by it for the Department of the Army, be charged with similar functions and duties for the Department of the Air Force, and shall be the channel of communication between the Department of the Air Force and the several States on all matters pertaining to the Air National Guard: *And provided further*, That, in order to permit an orderly transfer, the Secretary of Defense may, during the transfer period hereinafter prescribed, direct that the Department of the Army shall continue for appropriate periods to exercise any of such functions, insofar as they relate to the Department of the Air Force, or the United States Air Force or their property and personnel. Such of the property, personnel, and records of the Department of the Army used in the exercise of functions transferred under this subsection as the Secretary of Defense shall determine shall be transferred or assigned to the Department of the Air Force.

(g) The Secretary of the Air Force shall cause a seal of office to be made for the Department of the Air Force, of such device as the President shall approve, and judicial notice shall be taken thereof.

UNITED STATES AIR FORCE

SEC. 205. (a) The United States Air Force is hereby established under the Department of the Air Force. The Army Air Forces, the Air Corps, United States Army, and the General Headquarters Air Force (Air Force Combat Command), shall be transferred to the United States Air Force.

(b) There shall be a Chief of Staff, United States Air Forces, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years from among the officers of general rank who are assigned to or commissioned in the United States Air Force. Under the direction of the Secretary of the Air Force, the Chief of Staff, United States Air Force, shall exercise command over the United States Air Force and shall be charged with the duty of carrying into execution all lawful orders and directions which may be transmitted to him. The functions of the Commanding General, General Headquarters Air Force (Air Force Combat Command), and of the Chief of the Air Corps and of the Commanding General, Army Air Forces, shall be transferred to the Chief of Staff, United States Air Force. When such transfer becomes effective, the offices of the Chief of the Air Corps, United States Army, and Assistants to the Chief of the Air Corps, United States Army, provided for by the act of June 4, 1920, as amended (41 Stat. 768), and Commanding General, General Headquarters Air Force, provided for by section 5 of the act of June 16, 1936 (49 Stat. 1525), shall cease to exist. While holding office as Chief of Staff, United States Air Force, the incumbent shall hold a grade and receive allowances equivalent to those prescribed by law for the Chief of Staff, United States Army. The Chief of Staff, United States Army, the Chief of Naval Operations, and the Chief of Staff, United States Air Force, shall take rank among themselves according to their relative dates of appointment as such, and shall each take rank above all other officers on the active list of the Army, Navy, and Air Force: *Provided*, That nothing in this act shall have the effect of changing the relative rank of the present Chief of Staff, United States Army, and the present Chief of Naval Operations.

(c) All commissioned officers, warrant officers, and enlisted men, commissioned, holding warrants, or enlisted, in the Air Corps, United States Army, or the Army Air Forces, shall be transferred in branch to the United States Air Force. All other commissioned officers, warrant officers, and enlisted men, who are commissioned, hold warrants, or are enlisted, in any component of the Army of the United States and who are under the authority or command of the Commanding General, Army Air Forces, shall be continued under the authority or command of the Chief of Staff, United States Air Force, and under the jurisdiction of the Department of the Air Force. Personnel whose status is affected by this subsection shall retain their existing commissions, warrants, or enlisted status in existing components of the armed forces unless otherwise altered or terminated in accordance with existing law; and they shall not be deemed to have been appointed to a new or different office or grade, or to have vacated their permanent or temporary appointments in an existing component of the armed forces, solely by virtue of any change in status under this subsection. No such change in status shall alter or prejudice the status of any individual so assigned, so as to deprive him of any right, benefit or privilege to which he may be entitled under existing law.

(d) Except as otherwise directed by the Secretary of the Air Force, all property, records, installations, agencies, activities, projects, and civilian personnel under the jurisdiction, control, authority, or command of the commanding general, Army Air Forces, shall be continued to the same extent under the jurisdiction, control, authority, or command, respectively, of the Chief of Staff, United States Air Force, in the Department of the Air Force.

(e) For a period of 2 years from the date of enactment of this act, personnel (both military and civilian), property, records, installations, agencies, activities, and projects may be transferred between the Department of the Army and the Department of the Air Force by direction of the Secretary of Defense.

(f) In general the United States Air Force shall include aviation forces both combat and service not otherwise assigned. It shall be organized, trained, and equipped primarily for prompt and sustained offensive and defensive air operations. The Air Force shall be responsible for the preparation of the air forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

EFFECTIVE DATE OF TRANSFERS

SEC. 206. Each transfer, assignment, or change in status under section 204 or section 205 shall take effect upon such date or dates as may be prescribed by the Secretary of Defense.

WAR COUNCIL

SEC. 207. There shall be within the National Military Establishment a War Council composed of the Secretary of Defense, as Chairman, who shall have power of decision; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Forces; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force. The War Council shall advise the Secretary of Defense on matters of broad policy relating to the armed forces, and shall consider and report on such other matters as the Secretary of Defense may direct.

JOINT CHIEFS OF STAFF

SEC. 208. (a) There is hereby established within the National Military Establishment the Joint Chiefs of Staff, which shall consist of the Chief of Staff, United States Army; the Chief of Naval Operations; the Chief of

Staff, United States Air Force; and the Chief of Staff to the Commander in Chief, if there be one.

(b) Subject to the authority and direction of the President and the Secretary of Defense, it shall be the duty of the Joint Chiefs of Staff—

(1) to prepare strategic plans and to provide for the strategic direction of the military forces;

(2) to prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans;

(3) to establish unified commands in strategic areas when such unified commands are in the interest of national security;

(4) to formulate policies for joint training of the military forces;

(5) to formulate policies for coordinating the education of members of the military forces;

(6) to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and

(7) to provide United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

(c) The Joint Chiefs of Staff shall act as the principal military advisers to the President and the Secretary of Defense and shall perform such other duties as the President and the Secretary of Defense may direct or as may be prescribed by law.

JOINT STAFF

SEC. 209. There shall be, under the Joint Chiefs of Staff, a Joint Staff to consist of not to exceed 100 officers and to be composed of approximately equal numbers of officers from each of the three armed services. The Joint Staff, operating under a Director thereof appointed by the Joint Chiefs of Staff, shall perform such duties as may be directed by the Joint Chiefs of Staff. The Director shall be an officer junior in grade to all members of the Joint Chiefs of Staff.

MUNITIONS BOARD

SEC. 210. (a) There is hereby established in the National Military Establishment a Munitions Board (hereinafter in this section referred to as the "Board").

(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the three military departments, to be designated in each case by the Secretaries of their respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $14,000 a year.

(c) It shall be the duty of the Board under the direction of the Secretary of Defense and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff—

(1) to coordinate the appropriate activities within the National Military Establishment with regard to industrial matters, including the procurement, production, and distribution plans of the departments and agencies comprising the Establishment;

(2) to plan for the military aspects of industrial mobilization;

(3) to recommend assignment of procurement responsibilities among the several military services and to plan for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment and common use items on the basis of single procurement;

(4) to prepare estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations;

(5) to determine relative priorities of the various segments of the military procurement programs;

(6) to supervise such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities;

(7) to make recommendations to regroup, combine, or dissolve existing interservice agencies operating in the fields of procurement, production, and distribution in such manner as to promote efficiency and economy;

(8) to maintain liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith;

(9) to assemble and review material and personnel requirements presented by the Joint Chiefs of Staff and those presented by the production, procurement, and distribution agencies assigned to meet military needs, and to make recommendations thereon to the Secretary of Defense; and

(10) to perform such other duties as the Secretary of Defense may direct.

(d) When the Chairman of the Board first appointed has taken office, the Joint Army and Navy Munitions Board shall cease to exist and all its records and personnel shall be transferred to the Munitions Board.

(e) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

RESEARCH AND DEVELOPMENT BOARD

SEC. 211. (a) There is hereby established in the National Military Establishment a Research and Development Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of a Chairman, who shall be the head thereof, and two representatives from each of the Departments of the Army, Navy, and Air Force, to be designated by the Secretaries of their respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $14,000 a year. The purpose of the Board shall be to advise the Secretary of Defense as to the status of scientific research relative to the national security, and to assist him in assuring adequate provision for research and development on scientific problems relating to the national security.

(b) It shall be the duty of the Board, under the direction of the Secretary of Defense—

(1) to prepare a complete and integrated program of research and development for military purposes;

(2) to advise with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress;

(3) to recommend measures of coordination of research and development among the military departments, and allocation among them of responsibilities for specific programs of joint interest;

(4) to formulate policy for the National Military Establishment in connection with research and development matters involving agencies outside of the National Military Establishment;

(5) to consider the interaction of research and development and strategy, and to advise the Joint Chiefs of Staff in connection therewith; and

(6) to perform such other duties as the Secretary of Defense may direct.

(c) When the Chairman of the Board first appointed has taken office, the Joint Research and Development Board shall cease to exist and all its records and personnel shall be transferred to the Research and Development Board.

(d) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

TITLE III—MISCELLANEOUS

COMPENSATION OF SECRETARIES

SEC. 301. (a) The Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments.

(b) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall each receive compensation at the rate of $14,500 a year.

UNDER SECRETARIES AND ASSISTANT SECRETARIES

SEC. 302. The Under Secretaries and Assistant Secretaries of the Army, the Navy, and the Air Force shall each receive compensation at the rate of $10,000 a year and shall perform such duties as the Secretaries of their respective departments may prescribe.

ADVISORY COMMITTEES AND PERSONNEL

SEC. 303. (a) The Secretary of Defense, the Chairman of the National Security Resources Board, and the Director of Central Intelligence are authorized to appoint such advisory committees and to employ, consistent with other provisions of this act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation while serving as members of such committees shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed $35 for each day of service, as determined by the appointing authority.

(b) Service of an individual as a member of any such advisory committee, or in any other part-time capacity for a department or agency hereunder, shall not be considered as service bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203), or section 19 (c) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves a department or agency which such person is advising or in which such department or agency is directly interested.

STATUS OF TRANSFERRED CIVILIAN PERSONNEL

SEC. 304. All transfers of civilian personnel under this act shall be without change in classification or compensation, but the head of any department or agency to which such a transfer is made is authorized to make such changes in the titles and designations and prescribe such changes in the duties of such personnel commensurate with their classifications as he may deem necessary and appropriate.

SAVING PROVISIONS

SEC. 305. (a) All laws, orders, regulations, and other actions applicable with respect to any function, activity, personnel, property, records, or other thing transferred under this act, or with respect to any officer, department, or agency, from which such transfer is made, shall, except to the extent rescinded, modified, superseded, terminated, or made inapplicable by or under authority of law, have the same effect as if such transfer had not been made; but, after any such transfer, any such law, order, regulation, or other action which vested functions in or otherwise

related to any officer, department, or agency from which such transfer was made shall, insofar as applicable with respect to the functions, activity, personnel, property, records, or other thing transferred and to the extent not inconsistent with other provisions of this act, be deemed to have vested such function in or relate to the officer, department, or agency to which the transfer was made.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any transfer or change in title under the provisions of this act; and, in the case of any such transfer, such suit, action, or other proceeding may be maintained by or against the successor of such head or other officer under the transfer, but only if the court shall allow the same to be maintained on motion or supplemental petition filed within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain settlement of the questions involved.

(c) Notwithstanding the provisions of the second paragraph of section 5 of title I of the First War Powers Act, 1941, the existing organization of the War Department under the provisions of Executive Order No. 9082 of February 28, 1942, as modified by Executive Order No. 9722 of May 13, 1946, and the existing organization of the Department of the Navy under Executive Order No. 9635 of September 29, 1945, including the assignment of functions to organizational units within the War and Navy Departments, may, to the extent determined by the Secretary of Defense, continue in force for 2 years following the date of enactment of this act except to the extent modified by the provisions of this act or under authority of law.

TRANSFER OF FUNDS

SEC. 306. All unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by or on behalf of the Army Air Forces or officers thereof, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Such other unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by the Department of War or the Department of the Army in exercise of functions transferred to the Department of the Air Force under this act, as the Secretary of Defense shall determine, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Unexpended balances transferred under this section may be used for the purposes for which the appropriations, allocations, or other funds were originally made available, or for new expenditures occasioned by the enactment of this act. The transfers herein authorized may be made with or without warrant action as may be appropriate from time to time from any appropriation covered by this section to any other such appropriation or to such new accounts established on the books of the Treasury as may be determined to be necessary to carry into effect provisions of this act.

BUDGET ESTIMATES

SEC. 307. (a) So much of the annual budget transmitted to the Congress by the President as contains the estimates of appropriations for and expenditures by the National Military Establishment and the departments therein shall be so arranged as clearly to show—

(1) with respect to each item for which the President recommends an appropriation or expenditure, a statement of the nature of such item and of the amount recommended by the President, the Secretary of Defense, and the head of the department concerned, respectively; and

(2) with respect to any item for which the President does not recommend an appropriation or expenditure but for which a budget estimate for inclusion in such budget was submitted by the Secretary of Defense or by the head of a department therein, a statement of the nature of such item and of the amount recommended by the Secretary of Defense and the head of the department, respectively.

(b) Each supplemental or deficiency estimate for appropriations or expenditures transmitted to the Congress by the President which contains any item recommending an appropriation to or an expenditure by the National Military Establishment or any department therein shall be so arranged as clearly to show with respect to any such item a statement of the nature of the item and of the amount recommended by the President, the Secretary of Defense, and the head of the department, respectively.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 308. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

DEFINITIONS

SEC. 309. (a) As used in this act, the term "function" includes functions, powers, and duties.

(b) As used in this act, the term "budget program" refers to recommendations as to the apportionment, to the allocation, and to the review of allotments of appropriated funds.

SEPARABILITY

SEC. 310. If any provisions of this act or the application thereof to any person or circumstances is held invalid the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 311. (a) The first sentence of section 102 (a) and sections 1, 2, 308, 309, 310, and 311 shall take effect immediately upon the enactment of this act.

(b) Except as provided in subsection (a), the provisions of the act shall take effect on whichever of the following days is the earlier: The day after the day upon which the Secretary of Defense first appointed takes office, or the sixtieth day after the date of the enactment of this act.

The CHAIRMAN. Does the gentleman from Michigan [Mr. HOFFMAN] desire to offer any committee amendments at this time?

Mr. HOFFMAN. Yes, Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOFFMAN: Page 37, after line 22, add the following new section:

"SUCCESSION TO THE PRESIDENCY

"SEC. 312. Paragraph 1 of subsection (d) of section 1 of the act entitled 'An act to provide for the performance of the duties of the office of President in the case of the removal, resignation, death, or inability of both the President and Vice President,' approved July 18, 1947, is amended by striking out 'Secretary of War' and inserting in lieu thereof 'Secretary of National Security' and by striking out 'Secretary of the Navy'."

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to modify the amendment by striking out "Secretary of National Security" and inserting in lieu thereof "Secretary of Defense."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOFFMAN: Page 2, at the end of the table of contents, add the following:

"SEC. 312. Succession to the Presidency."

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOFFMAN: Page 14, line 3, strike out the comma after "of" and in line 4, strike out the comma after "for."

The committee amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOFFMAN: Page 32, line 5, strike out "(c)" and insert "(e)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. HOFFMAN: Page 18, line 7, after "established", strike out "an executive" and insert "a military."

The committee amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that if on the reading of the bill we discover other typographical errors they may be corrected by the legislative clerk.

The CHAIRMAN. Without objection, the Clerk will be authorized to correct typographical errors.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Beginning on page 8, line 10, strike out all down to and including line 18 on page 9 and insert in lieu thereof the following:

"(b) If a commissioned officer of the regular establishment of any of the armed services is nominated by the President for appointment as Director and his nomination for such appointment is confirmed by the Senate, he shall be ineligible to accept such appointment until he has resigned his commission or has been retired. Any such commissioned officer nominated and confirmed for appointment as Director shall be entitled, at his own request, to be retired from the armed service of which he is a member and to have his name placed upon the retired list of such service in the grade of major general or rear admiral (upper half), whichever may be appropriate, or in any higher grade in which he may be entitled to be retired under other provisions of law. Any commissioned officer retired under the provisions of this section shall be entitled to receive retired pay at the rate of 75 percent of the pay of the grade held by him on the retired list. While serving as Director he shall receive his retired pay and shall be paid, from any funds available to defray

the expenses of the agency, annual compensation at a rate equal to the amount by which $14,000 exceeds the amount of his annual retired pay."

Mr. JUDD. Mr. Chairman, this amendment was submitted in the committee before I got it worked out in perfected form with the help of the legislative counsel. It was voted down there by a small majority. I can explain briefly what it does.

Along the line of the remarks just made by the chairman of the committee, the gentleman from Michigan [Mr. HOFFMAN] there is a legitimate fear in this country lest we develop too much military control of any agency which has great powers and operates in secret. This central intelligence agency is supposed to collect military intelligence abroad; but we want to be sure it cannot strike down into the lives of our own people here. So we put in a provision that "the agency shall have no police, subpena, law-enforcement powers, or internal-security functions." To make still more certain that no would-be military dictator could ever use it as a gestapo many of us feel the director should be a civilian. Much of the testimony before us from people with a great deal of experience in this field was to the effect that the director should be a civilian. On the other hand, the committee did not think it ought to exclude a man who is now or at some later time may be in the military service from being appointed as director of the Central Intelligence Agency if he should be the best man for the job. It is my view that he should not have the job unless he first becomes a civilian so that he will have no divided loyalties, will not be standing with one foot in the civilian trough and one foot in the military trough.

Under the present language of this bill which the committee has drawn up, it was trying to accomplish the same thing I am after, but I do not believe it goes far enough. On page 8, line 10 is the following:

If a commissioned officer of the armed services is appointed as director then—

(A) in the performance of his duties as director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the department of the Army, the department of the Navy, the department of the Air Force, or the armed services or any component thereof.

Now, that sounds all right, but all of us, being human beings, surely know that if a one-star general is Director of Intelligence, and a two-star general or a three-star general talks to him, it is wholly unrealistic to imagine that they will not have influence over him, despite the law.

The man who had charge of our secret intelligence in Germany during the war was a civilian, Mr. Allen Dulles. He did such an extraordinary job that he was in contact with the top men in Hitler's secret service. Hitler had to execute his top five men because they were double-crossing him and playing ball with our people. Mr. Dulles told us that the man that takes this job ought to go into it as a man who goes into a monastery. He ought to take it as J. Edgar Hoover has taken the FBI job—make it his life's work. He certainly ought to be cut completely loose from any ties or responsibilities or connections with any other branch of the Government—civil or military—except the President and the National Security Council.

All this amendment does is to provide that if a commissioned officer of the armed services is nominated by the President and confirmed by the Senate as Director of Intelligence, then he shall be ineligible to accept such appointment and take office until he has either resigned his commission or has been retired. The amendment provides further that he can at his own request be retired in order to accept this appointment, but his retirement rights are protected so that when he is through as Director of Intelligence he will have the same perquisites and retirement benefits as does a major general or rear admiral, upper half.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Does the gentleman think that you can legislate relative to the heart and the mind of an individual?

Mr. JUDD. No, indeed.

Mr. HARNESS of Indiana. Does the gentleman think it makes any difference whether he is retired or whether he has not retired?

Mr. JUDD. Yes, I do.

Mr. HARNESS of Indiana. His sympathies and his heart will be with whatever branch of the service he was connected with.

Mr. JUDD. Certainly, his heart will always be with that branch, but his organic connection with it will be broken. In no sense will he be under its control or influence. Under the bill as it is written now he is always tempted to regard himself as what he still is, an officer of the armed forces. When he gets through as Director of Intelligence, or if he does not like the work, or does not do too good a job and is let out, well, never mind, he can always go back to active military service. To do that, he has to keep his bridges intact, his military fences in good repair. That is, his mind may not be single because his interests are divided. We do not want that.

Under the amendment he will still have his retirement rights; his family will be protected, and yet he is retired and completely separated from the military service, free from any possible influence so that he does not need to consider what might happen if the time should come that he wanted or needed to go back into the military service.

Mr. HARNESS of Indiana. Mr. Chairman, if the gentleman will yield further, the bill itself says: "In the performance of his duties as Director he shall be subject to no supervision, control, restriction or prohibition, military or otherwise."

Mr. JUDD. That is correct.

Mr. HARNESS of Indiana. Now, how much stronger can you make it? The only way you can change it is to say, "You are going to have a civilian."

Mr. JUDD. The only way to make it stronger is to have the man resign or retire. I do not want to make him resign and lose the benefits accumulated during his military life. I want him to retire so he can go, as it were, into a monastery; but at the same time to preserve what he has earned as an officer in the armed services so he and his family have that security. It seems to me that this is the middle ground between the two extremes. It will give us civilian-directed intelligence, and at the same time will protect any commissioned officer, if one is appointed because he is thought to be the best man for the job. I hope the Committee will support the amendment.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this section on central intelligence was given more study by our subcommittee and by the full committee than any other section of the bill. It was a most difficult section to write. All of us had the same objective in view, yet we had different ideas on it. I think personally that the compromise we reached adequately protects the position. Eventually I certainly trust that the head of this intelligence agency will be a civilian who is trained in the agency. It takes years to train that type of man. Some will tell you that the present director is not adequately trained; that is true. We do not have any man in the United States who has adequate training today to do this kind of work because unfortunately the United States has never gone in for the right kind of intelligence. If we had had a strong central intelligence organization, in all probability we would never have had the attack on Pearl Harbor; there might not have been a World War II. Many witnesses appeared before our committee. We were sworn to secrecy, and I hesitate to even discuss this section because I am afraid I might say something, because the CONGRESSIONAL RECORD is a public record, and divulge some information here that we received in that committee that would give aid and comfort to any potential enemy we have. For that reason I am even reluctant to mention the testimony. I hope the committee will support the provision in the bill, because the future security of our country in a large measure depends upon the intelligence we get. Most of it can be gathered without clandestine intelligence, but some of it must be of necessity clandestine intelligence. The things we say here today, the language we change, might endanger the lives of some American citizens in the future.

I think you can rely on the patriotism of men like the gentleman from New York [Mr. WADSWORTH], the gentleman from Massachusetts [Mr. MCCORMACK], the gentleman from California [Mr. HOLIFIELD], the gentleman from New York [Mr. LATHAM], and the gentleman from Michigan [Mr. HOFFMAN]. We did our best to work out language here that

would protect that position and keep from building up a so-called military hierarchy. A bill will be introduced soon after this legislation becomes law that will be referred to the Committee on Armed Services, where more study can be given to this most important subject. I sincerely trust that the amendment will be voted down.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I note the gentleman's statement that the subcommittee did its best. Yes, we did our best, but we had a great deal of doubt when we finished whether we were right or not. Does the gentleman recall that?

Mr. MANASCO. We did, and still have.

Mr. HOFFMAN. We are not seeking to impose our judgment on the Members of the House.

Mr. MANASCO. That is right. I am just trying to show that we were all honest in our efforts to accomplish the same objective.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from California.

Mr. HOLIFIELD. If the Members read this section carefully they will see that we did everything possible to divorce any military person from this position without taking away from him his prequisites, emoluments, pension expectations, and so forth, and also the rights of his family. I do not believe the amendment offered by the gentleman from Minnesota [Mr. JUDD] will cover particularly the family rights of the individual. At the present time we have Admiral Hillenkoetter in there. It seems that he is the best man for the job at the present time. I favor a civilian director in this position, but there is certain intelligence work in which Admiral Hillenkoetter is engaged at this time, he has the background of certain information, he is engaged in putting forward certain plans in this field, and so, in the wisdom of the committee, it was decided that he should not be interfered with at this particular time.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I trust the committee will give the amendment offered by the gentleman from Minnesota [Mr. JUDD] very careful consideration, because I think it is extremely important. There was considerable discussion in the committee, and by a very, very narrow vote it was decided not to include the amendment in the bill as reported by the committee.

I call the attention of the committee to one thing that I believe the gentleman from Minnesota [Mr. JUDD] failed to emphasize due to the fact that he did not have enough time. This agency has been running less than a year and a half. We have had three directors of the Central Intelligence Agency in that time. No one is criticizing Admiral Hillenkoetter, the present director of the agency, but there is nothing in the world to prevent him from being removed next week or next month and replaced with someone from the War Department or the Navy Department. The main point in the amendment offered by the gentleman from Minnesota [Mr. JUDD] is permanency and the effort to work toward a civilian head who is not influenced by any department of our Military Establishments.

It is true that you can refer to the language of the bill where it states he is relieved from this and he is relieved from that, but you cannot write into legislation that human element which enters into the Military Establishment of our country of a subordinate officer fearing that some day he might come under the direct command of a superior officer somewhere along the line.

That is what the amendment of the gentleman from Minnesota [Mr. JUDD] will correct. I think it is very important that the committee adopt this amendment. It provides for all retirement pay and other provisions for a military man so he can afford to separate himself completely from the military and make intelligence his life work.

The gentleman from Alabama [Mr. MANASCO] said that we could not find a man trained for this job. I believe it would be more correct to say that no attempt has been made to find a civilian to fill this particular job in the Central Intelligence Agency.

The committee as a whole was agreed that it would be fine to have a civilian head of the Central Intelligence Agency. But they did not want to include a qualified military or naval man from occupying such a position. The amendment offered by the gentleman from Minnesota corrects this situation, and I hope the Committee will adopt it.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. HARDY. Under the present language of the bill, assuming that the admiral now in charge continues in his present position, he would still be in the Navy, would he not?

Mr. BUSBEY. He would absolutely be in the Navy, and he could be transferred at any time.

Mr. HARDY. That is my point. He certainly could be transferred, and he could work it out with the Navy Department and get any other assignment that he wants.

Mr. BUSBEY. Absolutely. He is still a naval officer.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. HOLIFIELD. I know the gentleman wants to be fair. Section (A), page 8, line 12, continuing to line 19, and then in section (B), expressly states that no superior officer of any of these departments shall have any control over the gentleman once he is appointed by and with the consent of the other body. He could not be shifted or given a tour of duty. There is absolutely no control over him. The gentleman knows that that language is in the act.

Mr. BUSBEY. I am sorry, but the gentleman, I believe, did not understand my reference to human nature when it comes to military officers.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in an effort to help the Committee, I have a few observations to make on this very important question. I want no member to underestimate the importance of this. Whatever action the Committee of the Whole takes will be most agreeable to me because if we were not confronted with a very practical situation, in the subcommittee and in the full committee, I would have voted to provide for the appointment only of a civilian. I would have taken that action at the outset. But we are confronted with a very practical situation where the present director is an officer in the United States Navy with the rank of rear admiral.

As I see it, the amendment offered by the gentleman from Minnesota [Mr. JUDD] has this weakness as compared with the provisions of the bill: Suppose a man is 51 years old and he is an Army or a Navy officer. I think the admiral who is Director now is not much older than that. Immediately upon being appointed under the Judd amendment he will take three-quarters pay as retirement and in the next highest grade. Then, if he remains as Director for 2 or 3 or 4 years—and there is no term of tenure in this bill—if he were to be separated in 3 or 4 or 5 years, he is still a young man and he still would have three-quarters retirement pay, with the retirement age at 62.

We on the subcommittee tried to meet the practical situation so that whoever is appointed, if a commissioned officer, he would not be serving in a dual capacity. We put language in there just as strong as can be expressed by the human mind, that while Director he is serving in a civilian capacity. If he is removed, he is still young enough to continue in the service and, if he desires to do so, he does not get his retirement but he goes back and serves his time in the Army or Navy until he has earned his retirement. However, while he is in there the emoluments of the office that would accrue to him for retirement purposes and rank purposes would accrue to him.

It seems to me if we are going to keep any language in here, the language contained in the bill is preferable to that proposed by the gentleman from Minnesota, Dr. JUDD. I agree that whoever is appointed should be permanent. But what is permanency, unless it is appointment for life, with removal as provided for in the case of judges? We cannot give any man any assurance of permanency as far as an administrative position is concerned. The best we can do is as in the case of Mr. J. Edgar Hoover: A man by his personality, a man who impresses himself so much upon his fellowmen that permanency accrues by reason of the character of service that he renders. But J. Edgar Hoover has no tenure for life. He has earned it because of his unusual capacity. I remember in 1933 I was one of those who advocated his reappointment by the late President

Franklin D. Roosevelt. A distinguished former member of the House from Alabama, Mr. Oliver, and I went to the President on three different occasions urging the reappointment of J. Edgar Hoover. It was something I was proud to do, because he was the man for the job. But we cannot provide a permanent tenure.

In fact, after this bill passes, enabling legislation must be enacted with reference to this and other agencies affected by this bill.

We felt also that the basic question of whether or not one should be a civilian should lie with the standing committee, the regular committee of the House to which the bill will be referred. In the stop-gap situation—and that is what this is—we felt that the method we employed was the best that could be adopted under the existing circumstances.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

Mr. BROWN of Ohio. Mr. Chairman, I offer a substitute amendment which I have sent to the desk.

The Clerk read as follows:

Substitute amendment offered by Mr. BROWN of Ohio: On page 8, strike out lines 5 to 52, both inclusive; on page 9, strike out lines 1 through 18, both inclusive, and insert in lieu thereof the following: "head thereof. The Director shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of $14,000 a year."

Mr. BROWN of Ohio. Mr. Chairman, this amendment is a simplifying amendment. This amendment is offered for the purpose of settling the differences between the members of my committee, the Committee on Expenditures in the Executive Departments. It simply eliminates any quarrel or discussion about just how we take care of the Director of the Central Intelligence Agency if he should be a commissioned officer by providing very simply that the Director shall be a civilian. Then as a result you can strike out all of subsection (b) and on down to line 18 on page 9.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JUDD. I may say to the gentleman from Ohio and the Committee that I myself prefer his amendment and have from the beginning. I have one exactly like it which I intended to offer if the one I have offered were to be defeated. In it I was trying to go halfway between requiring that the man to be appointed be wholly a civilian, and giving a chance for men now in the military service to take the job as civilians, but without losing their retirement rights.

Mr. BROWN of Ohio. I remind the gentleman from Minnesota that at time one comes to the place where one has to go all the way, where one cannot go halfway.

In my mind the people are afraid of just one thing in connection with this bill and in connection with many other matters that have come before this Congress in recent months and recent years, and that is they are afraid of a military government, some sort of a superdictatorship which might arise in this country. They are afraid, in this particular instance, over the possibility that there might be some sort of Gestapo set up in this country.

I will agree and I will admit to you very frankly that it is entirely possible that you might have a military officer who would like to do that; but I know one thing, that if you require a civilian to be the head of this agency then you will not have any danger within the agency of military influence or military dictatorship. I do not believe the present occupant of that office would ever abuse it; I have the highest confidence in him, but I do not know who may succeed him. We have had three different military officers in charge of this central intelligence group or agency in the last 15 months, and we might have more. I say to you that we need a civilian of the type of J. Edgar Hoover in charge of an agency like this, and the appointment of a civilian would at least be a partial guaranty to the people of the United States that this agency is not going to be usurped by any branch of the armed services at any time.

Mr. JUDD. Mr. Chairman, will the gentleman yield again?

Mr. BROWN of Ohio. I yield.

Mr. JUDD. And is it not true that under the language of the gentleman's amendment a military man could become the head of this unit if he first became a civilian?

Mr. BROWN of Ohio. Certainly, if he becomes a civilan first.

Mr. JUDD. The only thing is that you require him to resign.

Mr. BROWN of Ohio. That is right.

Mr. JUDD. Whereas under my original amendment he would be permitted to retire and keep his perquisities as a retired officer while serving as a civilian as Director of Central Intelligence. It is my belief that a man of sufficiently great ability and interest in the field of intelligence to merit this appointment would be willing to resign, despite the sacrifice of retirement rights. I remind the committee that he would receive $14,000 a year, far above his salary as an officer. I approve the gentleman's substitute amendment.

Mr. BROWN of Ohio. A resigned military officer is no longer under the control or direction of the military branch. A retired military officer is subject to recall in time of emergency, still has to take certain orders and instructions from the military branch of the Government. The gentleman from Minnesota [Mr. JUDD] in his provision to permit a military officer to hold the post, set up certain safeguards. My amendment goes the whole way.

Mr. MACKINNON. There is a difference between one who resigns and one who retires; is that not right?

Mr. BROWN of Ohio. Yes; the retired officer is under the control of the Army. A resigned officer becomes a civilian and is no longer under the control of the Army.

Under my amendment you do not have to figure out what commission he should have when he retires, what perquisites he should have, and so on. It seems to me this is a very simple solution of the problem but it is also a very important angle of this bill and I hope that the substitute will be adopted.

The CHAIRMAN. All time has expired.

The question is on the substitute amendment offered by the gentleman from Ohio [Mr. BROWN].

The substitute amendment was agreed to.

The CHAIRMAN. The question now occurs on the amendment offered by the gentleman from Minnesota [Mr. JUDD], as amended by the substitute offered by the gentleman from Ohio [Mr. BROWN].

The amendment as amended was agreed to.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 11, line 18, strike out the words "and other agencies", and in line 22, at the end of the sentence, add the words "of the Government."

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Chairman, I should like to direct myself now to section 105 concerning the Central Intellifence Agency, to which section my proposed amendment relates. The amendment, in effect, provides that a civilian shall head this Intelligence Agency rather than allowing a choice of a civilian or a military man. It also provides that the powers granted the Central Intelligence group under the President's Executive order shall pass on to the National Security Council as was designated in the bill which passed the other body on July 9.

The amendment further provides that the authority and functions of the Central Intelligence Agency shall be those which were designated under the President's Executive order. As this section is now constituted, the Director of the Intelligence Agency to be chosen by the President, with the consent of the Senate, may be either a civilian or an officer of the armed services. I feel that it is extremely undesirable to have as head of this agency, in a position which makes it incumbent upon him to coordinate intelligence reports from the various services, a member of one or the other services. A civilian in this position would not be subject to a cry of discrimination or favoritism and would, therefore, be in much better position to be completely objective in his discussion. The portion of this amendment which relates to the granting of powers under the President's Executive order to the National Security Council retains at least a semblance of power within this agency to effectively correlate, evaluate, and disseminate information which is gathered by other intelligence services.

By confining its powers to this authority we, therefore, effectively deny to

the Central Intelligence Agency the power to interfere with the work personally being done by established services in this field.

I refer you, Mr. Chairman, to House Report No. 2734 of the Seventy-ninth Congress, which is a report on the intelligence section of our national war effort and which includes recommendations made by the House Committee on Military Affairs at that time. While the mistakes of World War II are still fresh in our minds, the committee undertook a survey to determine what our policy on national intelligence should be. Their recommendations are not wholly carried out in the measure here contemplated; but the gains made since their report would be consolidated by adoption of this amendment.

I feel, Mr. Chairman, and I cannot stress it too strongly, that what is needed is an independent intelligence agency, working without direction by our armed services, with full authority in operational procedures.

However, it seems impossible to incorporate such broad authority into the bill now before us—so consequently I support the amendment which has now been offered. To do less than this would be to wreck what little has been done to strengthen our intelligence system. I feel that it is very important for the security of our Nation, at a time when our security is more and more threatened, to grant adequate authority to the Central Intelligence Agency.

In conclusion, Mr. Chairman, I do want to commend the gentleman from Michigan [Mr. HOFFMAN] and the other members of his committee for their ardent work and fairness in reporting this measure.

Mr. JUDD. Mr. Chairman, to reassure the committee let me say that this is the only other amendment I shall offer, and I present it now because it also has to do with the Central Intelligence Agency. If the members of the committee will look on page 11 of the bill, line 16, subsection (e), and follow along with me, I think we can make it clear quickly. The subsection reads in part:

> (e) To the extent recommended by the National Security Council and approved by the President, such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence,

The first half of the amendment deals with that. It strikes out the words in line 18, "and other agencies." Why? Primarily to protect the FBI. I agree that all intelligence relating to the national security which the FBI, the Atomic Energy Commission, and other agencies with secret intelligence activities develop should be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination. The second half of my amendment provides that their intelligence must be made available to the Director of Central Intelligence. But under the amendment he would not have the right to go down into and inspect the intelligence operations of agencies like the FBI as he would of the departments. I do not believe we ought to give this Director of Central Intelligence power to reach into the operations of J. Edgar Hoover and the FBI, which are in the domestic field. Under the langauge as it now stands he can do that.

The Director of Central Intelligence is supposed to deal with all possible threats to the country from abroad, through intelligence activities abroad. But without this amendment he will have not only the results of the FBI's intelligence activities here at home, but also the power to inspect its operations. I do not believe that if we had realized the full import of this language when we were studying it in committee we would have allowed it to stand as it is. Surely we want to protect the Atomic Energy Commission and the FBI from the Director of Central Intelligence coming in and finding out who their agents are, what and where their nets are, how they operate, and thus destroy their effectiveness.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Illinois.

Mr. BUSBEY. Under the present language of the bill, is it not the gentleman's judgment that the Central Intelligence Agency has the right, the power, and the authority to go down and inspect any records of the FBI which deal with internal security, whereas the Central Intelligence Agency deals only with external security?

Mr. JUDD. Yes; not only inspect its records but also inspect its operations, and that includes its activities and its agents. We do not for a moment want that to happen. I hope the members of the committee will accept this amendment.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Alabama.

Mr. MANASCO. If you do not give the Director of Central Intelligence authority to collect intelligence in this country and disseminate it to the War Department and Navy Department, the Air Force, and the State Department, why not strike the entire section out?

Mr. JUDD. We do under this amendment give him that power. We say: "Such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government"—that includes the FBI and every other agency—"shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination."

Mr. MANASCO. If the FBI has intelligence that might be of benefit to the War Department or State Department, certainly that should be made available.

Mr. JUDD. Under this amendment it will be made available. I do not strike that part of the section out. All the intelligence the FBI has and that the Atomic Energy Commission has must be available to the Director of Central Intelligence if it relates to the national security. But the Director of Central Intelligence will not have the right to inspect their operations, which is quite a different thing. I do not think we ought to give the Director of Central Intelligence the right to go into the operations of FBI.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Nebraska.

Mr. STEFAN. In setting up the Central Intelligence group it was agreed that the FBI was a part of the organization. Now, what would the gentleman's amendment do?

Mr. JUDD. Does the gentleman state that the FBI is a part of the Central Intelligence Agency?

Mr. STEFAN. Certainly. As I understand it, as it was explained to our committee, the FBI information would be part of the information secured by the CIG.

Mr. JUDD. That is right. The FBI information would be available to the Director of Central Intelligence, but under my amendment the FBI operations would not be part of the Central Intelligence as they would be under the present language of the bill.

Mr. STEFAN. But the CIG could draw any information from the FBI it wanted?

Mr. JUDD. Yes, it would be made available, if relating to the national security.

Mr. STEFAN. But what would the gentleman's amendment do other than what this is doing?

Mr. JUDD. It would merely withdraw the right of the Director of Central Intelligence to inspect the intelligence operations of the FBI. It would still make available to him the intelligence developed by FBI.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Does the gentleman feel that this section on Central Intelligence makes it possible for the Director of the GIG to go into Mr. Hoover's office?

Mr. JUDD. That is right.

Mr. STEFAN. And supersede his direction of FBI operations?

Mr. JUDD. Well, it says plainly that "Such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence. "Other agencies" certainly includes the FBI.

Mr. STEFAN. And the gentleman objects to the inspection of it, does he?

Mr. JUDD. The inspection of its operations; yes.

Mr. STEFAN. I agree with the gentleman.

Mr. JUDD. Then the gentleman will support my amendment.

Mr. STEFAN. I certainly shall.

Mr. JUDD. Under it, the information is all available, but the operations are not open to inspection.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from California.

Mr. JOHNSON of California. I want to get this straight. If the FBI has information about fifth-column activities and subversive information affecting the national defense, would that be open to the Central Intelligence Agency?

Mr. JUDD. Yes. It must be made available under this subsection, but the Director of Central Intelligence under my amendment could not go in and inspect J. Edgar Hoover's activities and work. Central Intelligence is supposed to operate only abroad, but it will have available all the pertinent domestic information gathered by the FBI. It should not be given power to inspect the operations of the FBI.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman realizes that the limitations in the first lines would limit his ability to go in and inspect any operation.

Mr. JUDD. That is true.

Mr. HOLIFIELD. I do not think it is necessary for him to inspect the operations in order to set up his own intelligence unit in the way that he wants to, and I point out that the National Security Council is composed of the Secretaries of State, of National Defense, of the Army, the Navy, and the Air Force, and the National Security Resources Board, and the Central Intelligence Agency, so it seems to me that the protection of the National Security Council is a check and the President is a check. I hardly think that the man would exceed his authority.

Mr. JUDD. Well, I believe the FBI operations should be protected beyond question. It is too valuable an agency to be tampered with.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. THOMAS of New Jersey. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. I want to say to the gentleman from Minnesota that I am wholeheartedly in favor of his amendment. If we open the doors to the Central Intelligence Agency to go in and inspect the operations of the FBI, you are starting to do the thing that is going to be the end of the FBI in time, because you will open it to this agency and then you will open it to somebody else. I think we will make a great mistake unless we accept the amendment offered by the gentleman from Minnesota.

Mr. JUDD. I thank the gentleman. I think we will all agree he knows what he is talking about.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Illinois.

Mr. BUSBEY. In reference to the gentleman from California [Mr. HOLIFIELD], when he states that we can assume that this National Security Agency will do this and do that, I just wish to remind the membership that the trouble in the past with legislation has been that we have not taken the time to spell out these little details. It is these assumptions we have had that have gotten us into trouble. I think it is very important that the gentleman's amendment be adopted.

Mr. JUDD. I thank the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Is there anything in here that permits the FBI to inspect the personnel of the Central Intelligence?

Mr. JUDD. No; there is not.

Mr. AUGUST H. ANDRESEN. I understand that some of the men in Central Intelligence at the present time are certain foreign-born persons who might need some inspection, and they hold some very important positions with Central Intelligence.

Mr. JUDD. I have had no information on that one way or the other. I must assume the Director of Central Intelligence is going to exercise utmost care in choosing his personnel. I hope this amendment will be adopted because I cannot see how it can hurt the Central Intelligence Agency in the slightest and it certainly will protect the intelligence operations of FBI and the Atomic Energy Commission.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 35, beginning in line 18, strike out all of section 307.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Alabama.

Mr. MANASCO. I am prepared to say that the members of the committee on the minority side are willing to accept the amendment.

Mr. TABER. I wonder if we may have an acceptance from the majority side? If so, I would not care to speak on the amendment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. May I ask the gentleman from Wisconsin [Mr. KEEFE], who is on the Committee on Appropriations with the gentleman from New York [Mr. TABER], to express his opinion on the amendment to strike section 307, on page 35? I should like to have the Committee have the benefit of the opinion of the various members.

Mr. KEEFE. If the gentleman will yield, may I say that I have carefully examined these provisions in section 307, and in my humble judgment that whole section can just as well be stricken out of this legislation. It will not cause one bit of difficulty. I think the committee ought to accept the amendment offered by the gentleman from New York. The fact of the matter is that what you have sought to do the chairman or any member of any subcommittee of the Committee on Appropriations can do by asking any Navy or Army officer that comes before the committee the question, "What was your request of the Bureau of the Budget? What did you ask for?" and they will tell us what it was. That is all there is to it.

Mr. TABER. There is a little more. It is spread out, and the whole budget will be made up originally on a propaganda basis. That is where the trouble is with the language.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. I think it ought to be said in explanation of the action of the committee that this section was put in the bill at a time when there were not as yet in the bill any provisions dealing specifically with the Marine Corps and naval aviation. It was put in primarily to protect their right to appeal to the Congress over the head of the Department or of the Bureau of the Budget or even of the President. They were afraid they might be frozen out and not given any or adequate funds. With the amendments that are now in the bill, with officially defined status given to the Marine Corps and naval aviation, they will have greater security than they have now or ever had before, and this section is not necessary.

Mr. HOFFMAN. Mr. Chairman, unless some member of the committee objects, and they are all here and on the job, I will accept the amendment in behalf of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 3, line 2, after the word "including", strike out the words "the naval air force" and insert "naval aviation."

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOFFMAN. Mr. Chairman, the committee will accept that amendment.

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 6, line 3, after "general", strike out "direction, authority, and control over" and insert "authority for the integration, coordination, and supervision of."

Mr. COLE of New York. Mr. Chairman, I do not believe that any explanation whatsoever is necessary, but in order that it may be understood this amendment is offered for the purpose of clarifying the authority and power given to the Secretary of Defense. It amends subparagraph (2) to conform more nearly with the expressions that have been made by the proponents of this bill as to the authority of the Secretary of Defense. It will read as amended:

The Secretary of Defense shall exercise general authority for the integration, coordination, and supervision of such departments and agencies.

I have submitted the amendment to the gentleman from New York [Mr. WADSWORTH], who, insofar as I know, has interposed no serious objection to it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOFFMAN. This is not the amendment which you submitted to the subcommittee yesterday afternoon.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. WADSWORTH. Mr. Chairman, I hope there is no misunderstanding between the gentleman from New York [Mr. COLE] and myself on this particular amendment. It is true that he and I have discussed it, but I have been unable thus far to ascertain just what he is driving at. The language of the bill reads that the Secretary shall exercise general direction, general authority, and general control over such departments and agencies. I think that is proper language. The language of the gentleman's amendment strikes out the word "general"; it strikes out the word "direction"; it strikes out the word "control"; and it leaves just the word "authority."

Mr. COLE of New York. That is not correct. If the gentleman's interpretation of subparagraph (2) is as he has just expressed it, I would have no objection, and those who are apprehensive about it would have no objection. If the authority of the Secretary were to exercise general direction, general authority, and general control, there would be no objection. But the bill does not say that. The bill says he shall "Exercise general direction, authority, and control over such departments and agencies."

Mr. WADSWORTH. Does not the word "general" qualify the words "authority and control"?

Mr. COLE of New York. Who is going to interpret it? I think the Congress should say what is meant by it. I do not believe the Congress intends that this Secretary of Defense shall have absolute, arbitrary, and complete and unlimited control over all the departments.

Mr. WADSWORTH. He cannot have it under this law anyway because on this very same page at the bottom it says, "That the Department of the Army, the Department of the Navy, and the Department of the Air Force shall be administered as individual executive departments by their respective Secretaries and all powers and duties relating to such departments not specifically conferred upon the Secretary of Defense by this act shall be retained." There is no specific authority in subparagraph (2). It is general. I think the language of the bill provides three departments and also guarantees that the Secretary shall have the necessary general direction and authority to accomplish the purposes of the act.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. JUDD. If the Members will turn to the preceding page and look on line 21, they will see the rest of this grant of authority. It is "under the direction of the President and subject to the provisions of this act" that the Secretary of Defense shall exercise general direction, authority, and control. It is only with respect to carrying out the unification and reorganization provisions of this act that the general authority can be exercised, and even then only with the consent of the President. So there are restrictions and limitations both at the beginning and at the end of the grant of power. Is that not true?

Mr. WADSWORTH. That is true.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from New York [Mr. COLE] had better give further consideration to his amendment. To those who want unification as distinguished from merger—we provided for unification in this bill—if you want merger, then you had better vote for the Cole amendment. That amendment is more authoritative in its directions than the provisions of the bill. The committee recommendation as contained in the bill is to exercise general direction. My friend from New York says, "exercises authority."

Mr. COLE of New York. No. The amendment does not say that. The authority would read that the Secretary shall exercise general authority for the integration, coordination, and supervision of the departments and agencies.

Mr. McCORMACK. The gentleman leaves the word "general" in there?

Mr. COLE of New York. Yes.

Mr. McCORMACK. Under those circumstances, it seems to me that the language of the committee is certainly as effective as that offered by the gentleman from New York. We say, "exercise general direction, authority, and control." The gentleman says, "exercise general authority for the integration, coordination, and supervision of such departments and agencies." It seems to me that both would confer substantially the same power. As between the amendment offered by the gentleman from New York [Mr. COLE], and that which was carefully worked over by the committee, it seems to me the committee's provision should be retained. I urge that the gentleman's amendment be rejected and that we keep the language in the bill as recommended by the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The question was taken; and on a division (demanded by Mr. COLE of New York) there were—ayes 36, noes 190.

So the amendment was rejected.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 6, insert the word "general" before "authority" and before "control."

Mr. COLE of New York. Mr. Chairman, the Clerk did not report the amendment correctly. It is on page 6, line 3, insert the word "general" before the words "authority and control."

Then the authority of the Secretary would be to exercise general direction, general authority, and general control over such departments; and that complies as near as words can comply with the statements made by the gentleman from New York as to what this authority should be.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. MANASCO. Does not the language contained in the bill now mean that?

Mr. COLE of New York. If that is what is meant, let us say so.

Mr. MANASCO. I am not an expert on grammar and so forth. The gentleman from Minnesota [Mr. JUDD] is our man on that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 7, line 24, after the words "functions of", strike out the words "National Military Establishment" and insert "his office."

Mr. COLE of New York. Mr. Chairman, an explanation of this amendment——

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. WADSWORTH. While the gentleman from New York was addressing the House during general debate earlier this afternoon he mentioned this very language on the bottom of page 7 and I took it upon myself with great impertinence to say at the time I could not see any objection to making this change as it was really the intent of the bill and the intent of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 10, line 22, after the word "intelligence", insert the words "and its evaluation thereof."

Mr. COLE of New York. Mr. Chairman, just a brief explanation of this amendment, and it is rather a minor one. I am reluctant to impose on the Committee for any extended period of

time since we have been discussing the bill for many hours.

Under the obligations of the Central Intelligence Agency its duty, as expressed in the bill is "to provide for the proper dissemination of such intelligence," that is, the intelligence which the central agency gathers; and yet the Central Intelligence Agency is also obligated to evaluate the intelligence.

The effect of this amendment is to require the Agency when it disseminates the intelligence which it has gathered to disseminate not only the information which it has received but also its interpretation and its evaluation of the information.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. MANASCO. Do I understand the gentleman is striking out the word "evaluated" in line 20 and inserting it in line 22?

Mr. COLE of New York. No.

Mr. MANASCO. What does it do?

Mr. COLE of New York. In line 22, after the word "intelligence" it inserts the words "and its evaluation thereof."

Mr. MANASCO. Does not the language in lines 20 and 21 provide for the same thing the gentleman has in mind?

Mr. COLE of New York. Let me read it. I think I can explain it. Subparagraph 3 reads that the central agency——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOFFMAN. Does not line 20 correlate and evaluate intelligence relating to it? What does the gentleman want to do now? Evaluate the dissemination of it or what?

Mr. COLE of New York. If the gentleman will let me explain what I have in mind. Section 3 reads in part "and provide for the appropriate dissemination of such intelligence within the Government." My amendment would have him disseminate not only such intelligence but his evaluation of the intelligence within the Government, and so forth.

Mr. WADSWORTH. Already evaluated.

Mr. COLE of New York. The amendment simply provides for what I am assured is already being done. It is that the dissemination back to the source agency or to other agencies shall be not only of the intelligence which the central agency has received but also its evaluation of the intelligence.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOFFMAN. In other words, if the intelligence mentioned in line 20 is worth 5 cents then you want to make it absolutely certain that the intelligence is also worth a nickel.

Mr. COLE of New York. The gentleman is a bit flippant. As the subsection reads now it contains absolutely nothing which requires the agency to send back to the agencies of the Government its evaluation of the intelligence, the interpretation which the agency places upon the information it has gathered. The amendment I have offered imposes upon them that obligation.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. HOLIFIELD. Does the gentleman mean to say that the word "intelligence" in line 22 does not refer back to the "intelligence" in line 20 which has been gathered and evaluated?

Mr. COLE of New York. It does not say so.

Mr. HOLIFIELD. Then I do not understand any of the language.

Mr. COLE of New York. An agency is obliged to correlate and evaluate the intelligence, but it is not obliged to pass back to the other agencies of the Government the interpretation, the correlated intelligence, the evaluated intelligence.

Mr. HOLIFIELD. What words would the gentleman's amendment substitute?

Mr. COLE of New York. Line 22, after "such intelligence", insert the words "and its evaluation thereof" so that the agency would be obliged to provide for the appropriate dissemination of such intelligence and its evaluation thereof.

Mr. HOLIFIELD. I think the gentleman's purpose and the purpose of the committee is the same. The word "intelligence" in line 22 clearly refers back to the word "intelligence" mentioned in the other line.

Mr. COLE of New York. But what is the intelligence to be disseminated? I shall not undertake to belabor the matter, it is not of great importance. I understand that is the practice of the agency, and I see no reason to not write it into the act.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

If the Members will take the bill and refer to page 10 they will find that this agency is charged with the duty of collecting and evaluating intelligence, and then it is disseminated. What is the use of rewriting it again in the next line? If we are to go over this bill and change every comma and period and put it three words down or three words ahead, we will be here all night.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was rejected.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 16, lines 13–14, after "Naval aviation", strike out "which shall hereafter be designated the Naval Air Force."

Mr. HOFFMAN. Mr. Chairman, there is no objection to that amendment.

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 17, after line 5, insert the following:

"All naval aviation shall be integrated with the naval service as part thereof within the Department of the Navy. Naval aviation, both combat, service and training, shall include the entire aeronautical organization of the United States Navy; all land-based naval aviation; ship-based aviation; naval air-transportation services; fleet air forces; carrier forces; all aviation components of the United States Marine Corps; and all other aviation, air weapons, and techniques involved in the operations and activities of the United States Navy, together with the personnel necessary therefor.

"The Navy shall be generally responsible for naval reconnaissance, antisubmarine warfare, and protection of shipping. Matters of joint concern as to the air aspects of those functions shall be coordinated between the Army, the Air Force, and the Navy, including the development and procurement of aircraft and air installations located on shore, and use shall be made of personnel, equipment, and facilities in all cases where economy and effectiveness will thereby be increased. Subject to the above provision, the Navy will not be restricted as to types of aircraft maintained and operated for these purposes.

"The Navy shall maintain the air transport necessary for essential naval operations and for air transport over routes of sole interest to naval forces where the requirements cannot be met by normal air-transport facilities.

"The Navy shall develop aircraft, weapons, tactics, technique, organization, and equipment of naval combat and service elements; matters of joint concern as to these functions shall be coordinated between the Army, the Air Force, and the Navy."

Mr. COLE of New York. Mr. Chairman, this amendment has been submitted to the members of the committee and has been accepted by them.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word to make the observation that the gentleman from New York has consulted myself and other Members. In my opinion, the amendment is a very proper one and, speaking for myself, it is agreeable. I just want to make that observation to confirm what the gentleman has said.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, for the information of the House let me say that the House bill differs from the Senate bill quite materially in this regard. In the House bill there is inserted a provision reciting the roles and missions of the Army, the roles and missions of the Navy, the roles and missions of the Marine Corps, and the roles and missions of the Air Force. For the first time in our history we are attempting such legislation. The amendment offered by the gentleman from New York [Mr. COLE] in which the naval aviation personnel are deeply interested, is to add to the list of those branches of the service whose missions and roles shall be frozen into law.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Ohio.

Mr. VORYS. Does this provide for a separate procurement for naval aviation?

Mr. WADSWORTH. It does not, Mr. Chairman. As a matter of fact, in each of the instances in this bill where we are reciting the roles and missions of the branch of the service, we have para-

phrased the language contained in the Executive order of the President which, it was agreed, among all the services concerned, would be isued to the services in the event of the passage of this bill. We have simply taken from the Executive order, the tentative one which has been agreed upon by all services, and paraphrased them properly in a legislative sense and inserted them in the bill, and the language which the gentleman from New York [Mr. COLE] has proposed, is parallel with the language of the Executive order.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this bill came before the subcommittee, the same question which is now up was raised. There is no question on the record but that it was the purpose of the staff—I think they called it the Joint Chiefs of Staff—to practically get rid of and reduce to the status of a police force the Marine Corps. Then there arose the question about naval aviation and there was the thought in the minds of some of the members of the committee that an effort was being made to do that, or at least, there was a fear in the minds of the high-ranking officers of the Navy, especially those who were on the ships where the battles on the sea were fought, the admirals and the captains who, if they lost their ships went down with the ships, unless they were lucky enough to be among the fortunate few who were saved, that aviation was to be taken from the Navy and they objected. Then there came this question raised by the gentleman from New York [Mr. WADSWORTH] as to whether or not we should depend upon some Executive order to be issued in the future to protect the marines and naval aviation, and the subcommitee decided that they would write into the law, not tactics, not specification, but a general over-all policy. We concede that to be our duty. That question came up again when the gentleman from New York [Mr. COLE] brought this to our attention and to the attention of the members of the subcommittee yesterday afternoon. That conference was attended by a representative of the Navy and a representative of the Army, the ones who drafted this bill, and it was finally decided unanimously, except for the opposition of the gentleman from New York [Mr. WADSWORTH] and if I am wrong, correct me. The rest of those present decided that they would accept this amendment.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Am I wrong?

Mr. WADSWORTH. The gentleman from New York agreed to it.

Mr. HOFFMAN. The gentleman means he did?

Mr. WADSWORTH. This gentleman from New York agreed to it.

Mr. HOFFMAN. I understood he opposed it in the subcommittee and was opposing it now.

Mr. WADSWORTH. I am not. I am describing what it does.

Mr. HOFFMAN. Evidently then, while I was referring to the original Cole amendment, the gentleman was referring to that amendment as subsequently amended by the gentleman from New York [Mr. COLE] before it was today presented. That being the situation, permit me to add that I sent a copy of the present amendment to each member of the committee. Having heard no opposition from committee members the committee accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 23, line 19, after the word "assigned" strike out the period and insert "by this act."

Mr. COLE of New York. Mr. Chairman, just a very brief explanation of the amendment. This language is found on page 23, line 17, in which it says:

In general the United States Air Force shall include aviation forces both combat and service not otherwise assigned.

What does that mean? Not otherwise assigned where? Not otherwise assigned by whom? I insert the words "not otherwise assigned by this act," so that there is a direct reference back to the amendment relating to naval aviation which has just been adopted. I feel quite certain it was the intention of the authors of the bill that the United States Air Force should have the functions not otherwise assigned by the act. If I am in error, I would be happy to have some gentleman explain it.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New York.

Mr. WADSWORTH. The gentleman apparently suspects the use of the words "unless otherwise assigned." No one can tell tonight where some special mission of the Air Corps will be required. They might be otherwise assigned, for example, to the international force under the Charter of the United Nations. No one can tell. So in all of these provisions for the roles and missions of the several branches we have put in that phrase, "unless otherwise assigned." Otherwise you might get into a situation where the assignment to something not recited in the law, being absolutely necessary, could not be made.

Mr. COLE of New York. I call the gentleman's attention to the fact that this provision authorizes the United States Air Force to include aviation forces, both combat and service, not otherwise assigned. This act, by the amendment offered by me and just adopted, would assign certain aviation forces, both combat and service, to the Navy. Is it the intention that the United States Air Force can be assigned aviation relating to the Navy, in contravention of the amendment that has just been adopted?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If I thought the gentleman's amendment would prevent the assignment of our forces of any kind to the United Nations I would be wholeheartedly for it. The difficulty of this is that in all of these provisions relating to the Army, the Navy, and the Air Force we have these same words, and if we put the gentleman's words in here, it would appear that the Naval Aviation could not be assigned to help out the Army or the Navy itself, or the Marine Corps.

Mr. COLE of New York. The gentleman's understanding of the purpose of my amendment is entirely in error. My point is that by the amendment regarding naval aviation which has just been adopted certain "aviation forces" have been assigned to the Navy. If it is meant that those forces which by the act have been assigned to the Navy cannot be later assigned to the United States Air Forces, I would be quite happy and content, but I want to make sure that that will be the result, that, having written that amendment into the bill, it is not intended that later on by some Executive order aviation forces assigned to the Navy by the act will be assigned to the United States Air Forces. If that is the understanding, then I withdraw the amendment.

The CHAIRMAN. Does the gentleman from New York withdraw his amendment?

Mr. COLE of New York. Upon reconsideration I do not, Mr. Chairman; let us have a vote on it.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I sincerely trust that the committee will reject this amendment because that language appears in many, many places in the bill, and this is the first time anyone has ever objected to the language. If we amend it here, we should stay here another 3 or 4 hours and go back through the bill and amend it properly in all the other section. I suggest that we vote down the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I thoroughly agree with the gentleman. Further, the gentleman from New York himself has clearly evidenced his uncertainty by expressing a willingness to withdraw his amendment and then insisting upon a vote. The words the gentleman has suggested be added will disturb the whole set-up throughout the bill. We have done something in this bill that has not been done in the Senate bill. We put in the general functions, leaving the specific functions for Executive order or for the standing committee that will consider legislation later on.

If the words in the gentleman's amendment are included, it will be a serious limitation upon the Department

of Air, the separate and independent Department of Air that this bill establishes.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. DORN. May I say to the members of the committee that an amendment like that would restrict the operations of the whole Air Force and if inserted in other sections might restrict the marines or the Navy. I think this amendment should be voted down.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HALLECK. Reference has been made to the attitude of the gentleman from New York [Mr. COLE] when it was suggested by him that he might withdraw the amendment. My understanding from what he said and from the observation that he made was that the explanation of the intendment of the language as it is contained in the bill apparently is in line with what he thinks would be accomplished by his amendment. Therefore, the matter, being finally a matter of interpretation of that language which will ultimately be in the law, the amendment is not of that degree of importance that it might have been heretofore except for the discussion that we have had on the floor in respect to it.

Mr. MACKINNON. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from New York [Mr. COLE]:

The Clerk read as follows:

Substitute amendment offered by Mr. MACKINNON for the amendment offered by Mr. COLE of New York: Page 23, line 19, after "assigned" and before the period, insert a colon and the following: "*Provided*, That it shall not include aviation forces otherwise assigned by this act."

Mr. MACKINNON. Mr. Chairman, I offer this in the hope that the gentleman from New York [Mr. WADSWORTH] and the committee can accept it because I think that this more clearly sets out exactly the intent that is sought to be expressed by the gentleman from New York [Mr. COLE] and it still leaves open "the forces not otherwise assigned" for the legitimate purposes for which the gentleman from New York stated that they probably wished to leave this open.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from New York.

Mr. COLE of New York. My understanding of the substitute amendment offered by the gentleman from Minnesota is that it accomplishes the same purposes as the amendment which I sought to have adopted, and the substitute therefore is entirely agreeable to me.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Alabama.

Mr. MANASCO. I am just wondering where in this act we assign the Air Force. We leave the assignment of the Air Force to the Commander of the Air Force.

Mr. MACKINNON. The bill most certainly assigns those components of aviation that are assigned here by legislation.

Mr. MANASCO. I do not know that we assign any air forces.

Mr. MACKINNON. You just adopted some amendments to that effect a while back when by adopting the Cole amendment you assigned naval aviation to the Navy Department.

I yield to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. The gentleman is very courteous to yield to me. But this bill does not assign any element. It describes the roles and missions. The assignments are made by the Commander in Chief.

Mr. MACKINNON. Mr. Chairman, I contend that when you place naval aviation in the Department of the Navy, that amounts to an assignment of naval aviation to the Department of the Navy. I think that is just as clear as a bell. Of course, if it is the general understanding that naval aviation is definitely assigned to the Navy Department, and as such not subject under any possible contingency to being assigned to the United States Air Forces, then this amendment would not be necessary. Under the statements of the gentleman from Alabama [Mr. MANASCO] and the gentleman from New York [Mr. WADSWORTH] the amendment would only be a clarifying one. These men are both members of the committee and their statements as to the construction of the language, as negativing any such future assignment of naval aviation to the United States Air Forces are entitled to great weight. Their statements might make the adoption of this amendment unnecessary.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The substitute amendment was rejected.

The CHAIRMAN. The vote now recurs on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was rejected.

Mr. CASE of New Jersey. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendments offered by Mr. CASE of New Jersey:

On page 12, strike out all of line 18 after the word "Board", all of lines 19 and 20, and the words "of the Board" in line 21, and insert in lieu thereof the following: "; an Assistant or Under Secretary from each of the Departments of Agriculture, Commerce, Interior, and Labor; the Chairman of the Civilian War Agencies Planning Commission appointed under section 106A; the Chairman of the Munitions Board appointed under section 210; the Chairman of the Research and Development Board appointed under section 211; and such other members as may be designated by the President from time to time."

On page 14, immediately after line 8, insert a new paragraph, as follows:

"(d) The Board shall supervise and direct the execution of such policies and plans relating to military, industrial, and manpower mobilization as may be approved by the President, and shall perform such other functions, not inconsistent with law, concerning the coordination of military, industrial, and civilian mobilization as the President may direct."

On line 9, change "(d)" to "(e)."

On page 14, immediately after line 11, insert a new section, as follows:

"CIVILIAN WAR AGENCIES PLANNING COMMISSION

"SEC. 106A. (a) There is hereby established a Civilian War Agencies Planning Commission (hereinafter in this section referred to as the "Commission") to be composed of the Chairman of the Commission, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate; and such additional civilian members as the President may designate.

"(b) It shall be the duty of the Commission—

"(1) to investigate and appraise the Nation's requirements for civilian agencies of the Government to operate under the direction of the National Security Resources Board and to be charged with preparing plans for the civilian aspects of industrial and manpower mobilization for war and with supervising the execution of such plans in time of war or national emergency; and

"(2) to recommend to the Congress, not later than 1 year after the date of enactment of this act, the permanent establishment under the National Security Resources Board of such civilian war agencies as in the opinion of the Commission are essential to the national security.

"(c) The Chairman of the Commission is hereby authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Commission in the performance of its functions.

"(d) The members of the Commission, while actually so serving, shall receive compensation at the rate of $50 a day, but not to exceed $14,000 in any one year.

"(e) The Commission shall cease to exist 2 years from the date of enactment of this act, unless sooner terminated by joint resolution of Congress."

Mr. CASE of New Jersey. Mr. Chairman, since I have amendments to two different sections in this amendment, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the debate on this amendment, and any amendment in substitution therefor, be limited to the 10 minutes which the gentleman has been allowed.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CASE of New Jersey. Mr. Chairman, that is either a great compliment or the worst insult I have ever had.

Mr. Chairman, before discussing the amendment, I want to make my general position on this subject very clear. I support completely the proposition that the security of the United States and the hope for the establishment and maintenance of a peaceful world require that our military strength be developed to the highest possible degree. I have supported and will continue to support all

measures designed to further that objective. For example, I have come, though with considerable reluctance, to the conclusion that compulsory military training is necessary and I intend to support it. I believe that unification of our armed services is essential and I support this bill.

I have no interest in whatever latent rivalries may still exist between the Army and the Navy. Nor have I sufficient acquaintance with the matter from the technical standpoint to know whether, under this bill, the necessary degree of healthy competition between the services to keep each of them at its peak of efficiency will be encouraged. As to such matters, I must and do accept the judgment of the gentleman from New York [Mr. WADSWORTH] and others whose experience is far greater than mine.

But there is a feature of this bill, not related to unification, not related to merger of the services, which leaves me greatly disturbed.

Who will prepare in time of peace the plans for industrial mobilization, manpower utilization, and the like, which will be put into effect if war comes?

This question is more vital than it has ever been before.

If and when the next war comes, there will be no time to make these plans. No period of trial and error through which we have always gone in the past, before settling on methods for industrial and manpower mobilization—before determining who shall do the job.

General Eisenhower has told us that the next war will be won or lost within 60 days. When the next war comes, we must be able immediately to put into effect mobilization plans which will work.

I am convinced that if the peacetime planning for our industrial and economic mobilization is not done by civilian agencies, but is rather done by the military, the result will be completely unworkable.

The provisions of the pending bill, I am convinced, will result in such planning being done by the military.

My fears as to this were confirmed by the explanation of the bill so fairly and clearly made by the gentleman from New York this morning. He stated, and I think that I am quoting him correctly, that the Munitions Board would have the function, among others, of constantly studying our industrial capacity, and of making recommendations and plans for industrial and economic mobilization to be put into effect on the outbreak of war.

If you will turn to section 210 of the bill, commencing on page 26, you will find in paragraph 2, on page 27, that the Munitions Board has the duty, among others, "to plan for the military aspects of industrial mobilization." And, in paragraph 8, on page 28, it is directed "to maintain liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy."

Obviously, the proper performance of its duties in these two respects will require the Munitions Board to plan for the mobilization of our entire economy as in wartime every aspect of our economy will necessarily be a military aspect.

The Munitions Board will consist of a chairman, appointed from civilian life, and of an Under Secretary or Assistant Secretary from each of the three military departments. Now, these Secretaries will be nominally civilians, but it is obvious from our experience during the past war alone, that they will be imbued with and will express the military point of view. It is inconceivable that the plans prepared by the Munitions Board will not be products of the military mind.

Is it necessary for me to recall our experience in the last war?

At the outset the military plans for industrial and manpower mobilization had to be discarded completely. These plans, you will remember, had been prepared by the Army and Navy Munitions Board, of which, as the gentleman from New York stated, the Munitions Board provided by this bill will be the successor. Our industrial and economic mobilization had to be planned all over again, from the beginning. Countless weeks and months of precious time—time which we will not have again—were wasted until finally, through trial and error, our economic mobilization was effected, under civilian auspices.

Is it necessary to recall the struggles throughout the war, between the military and civilian agencies as to who should direct the wartime economy?

The military mind simply does not understand that the most effective mobilization of our economy cannot result from the methods to which it instinctively turns.

I am sure that nearly all of us agree that plans for the mobilization of industrial power and our resources generally should be made by civilians, in addition to being carried out under civilian control and by civilian agencies.

Under the bill, the National Security Resources Board is created. Its function is to advise the President concerning the coordination of military, industrial, and civilian mobilization. It is merely an advisory agency. It should, I submit, be made the agency charged with the actual preparation in detail of the plans which we must have ready when war comes for our industrial and economic mobilization.

The amendment which I have offered is intended to bring that about and I believe that it would do so.

The amendment has two parts—first, it would make specific the composition of the membership of the Board. Under the bill, as introduced—section 106 on page 12—the Board would be composed of a chairman, appointed by the President from civilian life and "such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President." Under my amendment, the other members of the Board, in addition to the Chairman appointed by the President, would be an Assistant or Under Secretary from the Departments of Agriculture, Commerce, Interior, and Labor, the Chairman of the Munitions Board already referred to, the Chairman of the Research and Development Board provided for by another section of the bill, and such other members as the President may designate.

The naming, as members of the National Security Resources Board, of the Chairman of the Munitions Board and Chairman of the Research and Development Board, both of the latter boards being dominated by the military departments, carries with it the implication, and is so intended, that no other representatives of these military agencies should be appointed to membership on the National Security Resources Board. It is essential to maintain the civilian character of the National Security Resources Board.

The second point of my amendment is that it creates, as a temporary body, a Civilian War Agencies Planning Commission, consisting of a chairman, appointed from civilian life by the President, and such additional civilian members as the President may designate. The Planning Commission would investigate the Nation's requirements for permanent civilian agencies, to operate under the direction of the National Security Resources Board and to be charged with preparing plans for the civilian aspects of industrial and manpower mobilization for war and with supervising the execution of such plans in time of war or national emergency. The temporary Commission would be directed to recommend to Congress, within 1 year, the permanent establishment, under the National Security Resources Board, of such civilian war agencies as the Commission deems essential.

The Commission, as I stated, would be a temporary body and would cease to exist 2 years from the date of enactment of the act, unless sooner terminated by joint resolution.

The purpose of this part of the amendment is obvious. Nowhere in the bill is there clear provision for the preparation, in peacetime, by civilian agencies of industrial and economic mobilization plans. My amendment recognizes that principle and provides a method by which it may be made effective.

I hope that the committee will see fit to adopt it. If it is adopted, it is my intention to suggest a further amendment to the section of the bill relating to the Munitions Board. So that the committee may have a complete picture of my purpose, I would briefly explain my Munitions Board amendment:

It would substitute for paragraph 2 on page 27, which now charges the Munitions Board with planning for the military aspects of industrial mobilization, a provision making it the duty of the Munitions Board to advise the National Security Resources Board of military matériel and manpower requirements in order that they may be integrated into the over-all plans for national industrial and manpower mobilization plans which, under the amendment now pending, would be made by the National Security Resources Board and its subordinate civilian agencies. I said earlier that I was convinced that the great majority of the Members of the House believed deeply in the principle that the economy of the

country, in wartime as well as in peacetime, must be controlled and directed by civilians. I have attempted to point out that under the pending bill there is at least great danger that this would not follow. I believe that it is more than a danger and would be the certain result, and I am not alone in my fear.

The Christian Science Monitor which, like me, supports the principle of unification, has clearly expressed the same fear in a number of its recent editorials. Thus, on May 26, it stated:

> This bill does more than draw a blueprint of unified direction and better teamwork for the military and naval services. Of much deeper significance, it is a piece of basic legislation which establishes how and by whom national policy and the civilian economy shall be controlled in any prospect of war.

The editorial continues:

> We have supported the general provisions of the merger, particularly coordination of foreign policy, military policy and industrial potential. But because this bill originated in the thinking of military men, the power it assigns or permits to the military over national policy and civilian affairs is very great—much greater, we think, than the American people would knowingly choose.

I am sure that a number of the members of the committee very honestly believe that my fears in this connection will not materialize. It is my own equally honest and deep conviction that the situation presents very great danger.

Should we not take a course which would eliminate any possibility of results which we all would deplore?

My amendment offers a way to avoid that risk.

I believe that it is well drawn, and I can say so without embarrassment because it is taken very largely from the carefully prepared bill, H. R. 3979, introduced on June 25 by the distinguished Chairman of the Committee. But, even if there should be imperfections in it, in detail, that should not deter anyone from supporting it, since any such defects can, and of course would, be eliminated in conference with the other body, to which this bill, of course, will go in any event.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. HOFFMAN. I may say to the gentleman from New Jersey that I tried that same thing in the subcommittee and the committee and did not get anywhere.

Mr. CASE of New Jersey. May I say that this amendment is exactly the amendment which the gentleman tried to have approved by the subcommittee and the committee; and I am emboldened to repeat the attempt here because of the success we have had with somewhat similar amendments offered to the committee this afternoon.

The National Security Resources Board, a civilian agency, is the outfit that, under this bill, should have the full power to prepare all plans for industrial and manpower mobilization and for organizing our natural resources.

My amendment would provide for the creation of a temporary commission to decide what agencies, subordinate to the National Security Resources Board, should be included as a part of the permanent structure and be charged with that particular duty.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from New York.

Mr. WADSWORTH. The National Resources Board to which the gentleman has just referred, is charged with some of these very duties, to fix policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war, and determine the relationship between the potential resources and potential requirements for manpower, resources, and productive facilities.

Mr. CASE of New Jersey. Mr. Chairman, I would first of all point out to the gentleman from New York that it is the function of the board, the National Security Resources Board, to advise concerning these various matters. I find nothing in the bill under consideration that authorizes the board to prepare and make those plans. But in the bill there is an express provision that the Munitions Board shall have power to make plans. It looks very much to me as if it had been deliberately planned that the military board will make the plans and this civilian commission will merely advise the President about them, and I think that is the completely wrong approach. I would be glad for further enlightenment and further instruction from the gentleman.

Mr. WADSWORTH. I read such an interpretation of the functions of the Resources Board as does the gentleman from New Jersey, because it has the duty to advise—and, of course, to advise they would have to plan—to advise the President about industrial and civilian mobilization and manpower problems.

The gentleman's proposal, as I recall, was rejected by the committee.

Mr. CASE of New Jersey. That is correct.

Mr. WADSWORTH. The gentleman gives the power of execution to a board, and all through this bill we have declined to give powers of execution to these boards.

Mr. CASE of New Jersey. May I state to the gentleman that both the War Department and the Navy Department have stated that it was their purpose under unification that the execution of the plans should be carried out by civilian agencies similar to the War Manpower Commission, the Office of Defense Transportation, and the like. I would not willingly accept management of our economy in wartime or peacetime by the military. I believe that in both wartime and peacetime it should be managed by civilian agencies, and I am very much afraid that will not be the result under this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CASE].

The amendment was rejected.

Mr. MITCHELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MITCHELL: Page 26, line 12, strike out the period and insert the following: "and shall be chosen in rotation from the three armed services, provided that the total service of any officer as Director of the Joint Staff shall not exceed 4 years in all: *Provided further*, That the combined service of any officer or Director or member of the Joint Staff shall not exceed 8 years in all."

Mr. MITCHELL. Mr. Chairman, one point in connection with the joint staff which we are setting up under section 209 is the vagueness of that section's language.

For example, Mr. Chairman, I note that it fails to specify the qualifications, tenure of duty, or methods of rotation of officers on the joint staff. These are extremely important matters in connection with a general staff. You all know of the rise of the Prussian general staff, and I might add that one of the most potent factors in that rise was the fact that its officers and its directors were allowed to remain undisturbed on general staff duty year in and year out, working, planning, studying, and contriving to dominate the nation.

Between 1857 and 1906, Mr. Chairman, the period in which Germany forged the iron spells which ripped our world apart, there were but three directors of the Prussian general staff: Generals Von Moltke, Von Waldersee, and Von Schlieffen. Of these three, Von Waldersee was unimportant, holding office but 3 years. Two ruthless, brilliant, and aggressive military intellectuals, Moltke and Schlieffen, actually effected the transition of Prussia into the agressive, war-mongering state which we have unhappily learned to know too well, and it was their descendants in office who made World War II a reality.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Alabama.

Mr. MANASCO. I think that is a matter that requires consideration, but I understood the chairman of the Armed Forces Committee to say today that his committee is going to study this question. It is a matter we did not feel was in the jurisdiction of our committee because it should be left to the Armed Forces Committee. I think we can assure the gentlemen that study will be made at another date.

Mr. MITCHELL. I thank the gentleman, but I certainly would like to see this spelled out in the present bill inasmuch as you provide for it substantially in section 206 and I cannot see where the addition of my amendment is going to do any harm and it might possibly be a very important stop-gap.

In contrast to that, Mr. Chairman, this House has always carefully limited the scope, tenure, and rotation of General Staff officers in every previous piece of such legislation that has come before us on the subject, in 1903, 1916, and 1920, to name the most notable occasions.

I suggest, therefore, if we are to have our Joint Staff, as a matter of legislative consistency and in keeping with our American traditions, that at least we write into section 209 the normal provisions for tenure, rotation, and scope of duties which we have always set forth for the War Department General Staff, and I so offer amendment to accomplish this purpose.

Mr. SMATHERS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana.

A moment ago the gentleman from Michigan [Mr. HOFFMAN] made a very wise observation when he said that the staff would do the principal work for all the Secretaries and Chairman of the Board. I think it is acknowledged that here the Joint Staff will do most of the work for the Joint Chiefs of Staff. If such is the case, while the Joint Chiefs of Staff may change and rotate, at the same time there is no provision, as has been pointed out by the gentleman from Indiana, for the rotating and the changing of the members of the Joint Staff. It is possible that the Director of the Joint Staff might be an infantryman and he could slant and direct all tactics along infantry lines. The result would be, whether his policy was right or wrong, we would pursue that policy irrespective of what the Joint Chiefs of Staff thought.

We know that we need new blood, and if we adopt this amendment and rotate the members of the Joint Staff, there is no danger of us making the mistake that was made by the joint staff in France when they set up the Maginot Line and did not know anything about aviation or anything of that kind. So I heartily endorse the amendment.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Alabama.

Mr. MANASCO. It is my understanding that the promotion bill passed by the House a week or two ago, that came out of Armed Services Committee, does contain a provision or rotation of officers. I am not a member of that committee, but I would be glad to have them answer that question. I think that is an important matter.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from North Carolina.

Mr. DURHAM. It certainly was the intention of the committee to set up this promotion list in the bill we passed a few weeks ago. Whether or not it cures the particular point under discussion here, I am not in a position to say, but certainly that was the intention of the Armed Services Committee. I see the chairman on the floor at the present time, who can probably enlighten us on that subject.

Mr. SMATHERS. In any event, Mr. Chairman, everybody agrees that there should be rotation, so in order to be safe, let us adopt this amendment, and then if the Armed Services Committee wants to make further changes, they can do so, but let us adopt this amendment and assure ourselves of rotation.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield at this time to the Chairman of the Armed Services Committee on that point.

Mr. ANDREWS of New York. I have no idea of disagreeing to the amendment, except that any study of the promotion bill passed by the House for the Army or the Navy, or the present set-up, you understand, is a matter purely within the province of the rules and regulations of the Department that pass through the Armed Services Committee.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. MITCHELL. The gentleman says he has no objection to the amendment.

Mr. ANDREWS of New York. It is a matter, as I see it, not within the province of this bill. That is a matter for legislation by the Armed Services Committee upon the direction of the Department, and that is the sort of legislation we are making all the time.

Mr. MITCHELL. It pertains particularly to section 209. It prevents the permanency of holding office. That is the thing I wanted to get away from.

Mr. ANDREWS of New York. That is prevented automatically.

Mr. MITCHELL. Then what is wrong with writing it in this bill?

Mr. HOLIFIELD. Mr. Chairman, we have been very careful on the Committee on Expenditures of the Executive Departments not to go into the field of the Armed Services Committee regarding promotions, tours of duty, pay, and so forth. All of those questions come within the province of that committee. I think the members of the committee are in sympathy with the purposes of the gentleman's amendment, but I submit that this particular subject should be the subject of inquiry by the Armed Services Committee and hearings should be held on it, and that it should be given that attention by the committee which they normally would give.

I ask that the amendment be voted down.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. MITCHELL].

The question was taken; and on a division (demanded by Mr. MITCHELL) there were—ayes 37, noes 117.

So the amendment was rejected.

Mr. CLASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLASON: On page 31, strike out all of line 2 and insert "the compensation prescribed by law for heads of executive departments."

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes, 5 minutes to be allotted to the gentleman from Massachusetts [Mr. CLASON].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CLASON. Mr. Chairman, the purpose of my amendment is to give to the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force the pay of $15,000 a year. At the present time we have two incumbents, one of whom may move up or both of whom may not move up. Each of them is a very well qualified man and is more than earning the $15,000 a year he is receiving.

On page 30, section 301 (a), it is provided:

The Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments.

Each one of these other Secretaries is the head of an executive department, by the provisions of this bill.

On page 6 it is stated:

That the Department of the Army, the Department of the Navy, and the Department of the Air Force shall be administered as individual executive departments.

On page 18 it is provided:

There is hereby established an executive department to be known as the Department of the Air Force, and a Secretary of the Air Force, who shall be the head thereof.

On page 30 we provide that the Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments. According to this bill, each one of the other Secretaries is the head of an executive department. I feel that each one, even though he is not to have the Cabinet position, and even though by this bill, under an amendment thereto that was adopted this afternoon, he is no longer in the line of succession, is certainly entitled as the head of one of these three great departments, which are going to be so important in the lives of every one of us, to receive the pay of the head of an executive department inasmuch as they hold that job under this bill.

Under this provision on page 31, the compensation they are now receiving as the Secretary of War and the Secretary of the Navy will be cut from $15,000 to $14,500 a year. I am sure every person here will agree with me that Secretary Patterson, Secretary Forrestal, and Secretary Royall, or any of the persons who have been occupying those positions or will occupy them in the future, are entitled to be considered as heads of departments and to receive the pay thereof. All I am asking is that they be acknowledged as having the right to the pay of the head of an executive department, as provided on pages 6 and 18 of this bill. In fairness to them, I think they ought to get $15,000. I do not want to be one of those to cut the pay of either Mr. Forrestal or Mr. Royall, for I feel each of them is entitled to every cent he is getting and a whole lot more.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman, I hope this amendment will be voted down. We are not legislating here for any particular individuals who may be in office. After all, the two Cabinet members, the Secretary of War and the Secretary of the Navy, are urging us to adopt this legislation. The committee gave careful consideration to reducing the pay from $15,000 to this figure of $14,500, for the sole purpose of distinguishing between Cabinet members in the executive department and the heads of the new Departments of War, Navy, and Air. There has been some question raised here as to whether or not these three new department heads would become members of the President's Cabinet. This, in itself, answers that question. Five hundred dollars a year is not the thing that is involved. It is not a question of money. It is a question of establishing a policy. I hope the members will stand by the committee's bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

The amendment was rejected.

Mr. OWENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS: Page 5, line 12, after the period, insert "That such recommendations or reports shall, upon request, also be made to the Speaker of the House of Representatives and to the President of the Senate; provided that said information shall be confidential and not of public record."

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto, and substitutes therefor, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. OWENS. Mr Chairman, I had not intended to take but a moment to explain the amendment. But I understood the amendment was acceptable. They told me when I submitted the amendment that it would be acceptable.

Mr. Chairman, you have heard quite a few remarks about amendments to change commas and words, and so forth. I am not asking you to do that. I am pointing out that this bill would create a council such as we have not had in the history of our Government. There has not been one word said about the Congress, the representatives of the people themselves, having one word to say about the plans that are being made 1 year or 2 or 3 or 4 years ahead. By this amendment I say that the recommendations and reports that are made to the President shall, upon request of the Speaker of the House of Representatives or the President of the Senate, be forwarded to them, and it shall be confidential and not of record so that they will at least have the information and be able to act upon it should it be necessary. That is really a safeguard which the people need in a bill like this. As I said when I gave it to the committee members of each body, they agreed readily to the amendment because they could see the sense of the amendment. I was not even prepared to argue it, but I now ask you to use your good judgment in having the same information which is given to the President; given to our Speaker and the President of the Senate when they make request for the same.

Why should such an amendment be defeated? I ask you to vote for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. OWENS].

The amendment was rejected.

Mr. GOFF. Mr. Chairman, I think it has long been the hope of the majority of our citizens that we should have a unification or merger of our armed services. Unfortunately, the bill before us falls far short of a true unification, and when analyzed, does not, except in small measure, accomplish that purpose. One weakness is that it actually creates a whole new separate department, with a new Secretary for Air, and superimposes a new super secretary with his staff over our already complicated establishments to maintain the security of our country. It is hard for me to see how it can be called unification, when it provides for four secretaries, instead of two, and when it adds an entirely new department. The bill merely complicates our present arrangement and makes it cost more. As I say this, I am fully aware of the tremendous contribution to victory made by the Army and Navy air arms. The coordination of the air and ground units of our Army and Navy was the major factor in our victory, and I cannot see why we should jeopardize that close cooperation by deliberately providing for a separation, when we have the lessons of World War II so close at hand. Remember that the Germans had a separate air force, and it seems to me we are taking a step backward rather than forward if we destroy the close unity between our own air and land arms as is provided in the committee bill. Certainly, such an arrangement cannot promote economy, and there is no use spending more to provide a less efficient organization simply because we have let our admiration for the great service rendered by our aviators run away with our more sober judgment.

Economy alone should not, of course, be the major consideration, for what we want is the most effective means to guarantee our national security. But I do not see how the efficiency of our defense establishment can be increased by setting up a new and separate department, with all its complicated staff organization, and distinctive uniforms for the members of this new agency. You can be sure that one of the first steps taken by this new department will be to prescribe an entirely different uniform from that used in the Army or the Navy, with new titles for the different grades, similar to what has been the case in the Royal Air Forces of the British Commonwealth. If it is wiser to leave the air arm of the Navy as a part of the Navy, then why should we divide the two highly effective parts of our Army which brought victory by their unified command and close cohesion when launched against our late enemies?

I would not have you think that I do not fully appreciate the importance of the air arm in the situation that faces the security of this country today. In evaluating our national defense establishment, we must come down to the practical business of analyzing just what enemy we are likely to fight, should the great tragedy come of our being forced into another war. I think all of us have to agree that there is but one nation from whom we may have any cause to anticipate an attack. That attack is bound to come by the air, for compared to ours, it has no navy in size even to be thought of as a threat, and navies are not built in the matter of a few months or could be, in the case of Russia, in a matter of years. I say again that the attack, if it comes, will be by air, over the polar cap, and that is why I spoke so strongly for an increase in the House appropriation for the construction of planes, when the War Department appropriation bill was before this body.

In my view, for the next two decades war with Russia will almost entirely depend on whether we maintain an air-striking force superior to that of Russia. It will be far cheaper for this country to spend the major part of its defense funds for planes and guided missiles in the sure hope and expectation that they will never have to be used and, from time to time, be discarded as obsolete. We will have no war if we can maintain air superiority over the Russians until by education and agreements sincerely entered into on both sides, war is at last abandoned as a method of settling disputes and uniform disarmament becomes possible.

We should not forget, when we are thinking about setting up a separate air force, that there is ample basis for the belief that the real striking force in the future war will be by guided missiles or by planes which fly without human pilots. The planes in which human pilots sit at the controls may come to be only troop-carrier planes, in which our forces will be transported, to follow up and complete the full exploitation of the devastating effects of an aerial bombardment.

I hope this House will not vote to create a separate air force. However, if it should do so, I intend to vote for the bill, but this only because of the hope that in case of war the new Secretary of National Defense will be strong and able enough, and our President will be strong and able enough, to force a unification which is lacking by the terms of the bill that we now have before us.

Mr. HOFFMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of

the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4214, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. HOFFMAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Under the order of the House, the Clerk will report the Senate bill, S. 758.

The Clerk read the title of the Senate bill.

Mr. HOFFMAN. Mr. Speaker, pursuant to the unanimous-consent agreement, I offer an amendment to the bill S. 758, to strike out all after the enacting clause and insert the provisions of H. R. 4214, as passed by the House.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Strike out all after the enacting clause of S. 758 and insert the provisions of H. R. 4214, as amended.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "To promote the national security by providing for a Secretary of Defense; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security."

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that in engrossing the bill, H. R. 4214, the Clerk may be authorized and instructed to make the necessary corrections in page numbers, section numbers, subsection numbers, and to correct typographical errors.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier today in the Committee of the Whole and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PATTERSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Saturday Evening Post of July 19, 1947.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from Newsweek under date of July 21.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Times entitled "Gambling With Securities."

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD and include two resolutions.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BRADLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Press Telegram.

PERMISSION TO FILE REPORT

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to file supplemental report No. 958, part 2, on the bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nationwide system of public airports, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONTINUATION OF MORATORIUM STATUTE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent for the immediate consideration of S. 1508, to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945, is amended by striking out the words "January 1, 1948", wherever they appear in such act, and inserting in lieu thereof the following: "June 30, 1948".

Mr. MICHENER. Mr. Speaker, this bill passed the Senate on July 3, and came to the House. It is simply a continuation of the moratorium statute. That statute expires on the 1st day of January, 1948, and this continues the life of the present moratorium statute until June 30, 1948.

I have polled the members of the Judiciary Committee to which the bill was referred. They are unanimous in favoring the report except three who are out of the city. The gentleman from Pennsylvania [Mr. WALTER], a member of the minority, is here, and is prepared to make any statement required. I have also consulted with the majority leader and the minority leader.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1948—PERMISSION TO FILE CONFERENCE REPORT

Mr. TABER. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PRIVATE CALENDAR TO BE CALLED ON TUESDAY, JULY 22

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday next to call the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, as to the program for next week, it is expected we will call the Consent Calendar on Monday. There will be a number of suspensions on that day also.

On Tuesday, under the unanimous-consent request just granted, we hope to call the Private Calendar and, as I understand it, it is expected that the mineral-resources bill, H. R. 1602, being the unfinished business before the House, will also be taken up.

As to the program for the balance of the week and for such time on Monday and Tuesday as may be available, may I say that conference reports will be called up at any time they are ready; also, there are numerous rules outstanding which we have to dispose of during the week.

In view of the intent to adjourn on Saturday, the 26th, it is impossible to assign definite days or order for the consideration of unfinished business before the House.

As the membership knows, the House is to meet at 10 o'clock on Monday, and I trust the membership generally may be in attendance on Monday and throughout the rest of the week in order that we may expeditiously consider and dispose of the business remaining before the end of the session.

Mr. Speaker, if it might be of any assistance to the membership and in order that they may have it in the CONGRESSIONAL RECORD in the morning, I ask unanimous consent to include with my remarks a brief statement as to the rules outstanding and the bills and resolutions to which those rules apply.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The matter referred to follows:

H. R. 3952: Amend section 10, Federal Reserve Act.

House Joint Resolution 222: Terminating consumer credit controls.

H. R. 3682: Assistance to war-incurred school enrollment.

House Resolution 261: Providing for the consideration of the bill (H. R. 3049) to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities.

House Resolution 271: Providing for the consideration of the concurrent resolution (H. Con. Res. 54) to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration.

House Resolution 280: Providing for the consideration of the bill (H. R. 1113) to provide for the removal of restrictions on property of Indians who serve in the armed forces.

House Resolution 290: Providing for the consideration of the bill (H. R. 3043) to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes.

House Resolution 292: Providing for the consideration of the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

House Resolution 295. Authorizing the Committee on Foreign Affairs to conduct studies and investigations of all matters coming within the jurisdiction of that committee and providing for participation by members of other standing committees of the House of Representatives.

House Resolution 296: To create a Select Committee on Foreign Aid.

House Resolution 305: Providing for the consideration of the bill (H. R. 3999) to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders.

House Resolution 314: Providing for the consideration of the bill (H. R. 3465) to amend the Federal Crop Insurance Act.

House Resolution 315: Providing for the consideration of the bill (S. 1498) to provide support for wool, and for other purposes.

House Concurrent Resolution 104: To establish a joint congressional committee to be known as the Joint Committee on Housing.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. I was going to ask the majority leader what suspensions were scheduled?

Mr. HALLECK. I cannot say to the gentleman from Mississippi because there has been no definite determination as to just what suspensions will be called on Monday. There are a number of bills in respect to which requests have been made for suspensions. Just how many of those we might be able to reach and which ones will be determined might be called up under suspension I cannot inform the gentleman at this time.

NATIONAL SECURITY ACT OF 1947

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 758) to promote the National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security, with House amendments thereto, insist on the House amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HOFFMAN, BENDER, LATHAM, WADSWORTH, MANASCO, MCCORMACK, and HOLIFIELD.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'HARA (at the request of Mr. AUGUST H. ANDRESEN), for 5 days, on account of death in family.

THE LATE ROBERT L. OWEN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it was with extreme sorrow that I learned a few moments ago of the passing of one of the great statesmen of this generation, former Senator Robert L. Owen, of Oklahoma.

He was one of the best informed men I ever met. In my opinion, he knew more about financial questions than any other Member of the Congress during the term of his membership in that august body.

I have often thought that if Senator Owen's advice had been followed in the creation of the Federal Reserve System in which he insisted that the Congress reserve the power entrusted to it by the Constitution to "coin money and regulate the value thereof," America would have been saved a great deal of the financial disturbance through which we have passed in recent years, and through which we are passing today.

He never lost interest in his country's welfare, and was always ready and willing to bend every effort toward helping us younger men in our efforts to solve the complex problems with which we had to deal—especially the ones affecting the Nation's finances.

Long after he left the Senate, I sought his counsel and advice on those disturbing questions that vexed the public mind during the dark days of the depression, and always found him more than willing to render every possible assistance.

He was one of the best friends I ever had in either House of Congress. I not only extend my sympathies to his bereaved loved ones, but I join them in mourning the passing of one of the finest characters who ever adorned the Senate of the United States.

He was a statesman, a scholar, and a gentleman in every sense of the word.

He was a patriot who placed his country's welfare above all other considerations.

He was a man, take him for all in all.
I shall not look upon his like again.

The SPEAKER. Under previous order of the House the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 hours.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall take just a few moments of the time of the House, because I anticipate that legislation will be taken up on Monday regarding the veterans. Also, Mr. Speaker, the other body today passed the bill enabling the veterans to cash their terminal leave bonds. I understand that bill is on the way to the White House. It passed the bill S. 1394 increasing the subsistence allowance for those attending schools and colleges. I am hopeful the so-called amputee car bill will pass the other body soon. Tremendous injustices are being done under the present law.

Mr. MCCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. MCCORMACK. Can the gentlewoman let us know whether or not the bill increasing subsistence allowance is going to come up?

Mrs. ROGERS of Massachusetts. Senator MORSE's bill has passed the Senate, and the Meade bill, of course, is ready to be taken up in the House. The committee has asked for a rule.

Mr. MCCORMACK. What is the status of the bill increasing subsistence allowance?

Mrs. ROGERS of Massachusetts. Does the gentleman mean the young men attending school, the Meade bill, or the on-the-job training bill? We have had quite extensive hearings before the Committee on Rules but we have not been granted a rule as yet on the on-the-job training-ceiling bill. The other body is taking the entire day discussing veterans' legislation, and I understand the Spanish-American War Veterans' bill already has passed.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentlewoman knows that the bill relating to the Spanish-American War veterans has already been passed by the House. The terminal leave pay bill was passed by the House, and likewise the bill to extend time for amputees to qualify for automobiles has beeen passed by the House.

Mrs. ROGERS of Massachusetts. That is true, and I particularly appreciate the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER] for putting in the extension of time in filing for amputees in the appropriation bill in order that the men in the hospitals who qualified prior to the expiration of the time may get the benefit of it.

The boys in hospitals who cannot qualify because they are not yet veterans are relieved. That bill was always discriminatory. I will say that it was written very hurriedly as a Senate rider to an appropriation bill, and barred every one of the leg amputees that it was supposed to include, and did not include provisions in the bill that many of us were so anxious to have pass the House and did not come up for action. The leadership last year did not allow it to come up for action.

Mr. McCORMACK. Mr. Speaker, if the gentlewoman will yield further, the bill I have in mind is the one relating to the young men attending college, increasing the monthly subsistence allowance.

Mrs. ROGERS of Massachusetts. That is the Meade bill.

Mr. McCORMACK. That raises the amount for single men from $65 to what?

Mrs. ROGERS of Massachusetts. In the Meade bill the single men will not get any increase at all, but it increases the married men to $105 and to $120, and something for children. If the gentleman would like the rates in the Senate bill, I will give them. The present rate for single men is $65 per month and $90 a month for married men.

Mr. McCORMACK. That is the present rate?

Mrs. ROGERS of Massachusetts. Yes. The Senate has increased that to $75 per month, for a man without dependents, or $105 per month if he has one dependent, or $120 per month if he has more than one dependent. I understand the cost of that is very small. The other body called me up to tell me that.

Mr. McCORMACK. My recollection is that after World War I those attending college got substantially the same amount as provided by law now, and then later, either by administrative ruling or by law, they got an additional amount.

Mrs. ROGERS of Massachusetts. That was only under the Vocational Training Act, which included only the disabled. Other veterans got nothing in training. The GI bill of rights was not in existence then.

Mr. McCORMACK. I am talking about following World War I. The veterans who attended college following that war, with their allowances and subsistence, received a larger amount than the veterans of World War II now receive.

Mrs. ROGERS of Massachusetts. No; only disabled received money while in training.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Indiana.

Mr. HALLECK. As a veteran of the other war who then went on to college, may I say that there was nothing at all equivalent to the GI bill of rights in respect to the allowances and subsistence payments to veterans in college; nothing at all.

Mrs. ROGERS of Massachusetts. That is what I was saying to the gentleman from Massachusetts. That was only for the disabled veterans.

Mr. McCORMACK. Yes, that is correct. What did they get?

Mrs. ROGERS of Massachusetts. Different amounts. The nondisabled then who were the equivalent of the GI's in this war did not get anything. The Ramey bill is on the Consent Calendar which gives an additional amount to the men receiving training under Public 16, the disabled.

Mr. McCORMACK. Those who got vocational training after World War I received in allowances and subsistence more than the GI's receive now.

Mrs. ROGERS of Massachusetts. That depended somewhat on where they got their training. We increased that amount for the disabled somewhat in the last session, and the Committee on Veterans' Affairs also increased it. I am hopeful the Ramey bill will come up Monday either under suspension or on the calendar. They can receive a higher ceiling on subsistence allowance plus their disability allowance.

Mr. McCORMACK. That was the information I wanted. The basic thing was that those who went to college after World War I and who were the beneficiaries of the law at that time under vocational training, the disabled veterans, received more compensation, having in mind their allowances and subsistence while attending college, than the beneficiaries of the law at the present time.

Mrs. ROGERS of Massachusetts. They got more, but it was dependent somewhat upon the areas in which they lived. The able bodied received nothing.

Mr. McCORMACK. It was a varying amount.

Mrs. ROGERS of Massachusetts. We increased that somewhat the last time. Now it is very difficult for the disabled to get along, particularly if they are married.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield further?

Mrs. ROGERS of Massachusetts. I yield.

Mr. HALLECK. I am quite sure the gentleman from Massachusetts does not want to create the wrong impression, certainly, for the RECORD, but after World War I the veterans who went on to college received no payment from the Government in connection with the pursuit of their college education. As the gentlewoman has pointed out, there were certain provisions for assistance to the disabled. Under the GI bill of rights presently in effect there is provision for assistance to all veterans, whether they are disabled or not. There was nothing comparable to that after World War I.

Mrs. ROGERS of Massachusetts. I think the gentleman understands that completely.

Mr. McCORMACK. I did understand it, but I think the observation of the gentleman from Indiana is a proper one so that the RECORD may be correct. My understanding, developed as the colloquy went along, is substantially the same as stated by the gentleman from Indiana.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. The gentlewoman, I know, is aware of a class of disabled veterans, about two-thousand-odd in number, known as the paraplegic cases, the wheel-chair cases. The gentlewoman is aware, I know, of the fact with regard to this particular type of disabled veteran that they are actually confined and will be confined to hospitals for the rest of their lives unless some sort of provision is made whereby they can live in a private home. The gentle lady is aware that there is a bill pending before your committee and also one in the other body to provide for housing facilities for this type of disabled veteran whereby, in short, a house is adapted to the wheelchair type of case and such things are provided as the proper type of bathroom, bedroom, doors, and height of cabinets, and so forth. Does not the gentlewoman believe that provision for this type of paraplegic patient should be made at this session? The alternative to some type of provision along that line is that this sort of patient will be confined to a hospital for the rest of his life.

Mrs. ROGERS of Massachusetts. I will say that the gentleman has introduced a very fine bill which was referred to our committee and he testified on that bill. Later, the Veterans' Administration sent down a bill which they recommended which took in a few more cases than does the bill introduced by the gentleman and not just those who are actually paraplegic cases.

I think the gentleman will be interested to know that the bill which was sent to me was similar to a bill which was amended slightly and which came up in the other body just a little while ago and which was reported back to the committee, I think, by a vote of 40 to 37.

May I say further to the gentleman something that I think he knows, which is that General Bradley came before the

Committee on Veterans' Affairs and endorsed this bill. He said it was a very fine measure for the rehabilitation of the veterans and that they could not live in hospitals and go out and do their work, but if they had homes they could go out and work and attend college and after the initial cost the Government would save $18 a day because it costs $18 a day to hospitalize a paraplegic case.

They said in 1944 when I went through the wards in Europe that these cases would never be up out of bed and would never be able to lift their heads again. Twenty-five of them came from Maguire Hospital today to talk to Members of the other body and have shown a great spirit.

Mr. KERSTEN of Wisconsin. I thank the gentlewoman for her observation. I think people generally do not appreciate the problems of this type of patient. It is not merely a question of paralysis. They are confined to a wheelchair and their internal organs are largely paralyzed. Is that not correct?

Mrs. ROGERS of Massachusetts. In most cases they are entirely paralyzed. In many ways their lives are over, but they will not allow their lives to be over.

Mr. KERSTEN of Wisconsin. I thank the gentlewoman. And at this point in the RECORD I insert a letter I have received from a paraplegic veteran. The letter is as follows:

WEST LONG BRANCH, N. J., *July 14, 1947.*

Hon. CHARLES J. KERSTEN,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE KERSTEN: I have just heard of the paraplegic housing bill, H. R. 3532, and I thought that perhaps the viewpoint of myself, a paralyzed veteran, would be of interest to you.

Here is my situation: The war left me confined to a wheel chair. I am not complaining, because with the machine-gun wounds I received I am lucky to be alive. But people who get about normally just can't picture what being confined to a wheel chair really means.

It means that any time you want to go to see someone you are automatically shut out of their house, unless there is someone there to help you. Every house has steps going up to it. Normal people forget that, and a wheel chair can't go up steps, and there is nothing that makes me feel worse than to roll up to steps and sit there, helpless, waiting for someone to be kind and help out. If there is one thing I want, it's independence, and steps take away that independence. Inside ordinary houses it's the same thing all over again; time and time again my blood boils when the wheel chair won't fit into the bathroom because the door is too small, or I can't get on the commode properly to relieve myself, or some of the fellows have to get carried upstairs to get put into the bathtub, because their bathtub is on the second floor and it has no handgrips so we can get in it ourselves.

The only answer to our problem is to go to a veterans' hospital, or fix up and build a house that is suitable. I will not go to a veterans' hospital unless I am sick, and I do not have the money to build a house that is suited for a wheel chair. I am having a hard time now; so are the other paralyzed veterans. If you think this bill can help us out, I wish you would vote for it.

Sincerely,

NORMAN ZELLNER,
First Lieutenant, Infantry, Retired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on behalf of the gentleman from New York [Mr. KEARNEY], I ask unanimous consent that his remarks may be included as a part of this forum which the chairman of the committee on Veterans' Affairs has been holding for the last 3 days.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

VETERANS' ON-THE-JOB TRAINING

Mr. KEARNEY. Mr. Speaker, as a member of the Veterans' Affairs Committee of the House of Representatives and as chairman of the Subcommittee on Hospitals, it has been my pleasure and duty to concern myself with those problems affecting not only our disabled in the veterans' hospitals of our country, but also with legislation which concerns itself with the rehabilitation of those men and women who gave so much for their country in its time of need.

One of the measures I introduced and which was reported out of committee on February 24, 1947, was H. R. 246, which would raise the ceilings on wages of veterans taking on-the-job training. Up to the present time we have not been able to secure a rule from the Committee on Rules, and it has become necessary to file a petition for discharge (No. 4) in order to bring this bill to the floor of the House. There are now 110 signatures on the petition, and we have just about reached the date for adjournment. H. R. 246 concerns itself with the revision of certain parts of Public Law 679, relative to on-the-job training of veterans.

The primary purpose of this on-the-job training is to provide returning veterans with the most direct and best training possible, so as to equip them for suitable employment. It was designed to give the returning veteran a particular skill, through training, so that the veteran could earn a decent living and make a livelihood for himself and his family. The payment of a subsistence allowance of either $90 or $65 a month during this period of training is designed to aid the veteran to carry on with his current obligations with sufficient income, until such time as his skill became such that he would be capable of producing enough work on his own initiative to enable the employer to consider him as a qualified employee and pay him the wages of an experienced trained man.

Despite the fine purposes of on-the-job training, poor supervision on the part of some States of the programs that the States have the authority to approve or disapprove, lack of knowledge on the part of the employers as to what was expected of them, an insufficient number of training officers in the Veterans' Administration to investigate these abuses and withdraw the veteran from training, led to certain abuses. Supposedly, for the purpose of correcting these abuses, the Seventy-ninth Congress in its closing days of business hurriedly passed Public Law 679 at the request of the Administrator of Veterans' Affairs, Gen. Omar Bradley.

This law placed a wage ceiling on the combined subsistence and wages of veterans in training from all sources of employment. Under Public Law 679, the veteran without dependents has a $175 ceiling imposed on him and a $200 ceiling is imposed on the veteran with dependents. This simply means that no matter how many children a man may have in his family, the veteran's combined subsistence and wage cannot exceed $200. If they do exceed $200, his subsistence is automatically reduced in proportion to the wages received. It means further that while this veteran is learning his trade, he must be content to feed, clothe, shelter, and provide medical care for his family on $200 per month. The law provides further that the job customarily requires a period of training of not less than 3 months and not more than 2 years of full-time training; and finally, that prior to the States giving their final approval to training programs, they must conform to certain standards established in Public Law 679, for the purpose of achieving some uniformity throughout the United States in the approval of training programs.

The passage of Public Law 679 brought considerable reaction in the public press. Letters from all parts of the country were coming in to Congressmen asking for a change in the ceilings. The Veterans of Foreign Wars conducted a survey that showed the veteran as the victim of Public Law 679 rather than the benefactor. The American Legion made demands upon the Congress for a complete withdrawal of the ceilings because of its drastic effect upon veterans. In no one instance did anyone recommend that the ceiling as it now stands be maintained. It is evident from the barrage of comment from all sides that Public Law 679 was not the perfect medicine for the ill that it sought to cure. Instead of attacking the real causes of the abuses, it attacked the veteran instead.

Thousands of veterans entered on-the-job training with the expectation that they would receive a definite income over the period of their training. With a feeling of security in the hope that some day they would be proficient in the trade they were learning and confident that their income would continue in accordance with their training program, some of these veterans entered into contracts for the purchase of homes, furniture, and other household necessities. But the very low ceilings imposed by Public Law 679 exploded their plans, meaning in many instances a foreclosure proceeding took place on their property, their personal possessions, and further, they lost any further use of their benefits under the loan provisions of the GI bill of rights. Many others had to leave what was a good training situation, providing a low income now but a promise of a higher income in the future, so that they could take a more lucrative job, but one that offered little or no security in the future. So much for H. R. 246.

As chairman of the Subcommittee on Hospitals, many resolutions and bills have been considered by our subcommittee, but I wish to refer to one in par-

ticular, House Concurrent Resolution 54, introduced by the gentleman from Iowa [Mr. TALLE]. This was to the effect that the Schick General Hospital at Clinton, Iowa, an abandoned Army hospital, should be used by the Veterans' Administration for the care of veterans. I appointed a committee, consisting of Mr. CROW, of Pennsylvania; Mr. MITCHELL, of Indiana, and Mr. TEAGUE, of Texas, to visit the hospital and to report back to the subcommittee all the information they could possibly obtain. These gentlemen after spending several days in that area, reported in full detail to the committee complete information on the set-up. Further reference to this report is not now necessary as it was discussed in full by the gentleman from Pennsylvania [Mr. CROW] in the House on July 18. Suffice it to say, the Talle resolution is on the House Calendar for consideration, and in all probability will be brought up for consideration the forepart of the coming week, so I am advised.

There are many other bills that are meritorious and deserve the full consideration of the House. Most of these bills have been fully discussed by other members of the Veterans' Affairs Committee and it is not my intention to take up the time of the House in reiterating what has already been stated.

Mr. Speaker, it has been said that our work on behalf of the veteran is practically at an end. With this statement, I do not agree. From time to time it will be necessary for the Congress to amend and revise certain laws now existing and to introduce new legislation. This legislation should be of that class which I consider fair and just. Work on rehabilitation must go on, and will go on, for many years to come. We must not forget the debt that is owed to those who served in the armed forces, and, above all, we must keep in mind the statement of Abraham Lincoln, "For him who has borne the battle, and for his widow and orphan."

EXTENSION OF REMARKS

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; and

H. R. 3767. An act to provide for the protection, preservation, and extension of the sockeye-salmon fishery of the Fraser River system, and for other purposes.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 123. Joint resolution to terminate certain emergency and war powers.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 175. An act to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against the laws of the Territory of Alaska;

H. R. 187. An act to amend Public Law 304, Seventy-seventh Congress;

H. R. 205. An act to amend the act approved May 7, 1934, granting citizenship to the Metlakahtla Indians of Alaska;

H. R. 734. An act to amend the act of February 12, 1925, and for other purposes;

H. R 1180. An act to authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the admission of Wisconsin into the Union as a State;

H. R. 1203. An act to provide compensation to persons performing the duties of postmasters at post offices of the fourth class during annual and sick leave of the postmasters;

H. R. 1337. An act authorizing a per capita payment of $50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1448. An act to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903;

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land;

H. R. 1554. An act to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932;

H. R. 1609. An act to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States;

H. R. 1882. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2097. An act to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof;

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erie E. Howe;

H. R. 2225. An act authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement;

H. R. 2331. An act to amend section 20a of the Interstate Commerce Act;

H. R. 2484. An act to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934–35, and for other purposes;

H. R. 2746. An act to provide secretaries for circuit and district judges;

H. R. 2825. An act to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 2885. An act authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light;

H. R. 2886. An act authorizing the sale, under supervision, of land of Richard Little Light;

H. R. 2956. An act to amend the Natural Gas Act, approved June 21, 1938, as amended;

H. R. 3323. An act to enable the Osage Tribal Council to determine the bonus value of tracts offered for lease for oil, gas, and other mining purposes, Osage Mineral Reservation, Okla.;

H. R. 3343. An act to amend the Alaska game law;

H. R. 3494. An act to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes;

H. R. 3672. An act to create an Academic Advisory Board for the United States Merchant Marine Academy;

H. R. 3598. An act granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; and

H. R. 3864. An act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until Monday, July 21, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

954. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a proposed provision relating to appropriations for the War Department for the Military Establishment and for the Navy Department and the naval service (H. Doc. No. 408), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REED of New York: Committee on Ways and Means. H. R. 4259. A bill to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code; with amendments (Rept. No. 1005). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS of Ohio: Committee on Ways and Means. H. R. 479. A bill relating to the income-tax liability of members of the armed forces dying in the service; with amendments (Rept. No. 1006). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. House Resolution 276. Resolution to request

the Secretary of Agriculture to take immediate action to prevent further damage to crops as a result of the use of the weed killer known as "2,4-D"; without amendment (Rept. No. 1007). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 4254. A bill providing for the disposition of farm labor camps to public or semipublic agencies or nonprofit associations of farmers; without amendment (Rept. No. 1008). Referred to the Committee of the Whole House on the State of the Union.

Mr HINSHAW: Committee on Interstate and Foreign Commerce. Senate Joint Resolution 138. Joint resolution to provide for returns of Italian property in the United States, and for other purposes; without amendment (Rept. No. 1009). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3546. A bill to amend section 200 of Public Law 844, Seventy-fourth Congress, June 29, 1936, to permit recognition of officers and enlisted men retired from the military and naval forces of the United States as representatives of certain ex-service organizations in the presentation of claims to the Veterans' Administration; with amendments (Rept. No. 1010). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4141. A bill to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits; without amendment (Rept. No. 1011). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4243. A bill to provide minimum ratings for service-connected arrested tuberculosis; with an amendment (Rept. No. 1012). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 4286. A bill to provide for a preliminary examination and survey of Cubitt Creek, Northumberland County, Va., and the channel connecting with the Chesapeake Bay; to the Committee on Public Works.

By Mr. GEARHART:

H. R. 4287. A bill to repeal section 2402 of the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. GEARHART (by request):

H. R. 4288. A bill to amend section 2402 of the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. WEICHEL:

H. R. 4289. A bill to authorize the erection of a suitable dock or landing place for small craft at War Department cemetery, Johnson's Island, Ohio; to the Committee on Armed Services.

H. R. 4290. A bill to provide that former owners of farms and agricultural lands shall have the first right to purchase their former lands now being sold through War Assets Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. SADLAK:

H. J. Res. 246. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the poultry industry in the United States; to the Committee on Post Office and Civil Service.

By Mr. LYLE:

H. J. Res. 247. Joint resolution to authorize an appropriation to carry out the provisions requiring the expenditure of funds of Executive Order No. 9835 of March 21, 1947, relating to the administration of an employees' loyalty program in the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. HOPE:

H. Res. 317. Resolution providing expenses for the conduct of studies, investigations, and inquiry to be conducted by the Committee on Agriculture pursuant to House Resolution 298; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the legislature of the State of Florida, memorializing the President and the Congress of the United States to make an appropriation for the purpose of completing as expeditiously as possible the projected dam on the Apalachicola River near Chattahoochee, Fla.; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BECKWORTH:

H. R. 4291. A bill for the relief of C. M. Smart; to the Committee on the Judiciary.

By Mr. BLAND:

H. R. 4292. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Harry W. Sharpley, his heirs, administrators, or assigns, against the United States; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 4293. A bill for the relief of Ida M. Duggan; to the Committee on the Judiciary.

By Mr. MICHENER (by request):

H. R. 4294. A bill for the relief of John E. Peterson; to the Committee on the Judiciary.

H. R. 4295. A bill for the relief of Louis L. Williams, Jr.; to the Committee on the Judiciary.

H. R. 4296. A bill for the relief of William C. Nelson; to the Committee on the Judiciary.

H. R. 4297. A bill for the relief of Andrew A. Koleser; to the Committee on the Judiciary.

H. R. 4298. A bill for the relief of Henry Hill; to the Committee on the Judiciary.

By Mr. RAMEY:

H. R. 4299. A bill for the relief of Frederick J. Snavely; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 4300. A bill for the relief of certain persons who suffered losses as the result of floodwaters in the vicinity of the Nebraska Ordnance Plant at Mead, Saunders County, Nebr.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER:

759. Petition of Massachusetts branch, United World Federalists, petitioning consideration of their resolution with reference to requested amendments to the Charter of the United Nations resulting in a limited world federal government; to the Committee on Foreign Affairs.

760. Also, petition of the Governors Conference, petitioning consideration of their resolution with reference to endorsement of a universal basic military training program; to the Committee on Armed Services.